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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)

PROPOSED SPECIFIC MANDATE TO ISSUE A SHARE RELATING TO A POSSIBLE PLACING OF A SHARES PROPOSED APPLICATION FOR THE ISSUE OF NOT MORE THAN 412 MILLION A SHARE BONDS WITH WARRANTS IN THE PRC

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

On 18 January 2008, the Board resolved to convene the EGM, the A Shareholders Class Meeting and H Shareholders Class Meeting to obtain the Shareholders' approval for the Possible A Share Placing and the issue of the A Share Bonds with Warrants.

PROPOSED SPECIFIC MANDATE RELATING TO THE POSSIBLE A SHARE PLACING

On 18 January 2008, the Board approved the Specific Mandate relating to the Possible A Share Placing pursuant to which the Board intends to place not more than 1,200,000,000 A Shares, representing approximately 16.34% of the total issued share capital of the Company as at the date of this announcement.

It is intended that the new A Shares will be placed to institutional and public investors (except for those restricted by the laws and regulations of the PRC) that have A Shares stock trading accounts with the Shanghai Stock Exchange.

PROPOSED APPLICATION FOR THE ISSUE OF NOT MORE THAN 412 MILLION A SHARE BONDS IN THE PRC

The Company intends to apply to the relevant PRC authorities for the issue of not more than RMB41.2 billion (approximately HK\$44.36 billion) A Share Bonds with Warrants in the PRC, to institutional and public investors in the PRC. The A Share Bonds and the Warrants are detachable and freely transferable and are proposed to be listed on the Shanghai Stock Exchange separately.

THE EGM AND THE H SHAREHOLDERS CLASS MEETING

The Specific Mandate and the issue of the A Share Bonds with Warrants will be subject to, among other things, the approval of the Shareholders in a general meeting, and the H Shareholders and A Shareholders at their respective class meetings.

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 day notice period requirement under its articles of association, the Company has applied to the Hong Kong Stock Exchange for and the Hong Kong Stock Exchange has granted a waiver from strict compliance with Rule 13.73 of the Listing Rules to issue the notice of EGM and the notice of the H Shareholders Class Meeting at the time of this announcement so as to expedite matters.

A circular containing, among other things, details regarding the Specific Mandate and the issue of the A Share Bonds with Warrants will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

On 18 January 2008, the Board resolved to convene the EGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting to obtain the Shareholders' approval for the Possible A Share Placing and the issue of the A Share Bonds with Warrants.

A. PROPOSED SPECIFIC MANDATE TO ISSUE A SHARE RELATING TO A POSSIBLE A SHARE PLACING

Pursuant to the proposed Specific Mandate, the Company is to issue not more than 1,200,000,000 A Shares, representing approximately 16.34% of the total issued share capital of the Company as at the date of this announcement. The proposed Specific Mandate to be sought from the Shareholders is for the 12-month period from the passing of the relevant resolutions at the EGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting, unless being revoked or varied by special resolution(s) of the Shareholders in a general or a class meeting. The issue of the A Shares is subject to, among other things, the obtaining of the necessary approval from the CSRC. As at the date of this announcement, the Company has not made the relevant application to the CSRC. Such formal application to the CSRC can only be made after obtaining the relevant approvals from the Shareholders at the EGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting. Specific terms of the Possible A Share Placing will be determined after the approval from the CSRC is obtained.

Structure of the Possible A Share Placing

The existing total issued share capital of the Company as at the date of this announcement is 7,345,053,334 Shares. If, upon the grant of the proposed Specific Mandate, the Directors proceed to place the Placing A Shares, the Company may issue not more than 1,200,000,000 Placing A Shares, which represents:

Number of Placing A Shares to be issued	Approximate percentage to the existing issued share capital	Approximate percentage to the enlarged issued share capital	Approximate percentage to the existing issued A Shares	Approximate percentage to the enlarged issued A Shares
1,200,000,000	16.34%	14.04%	25.07%	20.05%

Authorization of the Shareholders will be obtained in the EGM, A Shareholders Class Meetings and H Shareholders Class Meeting for the Board to determine the number of Placing A Shares to be issued after consultation with the A Share Placing Lead Underwriter(s) having regard to the then market conditions. The A Share Placing Lead Underwriter(s) will be Independent Third Parties.

