

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中國太平保險控股有限公司

China Taiping Insurance Holdings Company Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 966)

VOLUNTARY ANNOUNCEMENT

RESTRUCTURING OF THE TPG GROUP POSSIBLE ACQUISITION OF ASSETS FROM CONTROLLING SHAREHOLDER

On 19 April 2013, TPG informed the Board that TPG has received joint approval and agreement in principle from the MOF and the CIRC in regards to the Restructuring Proposal of the TPG Group.

The Company was informed that as part of the Restructuring Proposal, TPG is contemplating the sale of certain assets and liabilities of TPG and TPG(HK) to the Company, which may include (i) equity interests in certain non-wholly-owned subsidiaries of the Company, including a 25.05% equity interest in TPL, 38.79% equity interest in TPI, 20% equity interest in TPAM and 4% equity interest in TPP; (ii) equity interests in overseas P&C insurance companies owned by the TPG and TPG(HK) namely 100% equity interests in each of TP Macau, TP Singapore, and TP UK, and a 55% equity interest in TP Indonesia; and (iii) equity interests in certain property holding companies and other companies owned by the TPG and TPG(HK) and certain liabilities relating to the companies being acquired. It is also contemplated that the consideration for the Possible Acquisition may be satisfied by the issuance of new shares of the Company.

The Board wishes to emphasize that discussions in respect of the Possible Acquisition are still ongoing and no definitive agreement in relation to the Possible Acquisition has been entered into by the Company as at the date of this announcement. Accordingly, the Possible Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Restructuring of the TPG Group

On 19 April 2013, TPG informed the Board that TPG has received the joint approval in principle from the MOF and the CIRC in regards to the Restructuring Proposal of the TPG Group.

The Company was informed that as part of the Restructuring Proposal, TPG is contemplating the sale of certain assets and liabilities of TPG and TPG(HK) to the Company, which may include (i) equity interests in certain non-wholly-owned subsidiaries of the Company, including a 25.05% equity interest in TPL, 38.79% equity interest in TPI, 20% equity interest in TPAM and 4% equity interest in TPP; (ii) equity interests in overseas P&C insurance companies owned by the TPG and TPG(HK) namely 100% equity interests in each of TP Macau, TP Singapore, and TP UK, and a 55% equity interest in TP Indonesia; and (iii) equity interests in certain property holding companies and other companies owned by the TPG and TPG(HK) and certain liabilities relating to the companies being acquired. It is also contemplated that the consideration for the Possible Acquisition may be satisfied by the issuance of new shares of the Company.

The detailed terms of the Possible Acquisition, including the amount of consideration for such acquisition and the issue price of the consideration shares, are still under negotiation. The Possible Acquisition, if materialized, may constitute a notifiable and connected transaction of the Company under Chapters 14 and 14A of the Listing Rules and would be subject to the approval of the independent shareholders of the Company.

The Board believes that the Possible Acquisition, if materialized, would enhance our proven exposure and enable the Group to fully capture the strong growth potentials of the PRC insurance markets. By increasing equity interests in the non-wholly owned subsidiaries of the Company, the Board aims to further increase the profit, new business value and embedded value attributable to our Shareholders. The Possible Acquisition, if materialized, will also allow us to further streamline the management structure of key underlying business entities and enhance the operating efficiency for the Group. In addition, our capital base will also be strengthened after the Possible Acquisition, if materialized. This in turn will help expand our capacity and broaden our options for future long term capital raisings to support our business developments, as and when needed, and will provide the Board with more flexibility in pursuing appropriate financing options with full consideration of the interests of our shareholders.

The Board wishes to emphasize that discussions in respect of the Possible Acquisition are still ongoing and no definitive agreement in relation to the Possible Acquisition has been entered into by the Company as at the date of this announcement. Accordingly, the Possible Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Further announcements will be made by the Company if and when any definitive agreement in respect of the Possible Acquisition is entered into.

Assets which the Group may acquire

The following presents summary information on the major assets which may be acquired:

(i) Non-wholly-owned subsidiaries of the Company

TPL is engaged in the business of life insurance in the PRC. As at 31 December 2012, the NAV of TPL amounted to HK\$12,456.55 million and the embedded value of TPL amounted to HK\$29,286 million. The profit for the year ended 31 December 2012 amounted to HK\$861.76 million. TPG has also informed the Board that the 25.05% equity interest in TPL will be sold to the Company is free from encumbrance.

TPI is engaged in the business of P&C insurance in the PRC. As at 31 December 2012, the NAV of TPI amounted to HK\$2,137.47 million. The profit for the year ended 31 December 2012 amounted to HK\$239.45 million.

