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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Ping An Insurance (Group) Company of China, Ltd., you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

DISCLOSEABLE TRANSACTION

SUBSCRIPTION OF SHARES

IN MINSHENG BANK

CONTENTS

	<i>Page</i>
Contents	i
Definitions	1
Letter from the Board	
Introduction	2
The Subscription	3
Reasons and benefits for the transaction	3
Financial effects of the Subscription	3
Listing Rules implications	3
Information relating to the Group and Minsheng Bank	4
Appendix – General information	5

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings respectively:

“Board”	the board of Directors
“CBRC”	the China Banking Regulatory Commission
“Company”	Ping An Insurance (Group) Company of China, Ltd., a joint stock 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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“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
“LPD”	June 26, 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Minsheng Bank”	China Minsheng Banking Corp., Ltd., the A shares of which are listed on the Shanghai Stock Exchange (stock code 600016)
“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
“Subscription”	the subscription by Ping An Life of 714 million Minsheng Bank’s non-public offer shares pursuant to the Subscription Agreement, representing approximately 4.93% of the entire issued share capital of Minsheng Bank immediately after the completion of both the bonus issue and non-public offer
“Subscription Agreement”	an agreement dated June 8, 2007 entered into between Ping An Life and Minsheng Bank in relation to the Subscription

LETTER FROM THE BOARD



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PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.

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(Stock Code: 2318)

Executive Directors:

Ma Mingzhe

Sun Jianyi

Cheung Chi Yan Louis

Registered office:

Ping An Building

Ba Gua No.3 Road

Shenzhen, PRC

Non-executive Directors:

Lin Yu Fen

Cheung Lee Wah

Anthony Philip HOPE

Fan Gang

Lin Lijun

Hu Aimin

Chen Hongbo

Wong Tung Shun Peter

Ng Sing Yip

Principal place of business

in Hong Kong:

11th Floor, Dah Sing Financial Center

108 Gloucester Road

Wan Chai

Hong Kong

Independent non-executive Directors:

Bao Youde

Kwong Che Keung Gordon

Cheung Wing Yui

Chow Wing Kin Anthony

Zhang Hongyi

Chen Su

Xia Liping

June 29, 2007

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF SHARES IN MINSHENG BANK

INTRODUCTION

On March 19, 2007, the Company announced that Ping An Life, a 99% owned subsidiary of the Company, had made an application to subscribe for 600 million non-public offer shares

LETTER FROM THE BOARD

in Minsheng Bank at a subscription price of RMB9.08 per share. The Company further announced on June 11, 2007 that following approval by the CBRC of the qualification of the successful subscribers, Minsheng Bank and Ping An Life had entered into the Subscription Agreement dated June 8, 2007. The final number of shares subscribed for was 714 million shares at a subscription price of RMB7.63 per share, having been adjusted as the result of a bonus issue of shares by Minsheng Bank approved by its shareholders in general meeting on April 9, 2007. The Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide you with further details of the Subscription.

THE SUBSCRIPTION

Following approval by the CBRC of the qualification of the successful subscribers, Minsheng Bank and Ping An Life entered into the Subscription Agreement on June 8, 2007 in relation to the subscription by Ping An Life of 714 million non-public offer shares in Minsheng Bank, representing approximately 4.93% of the entire issued share capital of Minsheng Bank immediately after the completion of both the bonus issue and non-public offer.

The Subscription was effected at a subscription price of RMB7.63 per share. The total subscription price for the shares remained unchanged and amounted to RMB5,448 million.

The 714 million Minsheng Bank shares subscribed for by Ping An Life will be subject to a 12-months' lock-up period, effective from the date as arranged by China Securities Depository and Clearing Corporation Limited. Subscription monies of RMB5,448 million were satisfied by the insurance funds of Ping An Life.

REASONS AND BENEFITS FOR THE TRANSACTION

The Subscription complies with the relevant PRC laws, rules and regulations applicable to the use of insurance funds, which permits investments in, among others, A shares. The Subscription can enhance the Group's efforts to expand investment channels and maximize the return from the use of the insurance funds, and is in line with the Group's ordinary course of business of investing its insurance premiums and funds to match its payout obligations.

FINANCIAL EFFECTS OF THE SUBSCRIPTION

The total price of RMB5,448 million paid for the Subscription was financed through Ping An Life's own insurance funds. The Board believes that the Subscription will not give rise to any material effect on the earnings, assets and liabilities of Ping An Life, and therefore the Group. However, the cash and cash equivalents of Ping An Life, and therefore the Group, will be reduced and the investment assets value will be increased accordingly. The Subscription of shares is an investment allocation decision in the Group's normal course of business and is currently intended to be held as a long term investment.

