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DISCLOSEABLE TRANSACTIONS FINANCE LEASING FRAMEWORK AGREEMENT

On 19 January 2018, TSFL, a non-wholly owned subsidiary of the Company, entered into the 2018 Finance Leasing Framework Agreement with China Petrochemical Corporation, pursuant to which TSFL agree to act as the lessor to provide finance leasing service to member(s) of the China Petrochemical Corporation Group as lessee(s) for the period between 1 January 2018 to 31 December 2018 (both days inclusive). China Petrochemical Corporation is a substantial shareholder of TSFL holding 50% of the issued shares of TSFL. As TSFL is an insignificant subsidiary of the Company pursuant to Rule 14A.09 of the Listing Rules, China Petrochemical Corporation and its ultimate beneficial owners are not regarded as connected persons of the Company under Chapter 14A of the Listing Rules, and the transactions contemplated under the 2018 Finance Leasing Framework Agreement do not constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

According to Rule 14.22 of the Listing Rules, the Stock Exchange will aggregate a series of transactions and treat them as if they were one transaction if they are all completed within a 12-month period or are otherwise related. As disclosed in the Company's announcement dated 19 September 2017, TSFL entered into the 2017 Finance Leasing Framework Agreement with China Petrochemical Corporation on even date. As both the transactions contemplated under the 2018 Finance Leasing Framework Agreement and 2017 Finance Leasing Framework Agreement involve the provision of finance leasing service by TSFL as the lessor to member(s) of the China Petrochemical Corporation Group as lessee(s), they will be required aggregation pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the 2018 Finance Leasing Framework Agreement and 2017 Finance Leasing Framework Agreement, when aggregated, exceed 5% but are less than 25%, such transactions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

2018 FINANCE LEASING FRAMEWORK AGREEMENT

The Board announces that on 19 January 2018, TSFL, a non-wholly owned subsidiary of the Company, entered into the 2018 Finance Leasing Framework Agreement with China Petrochemical Corporation, the principal terms of which are summarised as follows:-

Date : 19 January 2018

- Parties : (1) TSFL; and
(2) China Petrochemical Corporation
- Agreement period : 1 January 2018 to 31 December 2018 (both days inclusive)
- Nature of transactions : Provision of leasing services by TSFL as lessor to the member(s) of the China Petrochemical Corporation Group as lessee(s) by way of (1) sale and leaseback, in which case the lessor would purchase the leasing equipment from the lessee, and lease back the leasing equipment to the lessee; (2) entrusted purchase of leasing equipment by the lessee with payment of the purchase price by the lessor, and the subsequent provision of finance leasing services to the lessee by the lessor; (3) the leasing of the leasing equipment to the lessee acquired by the lessor as per the requirements of the lessee; or (4) other leases arrangement recognised under the laws of the PRC.
- With respect to each finance leasing service under the 2018 Finance Leasing Framework Agreement, TSFL will enter into a separate finance leasing agreement with the relevant lessee.
- Pricing and the basis of determination : The lease payments charged by the lessor will include the purchase price or the value of the relevant leasing equipment, the interest (including any pre-lease interest) thereon and handling fee, charged with reference to the benchmark lending rates published by the People's Bank of China from time to time, or, if no such rate is available, by reference to, among other factors, the rate charged by other major financial institutions for the same or similar type of services.
- Financial amount : At any time between 1 January 2018 to 31 December 2018 (both days inclusive), the aggregate outstanding amount of the payments payable under the 2018 Finance Leasing Framework Agreement (including all lease payments, interests, pre-lease interests and handling fee) would not exceed HK\$7 billion.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

As disclosed in the announcement of the Company dated 19 September 2017, TSFL entered into the 2017 Finance Leasing Framework Agreement with China Petrochemical Corporation on even date and the 2017 Finance Leasing Framework Agreement was expired on 31 December 2017. By entering into financial leasing transactions under the 2018 Finance Leasing Framework Agreement, TSFL would continue be able to make full use of the advantages of the resources of China Petrochemical Corporation Group, by allowing its financial leasing business to penetrate into its shareholder's key businesses in areas such as petrochemical, equipment manufacturing, transportation, energy saving and environmental protection, in order to maximize the company's operational efficiency, and to achieve the original intention of the joint venture, namely to fully utilise the shareholders' respective advantages, achieving the combination between industry and finance.

