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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)

**ANNOUNCEMENT IN RELATION TO
PROPOSED ISSUANCE AND ADMISSION OF GDRs
AND RELEVANT MATTERS**

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09 and 13.10B of the Hong Kong Listing Rules.

RESOLUTIONS IN RELATION TO THE PROPOSED ISSUANCE AND ADMISSION OF GDRs AND RELEVANT MATTERS

The Board is pleased to announce that at the 20th meeting of the 8th Board of Directors held on 23 September 2019, the Board considered and approved, among other things, the resolutions in relation to the proposed Issuance and Admission of GDRs and relevant matters.

I. Resolution on the proposal on the Issuance and Admission of GDRs

In response to the policies on comprehensive reform of State-owned enterprises in Shanghai and in order to support the development of Shanghai as an international financial center, further optimize the shareholding structure, improve the corporate governance and promote internationalization of the Company, the Company intends to issue GDRs and apply for the admission of the same to listing on the Official List of the UK FCA and to trading on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange in accordance with the requirements of the CSRC and other relevant regulatory authorities. Such GDRs will be issued by way of representing newly issued A Shares as underlying securities.

According to provisions stated in the Company Law, the PRC Securities Law (《中華人民共和國證券法》), Regulations on Shanghai-London Stock Connect, the Interim Measures for the Listing of the Market Connect of Depository Receipts of the Shanghai Stock Exchange and the London Stock Exchange (《上海證券交易所與倫敦證券交易所互聯互通存托憑證上市交易暫行辦法》), the UK Listing Rules and the UK Prospectus Regulation Rules and other related laws, regulations and regulatory documents, and taking into account the actual circumstances of the Company, the Issuance and Admission of GDRs of the Company will be in compliance with the requirements and conditions under the relevant domestic laws, regulations and regulatory documents and will be conducted in accordance with and subject to UK Law and the requirements and conditions of the UK Listing Rules and the UK Prospectus Regulation Rules.

The details of the Issuance and Admission of GDRs and the specific proposal are as follows:

1. Type and nominal value of securities

The Company intends to issue GDRs representing newly issued A Shares with a nominal value of RMB1.00 each as underlying securities and apply for the admission of the same to listing on the Official List of the UK FCA and to trading on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange.

The nominal value of each GDR will be determined based on the conversion rate between the issued GDRs and the underlying A Shares.

2. *Timing of issuance*

The Company will select the appropriate timing and market window to complete the Issuance and Admission of GDRs within the validity period of the general meeting resolution. The specific timing of issuance will be determined by the Board or persons authorized by the Board as authorized at the general meeting, taking into account the domestic and international capital market condition and the progress of obtaining approval from the domestic and overseas regulatory authorities.

3. *Method of issuance*

The method of issuance shall be by way of an international offering.

4. *Size of issuance*

Under the framework of the General Mandate for the issuance of new shares considered and approved at the annual general meeting for 2018 of the Company, the additional underlying A Shares represented by the GDRs to be issued shall be no more than 628,670,000 Shares (including securities issued upon the exercise of any over-allotment option, if any) and shall not account for more than 10% of the A Shares of the Company prior to the issuance.

The number of the additional underlying A Shares represented by the GDRs to be issued shall be adjusted in the event of ex-entitlement due to the Company's bonus issue, capitalization issue or rights issue, etc. according to relevant regulations during the period from the date of approval of the issuance to the issuance date.

The final number of Shares to be issued shall be proposed for determination by the Board or persons authorized by the Board as authorized at the general meeting in accordance with legal requirements, regulatory authorities' approval and market conditions.

5. *Size of GDRs during the term*

The maximum number of GDRs to be issued during the term will be calculated based on the conversion rate between GDRs and underlying A Shares, and the number of A Shares as underlying securities of GDRs confirmed prior to the issuance. The number of the above-mentioned A Shares shall not account for more than 10% of the A Shares, i.e. 628,670,000 Shares, prior to the Issuance and Admission of GDRs.

The maximum number of GDRs shall be adjusted if the number of GDRs increases or decreases due to the Company's bonus issue, capitalization issue, rights issue, share split or consolidation and adjustment of conversion rate, etc.