The Company may place not more than 1,200,000,000 Placing A Shares to the A Share Placees. It is intended that the new A Shares will be placed to institutional and public investors (except for those restricted by the laws and regulations of the PRC) that have A Shares stock trading accounts with the Shanghai Stock Exchange. The Company will comply with the relevant requirements of the Listing Rules, including Chapter 14A if applicable, in relation to the Possible A Share Placing.

Placing Price

The Placing A Shares will be issued in RMB. The Placing A Shares will not be issued at a price lower than (i) the average closing price of the A Shares as quoted on the Shanghai Stock Exchange for 20 trading days immediately prior to the date on which the listing document in relation to the Possible A Share Placing is published; or (ii) the closing price of the A Shares as quoted on the Shanghai Stock Exchange on the last trading day immediately before such listing document is published. In any event, the issue price will not be less than the latest audited net asset value per Share.

Authorization of the Shareholders will be obtained in the EGM, A Shareholders Class Meetings and H Shareholders Class Meeting for the Board to determine the price at which the Placing A Shares will be issued after consultation with the A Share Placing Lead Underwriter(s) having regard to the then market conditions.

Investors should note that the particulars of the Possible A Share Placing is for illustrative purposes only and the actual placing price per A Share and the fund size to be raised by the issue of the new A Shares under the Possible A Share Placing maybe be different from the above indicative figures.

Further announcement will be made once the specific terms and conditions of the Possible A Share Placing are determined.

Conditions to the Possible A Share Placing

The Possible A Share Placing will be conditional upon:

- (a) the grant of the proposed Specific Mandate by Shareholders to the Board having been obtained at the EGM;
- (b) the grant of the proposed Specific Mandate by A Shareholders to the Board having been obtained at the A Shareholders Class Meeting;
- (c) the grant of the proposed Specific Mandate by H Shareholders to the Board having been obtained at the H Shareholders Class Meeting;
- (d) the approval of the proposed issue of the new A Shares pursuant to the Specific Mandate by the CSRC, and such other approval from other relevant authority if necessary;
- (e) the entering into of a placing agreement by, among other parties, the Company and the placing agent(s) (to be appointed prior to the Possible A Share Placing) and the placing agreement not being terminated in accordance with its terms; and
- (f) the CSRC granting listing of and permission to deal in all of the new A Shares to be issued and placed pursuant to the Possible A Share Placing.

Ranking of the Placing A Shares

If, upon the grant of the proposed Specific Mandate, the Directors proceed to place the Placing A Shares, the Placing A Shares, when fully paid, will rank *pari passu* in all respects with the A Shares in issue at the time of issue and allotment of the Placing A Shares.

Possible change in share capital and shareholding structure

For reference and illustrative purposes only, assuming that: (1) the proposed Specific Mandate is granted by the Shareholders at the forthcoming EGM and by the A Shareholders and H Shareholders at their respective class meetings; (2) the Board exercises in full the Specific Mandate to issue Placing A Shares; and (3) all conditions for the issue and placing of Placing A Shares have been satisfied, the possible changes in the share capital and shareholding of the Company will be as follows:

Class of Shares	Before the exercise of the Specific Mandate		Immediately after the exercise of the Specific Mandate	
	Number of Shares	Approximately %	Number of Shares	Approximately %
A Shares				
– A Shares in issue	4,786,409,636	65.17	4,786,409,636	56.02
– Placing A Shares	–	–	1,200,000,000	14.04
Sub-total	4,786,409,636	65.17	5,986,409,363	70.06
H Shares	2,558,643,698	34.83	2,558,643,698	29.94
Total	<u>7,345,053,334</u>	<u>100</u>	<u>8,545,053,334</u>	<u>100</u>

Possible application for listing

Should the Board, upon obtaining the Specific Mandate, proceed to exercise the proposed Specific Mandate to issue new A Shares, the Company will apply to the CSRC for the listing of and permission to deal in all of the new A Shares to be issued and placed pursuant to the Possible A Share Placing.

