

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)

PAST CONTINUING CONNECTED TRANSACTIONS

It has come to the attention of the Board of the Company that certain counterparties to transactions entered into by the Group are associates of the substantial shareholders of the Company. Accordingly, certain transactions entered into by the Group and the associates of such substantial shareholders constituted continuing connected transactions of the Group under Chapter 14A of the Listing Rules. The associates of such substantial shareholders of the Company are Orient Securities, Shanghai Orient Securities Asset Management, Fortune Trust and Fortune SG Fund.

The continuing connected transactions conducted with the above connected persons in the past include the purchase and sale of bonds, the repurchase of bonds, the subscription and redemption of funds, the sale and purchase of asset management products and the purchase of asset management plans.

The section headed the “Past Continuing Connected Transactions — Table of Past Continuing Connected Transactions” in this announcement sets out a summary of the Past Continuing Connected Transactions entered into by the Group which were not fully exempt under Chapter 14A of the Listing Rules, including the type of transactions, the years in which the transactions were conducted as well as the transaction values.

As the highest applicable percentage ratio in relation to each type of the Past Continuing Connected Transactions exceeds 0.1% but is less than 5%, such transaction is subject to the announcement, reporting and annual review requirements under the Listing Rules only and is not required to be approved by the independent shareholders. Information relating to the disclosure and approval of the Past Continuing Connected Transactions is set out in the section headed “Disclosure and Approval of the Past Continuing Connected Transactions” in this announcement.

As a large scale insurance group, the Company generates in its ordinary course of business a large amount of funds which need to be integrated and utilised through appropriate channels. The Past Continuing Connected Transactions were routine transactions relating to fund utilisation and financial product businesses. Such arrangements are beneficial to the development of the business in respect of fund utilisation and financial products-related transactions of the Company and its subsidiaries by improving the decision-making and implementation efficiency of the routine connected transactions entered into by the Company and its subsidiaries with the connected parties. Accordingly, such transactions are in the interest of the Group as a whole.

As the 2015 Annual Report of the Company has been finalised and the Board is of the view that delaying the publication of the 2015 Annual Report is not reasonably practicable, the Board would like to ask shareholders and potential investors to note that the disclosure in relation to connected transactions of the Group on page 53 of the English version and page 49 of the Chinese version of the 2015 Annual Report is subject to matters set forth in this announcement.

INTRODUCTION

It has come to the attention of the Board of the Company that certain counterparties to transactions entered into by the Group are associates of the substantial shareholders of the Company. Accordingly, certain transactions entered into by the Group and the associates of such substantial shareholders constituted continuing connected transactions of the Group under Chapter 14A of the Listing Rules. The associates of such substantial shareholders of the Company concerned are Orient Securities, Shanghai Orient Securities Asset Management, Fortune Trust and Fortune SG Fund.

PAST CONTINUING CONNECTED TRANSACTIONS

Types of transactions

The business conducted by the Group, being a financial institution, on a routine basis includes entering into transactions relating to financial products, including bonds and funds, with counterparties through inter-bank markets, stock exchanges and other markets. CPIC AMC and Changjiang Pension, both being subsidiaries of the Company, are licensed financial institutions permitted to promote the establishment of and to sell asset management products and collective pension management products. The continuing connected transactions entered into with the above connected persons in the past include the following types of transactions:

- (1) Purchase and sale of bonds: means the transactions of sale and purchase of bonds entered into by the Group with various counterparties in its ordinary course of business at fair market prices through the inter-bank and other markets.
- (2) Repurchase of bonds: means the transactions of repurchase of bonds entered into by the Group with various counterparties in its ordinary course of business at fair market prices through inter-bank and other markets.
- (3) Subscription and redemption of funds: means the transactions of subscription by the Group in its ordinary course of business of securities investment funds publicly offered by various fund management companies at fair market prices.

- (4) Sale and purchase of asset management products: such financial product business is a fund related business which is traded at market prices by following the principles of “subscription by monetary amount and redemption by units” on the basis of the net values of the units in the products issued by the company. Such business also includes the transactions of offering asset management products relating to the underlying assets of the connected person(s), and this mainly comprises the transfer of securitised financial assets and interests in financial products (assets relating to securities margin trading) of the connected person(s). The cash flow and revenue generated from such business is stable and the market is relatively mature, with comparable third-party prices or market prices.
- (5) Purchase of asset management plans: means the purchase by the Group in its ordinary course of business of specialised asset management plans offered by securities companies or securities asset management companies at uniform prices.

