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## **中國太平保險控股有限公司**

China Taiping Insurance Holdings Company Limited

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 966)

### **CONNECTED TRANSACTION TRANSFER OF INTEREST IN LAND AND PROPERTY IN SHENZHEN**

Reference is made to the announcements of the Company dated 25 March 2008 and 5 November 2008 in relation to, inter alia, the purchase of the Land and the development of the Property, the Joint Bidding Agreement and the Supplemental Agreement. The Board wishes to announce that on 18 June 2010, TPI, TPG, TPL and Ming An China entered into the First Supplemental Agreement, pursuant to which all the rights and interests of Ming An China in the Land and the Property (representing 15% of the total investment) under the Joint Bidding Agreement as amended by the Supplemental Agreement shall be transferred to TPL.

Ming An China is an indirect wholly-owned subsidiary of the Company. TPG is the ultimate controlling shareholder of the Company and is a connected person of the Company under Chapter 14A of the Listing Rules. TPL is a 50.05%-owned subsidiary of the Company and is 25.05%-owned by TPG. Therefore, TPL is a connected person of the Company and the transaction under the First Supplemental Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios calculated under Chapter 14 of the Listing Rules are less than 5%, the transaction under the First Supplemental Agreement is exempt from the independent shareholders' approval requirements under Rule 14A.48 of the Listing Rules and is only subject to the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules.

Reference is made to the announcements of the Company dated 25 March 2008 and 5 November 2008 in relation to, inter alia, the purchase of the Land and the development of the Property, the Joint Bidding Agreement and the Supplemental Agreement.

According to the Joint Bidding Agreement as amended by the Supplemental Agreement, the respective percentages of the total investment amount for the purchase of the Land and the development and construction of the Property as required from each of TPI, TPG, TPL and Ming An China were as follows:

<b>Party</b>	<b>Percentage of the Total Investment</b>
TPI	15% (approximately RMB 289 million)
TPG	5% (approximately RMB 96 million)
TPL	65% (approximately RMB 1.251 billion)
Ming An China	15% (approximately RMB 289 million)

The Board announced that on 18 June 2010, TPI, TPG, TPL and Ming An China entered into the First Supplemental Agreement to further amend the Joint Bidding Agreement and the Supplemental Agreement.

#### **THE FIRST SUPPLEMENTAL AGREEMENT**

Date :	18 June 2010
Parties :	(i) TPI (ii) TPG (iii) TPL (iv) Ming An China

#### **Transfer of Ming An China's Interest**

Pursuant to the terms of the First Supplemental Agreement, all the rights and interests of Ming An China in the Land and the Property under the Joint Bidding Agreement as amended by the Supplemental Agreement, representing 15% of the total investment, shall be transferred to TPL. Upon completion of the transfer as contemplated under the First Supplemental Agreement, Ming An China will no longer be a party to the Joint Bidding Agreement and the Supplemental Agreement, and Ming An China shall have no interests over the Land and/or the Property.

The respective percentages of the total investment amount for the purchase of the Land and the development and construction of the Property as required from the parties is to be amended as follows:-

<b>Party</b>	<b>Percentage of the Total Investment</b>
TPI	15% (approximately RMB 289 million)
TPG	5% (approximately RMB 96 million)
TPL	80% (approximately RMB 1.54 billion)

#### **Consideration**

As a result of the change in investment percentage of TPL and Ming An China under the First Supplemental Agreement, TPL will have to pay approximately RMB94.74 million to Ming An China in respect of contribution made by Ming An China for its 15% interest in the Land. The valuation of Ming An China's interest in the Land (15% of the Land value) by the Independent Professional Valuer as at the Valuation Date is RMB94.5 million. The consideration shall be payable by TPL to Ming An China in cash within 5 working days after the fulfillment of the condition precedents as set out in the First Supplemental Agreement. It is expected that the above consideration payable by TPL will be funded by the internal resources of the Group.

## **Conditions Precedent**

The completion of the First Supplemental Agreement is conditional upon:-

- (1) Approval by the Urban Planning, Land and Resources Commission of the Shenzhen Municipality (深圳市規劃和國土資源委員會); and
- (2) Compliance by the Company with the necessary requirements under the Listing Rules

in respect of the transaction contemplated under the First Supplemental Agreement.