Use of Proceeds of the Possible A Share Placing

The proceeds of the Possible A Share Placing will be used as capital of the Company to enhance the Company's overall financial efficiency and performance and/or as capital to invest in mergers and acquisitions projects that are: (i) compatible with the Group's core businesses in the insurance, banking and asset management sectors; (ii) significantly beneficial to the Group's expansion strategies and operation efficiencies; and (iii) permitted and approved by the relevant regulatory authorities. The Directors consider the Possible A Share Placing will improve the Company's overall efficiency and financial performance. Accordingly, the Directors consider the Possible A Share Placing to be in the interests of the Company and the Shareholders as a whole.

B. PROPOSED APPLICATION FOR THE ISSUE OF NOT MORE THAN 412 MILLION A SHARE BONDS WITH WARRANTS IN THE PRC

The Company intends to apply to the relevant PRC authorities for the issue of not more than RMB41.2 billion (approximately HK\$44.36 billion) A Share Bonds with Warrants in the PRC to institutional and public investors in the PRC. The A Share Bonds and the Warrants are detachable and freely transferable and are proposed to be listed on the Shanghai Stock Exchange separately.

Principal Terms of the A Share Bonds with Warrants

The proposed terms of the A Share Bonds with Warrants are as follows:

1. Principal amount of the A Share Bonds

Not more than RMB41.2 billion (approximately HK\$44.36 billion) through the issue of not more than 412 million A Share Bonds. Each subscriber of each A Share Bond will be granted a certain number of Warrants at no costs. Shareholders' approvals will be obtained to authorize the Board to determine the actual amount of the issue of the A Share Bonds and the number of Warrants to be granted to the subscribers of each A Share Bond according to the prevailing market conditions at the time subject to the condition that the proceeds from the full conversion of the Warrants shall not be more than the principal amount of the issue of the Bonds.

2. Denomination of the A Share Bonds

RMB100 (approximately HK\$107.66) per A Share Bond.

3. Target subscribers of the A Share Bonds

Institutional and public investors (except for those restricted by the laws and regulations of the PRC) that have A Shares stock trading accounts with the Shanghai Stock Exchange. The Company will comply with the relevant requirements of the Listing Rules, including Chapter 14A if applicable, in relation to the issue of A Share Bonds with Warrants.

4. Issue mechanisms of the A Share Bonds with Warrants

The A Share Bonds with Warrants will be offered in the PRC. All existing A Shareholders will be given priority to subscribe for the A Share Bonds with Warrants. Shareholders' approvals will be obtained to authorize the Board to determine the amount of A Share Bonds with Warrants reserved for existing A Shareholders. The amount reserved for existing A Shareholders will be disclosed in the listing document to be issued in the PRC by the Company in respect of the issue of the A Share Bonds with Warrants.

5. Interest of the A Share Bonds

The interest of the A Share Bonds will be payable annually. Shareholders' approvals will be obtained to authorize the Board to determine the interest rate and the basis of determination according to the prevailing market conditions after consultation with the A Share Bonds with Warrants Underwriter(s). The A Share Bonds with Warrants Underwriter(s) will be Independent Third Parties. The interest rate and the detailed basis of determination will be disclosed in the listing document to be issued by the Company in respect of the issue of the A Share Bonds with Warrants.

6. Maturity of the A Share Bonds

6 years from the issue of the A Share Bonds.

7. Redemption of the A Share Bonds at the option of the Company

The Company has the right to redeem the A Share Bonds within 5 trading days after the maturity of the A Share Bonds at the issue price plus interest payable.

8. Redemption of the A Share Bonds at the option of the holders of the A Share Bonds

In the event that use of proceeds of the issue of the A Share Bonds with Warrants is in violation of the policy, rules or regulations of the CSRC, the Company may be required by the CSRC to change such use of proceeds, upon occurrence of which the holder of each A Shares Convertible Bonds will have the rights at such holder's option, to require the Company to redeem the holder's A Share Bonds at the issue price plus an interest payable.

9. Guarantee

The issue of the A Share Bonds with Warrants is not guaranteed.

10. Term of the Warrants

The term (ie. the holding period) of the Warrants is 12 months since the listing of the Warrants on the Shanghai Stock Exchange.

11. Conversion period of the Warrants

The last 5 trading days of the holding period of the Warrants.

12. Conversion ratio of the Warrants

Two Warrants represent the conversation right to one A Share.