6. *Conversion rate between GDRs and underlying A Shares*

The conversion rate between the GDRs to be issued and the underlying A Shares shall be determined after comprehensively taking into account various factors such as domestic and overseas regulatory requirements and market conditions, etc.

The conversion rate between the GDRs and the underlying A Shares will be determined by the Board or the authorized persons of the Board, as authorized by the general meeting of the Company in accordance with laws and regulations, regulatory authorities' approvals and market conditions.

7. *Pricing method*

The issuance price of the GDRs will be determined after due consideration of the interests of the Company's existing Shareholders, the demand of investors and issuance risks, etc., in accordance with international practices, the Regulations on Shanghai-London Stock Connect and other relevant regulatory requirements, through an order demand and book-building process, and based on the domestic and overseas capital market conditions at the time of issuance. The issuance price, based on the amount calculated by the conversion rate between GDRs and A Shares, shall comply with applicable laws, regulations and the Hong Kong Listing Rules, and will be no less than the Company's latest audited per Share net asset value¹.

For illustration only, the closing price of A Shares on 23 September 2019 was RMB36.45 per A Share, and the closing price of H Shares on 23 September 2019 was HK\$30.20 per H Share.

Note 1: For illustration only, the net asset value per Share attributable to the Shareholders as of 31 December 2018 amounted to RMB16.51 per Share, according to the Company's audited financial information as set out in its 2018 annual report.

8. *Target subscribers*

It is intended that the GDRs shall be offered globally to qualified international investors and other investors who are qualified according to relevant regulations.

It is intended that the target subscribers and their respective ultimate beneficial owners will be third parties independent of the Company and connected persons of the Company. If any of the target subscribers is or will become a connected person of the Company, the Company will take all reasonable steps to comply with the relevant requirements under Chapter 14A of the Hong Kong Listing Rules.

9. *GDRs and underlying A Shares conversion restriction periods*

GDRs may be converted into the underlying A Shares in compliance with domestic and overseas regulatory requirements. Pursuant to the relevant requirements of the Regulations on Shanghai-London Stock Connect, the GDRs to be issued shall not be converted into A Shares within 120 days of the listing date. The GDRs shall also comply with any other provisions issued by the competent regulatory authorities, if any.

10. *Underwriting method*

The GDRs to be issued will be underwritten by way of an international distribution by the underwriting syndicate after a book-building process.

As at the Latest Practicable Date, the Company has not entered into any underwriting agreement or fixed any terms with any parties in connection with the Issuance and Admission of GDRs. The Company will disclose the principal terms of the underwriting arrangements as and when appropriate.

II. RESOLUTION ON THE VALIDITY PERIOD OF THE RESOLUTIONS IN RESPECT OF THE ISSUANCE AND ADMISSION OF GDRs

For the purposes of the Issuance and Admission of GDRs, it will be proposed at the general meeting of the Company for the relevant resolutions in respect of the Issuance and Admission of GDRs to be approved to remain valid for a period of 12 months from the date of consideration and approval of such resolutions at the general meeting of the Company.

III. RESOLUTION ON THE GRANTING OF AUTHORIZATION TO THE BOARD AND SUCH PERSONS AUTHORIZED BY THE BOARD TO CONSIDER IN THEIR SOLE DISCRETION MATTERS IN CONNECTION WITH THE ISSUANCE AND ADMISSION OF GDRs

For the purposes of the Issuance and Admission of GDRs of the Company, it will be proposed at the general meeting to authorize the Board and approve the Board to authorize the chairman and secretary to the Board to handle in their sole discretion matters relating to the Issuance and Admission of GDRs under the above-mentioned framework and principle of the issuance plan, including:

