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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 Non-executive 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 Quarterly Solvency Report

**China Pacific Life Insurance Co., Ltd.**

**2<sup>nd</sup> 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**

XU Jinghui

### **(III) Business scope and territories**

#### 1. Business scope

Life/health insurance denominated in RMB yuan and foreign currencies including life insurance, health insurance, personal accident insurance, etc.; reinsurance of the above said insurance; statutory life/health insurance; agency and business dealings with domestic and overseas insurers and organizations, loss adjustment, claims and other business entrusted from overseas insurance organizations; insurance funds investment as prescribed by The Insurance Law and relevant laws and regulations; international insurance activities as approved; other business as approved by the CIRC.

#### 2. Business territories

Beijing, Shanghai, Tianjin, Chongqing, Heilongjiang Province, Jilin Province, Liaoning Province, Hebei Province, Shanxi Province, Shandong Province, Anhui Province, Jiangsu Province, Zhejiang Province, Fujian Province, Jiangxi Province, Guangdong Province, Hainan Province, Guangxi Zhuang Autonomous Region, Hunan Province, Hubei Province, Henan Province, Yunnan Province, Guizhou Province, Sichuan Province, Shaanxi Province, Gansu Province, Xinjiang Uygur Autonomous Region, Ningxia Hui Autonomous Region, Inner Mongolia Autonomous Region, Qinghai Province.

### **(IV) Ownership structure and shareholders :**

#### 1. Ownership structure (10k shares or 10k RMB)

<b>Equity category</b>	<b>Shares as at the end of the reporting period</b>	<b>Percentage (%)</b>
Domestic shares held by legal entities	842,000	100
Domestic shares held by natural persons	-	-
Foreign shares	-	-
Others	-	-

## 2. Top 10 shareholders (10k shares or 10k RMB)

Name of shareholders	Shares held at the end of the reporting period	Percentage of the shareholding (%)
China Pacific Insurance (Group) Co., Ltd.	827,621.84	98.292
Shenergy Group Co., Ltd.	4,597.90	0.546
Shanghai State-Owned Assets Operation Co., Ltd.	4,576.09	0.544
Shanghai Haiyan Investment Management Company Limited	3,140.45	0.373
Yunnan Hehe (Group) Co., Ltd.	2,063.72	0.245

### (V) Controlling shareholder or de facto controller

China Pacific Insurance (Group) Co., Ltd. is the de facto controller, holding 98.292% of the shares of the Company.

### (VI) Subsidiaries, joint or associate ventures

Company name	Number of shares held (10k shares)			Percentage of shareholding (%)		
	Beginning of reporting period	End of reporting period	Change in amounts	Beginning of reporting period	End of reporting period	Change in percentage
Fenghua Xikou Garden Hotel	1,413	1,413	-	51.8	51.8	-
Changjiang Pension Insurance Co., Ltd.	186,486	186,486	-	62.162	62.162	-
City Island Developments Limited	0.1	0.1	-	100	100	-
Tianjin Trophy	35,369	35,369	-	100	100	-
Pacific Insurance Elderly Care Investment Management Co., Ltd.	300,000	300,000	-	100	100	-
Pacific Health Care Management Co. Ltd.	50,000	50,000	-	100	100	-
CPIC Elderly Care Industry Development (Chengdu) Co. Ltd.	40,000	51,000	11,000	100	100	-
CPIC Elderly Care (Hangzhou) Co. Ltd.	-	28,000	28,000	0	100	100
Shanghai Dabao Guisheng Information Technology Co. Ltd.	1,020	1,020	-	34	34	-
Shanghai Rui Yong Jing Property Development Co. Ltd.	983,500	983,500	-	70	70	-
Changjiang Pension-CHEMCHINA Infrastructure Debt Investment Scheme	2,142	2,142	-	71.4	71.4	-
Ningbo Zhilin Investment Management (LP)	241,632	241,632	-	90	90	-
Changjiang Pension-Sichuan Tietou Xugu High-speed Infrastructure Debt Investment Scheme	205	205	-	34.17	34.17	-
Changjiang Pension-Yun'nan Nengtou Infrastructure Debt Investment Scheme	3,565	3,565	-	93.82	93.82	-
Jiaxing Yishang Private Equity Investment Partners Enterprise (LP)	95,000	95,000	-	94.81	94.81	-

CPIC AMC Yongquan Yihao Customized Product	-	60,000	60,000	-	100	100
Guolian'An Zengfu One-year Term Open-ended Bond Security Investment Fund	500,000	500,000	-	99.8	99.8	-
Guolian'An Zengyu One-year Term Open-ended Bond Security Investment Fund	500,000	500,000	-	99.8	99.8	-

Note 1: Changjiang Pension-CHEMCHINA Infrastructure Debt Investment Scheme, Ningbo Zhilin Investment Management (LP), Changjiang Pension-Sichuan Tietou Xugu High-speed Infrastructure Debt Investment Scheme, Changjiang Pension-Yun'nan Nengtou Infrastructure Debt Investment Scheme, Jiaxing Yishang Private Equity Investment Partners Enterprise (LP), CPIC AMC Yongquan Yihao Customized Product, Guolian'An Zengfu One-year Term Open-ended Bond Security Investment Fund and Guolian'An Zengyu One-year Term Open-ended Bond Security Investment Fund are structured entities.

