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**PING AN**

Insurance • Banking • Investment

**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) DISCLOSEABLE TRANSACTIONS –  
SUBSCRIPTION OF NEW SHARES IN,  
AND**

**ACQUISITION OF EXISTING SHARES IN,  
SHENZHEN DEVELOPMENT BANK CO., LTD.**

**(2) SPECIFIC MANDATE TO ISSUE NEW H SHARES**

**AND**

**(3) RESUMPTION OF TRADING**

**(1) SUBSCRIPTION OF NEW SDB SHARES**

On 12 June 2009, Ping An Life, a non-wholly owned subsidiary of the Company, entered into the Share Subscription Agreement pursuant to which it conditionally agreed to subscribe for not less than 370,000,000 but not more than 585,000,000 new SDB Shares. As at the date of this announcement, the Group holds approximately 4.68% of the existing issued share capital of SDB.

The Subscription Price for each Subscription Share shall be RMB18.26, being the average trading price of the SDB Shares as quoted on the Shenzhen Stock Exchange for the 20 consecutive trading days prior to the date of the announcement of the resolutions of the board of directors of SDB approving the Share Subscription.

## **(2) ACQUISITION OF SALE SHARES**

On 12 June 2009, the Company entered into the Share Purchase Agreement pursuant to which the Company conditionally agreed to purchase from the Vendor the Sale Shares, being 520,414,439 SDB Shares, representing approximately 16.76% of the issued share capital of SDB as at the date of this announcement. The consideration for the Acquisition shall be satisfied by the Company, at the election of the Vendor, by way of the Cash Consideration or the Consideration Shares.

An application will be made by the Company to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and the permission to deal in, the Consideration Shares on the Hong Kong Stock Exchange.

## **(3) LISTING RULES IMPLICATIONS**

The Share Subscription and the Acquisition constitute discloseable transactions of the Company under the Listing Rules as the highest applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) is more than 5% but less than 25%. Pursuant to Rule 14.22 of the Listing Rules, the Share Subscription will be aggregated with the Acquisition, and treated as if they were one transaction for the purpose of Chapter 14 of the Listing Rules. Nonetheless, in such event the transaction will still be classified as a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## **(4) SPECIFIC MANDATE TO ISSUE NEW H SHARES**

The Company will seek the grant of a specific mandate at the extraordinary general meeting and the respective class meetings of holders of A Shares and holders of H Shares to allot and issue the Consideration Shares under the Share Purchase Agreement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution to approve the grant of the specific mandate.

## **(5) GENERAL**

A circular containing, among other things, further details of the specific mandate to be sought, a notice of the extraordinary general meeting, notices of the class meetings of the holders of H Shares and the holders of A Shares and other information as required under the Listing Rules will be despatched by the Company as soon as practicable in accordance with the Listing Rules.

## **(6) SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the H Shares was suspended with effect from 9:30 a.m. on 8 June 2009 pending the release of this announcement. An application has been made by the Company to the Hong Kong Stock Exchange for the resumption of trading in the H Shares with effect from 9:30 a.m. on 15 June 2009.

## **(A) SUBSCRIPTION OF NEW SDB SHARES**

On 12 June 2009, Ping An Life, a non-wholly owned subsidiary of the Company, entered into the Share Subscription Agreement whereby it conditionally agreed to subscribe for the Subscription Shares. As at the date of this announcement, the Group holds approximately 4.68% of the existing issued share capital of SDB.

### **THE SHARE SUBSCRIPTION AGREEMENT**

**Date:** 12 June 2009

**Parties:**

(a) Issuer of Subscription Shares:

SDB, a joint stock limited company whose shares are listed on the Shenzhen Stock Exchange. Save for the Group's shareholding in approximately 4.68% of the existing issued share capital of SDB, and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, SDB is an Independent Third Party

(b) Subscriber of the Subscription Shares:

Ping An Life, a non-wholly owned subsidiary of the Company

### **The Share Subscription**

Pursuant to the Share Subscription Agreement, SDB has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, not less than 370,000,000 but not more than 585,000,000 new SDB Shares (the "Subscription Shares").

The Subscription Shares shall not carry with them any other rights. Subject to the condition that it will not trigger a mandatory general offer obligation under the applicable laws, the Subscriber has the right to subscribe the maximum number of Subscription Shares within the above range. The parties agree that under permissible circumstances, they will determine the number of Subscription Shares to be issued as soon as practicable.