Counterparties

Details of the Past Continuing Connected Transactions entered into by the Group which were not fully exempt under Chapter 14A of the Listing Rules are set out as follows:

(1) Past Continuing Connected Transactions with Orient Securities

Orient Securities is a company which operates securities businesses with its principal scope of business involving securities brokerage, securities margin trading, advisory on securities investment, financial advisory relating to securities transactions and investment activities, proprietary securities businesses, agency sale of securities investment funds, agency sale of financial products, securities underwriting, stock option market-making and other businesses.

To the knowledge of the Company, Shenergy (Group) Co., Ltd., a substantial shareholder of the Company, controls approximately 13.52% of equity interest in the Company. Shenergy (Group) Co., Ltd. holds more than 30% equity interest in Orient Securities. Accordingly, Orient Securities is a 30%-controlled company and an associate of Shenergy (Group) Co., Ltd. and, therefore, is a connected person of the Company.

The transactions entered into between the Group and Orient Securities mainly comprise the purchase and sale of bonds, the repurchase of bonds and the sale and purchase of asset management products.

(2) Past Continuing Connected Transactions with Shanghai Orient Securities Asset Management

Shanghai Orient Securities Asset Management is a company which operates the securities asset management business and the business in connection with the management of public offering of securities investment funds, with its principal scope of business involving collective asset management, targeted asset management, specialised asset management and management of public offering of securities investment funds.

To the knowledge of the Company, Shanghai Orient Securities Asset Management is a subsidiary of and is controlled by Orient Securities (a 30%-controlled company of Shenergy (Group) Co., Ltd., a substantial shareholder of the Company). Accordingly, Shanghai Orient Securities Asset Management is a 30%-controlled company and an associate of Shenergy (Group) Co., Ltd. and, therefore, is a connected person of the Company.

The transactions entered into between the Group and Shanghai Orient Securities Asset Management mainly comprise the purchase and sale of bonds and the purchase of asset management plans.

(3) *Past Continuing Connected Transactions with Fortune Trust*

Fortune Trust is a company which operates businesses of asset management and trust services, with its principal scope of business involving fund trusts, movable property trusts, immovable property trusts, negotiable securities trusts, other assets and asset rights trust, investment fund businesses through acting as the settlor of investment trusts or trust management companies, reorganisation of enterprise assets, acquisition and project financing, corporate financial management, financial advisory and other businesses.

To the knowledge of the Company, both Fortune Trust and Fortune Investment Co., Ltd., a substantial shareholder of the Company, are under common control of Baosteel Group Corporation. Fortune Investment Co., Ltd. controls approximately 14.17% equity interest in the Company. Baosteel Group Corporation controls 100% equity interest in Fortune Investment Co., Ltd. and approximately 98% equity interest in Fortune Trust. Accordingly, Fortune Trust is an associate of Baosteel Group Corporation and, therefore, is a connected person of the Company.

The transactions entered into between the Group and Fortune Trust mainly comprise the repurchase of bonds and the sale and purchase of asset management products.

(4) *Past Continuing Connected Transactions with Fortune SG Fund*

Fortune SG Fund is a company which operates funds businesses, with its principal scope of business in China involving fund management, promotion of the establishment of funds and other businesses approved by the China Securities Regulatory Commission.

To the knowledge of the Company, both Fortune SG Fund and Fortune Investment Co., Ltd., a substantial shareholder of the Company, are under common control of Baosteel Group Corporation. Baosteel Group Corporation holds approximately 98% equity interest in Fortune Trust, which holds approximately 51% equity interest in Fortune SG Fund. Accordingly, Fortune SG Fund is an associate of Baosteel Group Corporation and, therefore, is a connected person of the Company.

The transactions entered into between the Group and Fortune SG Fund mainly comprise the purchase and sale of bonds, the repurchase of bonds and the subscription and redemption of funds.

