

HISTORY AND ORGANIZATIONAL STRUCTURE

CPIC GROUP

We were established on 13 May 1991 with a registered capital of RMB1,000 million under the name China Pacific Insurance Co., Ltd., being the first joint stock commercial insurance company authorized to conduct composite insurance operations on a nationwide basis in the PRC. Our founding investors included Bank of Communications, together with some of its branches, and over 150 other entities, some of whom are no longer shareholders of CPIC Group.

On 26 September 1995, our Company increased its registered capital to RMB2,006.39 million. On 24 October 2001, our Company was re-registered as a joint stock limited company in the PRC by the Promoters and renamed to China Pacific Insurance (Group) Co., Ltd. as required by the PRC Insurance Law and the PRC Company Law. On 31 December 2002, CPIC Group increased its registered capital to RMB4,300 million. On 4 June 2007, CPIC Group further increased its registered capital to RMB6,700 million through a private placement. In this private placement, CPIC Group issued 1,066,700,000 Shares to some of its then existing shareholders including Baosteel Group Corporation, Shenergy (Group) Co., Ltd. and Dalian Shide Group Co., Ltd., and 1,333,300,000 Shares to the Overseas Investors at a placing price of RMB4.27 per Share. Meanwhile, the Overseas Investors transferred to CPIC Group their entire stake in CPIC Life.

In December 2007, we conducted a public offering of our A Shares in the PRC. Upon the completion of the A Share Offering, our share capital was increased to RMB7,700 million, divided into 7,700 million A Shares. Our A Shares are listed on the Shanghai Stock Exchange and trading of our A Shares on the Shanghai Stock Exchange commenced on 25 December 2007. The offering price for our A Shares in the A Share Offering was RMB30 per A Share and the net proceeds to us from the A Share Offering were approximately RMB29,032 million. See the section headed “Our A Shares”.

OUR SUBSIDIARIES AND JOINT VENTURE

CPIC Group, together with four other promoters, established CPIC Life and CPIC Property on 9 November 2001. Upon their establishment, CPIC Group held 95% interest in each of CPIC Life and CPIC Property and each of the other four promoters, namely Shenergy (Group) Co., Ltd., Shanghai State-Owned Assets Operation Co., Ltd., Shanghai Tobacco (Group) Corporation and Yunnan Hongta Group Co., Ltd., held 1.25% interest in each of CPIC Life and CPIC Property, respectively. Following the establishment of CPIC Life and CPIC Property, we operate our life insurance business primarily through our controlling ownership interest in CPIC Life and our property and casualty insurance business primarily through our controlling ownership interest in CPIC Property.

CPIC Life had a registered capital of RMB1,000 million upon its establishment. In December 2005, the CIRC approved the Overseas Investors to collectively subscribe for 499 million newly issued shares of CPIC Life (representing 24.975% of the then enlarged equity interest of CPIC Life) for a consideration of RMB3,310.6 million. CPIC Group also subscribed for 499 million newly issued shares of CPIC Life. As a result, CPIC Life’s registered capital was increased to RMB1,998 million on 24 February 2006. Subsequently in 2007, the Overseas Investors subscribed for an aggregate of 1,333,300,000 Shares and transferred to CPIC Group their entire stake in CPIC Life as disclosed above. On 7 June 2007, we increased CPIC Life’s registered capital with our own funds to RMB2,300 million. On 21 March 2008, our shareholders’ meeting resolved to further increase CPIC Life’s registered capital to RMB3,500 million. The increase of the registered capital was approved by the CIRC on 30 June 2008. On 31 October 2008, CPIC Life resolved to further increase its registered capital to RMB5,100 million. The increase of the registered capital was approved by the CIRC on 3 December 2008. As of the Latest Practicable Date, the registered capital of CPIC Life was RMB5,100 million. Please refer to the section headed “Statutory and General Information — Our Subsidiaries — Changes in share capital — CPIC Life” in Appendix X to this prospectus for details of the changes in the share capital of CPIC Life.