LISTING RULES IMPLICATIONS

The Subscription constitutes a discloseable transaction of the Company under the Listing Rules as the assets ratio of the relevant percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) is more than 5% but less than 25%.

LETTER FROM THE BOARD

INFORMATION RELATING TO THE GROUP AND MINSHENG BANK

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.

Minsheng Bank, headquartered in Beijing, is a national joint-stock commercial bank approved by the People's Bank of China and established to engage in the provision of a broad range of financial products and services to corporate and retail customers. Minsheng Bank's issued A shares (stock code 600016) has been listed on the Shanghai Stock Exchange since December 19, 2000. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Minsheng Bank is a third party independent of the Company and the connected persons of the Company.

Based on the published audited accounts of Minsheng Bank prepared under PRC GAAP for the year ended December 31, 2005 and December 31, 2006, it had a revenue of approximately RMB21,658 million and RMB28,842 million respectively. For the years ended December 31, 2005 and December 31, 2006, Minsheng Bank reported audited net profits of approximately RMB4,193 million and RMB5,324 million before taxation and extraordinary items respectively and net profits of approximately RMB2,673 million and RMB3,832 million after taxation and extraordinary items respectively. Based on the published audited accounts of Minsheng Bank for the year ended December 31, 2006, it had a total asset value and net asset value of RMB700,449 million and RMB19,305 million respectively.

The Subscription was entered into by Ping An Life on normal commercial terms. The Directors (including the independent non-executive Directors) are of the view that the terms of the Subscription (including the Subscription price, which was determined with reference to the market trading prices of Minsheng Bank shares and should not be less than 90% of the average closing price of Minsheng Bank shares for the 20 days prior to its board meeting held on July 15, 2006) are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

Yours faithfully,

For and on behalf of the Board of Directors

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.

Ma Mingzhe

Chairman and Chief Executive Officer

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and supervisors' interests and short positions in the securities of the Company and its associated corporations

As at the LPD, the interests and short positions of the directors, chief executive or supervisors of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix 10 to the Listing Rules, were as follows:

Long positions in shares of the Company

Name of Director/supervisor	H/Domestic ("D") shares	Capacity	Note	No. of H/D shares	Nature of interest	Percentage of total number of H/D shares in issue (%)	Percentage of total shares in issue (%)
Cheung Chi Yan Louis Executive Director	H	Beneficial owner		248,000	Long position	0.01	0.003
Lin Li Supervisor	D	Interest of controlled corporations	(a)	176,000,000	Long position	3.67	2.40

Note:

- (a) Lin Li was interested in shares of the Company by virtue of his control over 93.33% shareholding of Shenzhen Liye Group Company Limited, which held a direct interest in 176,000,000 shares in the Company.

Save as disclosed above, as at the LPD, none of the directors, chief executive or supervisors of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix 10 to the Listing Rules.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders

So far as is known to the Directors, as at the LPD, the following persons (not being a director, chief executive or supervisor of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange, or who are directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

- (i) *Interests and short positions of substantial shareholders who are entitled to exercise or control the exercise of 10% or more of the voting power at any general meeting of the Company*

Name of substantial shareholder	H/Domestic ("D") shares	Capacity	Notes	No. of H/D shares	Nature of interest	Percentage of total number of H/D shares in issue (%)	Percentage of total shares in issue (%)
HSBC Holdings plc	H	Interest of controlled corporations	1,2,3	1,233,870,388	Long position	48.22	16.80

(ii) *Interests and short positions of other substantial shareholders*

Name of substantial shareholder	H/Domestic (“D”) shares	Capacity	Notes	No. of H/D shares	Nature of interest	Percentage of total number of H/D shares in issue (%)	Percentage of total shares in issue (%)
HSBC Insurance Holdings Limited	H	Beneficial owner	1	618,886,334	Long position	24.19	8.43
The Hongkong and Shanghai Banking Corporation Limited	H	Beneficial owner	3	614,099,279	Long position	24.00	8.36
JP Morgan Chase & Co.	H	Beneficial owner		2,146,000	Long position	0.08	0.03
		Beneficial owner		12,304,050	Long position	0.48	0.17
		Investment Manager		48,167,500	Long position	1.88	0.66
		Custodian		91,266,583	Long position	3.57	1.24
			4	153,884,133		6.01	2.10
Shenzhen Investment Holdings Co., Ltd.	D	Beneficial owner		543,181,445	Long position	11.35	7.40
Shenzhen Jingao Industrial Development Co., Ltd.	D	Interest of controlled corporations	5	148,000,000	Long position	3.09	2.01
		Beneficial owner		331,117,788	Long position	6.92	4.51
				479,117,788		10.01	6.52
Ping An Securities Company, Ltd. Labor Union	D	Interest of controlled corporations	5	479,117,788	Long position	10.01	6.52
China Ping An Trust & Investment Co., Ltd. Labor Union	D	Interest of controlled corporations	5	479,117,788	Long position	10.01	6.52
Shenzhen New Horse Investment Development Co., Ltd.	D	Beneficial owner	6	389,592,366	Long position	8.14	5.30

