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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**

- (1) PROPOSED A SHARE ISSUE**
- (2) PROPOSED AMENDMENTS TO THE ARTICLES**
- (3) PROPOSED ADOPTION OF THE PROCEDURAL RULES**

#### **PROPOSED A SHARE ISSUE**

The Board is pleased to announce that at a meeting of the Board held on September 26, 2006, it was resolved that, subject to and as to be approved by the Shareholders at the EGM and the Class Meetings, the Company shall apply to the Relevant Governing Authorities for the allotment and issue of not more than 1.15 billion A Shares by way of placing and public offering of new shares and/or such other manner as shall be approved by the Relevant Governing Authorities. The Company shall apply to the Shanghai Stock Exchange for the listing of such A Shares.

The net proceeds from the A Share Issue are intended to be used to replenish the capital of the Company and/or as approved by the Relevant Governing Authorities.

The Company will be issuing a further announcement as soon as possible setting out further information regarding the benchmarks proposed to be adopted as the basis for determining the issue price.

The A Share Issue is subject to approvals of (a) Shareholders at the EGM and the Class Meetings ; and (b) the Relevant Governing Authorities.

#### **PROPOSED AMENDMENTS TO THE ARTICLES**

Amendments to the Articles are being proposed primarily as a result of the A Share Issue and to comply with applicable PRC laws and regulations. The amendments to the Articles are subject to Shareholders' approval at the EGM and will become effective upon approval by the CIRC and other regulatory bodies and listing of the A Shares.

#### **PROPOSED ADOPTION OF THE PROCEDURAL RULES**

As a result of the proposed A Share Issue and as required by the relevant laws, rules and regulations and the requirements of the CSRC and the Shanghai Stock Exchange, the Company proposes to adopt the Procedural Rules for Shareholders' meetings, Board meetings and Supervisory Committee meetings respectively to regularise the functions and powers of and the procedures for Shareholders' meetings, Board meetings and Supervisory Committee meetings and other related matters.

The Procedural Rules are subject to Shareholders' approval at the EGM, and the obtaining of any approval (as applicable) from the Relevant Governing Authorities and will become effective upon listing of the A Shares.

Rule 13.73 of the Listing Rules provides that an issuer shall despatch a circular to its shareholders at the same time as (or before) the issuer gives notice of the general meeting to approve the transaction referred to in the circular. Given that the Company is a PRC issuer and subject to a 45 days' notice period requirement under the Articles, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 13.73 of the Listing Rules to issue the notice of EGM and the notice of the Class Meeting for H Shareholders at the time of this announcement so as to expedite matters.

Details regarding the proposed A Share Issue, the proposed amendments to the Articles and the proposed adoption of the Procedural Rules will be set out in the circular. The said circular will be despatched to Shareholders as soon as practicable.

**There is no assurance that the A Share Issue will proceed. Investors are advised to exercise caution in dealing in the H Shares. Further details about the A Share Issue will be disclosed by the Company in the newspapers in the PRC when the A Share Issue materialises and all material information of which will be disclosed by the Company in the newspapers in Hong Kong concurrently in accordance with the Listing Rules.**

## A. PROPOSED A SHARE ISSUE

### 1. Background

At the Board meeting held on September 26, 2006, it was resolved that, subject to and as to be approved by the Shareholders at the EGM and the Class Meetings, the Company shall apply to the Relevant Governing Authorities for the allotment and issue of not more than 1.15 billion A Shares by way of placing and public offering of new shares and/or such other manner as shall be approved by the Relevant Governing Authorities. Such A Shares are proposed to be listed on the Shanghai Stock Exchange. It is expected that such investors will not include connected persons (as defined under the Listing Rules) of the Company. If any such investors includes connected persons of the Company, the Company will take steps to comply with the relevant connected transaction requirements under the Listing Rules.

### 2. Structure of the A Share Issue

Type of securities to be issued: A Shares

Number of A Shares to be issued: This issue will not exceed 1.15 billion A Shares, including shares, not exceeding 15% of the amount to be underwritten by the lead underwriters, to be allotted pursuant to the over-allotment option to be granted by the Board to the lead underwriters depending on circumstances. The final number of A Shares to be issued will be decided upon by the Board subject to and as authorised by the Shareholders at the EGM and the Class Meetings, adjusted depending on market conditions and is subject to approval(s) by the CSRC and other Relevant Governing Authorities