Table of Past Continuing Connected Transactions

The following table summarises the Past Continuing Connected Transactions entered into by the Group that were not fully exempt under Chapter 14A of the Listing Rules and the continuing connected transactions that have already been entered into with the relevant parties in 2016 up to 22 April 2016 for which the highest percentage ratio has reached or exceeded 0.1%, including the types of transaction, the years in which the transactions were conducted as well as the transaction values:

Type of Transaction	For the years ended 31 December						2016 (up to 22 April 2016)
	2010	2011	2012	2013	2014	2015	
	Annual transaction value (in RMB million)						
Past Continuing Connected Transactions with Orient Securities							
Sale and purchase of bonds	1,135.63	1,005.01	3,533.15	459.00	221.00	3,045.00	923.30
Repurchase of bonds	—	—	805.64	220.30	—	—	—
Sale and purchase of asset management products	—	—	—	—	—	4,890.00	—
Past Continuing Connected Transactions with Shanghai Orient Securities Asset Management							
Purchase of asset management plans	—	—	—	540.00	1,350.00	—	800.00
Past Continuing Connected Transactions with Fortune Trust							
Repurchase of bonds	—	—	—	—	420.00	—	—
Sale and purchase of asset management products	—	—	—	—	—	2,387.00	—
Past Continuing Connected Transactions with Fortune SG Fund							
Repurchase of bonds	—	—	799.96	—	—	—	—
Subscription and redemption of funds	1,198.47	1,645.92	1,777.65	915.75	3,918.18	1,762.00	281.20

The highest applicable percentage ratio in relation to each type of the Past Continuing Connected Transactions set out in the table above exceeds 0.1% but is less than 5%, and such transaction is subject to the reporting, announcement and annual review requirements under the Listing Rules only and is not required to be approved by independent shareholders.

DISCLOSURE AND APPROVAL OF THE PAST CONTINUING CONNECTED TRANSACTIONS

Certain of the Past Continuing Connected Transactions described above were reviewed and approved at various Board meetings previously held pursuant to the requirements under the listing rules of the Shanghai Stock Exchange: at such Board meetings, the directors who concurrently served as a director of both the Company and the relevant connected person abstained from voting on such Past Continuing Connected Transactions as they had a material interest in such Past Continuing Connected Transactions; the number of directors who voted on the transactions fulfilled the statutory quorum requirements and the convening of, and the voting conducted at, the Board meetings were in compliance with applicable laws and were valid. Further, all the independent directors of the Company gave independent opinions in respect of such Past Continuing Connected Transactions and confirmed that they were of the view that the voting procedures at the Board meetings were in compliance with the laws and regulations, the relevant transactions were conducted at fair market prices, there was no circumstance which would damage the interests of the Company and its shareholders, the proposed caps of the expected transaction values of the transactions were reasonable, and the transactions were beneficial to the development of the relevant businesses of the Group and were in the best interests of the Group as a whole. Pursuant to the articles of association of the Company and the listing rules of the Shanghai Stock Exchange, details of certain of the Past Continuing Connected Transactions were disclosed in the announcements published on the website of the Shanghai Stock Exchange and were (where applicable) approved at the meetings of the holders of A shares; such Past Continuing Connected Transactions were also disclosed in the overseas regulatory announcements and circulars for the annual general meetings of the Company in accordance with the requirements of the Listing Rules.

To date, all directors of the Company (including the independent non-executive directors) have ratified, confirmed and approved the Past Continuing Connected Transactions set forth above pursuant to the Listing Rules.

PROPOSED CONTINUING CONNECTED TRANSACTIONS IN 2016

The Company is currently in the process of negotiating with the above connected persons with a view to entering into framework agreements in respect of the proposed continuing connected transactions in 2016. It is expected that the highest applicable percentage ratio in respect of the proposed continuing connected transactions in 2016 will exceed 0.1% but will be less than 5%, and such transactions will only be subject to the announcement, reporting and annual review requirements under the Listing Rules but will not require approval by independent shareholders.

The Company will publish announcement(s) on any material progress of the entering into of framework agreements regarding the continuing connected transactions in accordance with the Listing Rules.

REASONS FOR THE PAST CONTINUING CONNECTED TRANSACTIONS

As a large scale insurance group, the Company generates in its ordinary course of business a large amount of funds which need to be integrated and utilised through appropriate channels. The Past Continuing Connected Transactions were routine transactions relating to fund utilisation and financial product businesses. Such arrangements are beneficial to the development of the business in respect of fund utilisation and financial products-related transactions of the Company and its subsidiaries by improving the decision-making and implementation efficiency of the routine connected transactions entered into by the Company and its subsidiaries with the connected parties. Accordingly, such transactions are in the interest of the Group as a whole.

