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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, 29 March 2017

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 Solvency Report

China Pacific Insurance (Group) Co., Ltd.

2016

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I. Basic information

(1) Registered address:

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

(2) Legal representative:

GAO Guofu

(3) Business scope

Invest in and hold controlling stakes of insurance companies; supervise and manage the domestic and international reinsurance business of the insurers under its control; supervise and manage the investments by the insurers under its control; participate in international insurance activities as approved.

(4) Contacts for solvency information disclosure:

Contact person: Li Bo

Office number: 021-33961165

Email address: libo-091@cpic.com.cn

II. Group ownership structure and changes to member companies

(1) Share capital and controlling relationship of member companies

Name	Share of voting rights (%)
China Pacific Insurance (Group) Co., Ltd.	98.50
China Pacific Life Insurance Co., Ltd.	98.29
Pacific Asset Management Co., Ltd.	100.00
China Pacific Insurance Co., (H.K.) Limited	100.00
Shanghai Taibao Real Estate Company	100.00
Xikou Garden Hotel Fenghua	100.00
Changjiang Pension Insurance Co., Ltd.	51.75
CPIC Investment Management (H.K.) Company Limited	100.00
City Island Developments Limited	100.00
Great Winwick Limited*	100.00
Great Winwick (Hong Kong) Limited *	100.00
Newscott Investments Limited*	100.00
Newscott (Hong Kong) Investments Limited *	100.00
Shanghai Xinhui Real Estate Development Co., Ltd. *	100.00
Shanghai Hehui Real Estate Development Co., Ltd. *	100.00
Pacific Insurance Online Services Technology Co., Ltd.	100.00
Tianjin Trophy Real Estate Co., Ltd.	100.00
Pacific Insurance Aging Industry Investment Management Co., Ltd.,	100.00

CPIC Allianz Health Insurance Co., Ltd.	77.05
Shanghai Nan Shan Ju Xuhong Nursing Home Co., Ltd.	100.00
Pacific Euler Hermes Credit Insurance Sales Co., Ltd	51.00

*Subsidiaries of City Island Developments Limited

(2) Changes to member companies

On 15 April 2016, China Pacific Property Insurance Company Limited (hereinafter referred to as CPIC P/C) and Euler Hermes Hong Kong Services Limited jointly set up Pacific Euler Hermes Credit Insurance Sales Co., Ltd. The approved term of operation is 20 years and the registered capital is RMB 50 million. CPIC P/C holds 51% of the joint venture's shares, with an initial capital contribution of RMB 25.5 million.

III. Main indicators

Items	At the end of 2016	At the end of 2015
Core solvency margin ratio	288%	289%
Core solvency margin surplus (10K RMB)	23,138,907	21,173,093
Comprehensive solvency margin ratio	294%	299%
Comprehensive solvency margin surplus (10K RMB)	18,826,565	17,612,148

IV. Actual capital

Items	At the end of 2016	At the end of 2015
Actual capital (10K)	28,551,249	26,454,038
Tier 1 core capital (10K RMB)	28,001,249	25,594,038
Tier 2 core capital (10K RMB)	-	-
Tier 1 supplement capital (10K RMB)	550,000	860,000
Tier 2 supplement capital (10K RMB)	-	-

V. Required capital

Items	At the end of 2016	At the end of 2015
Required capital (10K RMB)	9,724,684	8,841,890
Required capital for quantitative risks (10K RMB)	9,724,684	8,841,890
1)Required capital for parent company	-	-
2)Required capital for insurance member company	9,724,684	8,841,890
3)Required capital for banking member company	-	-
4)Required capital for securities member company	-	-
5)Required capital for trust member company	-	-
6)Required capital for quantifiable Group specific risks	-	-

7)Increase of required capital for risk aggregation effect	-	-
8)Decrease of required capital for risk diffusion effect	-	-
Required capital for control risk (10K RMB)	-	-
Supplement capital (10K RMB)	-	-

Note: Detailed regulations remain to be rolled out by the CIRC regarding the required capital for quantifiable Group specific risks, increase of required capital for risk aggregation effect, decrease of required capital for risk diffusion effect, required capital for control risk, and supplement capital.

VI. Material events

Within this reporting period, there was no material investment loss, no guarantees offered for debts of external parties, no financial crisis or administration by regulators on the part of the Group's subsidiaries or associates.

VII. Risk governance and strategy

1. Risk governance structure of the Company

Shouldering the ultimate responsibility for the Company's risk management, the Board of Directors has set up a Risk Management Committee to supervise the effectiveness of risk management of the Company.

The Company's Management Committee is mandated to organize and implement the Company's risk management activities. Under the Management Committee there is a Working Group for Compliance and Risk Management, chaired by the Chief Risk Officer and dedicated to corporate risk and compliance issues. In 2016, the Working Group held 5 meetings, covering a total of 22 agenda topics.

The Company has set up a Risk Management Department to lead the daily risk management work. Most of its insurance subsidiaries have also set up their own Risk Management Departments, responsible for daily risk management. Other functional departments, branches and sub-branches have also appointed risk responsible persons and part-time positions to take care of risk management within their scope of responsibilities and communicate with risk management departments.

2. Risk management strategy and implementation of the Company

The Company began piloting risk appetite management in 2009, with regular monitoring and reports to the Risk Management Committee on its implementation. To meet the new requirements for solvency risk management under C-ROSS, in 2015 the Company revised its Risk Appetite Statement, with statutory solvency margin ratio at its core, as well as the 5-dimensional (capital, value, profit, liquidity and

comprehensive regulatory rating) risk tolerance scheme, and launched a risk limit system in 2016.

In 2016, the Company and its insurance subsidiaries maintained effective implementation of risk appetites and limits.

VIII. Group specific risks

(1) Risk contagion

As per regulatory requirements, the Company has set up risk insulation mechanisms for its business operation, personnel management, funding management, information systems and internal transactions, to effectively prevent the spread and contagion of relevant risks within the Group.

(2) Risk due to opaque organizational structure

As a listed insurance controlling group, the Company enjoys a clear ownership structure and sound corporate governance. Focusing on insurance as main business, it effectively prevents the risks caused by opaque organizational structure.

(3) Concentration risk

As per regulatory requirements, the Company and its member insurers identify, evaluate, supervise and report on concentration risks on a regular basis, including investment and reinsurance counter-party concentration risk, insurance and non-insurance business concentration risk and investment asset concentration risk. This effectively prevents the aggregation of single risk and risk portfolios at the Group level and their material threat to the Group's solvency and liquidity.

(4) Non-insurance risk

The Company takes non-insurance risk management very seriously. In strict compliance with regulatory rules, we make great efforts to prevent and manage the adverse effect on the Group and member insurers' solvency brought by non-insurance investment and business operation of non-insurance member companies, in a bid to safeguard policyholder's interests.