Name of substantial shareholder	H/Domestic (“D”) shares	Capacity	Notes	No. of H/D shares	Nature of interest	Percentage	Percentage
						of total number of H/D shares in issue (%)	of total shares in issue (%)
Ping An Insurance (Group) Company of China, Ltd. Labor Union	D	Interest of controlled corporations	6	389,592,366	Long position	8.14	5.30
Yuan Trust Investment Company Ltd.	D	Beneficial owner		380,000,000	Long position	7.94	5.17
Shenzhen Shum Yip Investment Development Company Ltd.	D	Beneficial owner		301,585,684	Long position	6.30	4.11

Notes:

- (1) HSBC Insurance Holdings Limited was a wholly-owned subsidiary of HSBC Holdings plc and its interest in 618,886,334 shares of the Company was deemed to be the interest of HSBC Holdings plc.
- (2) Besides (1) above, HSBC Holdings plc was also interested in the Company by virtue of its control over HSBC CCF Financial Products (France) SNC (“CCF SNC”) which held a direct interest in 884,775 shares in the Company. The interest in 884,775 shares of the Company was held through cash settled unlisted securities.

CCF SNC was 100% owned by CCF S.A. which was owned as to 99.99% by HSBC Bank plc. HSBC Holdings plc owned 100% interest in HSBC Bank plc.

- (3) The Hongkong and Shanghai Banking Corporation Limited was owned as to 84.19% by HSBC Asia Holdings BV, a wholly-owned subsidiary of HSBC Asia Holdings (UK), which in turn was a wholly-owned subsidiary of HSBC Holdings BV. The remaining 15.81% of The Hongkong and Shanghai Banking Corporation Limited was owned by HSBC Finance (Netherlands), a wholly-owned subsidiary of HSBC Holdings plc. HSBC Finance (Netherlands) owned 100% interest in HSBC Holdings BV.
- (4) JPMorgan Chase & Co. held interest in the Company by virtue of its control over the following corporations, which held direct interests in the Company:
 - (4.1) JPMorgan Chase Bank, N.A. held 91,266,583 shares in the Company. JPMorgan Chase Bank, N.A. was a wholly-owned subsidiary of JPMorgan Chase & Co.
 - (4.2) J.P. Morgan Whitefriars Inc. held 9,626,550 shares in the Company. J.P. Morgan Whitefriars Inc. was a wholly-owned subsidiary of J.P. Morgan Overseas Capital Corporation, which in turn was a wholly-owned subsidiary of J.P. Morgan International Finance Limited. J.P. Morgan International Finance Limited was wholly-owned by Bank One International Holdings Corporation, which in turn was a wholly-owned subsidiary of J.P. Morgan International Inc. JPMorgan Chase Bank, N.A., referred to in (4.1) above, owned 100% interest in J.P. Morgan International Inc.
 - (4.3) J.P. Morgan Securities Ltd. held 4,823,500 shares in the Company. J.P. Morgan Securities Ltd. was owned as to 98.95% by J.P. Morgan Chase International Holdings Limited, which in turn was a wholly-owned subsidiary of J.P. Morgan Chase (UK) Holdings Limited. J.P. Morgan Chase (UK) Holdings Limited was wholly-owned by J.P. Morgan Capital Holdings Limited, which in turn was wholly-owned by J.P. Morgan International Finance Limited, referred to in (4.2) above.

- (4.4) J.P. Morgan Investment Management Inc. held 1,208,000 shares in the Company. J.P. Morgan Investment Management Inc. was a wholly-owned subsidiary of JPMorgan Asset Management Holdings Inc., which in turn was a wholly-owned subsidiary of JPMorgan Chase & Co.
- (4.5) JF Asset Management Limited, JF International Management Inc., JPMorgan Asset Management (Japan) Limited and JF Asset Management (Singapore) Limited held 40,805,500, 360,500, 2,953,500 and 173,500 shares in the Company respectively. All of them were wholly-owned subsidiaries of JPMorgan Asset Management (Asia) Inc., which in turn was a wholly-owned subsidiary of JPMorgan Asset Management Holdings Inc., referred to in (4.4) above.
- (4.6) JPMorgan Asset Management (UK) Limited held 2,666,500 shares in the Company. JPMorgan Asset Management (UK) Limited was a wholly-owned subsidiary of JPMorgan Asset Management Holdings (UK) Limited, which in turn was a wholly-owned subsidiary of JPMorgan Asset Management International Limited. JPMorgan Asset Management International Limited was wholly-owned by JPMorgan Asset Management Holdings Inc., referred to in (4.4) above.

