

CPIC (SH601601, HK02601)
Stock Data (Ending Jan 31, 2017)

Total equity base (in million)	9,062
A-share	6,287
H-share	2,775
Total Cap (in RMB million)	251,108
A-share	182,449
H-share (in HKD million)	77,145
6-mth highest/lowest	
A-share (in RMB)	31.14/25.82
H-share (in HKD)	30.55/26.60

A KIND REMINDER

We are scheduled to release the annual results for 2016 on March 30, 2017. The management will host the Annual Results Announcement on March 31, 2017 in Shanghai, with on-line and call access.

Investor Relations Calendar

2017.3.27-2017.3.31
 Credit Swiss Asian Investment
 Conference
 Hong Kong

2017.3.31
 CPIC 2016 Annual Results Announcement
 Shanghai

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Premium Income (Unit: in RMB million)

Premium Income	Jan	Changes	Jan	Changes
-P&C	10,983	-1.3%	10,983	-1.3%
-Life	40,337	56.0%	40,337	56.0%

Special Report

● China's mainstream media run a series of reports on CPIC's transformation initiatives

As CPIC concluded its "customer-oriented" transformation, China's mainstream financial media ran a series of in-depth reports on the difference the initiative has made, ranging from customer operation, differentiated marketing & service, full life cycle products and services as well as strategy upgrades.

Below is a summary of the reports.

Shanghai Securities Daily: Five Years on, Substantial Improvement in Quality and Profitability

When it embarked on the journey of transformation 5 years ago, the company faced pressure as many of its peers believed volume mattered more than value and the key differentiator was price. Five years on, the company achieved a fundamental shift in its mode of development. The transformation initiative played a central role in enhancing its core competitiveness, its value-creating capabilities and its ability to deliver sustainable development.

China Business News: A Fundamental Shift in CPIC's Mode of Development driven by Data and Focus on Customers

A refocus on protection as the key value proposition of insurance will be the theme of 2017. While emerging players on the path of transformation are facing mounting pressure given capital market volatility over the years, traditional listed player have offered useful lessons in their different ways. What CPIC did was essentially to improve differentiation in both products and customer services based on big data, and therefore enhancing customer experience and loyalty.

CBN News: CPIC's Transformation Delivered Impressive Results in both Profitability and Growth

There is more about the transformation than it seemed. The initiative, which seeks to better understand customer needs, improve customer engagement and enhance customer experience, has delivered a fundamental shift in the model of CPIC 's development, with continued growth of its comprehensive strength and a more recognized brand-name. Agency channel has become the key driver of life business growth, and the company's property and casualty business also saw improved underwriting quality. On its 25t anniversary, the company delivered solid results through a 5-year transformation initiative.

21st Century Economic Daily: CPIC's Transformation Achieved Success in both Value Growth and Value-creating Capabilities

Over the past 5 years, CPIC combined top-level design and grass-root practice, and adopted a 2-pronged approach towards its transformation. On the one hand, it focused on implementation of market strategies to drive immediate value growth. On the other hand, it promoted the roll-out of transformation projects to foster its long-term value-creating capabilities. A

total of 18 such projects have been launched involving 81 “transformation directors” and over 10,000 employees.

Economic News Daily: A Sharpened Focus on Value Wins Longer Term

Experience of overseas mature markets points to certain qualities common among good insurance companies. They would resist the temptation of short-term gains and pursue long-term sustainable value growth, which would help them mitigate earnings impact from market volatility across economic cycles. Given their strategic focus, they can continuously cement their core competitiveness while steering away from distractions that have nothing to do with their strategic advantage or incompatible with market conditions.

COMPANY UPDATES

● CPIC Life chairman gives speech on insurance asset management at CIRC training session

On Feb. 8, CIRC held a meeting on “insurance funds utilization” in Guangzhou to implement “the spirit of the National Insurance Regulatory Work Meeting”. CPIC Life chairman XU Jinghui gave a speech entitled Returning to the Basics and Promoting Upgrades of ALM. According to the chairman, CPIC Life will shoulder the primary responsibility in ALM by the support of CPIC Group, CPIC AMC, and Changjiang Pension Fund. CPIC Life is now promoting an upgrade underpinned by infrastructure-building, capacity-building and technological innovations.

● CIRC publicizes CPIC sugar-cane target price insurance pilot program

In its recent news bulletin, CIRC runs a report about CPIC’s sugar-cane target insurance pilot program in Guangxi. The program, launched in January of 2016, combines the insurance and futures markets and can effectively mitigate the price risk of sugar-canes, exploring a new path for the agricultural “supply-side reform”.

● Changjiang Pension wins China’s Enterprise Annuity Manager of the Year awards

In January 2017, Asia Asset Management released its rankings of Asia’s asset management industry for 2016. Changjiang Pension wins for the 5th consecutive year China’s Enterprise Annuity Manager of the Year Award. One of its collective enterprise annuity plans wins China’s Enterprise Annuity Plan of the Year, and the company’s CEO SU Gang awarded China’s CEO of the Year.

Regulatory Updates

● CIRC issues new rule on stock investment of insurance funds

Recently, CIRC issued The Circular on further Enhancing Regulation of Stock Investment of Insurance Funds, seeking to tighten regulation of stock

investment by insurance companies and their concerted parties, in a bid to mitigate concentration risk and rein in reckless investment by certain individual insurers.

Under the new rule, stock investment is classified into 3 categories: ordinary, major, and M&A of public companies. Ordinary investments face no additional restrictions if the acquired stake does not exceed 5%, and when it does, information disclosure is required. Major investments shall be filed with the regulator for record. M&As of public companies shall be filed with CIRC for approval.

The circular also specifies the upper limits of equity investment: 5% of total assets for a single stock and 30% of total assets for the entire equity holdings.

The new rule explicitly bans M&A of public companies by consortium of insurance companies and their concerted parties. The circular also calls for “substantial communication with the shareholders and management of listed companies”, and urges insurers to be “friendly investors”.