CPIC Property had a registered capital of RMB1,000 million upon its establishment. We increased CPIC Property’s registered capital with our own funds to RMB2,452 million on

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12 November 2003 and to RMB2,688 million on 30 May 2007. On 21 March 2008, our shareholders' meeting resolved to further increase CPIC Property's registered capital to RMB4,088 million. The increase of the registered capital was approved by the CIRC on 30 June 2008. As of the Latest Practicable Date, the registered capital of CPIC Property was RMB4,088 million. Please refer to the section headed "Statutory and General Information — Our Subsidiaries — Changes in share capital — CPIC Property" in Appendix X to this prospectus for details of the changes in the share capital of CPIC Property.

In June 2006, we established CPIC Asset Management, which is generally responsible for managing the funds received from our life insurance and property and casualty insurance businesses as well as surplus funds from the operations of CPIC Group. CPIC Asset Management may also manage funds entrusted by third parties. It had a registered capital of RMB200 million upon its establishment and increased its registered capital to RMB500 million on 19 December 2007.

We conduct our overseas operations in Hong Kong through CPIC HK, which is a wholly-owned subsidiary of CPIC Group. We have been conducting business in Hong Kong since 1994. CPIC HK was established following our acquisition of Mandarin Insurance Company Limited, a Hong Kong-based insurance company that had been providing insurance services in the local market since 1976. CPIC HK has obtained the authorization from the Office of the Commissioner of Insurance of Hong Kong to carry on its insurance business and is subject to the supervision and regulation of the Commissioner of Insurance of Hong Kong and other relevant regulatory authorities of Hong Kong. As of the Latest Practicable Date, CPIC HK had not been in breach or violation of any applicable laws and rules in Hong Kong. Our Board resolved on 22 January 2008 to further increase CPIC HK's registered capital with our own funds from HK\$100 million to HK\$250 million by creation of an additional capital of HK\$150 million, which was issued during the year ended 31 December 2008, to provide for additional working capital.

Our Board also resolved in 2008 to establish a Hong Kong company with an intended registered capital of HK\$50 million. We are in the process of incorporating such company and, upon its incorporation, it will be engaged in asset management business in Hong Kong and owned as to 49% by us and as to 51% by CPIC Asset Management.

We have also been holding a 50% equity interest in Pacific-Antai since 1998, which was originally a joint venture between us and Aetna Life Insurance Company. In 2002, an affiliate of ING Groep N.V. became our joint venture partner following the acquisition of Aetna Life Insurance Company's financial services and international businesses by ING Groep N.V. in 2000. The registered capital of Pacific-Antai was increased from RMB700 million to RMB800 million in 2008. After such increase in registered capital and as of the Latest Practicable Date, we held a 50% equity interest in Pacific-Antai.

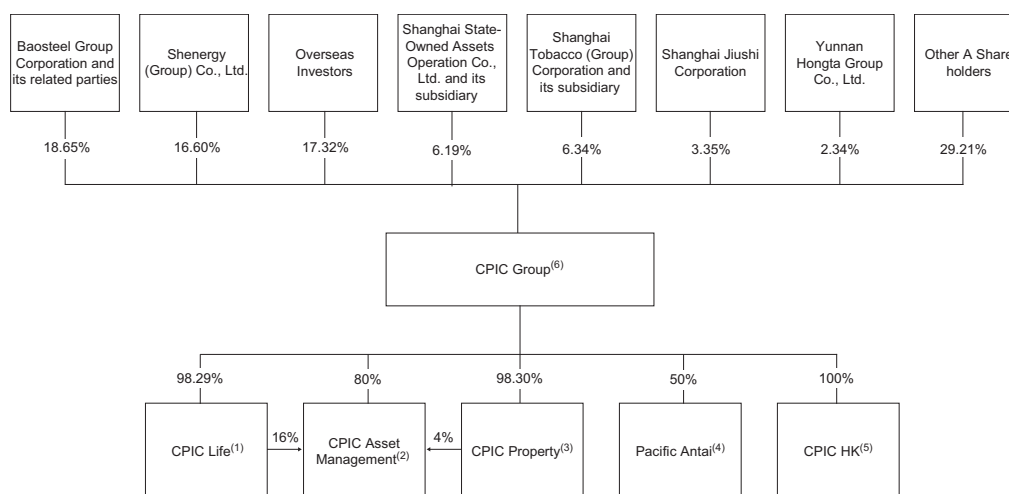
Our subsidiaries and joint venture are regulated by the laws of the jurisdictions where they were incorporated and/or established and where they conduct their businesses.

