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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Ping An Insurance (Group) Company of China, Ltd., you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The directors of the Company collectively and individually accept full responsibility for the accuracy of information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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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)

*Executive Directors:*

Ma Mingzhe

Sun Jianyi

*Non-executive Directors:*

Huang Jianping

Liu Haifeng, David

Henry Cornell

Lin Yu Fen

Cheung Lee Wah

Anthony Philip Hope

Lin Lijun

Fan Gang

Dou Wenwei

Shi Yuxin

Hu Aimin

Chen Hongbo

*Registered office and head office:*

Ping An Building

Ba Gua No. 3 Road

Shenzhen

PRC

*Principal place of business*

*in Hong Kong:*

11th Floor, Dah Sing Financial Center

108 Gloucester Road

Wan Chai

Hong Kong

*Independent non-executive Directors:*

Bao Youde

Kwong Che Keung Gordon

Cheung Wing Yui

Chow Wing Kin, Anthony

27 June 2005

*To the Shareholders*

Dear Sir or Madam,

## TRANSFER OF H SHARES FROM EXISTING SHAREHOLDERS TO HSBC AND

## NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2005

## TRANSFER OF H SHARES FROM EXISTING SHAREHOLDERS TO HSBC

According to the Administrative Regulations for Insurance Companies (《保險公司管理規定》) issued by China Insurance Regulatory Commission (“CIRC”), if there is a change of shareholder of an insurance company in the People’s Republic of China (“PRC”) which holds 10% or more of the equity interest of the company, the company is required to apply to CIRC for permission of such a change. According to the Implementation Guidance on Administrative Approval of China Insurance Regulatory Commission (《中國保監會行政許可事項實施規程》), the insurance company is also required to submit to CIRC a copy of the resolution of shareholders at general meeting approving such a change.

Ping An Insurance (Group) Company of China, Ltd. (the “**Company**”) was informed on 9 May 2005 by its shareholders, HSBC Insurance Holdings Limited, The Goldman Sachs Group, Inc. and MSCP/PA Holding Limited, that HSBC Insurance Holdings Limited had entered into agreements to acquire, subject to certain conditions precedent, 613,929,279 H shares of the Company currently held by the private equity arm of The Goldman Sachs Group, Inc. and MSCP/PA Holding Limited, an entity controlled by funds managed by the private equity arm of Morgan Stanley. Subsequently, HSBC Insurance Holdings Limited has assigned its rights and obligation under the agreements to The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) in accordance with the terms and conditions of such agreements.

The Goldman Sachs Group, Inc. and Morgan Stanley invested in Ping An in June 1994. Their combined interest in the Company is currently equal to approximately 10.1% of the Company’s issued share capital. Under the terms of the agreements, HSBC has agreed to acquire a combined stake of 9.91% of the Company’s issued share capital for HK\$13.2 per share, a 9% premium to the closing price of H shares of the Company on The Stock Exchange of Hong Kong Limited on 6 May 2005, representing a total consideration of HK\$8.1 billion. The transaction is subject to conditions including approval from CIRC and other approvals as required by regulators in the People’s Republic of China.

As HSBC Insurance Holdings Limited (which currently holds 9.99% of the issued share capital of the Company) and HSBC (which will hold 9.91% of the issued share capital of the Company after the sale of a total of 613,929,279 H shares of the Company from The Goldman Sachs Group, Inc. and MSCP/PA Holding Limited to HSBC) are wholly owned subsidiaries of HSBC Holdings plc, HSBC Holdings plc will become interested in 19.90% of the issued share capital of the Company after the transfer of those H shares. The transfer must, therefore, be required to be approved by the shareholders of the Company at general meeting and CIRC pursuant to the relevant PRC laws and regulations. The Goldman Sachs Group, Inc., MSCP/PA Holding Limited and HSBC Insurance Holdings Limited have requisitioned the board of directors of the Company to convene the extraordinary general meeting to approve such transfer.

The shareholdings of HSBC Insurance Holdings Limited, HSBC, The Goldman Sachs Group, Inc. and MSCP/PA Holding Limited in the Company immediately before and after the completion of the transfer of 613,929,279 H shares of the Company to HSBC are as follows:

