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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

Anxin Agricultural Insurance Company Limited

First Quarter of 2017

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I. Basic information

(I) Registered address

Agricultural Insurance Building, 3651 Gonghexin Road, Shanghai, PRC.

(II) Legal representative

SONG Jianguo

(III) Business scope and territories

1. Business scope

Agricultural insurance; property indemnity insurance; liability insurance including mandatory liability insurance; credit and guarantee insurance; short term health insurance and accident insurance; other types of property insurance relating rural areas and farmers; reinsurance of the above said insurance; insurance funds investment as approved by relevant laws and regulations;

2. Business territories

Shanghai, Jiangsu Province, and Zhejiang Province.

(IV) Ownership structure and shareholders

1. Ownership structure (10k shares or 10k RMB)

Equity category	Shares or contributed amounts	Percentage (%)
Domestic shares held by legal entities	70,000	100
Domestic shares held by natural persons	-	
Foreign shares	-	
Others	-	
Total	70,000	100

2. Top 10 shareholders (10k shares or 10k RMB)

Names of shareholders	Shares held or amounts contributed at the end of the reporting period	Percentage of shareholding (%)
China Pacific Property Insurance Co., Ltd.	36,490.08	52.13
Shanghai Fulinong Investment Company	7,718.03	11.03
Shanghai Minhang Asset Investment Co., Ltd.	5,365.19	7.66
Shanghai Nongfa Asset Management Center	4,201.72	6.00
Shanghai Baoshan Fiscal Investment Company	3,150.84	4.50
Shanghai Jiading Guangwo Assets Management Co., Ltd.	2,504.59	3.58
Shanghai Fengxian District State Asset Operation Co., Ltd.	2,368.95	3.38
Shanghai Songjiang State Asset Investment Management Co., Ltd.	2,025.88	2.89
Shanghai Huinong Investment Management Co., Ltd.	1,817.99	2.60
Shanghai Qingpu Asset Management Co., Ltd.	1,719.37	2.46

(V) Controlling shareholder or de facto controller

China Pacific Property Insurance Co., Ltd. is the de facto controller, holding 52.13% of the shares of the Company.

(VI) Subsidiaries, joint or associate ventures

None during the reporting period

(VII) Contacts for solvency information disclosure

1. Contact person: HU Xiaolu
2. Tel. number: 021-66988251
3. Email: huxl@aaic.com.cn

II. Main indicators

Item	At the end of this quarter	At the end of last quarter
Core solvency margin ratio	296%	296%
Core solvency margin surplus (10K RMB)	94,079	92,029
Comprehensive solvency margin ratio	296%	296%
Comprehensive solvency margin surplus (10K RMB)	94,079	92,029
The latest comprehensive risks assessment	--	B
Premium income (10K RMB)	14,626	24,928
Net profit (10K RMB)	1,947	380
Net assets (10K RMB)	132,098	129,357

III. Actual capital

Item	At the end of this quarter	At the end of last quarter
Admitted assets (10K RMB)	267,440	261,438
Admitted liabilities (10K RMB)	125,421	122,528
Actual capital (10K)	142,019	138,910
Tier 1 core capital (10K RMB)	142,019	138,910
Tier 2 core capital (10K RMB)	0	0
Tier 1 supplement capital (10K RMB)	0	0
Tier 2 supplement capital (10K RMB)	0	0

IV. Required capital

Item	At the end of this quarter	At the end of last quarter
Required capital (10K RMB)	47,939	46,882
Required capital for quantitative risks (10K RMB)	47,832	46,777
1)Required capital for insurance risk (10K RMB)	38,915	37,520
2)Required capital for market risk (10K RMB)	14,169	15,361
3)Required capital for credit risk (10K RMB)	5,792	4,359
4)Diversification effect for quantitative risks (10K RMB)	11,044	10,462
5)Loss absorption effect for special-type insurance	-	-

contracts (10K RMB)		
Required capital for control risk (10K RMB)	108	105
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 in comprehensive risk assessment by CIRC for both Q3 2016 and Q4 2016.

VI. Risk management status

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

The Company scored 79.55 points in the latest SARMRA risk assessment conducted by the CIRC. To be specific, we received 17.81 points for risk management infrastructure and environment, 7.57 points for risk management objectives and tools, 8.22 points for insurance risk management, 8.01 points for market risk management, 7.4 points for credit risk management, 7.06 points for operational risk management, 7.87 points for strategic risk management, 7.35 points for reputation risk management, and 8.27 points for liquidity risk management.

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

On January 9th 2017, the Company's Working Group on Compliance and Risk Management held its first meeting for 2017, during which the participants reviewed the assessment results of the risk management and risk appetite for 2016, made arrangements for risk management and risk limits adjustment for 2017, and reviewed reports on the co-ordination of the functional modules of the risk management system.

In this quarter, the Company set up a risk management department with three well-defined full-time risk management positions. The Company also reviewed its risk management work in 2016 and set out its priorities for 2017. In accordance with regulatory requirements, the Company evaluated the risk appetite system and made necessary updates, and revised the 2017 annual risk limits; it strengthened risk management for investment and carried out initiatives such as investment monthly reporting, quarterly reporting on investment internal control and insurance asset

5-level risk classification; it also organized training on the operation of the risk management system.

VII. Liquidity risk

(I) Liquidity risk management indicators

1. Net cash flow

Item	At the end of this quarter
Net cash flow (10K RMB)	17,492

2. Comprehensive current ratio

Item	Within 3 months
Comprehensive current ratio	535%

3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio	172%	126%

(II) Liquidity risk analysis and mitigation

As an agricultural insurer, the Company mainly faces two kinds of liquidity risk:

First, the time lag in the collection of agricultural insurance fiscal subsidy receivables. The Company's main business is agricultural insurance. Agricultural insurance premiums is estimated in 2017 account for more than 60% of the Company's total premiums, and fiscal subsidies make up about 70% of the agricultural insurance premiums. In accordance with the Shanghai Municipality Administrative Rules for Municipal Subsidies for Agricultural Insurance Premiums 2016-2018, the fiscal subsidies are allocated in the current year and settled in the following year. Therefore, this time lag has a certain impact on the Company's cash flow. The Company has been actively communicating with the agricultural and financial governmental authorities to better determine the specific time-line for each subsidy, so that the subsidies can be received as soon as possible.

The second is agricultural insurance risks associated with catastrophe. The Company's agricultural insurance business is concentrated in Shanghai. Due to the concentration of the geographical coverage and the nature of agricultural insurance, the occurrence of a disaster would lead to enormous claims payment by the Company in a very short space of time. In response, the Company took various measures to closely track the possibilities of

disasters in the second and third quarters (peak season for typhoons) for better early warning and disaster prevention and mitigation; in the case of catastrophes, the Company will implement contingency plans, conduct fast claims investigation and schedule funds to ensure normal and stable cash flows.

VIII. Regulatory measures taken against the Company

(I) Regulatory measures taken against the Company by CIRC

The Company did not receive any regulatory penalties from the CIRC in Q1 2017.

(II) Corrective measures taken by the Company

Going forward, the Company will pay continued attention to internal control and address the root causes of various issues, so as to improve its overall risk management capabilities.