1. It will be proposed at the general meeting to authorize the Board and the Authorized Persons of the Board to handle with full authority the adjustments and specific implementation of the proposal for the Issuance and Admission of GDRs, within the boundaries of the proposal for the Issuance and Admission of GDRs as approved at the general meeting and in accordance with the PRC laws and regulations as well as the relevant requirements of the securities regulatory authorities, including but not limited to determining the specific issuance size, conversion rate between GDRs and A Shares, issuance price (including the currency, price range and final issuance price), timing, methods and target of issuance, placing proportion, conversion and redemption of GDRs and A Shares and plans on the use of proceeds.
2. It will be proposed at the general meeting to authorize the Board and the Authorized Persons of the Board to amend, sign, submit and publish the prospectus; sign, implement, amend and terminate any agreements, contracts, offering documents or other documents relating to the Issuance and Admission of GDRs; appoint joint global coordinator(s), underwriter(s), domestic and overseas legal advisor(s), receiving bank(s), trustee(s), depository(ies) and other intermediaries relevant to the Issuance and Admission of GDRs and other matters relating to the Issuance and Admission of GDRs, as they may consider necessary or appropriate.
3. It will be proposed at the general meeting to authorize the Board and the Authorized Persons of the Board to handle the approval, registration, filing, verification, consent and other procedures with the relevant domestic and overseas governmental departments and regulatory authorities in respect of the Issuance and Admission of GDRs in accordance with the proposal for the Issuance and Admission of GDRs as approved at the general meeting; sign, implement, amend and finalize all necessary documents required to be submitted to the relevant domestic and overseas governmental departments, authorities, organizations and individuals; and take all other acts and measures relating to the Issuance and Admission of GDRs as they consider necessary, appropriate or expedient.

4. It will be proposed at the general meeting to authorize the Board and the Authorized Persons of the Board to, on behalf of the Company, approve the format and contents of the relevant application documents relating to the application to the UK FCA and the London Stock Exchange for the Issuance and Admission of GDRs, approve such authorized persons to submit to the UK FCA and the London Stock Exchange as necessary the prospectus and other documents required to be submitted according to the UK Listing Rules and the UK Prospectus Regulation Rules, and sign, on behalf of the Company, the application documents, undertakings, declarations and confirmations.
5. It will be proposed at the general meeting to authorize the Board and the Authorized Persons of the Board to make relevant adjustments and modifications (including but not limited to adjustments and modifications to provisions, chapters, terms, conditions, registered capital etc.) to the Articles of Association and other internal corporate governance procedures of the Company in accordance with the domestic and overseas laws and regulations, the requirements and recommendations from domestic and overseas governmental authorities and regulatory authorities and according to the actual circumstances of the Issuance and Admission of GDRs; and handle the CBIRC, the CSRC, the State Administration for Industry and Commerce and other relevant authorities' approvals, changes of registration, recordals and other filings in due course in accordance with regulatory requirements.
6. It will be proposed at the general meeting to authorize the Board and the Authorized Persons of the Board to make relevant amendments to the contents of the resolutions on the Issuance and Admission of GDRs as considered and approved at the general meeting in accordance with the requirements of the relevant governmental departments and regulatory authorities and the relevant approval documents.
7. It will be proposed at the general meeting to authorize the Board to authorize relevant persons to specifically handle any other matters relating to the Issuance and Admission of GDRs as necessary.
8. The authorization granted hereunder shall be valid for a term of 12 months from the date of consideration and approval of such resolutions at the general meeting of the Company.

IV. RESOLUTION ON THE DISTRIBUTION OF ACCUMULATED PROFITS PRIOR TO THE ISSUANCE AND ADMISSION OF GDRs

The Company intends to issue GDRs and apply for the admission of the same to listing on the Official List of the UK FCA and to trading on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange. In order to balance the interests of existing and new Shareholders of the Company, accumulated profits of the Company prior to the Issuance and Admission of GDRs, after deducting any proposed dividends (if any) which have been approved at the general meeting of the Company in accordance with PRC laws and regulations and the Articles of Association prior to the Issuance and Admission of GDRs, shall be shared among existing and new Shareholders after the Issuance and Admission of GDRs.

V. RESOLUTION ON THE PLAN FOR THE USE OF PROCEEDS FROM THE ISSUANCE AND ADMISSION OF GDRs

The proceeds from the Issuance and Admission of GDRs by the Company, after deducting relevant issuance fees, are intended to promote internationalization and replenish capital of the Company. The amount of the proceeds will be determined subject to the final number of the Shares to be issued and the issuance price. The Company will make disclosures thereof in due course.

The specific use and investment plan for the issuance proceeds are subject to the disclosure in the prospectus.

