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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)**

### **POSSIBLE ACQUISITION OF AN INTEREST IN FORTIS INVESTMENT MANAGEMENT NV/SA**

This announcement is made pursuant to the general disclosure requirements under Rule 13.09 of the Listing Rules.

The Board is pleased to announce that on 19 March 2008, the Company entered into a non-binding Memorandum of Understanding with Fortis under which it is proposed that the Company will acquire and Fortis will, at an indicative price of €2.15 billion (approximately HK\$26.34 billion), sell the Interest, being 50% of the issued and fully diluted share capital of the JV, a company incorporated in Belgium which is the holding company of the global asset management business of Fortis Parent, after Fortis acquiring the entire issued share capital of AAAM and subsequently contributing such shares to JV (excluding certain non core assets). The Company and Fortis have been and will continue to be in exclusive discussions in relation to the Proposed Transaction until 15 April 2008.

The Board wishes to emphasize that no formal agreement in relation to the Proposed Transaction has been entered into as at the date of this announcement. As the Proposed Transaction may or may not proceed, Shareholders of the Company and public investors are urged to exercise caution when dealing in the Shares.

The Proposed Transaction may constitute a notifiable transaction under the Listing Rules if a formal legally binding sale and purchase agreement is entered into, in which case, the Company will comply with the applicable provisions of the Listing Rules.

This announcement is made pursuant to the general disclosure requirements under Rule 13.09 of the Listing Rules.

### **THE MEMORANDUM OF UNDERSTANDING**

On 19 March 2008, the Company entered into a Memorandum of Understanding with Fortis in relation to the proposed sale and purchase of the Interest. Fortis is an Independent Third Party. The Memorandum of Understanding is non binding and the Company and Fortis will negotiate with an intention to enter into a final and binding agreement in relation to the Proposed Transaction on or before 15 April 2008.

## PROPOSED TRANSACTION

Under the Memorandum of Understanding, it is proposed that:

1. The Company will acquire such number of shares in JV representing 50% of the issued and fully diluted share capital of JV after the Dropdown Contribution (as defined below) at an indicative price of €2.15 billion (approximately HK\$26.34 billion). The indicative price is based on the current due diligence being carried out by the Company.
2. In the event that a formal sale and purchase agreement has not been entered into by 15 April 2008, the Memorandum of Understanding shall have no further effect except for any claim which a party may have against the other for any antecedent breach of those terms of the Memorandum of Understanding which are binding.
3. The Company and Fortis intend to negotiate and enter into definitive documentation which includes a sale and purchase agreement, a shareholders' agreement, a deed of indemnity, and branding agreements.
4. The JV had approximately €23 million (net of provision) in CDO (collateralized debt obligation) and CLO (collateralized loan obligation) exposure as at 31 December, 2007. Fortis has agreed to fully indemnify the Company against any impairment in their value.
5. The board of directors of the JV will comprise of two executive directors, six non-executive directors and four independent directors. Fortis will be entitled to nominate all the executive directors of the JV. The executive directors shall be the CEO and the next most senior member of the executive committee apart from the CEO. Fortis and the Company will each nominate three non-executive directors and propose two independent directors. The chairperson of the JV will be a director nominated by Fortis. The Company will also nominate a member to each of the remuneration and promotion committee and the audit committee of the JV and have a representative attend meetings of the Asian management committee of the JV as an observer, as well as second investment professionals to the JV's offices in Asia where it matches the requirements of the JV.
6. The parties agree to enter into good faith discussions for the conclusion of a technical assistance agreement prior to completion of the Proposed Transaction for the provision of technical assistance and knowhow in asset management by JV to the Company. The parties acknowledge that such commitment forms an important part of the strategic cooperation between the two parties in asset management.
7. The parties agree that Fortis' shareholding in the JV will be one share more than that of the Company.
8. Following completion of the Proposed Transaction:
  - (a) The Company shall appoint the JV as a preferred provider to it for its global asset management business needs and requirements and the JV shall provide the requisite services on preferred terms; and

- (b) The JV will be renamed as “平安富通投資管理集團控股公司” in Chinese and “Fortis Ping An Investment Management Group Holdings” in English. As to the branding of products, following completion of the Proposed Transaction, JV will market its current and future products under the combined names of Fortis and the Company unless, in the view of the JV’s executive committee, it makes business sense to use other names or combinations.
9. The parties will take such steps as are necessary to ensure that all filing and notifications that are required to be made by each of them or by the JV with any governmental or regulatory authority prior to the signing of the definitive documentation are so made.