TPAM is mainly engaged in the provision of asset management services. As at 31 December 2012, the NAV of TPAM amounted to HK\$216.50 million. The profit for the year ended 31 December 2012 amounted to HK\$28.84 million.

TPP is principally engaged in corporate and personal retirement insurance and annuity businesses, and group life insurance business in mainland China. As at 31 December 2012, the NAV of TPP amounted to HK\$679.34 million. The loss for the year ended 31 December 2012 amounted to HK\$128.58 million.

(ii) Overseas P&C insurance businesses

TP Macau, TP Singapore, TP UK and TP Indonesia are engaged in property and casualty insurance operations in the Macau, Singapore, UK and Indonesia markets, respectively. As at 31 December 2012, the aggregate unaudited NAV of these companies amounted to HK\$1,264.74 million. The aggregate unaudited profit of these companies for the year ended 31 December 2012 amounted to HK\$197.42 million.

(iii) Others

The Group may acquire other assets such as equity interests in certain property holding companies and other companies owned by the TPG and TPG(HK), and assume certain liabilities relating to the companies being acquired. All of the properties acquired through these property holding companies are completed properties and will be held for the long term and for leasing purposes. The largest property in this portfolio is the Shanghai Taiping Finance Tower, in which TPL owns six floors and indirectly holds a 39% equity interest currently.

In respect of the interests in the property holding companies to be acquired, as at 31 December 2012, the aggregate unaudited NAV after elimination of the certain intra-group balances is estimated at approximately HK\$46.51 million. The aggregate unaudited profit after the elimination of certain intra-group items for the year ended 31 December 2012 is estimated at approximately HK\$365.07 million.

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“Board”	the board of directors of the Company
“CIRC”	China Insurance Regulatory Commission of the PRC
“Company” or “CTIH”	China Taiping Insurance Holdings Company Limited, a company incorporated in Hong Kong with limited liability
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“MOF”	Ministry of Finance of the PRC
“NAV”	net asset value
“Possible Acquisition”	the possible acquisition of certain assets and liabilities of the TPG Group by the Company
“PRC”	the People’s Republic of China
“P&C insurance”	property and casualty insurance business
“Restructuring Proposal”	the restructuring proposal submitted by TPG in relation to the proposed restructuring of the TPG Group
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary shares of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“TP Indonesia”	PT China Taiping Insurance Indonesia, a limited company incorporated in Indonesia, 55% of the issued share capital of which is owned by TPG

“TP Macau”	China Taiping Insurance (Macau) Company Limited, a company incorporated in Macau with limited liability and a wholly-owned subsidiary of TPG(HK)
“TP Singapore”	China Taiping Insurance (Singapore) PTE. Ltd., a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of TPG(HK)
“TP UK”	China Taiping Insurance (U.K.) Co., Ltd., a company incorporated in the United Kingdom with limited liability and a wholly-owned subsidiary of TPG(HK)
“TPAM”	太平資產管理有限公司 (Taiping Asset Management Company Limited), a limited liability company established in the PRC owned 60% by the Company, 20% by TPG and 20% by Ageas Insurance International N.V.
“TPG”	中國太平保險集團公司 (China Taiping Insurance Group Co.), a company established in the PRC and the ultimate holding company of the Company, owning an effective interest of approximately 53.27% in the Company as at the date of this announcement
“TPG Group”	TPG and its subsidiaries (including the Group)
“TPG(HK)”	China Taiping Insurance Group (HK) Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of TPG
“TPI”	太平財產保險有限公司(Taiping General Insurance Company Limited), a limited liability company established in the PRC owned 61.21% by the Company and 38.79% by TPG
“TPL”	太平人壽保險有限公司(Taiping Life Insurance Company Limited), a limited liability company established in the PRC owned 50.05% by the Company, 25.05% by TPG and 24.90% by Ageas Insurance International N.V.
“TPP”	太平養老保險股份有限公司 (Taiping Pension Company Limited), a joint stock limited company established in the PRC owned 96% by the Company and 4% by TPG
“%”	per cent

By order of the board of
China Taiping Insurance Holdings Company Limited
WANG Bin
Chairman

Beijing, 19 April 2013

As at the date of this announcement, the Board comprises 8 directors, of which Mr. WANG Bin, Mr. SONG Shuguang, Mr. XIE Yiqun and Mr. PENG Wei are executive directors, Mr. LI Tao is a non-executive director and Dr. WU Jiesi, Mr. CHE Shujian and Mr. LEE Kong Wai Conway are independent non-executive directors.

This announcement is posted on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.ctih.cntaiping.com.