BASIS FOR PRICING AND METHOD OF PAYMENT

All of the Past Continuing Connected Transactions set out above were conducted according to the market prices as at the time of the transaction or the net values as at the date of the transaction, and were settled on the date of the transaction by payment transfer through the transaction system.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in relation to each type of the Past Continuing Connected Transactions exceeds 0.1% but is less than 5%, such transaction is subject to the announcement, reporting and annual review requirements under the Listing Rules only and is not required to be approved by independent shareholders.

Information relating to the disclosure and approval of the Past Continuing Connected Transactions is set out in the section headed “Disclosure and Approval of the Past Continuing Connected Transactions” in this announcement.

REMEDIAL MEASURES ADOPTED BY THE COMPANY

The Company has in previous years requested its substantial shareholders to complete and return confirmation forms to set out their related companies which would be connected persons of the Company under the Listing Rules. It has come to the Company’s attention and after discussions with certain substantial shareholders, the substantial shareholders notified the Company that some of the confirmation forms they provided in previous years would need to be updated, and the substantial shareholders confirmed that certain counterparties to transactions entered into by the Group which were related to such substantial shareholders are connected persons of the Company. The Company collected information, by categories, of all the possible continuing connected transactions conducted in the past with reference to the respective time from which the relevant companies controlled by the substantial shareholders became the Company’s connected persons, as notified by the substantial shareholders. The Company has also sought to assess and calculate the transaction values of the Past Continuing Connected Transactions that took place in various years. A summary of the results of the information collection regarding the Past Continuing Connected Transactions is set out in the section headed “Past Continuing Connected Transactions” in this announcement. The Company has reported in writing the matters regarding the Past Continuing Connected Transactions to all the directors of the Company, and has received confirmation from

all directors on the ratification, confirmation and approval of the above Past Continuing Connected Transactions. The Company has also informed all directors and supervisors in writing that hereafter, the Company will further enhance its day-to-day exchange of information with the relevant persons including without limitation the above connected persons, and will in particular increase the frequency of the communication and exchange of information with the connected persons, strengthen the awareness of the obligations under the Listing Rules and provide training to the connected persons when appropriate so as to avoid the recurrence of these similar incidents.

OTHER INFORMATION

As the 2015 Annual Report of the Company has been finalised and the Board is of the view that delaying the publication of the 2015 Annual Report is not reasonably practicable, the Board would like to ask shareholders and potential investors to note that the disclosure in relation to connected transactions of the Group on page 53 of the English version and page 49 of the Chinese version of the 2015 Annual Report is subject to matters set forth in this announcement.

The Group is a leading integrated insurance group in the PRC, providing, through its nationwide marketing network and diversified service platform, a broad range of risk solutions, investment and wealth management and asset management services to over 90 million customers throughout the country.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“2015 Annual Report”	the annual report of the Company as of 31 December 2015
“30%-controlled company”	has the meaning ascribed to it under the Listing Rules
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Changjiang Pension”	Changjiang Pension Insurance Co., Ltd. (長江養老保險股份有限公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company
“Company”	China Pacific Insurance (Group) Co., Ltd.
“connected person”	has the meaning ascribed to it under the Listing Rules
“CPIC AMC”	Pacific Asset Management Co., Ltd. (太平洋資產管理有限責任公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company

“Fortune Trust”	Fortune Trust Co., Ltd. (華寶信託有限責任公司), a company incorporated in the PRC with limited liability
“Fortune SG Fund”	Fortune SG Fund Management Co., Ltd. (華寶興業基金管理有限公司), a company incorporated in the PRC with limited liability
“Group”	the Company and its subsidiaries
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Orient Securities”	Orient Securities Company Limited (東方證券股份有限公司), a company incorporated in the PRC with limited liability, whose shares were listed on the Shanghai Stock Exchange on 23 March 2015 (stock code: 600958)
“Past Continuing Connected Transactions”	the past continuing connected transactions entered into by the Company in or prior to 2015 which were not fully exempt under Chapter 14A of the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Orient Securities Asset Management”	Shanghai Orient Securities Asset Management Company Limited (上海東方證券資產管理有限公司), a company incorporated in the PRC with limited liability
“Shanghai Stock Exchange”	the Shanghai Stock Exchange of the PRC
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

By the order of the Board
CHINA PACIFIC INSURANCE (GROUP) CO., LTD.
Gao Guofu
Chairman

Hong Kong, 27 April 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.