Please refer to Appendix IX to this prospectus for a summary of our Articles of Association.

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OUR STRUCTURE

As of the Latest Practicable Date, we had 7.7 billion A Shares issued and outstanding. The following chart sets forth our shareholding and corporate structure as of the Latest Practicable Date, without taking into account the Global Offering:

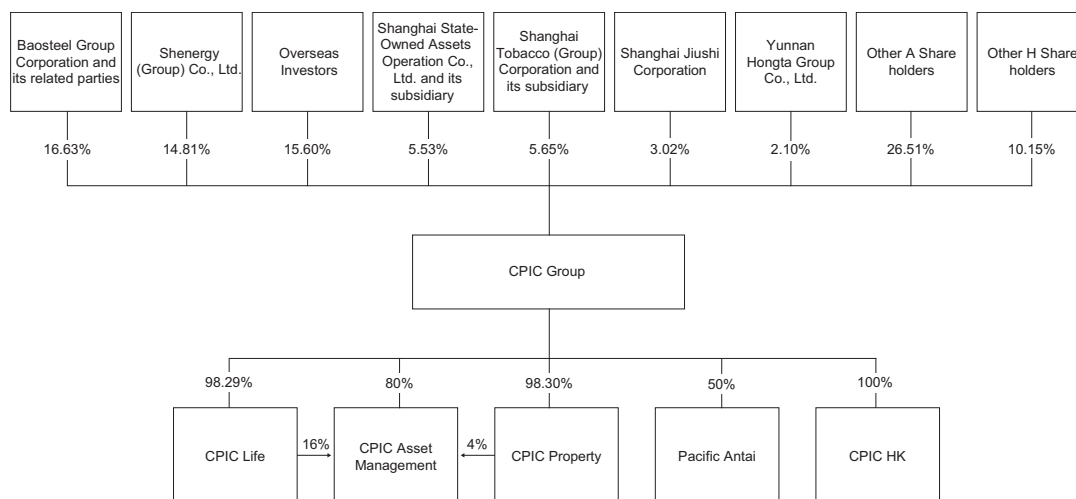


- (1) Shenergy (Group) Co., Ltd., Shanghai State-Owned Assets Operation Co., Ltd., Shanghai Tobacco (Group) Corporation and Yunnan Hongta Group Co., Ltd. hold equity interests of 0.55%, 0.54%, 0.37% and 0.25%, respectively, in CPIC Life. CPIC Life is engaged in life insurance business.
- (2) CPIC Asset Management is primarily engaged in managing the funds received from our life insurance and property and casualty insurance businesses as well as surplus funds from the operations of CPIC Group. CPIC Asset Management may also manage funds entrusted by third parties.
- (3) Shenergy (Group) Co., Ltd., Shanghai State-Owned Assets Operation Co., Ltd., Shanghai Tobacco (Group) Corporation and Yunnan Hongta Group Co., Ltd. hold equity interests of 0.47%, 0.47%, 0.47% and 0.31%, respectively, in CPIC Property. CPIC Property is engaged in property and casualty insurance business.
- (4) An affiliate of ING Groep N.V. holds a 50% equity interest in Pacific-Antai. Pacific-Antai is primarily engaged in the underwriting of various types of life insurance products in Shanghai, Guangdong and Jiangsu.
- (5) CPIC HK is engaged in general insurance business in Hong Kong.
- (6) Our other subsidiaries include: (i) Pacific Real Estate, a wholly-owned subsidiary of us engaging in management of its properties for use by the Group; (ii) Jiaxing Taibao, a company engaging in insurance agency business, in which CPIC Life holds an 80% equity interest; and (iii) Fenghua Hotel, a company engaging in hotel operations, in which CPIC Life holds a 51.8% equity interest and CPIC Property holds a 48.2% equity interest.

See the section headed “Substantial Shareholders” in this prospectus for details of our substantial shareholders as of the Latest Practicable Date.

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The following chart sets forth our shareholding and corporate structure immediately after the completion of the Global Offering, assuming the H Share Over-Allotment Option is not exercised:



See the section headed “Substantial Shareholders” in this prospectus for details of our substantial shareholders immediately after the completion of the Global Offering.

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The following chart sets forth CPIC Group's organizational structure as of the Latest Practicable Date.

