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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.**  
**KONG Qingwei**  
*Chairman*

Shanghai, the PRC, 28 April 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 Quarterly Solvency Report

**China Pacific Property Insurance Co., Ltd.**

**1st Quarter of 2018**

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## I. Basic information

### (I) Registered address

South Tower, Bank of Communications Financial Building, 190 Middle Yincheng Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, the 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 insurance; 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

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

## (V) Controlling shareholder or de facto controller

China Pacific Insurance (Group) Co., Ltd. is the de facto controller, holding 98.5% of the Company.

## (VI) Subsidiaries, joint or associate ventures

Name of companies	Number of shares (10K)	Percentage of the shareholding (%)
Ningbo Xikou Garden Hotel	386	48.20
Shanghai Binjiang-Xiangrui Investment and Construction Co., Ltd.	1,071	35.70
Anxin Agricultural Insurance Co., Ltd.	36,490	52.13
Shanghai Juche Information Technology Co., Ltd.	160	27.20
Zhongdao Automobile Assistance Co., Ltd	1,280	25.60
CPIC Euler Hermes Credit Insurance Sales Co., Ltd	2,550	51.00
Shanghai Xingongying Information Technology Co. Ltd.	20	7.53
Shanghai Heji Business Management Partnerships ( LP)	50,000	99.00

## (VII) Contacts for solvency information disclosure

1. Contact person: TAO Ran
2. Tel. number: 021-33962842

## II. Main indicators

Item	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
Core solvency margin ratio	230%	240%
Core solvency margin (10K RMB)	1,992,794	2,028,024
Comprehensive solvency margin ratio	289%	267%
Comprehensive solvency margin (10K RMB)	2,892,794	2,428,024
Latest comprehensive risks assessment	-	A
Premium income (10K RMB)	3,123,419	2,709,003
Net profit (10K RMB)	37,970	71,456
Net assets (10K RMB)	3,564,381	3,529,251

## III. Actual capital

Item	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	15,519,608	14,338,496
Admitted liabilities (10K RMB)	11,097,909	10,459,652
Actual capital (10K)	4,421,699	3,878,844
Tier 1 core capital (10K RMB)	3,521,699	3,478,844
Tier 2 core capital (10K RMB)	-	-
Tier 1 supplement capital (10K RMB)	900,000	400,000
Tier 2 supplement capital (10K RMB)	-	-

#### IV. Required capital

Item	As at the end of this quarter	As at the end of last quarter
Required capital (10K RMB)	1,528,905	1,450,820
Required capital for quantitative risks (10K RMB)	1,542,946	1,464,144
1) Required capital for insurance risk (10K RMB)	1,139,028	1,121,859
2) Required capital for market risk (10K RMB)	352,321	279,682
3) Required capital for credit risk (10K RMB)	557,033	518,942
Required capital for control risk (10K RMB)	(14,041)	(13,324)
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 and A in comprehensive risk assessment for Q3 and Q4 2017 respectively.

#### VI. Risk management status

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

As per The Notice of China Insurance Regulatory Commission on Issues Related to SARMRA Assessment in 2017 (Baojian Caikuai [2017] No. 156), the SARMRA assessment in 2017 adopted the principle of differentiation. The Company was not included in the year's assessment, so the minimum capital for risk control was calculated based on the assessment result for 2016, which was 81.82 points. Of this, it received 15.66 points for risk management infrastructure and environment, 7.39 for risk management objectives and tools, 8.53 for insurance risk management, 8.34 for market risk management, 8.46 for credit risk management, 8.46 for operational risk management, 8.62 for strategic risk management, 8.24 for reputation risk management, and 8.13 for liquidity risk management.

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

In this quarter, as per the regulatory requirements from 2017, and based on the Company's self-assessment and rectification work of 2017 targeting risk prevention and malpractice, as well as the self-examination and rectification work relating to product filing, reviewing wealth management platform business and capital risks, the Company focused on the potential risks of five major risk categories (product risk,

sales risk, credit risk, capital risk, asset management business risk) in the areas of product, sales and operation.

The Company continued to improve the management systems for various risk categories. In this quarter, the Company issued the *Regulations on Underwriting Management of Corporate Customers' Non-Automobile Insurance Business (2018 Edition)* and the *Measures for the Administration of Personal Assurance Insurance Business (Trial)*, etc. to further improve insurance business risks control.

Focusing on key issues and as per regulatory requirements, the Company carried out the 2018 special inspection of agricultural insurance to detect, prevent and eliminate potential risks.

In this quarter, the Company introduced a catastrophe model to carry out quarterly monitoring of catastrophe risk limits and accumulation based on the risk analysis of the actual business data.

## VII. Liquidity risk

### (I) Liquidity risk management indicators

#### (1) Net cash flow

Item	During/as at the end of this quarter
Net cash flow (10K RMB)	-144,250

#### (2) Comprehensive current ratio

Item	Within 3 months	Within 1 year	Above one year
Comprehensive current ratio	85.9%	56.6%	226.8%

#### (3) Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio	567.8%	437.4%

### (II) Liquidity risk analysis and mitigation

#### (1) Cash flows

In this quarter, net cash flow of the Company was -RMB1.44 billion. Of this, cash inflow from primary insurance contracts was RMB28.08 billion, and claims payout was

RMB14.02 billion. Cash flow from business activities in this quarter increased by RMB430 million compared with the same period of last year.

In this quarter, net cash flow from the Company's investment activities was RMB6.32 billion, mainly due to the impact of asset allocation of deposits, bonds, and equities.

Fund raising generated RMB6.55 billion in net cash flow in this quarter, mainly as a result of issuance of capital supplementary bonds.

(2) Liquidity indicator analysis

The Company has allocated a certain proportion of highly liquid assets in its SAA to meet liquidity requirements. Therefore, its liquidity coverage ratio will be 567.8% and 437.4% under stress scenario 1 and 2 respectively in the next quarter, enough to meet short-term cash flow requirements.

**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.