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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: 2601)

**PRICE-SENSITIVE INFORMATION AND OVERSEAS REGULATORY
ANNOUNCEMENT**

This announcement is made pursuant to Rules 13.09(1) and 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company wishes to update the investing public on the status of Interpretation No. 2 and the CIRC Notice. On 30 December 2009, the Company learned that the Notice on Related Accounting Treatment Rules for Insurance Contracts had been issued and published by the Ministry of Finance.

Reference is made to the H shares prospectus of the Company dated 10 December 2009 (the "Prospectus") issued by China Pacific Insurance (Group) Co., Ltd (the "Company"). The Company would like to update the investing public on the status of new PRC accounting pronouncements, referred to in the Prospectus as Interpretation No. 2 and the CIRC Notice. Capitalised terms used in this announcement shall have the same meanings as defined in the Prospectus unless otherwise defined herein.

On 7 August 2008, the Ministry of Finance issued Interpretation No. 2 to New China Accounting Standards ("Interpretation No. 2"), which requires companies with both A shares listed on a PRC stock exchange and H shares listed on the Hong Kong Stock Exchange to apply the same accounting treatment to the same transactions, with the exception of the impairment loss reversals on certain non-current assets; and the disclosure on connected parties.

On 5 January 2009, CIRC issued the Circular on Insurance Industry's Implementation of Interpretation No. 2 to New China Accounting Standards (the "CIRC Notice"), which requires that when preparing the financial statements for the year ending 31 December 2009, each PRC insurance company has to modify its existing accounting policies that may cause discrepancies in its financial reporting for purposes of its A shares and H shares so as to eliminate such discrepancies and should adopt the

following accounting policies: (i) premiums income be recognized and measured based on an assessment of the “significance of the insurance risk” and an unbundling of different components of a contract; (ii) acquisition costs for new insurance contracts be expensed in the income statement for the current period, instead of being deferred and amortized over the expected life of such insurance contracts; and (iii) actuarial reserves be measured based on the principle of “best estimates”. Detailed implementation requirements concerning the unbundling of different components of a contract, the assessment of the “significance of the insurance risk” and actuarial reserves to be measured by applying the new basis were to be issued separately in due course. Prior to the issuance of such implementation requirements, insurance companies shall continue to use their existing accounting policies. Once the said implementation requirements have been issued, financial data concerning previous years would be adjusted retrospectively.

On 30 December 2009, the Company learned that the Notice on Related Accounting Treatment Rules for Insurance Contracts had been issued and published by the Ministry of Finance (the “MOF Notice”). The MOF Notice sets forth broad criteria to be followed in implementing the accounting policies for the unbundling of different components of a contract, the assessment of the “significance of the insurance risk” and actuarial reserves to be measured based on the principle of “best estimates”, and requires insurance companies to start applying the criteria contained therein in preparing their respective financial statements for the year ending 31 December 2009. Accounting treatment applied to relevant transactions or events in prior years which were inconsistent with the criteria set forth in the MOF Notice should be adjusted retrospectively, unless it is not practicable to make such adjustments retrospectively.

The Company will amend its accounting policies in accordance with the MOF Notice in preparing its financial statements for the year ending 31 December 2009.

Shareholders and/or investors are reminded to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 4 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.