### **Subscription Price**

The Subscription Price for each Subscription Share shall be RMB18.26, being the average trading price of the SDB Shares as quoted on the Shenzhen Stock Exchange for the 20 consecutive trading days prior to the date of the announcement of the resolutions of the board of directors of SDB approving the Share Subscription. The aggregate Subscription Price shall be determined by multiplying the number of Subscription Shares and the Subscription Price for each Subscription Share and shall be payable by the Subscriber at completion of the Share Subscription.

If prior to the completion of the Share Subscription, there occurs a distribution, bonus share issue by way of conversion of capital reserve or placing of SDB Shares, the Subscription Price for each Subscription Share shall be adjusted in accordance with the listing rules of the Shenzhen Stock Exchange. In this case, the parties to the Share Subscription Agreement shall enter into a confirmation of adjusted Subscription Price to reflect the adjustment in the Subscription Price.

The funds for the Share Subscription are derived from the Subscriber self-owned capital and such insurance funds as liability reserve funds with a liability period of more than 20 years. The application of such funds is within the investment scope approved by the CIRC and complies with the internal system requirements of the Subscriber relating to investment and management of insurance funds.

### **Lock Up**

The Subscription Shares are subject to a lock up period of 36 months after completion of the Share Subscription, during which period the Subscriber shall not transfer the Subscription Shares, but subject to applicable laws, transfers of Subscription Shares between associated entities of the Subscriber (being any entity which directly or indirectly controls the Subscriber, directly or indirectly controlled by the Subscriber or is under the same control as the Subscriber) are not restricted by the lock up.

### **Conditions to the Share Subscription Agreement**

Completion of the Share Subscription shall be conditional upon the fulfilment of the following conditions (except for items (iii), (iv) and (vi) below, the other conditions cannot be waived, and item (vi) can only be waived by the Subscriber) on or before the Subscription Long Stop Day:

- (i) the Share Subscription having been approved by the shareholders of SDB at a duly convened special general meeting and all necessary approvals for the Share Subscription having been obtained from CBRC, CIRC, MOFCOM (if necessary) and CSRC and shall remain effective on the completion date;
- (ii) the relevant authorities have not issued, published or executed any laws, regulations, rules, directives, orders or notices which forbids the completion of the transactions contemplated under the Share Subscription Agreement;
- (iii) all warranties given by the Subscriber under the Share Subscription Agreement shall remain true and accurate in all material respects on the date of the Share Subscription Agreement and at all times after the date of the Share Subscription Agreement up to and including the completion date (as if they have been repeated on the completion date);
- (iv) all warranties given by SDB under the Share Subscription Agreement shall remain true and accurate in all material respects on the date of the Share Subscription Agreement and at all times after the date of the Share Subscription Agreement up to and including the completion date (as if they have been repeated on the completion date);
- (v) the Company having acquired all SDB Shares held by Newbridge not later than 31 December 2010, and the Vendor and the Company having appropriately entered into a legally binding agreement and all the conditions precedent therein (including, but not limited to, all the necessary governmental approvals) having been fulfilled or waived (to the extent as appropriate), the transfer of such shares, such purchase of Sale Shares by the Company and the sale of the Sale Shares by the Vendor having become effective and irrevocable in all respects;

(or, if such condition is not satisfied, so long as Newbridge has transferred the Sale Shares to the Company, such condition is deemed satisfied); and

- (vi) (1) three directors of SDB nominated by existing shareholder of SDB shall resign from their directorships and (2) subject to the applicable laws and the articles of association of SDB, the Subscriber and its associated entities shall have the right to nominate to add three director candidates to the board of directors of SDB for election at SDB's general meeting in accordance with its articles of association.

In the event that the above conditions cannot be fulfilled or waived as appropriate on or before the Subscription Long Stop Date, each party to the Share Subscription Agreement shall have the right to terminate the Share Subscription Agreement with immediate effect.

### **Completion of the Share Subscription**

Completion of the Share Subscription shall take place on the seventh business day after fulfilment (or waiver) of the last condition or an earlier date as agreed by both parties to the Share Subscription Agreement (but shall not be earlier than the date the last condition is fulfilled or waived).