| Name of shareholder             | No. of H shares before completion of the transfer     |   |   | No. of H shares after completion of the transfer      |   |   |
|---------------------------------|---|---|---|---|---|---|
|                                 | Approximate percentage of total H shares in issue (%) | Approximate percentage of total shares in issue (%) | Approximate percentage of total shares in issue (%) | Approximate percentage of total H shares in issue (%) | Approximate percentage of total shares in issue (%) | Approximate percentage of total shares in issue (%) |
| HSBC Insurance Holdings Limited | 618,886,334   | 24.19   | 9.99  | 618,886,334   | 24.19   | 9.99  |
| HSBC                            | 0   | 0   | 0   | 613,929,279   | 23.99   | 9.91  |
| The Goldman Sachs Group, Inc.   | 338,709,182   | 13.24   | 5.46  | 7,077,876   | 0.28  | 0.11  |
| MSCP/PA Holding Limited         | 289,375,848   | 11.31   | 4.67  | 7,077,875   | 0.28  | 0.11  |
| Other shareholders of H shares  | 1,311,672,334   | 51.26   | 21.18   | 1,311,672,334   | 51.26   | 21.18   |
| Total                           | <u>2,558,643,698</u>                                  | <u>100.00</u>                                       | <u>41.30</u>  | <u>2,558,643,698</u>                                  | <u>100.00</u>                                       | <u>41.30</u>  |

After the completion of the transfer of 613,929,279 H shares of the Company to HSBC, there will not be any impact on the management or operation of the Company as a result of such transfer.

### THE FIRST EXTRAORDINARY GENERAL MEETING IN 2005

A notice convening the first extraordinary general meeting of the Company in 2005 (the “EGM”) to be held at 10:00 a.m. on Thursday, 11 August 2005 at 6th Floor, Ping An Building, Ba Gua No. 3 Road, Shenzhen, PRC is set out on pages 5 to 6 of this circular. There are no restrictions on any shareholder of the Company casting votes on the proposed resolution at the EGM.

In order to determine the list of shareholders who are entitled to attend and vote at the EGM, the registers of members will be closed from Tuesday, 12 July 2005 to Thursday, 11 August 2005, both days inclusive, during which period no transfer of shares will be effected. Holders of the Company’s H shares and domestic shares whose names appear on the registers of members on Thursday, 11 August 2005 are entitled to attend and vote at the EGM. In order to attend and vote at the EGM, holders of H shares of the Company whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at or before 4:00 p.m. on Monday, 11 July 2005. The address of the transfer

office of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

A form of proxy for use at the EGM is enclosed and is also published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). Whether or not you intend to attend the EGM, you are requested to complete and return (i) the enclosed reply slip in accordance with the instructions printed thereon not later than Friday, 22 July 2005; and (ii) the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person if you so wish.

## **PROCEDURE FOR DEMANDING A POLL AT THE EXTRAORDINARY GENERAL MEETING**

According to the Articles of Association of the Company, a resolution will be determined on a show of hands unless before or after any vote on a show of hands, a poll is demanded. A poll may be demanded by (i) the chairman of the meeting; or (ii) at least two shareholders entitled to vote, present in person or by proxy; or (iii) by one or more shareholders present in person or by proxy representing more than 10% of all Shares carrying the voting rights at the meeting.

## **RECOMMENDATION**

The directors of the Company (excluding the interested directors, Mr. Anthony Philip Hope, Mr. Henry Cornell and Mr. Liu Haifeng, David) believe that the increase of the shareholding of HSBC Holdings plc (being one of the largest banking and financial services organisations in the world) in the Company is in the interests of the Company and its shareholders as a whole. Accordingly, the directors of the Company (excluding the interested directors, Mr. Anthony Philip Hope, Mr. Henry Cornell and Mr. Liu Haifeng, David) recommend that shareholders of the Company should vote in favour of the relevant resolution set out in the notice of the EGM. Mr. Anthony Philip Hope, a Group General Manager of HSBC Holdings plc, Mr. Henry Cornell, Managing Director and Co-head of Goldman Sachs' Principal Investment Area for the Americas & Asia, and Mr. Liu Haifeng, David, Managing Director and Co-head of Morgan Stanley Private Equity Asia, have abstained from the deliberations of the board of the Company in respect of this matter in view of the fact that HSBC Holdings plc, The Goldman Sachs Group, Inc. and MSCP/PA Holding Limited are interested parties.