Nominal value: RMB1.00 each

Rights attached to the A Shares:	The A Shares will be listed Domestic Shares and, subject to applicable laws, rules and regulations and the Articles, will rank pari passu with the existing Domestic Shares and H Shares in all respects. Once the A Share Issue is completed, both new and existing Shareholders will be entitled to share the accumulated retained earnings at the time of the A Share Issue in proportion to their then shareholdings
Target subscribers:	Members of the PRC public (i.e. PRC individuals, entities and other institutions) having A share accounts with the Shanghai Stock Exchange (except those prohibited under PRC laws and regulations)
Basis for determining the issue price:	<p>The issue price of the A Share Issue will be determined on the basis of market conditions, the condition prevailing in the securities market at the time of the A Share Issue and market consultation. Thus, the amount of funds to be raised from the A Share Issue cannot be confirmed at the date of this announcement</p> <p>The Company will be issuing a further announcement as soon as possible setting out further information regarding the benchmarks proposed to be adopted as the basis for determining the issue price</p>
Use of proceeds:	Net proceeds from the A Share Issue will be used to replenish the capital of the Company and/or as approved by the Relevant Governing Authorities

### **3. Shareholders' Approval and other Approvals**

The EGM and the Class Meetings will be held to consider and, if thought fit, approve, among other things, the specific mandate for the A Share Issue and to authorise the Board to determine and deal with at its discretion and with full authority, matters relating to the A Share Issue (including but not limited to the specific timing of the issue, number of A Shares to be issued, offering mechanism, pricing mechanism, issue price, structure of the issue and the over-allotment option to be granted to the lead underwriters depending on circumstances etc.) and listing on the Shanghai Stock Exchange and to amend the Articles and other related documents in accordance with comments from the Relevant Governing Authorities; to, at their discretion and with full authority sign, amend or terminate all necessary documents in relation to the A Share Issue and the listing on the Shanghai Stock Exchange and related agreements (including but not limited to the preliminary prospectus, the prospectus, underwriting agreement, sponsors agreements, listing agreement and any related announcements), effect and carry out necessary formalities (including but not limited to procedures for listing of the A Shares on the Shanghai Stock Exchange), following completion of the A Share Issue, handle all registration requirements in relation to changes in the registered capital and amendments to the Articles; and in relation to the A Share Issue and the listing on the Shanghai Stock Exchange, handle all approval, registration, filing, consent procedural matters with all relevant governmental departments and authorities outside of the PRC, sign, execute, amend and complete all documents that should be submitted to all relevant governmental departments, authorities, associations, individuals outside of the PRC, and take and undertake all other necessary, appropriate and suitable actions and matters in connection therewith.

It should be noted that the A Share Issue, upon approval by the Shareholders at the EGM and the Class Meetings, is still subject to the approval of the CSRC and other Relevant Governing Authorities. In addition, the approval of the Shanghai Stock Exchange as to the listing and dealings in the A Shares on the Shanghai Stock Exchange is also required. The approval by the Shareholders at the EGM and the Class Meetings shall remain to be effective for a period of twelve months.

Subject to the approval by the Shareholders, the approval by the Relevant Governing Authorities and the approval by the Shanghai Stock Exchange, the A Share Issue is expected to take place in 2007 within the effective period of the Shareholders' approval at the EGM and Class Meetings.

#### **4. Reasons for and Benefits of the A Share Issue**

The Company believes that the A Share Issue will establish a new financing platform for the Company and will broaden the Company's access to different securities markets. This will enable the Company to enhance the development of its operations and to further improve its competitiveness. Also, the Board believes that the A Share Issue will benefit the Company and the Shareholders as a whole.

#### **5. Effect of the A Share Issue on the Company's shareholding structure**

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately upon completion of the A Share Issue based on the assumption that the maximum 1.15 billion new A Shares will be issued under the A Share Issue:

	<b>As at the date of this announcement</b>		<b>Immediately after completion of the A Share Issue</b>	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
(1) Domestic Shares	3,636,409,636	58.7	4,786,409,636	65.2
– Existing Domestic Shares issued	3,636,409,636	58.7	3,636,409,636	49.5
– A Shares to be issued	0	0	1,150,000,000	15.7
(2) H Shares	2,558,643,698	41.3	2,558,643,698	34.8
(3) Total number	6,195,053,334	100	7,345,053,334	100

#### **B. PROPOSED AMENDMENTS TO THE ARTICLES**

Amendments to the Articles are being proposed primarily as a result of the proposed A Share Issue and to comply with applicable PRC laws and regulations. The amendments to the Articles are subject to Shareholders' approval at the EGM and will become effective upon approval by the CIRC and other regulatory bodies and listing of the A Shares.