VI. RESOLUTION ON THE PURCHASE OF PROSPECTUS LIABILITY INSURANCE

According to the relevant domestic and overseas laws and regulations, the Articles of Association and market practices, the Company proposed to purchase prospectus liability insurance in respect of issuance of GDR and listing based on the purchased liability insurance for Directors, supervisors and senior management.

Meanwhile, according to the needs of the Issuance and Admission of GDRs, it will be proposed at the general meeting to authorize the Board and approve the Board to authorize the Authorized Persons of the Board to handle relevant matters relating to the purchase of prospectus liability insurance (including but not limited to determining the insurance company; determining the amount of insurance coverage, the premium, and other insurance terms; selecting and engaging insurance brokers or other intermediaries; signing relevant legal documents and handling other matters relating to the purchase of insurance and the renewal) under the premise of compliance with relevant domestic and overseas laws and regulations, the Articles of Association and market practices.

VII. CONDITIONS PRECEDENT TO THE PROPOSED ISSUANCE AND ADMISSION OF GDRs

The proposed Issuance and Admission of GDRs is subject to satisfaction of the following conditions, including but not limited to:

1. the proposed Issuance and Admission of GDRs under a general mandate having been approved at the EGM, and the authorizations having been granted to the Board;
2. the competent PRC authorities, such as the CBIRC and CSRC, having approved the proposed Issuance and Admission of GDRs; and
3. the approval for the admission of the GDRs to listing on the Official List of the UK FCA and to trading on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange having been obtained.

BENEFITS AND REASONS FOR THE PROPOSED ISSUANCE AND ADMISSION OF GDRs

The Company aims to become a first-class insurance and financial service institution with international competitiveness by seeking external growth opportunities and boosting the shift of development drivers, so as to comprehensively enhance the management level. The Issuance and Admission of GDRs will facilitate the Company in introducing high-quality investors around the world, enriching the composition of Shareholders, and continuously improving the corporate governance. Moreover, it will assist the Company in promoting internationalization, further increasing its global influence, solidifying the capital base, reinforcing the steady operation and risk management level, thereby providing great support to the thorough implementation of Transformation 2.0.

GENERAL INFORMATION

The proposals will be submitted for consideration and approval at the 2019 first EGM of the Company. Except for the sixth resolution “Resolution on the Purchase of Prospectus Liability Insurance”, which will be considered and approved by way of ordinary resolution, the first five resolutions will be considered and approved by way of special resolution. The Company will publish the circular and further announcement(s) regarding the above proposals in due course. Further disclosures will be made in due course regarding material developments in connection with the Issuance and Admission of GDRs, including but not limited to the issuance price of the GDRs, the conversion rate between the GDRs and A Shares and relevant regulatory requirements.

Shareholders and potential investors of the Company are advised that the Issuance and Admission of GDRs is subject to the approval of the Shareholders of the Company and other relevant regulatory authorities, and depends on the final decision of the Board, market conditions and other factors. Accordingly, there is no assurance that the Issuance and Admission of GDRs will take place or as to when it may take place. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.

These materials are not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia). This announcement does not constitute an invitation or offer to acquire, purchase or subscribe for any security in the United States, Australia, Canada, Japan or any other jurisdiction, nor is it intended to invite any such offer or invitation. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act. The securities described herein have not been and will not be registered under the U.S. Securities Act.

The distribution of this announcement and other information in connection with the Issuance and Admission of GDRs in certain jurisdictions may be restricted by law and persons into whose possession any document or other information referred to herein comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement is addressed to, and is only directed at, those persons who are qualified investors (within the meaning of Article 2(e) of the Prospectus Regulation) (“**Qualified Investors**”) in any member state of the European Economic Area (the “**EEA**”) (other than the United Kingdom), and such other persons as this announcement may be addressed to, or directed at, on legal grounds. Any investment or investment activity to which this announcement relates is only available to Qualified Investors in any member state of the EEA (other than the United Kingdom), and may only be engaged in with such persons. Any person in a member state of the EEA (other than the United Kingdom) who is not a Qualified Investor should not act or rely on this announcement or any of its contents.

