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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.

**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

CPIC Allianz Health Insurance Co., Ltd.

First Quarter of 2017

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I. Basic information

(I) Registered address: Room 663, 6th floor, 26 Jiafeng Road, China (Shanghai)
Pilot Free Trade Zone, Shanghai, PRC

(II) Legal representative: SUN Peijian

(III) Business scope and territories

1. Business scope:

Health insurance and accident insurance denominated in RMB or foreign currencies; health insurance commissioned by the government or supplementary to state medical insurance policies; reinsurance of the above said insurance; health insurance-related agency and consulting business; insurance funds investment as approved by relevant laws and regulations; other business as approved by the CIRC.

2. Business territories:

Shanghai, Beijing, Guangzhou

(IV) Ownership structure and shareholders:

1. Ownership structure

Equity category	Number of shares or contributed amounts (10K shares)	Percentage (%)
Domestic shares held by legal entities	77,051.00	77.05
Domestic shares held by natural persons	-	-
Foreign shares	22,949.00	22.95
Others	-	-
Total	100,000.00	100.00

2. Top 10 shareholders

Name of shareholders	Shares held or amounts contributed at the end of the reporting period (10K shares)	Percentage of shareholding (%)
1.China Pacific Insurance (Group) Co., Ltd.	77,051.00	77.05
2. Allianz Group	22,949.00	22.95

(V) Controlling shareholder or de facto controller:

China Pacific Insurance (Group) Co., Ltd.

(VI) Subsidiaries, joint or associate ventures:

Company name	Number of shares held (10k shares)	Percentage of the shareholding (%)
Shanghai Proton & Heavy Ion Hospital	10,000	20

(VII) Contacts for solvency information disclosure :

1. Contact person: DING Liang
2. Office number: 021-33966101

II. Main indicators

Items	At the end of this quarter	At the end of last quarter
Core solvency margin ratio	405	607
Core solvency margin surplus (10K RMB)	48,331.37	61,862.18
Comprehensive solvency margin ratio	405	607
Comprehensive solvency margin surplus (10K RMB)	48,331.37	61,862.18
The latest comprehensive risks assessment	-	B
Premium income (10K RMB)	34,714.92	11,770.71
Net profit (10K RMB)	-9,659.19	-4,404.66
Net assets (10K RMB)	68,035.39	77,954.43

III. Actual capital

Items	At the end of this quarter	At the end of last quarter
Admitted assets (10K RMB)	156,805.05	140,548.08
Admitted liabilities (10K RMB)	92,623.22	66,477.28
Actual capital (10K RMB)	64,181.82	74,070.80
Tier 1 core capital (10K RMB)	64,181.82	74,070.80
Tier 2 core capital (10K RMB)	-	-
Tier 1 supplement capital (10K RMB)	-	-
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)	15,850.45	12,208.62
Required capital for quantitative risks (10K RMB)	15,097.11	11,628.36
1) Required capital for insurance risk (10K RMB)	13,790.83	10,149.23
2) Required capital for market risk (10K RMB)	2,186.52	2,195.35
3) Required capital for credit risk (10K RMB)	1,338.93	1,611.22
Required capital for control risk (10K RMB)	753.35	580.26

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

Comprehensive risk assessment rating for Q3 2016: B

Comprehensive risk assessment rating for Q4 2016: B

VI. Risk management status

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

In 2016, the Company scored 70.02 points during the SARMRA risk assessment conducted by the CIRC. To be specific, we received 13.99 points for risk management infrastructure and environment, 6.77 points for risk management objectives and tools, 7.27 points for insurance risk management, 7.1 points for market risk management, 7.58 points for credit risk management, 6.58 points for operational risk management, 6.52 points for strategic risk management, 7.09 points for reputation risk management, and 7.12 points for liquidity risk management.

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

1. Development and improvement of risk management system

The Company has developed a solvency risk management scheme and management rules for major risk categories. In the fourth quarter of 2016, the Company's C-ROSS Steering Committee discussed the results of and issues identified by CIRC's SARMRA assessment, and required all departments to further improve and revise the risk management system in strict accordance with CIRC's requirements and the Committee's work schedules.

In this quarter, upon receiving the Feedback on SARMRA Assessment from CIRC Fujian Bureau, the Company conducted an in-depth analysis of the deficiencies of its solvency risk management system, set out the objectives for improving the risk management system in 2017, and made plans to evaluate and upgrade the system in the second quarter of 2017.

2. Management process optimization

The Company integrated the core content of C-ROSS, such as organizational structure,

governance, risk reporting, daily management, information system, training and performance evaluation into its risk management framework. While implementing C-ROSS projects, the Company gradually improved the roles and responsibilities of each department regarding the risk management process under normal operation environment. Based on the experience garnered in the first year of transition, the C-ROSS Steering Committee collected inputs on resource-allocation requirements from relevant departments, and reported them to the management and departments of the Group. It strengthened the management processes and improved reporting efficiency through efficient resource allocation. At the same time, the Company was actively involved in the risk management seminars and other forms of communications held by the Group, making full use of the Group's risk control tools and expertise and improving risk monitoring and risk management capability through resource sharing and close cooperation.

3. Effectiveness of implementation

In 2017, based on the requirements of the Group and the Company's C-ROSS Steering Committee and its actual risk positions, the Company decided that its priority in risk management under C-ROSS is to further strengthen its solvency risk management system, improve the risk management organizational structure of the Company and its branches, upgrade risk appetite, optimize risk management system, and improve and implement key risk management processes.

The Company continued to promote the implementation of solvency risk management system. As per existing rules, all departments took part in risk management and providing risk information based on various risk management processes. In the first quarter of this year, the risk control department submitted a Risk Appetite Report to the management, which summarized the Company's risk profile and risk management status, as well as the results of the Company's risk management work. In addition, the risk management department, through active participation in, and assessment, review and control of business processes, closely monitored the implementation of all risk management policies and rules to ensure the timeliness and effectiveness of risk management.

Between Q4 2016 and Q1 2017, the Company's internal audit department reviewed and assessed the running of the Company's solvency risk management system, supervised the

implementation of risk management policies, and reported the results to the Board of Directors.

VII. Liquidity risk

(I) Liquidity risk management indicators

1. Net cash flow

Items	At the end of this quarter
Net cash flow (10K RMB)	-7,764.42

2. Comprehensive current ratio

Items	Within 3 months	Within one year	1-3 years	3-5 years	Above 5 years
Comprehensive current ratio	7,226	134	87	2,029,784	-

3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio (%)	3,307	3,212

(II) Liquidity risk analysis and mitigation

The Company generates positive net cash flows under the baseline scenario and all stress scenarios, an indication of good liquidity.

VIII. Regulatory measures taken against the Company

(I) Regulatory measures taken against the Company by CIRC

CIRC has not taken any regulatory measures against the Company.

(II) Corrective measures taken by the Company

None.