The proposed amendments deal with a number of areas, including:

- (a) alteration of the Company's registered capital and shareholding structure;
- (b) regulations on the proceedings of Shareholders' general meetings;
- (c) regulations on the election and appointment of Directors and Supervisors;
- (d) regulations on the rights and obligations of the Shareholders, Directors, Supervisors and senior management;

- (e) provisions in relation to the rules of the Shareholders' meetings, Board meetings and Supervisory Committee meetings; and
- (f) other provisions as required by any applicable laws and regulations for companies with A Shares in issue.

### **C. PROPOSED ADOPTION OF THE PROCEDURAL RULES**

As a result of the proposed A Share Issue and as required by the relevant laws, rules and regulations and the requirements of the CSRC and the Shanghai Stock Exchange, the Company proposes to adopt the Procedural Rules for Shareholders' meetings, Board meetings and Supervisory Committee meetings respectively to regularise the functions and powers of and the procedures for Shareholders' meetings, Board meetings and Supervisory Committee meetings and other related matters.

These Procedural Rules set out the regulations on the conduct and proceedings of the Shareholders' meetings, Board meetings and Supervisory Committee meetings with major adoptions as follows:

1. The Procedural Rules for Shareholders' meetings adopt regulations on the functions and powers of the Shareholders' meetings, the notice requirement, quorum, conduct and manner of meetings, voting rights of the Shareholders at the general meetings and minutes requirements of the Shareholders' meetings.
2. The Procedural Rules for Board meetings adopt regulations on the functions and scope of resolutions made at the Board meetings, the notice requirement, quorum, conduct and manner of the Board Meetings, voting rights of the Directors at the Board meetings, minutes requirements of Board meetings as well as the three special committees established under the Board namely, the audit committee, nomination committee and remuneration committee.
3. The Procedural Rules for Supervisory Committee meetings adopt regulations on the functions and scope of the resolutions made at the Supervisory Committee meetings, the notice requirement, quorum, conduct and manner of meetings, voting rights of the Supervisors at the Supervisory Committee meetings and minutes requirements of the Supervisory Committee meetings.

The above Procedural Rules are subject to Shareholders' approval at the EGM, and the obtaining of any approval (as applicable) from the Relevant Governing Authorities and will become effective upon listing of the A Shares.

As advised by the Company's legal advisers, the amendments to the Articles and the Procedural Rules do not conflict with the provisions of Appendix 3 and Part D of Appendix 13 to the Listing Rules.

### **D. CIRCULAR**

Rule 13.73 provides that an issuer shall despatch a circular to its shareholders at the same time as (or before) the issuer gives notice of the general meeting to approve the transaction referred to in the circular. Given that the Company is a PRC issuer and subject to a 45 day notice period requirement under the Articles, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 13.73 of the Listing Rules to issue the notice of EGM and the notice of the Class Meeting for H Shareholders at the time of this announcement so as to expedite matters.

A circular containing, among other things, details of the proposed A Share Issue, the proposed amendments to the Articles and the proposed adoption of the Procedural Rules will be despatched to the Shareholders as soon as practicable.

## DEFINITIONS

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

“A Shares”	the Domestic Shares, which are proposed to be listed on the Shanghai Stock Exchange
“A Share Issue”	the proposed issue of not more than 1.15 billion A Shares by way of placing and public offering of new shares and/or such other manner as shall be approved by the Relevant Governing Authorities, which are proposed to be listed on the Shanghai Stock Exchange
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“CIRC”	China Insurance Regulatory Commission
“Class Meetings”	the class meeting of the holders of Domestic Shares and the class meeting of the holders of the H Shares to be held to approve, inter alia, the A Share Issue
“Company”	Ping An Insurance (Group) Company of China, Ltd., a company incorporated in the PRC and the foreign shares of which are listed on the Hong Kong Stock Exchange
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“Domestic Shares”	the ordinary shares of RMB1.00 each issued by the Company, which are subscribed for or credited as fully paid up in Renminbi
“EGM”	the extraordinary general meeting of the Company to be held to approve, inter alia, the A Share Issue
“H Shares”	overseas listed foreign shares of RMB1.00 each in the share capital of the Company which are listed on the Hong Kong Stock Exchange and subscribed for and traded in Hong Kong dollars
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and Taiwan
“Procedural Rules”	the Procedural Rules of the meetings of the Shareholders, the Board and the Supervisory Committee
“Relevant Governing Authorities”	the relevant governing authorities in the PRC for the approval of the A Share Issue and related matters including but not limited to the CSRC and CIRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of Domestic Shares and H Shares
“Shares”	Domestic Shares and H Shares
“Supervisors”	supervisors of the Company
“Supervisory Committee”	the supervisory committee of the Company

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

Shenzhen, PRC, September 26, 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.*