### **Termination of the Share Subscription Agreement**

At any time prior to the completion of the Share Subscription Agreement, in the event that (i) one party is in material breach of any provision under the Share Subscription Agreement, and (ii) the defaulting party does not remedy the breach within 30 days from the date the non-defaulting party issues a written notice to the defaulting party to request it to take action to remedy such breach, the non-defaulting party can issue a notice in writing to the defaulting party and elect either to complete the transaction or terminate the Share Subscription Agreement.

At any time prior to the completion of the Share Subscription Agreement, if any fact or circumstance has occurred in SDB which constitutes a Material Adverse Change (as defined below), the Subscriber has the right to elect either to complete the transaction or terminate the agreement.

“Material Adverse Change”, as defined in the Share Subscription Agreement, means any material adverse changes in respect of SDB's assets, liabilities, business, financial circumstance or operation performance, and such changes will be detrimental to SDB's fundamental and basic operation. For the purpose of the Share Subscription Agreement, Material Adverse Change shall not include any of the changes as a result of the following reasons: (1) any change in the PRC accounting standards; (2) any change in the law; (3) any event which has a general impact on the PRC economy but would not have disproportionate impacts on SDB; (4) any event which has a general impact on the banking industry but would not have disproportionate impacts on SDB. For the avoidance of doubt, decreases in A shares trading prices or volume and any fact or circumstance disclosed by SDB before execution of the Share Subscription Agreement and the development after such disclosure shall not constitute a Material Adverse Change.

## **Board Representation**

### *Board of Directors*

Subject to the applicable laws, upon registration of the Subscriber as the registered holder of the Subscription Shares, SDB shall convene a general meeting as soon as possible and the Subscriber shall have the right to nominate to add three director candidates of SDB (including one independent director candidate) for election at such general meeting of SDB in accordance with the articles of association of SDB.

Within 18 months from completion of the Share Subscription Agreement, the Subscriber shall have the right to nominate and replace three SDB directors candidates for election at a general meeting of SDB in accordance with its articles of association to fill the casual vacancies following the resignation of the SDB directors in accordance with the Share Subscription Agreement.

Subject to approval by the board of directors of SDB, the nominated directors shall have one seat in each of the audit committee, risk management committee, strategic committee and remuneration committee, and the nominated directors should possess the required qualification and comply with the requirements of the applicable laws.

## **(B) THE ACQUISITION**

On 12 June 2009, the Company entered into the Share Purchase Agreement pursuant to which the Company conditionally agreed to purchase from the Vendor the Sale Shares, being 520,414,439 SDB Shares, representing approximately 16.76% of the issued share capital of SDB as at the date of this announcement.

### **THE SHARE PURCHASE AGREEMENT**

**Date:** 12 June 2009

**Parties:**

- (a) Vendor: Newbridge Asia AIV III, L.P., which is, and its ultimate beneficial owners are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Independent Third Parties
- (b) Purchaser: the Company

### **The Acquisition**

Pursuant to the Share Purchase Agreement, the Company has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares, being 520,414,439 SDB Shares (and subject to adjustment as further described below), representing approximately 16.76% of the issued share capital of SDB as at the date of this announcement, free from all encumbrances and together with all rights attaching or accruing to them at Completion.

## **Consideration**

The consideration for the Acquisition shall be payable by the Company to the Vendor on the Payment Date and shall, at the Vendor's sole election, be satisfied by Cash Consideration or the Consideration Shares.

The Cash Consideration for the Acquisition was arrived at after arm's length negotiations between the Company and the Vendor with reference to historical and recent performance of trading prices of the SDB Shares. If the Vendor elects the Cash Consideration, such amount shall be funded by the Company's own funds which can be legally allocated at will.

The Consideration Shares, being 299,088,758 new H Shares (and subject to adjustment as further described below), represent approximately 4.07% of the issued share capital of the Company as at the date of this announcement and approximately 3.91% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares. The Consideration Shares when allotted and issued, will be credited as fully paid, rank *pari passu* in all respects with the other Shares in issue and will be listed and freely tradable on the Hong Kong Stock Exchange on the next trading day after the Consideration Shares are allotted and issued.

The Consideration Shares are not subject to any lock-up. Application will be made by the Company to the Hong Kong Stock Exchange for the grant of listing of, and the permission to deal in, the Consideration Shares on the Hong Kong Stock Exchange.