The Directors are of the view that the transactions under the 2018 Finance Leasing Framework Agreement will be conducted on normal commercial terms, and the terms of the 2018 Finance Leasing Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

China Petrochemical Corporation is a substantial shareholder of TSFL holding 50% of the issued shares of TSFL. As TSFL is an insignificant subsidiary of the Company pursuant to Rule 14A.09 of the Listing Rules, China Petrochemical Corporation and its ultimate beneficial owners are not regarded as connected persons of the Company under Chapter 14A of the Listing Rules, and the transactions contemplated under the 2018 Finance Leasing Framework Agreement do not constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

According to Rule 14.22 of the Listing Rules, the Stock Exchange will aggregate a series of transactions and treat them as if they were one transaction if they are all completed within a 12-month period or are otherwise related. As disclosed in the Company's announcement dated 19 September 2017, TSFL entered into the 2017 Finance Leasing Framework Agreement with China Petrochemical Corporation on even date. As both the transactions contemplated under the 2018 Finance Leasing Framework Agreement and 2017 Finance Leasing Framework Agreement involve the provision of finance leasing service by TSFL as the lessor to member(s) of the China Petrochemical Corporation Group as lessee(s), they will be required aggregation pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the 2018 Finance Leasing Framework Agreement and 2017 Finance Leasing Framework Agreement, when aggregated, exceed 5% but are less than 25%, such transactions constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are the underwriting of direct life insurance business in the PRC and Hong Kong, direct property and casualty insurance business in the PRC, Hong Kong and overseas, pension and group life business, and all classes of global reinsurance business. The Company's subsidiaries also carry on operations in asset management, insurance intermediary, E-commerce for insurance, financial leasing, property investment, senior living investment, securities dealing and broking business.

TSFL is principally engaged in financial leasing, transfers or acquisitions of subject assets of financial leases, investment in fixed-income securities, taking in deposits of financial leases from lessees and 3-month or longer term deposits from non-banking shareholders, inter-bank lending, borrowings from financial institutions, offshore borrowings, sales and handling of leased products, and economic consultation and such other businesses as approved by the China Banking Regulatory Commission.

China Petrochemical Corporation was established in July 1998, and it is a state authorized investment organisation and a state-owned company, with a current registered capital of approximately RMB274.9 billion. The principal operations of China Petrochemical Corporation include: organizing its subsidiaries in exploration, exploitation, storage and transportation (including pipeline transportation), sales and comprehensive utilisation of oil and natural gas; organizing its subsidiaries in oil refining; organizing its subsidiaries in wholesale and retail of oil products; organizing its subsidiaries in production, sales, storage, transportation of petrochemical and other chemical products; industrial investment and investment management; exploration and design, construction and installation of petroleum and petrochemical engineering; repairing and maintenance of petroleum and petrochemical equipment; manufacture of mechanical and electrical equipment; technology and information, research and development, application and consultation services of alternative energy products; import and export business.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this announcement, China Petrochemical Corporation and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

DEFINITIONS

Unless the context otherwise requires, the following terms in this announcement shall have the meanings set out below:

“Board”	the board of Directors
“China Petrochemical Corporation”	中國石油化工集團公司 (China Petrochemical Corporation*), a wholly state-owned enterprise incorporated in the PRC
“China Petrochemical Corporation Group”	China Petrochemical Corporation and its subsidiaries
“Company”	China Taiping Insurance Holdings Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“2017 Finance Leasing Framework Agreement”	the framework agreement as disclosed in the announcement of the Company dated 19 September 2017
“2018 Finance Leasing Framework Agreement”	the framework agreement dated 19 January 2018 entered into between TSFL and China Petrochemical Corporation in relation to the provision of finance leasing services by TSFL as lessor to members of the China Petrochemical Corporation Group as lessees, the principal terms of which are summarised in this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“TPL”	Taiping Life Insurance Company Limited, a company incorporated in the PRC with limited liability and a subsidiary of the Company owned as to 75.1% by the Company and as to 24.9% by Ageas insurance International N.V. as at the date of this announcement
“TSFL”	太平石化金融租賃有限責任公司 (Taiping & Sinopec Financial Leasing Co. Ltd.*), a limited liability company established in the PRC and a subsidiary of the Company owned as to 50% by the TPL and 50% by China Petrochemical Corporation
“%”	per cent

** for identification purpose only*

By Order of the Board of
China Taiping Insurance Holdings Company Limited
ZHANG Ruohan
Company Secretary

Hong Kong, 19 January 2018

As at the date of this announcement, the Board comprises 12 directors, of which Mr. WANG Bin, Mr. LI Jinfu, Mr. WANG Tingke and Ms. YU Xiaoping are executive directors, Mr. HUANG Weijian, Mr. ZHU Xiangwen, Mr. WU Changming and Mr. NI Rongming are non-executive directors, and Dr. WU Jiesi, Mr. ZHU Dajian, Mr. WU Ting Yuk Anthony and Mr. XIE Zhichun are independent non-executive directors.