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中國太平洋保險(集團)股份有限公司

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02601)

Overseas Regulatory Announcement

This overseas regulatory announcement is made pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The announcement is attached hereof for information purpose only.

By Order of the Board
China Pacific Insurance (Group) Co., Ltd.
KONG Qingwei
Chairman

Hong Kong, 27 April 2019

As at the date of this announcement, the Executive Directors of the Company are Mr. KONG Qingwei and Mr. HE Qing; the Non-executive Directors of the Company are Mr. HUANG Dinan, Mr. WANG Tayu, Mr. KONG Xiangqing, Ms. SUN Xiaoning, Mr. WU Junhao and Mr. CHEN Xuanmin; and the Independent Non-executive Directors of the Company are Mr. BAI Wei, Mr. LEE Ka Sze, Carmelo, Mr. LAM Chi Kuen, Mr. ZHOU Zhonghui and Mr. GAO Shanwen.

* *Note:* The appointment qualification of Mr. Huang Dinan is subject to approval by China Banking and Insurance Regulatory Commission.

Summary of Quarterly Solvency Report

China Pacific Property Insurance Co., Ltd.

1st Quarter of 2019

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I. Basic information

(I) Registered address

South Tower, Bank of Communications Financial Building, 190 Middle Yincheng Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC

(II) Legal representative

GU Yue

(III) Business scope and territories

1. Business scope

Property insurance; liability insurance; credit and guarantee insurance; short term health insurance and casualty insurance; reinsurance of the above said insurance; insurance funds investment as approved by relevant laws and regulations; other business as approved by the CIRC.

2. Business territories

The People's Republic of China (excluding Hong Kong, Macao and Taiwan)

(IV) Ownership structure and shareholders

1. Ownership structure

Equity categories	Shares or contributed amounts (10K shares)	Percentage (%)
Domestic shares held by legal entities	1,947,000	100
Domestic shares held by natural persons		
Foreign shares		
Others		
Total	1,947,000	100

2. Top 10 shareholders

Names of shareholders	Shares held as at the end of the reporting period	Percentage of shareholding (%)
China Pacific Insurance (Group) Co., Ltd.	19,178,214,743	98.50
Shenergy Group Co., Ltd.	90,874,742	0.47
Shanghai Haiyan Investment Management Company Limited	90,620,982	0.46
Yunnan Hehe (Group) Co.,Ltd.	59,586,361	0.31
Shanghai State-owned Assets Operation Co., Ltd.	50,703,172	0.26
Total	19,470,000,000	100

(V) Controlling shareholder or de facto controller

China Pacific Insurance (Group) Co., Ltd. is the de facto controller, holding 98.5% of the Company.

(VI) Subsidiaries, joint or associate ventures

Name of companies	Number of shares (10K)	Percentage of the shareholding (%)
Ningbo Xikou Garden Hotel	386	48.20
Shanghai Binjiang-Xiangrui Investment and Construction Co., Ltd.	1,071	35.70
Anxin Agricultural Insurance Co., Ltd.	36,490	52.13
Shanghai Juche Information Technology Co., Ltd.	160	27.20
Zhongdao Automobile Assistance Co., Ltd	1,280	25.60
CPIC Euler Hermes Credit Insurance Sales Co., Ltd	2,550	51.00
Shanghai Xingongying Information Technology Co. Ltd.	20	6.81
Shanghai Heji Business Management Partnerships (LP)	50,000	99.60

(VII) Contacts for solvency information disclosure

1. Contact person: CHEN Mo
2. Tel. number: 021-33966153

II. Main indicators

Item	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
Core solvency margin ratio	238%	234%
Core solvency margin (10K RMB)	2,117,646	1,991,674
Comprehensive solvency margin ratio	304%	306%
Comprehensive solvency margin (10K RMB)	3,117,646	3,071,674
Latest comprehensive risks assessment		B
Premium income (10K RMB)	3,518,135	2,971,301
Net profit (10K RMB)	86,095	138,164
Net assets (10K RMB)	3,698,269	3,546,982

III. Actual capital

Item	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	16,726,352	15,995,813
Admitted liabilities (10K RMB)	12,079,662	11,432,664
Actual capital (10K)	4,646,691	4,563,149
Tier 1 core capital (10K RMB)	3,646,691	3,483,149
Tier 2 core capital (10K RMB)	-	-
Tier 1 supplement capital (10K RMB)	1,000,000	1,080,000
Tier 2 supplement capital (10K RMB)	-	-

IV. Required capital

Item	As at the end of this quarter	As at the end of last quarter
Required capital (10K RMB)	1,529,044	1,491,475
Required capital for quantitative risks (10K RMB)	1,551,384	1,513,266
1) Required capital for insurance risk (10K RMB)	1,168,475	1,136,357
2) Required capital for market risk (10K RMB)	305,821	319,535
3) Required capital for credit risk (10K RMB)	572,851	542,674
Required capital for control risk (10K RMB)	-22,340	-21,791
Supplement capital (10K RMB)	-	-
1) Counter-cyclical supplement capital (10K RMB)	-	-
2) Supplement capital of D-SIIs (10K RMB)	-	-
3) Supplement capital of G-SIIs (10K RMB)	-	-
4) Other supplement capital (10K RMB)	-	-

V. Comprehensive risk assessment

The Company was rated B in comprehensive risk assessment for both Q3 and Q4 of 2018.