## **Conditions to the Share Purchase Agreement**

Completion shall be conditional on the satisfaction of the following conditions:

- (1) the issue of the Consideration Shares by the Company having been approved by the shareholders of the Company at a duly convened special general meeting of the shareholders of the Company and duly convened class meetings of the H shareholders and A shareholders of the Company;
- (2) the issue of the SDB Shares to Ping An Life pursuant to the Share Subscription having been approved by the shareholders of SDB at a duly convened special general meeting of the shareholders of SDB;
- (3) all necessary approvals and clearances in respect of the Share Subscription having been obtained from the CBRC and the CSRC;
- (4) all necessary approvals and clearances in respect of the sale and purchase of the Sale Shares, having been obtained from the CBRC, the CSRC and the PRC Ministry of Finance;
- (5) all necessary approvals and clearances in respect of the issue of the Consideration Shares having been obtained from all relevant PRC governmental or regulatory authorities;
- (6) all necessary approvals and clearances in respect of the Share Subscription and the Acquisition having been obtained from the CIRC;

- (7) (insofar as the Company is required under the PRC Takeover Measures to make a mandatory general offer for the SDB Shares which it does not own) a waiver having been granted by the CSRC to the Company and/or Ping An Life from the obligation to make such mandatory general offer; and
- (8) (to the extent required) all necessary clearances under the PRC Anti-Monopoly Law in respect of the Share Subscription and the Acquisition having been obtained from MOFCOM.

In respect of the condition set out in item (7), the Company agrees that from the date of the Share Purchase Agreement until the earlier of the Completion Date and the date of termination of the Share Purchase Agreement without Completion, the Company shall not under any circumstances acquire such number of SDB Shares which, combined with the existing SDB Shares owned by it (if any) and the Sale Shares, could trigger an obligation on the Company and/or Ping An Life to make a mandatory general offer for SDB Shares which it does not own unless it has obtained a waiver from such obligation from the CSRC.

The conditions set out in items (2) and (3) may be waived by notice in writing by the Company.

If all the conditions (other than the condition set out in item (5)) shall have been satisfied (or waived) before the Long Stop Date, the Long Stop Date shall automatically be extended by 120 days, but the parties may agree in writing to extend the Long Stop Date further. If no such agreement is reached between the parties, either party may give notice in writing to the other party to terminate the Share Purchase Agreement.

### **Completion and Escrow Arrangements**

At any time on or after the first business day on or by which all the conditions (other than the condition set out in item (5) above) referred to above have been satisfied or waived (the "Relevant Date") and prior to the Vendor giving the Payment Notice (as defined below), the Vendor shall have the right, at its sole discretion, to give notice in writing to the Company that it is transferring the Sale Shares to the Company on the date specified in the notice and to require the Company to pay the full amount of the Cash Consideration into an account subject to an escrow arrangement.

### **Payment**

At any time after the date on which all the conditions have been satisfied (or waived), the Vendor shall have the right, at its sole discretion, to give notice in writing to the Company for payment of the consideration and shall specify whether the consideration shall be satisfied by the Cash Consideration or the Consideration Shares (the "Payment Notice"), provided that if the Vendor does not give the Payment Notice in writing by 5:00 p.m. (Hong Kong time) on 24 December 2010, then the consideration shall be satisfied by the Cash Consideration.

If the Vendor elects to receive the Cash Consideration, or is deemed to have elected to receive the Cash Consideration, the Company shall, within seven business days of the Payment Notice or (if the Vendor is deemed to have elected to receive the Cash Consideration) by no later than 31 December 2010, pay the Cash Consideration (if applicable, less any amount required to be deducted or withheld on account of tax) to the Vendor in immediately available funds in RMB. If the Company fails to pay the Cash Consideration to the Vendor, the Cash Consideration shall be paid to the Vendor pursuant to the terms of the escrow arrangements.

If the Vendor elects to receive the Consideration Shares, the Company shall (a) (if the Payment Notice is given before 9:00 a.m. on a business day) before 5:00 p.m. on the next business day after the date the Payment Notice is given or (b) (if the Payment Notice is given after 9:00 a.m. on a business day) before 5:00 p.m. on the second business day following the date the Payment Notice is given allot and issue the Consideration Shares to the Vendor and shall deliver to the Vendor the share certificates representing the Consideration Shares issued in the name(s) specified by the Vendor.