2. CPIC Life invested in and incorporated CPIC Elderly Care (Hangzhou) Company Limited, holding 100% of its stake. CPIC Elderly Care (Hangzhou) Company Limited obtained its business license on May 30, 2019, with a registered capital of RMB1.2bn. As of June 30, 2019, CPIC Life had paid in a total sum of RMB280mn.

## (VII) Contacts for solvency information disclosure

Contact person: WANG Teng

Office number: 021-33965143

Email address: [wangteng@cpic.com.cn](mailto:wangteng@cpic.com.cn)

## II. Main Indicators

Items	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
Core solvency margin ratio	257%	263%
Core solvency margin (10K RMB)	20,037,492	20,080,397
Comprehensive solvency margin ratio	257%	263%
Comprehensive solvency margin (10K RMB)	20,037,492	20,080,397
Latest IRR result	-	A
Premium income (10K RMB)	4,557,539	9,285,226
Net profit (10K RMB)	795,660	432,236
Net assets (10K RMB)	7,326,259	7,932,012

## III. Actual Capital

Items	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	122,982,673	118,801,595
Admitted liabilities (10K RMB)	90,185,964	86,401,707
Actual capital (10K)	32,796,709	32,399,888
Tier 1 core capital (10K RMB)	32,796,709	32,399,888
Tier 2 core capital (10K RMB)	-	-
Tier 1 supplement capital (10K RMB)	-	-
Tier 2 supplement capital (10K RMB)	-	-

#### IV. Required Capital

Items	As at the end of this quarter	As at the end of last quarter
Required capital (10K RMB)	12,759,217	12,319,491
Required capital for quantitative risk (10K RMB)	12,955,492	12,509,002
1) Required capital for insurance risk (10K RMB)	3,980,579	3,951,252
2) Required capital for market risk (10K RMB)	13,220,994	12,748,079
3) Required capital for credit risk (10K RMB)	2,688,553	2,473,037
4) Diversification effect for quantitative risks (10K RMB)	3,455,408	3,295,244
5) Loss absorption effect for special-type insurance contracts (10K RMB)	3,479,226	3,368,122
Required capital for control risk (10K RMB)	(196,275)	(189,511)
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. Integrated risk rating (IRR)

The Company received an A rating for both Q1 2019 and Q4 of 2018 at the IRR.

#### VI. Risk management status

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

The Company's SARMRA score for 2017 was 83.03 points. To be specific, we received 16.12 points for risk management infrastructure and environment, 8.82 points for risk management objectives and tools, 8.36 points for insurance risk management, 8.00 points for market risk management, 8.00 points for credit risk management, 8.38 points for operational risk management, 8.96 points for strategic risk management, 8.33 points for reputation risk management, and 8.06 points for liquidity risk management.

In 2018, the regulator conducted no SARMRA assessment of the Company.

##### (II) Measures taken to improve solvency risk management and the latest status in the reporting period

The Company has established an Enterprise Risk Management system, improved relevant systems and processes, and set up an internal control system consisting of three lines of defense. Based on recommendations made by the regulator's inspection team in the past few years, and the status of its risk control, the Company formulated the following improvement measures: first, making vigorous efforts in rectification of gaps in solvency risk management, pushing for risk management systems to

cascade down to branch offices, exploring risk management systems and KPIs specific to branch offices; second, based on the best practices of the industry, comprehensively enhancing the Company's risk management expertise and management capabilities, improving the risk appetite transmission mechanism and risk management systems, stepping up performance evaluation of risk management and integrating its risk appetite system into business decision-making.

## 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)	10, 476, 358

#### 2. Comprehensive current ratio

Item	Within 3 months
Comprehensive current ratio	105%

#### 3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio -Company level	2077%	2085%

### (II) Liquidity risk analysis and mitigation

Liquidity risk is projected to be largely manageable in the next quarter. The Company has taken the following measures to pro-actively mitigate potential liquidity risk:

1. Strengthen daily cash flow management and ensure sufficient liquidity to meet all payment obligations via cash budgeting management.
2. Assess the Company's liquidity status and the impact on liquidity before making business plans, selling new products or conducting other insurance business activities.
3. Assess the Company's liquidity status and investment's impact on liquidity when formulating investment strategies and plans.
4. Strengthen the management of financing activities; ensure access to financing at reasonable costs and in a timely manner to meet liquidity needs. At the same time enhance management of the volume of repurchase to forestall liquidity risk.
5. Closely monitor major events that might lead to liquidity risks, such as irregular concentration of surrenders, expected major maturity payments or survival benefit pay-outs, and assess their impact on liquidity in a timely manner.

## VIII. Regulatory Measures Taken Against the Company

**(I) Regulatory measures taken against the Company by CBIRC**

The Company head-office received no administrative penalties from CBIRC in Q2 2019.

**(II) Corrective measures taken by the Company**

The Company will continue to enhance internal control, address the root-causes of risk issues, strengthen its overall compliance and risk management capabilities.