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**China Reinsurance (Group) Corporation**

**中國再保險(集團)股份有限公司**

*(A joint stock limited liability company incorporated in the People's Republic of China)*

**(Stock Code: 1508)**

**DISCLOSEABLE TRANSACTION  
SUBSCRIPTION FOR SHARE INSTRUMENTS  
IN A TARGET COMPANY**

China Reinsurance (Group) Corporation (the “**Company**”) is pleased to announce that on 9 November 2017, China Re Finance, a subsidiary of the Company, entered into a HoldCo Contribution and Subscription Agreement (the “**Agreement**”) with Chengdong Investment Corporation (the “**Chengdong**”), Helios P.A. Company Limited (the “**Helios**”), Bank of China Group Investment Limited (the “**Bank of China Investment**”), New China Life Insurance Company Ltd. (the “**NCL**”), Eurologi II S.À R.L (the “**HoldCo**”) and Majority MidCo S.À R.L (the “**MidCo**”). Pursuant to the Agreement, China Re Finance, Helios, Bank of China Investment and NCL collectively subscribe for the share instruments in the HoldCo for the purpose of indirectly investing in a logistics assets portfolio (the “**Asset Portfolio**”) in Europe with an area of approximately 14 million square meters (the “**Investment**”). China Re Finance will pay an aggregate amount of EUR579,185,213 in cash (approximately RMB4,453,586,777 or HKD5,243,770,563<sup>1</sup>) as consideration.

As the highest applicable percentage ratio (within the meaning of Rule 14.07 of the Listing Rules) in respect of the Investment exceeds 5% but is less than 25%, the Investment constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements, but is exempt from Shareholders’ approval requirement.

**AGREEMENT**

Date of agreement: 9 November 2017

Parties: China Re Finance

Chengdong

Helios

Bank of China Investment

NCL

HoldCo

MidCo

Chengdong is a wholly-owned subsidiary of our controlling shareholder's parent company. As our controlling shareholder is a PRC government body, it is not treated as a connected person of the Company under Chapter 14A of the Listing Rules. As such, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Chengdong, Helios, Bank of China Investment, NCL, HoldCo and MidCo are Independent Third Parties of the Company.

**Subject matter:** Pursuant to the Agreement, China Re Finance, Helios, Bank of China Investment and NCL collectively subscribe for the share instruments in HoldCo for the purpose of indirectly investing in the Asset Portfolio in Europe with an area of approximately 14 million square meters.

**Asset Portfolio:** The Asset Portfolio comprises of more than 600 assets with a total area of approximately 14 million square meters. The assets in the Asset Portfolio are primarily located along the key transportation corridors and are close to the commercial hubs, benefiting from the rapid growth of E-commercial and third party logistics industries.

As at the end of June 2017, the average occupancy rate of the Asset Portfolio was over 93%. Top 10 tenants are mainly reputable third party logistics institutions and the tenant portfolio is highly diversified.

| <b>Net profit of Asset Portfolio:</b> | <b>Before tax</b> | <b>After tax</b> |
|---------------------------------------|-------------------|------------------|
| 2015                                  | N/A               | N/A              |
| 2016                                  | EUR17 million     | EUR-8 million    |

**Book Value of the Asset Portfolio:** The book value of the Asset Portfolio is EUR-92.4 million as at the end of 2016.

|                                    |   |
|------------------------------------|---|
| <b>Consideration and Payment:</b>  | China Re Finance will pay an aggregate amount of EUR579,185,213 in cash (approximately RMB4,453,586,777 or HKD5,243,770,563) as consideration. <sup>1</sup>   |
|                                    | The consideration paid by China Re Finance is the net proceeds from the issuance of U.S. dollar denominated notes completed on 9 March 2017 and 30 June 2017. For more details of the U.S. dollar denominated notes, please refer to the announcements of the Company published on 27 February 2017, 3 March 2017, 9 March 2017, 19 June 2017, 22 June 2017 and 30 June 2017. |
| <b>Basis of the Consideration:</b> | The consideration of the Investment was arrived at after arm's length negotiations between the Parties on normal commercial terms.  |
| <b>Completion:</b>                 | On completion, 10% ownership of the Asset Portfolio will be held by China Re Finance.   |

## **REASONS FOR AND BENEFITS OF THE INVESTMENT**

The development of the logistics industry conforms to the trend of economic globalization, and the investment in high-quality logistics facilities is conducive to promoting the interconnection of “the Belt and Road Initiative”. The Asset Portfolio is the largest logistics assets portfolio in Europe, with an area of approximately 14 million square meters. The operation of the Asset Portfolio is in good condition and it has a platform with comprehensive management capabilities, which is a rare opportunity for the Company to enter the European logistics market.