If, at any time after the date of the Share Purchase Agreement and prior to Payment Date, there occurs any rights issue, bonus issue, scrip dividend in lieu of cash dividend or distribution in specie by the Company to its shareholders or the Company undertakes a merger or consolidation with or into any other corporation or any other corporate reorganisation, including a spin-off of any of its businesses or assets, the number of Consideration Shares to be issued to the Vendor shall be adjusted accordingly to take into account such event and to give the Vendor the equivalent value of such event assuming the Vendor had been a shareholder of the Company at the time such event occurred.

If, at any time after the date of the Share Purchase Agreement and prior to Completion Date, there occurs any rights issue, bonus issue, scrip dividend in lieu of cash dividend or distribution in specie by SDB to its shareholders or SDB undertakes a merger or consolidation with or into any other corporation or any other corporate reorganisation, including a spin-off of any of its businesses or assets, the number of Sale Shares to be transferred to the Company shall be adjusted accordingly to take into account such event and to give the Company the equivalent value of such event assuming the Company had been a shareholder of SDB at the time such event occurred.

If the Sale Shares have been transferred to the Company prior to the Vendor giving the Payment Notice and the Vendor elects to receive the Consideration Shares, the Company shall (in addition to the issue of the Consideration Shares) pay to the Vendor an amount in cash in RMB equal to the value of all dividends or other distributions which the Vendor would have received in respect of the Consideration Shares during the period from the Completion Date until the Payment Date assuming the Vendor had been the holder of the Consideration Shares from the Completion Date until the Payment Date, provided that such amount shall not exceed the aggregate value of all dividends or other distributions received by the Company in respect of the Sale Shares during the period from the Completion Date until the Payment Date.

## **(C) REASONS AND BENEFITS FOR THE SUBSCRIPTION AND THE ACQUISITION**

The Transactions will perfect the Company's comprehensive financial services platform, implement the strategic development target of "Financial Integration, International Leader", and will promote the Group's balanced growth in the insurance, banking and investment sectors, and secure strategic cooperation with a large-scale nation-wide commercial banking network, including a more comprehensive range of products, broader customer base and greater cross-selling opportunities. This Transaction will further improve the Company's long term balance of assets and liabilities, improve asset combination, strengthen repayment abilities and stabilise inner values. With a view of broad and steady growth of the PRC banking industry ahead, the investment returns of insurance funds can be better protected.

Through the Transactions, SDB can also expand its capital instantly, increase capital adequacy ratio, strengthen core competitiveness which is essential to its continuous healthy growth. SDB will be able to leverage on the Group's national coverage and quality customer source to boost the Bank's business strength and this will fasten SDB's expansion in the corporate banking and retail banking sectors, further heighten its development potentials, which in turn will generate excellent return in the banking sector for the Group as well as investment returns for the Company's shareholders.

The Directors (including the independent non-executive Directors) consider that the Share Subscription Agreement and the Share Purchase Agreement were entered into on normal commercial terms in the ordinary and usual course of business of the Group and that the terms of the agreements are fair and reasonable and in the best interests of the Group so far as the interests of the shareholders of the Company are concerned.

#### **(D) RISKS INVOLVED IN THE TRANSACTIONS**

1. The increasingly intense competition and unstable market conditions in the banking industry in the PRC, and the government's macro-policy control towards the banking industry may bring a degree of risk to SDB's business and operation;
2. The current management structure and standard of SDB is very good, but this does not guarantee it has the ability to avoid and combat unforeseeable risks; and
3. The Transactions are still pending approval (or waiver) by CBRC, CIRC, CSRC and other relevant regulatory authorities.

In relation to the abovementioned risk factors, the Company will actively exercise the Company's rights as shareholder of SDB to vote and nominate/elect directors, supervisors and senior management, participate in the management of SDB, assist SDB to continuously improve its operational abilities and internal control, closely monitor SDB's business operation, control risks without delay and ensure profitability.

#### **(E) INFORMATION RELATING TO THE GROUP, THE VENDOR AND SDB**

The Group 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 Vendor was formed on 7 July 2000 in the State of Delaware, the United States of America. Newbridge is an affiliate of TPG Capital. The Vendor focuses on strategic investments and is the single largest shareholder of SDB as at the date of this announcement. Currently, the Group does not hold any direct or indirect interest in the Vendor.

