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## **中国平安保险(集团)股份有限公司**

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2318)**

### **ANNOUNCEMENT**

#### **CONNECTED TRANSACTION**

#### **SUBSCRIPTION OF A SHARES IN INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**

On October 16, 2006, Ping An Life entered into the A Shares Placing Agreement pursuant to which Ping An Life has agreed to subscribe the ICBC A Shares to be listed on the Shanghai Stock Exchange at a consideration of RMB1,100,000,000 (equivalent to approximately HK\$1,082,346,920).

As ICBC is a connected person of the Company, the A Shares Placing Agreement constitutes a connected transaction of the Company under the Listing Rules, which is subject to reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules.

#### **A SHARES PLACING AGREEMENT WITH ICBC**

On October 16, 2006, Ping An Life, a subsidiary of the Company, entered into the A Shares Placing Agreement with ICBC for the subscription of the ICBC A Shares at a price per ICBC A Share equivalent to the final RMB price per ICBC A Share (exclusive of brokerage and levies) at which the ICBC A Shares are to be issued ("ICBC A Share Offer Price") pursuant to the ICBC PRC Public Offering. The total subscription price for the ICBC A Shares to be subscribed by Ping An Life is RMB1,100,000,000 (equivalent to approximately HK\$1,082,346,920). The number of ICBC A Shares to be subscribed by Ping An Life will depend on the determination of the final ICBC A Share Offer Price. Based on the information currently available to the Company, it is expected that the ICBC A Shares subscribed for by Ping An Life will represent not more than approximately 0.13% of the entire issued share capital of ICBC.

The A Shares Placing Agreement is conditional upon the successful listing of the ICBC A Shares on the Shanghai Stock Exchange.

50% each of the ICBC A Shares to be subscribed by Ping An Life will be subject to a 12-months' and 18-months' lock up period respectively, effective from the date of listing on the Shanghai Stock Exchange.

The subscription monies for the ICBC A Shares subscribed by Ping An Life will be satisfied by internal resources of the Group.

## **REASONS AND BENEFITS FOR THE TRANSACTION**

The subscription of the ICBC A Shares by Ping An Life has been approved by the relevant regulatory body, namely, the China Insurance Regulatory Commission, and complies with the relevant PRC laws, rules and regulations applicable to the use of insurance funds. The subscription of ICBC A Shares is part of the Company's efforts to expand the investment channel and maximize the return from the use of the insurance funds.

## **LISTING RULES IMPLICATIONS**

ICBC is a promoter of the Company and thus a connected person of the Company under Rule 14A.11(3). Further, as ICBC (Asia), a non-wholly owned subsidiary of ICBC, is a substantial shareholder of China Ping An Insurance (Hong Kong) Company Limited, a 75% owned subsidiary of the Company, both ICBC (Asia) and ICBC are connected persons of the Company under Rule 14A.11(5).

The A Shares Placing Agreement constitutes a connected transaction of the Company under the Listing Rules, which is subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules as the relevant percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) (other than the profits ratio) are more than 0.1% but less than 2.5%.

## **INFORMATION RELATING TO THE GROUP**

The Company together with its subsidiaries is an insurance and financial services group in the PRC with the ability to provide multiple insurance and financial services and products to corporate and retail customers.

ICBC is a commercial bank approved by the China Banking Regulatory Commission and engaged in the provision of a broad range of financial products and services to corporate and retail customers.

The A Shares Placing Agreement was entered into by the Company on normal commercial terms. The directors of the Company (including the independent non-executive directors) are of the view that the terms of the A Shares Placing Agreement are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

## **DEFINITIONS**

“A Shares Placing Agreement”	the agreement dated October 16, 2006 between Ping An Life and ICBC in relation to the subscription by Ping An Life of ICBC A Shares for a total consideration of RMB1,100,000,000
“Board”	the board of directors of the Company
“Company”	Ping An Insurance (Group) Company of China, Ltd., a joint stock limited company established in the PRC, the H shares of which are listed on the Stock Exchange
“Group”	the Company and its subsidiaries
“ICBC”	Industrial and Commercial Bank of China Limited

“ICBC Asia”	Industrial and Commercial Bank of China (Asia) Limited
“ICBC A Shares”	ordinary shares of RMB1.00 each to be issued by ICBC and to be listed on the Shanghai Stock Exchange
“ICBC PRC Public Offering”	the offer for subscription of ICBC A Shares by the public in the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Ping An Life”	Ping An Life Insurance Company of China, Ltd., a 99% owned subsidiary of the Company
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Stock Exchange”	The Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board  
**Ma Mingzhe**  
*Chairman and Chief Executive Officer*

Shenzhen, PRC, October 17, 2006

*As of the date of this announcement, the Executive Directors of the Company are Ma Mingzhe, Sun Jianyi and Cheung Chi Yan Louis, the Non-executive Directors are Huang Jianping, Lin Yu Fen, Cheung Lee Wah, Anthony Philip HOPE, Dou Wenwei, Fan Gang, Lin Lijun, Shi Yuxin, Hu Aimin, Chen Hongbo, Wong Tung Shun Peter and Ng Sing Yip, and the Independent Non-executive Directors are Bao Youde, Kwong Che Keung Gordon, Cheung Wing Yui and Chow Wing Kin Anthony.*