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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

Shanghai, the PRC, 27 October 2017

As at the date of this announcement, the Executive Director of the Company is Mr. KONG Qingwei; the Non-executive Directors of the Company are Mr. WANG Jian, Mr. WANG Tayu, Mr. KONG Xiangqing, Mr. ZHU Keping, 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.

Summary of Quarterly Solvency Report

China Pacific Property Insurance Co., Ltd.

Third Quarter of 2017

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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	7.53
Shanghai Heji Business Management Partnerships (LP)	50,000	99.00

(VII) Contacts for solvency information disclosure

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

II. Key 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	243%	243%
Core solvency margin surplus (10K RMB)	2,023,728	1,951,522
Comprehensive solvency margin ratio	272%	272%
Comprehensive solvency margin surplus (10K RMB)	2,423,728	2,351,522
The latest comprehensive risks assessment		A
Premium income (10K RMB)	2,503,910	2,634,827
Net profit (10K RMB)	97,914	121,363
Net assets (10K RMB)	3,477,592	3,363,364

III. Actual capital

Item	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	14,260,045	14,268,244
Admitted liabilities (10K RMB)	10,425,093	10,552,364
Actual capital (10K)	3,834,952	3,715,881
Tier 1 core capital (10K RMB)	3,434,952	3,315,881
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)	1,411,224	1,364,359
Required capital for quantitative risks (10K RMB)	1,424,184	1,376,888
1) Required capital for insurance risk (10K RMB)	1,087,991	1,062,706
2) Required capital for market risk (10K RMB)	267,909	263,375
3) Required capital for credit risk (10K RMB)	514,228	474,936
Required capital for control risk (10K RMB)	(12,960)	(12,530)
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 Q1 and Q2 2017 respectively.

VI. Risk management status

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

As per The Notice of China Insurance Regulatory Commission on Issues Related to SARMRA Assessment in 2017 (CIRC [2017] No. 156), the SARMRA assessment in 2017 adopted the principle of differentiated assessment. The Company was not included in this year's assessment, so the minimum capital for risk control was calculated based on the assessment result for 2016, which was 81.82 points. To be specific, the Company received 15.66 points for risk management infrastructure & environment, 7.39 for risk management objectives & tools, 8.53 for insurance risk management, 8.34 for market risk management, 8.46 for credit risk management, 8.46 for operational risk management, 8.62 for strategic risk management, 8.24 for reputational risk management and 8.13 for liquidity risk management.

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

During this quarter, following CIRC's "1+4" regulations, and building on the progress it achieved in rectification as part of the Group's campaign to crack down on misconduct and irregularities and strengthen risk prevention, the Company assigned the key risks and mitigating measures as laid out by the Group to responsible functions/ departments, with a clear definition of their roles and responsibilities,

including those of Company senior executives. In addition, to ensure execution, the Company also released The Key Risk Prevention and Mitigation Measures and Program of Implementation of CPIC P/C, which set forth detailed plans and actions for the effort.

During the reporting period, the Company continue to improve its risk management system, including, convening the 2nd session of the Risk and Compliance Work Committee, initiating the self-assessment of 2017 SAMRA and organizing training thereof; issuing 2017 risk limits which spanned 7 risk categories; releasing Rules on the Operation of Product Management Committee, specifying important matters that need to be coordinated and reviewed by the committee regarding the development and management of products; promulgating Regulations on the Underwriting & Claims Management of Agricultural Insurance and Manual of Non-automobile Business Underwriting (2017) so as to step up the control of insurance and operational risks.

The Company adopted a catastrophe model for risk analysis based on the its actual business data and estimates of losses. It also conducted the test-run of a risk limit monitoring and risk accumulation program for its branches in this quarter.

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)	172,343

(2) Comprehensive current ratio

Item	Within 3 months	Within 1 year	Above one year
Comprehensive current ratio	83.5%	55.0%	245.0%

(3) Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio	932.8%	434.6%

(II) Liquidity risk analysis and mitigation

(1) Cash flow

In this quarter, the net cash inflow of the Company was RMB1.72 billion, an increase of 1.15 billion compared with the same quarter last year. Of this, cash inflow from premiums of primary insurance contracts reached RMB25.51 billion, up 9.3%, and claims payout was RMB14.03 billion, down by 1.6%; net cash flow from business activities in this quarter amounted to RMB-0.37 billion, an increase of RMB0.43 billion over the same quarter of last year.

Net cash flow from the Company's investment activities was RMB4.25 billion, an increase of RMB0.7 billion, mainly due to maturity of wealth management products by commercial banks.

Cash flow in the quarter from financing activities amounted to -2.14 billion, mainly consisting of pay-out of shareholder dividend of 3.5 billion and movement of financial assets sold under 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 will be 932.8% and 434.6% 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.