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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.

Gao Guofu

Chairman

Shanghai, the PRC, 30 April 2016

As of the date of this announcement, the Executive Directors of the Company are Mr. GAO Guofu and Mr. HUO Lianhong; the Non-executive Directors of the Company are Mr. WANG Jian, Mr. WANG Chengran, Ms. SUN Xiaoning, Mr. WU Jumin, 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 2016

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I. Basic information

(I) Registered address

South Tower, Bank of Communications Financial Building, 190 Central Yincheng Road, Pilot Free Trade Zone, 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 insurances; 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 (10K shares)

| Equity categories | Shares or amount (10,000 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 the shareholders | Shares held at the end of the reporting period (share) | Percentage of the shareholding (%) |
|---|--|------------------------------------|
| China Pacific Insurance (Group) Co., Ltd. | 19,178,214,743 | 98.50 |
| Shenergy Group Co., Ltd. | 90,874,742 | 0.47 |
| Shanghai State-Owned Assets Operation Co., Ltd. | 50,703,172 | 0.26 |
| Shanghai Haiyan Investment Management Company Limited | 90,620,982 | 0.46 |
| Yunnan Hongta Group Co., Ltd. | 59,586,361 | 0.31 |
| Total | 19,470,000,000 | 100 |

(V) Controlling shareholder or de facto controller

CPIC is the de facto controller, holding 98.5% of the shares of the company.

(VI) Subsidiary, joint or associate venture

| Name of the companies | Quantity of the held shares (10K shares) | Percentage of the shareholding |
|--|--|--------------------------------|
| Ningbo Xikou Garden Hotel | 385.6 | 48.20% |
| Shanghai Binjiang-Xiangrui Investment and Construction Co., Ltd. | 1,071 | 35.70% |
| Anson Agricultural Insurance Co., Ltd. | 17,170 | 34.34% |
| Shanghai Juche Information Techonoly Co., Ltd. | 160 | 32.00% |
| Zhongdao Automobile Assistance Co., Ltd. | 1,280 | 25.60% |

(VII) Contacts for solvency information disclosure:

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

II. Main indicators

| Items | At the end of this quarter | At the end of last quarter |
|---|----------------------------|----------------------------|
| Core solvency margin | 253.5 | 254.6 |
| Core solvency margin surplus (10K RMB) | 2,041,934 | 2,012,510 |
| Comprehensive solvency margin ratio | 283.6 | 285.4 |
| Comprehensive solvency margin surplus (10K RMB) | 2,441,934 | 2,412,510 |
| The latest comprehensive risks assessment | - | A |
| Premium income (10K RMB) | 2,583,045 | 2,382,265 |
| Net profit (10K RMB) | 106,158 | 120,431 |
| Net asset (10K RMB) | 3,411,985 | 3,358,676 |

III. Actual capital

| Items | At the end of this quarter | At the end of last quarter |
|-------------------------------------|----------------------------|----------------------------|
| Admitted assets (10K RMB) | 12,801,604 | 12,440,950 |
| Admitted liabilities (10K RMB) | 9,029,539 | 8,726,881 |
| Actual capital (10K) | 3,772,064 | 3,714,069 |
| Tier 1 core capital (10K RMB) | 3,372,064 | 3,314,069 |
| 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

| Items | At the end of this quarter | At the end of last quarter |
|---|----------------------------|----------------------------|
| Required capital (10K RMB) | 1,330,130 | 1,301,559 |
| Required capital for quantitative risks (10K RMB) | 1,330,130 | 1,301,559 |
| 1) Required capital for insurance risk (10K RMB) | 1,110,124 | 1,075,519 |
| 2) Required capital for market risk (10K RMB) | 184,692 | 199,507 |
| 3) Required capital for credit risk (10K RMB) | 382,161 | 374,505 |
| Required capital for control risk (10K RMB) | - | - |
| Supplement capital (10K RMB) | - | - |
| 1) Counter-cyclical supplement capital (10K RMB) | - | - |
| 2) Supplement capital of domestic SIIIs (10K RMB) | - | - |
| 3) Supplement capital of G-SIIIs (10K RMB) | - | - |
| 4) Other supplement capital (10K RMB) | - | - |

V. Comprehensive risk assessment

The company received A rating in comprehensive risk assessment for Q3 2015.

The company received A rating in comprehensive risk assessment for Q4 2015.

VI. Risk management

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

CIRC hasn't made any solvency risk management assessment of our company yet.

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

Based on CROSS requirements and self-assessment results, the company has basically set up full-time and part-time positions for risk management, finalized various investment VaR limits, and formulated the CPIC Overseas Investment Risk Management Rules.

VII. Liquidity risk

(I) Liquidity risk management indicators

1. Net cash flow

| Item | At the end of this quarter |
|-------------------------|----------------------------|
| Net cash flow (10K RMB) | -203,960 |

2. Comprehensive current ratio (P&C)

| Item | Within 3 months | Within 1 year | Above one year |
|---------------------------------|-----------------|---------------|----------------|
| Comprehensive current ratio (%) | 41.2 | 27.4 | 330.2 |

3. Liquidity coverage

| Item | Stress scenario 1 | Stress scenario 2 |
|------------------------|-------------------|-------------------|
| Liquidity coverage (%) | 782.7 | 552.4 |

(II) Liquidity risk analysis and countermeasures

1. Cash flow situation

The net cash outflow for this quarter was RMB 2.040 billion; cash from premium income stood at RMB 22.626 billion, while cash payout from claims was RMB 13.778 billion; the net cash flow balance from operation decreased 301% YoY in this quarter.

Cash flow from investment activities was RMB -2.120 billion for this quarter, mainly because of the allocation of bank deposit and bonds from re-investment of repo financial assets.

Cash flow from fund raising stood at RMB 1.871 billion, mainly due to the selling of repo financial assets and the interest payment of fixed-term subordinated debt.

2. Cash flow analysis

In terms of strategic asset allocation, the company allocated a certain proportion of high-liquidity assets to meet its cash flow needs, with liquidity coverage ratio projection of 782.7% and 552.4% for the following quarter, sufficient for cash flow needs related to business fluctuation.

The company's liquidity risk management procedures and processes need further

improvement – VaR limits need optimization, and more detailed rules are needed for limit authorization and approval process, the review, approval and accountability mechanism for limit breaches, as well as monitoring and review of liquidity VaR limits.

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.