## REASONS FOR THE PROPOSED TRANSACTION

Fortis Parent is an international financial service provider engaged in banking and insurance business. Shares in Fortis Parent are dually listed on Euronext Brussels and Euronext Amsterdam, and are secondarily listed on the Luxembourg Stock Exchange and Fortis Parent has a sponsored over-the-counter ADR programme in the United States. As at 31 December 2007, the total asset value and shareholders’ equity of Fortis Parent were approximately EUR 871.2 billion and EUR 33.0 billion respectively. As at 29 February 2008, Fortis Parent had a market capitalisation of approximately EUR 32.3 billion. As at 22 January 2008, Ping An Life, a subsidiary of the Company, had on the secondary market acquired approximately 110 million shares of Fortis Parent, representing approximately 4.99% of Fortis Parent’s issued share capital, and became its single largest shareholder. The total consideration was approximately EUR 2.11 billion. Fortis Parent, through its wholly-owned subsidiary Fortis, indirectly holds a 100% equity interest in the JV.

The JV is a company incorporated in Belgium and is a subsidiary of Fortis. JV is the holding company of Fortis Parent’s global asset management business currently operating out of 19 countries (before taking into account AAAM’s asset management business). JV has a globally integrated structure, with implementation coordinated through hubs in Paris, London, Brussels, Boston and Hong Kong. On or prior to the signing of the sale and purchase agreement, Fortis intends to acquire the entire issued share capital of AAAM and subsequently contributing such shares to JV (excluding certain non core assets) (“**Dropdown Contribution**”). The acquisition of AAAM by the JV is expected to be initiated on 2 April 2008. AAAM is the global asset management unit of ABN AMRO Bank NV with over 1,600 employees and is locally represented in 27 countries worldwide. From its headquarters in Amsterdam, AAAM coordinates global asset management through the key regional centres of Amsterdam, London, Hong Kong, Sao Paulo and Chicago. Each centre is responsible for account management, management sales, marketing, client servicing and local product development in its region. After taking into account AAAM’s asset management business, the JV will have a presence in over 30 countries.

The Company and Fortis intend to use the JV as their primary entity outside the PRC to carry out global asset management business. The JV will carry on a global asset management business and hold all the assets relating to asset management business of Fortis Parent globally (including the asset management business of AAAM but excluding certain non core assets) and certain asset management business activities of the Group in Hong Kong. As a result of the Proposed Transaction, the Company will be able to further improve its integrated platform of financial services, rapidly increase its asset management capability, enhance the process of the Company’s globalisation and push forward the development of its asset management operations as its third core business.

In addition to achieving a satisfactory track record for its asset management business, the Company is also expected to become even stronger in respect of its investment operations in both domestic and global markets and will therefore have capability to develop new QDII products and services for its domestic clients.

## **GENERAL**

The Memorandum of Understanding does not constitute the parties' legally binding commitments as to the Proposed Transaction.

The Board wishes to emphasize that no formal legally binding agreement in relation to the Proposed Transaction has been entered into as at the date of this announcement. As the Proposed Transaction may or may not proceed, Shareholders and public investors are urged to exercise caution when dealing in the Shares.

The Proposed Transaction may constitute a notifiable transaction under the Listing Rules if a formal sale and purchase agreement is entered into, in which case, the Company will comply with the applicable provisions of the Listing Rules.

## **DEFINITIONS**

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

“AAAM”	ABN AMRO Asset Management Holding N.V., the holding company of the asset management business of ABN AMRO Bank NV;
“Board”	the board of Directors;
“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 Stock Exchange of Hong Kong Limited;
“Directors”	the directors of the Company;
“Fortis”	Fortis Bank NV/SA, a company incorporated in Belgium;
“Fortis Parent”	Fortis SA/NV, a company incorporated in Belgium, and Fortis N.V., a company incorporated in the Netherlands, which jointly and indirectly hold 100% interest in Fortis;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party”	an independent third party which is independent from the Company and its connected persons (as defined under the Listing Rules);
“Interest”	50% of the issued and fully diluted share capital of JV;

“JV”	Fortis Investment Management NV/SA, a company incorporated in Belgium, the holding company of the global asset management business of Fortis Parent;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Memorandum of Understanding”	the Memorandum of Understanding dated 19 March 2008 entered into between the Company and Fortis in relation to the Proposed Transaction;
“Ping An Life”	Ping An Life Insurance Company of China, Ltd., a 99% owned subsidiary of the Company;
“PRC”	the People’s Republic of China;
“Proposed Transaction”	the proposed sale and purchase of the Interest;
“QDII”	Qualified Domestic Institutional Investors who have been approved by the China Securities Regulatory Commission to invest in foreign securities markets via certain fund management institutions, insurance companies, securities companies and other asset management institutions;
“Shareholders”	holder(s) of the Shares;
“Share(s)”	ordinary shares(s) of RMB1.00 each in the share capital of the Company;
“subsidiary”	has the meaning ascribed thereto in the Listing Rules;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC; and
“%”	per cent.

\* Based on exchange rate of HKD 12.25 for €1, as at 17th March 2008.

By Order of the Board  
**Yao Jun**  
*Joint Company Secretary*

Shenzhen, PRC, 19 March 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.*