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

TPL has decided to further increase its investment into the Land and Property in order to improve and enhance its overall asset composition and investment portfolio from a diversification, asset-liability matching, and risk-returns perspective.

The Directors (including the independent non-executive Directors) believe that the terms of the First Supplemental Agreement and the transaction contemplated thereunder are on normal commercial terms which are fair and reasonable and in the interests of the Company and Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Ming An China is an indirect wholly-owned subsidiary of the Company. TPG is the ultimate controlling shareholder of the Company and is a connected person of the Company under Chapter 14A of the Listing Rules. TPL is a 50.05%-owned subsidiary of the Company and is 25.05%-owned by TPG. Therefore, TPL is a connected person of the Company and the entering into of the First Supplemental Agreement and the transaction under the First Supplemental Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios calculated under Chapter 14 of the Listing Rules are less than 5%, the transaction under the First Supplemental Agreement is exempt from the independent shareholders' approval requirements under Rule 14A.48 of Listing Rules and is only subject to the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules.

## **GENERAL**

The principal activity of the Company is investment holding. The principal activities of the Group are the underwriting of all classes of global reinsurance business, direct life insurance business in the PRC and direct property and casualty insurance business in the PRC and Hong Kong. The Group also carries on operations in asset management, insurance intermediaries and pensions and, to support its insurance activities, holds money market, fixed income, equity and property investments.

The principal activity of TPG and its subsidiaries is insurance underwriting and securities broking, and the holding of various investments.

None of the Directors have a material interest in the transaction under the First Supplemental Agreement and hence no Directors have abstained from voting on the board resolution approving the First Supplemental Agreement and the transaction contemplated thereunder.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	China Taiping Insurance Holdings Company Limited (formerly known as China Insurance International 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(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“First Supplemental Agreement”	the supplemental agreement dated 18 June 2010 entered into among TPI, TPG, TPL and Ming An China, which is supplemental to the Joint Bidding Agreement and the Supplemental Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Professional Valuer”	Jones Lang LaSalle Sallmanns Limited, a professional property valuer independent of the Company and any of its connected persons (as defined under the Listing Rules)
“Joint Bidding Agreement”	the joint bidding agreement dated 20 March 2008 entered into among TPI, TPG, TPL and Ming An China
“Land”	a piece of Land located at Lot B203-0022, Fu Tian District, Shenzhen, the PRC, with a total base area of 8,056.02 square meters and a total base construction area of 3,623 square meters
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ming An China”	The Ming An Insurance Company (China) Limited, a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan

“Property”	a commercial office building to be developed and constructed on the Land with a total gross floor area of approximately 100,300 square meters, which is intended to be named Tai Ping Finance Centre
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	Shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 5 November 2008 entered into among TPI, TPG, TPL and Ming An China, which is supplemental to the Joint Bidding Agreement
“TPG”	China Taiping Insurance Group Co. (formerly known as China Insurance (Holdings) Company Limited), a limited liability company established in the PRC and the ultimate controlling shareholder of the Company
“TPI”	Taiping General Insurance Company Limited (formerly known as The Tai Ping Insurance Company Limited), a limited liability company established in the PRC and a subsidiary of the Company, which is owned 37.5%, 50.05% and 12.45% by TPG, the Company and Industrial and Commercial Bank of China (Asia) Limited, respectively
“TPL”	Taiping Life Insurance Company Limited, a limited liability company established in the PRC and a subsidiary of the Company, which is owned 25.05%, 50.05% and 24.90% by TPG, the Company and Fortis Insurance International N.V., respectively
“Valuation Date”	31 March 2010
“%”	per cent

By Order of the Board  
**China Taiping Insurance Holdings Company Limited**  
**NG Yu Lam Kenneth**  
*Executive Director and Chief Executive Officer*

Hong Kong, 18 June 2010

*As at the date of this announcement, the Board comprises 11 directors, of which Mr. LIN Fan, Mr. SONG Shuguang, Mr. XIE Yiqun, Mr. PENG Wei, Mr. NG Yu Lam Kenneth, Mr. SHEN Koping Michael and Mr. LAU Siu Mun Sammy are executive directors, Mr. LI Tao is a non-executive director and Dr. WU Jiesi, Mr. CHE Shujian and Mr. LEE Kong Wai Conway are independent non-executive directors.*

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