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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 August 2016

*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 Quarterly Solvency Report

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

**Second Quarter of 2016**

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## I. Basic information

### (I) Registered address

South Tower, Bank of Communications Financial Building, 190 Central Yincheng Road, Pudong New District, Shanghai, 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 amount (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 the shareholders	Shares held 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 State-Owned Assets Operation Co., Ltd.	50,703,172	0.26
Shanghai Haiyan Investment Management Company Limited	90,620,982	0.46
Yunnan Hongta Group Co., Ltd.	59,586,361	0.31
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 shares of the company.

### (VI) Subsidiary, joint or associate venture

Name of the companies	Quantity of the held shares (10K shares)	Percentage of the shareholding
Ningbo Xikou Garden Hotel	385.6	48.20%
Shanghai Binjiang-Xiangrui Investment and Construction Co., Ltd.	1,071	35.70%
Anxin Agricultural Insurance Co., Ltd.	17,170	34.34%
Shanghai Juche Information Technology Co., Ltd.	160	32.00%

Zhongdao Automobile Assistance Co., Ltd	1,280	25.60%
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## (VII) Contacts for solvency information disclosure

- Contact person: LUO Yanqiu
- Tel. number: 021-33962833

## II. Main indicators

Item	At the end of this quarter	At the end of last quarter
Core solvency margin	250%	254%
Core solvency margin surplus (10K RMB)	1,970,822	2,041,934
Comprehensive solvency margin ratio	280%	284%
Comprehensive solvency margin surplus (10K RMB)	2,370,822	2,441,934
The latest comprehensive risks assessment	-	A
Premium income (10K RMB)	2,339,348	2,583,045
Net profit (10K RMB)	109,448	106,158
Net asset (10K RMB)	3,323,453	3,411,985

## III. Actual capital

Item	At the end of this quarter	At the end of last quarter
Admitted assets (10K RMB)	12,801,604	12,440,950
Admitted liabilities (10K RMB)	9,029,539	8,726,881
Actual capital (10K)	3,772,064	3,714,069
Tier 1 core capital (10K RMB)	3,372,064	3,314,069
Tier 2 core capital (10K RMB)	-	-
Tier 1 supplement capital (10K RMB)	400,000	400,000
Tier 2 supplement capital (10K RMB)	-	-

## IV. Required capital

Item	At the end of this quarter	At the end of last quarter
Required capital (10K RMB)	1,314,359	1,330,130
Required capital for quantitative risks (10K RMB)	1,314,359	1,330,130
1) Required capital for insurance risk (10K RMB)	1,071,696	1,110,124
2) Required capital for market risk (10K RMB)	221,498	184,692
3) Required capital for credit risk (10K RMB)	383,764	382,161
Required capital for control risk (10K RMB)	-	-
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 received A rating in comprehensive risk assessment for Q4 2015.

The company received A rating in comprehensive risk assessment for Q1 2016.

## VI. Risk management

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

CIRC hasn't made any solvency risk management assessment of our company yet.

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

None

## VII. Liquidity risk

### (I) Liquidity risk management indicators

#### 1. Net cash flow

Item	At the end of this quarter
Net cash flow (10K RMB)	-52,298

#### 2. Comprehensive current ratio

Item	Within 3 months	Within 1 year	Above one year
Comprehensive current ratio (%)	55	38	634

#### 3. Liquidity coverage

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage (%)	846	261

### (II) Liquidity risk analysis and countermeasures

#### 1. Cash flow

In this quarter, the net cash outflow of the Company was RMB 523 million; cash inflow from premiums of original insurance contracts stood at RMB 24.222 billion and cash payout was RMB 13.956 billion. Cash paid out as commissions and fees amounted to RMB 10.735 billion. Net cash flow from business operation in this quarter decreased 24% year on year.

Cash flow from the Company's investment activities was RMB -1.262 billion in Q2 2016, mainly due to investments in subsidiaries, joint and associate ventures.

Fund raising (mainly sales of repo financial assets) generated RMB 1.098 billion in cash flow in the second quarter this year.

#### 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 846% and 261% in the next quarter, enough to meet short-term cash flow requirements.

The process and flow of our liquidity risk management needs further improvement, and the same can be said for our risk limit scheme. More should be done to develop the approval process for limit setting and authorization, approval and accountability process for over-limit authorization, as well as supervision system for liquidity risk

limit management.

**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.