VI. Risk management status

(I) The latest CBIRC solvency risk management assessment of the Company

In 2018, CBIRC conducted Solvency Aligned Risk Management Requirements and Assessment (SAMRA) of the Company, and the result was 82.88 points: 16.73 points for risk management infrastructure and environment, 7.55 for risk management objectives and tools, 8.60 for insurance risk management, 8.32 for market risk management, 8.38 for credit risk management, 7.66 for operational risk management, 8.68 for strategic risk management, 8.28 for reputation risk management, and 8.68 for liquidity risk management.

(II) Measures taken to improve solvency risk management (if any) and the latest results in the reporting period

The Company released Program of Compliance and Risk Management in 2019, outlining the overarching requirement for compliance and risk management of the year, setting out 12 priorities centering on intensified risk control in branch offices, enhanced smart platform for risk management and prevention of major risks. The priorities have been communicated to all corporate departments of head-office and branch offices. Concrete steps taken during the reporting quarter are as follows: First, proceeding with rectification in an all-around way: formulation of a comprehensive list for items of rectification integrating SARMRA, comprehensive risk

rating and anti-money laundering, with clearly-defined responsibilities and time-lines for each department.

Second, enhancing the risk management capability of branch offices: the Company issued Implementation Plan for Capacity-building of Risk Management of Key Sub-branch Offices, in a bid to strengthen the organizational structure and rules & policies for risk control, regulate business operation, enhance accountability and improve the risk control capability of grass-root offices.

Third, stepping up insurance risk management: further enhancing management of claims, with mores stringent rules for auto insurance claims; apart from monitoring risk limits and risk accumulation of catastrophes of branch offices on a quarterly basis, the catastrophe risk modelling covered more business lines and has begun to be used for underwriting on a trial basis.

Fourth, improving operational risk management: the Company started risk and internal control self review of 2019 to enhance infrastructure and expand the depth and width of of risk management ; released Rules on Loss of Data due to Operational Risk, and officially launched the upgraded loss database, laying sound groundwork for quantitative assessment of losses due to operational risk.

Fifth, advocating and fostering an enabling risk management culture: released the Risk Management Monthly Journal to management and branch offices, communicating hot topics and priorities of risk management, emphasizing the message that risk control also creates value, and raising awareness of ownership.

VII. Liquidity risk

(I) Liquidity risk management indicators

(1) Net cash flow

Item	During/as at the end of this quarter
Net cash flow (10K RMB)	227,989

(2) Comprehensive current ratio

Item	Within 3 months	Within 1 year	Above one year
Comprehensive current ratio	91.9%	63.7%	226.3%

(3) Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio	655.0%	350.6%

(II) Liquidity risk analysis and mitigation

(1) Cash flows

In this quarter, net cash inflow of the Company was RMB2.28 billion. Of this, cash inflow from primary insurance premiums reached RMB29.69 billion, up 5.7%. Cash outflows from claims payout grew by 9.7% to RMB15.37 billion. As a result, net cash flow from business activities in this quarter increased by RMB218 million from the previous quarter.

Net cash inflow from the Company's investment activities was RMB2.57 billion, mainly due to allocation in bank deposits, bonds and equity securities.

Net cash inflow from the Company's financing activities was RMB1.14 billion, mainly as a result of financial assets repurchase.

(2) Liquidity indicator analysis

The Company has allocated a certain proportion of highly liquid assets in its SAA to meet liquidity requirements. Therefore, its liquidity coverage ratio is 655.0% and 350.6% under stress scenario 1 and 2 respectively in the next quarter, enough to meet short-term cash flow requirements.

To mitigate liquidity risk, the Company attaches importance to daily cash flow management, makes plans for and carefully coordinates cash flows from business, investment and financing activities to ensure sufficient liquidity to meet needs of surrenders, claims and other benefits payments. It will continue to monitor changes to its liquidity status and enhance risk management capabilities.

VIII. Regulatory measures taken against the Company

(I) Regulatory measures taken against the company by CBIRC

None.

(II) Corrective measures taken by the Company

None.