

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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, 30 March 2018

As at the date of this announcement, the Executive Directors of the Company are Mr. KONG Qingwei and Mr. HE Qing; 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 Solvency Report

China Pacific Insurance (Group) Co., Ltd.

2017

Contents

I. BASIC INFORMATION	1
II. GROUP OWNERSHIP STRUCTURE AND CHANGES TO MEMBER COMPANIES	1
III. KEY INDICATORS	1
IV. ACTUAL CAPITAL	2
V. REQUIRED CAPITAL	2
VI. MATERIAL EVENTS	2
VII. RISK GOVERNANCE AND RISK STRATEGIES.....	2
VIII.GROUP SPECIFIC RISKS.....	3

I. Basic information

(1) Registered address:

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

(2) Legal representative:

KONG Qingwei

(3) Business scope

Invest in 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) Ownership structure and controlling relationship of member companies

Please refer to our 2017 Annual Report for detailed information.

(2) Changes to member companies

None for the reporting period.

III. Key indicators

Items	As at the end of 2017	As at the end of 2016
Core solvency margin ratio	280%	288%
Core solvency margin (10K RMB)	26,199,874	23,138,907
Comprehensive solvency margin ratio	284%	294%
Comprehensive solvency margin (10K RMB)	20,911,589	18,826,565

IV. Actual capital

Items	As at the end of 2017	As at the end of 2016
Actual capital (10K)	32,288,159	28,551,249
Tier 1 core capital (10K RMB)	31,888,159	28,001,249
Tier 2 core capital (10K RMB)	–	–
Tier 1 supplement capital (10K RMB)	400,000	550,000
Tier 2 supplement capital (10K RMB)	–	–

V. Required capital

Items	As at the end of 2017	As at the end of 2016
Required capital (10K RMB)	11,376,570	9,724,684
Required capital for quantitative risks (10K RMB)	11,376,570	9,724,684
1)Required capital for parent company	–	–
2)Required capital for insurance member company	11,376,570	9,724,684
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 in required capital for risk diversification effect	–	–
8)Decrease in required capital for risk diversification effect	–	–
Required capital for control risk (10K RMB)	–	–
Supplement capital (10K RMB)	–	–

Note: Detailed regulations are yet to be promulgated by the CIRC regarding the required capital for quantifiable Group specific risks, increase in required capital for risk aggregation effect, decrease in required capital for risk diversification effect, required capital for control risk, and supplement capital.

VI. Material events

During the reporting period, there was no material investment losses, no major guarantees for external parties, no financial crisis incurred by the Group's subsidiaries or associates, or their administration by regulators.

VII. Risk governance and risk strategies

(1) Group risk governance status

The Group Board of Directors shoulders the ultimate responsibility of risk management. It has a Risk Management Committee, responsible for risk management as mandated by the Board. The committee convened 7 sessions in 2017, and reviewed relevant risk-related items and reports. The Company management confirms the effectiveness of the internal control system of the issuer and its associates.

The Company's Management Committee is mandated to organize and execute risk management activities in an all-around way. Under the Management Committee there is the Working Group of Compliance and Risk Management, a deliberative body for

compliance and risk management and chaired by the Chief Risk Officer. It held 8 meetings in 2017, covering 36 agenda items.

The Company and its major insurance subsidiaries have all set up Risk Management Departments, responsible for day-to-day risk management. Other functional departments and branches also appointed the Risk Responsible Person and set up relevant positions, which are responsible for risk management within the scope of their duties, and the communication with risk management departments.

(2) Group strategies for risk management and their implementation

The overall strategy of the Company's risk management is to maximize the Company's benefits and facilitate the fulfillment of its business objectives and strategies, given constraints of reasonable risk management goals, through effective risk management featuring clear objectives, sophisticated systems and processes, and advanced means and methods.

In 2017, the Company revised its risk appetite statement and risk tolerances, and formulated its risk functional limits system. In 2017, the implementation of the risk appetite and functional limits of the Group and its insurance subsidiaries was in the comfort zone, and was reported to the Board Risk Management Committee on a quarterly basis.

VIII. Group specific risks

(1) Risk contagion

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

(2) Risk due to opaque organizational structure

As a listed insurance controlling group, the Company enjoys a clear ownership structure and sound corporate governance. The focus on insurance as its main business effectively prevents the risk of losses incurred by the Company as a result of opaque organizational structure.

(3) Concentration risk

As per regulatory requirements, the Company and its member insurers identify, evaluate, supervise and report on the concentration risk of various types on a regular basis, including investment and reinsurance counter-party concentration risk, insurance and non-insurance business concentration risk and invested asset concentration risk. This effectively prevents the aggregation of a single risk or risk portfolios at the Group level, or a 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, it vigorously prevents and manages the adverse effect on the solvency of both the Group and its member insurers by non-insurance investment and business operation of its non-insurance member companies, in a bid to safeguard policyholder's interests.