It is estimated that the Investment will not lead to the consolidated solvency adequacy ratios of the Company lower than the requirements of China Insurance Regulatory Commission.

In light of the above, the Directors are of the view that the Investment can diversify the investments of the Company, and is on normal commercial terms, fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON PARTIES TO THE INVESTMENT**

The Group is principally engaged in property and casualty (“P&C”) reinsurance, life and health reinsurance, primary P&C insurance and asset management business.

China Re Finance is incorporated in the British Virgin Islands. It is a special purpose vehicle wholly owned by China Re AMC. The business scope of China Re AMC covers management of its own funds and insurance funds, entrusted fund management, consulting services related to funds management and other asset management businesses permitted by laws and regulations.

Chengdong is a limited liability company incorporated in Beijing, China. It is principally engaged in investment management and investment advisory business. It is the only shareholder of the HoldCo before the Investment.

HoldCo is a private limited liability company incorporated in Luxembourg. It is an investment holding company and is principally engaged in investment and trade business.

MidCo is a private limited liability company incorporated in Luxembourg. It is a wholly-owned subsidiary of HoldCo. It is principally engaged in investment and trade business.

Helios is a limited liability company incorporated in Hong Kong. It is principally engaged in investment holding activities.

Bank of China Investment is an investment and investment management company incorporated in Hong Kong, directly owned by Bank of China Limited.

NCL is a limited liability company incorporated in China, the shares of which are listed on the Stock Exchange of Hong Kong Limited (stock code: 1336) and the Shanghai Stock Exchange (stock code: 601336), respectively. It is principally engaged in the provision of life insurance products and services to individuals and institutions through its nationwide distribution network.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the highest applicable percentage ratio (within the meaning of Rule 14.07 of the Listing Rules) in respect of the Investment exceeds 5% but is less than 25%, the Investment constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements, but is exempt from Shareholders' approval requirement.

As Chengdong, Helios, Bank of China Investment, NCL, HoldCo and MidCo are Independent Third Parties of the Company, the Investment does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

|                    |   |
|--------------------|---|
| “Board”            | the board of directors of the Company   |
| “China” or “PRC”   | the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “China Re AMC”     | China Re Asset Management Company Ltd., a subsidiary of the Company incorporated in the PRC on 18 February 2005   |
| “China Re Finance” | China Reinsurance Finance Corporation Limited, a subsidiary of the Company incorporated in the British Virgin Islands   |

|                                |  |
|--------------------------------|--|
| “Director(s)”                  | the director(s) of the Company   |
| “EUR”                          | Euro, the lawful currency of Europe  |
| “Group”                        | the Company and (unless the context requires otherwise) its subsidiaries                                   |
| “HKD”                          | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong”                    | Hong Kong Special Administrative Region of the PRC   |
| “Independent Third Party(ies)” | the third party(ies) independent of the Company and its connected person (as defined in the Listing Rules) |
| “Listing Rules”                | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited                   |
| “RMB”                          | Renminbi, the lawful currency of the PRC   |
| “Shareholder(s)”               | holder(s) of the shares of the Company   |
| “Stock Exchange”               | The Stock Exchange of Hong Kong Limited  |

*Note 1: For the purpose of this announcement and illustration only, conversion is based on the approximate exchange rate of EUR1.00 to RMB7.6894, HKD1.00 to RMB0.84931. No representation is made that any amount in EUR, HKD or RMB could have been or could be converted at the above rates or at any other rates.*

On behalf of the Board  
**China Reinsurance (Group) Corporation**  
**Zhu Xiaoyun**  
*Joint Company Secretary*

Beijing, the PRC, 9 November 2017

*As at the date of this announcement, the executive Directors are Mr. Yuan Linjiang, Mr. Wang Pingsheng, Mr. He Chunlei and Mr. Ren Xiaobing, the non-executive Directors are Ms. Lu Xiuli and Mr. Shen Shuhai, and the independent non-executive Directors are Ms. Wang Jun, Mr. Hao Yansu, Mr. Li Sanxi and Ms. Mok Kam Sheung.*