SDB is a joint stock company incorporated and registered in the PRC whose shares are listed and traded on the Shenzhen Stock Exchange. It is the first commercial bank to issue shares to the general public and listed on the stock exchange in the PRC. It has excellent business networks and channels through approximately 300 branches in 18 commercial cities including Beijing, Shanghai, Tianjin, Chongqing, Guangzhou, Shenzhen, Hangzhou, Nanjing, Jinan, Dalian, Qingdao, Chengdu, Kunming, Haikou, Zhuhai, Foshan, Ningbo and Wenzhou. It also has representative offices in Beijing and Hong Kong which enable it to establish agent bank relationships with over 600 banks from more than 70 countries and regions outside of the PRC. SDB has established a complete product system and has strong market influence in its main

business areas including corporate banking, retail banking and consumer loans. At the same time, its international and offshore businesses are growing steadily, its market share and brand recognition have increased continuously. SDB is the first Chinese bank to obtain approval to conduct offshore online banking businesses.

According to SDB's published 2008 annual report, as of 31 December 2008 prepared in accordance with the IFRS, the net asset value of SDB amounted to RMB16,400,790,000. Its net profit before and after taxation and extraordinary items in 2008 amounted to RMB792,609,000 and RMB614,035,000; and its net profit before and after taxation and extraordinary items in 2007 amounted to RMB3,771,775,000 and RMB2,649,903,000. As of 31 December 2008, its capital adequacy ratio is 8.58% and its core capital adequacy ratio is 5.27%.

Upon completion of the Transaction, which occurs on the latter of when the CSRCC has legally registered Sale Shares in the name of the Company and the Subscription Shares in the name of Ping An Life), and at any time prior to the completion of the Transaction, the Group shall take legal and feasible means to undertake its holding in the SDB Shares will not exceed 30% of the then issued share capital of SDB.

The qualifications of the Company and Ping An Life to become shareholders of SDB are subject to approval of the CBRC.

The Share Subscription and the Acquisition were entered into by the Company on normal commercial terms. The directors of the Company (including the independent non-executive directors) are of the view that the terms of each of the Share Subscription and the Acquisition are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

#### **(F) LISTING RULES IMPLICATIONS**

Each of the Share Subscription and the Acquisition constitutes a discloseable transaction of the Company under the Listing Rules as the highest applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) is more than 5% but less than 25%. Pursuant to Rule 14.22 of the Listing Rules, the Share Subscription may be aggregated with the Acquisition, and treated as if they were one transaction for the purpose of Chapter 14 of the Listing Rules. Nonetheless, in such event the transaction will still be classified as a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

#### **(G) SPECIFIC MANDATE TO ISSUE THE CONSIDERATION SHARES**

The Company will seek the grant of a specific mandate at the extraordinary general meeting and the respective class meetings of holders of A Shares and holders of H Shares to allot and issue the Consideration Shares under the Share Purchase Agreement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no shareholder is required to abstain from voting on the resolution to approve the grant of specific mandate.

#### **(H) GENERAL**

A circular containing, among other things, further details of the specific mandate to be sought, a notice of the extraordinary general meeting, notices of the class meetings of the holders of H Shares and the holders of A Shares and other information as required under the Listing Rules will be despatched by the Company as soon as practicable in accordance with the Listing Rules.

## **(I) SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in H Shares was suspended with effect from 9:30 a.m. on 8 June 2009 pending release of this announcement. An application has been made by the Company to the Hong Kong Stock Exchange for the resumption of trading in H Shares with effect from 9:30 a.m. on 15 June 2009.

## **(J) DEFINITIONS**

“A Shares”	domestic Shares which are listed on the Shanghai Stock Exchange, and subscribed for and traded in RMB
“Acquisition”	the acquisition of the Sale Shares by the Company according to the terms of the Share Purchase Agreement
“Board”	the board of Directors
“Cash Consideration”	the amount in cash in RMB in the sum of RMB11,449,117,658 payable by the Company to the Vendor, at the Vendor’s election, as the consideration of the Acquisition
“CBRC”	China Banking Regulatory Commission
“CIRC”	China Insurance Regulatory Commission
“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 Hong Kong Stock Exchange
“Completion”	the transfer of the Sale Shares from the Vendor to the Company
“Completion Date”	the date on which Completion takes place, being the date as specified in the completion notice, and such date shall not in any case be later than 31 December 2010, or if no such notice is given, being 31 December 2010
“Consideration Shares”	299,088,758 new H Shares to be issued by the Company to the Vendor, at the Vendor’s election, as the consideration of the Acquisition, provided that if prior to the Payment Date, there occurs a subdivision or consolidation of the H Shares, any reference to “Consideration Shares” in the Share Purchase Agreement shall be to such number of H shares in the capital of the Company which are derived from those 299,088,758 H Shares following such subdivision or consolidation of the H Shares, and “Consideration Share” means any one of them