Among the entire interest of JPMorgan Chase & Co. in the Company, 2,146,000 shares were held through physically settled unlisted securities. The interest of JPMorgan Chase & Co. in the Company also included a lending pool of 91,266,583 shares.

- (5) Shenzhen Jiangnan Industrial Development Co., Ltd. holding 148,000,000 shares, was owned as to 69.11% by Shenzhen Jingao Industrial Development Co., Ltd., which in turn was owned as to 80% and 20% by Ping An Securities Company, Ltd. Labor Union and China Ping An Trust & Investment Co., Ltd. Labor Union respectively. The interest in 479,117,788 shares relates to the same block of shares in the Company.
- (6) Shenzhen New Horse Investment Development Co., Ltd. was owned as to 95% by Ping An Insurance (Group) Company of China, Ltd. Labor Union. The interest in 389,592,366 shares relates to the same block of shares in the Company.

(iii) Interest in other members of the Group

Name of Group member	Name of shareholder	Percentage shareholding
China Ping An Insurance (Hong Kong) Company Limited	Industrial and Commercial Bank of China (Asia) Limited	25%

Save as disclosed above, as at the LPD, the Directors were not aware of any other person (other than the directors, chief executive or supervisors of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange, or who are directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

- (c) As at the LPD, save as disclosed below, none of the Directors is a director or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO:

Name of Director	Name of company which had such discloseable interest or short position	Position within such company
Mr. Chen Hongbo	Shenzhen Investment Holdings Co., Ltd.	Chairman of the board of directors
Mr. Wong Tung Shun Peter	The Hongkong and Shanghai Banking Corporation Limited	Executive Director
Mr. Ng Sing Yip	The Hongkong and Shanghai Banking Corporation Limited	Head of Legal and Compliance
Ms. Lin Lijun	Shenzhen New Horse Investment Development Co., Ltd.	Chairman of the board of directors

3. DIRECTORS' COMPETING INTEREST

The following Director is considered to have interests in a business which competes or is likely to compete, directly or indirectly, with the business of the Group, as defined in the Listing Rules, as set out below:

Mr. Wong Tung Shun Peter, a non-executive director of the Company, is currently an executive director of The Hong Kong and Shanghai Banking Corporation Limited, which is the largest among foreign banks in mainland China and offers a wide range of banking and financial services by an ever-expanding network. As Ping An Bank and Shenzhen Commercial Bank Co., Ltd. ("Shenzhen Commercial Bank"), both being subsidiaries of the Company, are primarily engaged in the commercial banking business in the PRC as approved by the CBRC, the authorized banking business of The Hongkong and Shanghai Banking Corporation Limited has, to a certain extent, overlapped and thus may compete with those of Ping An Bank and Shenzhen Commercial Bank.

Save as disclosed above, as at the LPD, none of the directors or supervisors of the Company nor their respective associates had any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

4. DIRECTORS' MATERIAL INTERESTS

As at the LPD, none of the directors or supervisors of the Company had any direct or indirect interests in any assets which have since December 31, 2006 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the LPD, none of the directors or supervisors of the Company was materially interested in any contract or arrangement which is significant in relation to the business of the Group.

5. LITIGATION AND CLAIMS

As at the LPD, neither the Company nor any other member of the Group is engaged in any litigation or claims of material importance pending and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

6. SERVICE CONTRACTS

As at the LPD, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensations (other than statutory compensation)).

7. MATERIAL ADVERSE CHANGE

As at the LPD, the Directors are not aware of any material adverse change in the financial or trading position of the Group since December 31, 2006.

8. MISCELLANEOUS

- (a) The registered office of the Company is at Ping An Building, Ba Gua No.3 Road, Shenzhen, PRC and the principal place of business of the Company in Hong Kong is at 11th Floor, Dah Sing Financial Center, 108 Gloucester Road, Wan Chai, Hong Kong.
- (b) The H share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) The joint company secretaries of the Company are Mr. Yao Jun, the Chief Legal Officer of the Company, qualified to practice law in the PRC, and Mrs. Natalia Seng Sze Ka Mee, a Fellow of The Hong Kong Institute of Company Secretaries, The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Directors.
- (d) The qualified accountant of the Company is Mr. Mak Wai Lam William, a member of the Association of Chartered Certified Accountants of England and the Hong Kong Institute of Certified Public Accountants.