This announcement is addressed to and is directed only at (i) persons who are outside the United Kingdom or (ii) persons in the United Kingdom who are Qualified Investors and who (a) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the “**Order**”), or (b) are high net worth entities, unincorporated associations, etc. falling within Article 49(2) (a) to (d) of the Order or (c) are certified high net worth individuals and certified and self-certified sophisticated investors as described in Articles 48, 50, and 50A, respectively, of the Order or (d) are persons to whom this communication may otherwise be lawfully communicated (all such persons together being referred to as “**relevant persons**”). Any investment activity to which this communication relates will only be available in the United Kingdom to and will only be engaged with, relevant persons. Any person in the United Kingdom who is not a relevant person should not act or rely on this announcement or any of its contents.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy, completeness or fairness. The information in this announcement is subject to change. Any purchase of GDRs in the Issuance and Admission of GDRs by an investor should be made solely on the basis of information contained in the Company’s prospectus to be issued by the Company in connection with the Issuance and Admission of GDRs in due course.

DEFINITION

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

“Articles of Association”	the articles of association of the Company, as amended from time to time
“A Share(s)”	domestic share(s) of nominal value of RMB1.00 each in the share capital of the Company which are listed on the Shanghai Stock Exchange and traded in RMB
“Authorized Persons of the Board”	the chairman and secretary to the Board, authorized by the Board to handle matters relating to the Issuance and Admission of GDRs in their sole discretion
“Board” or “Board of Directors”	the board of Directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission

“Company” or “the Company”	China Pacific Insurance (Group) Co., Ltd., a joint stock company incorporated in the PRC with limited liability
“Company Law”	The Company Law of the People’s Republic of China
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“Extraordinary General Meeting” or “EGM”	the first extraordinary general meeting for 2019 of the Company to be held in Nanyuan Xinzhi Hotel, Ningbo, Zhejiang, the PRC at 2:30 p.m. on Friday, 8 November 2019
“GDR (s)”	global depositary receipt(s)
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to the special resolution passed at the annual general meeting of the Company held on 5 June 2019
“H Share(s)”	overseas listed foreign share(s) of nominal value of RMB1.00 each in the share capital of the Company which are listed on The Stock Exchange of Hong Kong Limited and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Issuance and Admission of GDRs”	the Company’s issuance of GDRs representing new A Shares as underlying securities and the applications for the admission to listing of the same on the Official List of the UK FCA and to trading on the Shanghai-London Stock Connect segment of the Main Market of the London Stock Exchange
“Main Market”	the main market for listed securities of the London Stock Exchange

“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this announcement only, Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan region
“RMB” or “yuan”	the lawful currency of the PRC
“Regulations on Shanghai-London Stock Connect”	the Regulations on the Market Connect of Depositary Receipts of the Shanghai Stock Exchange and the London Stock Exchange (Trial) (《關於上海證券交易所與倫敦證券市場互聯互通存托憑證業務的監管規定(試行)》) issued by the CSRC on 12 October 2018
“Share(s)”	A Share(s) and H Share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UK FCA”	the UK Financial Conduct Authority
“UK Listing Rules”	the Listing Rules of the UK FCA made under Part VI of the UK Financial Services and Markets Act 2000 (as amended) and related secondary legislation
“UK Prospectus Regulation Rules”	the Prospectus Regulation Rules of the UK FCA
“United States”	the United States of America
“USD”	the lawful currency of the United States

By Order of the Board of Directors
China Pacific Insurance (Group) Co., Ltd.
KONG Qingwei
Chairman

Hong Kong, 24 September 2019

As at the date of this announcement, the Executive Director of the Company is Mr. KONG Qingwei; the Non-executive Directors of the Company are Mr. WANG Tayu, Mr. KONG Xiangqing, Ms. SUN Xiaoning, Mr. LI Qiqiang, Mr. WU Junhao, Mr. CHEN Xuanmin and Mr. HUANG Dinan; and the Independent Non-executive Directors of the Company are, Mr. LEE Ka Sze, Carmelo, Mr. CHEN Jizhong, Ms. LAM Tyng Yih, Elizabeth, Mr. JIANG Xuping and Mr. GAO Shanwen.