13. Conversion Price of the Warrants

The conversion price of the Warrants representing the conversation right to one A Share granted under the issue of the A Share Bonds with Warrants will not be lower than (i) the average closing price of the A Shares over the 20 trading days immediately preceding the date on which the listing document in respect of the issue of the A Share Bonds with Warrants is issued and; (ii) the closing price of the A Shares on the trading day immediately preceding the date on which the listing document in respect of the date on which the listing documents in respect of the issue of the A Share Bonds with Warrants is issued. In any event, the conversion price of the Warrants will not be less than the latest audited net assets value per Share.

Shareholders' approvals will be obtained to authorize the Board to determine the conversion price of the Warrants subject to the lower limit as stated above according to the prevailing market at the time after consultation with the A Share Bonds with Warrants Underwriter(s).

14. Adjustment principles

During the term of the Warrants, in the event that the trading of A Shares is on ex-right or ex-dividend basis, the conversion price and the conversion ratio of the Warrants will be adjusted accordingly:

- (1) When the trading of A Shares is on ex-rights basis, the conversion price and the conversion ratio of the Warrants will be adjusted according to the formula as follows:

New conversion price = original conversion price X (the reference price of the A Shares on the ex-right day/the closing price of the A Shares on the trading day before the ex-right day)

New conversion ratio = original conversion ratio X (the closing price of the A Shares on the trading day before the ex-right day/the reference price of the A Shares on the ex-right day).

- (2) When the trading of A Shares is on ex-dividend basis, the conversion ratio of the Warrants will remain unchanged, and the conversion price will be adjusted according to the formula as follows:

New conversion price = original conversion price x (the reference price of A Shares on the ex-dividend day/the closing price of A Shares on the trading day before the ex-dividend day).

Save as the above adjustment events, there are no other events that would lead to adjustments in the conversion price of the Warrants.

15. Use of Proceeds of the Issue of the A Share Bonds with Warrants

The proceeds of the issue of the A Share Bonds with Warrants will be used as general working capital of the Company to enhance the Company's overall financial efficiency and performance and/or as capital to invest in mergers and acquisitions projects that are: (i) compatible with the Group's core businesses in the insurance, banking and asset management sectors; (ii) significantly beneficial to the Group's expansion strategies and operation efficiencies; and (iii) permitted and approved by the relevant regulatory authorities. The Directors consider the issue of the A Share Bonds with Warrants will improve the Company's overall efficiency and financial performance. Accordingly, the Directors consider the issue of the A Share Bonds with Warrants to be in the interests of the Company and the Shareholders as a whole.

16. Validity of the resolutions

Shareholder's resolutions approving the proposed issue of the A Share Bonds with Warrants shall be valid for 12 months from the date of the resolutions.

17. Shareholders approval for the proposed issue of the A Share Bonds with Warrants

Under the applicable PRC laws and regulations and the articles of association of the Company, the following Shareholders' approvals are required for the proposed issue of the A Share Bonds with Warrants:

1. approval of the proposed issue of the A Share Bonds with Warrants by special resolution passed at the EGM by at least two-thirds of the Shares with voting rights represented by the Shareholders (or their proxies) attending the meeting;
2. approval of the proposed issue of the A Share Bonds with Warrants by special resolution passed at the A Shareholders Class Meeting by at least two-thirds of the Shares with voting rights represented by the A Shareholders (or their proxies) attending the meeting;
3. approval of the proposed issue of the A Share Bonds with Warrants by special resolution passed at the H Shareholders Class Meeting by at least two-thirds of the Shares with voting rights represented by the H Shareholders (or their proxies) attending the meeting; and
4. authorisation to the Board and the respective lawful attorney of the Directors to take any action and execute any document as it thinks necessary and fit to effect and implement the issue of the A Share Bonds with Warrants by at least two-thirds of the Shares with voting rights represented by the Shareholders (or their proxies) attending the meeting, including the following:
 - 4.1. authorisation to confirm and implement the terms of the issue, the proposal of the issue and the timetable of the issue, to the extent permitted by the applicable PRC laws and regulations and the articles of association of the Company, in accordance with the requirements of the CSRC;
 - 4.2. authorisation to adjust the size of the issue and the proposal of the issue in accordance with the applicable PRC laws and regulations, the requirements of the CSRC and the prevailing market conditions in the event of a change in the requirements for the issue of the A share bonds with warrants or change in market conditions;
 - 4.3. authorisation to prepare, amend and submit for approval, any document in relation to the application for an approval of the CSRC for issue in accordance the requirements of the CSRC;
 - 4.4. authorisation to execute, make any amendments to, supplement, submit for approval or file and implement any agreements and documents in relation to the issue (including but not limited to the underwriting agreements and any agreement in relation to the project relating to the use of proceeds of the issue);
 - 4.5. authorisation to handle the matters arising from the application for the listing of, and permission to deal in the A Share Bonds and the Warrants on the Shanghai Stock Exchange;