“CSRC”	China Securities Regulatory Commission
“CSRCC”	the China Securities Registry and Clearing Corporation and its Shenzhen Branch
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“H Shares”	foreign Shares which are listed on the Hong Kong Stock Exchange, and subscribed for and traded in Hong Kong Dollars
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Third Party”	an independent third party which is independent from the Company and its connected persons (as defined under the Listing Rules)
“Last Trading Day”	Friday, 5 June 2009, the last trading day of the H Shares on the Hong Kong Stock Exchange prior to the publication of this announcement
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Long Stop Date”	31 December 2009 or such other date as determined under the Share Purchase Agreement
“MOFCOM”	Ministry of Commerce of the PRC
“Payment Date”	the date on which the consideration is paid in full to the Vendor, being a business day no later than 31 December 2010 provided that if the Vendor elects to receive the Consideration Shares, such date shall be a date as permitted by the relevant regulatory approval for the issue of the Consideration Shares
“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
“RMB”	Renminbi, the lawful currency of the PRC

“Sale Shares”	520,414,439 SDB Shares owned by the Vendor as at the date of the Share Purchase Agreement, provided that if prior to the Completion Date, there occurs a subdivision or consolidation of the SDB Shares, any reference to “Sale Shares” in this Agreement shall be to such number of shares in the capital of SDB which are derived from those 520,414,439 SDB Shares following such subdivision or consolidation of the SDB Shares
“SDB”	Shenzhen Development Bank Co., Ltd., a joint stock limited liability company established in the PRC, whose shares are listed and traded on the Shenzhen Stock Exchange
“SDB Shares”	ordinary shares(s) of RMB1.00 each in the share capital of SDB which are listed and traded on the Shenzhen Stock Exchange
“Shanghai Stock Exchange”	The Shanghai Stock Exchange
“Share Purchase Agreement”	the share purchase agreement dated 12 June 2009 entered into between the Company and the Vendor in relation to the Acquisition
“Share Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Share Subscription Agreement
“Share Subscription Agreement”	the share subscription agreement dated 12 June 2009 entered into between the Subscriber and SDB in relation to the Share Subscription
“Shares”	ordinary shares(s) of RMB1.00 each in the share capital of the Company
“Shenzhen Stock Exchange”	The Shenzhen Stock Exchange
“Subscriber”	Ping An Life
“Subscription Long Stop Date”	unless otherwise agreed between the parties to the Share Subscription Agreement, the date being the earlier of: (i) 30 April 2010 or (ii) the date a party to the agreement presenting to the other party evidence of disapproval issued by relevant authority in relation to the Share Subscription or the date the agreement shall terminate
“Subscription Shares”	not less than 370,000,000 but not more than 585,000,000 new SDB Shares to be issued to the Subscriber pursuant to the Share Subscription Agreement

“Transactions”	the Share Subscription and the Acquisition
“Vendor” or “Newbridge”	Newbridge Asia AIV III, L.P., a limited partnership established and registered in the State of Delaware
“%”	per cent.

By order of the Board  
**Yao Jun**  
*Company Secretary*

Shenzhen, PRC, 12 June 2009

*As at the date of this announcement, the Executive Directors of the Company are Ma Mingzhe, Sun Jianyi, Cheung Chi Yan Louis, Wang Liping and Jason Bo Yao; the Non-executive Directors are Hu Aimin, Chen Hongbo, Wong Tung Shun Peter, Ng Sing Yip, Clive Bannister and Li Zhe; and the Independent Non-executive Directors are Chow Wing Kin Anthony, Zhang Hongyi, Chen Su, Xia Liping, Tang Yunwei, Lee Ka Sze Carmelo and Chung Yu-wo Danny.*