

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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.

**The Board of
China Pacific Insurance (Group) Co., Ltd.**

Hong Kong, 28 April 2017

As at the date of this announcement, the Executive Director of the Company is Mr. HUO Lianhong; the Non-executive Directors of the Company are Mr. WANG Jian, Mr. WANG Chengran, Ms. SUN Xiaoning, Mr. WU Junhao, Mr. ZHENG Anguo and Ms. HA Erman; 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.

Summary of Quarterly Solvency Report

China Pacific Property Insurance Co., Ltd.

First Quarter of 2017

Contents

I. BASIC INFORMATION	1
II. KEY INDICATORS	2
III. ACTUAL CAPITAL	2
IV. REQUIRED CAPITAL	2
V. COMPREHENSIVE RISK ASSESSMENT	3
VI. RISK MANAGEMENT STATUS	3
VII. LIQUIDITY RISK	4
VIII. REGULATORY MEASURES TAKEN AGAINST THE COMPANY	5

I. Basic information

(I) Registered address

South Tower, Bank of Communications Financial Building, 190 Central Yincheng Road, Pudong New District, Shanghai, 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 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

(VII) Contacts for solvency information disclosure

1. Contact person: LUO Yanqiu
2. Tel. number: 021-33962833

II. Main indicators

Item	As at the end of this quarter	As at the end of last quarter
Core solvency margin ratio	252%	266%
Core solvency margin surplus (10K RMB)	2,143,371	2,163,307
Comprehensive solvency margin ratio	280%	296%
Comprehensive solvency margin surplus (10K RMB)	2,543,371	2,563,307
The latest comprehensive risks assessment	-	A
Premium income (10K RMB)	2,613,683	2,460,179
Net profit (10K RMB)	83,552	107,893
Net assets (10K RMB)	3,605,078	3,524,053

III. Actual capital

Item	At the end of this quarter	At the end of last quarter
Admitted assets (10K RMB)	13,869,233	13,090,990
Admitted liabilities (10K RMB)	9,912,858	9,220,767
Actual capital (10K)	3,956,375	3,870,223
Tier 1 core capital (10K RMB)	3,556,375	3,470,223
Tier 2 core capital (10K RMB)	-	-
Tier 1 supplement capital (10K RMB)	400,000	400,000
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)	1,413,004	1,306,916

Required capital for quantitative risks (10K RMB)	1,425,980	1,318,918
1) Required capital for insurance risk (10K RMB)	1,104,132	1,051,312
2) Required capital for market risk (10K RMB)	281,569	187,660
3) Required capital for credit risk (10K RMB)	476,754	463,391
Required capital for control risk (10K RMB)	(12,976)	(12,002)
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 and A in comprehensive risk assessment for Q3 2016 and Q4 2016 respectively.

VI. Risk management status

(I) Latest CIRC solvency risk management assessment of the Company

In 2016, the Company scored 81.82 points for SARMRA risk assessment conducted by the CIRC. To be specific, we received 15.66 points for risk management infrastructure and environment, 7.39 points for risk management objectives and tools, 8.53 points for insurance risk management, 8.34 points for market risk management, 8.46 points for credit risk management, 8.46 points for operational risk management, 8.62 points for strategic risk management, 8.24 points for reputation risk management, and 8.13 points for liquidity risk management.

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

In Feb. 2017, we received detailed feedback from the CIRC SARMRA team on the above mentioned assessment, and adopted the following improvement measures in view of the deficiencies found in the regulatory evaluation:

1. Based on the SARMRA assessment results (soundness of rules and effectiveness of implementation), the Company calculated the “Solvency Risk Management Score” for each department. The score is part of the performance evaluation of departments and department heads, impacting the final results. The Company incorporated solvency risk management into the performance evaluation of senior managers and assigned different weighting to the indicator corresponding to their responsibilities. The above mentioned “Solvency Risk Management Score” will be used for the calculation of this indicator.

2. The Company issued *CPIC P/C Risk Management Priorities for 2017* to set out the overall requirements for and objectives of the Company's risk management for 2017, as well as its key tasks and measures.

3. The Company launched training courses on legal compliance and risk management with a focus on solvency risk management system and contents relevant to its branches.

4. In Q1, the Company issued *CPIC P/C Interim Measures for Managing Internet-enabled Insurance Business*, and *CPIC P/C Interim Measures for Managing Large Claims of Agricultural Insurance* to further strengthen the management of insurance and operation risks.

5. The Company introduced a catastrophe model for risk analysis using the company's actual business data, and planned to complete the accumulated risk calculation program in the first quarter of 2017.

VII. Liquidity risk

(I) Liquidity risk management indicators

(1) Net cash flow

Item	As at the end of this quarter
Net cash flow (10K RMB)	-371,046

(2) Comprehensive current ratio

Item	Within 3 months	Within 1 year	Above one year
Comprehensive current ratio	51.7%	39.6%	405.7%

(3) Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio	780.6%	531.3%

(II) Liquidity risk analysis and mitigation

(1) Cash flow

In this quarter, the net cash outflow of the Company was RMB 3.71 billion; cash inflow

from premiums of primary insurance contracts amounted to RMB 24.73 billion and cash payout was RMB 13.48 billion; net cash flow from business operation in this quarter increased 32.0% year on year.

Net cash outflow from the Company's investment activities was RMB 5.89 billion in this quarter, mainly due to re-investments of financial assets sold under repurchase agreements, and increased asset allocation in equity, bonds and funds.

Fund raising generated RMB 3.4 billion in net cash flow in this quarter mainly consisting of financial assets repurchase and subordinated debt interest payment.

(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 will be 780.6% and 531.3% under stress scenario 1 and 2 respectively in the next quarter, enough to meet short-term cash flow requirements.

VIII. Regulatory measures taken against the company

(I) Regulatory measures taken against the company by CIRC

CIRC hasn't taken any regulatory measures against the Company.

(II) Corrective measures taken by the company

None.