By Order of the Board  
**PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.**  
**Ma Mingzhe**  
*Chairman*

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## NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2005

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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)

**NOTICE IS HEREBY GIVEN** that the first extraordinary general meeting of Ping An Insurance (Group) Company of China, Ltd. in 2005 (the “EGM”) will be held at 10:00 a.m. on Thursday, 11 August 2005 at 6th Floor, Ping An Building, Ba Gua No. 3 Road, Shenzhen, PRC for the purpose of considering and, if thought fit, passing the following resolution:

#### ORDINARY RESOLUTION

“**THAT:**

- (a) conditional upon necessary approval(s) or consent(s) being granted by the relevant regulatory authorities in the People's Republic of China, the transfer of 331,631,306 H shares of Ping An Insurance (Group) Company of China, Ltd. (the “**Company**”) from The Goldman Sachs Group, Inc. and 282,297,973 H shares of the Company from MSCP/PA Holding Limited to The Hongkong and Shanghai Banking Corporation Limited, which will result in HSBC Holdings plc becoming interested in an aggregate of 19.90% of the issued share capital of the Company through The Hongkong and Shanghai Banking Corporation Limited and HSBC Insurance Holdings Limited, its wholly owned subsidiaries, be and is hereby approved; and
- (b) any director of the Company be and is hereby authorized to do such other acts and things, enter into all arrangements, execute such other documents and/or take all such steps on behalf of the Company, which in their opinion may be necessary, desirable or expedient for the transfer of a total of 613,929,279 H shares of the Company from The Goldman Sachs Group, Inc. and MSCP/PA Holding Limited to The Hongkong and Shanghai Banking Corporation Limited.”

By order of the Board  
**Ma Mingzhe**  
Chairman

Shenzhen, PRC, 27 June 2005

*As at the date of this notice, the executive directors of the Company are Ma Mingzhe, Sun Jianyi, the non-executive directors of the Company are Huang Jianping, Liu Haifeng, David, Henry Cornell, Lin Yu Fen, Cheung Lee Wah, Anthony Philip Hope, Lin Lijun, Fan Gang, Dou Wenwei, Shi Yuxin, Hu Aimin, Chen Hongbo and the independent non-executive directors are Bao Youde, Kwong Che Keung Gordon, Cheung Wing Yui and Chow Wing Kin, Anthony.*

*Notes:*

1. According to the Articles of Association of the Company, the resolutions will be determined on a show of hands unless a poll is demanded before or after any vote on a show of hands. A poll may be demanded by (i) the chairman of the meeting; or (ii) at least two shareholders entitled to vote, present in person or by proxy; or (iii) one or more shareholders present in person or by proxy representing more than 10% of all shares carrying the voting rights at the meeting.
2. In order to determine the list of shareholders who are entitled to attend and vote at the EGM, the registers of members will be closed from Tuesday, 12 July 2005 to Thursday, 11 August 2005, both days inclusive, during which period no transfer of shares will be effected. Holders of the Company's H shares and domestic shares whose names appear on the registers of members on Thursday, 11 August 2005 are entitled to attend and vote at the EGM. In order to attend and vote at the EGM, holders of H shares of the Company whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at or before 4:00 p.m. on Monday, 11 July 2005. The address of the transfer office of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
3. A shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
4. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorized in writing. If the shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorized attorney(s). If that instrument is signed by an attorney of the shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.
5. In order to be valid, the form of proxy together with the power of attorney or other authorization document (if any) must be deposited at the Secretariat of the Board of Directors of the Company for holders of domestic shares and at the H share registrar of the Company for holders of H shares not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a shareholder from attending and voting in person at the EGM if he so wishes. The H share registrar of the Company is Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
6. Shareholders who intend to attend the EGM in person or by proxy should return the reply slip to the Company's principal place of business in the PRC or Hong Kong on or before Friday, 22 July 2005 by hand, by post or by fax. The Company's principal place of business in the PRC is at Ping An Building, Ba Gua No. 3 Road, Shenzhen, PRC (Tel: (86 755) 8226 2888, Fax: (86 755) 8243 1029). The contact persons are JIANG Ning (江寧) (Tel: (86 755) 8226 2888 ext. 3210) and DA Kai (笪愷) (Tel: (86 755) 8226 2888 ext. 3388). The Company's principal place of business in Hong Kong is at 11th Floor, Dah Sing Financial Center, 108 Gloucester Road, Wan Chai, Hong Kong (Tel: (852) 2827 1883, Fax: (852) 2802 0018).
7. The EGM is expected to be concluded within half a day. Shareholders (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the EGM shall produce their identity documents.
8. The Company was informed on 9 May 2005 by its shareholders, HSBC Insurance Holdings Limited, The Goldman Sachs Group, Inc. and MSCP/PA Holding Limited, that HSBC Insurance Holdings Limited had entered into agreements to acquire, subject to certain conditions precedent, 613,929,279 H shares of the Company currently held by the private equity arm of The Goldman Sachs Group, Inc. and MSCP/PA Holding Limited, an entity controlled by funds managed by the private equity arm of Morgan Stanley. Subsequently, HSBC Insurance Holdings Limited has assigned its rights and obligation under the agreements to The Hongkong and Shanghai Banking Corporation Limited in accordance with the terms and conditions of such agreements.