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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, 26 August 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. WANG Tayu, Mr. KONG Xiangqing, Ms. SUN Xiaoning, Mr. WU Junhao, Mr. LI Qiqiang, Mr. CHEN Xuanmin and Mr. HUANG Dinan; and the Independent Nonexecutive Directors of the Company are Mr. BAI Wei, Mr. LEE Ka Sze, Carmelo, Mr. CHEN Jizhong, Ms. LAM Tyng Yhi, Elizabeth and Mr. GAO Shanwen.

* *Note:* The appointment of Mr. LI Qiqiang is subject to approval by China Banking and Insurance Regulatory Commission.

Summary of Solvency Report

China Pacific Insurance (Group) Co., Ltd.

2019 Interim

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I. Basic information

(1) Registered address:

South Tower, Bank of Communications Financial Building, 190 Middle Yincheng Road, Pudong New District, Shanghai, PRC.

(2) Legal representative:

KONG Qingwei

(3) Business scope

Invest in controlling stakes of insurance companies; supervise and manage the domestic and international reinsurance business of the insurers under its control; supervise and manage the investments by the insurers under its control; participate in international insurance activities as approved.

(4) Contacts for solvency information disclosure:

Contact person: XIA Yan

Office number: 021-33963628

Email address: xiayan-008@cpic.com.cn

II. Group ownership structure and changes to member companies

Please refer to our 2019 Interim Report for detailed information.

III. Key indicators

| Items | As at the end of the reporting period | As at the beginning of the reporting period |
|---|---------------------------------------|---|
| Core solvency margin ratio | 290% | 292% |
| Core solvency margin (10K RMB) | 34,763,344 | 31,644,323 |
| Comprehensive solvency margin ratio | 296% | 301% |
| Comprehensive solvency margin (10K RMB) | 28,508,578 | 26,196,323 |

IV. Actual capital

| Items | As at the end of the reporting period | As at the beginning of the reporting period |
|-------------------------------|---------------------------------------|---|
| Actual capital (10K) | 43,018,110 | 39,252,323 |
| Tier 1 core capital (10K RMB) | 42,018,110 | 38,172,324 |

| | | |
|-------------------------------------|-------------|-------------|
| Tier 2 core capital (10K RMB) | – | – |
| Tier 1 supplement capital (10K RMB) | 1, 000, 000 | 1, 080, 000 |
| Tier 2 supplement capital (10K RMB) | – | – |

V. Required capital

| Items | As at the end of the reporting period | As at the beginning of the reporting period |
|--|---------------------------------------|---|
| Required capital (10K RMB) | 14, 509, 533 | 13, 056, 001 |
| Required capital for quantitative risks (10K RMB) | 14, 509, 533 | 13, 056, 001 |
| 1)Required capital for parent company | – | – |
| 2)Required capital for insurance member company | 14, 509, 533 | 13, 056, 001 |
| 3)Required capital for banking member company | – | – |
| 4)Required capital for securities member company | – | – |
| 5)Required capital for trust member company | – | – |
| 6)Required capital for quantifiable Group specific risks | – | – |
| 7)Increase in required capital for risk diversification effect | – | – |
| 8)Decrease in required capital for risk diversification effect | – | – |
| Required capital for control risk (10K RMB) | – | – |
| Supplement capital (10K RMB) | – | – |

Note: Detailed regulations are yet to be promulgated by the CBIRC regarding the required capital for quantifiable Group specific risks, increase in required capital for risk aggregation effect, decrease in required capital for risk diversification effect, required capital for control risk, and supplement capital.

VI. Material events

During the reporting period, there was no material investment losses, no major guarantees for external parties, no financial crisis incurred by the Group's subsidiaries or associates, or their takeovers by regulators.

VII. Group specific risks

(1) Risk contagion

As per regulatory requirements, the Company has set up risk quarantine mechanisms for its business operation, personnel management, fund management, information systems and internal transactions, etc., to effectively prevent the spread of relevant risks within the Group and to minimize the risk of contagion.

(2) Risk due to opaque organizational structure

As a listed insurance holding group, the Company boasts a clear ownership structure and sound corporate governance. The focus on insurance as its main business

effectively prevents the risk of losses incurred by the Company as a result of opaque organizational structure.

(3) Concentration risk

As per regulatory requirements, the Company and its member insurers identify, evaluate, supervise and report on the concentration risk of various types on a regular basis, in a bid to prevent the aggregation of a single risk or risk portfolios at the Group level, or a material threat to the Group's solvency and liquidity.

(4) Non-insurance risk

The Company takes non-insurance risk management very seriously. In strict compliance with regulatory rules, it prudently manages investment in non-insurance areas, continuously tracks and minimizes the adverse effect on the solvency of both the Group and its member insurers by the business operation of its non-insurance member companies, in a bid to safeguard policyholder's interests.