- 4.6. authorisation to make necessary amendments to the articles of association of the Company when the conversion period of the Warrants starts and make necessary filings with the relevant administration authority of industry and commerce in this regard; and
- 4.7. authorisation to engage the A Share Bonds with Warrants Underwriter(s) and other intermediaries and to handle any other matters in relation to the issue and the listing of the A Share Bonds with Warrants.

Appropriate resolutions will be proposed at the EGM, the H Shareholders Class Meeting and the A Shareholders Class Meeting to obtain such approvals.

Conditions of the Issue of the A Share Bonds with Warrants

It is expected that the issue of the A Share Bonds with Warrants will be conditional upon the fulfilment of the following:

1. the approval of the issue of the A Share Bonds with Warrants by the Shareholders at the EGM;
2. the approval of the issue of the A Share Bonds with Warrants at the A Shareholders Class Meeting and H Shareholders Class Meeting, respectively;
3. the approval of the CSRC for the issue of the A Share Bonds with Warrants; and
4. the entering into of the underwriting agreement(s) with the A Share Bonds with Warrants Underwriter(s).

None of the above conditions for the completion of the A Share Bonds with Warrants may be waived by the Company or has been satisfied as at the date of this announcement. As at the date of this announcement, the Company has not made the relevant application to the CSRC. Such formal application to the CSRC can only be made after obtaining the relevant approvals from the Shareholders at the EGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting. Specific terms of the A Share Bonds with Warrants will be determined after the approval from the CSRC is obtained. **If the conditions are not fulfilled, the issue of the A Share Bonds with Warrants will not proceed.**

Impact on Shareholders

Upon conversion of the Warrants to be issued, there would be an increase in the number of A Shares held by the public. The exact size of the increase will depend on the final terms of the Warrants, including, among other terms, the size of the issue and the conversion price at which the Warrants will be converted into A Shares. Shareholders' equity interest in the Company will be diluted as a result of the exercise of the conversion rights attached to the Warrants. Further announcement will be made once the specific terms and conditions of the Warrants are determined.

The Company confirms that new A Shares to be issued for exercising the Warrants, when aggregated with all other equity securities which remain to be issued on the exercise of the conversion rights shall not exceed 20% of the total share capital of the Company at the time of issuing the Warrants. The term of the Warrants is 12 months since the listing of the Warrants on the Shanghai Stock Exchange. Accordingly, the proposed issuance of A Share Bonds with Warrants is in compliance with Rule 15.02 of the Listing Rules. No further approval from Shareholders is needed under the Listing Rules.

C. GENERAL

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.

The EGM and the H Shareholders Class Meeting

The Specific Mandate and the issue of the A Share Bonds with Warrants will be subject to, among other things, the approval of the Shareholders in a general meeting and the H Shareholders and A Shareholders at their respective class meetings. It is therefore proposed that the EGM, the H Shareholders Class Meeting and the A Shareholders Class Meeting be convened on Wednesday, 5 March 2008, to propose resolutions to vote by poll, among other things, to approve the Specific Mandate and the issue of the A Share Bonds with Warrants.

Circular

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 day notice period requirement under its articles of association, the Company has applied to the Hong Kong Stock Exchange for and the Hong Kong Stock Exchange has granted a waiver from strict compliance with Rule 13.73 of the Listing Rules to issue the notice of EGM and the notice of the H Shareholders Class Meeting at the time of this announcement so as to expedite matters.

