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Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus dated 10 December 2009 (the “Prospectus”) issued by the Company.



CHINA PACIFIC INSURANCE (GROUP) CO., LTD.
中國太平洋保險(集團)股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 02601)

EXERCISE OF OVER-ALLOTMENT OPTION
STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

The Company announces that the H Share Over-Allotment Option described in the Prospectus was exercised in full by UBS AG, Hong Kong Branch, Credit Suisse (Hong Kong) Limited, China International Capital Corporation Hong Kong Securities Limited and Goldman Sachs (Asia) L.L.C. on behalf of the International Purchasers on 14 January 2010 in respect of an aggregate of 128,700,000 H Shares, representing approximately 14.9% of the Offer Shares initially available under the Global Offering. The 128,700,000 H Shares will be issued and allotted by the Company and sold by the Selling Shareholders (excluding the Overseas Investors) at HK\$28.00 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.004% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per H Share under the Global Offering.

The Company further announces that the stabilization period in connection with the Global Offering ended on 14 January 2010, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. The stabilizing actions undertaken during the stabilization period were:

- (1) over-allocations of an aggregate of 128,700,000 H Shares in the International Offering;
- (2) successive market purchases which purchases were made at prices ranging from HK\$27.50 to HK\$28.00 per H Share (excluding brokerage, stamp duty, SFC transaction levy and the Hong Kong Stock Exchange trading fee); and
- (3) the exercise in full of the H Share Over-Allotment Option in respect of 128,700,000 additional H Shares solely to cover over-allocations in the International Offering.

1. Exercise of the H Share Over-Allotment Option

The Company announces that the H Share Over-Allotment Option described in the Prospectus was exercised in full by UBS AG, Hong Kong Branch, Credit Suisse (Hong Kong) Limited, China International Capital Corporation Hong Kong Securities Limited and Goldman Sachs (Asia) L.L.C. on behalf of the International Purchasers on 14 January 2010 in respect of an aggregate of 128,700,000 H Shares (the “**Over-Allotment Shares**”), representing approximately 14.9% of the Offer Shares initially available under the Global Offering. The 128,700,000 H Shares will be issued and allotted by the Company and sold by the Selling Shareholders (excluding the Overseas Investors) at HK\$28.00 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.004% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per H Share under the Global Offering.

The Over-Allotment Shares will be used solely to cover over-allocations in the International Offering.

Immediately after the issuance and allotment of the Over-allotment Shares, approximately 11.51% of the issued share capital of the Company will be held in public hands, in compliance with the waiver from strict compliance with Rule 8.08 of the Hong Kong Listing Rules granted by the Hong Kong Stock Exchange and disclosed in the Prospectus..

Listing of and permission to deal in the Over-Allotment Shares have already been granted by the Listing Committee of the Hong Kong Stock Exchange. Listing of and dealings in such Over-Allotment Shares are expected to commence on the main board of the Hong Kong Stock Exchange at 9:30 a.m. on 27 January 2010.

The shareholding structure of the Company immediately before and immediately after the issue and allotment by the Company and sale by the Selling Shareholders (excluding the Overseas Investors) of the Over-Allotment Shares are as follows, taking into account the conversion into H Shares of the relevant Sale Shares and the A Shares held by the Overseas Investors, as further described below:

	Immediately before the issue of the Over-Allotment Shares		Immediately after the issue of the Over-Allotment Shares	
	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital
H Shares	2,184,600,000 ⁽¹⁾	25.75%	2,313,300,000 ⁽²⁾	26.90%
Of which the Public holds:	861,300,000	10.15%	990,000,000	11.51%
A Shares	6,298,400,000	74.25%	6,286,700,000	73.10%
Total	8,483,000,000	100.00%	8,600,000,000	100.00%

Notes:

- (1) Including 78,300,000 A Shares converted into H Shares offered for sale by the Selling Shareholders on 23 December 2009.
- (2) Including 11,700,000 A Shares to be converted to H Shares offered for sale by the Selling Shareholders.

The net proceeds of approximately HK\$3,450,000,000 from the issue and allotment by the Company and sale by the Selling Shareholders (excluding the Overseas Investors) of the Over-Allotment Shares will be used for the purposes as set out in the section headed "Future Plans and Use of Proceeds from the Global Offering" in the Prospectus.

2. Stabilizing Actions and End of Stabilization Period

The Company further announces that, pursuant to Section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Cap. 571W of the Laws of Hong Kong), the stabilization period in connection with the Global Offering ended on 14 January 2010, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering.

The stabilizing actions that have been taken by UBS AG, Hong Kong Branch, as the stabilizing manager, during the stabilization period were:

- (1) over-allocations of an aggregate of 128,700,000 H Shares in the International Offering;

- (2) successive market purchases which purchases were made at prices ranging from HK\$27.50 to HK\$28.00 per H Share (excluding brokerage, stamp duty, SFC transaction levy and the Hong Kong Stock Exchange trading fee); and
- (3) the exercise in full of the H Share Over-Allotment Option in respect of the Over-Allotment Shares, representing approximately 14.94% of the Offer Shares initially available under the Global Offering, solely to cover over-allocations in the International Offering.

The last purchase made in the course of the stabilization period on the market was on 23 December 2009 at the price of HK\$27.50 per H Share.

By Order of the Board
China Pacific Insurance (Group) Co., Ltd.
Gao Guofu
Chairman

Hong Kong, 15 January 2010

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. YANG Xianghai, Mr. ZHOU Ciming, Mr. HUANG Kongwei, Mr. YANG Xiangdong, Ms. FENG Junyuan, Janine and Mr. XU Hulie; and the independent non-executive Directors of the Company are Mr. XU Shanda, Mr. XIAO Wei, Mr. LI Ruoshan, Mr. YUEN Tin Fan and Mr. CHANG Tso Tung Stephen.