A circular containing, among other things, details regarding the Specific Mandate and the issue of the A Share Bonds with Warrants will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings as set out below:

“A Share(s)”	PRC listed A Share(s) which are listed on the Shanghai Stock Exchange;
“A Share Bond(s)”	A Share bond(s) in the principal amount of not more than RMB41.2 billion (approximately HK\$44.36 billion) proposed to be issued by the Company;
“A Share Bonds with Warrants”	the A Share Bonds together with the detachable Warrants;
“A Share Bonds with Warrants Underwriter(s)”	the underwriter(s) to be appointed by the Company pursuant to an underwriting agreement to be entered into by the Company in respect of the issue of the A Share Bonds with Warrants;
“A Share Places”	the places of the Possible A Share Placing;
“A Share Placing Lead Underwriter(s)”	the underwriter(s) to be appointed by the Company pursuant to an underwriting agreement to be entered into by the Company in respect of the issue of the Possible A Share Placing;
“A Shareholders”	holders of the A Shares;
“A Shareholders Class Meeting”	the class meeting of the A Shareholders to be convened on Wednesday, 5 March 2008 to consider and, if thought fit, approve, amongst other things, the Specific Mandate relating to the Possible A Share Placing and the issue of the A Share Bonds with Warrants;
“Board”	the board of Directors;
“Business Day”	any day other than Saturday or Sunday on which commercial banks and financial institutions in Hong Kong are open for business;
“Company”	Ping An Insurance (Group) Company of China, Ltd., a joint stock limited company duly incorporated in the PRC with limited liability the A Shares of which are listed on the Shanghai Stock Exchange and the H Shares of which are listed on the Hong Kong Stock Exchange;
“CSRC”	China Securities Regulatory Commission;
“Directors”	the directors of the Company;
“EGM”	the extraordinary general meeting of the Shareholders to be convened on Wednesday, 5 March 2008 to consider and, if thought fit, approve, amongst other things, the Specific Mandate relating to the Possible A Share Placing and the issue of the A Share Bonds with Warrants;

“Group”	the Company and its subsidiaries;
“H Share(s)”	overseas listed foreign Shares which are listed on the Hong Kong Stock Exchange, and subscribed for and traded in Hong Kong dollars;
“H Shareholder(s)”	the holder(s) of H Shares;
“H Shareholders Class Meeting”	the class meeting of the H Shareholders to be convened on Wednesday, 5 March 2008 to consider and, if thought fit, approve, amongst other things, the Specific Mandate relating to the Possible A Share Placing and the issue of the A Share Bonds with Warrants;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Independent Third Party”	independent third parties not connected with any of the Directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates;
“Listing Committee”	the listing sub-committee of the board of the Hong Kong Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Placing A Shares”	up to 1,200,000,000 new A Shares which may be issued and allotted under the Possible A Share Placing;
“Possible A Share Placing”	the possible placing of not more than 1,200,000,000 Placing A Shares pursuant to the Specific Mandate to be granted by the Shareholders;
“PRC”	the People’s Republic of China;
“PRC GAAP”	the accounting rules and regulations in the PRC;
“Shanghai Stock Exchange”	The Shanghai Stock Exchange of the PRC;
“Share(s)”	ordinary shares(s) of RMB1.00 each in the share capital of the Company;
“Shareholders”	holder(s) of the Shares;
“Specific Mandate”	the specific mandate proposed to be granted to the Directors by the Shareholders at the EGM and the A Shareholders and H Shareholders at their respective class meeting to issue not more than 1,200,000,000 Placing A Shares, representing not more than 16.34% of the total issued share capital of the Company as at the date of this announcement, at any time during the period specified in the relevant resolution(s) set out in the notices of EGM and the class meetings;

“subsidiary”	has the meaning ascribed thereto in the Listing Rules;
“Warrant(s)”	the detachable warrant(s) convertible into A Shares of the Company to be granted at no costs to the subscribers of the A Share Bonds, to be listed on the Shanghai Stock Exchange;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC; and
“%”	per cent.

Note: The figures in RMB that are converted into HK\$ in this announcement are converted at the rate of RMB100: HK\$107.66 for indication purposes only.

By Order of the Board
Yao Jun
Joint Company Secretary

Shenzhen, PRC, 18 January 2008

As at 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 Lin Yu Fen, Cheung Lee Wah, Anthony Philip Hope, Fan Gang, Lin Lijun, Hu Aimin, Chen Hongbo, Wong Tung Shun Peter and Ng Sing Yip, the Independent Non-executive Directors are Bao Youde, Kwong Che Keung Gordon, Cheung Wing Yui, Chow Wing Kin Anthony, Zhang Hongyi, Chen Su and Xia Liping.