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ANNOUNCEMENT

ISSUE OF PERPETUAL SUBORDINATED CAPITAL SECURITIES

On 2 September 2014, the Company, the Joint Lead Managers and the Co-Manager entered into the Subscription Agreement in relation to the issue of perpetual subordinated capital securities on or about 10 September 2014 in an aggregate principal amount of US\$600,000,000. The net proceeds of the Issue will be used by the Group for its general corporate purposes.

Completion of the Issue is subject to certain conditions precedent which may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events.

THE SECURITIES ISSUE

Reference is made to the announcement of the Company dated 27 August 2014 in respect of the Securities.

On 2 September 2014, the Company, the Joint Lead Managers and the Co-Manager entered into the Subscription Agreement in relation to the issue of perpetual subordinated capital securities on the Issue Date in an aggregate principal amount of US\$600,000,000. The net proceeds of the Issue will be used by the Group for its general corporate purposes.

To the best of the directors' knowledge, information and belief, having made all reasonable enquiries, each of HSBC, Standard Chartered Bank and CCBI International is an independent third party with respect to the Group. Taiping Capital Limited, a wholly owned subsidiary of the Company, is the co-manager in respect of the offer and the sale of the Securities. None of the Securities will be offered to the public in Hong Kong and none of the Securities will be placed to any connected persons of the Company.

Completion of the Issue is subject to certain conditions precedent which may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events.

PRINCIPAL TERMS OF THE SECURITIES

Issuer

China Taiping Insurance Holdings Company Limited.

Issue

Perpetual subordinated capital securities in an aggregate principal amount of US\$600,000,000.

Issue Price

100% of the principal amount of the Securities.

Form and Denomination

The Securities will be issued in registered form in the denomination of US\$200,000 each and integral multiples of US\$1,000 in excess thereof.

Distributions

Subject to the Terms and Conditions, the Securities confer a right on the Holders to receive distributions (each a “**Distribution**”) from the Issue Date at the Distribution Rate (as defined below). Distributions shall be payable semi-annually in arrear applicable on 10 March and 10 September of each year (each a “**Distribution Payment Date**”).

The rate of distribution (“**Distribution Rate**”) applicable to the Securities shall be:

- (i) in respect of the period from, and including, the Issue Date to, but excluding, 10 September 2019 (the “**First Call Date**”), 5.45 per cent. per annum;
- (ii) in respect of the period from, and including, the First Call Date to, but excluding, 10 September 2024 (the “**Step-Up Date**”), the First Reset Distribution Rate; and
- (iii) from and including, each Reset Date falling after the Step-Up Date, to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate.

Maturity Date

There is no maturity date.

Status of the Securities

The Securities constitute direct, unconditional, unsecured and subordinated obligations of the Company and shall at all times rank *pari passu* without any preference among themselves. The payment obligations of the Company under the Securities shall, save for such exceptions as may be provided for under applicable laws, at all times rank equally with all Parity Obligations of the Company.

Redemption at the Option of the Company

The Company may, on giving not more than 60 nor less than 30 days’ irrevocable notice to the Trustee and the Holders redeem (on the First Call Date or on any Distribution Payment Date after the First Call Date) in whole, but not in part, the Securities at their principal amount together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount).

Listing

The Company has received an eligibility letter from the Stock Exchange for the listing of, and permission to deal in, the Securities issued to professional investors only. Listing of the Securities on the Stock Exchange is not to be taken as an indication of the merits of the Securities or the Company.

Net Proceeds

The net proceeds from the Issue are to be used by the Group for its general corporate purposes.

DEFINITIONS

In this announcement, the following expressions have the meanings set out:

“Additional Distribution Amount”	the Distribution calculated at the Distribution Rate in respect of each amount of Arrears of Distribution as if such amount constituted the principal amount of the Securities at the prevailing Distribution Rate and the amount of such Distribution.
“Arrears of Distribution”	any Distribution deferred pursuant to the Terms and Conditions
“Board”	the board of directors of the Company
“CCB International”	CCB International Capital Limited
“Co-Manager”	Taiping Capital Limited
“Company”	China Taiping Insurance Holdings Company Limited, a company incorporated in Hong Kong with limited liability
“First Reset Distribution Rate”	means the applicable 5 year United States Treasury securities rate plus the Initial Spread per annum, in accordance with the Terms and Conditions
“Group”	the Company and its subsidiaries
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Holder”	means the person in whose name a Security is registered
“Initial Spread”	3.786 per cent.
“Issue”	the issue of the Securities
“Issue Date”	on or about 10 September 2014
“Joint Lead Managers”	HSBC, Standard Chartered Bank and CCB International

“Parity Obligations”	means any instrument or security (including preference shares) issued, entered into or guaranteed by the Company (i) which ranks or is expressed to rank, by its terms or by operation of law, <i>pari passu</i> with the most junior ranking class of preference shares in the issued share capital of the Company and (ii) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Company and/or, in the case of an instrument or security guaranteed by the Company, the Issuer thereof
“Relevant Reset Distribution Rate”	means the applicable 5 year United States Treasury securities rate with respect to the relevant Reset Date plus the Initial Spread plus the Step-Up Margin per annum, in accordance with the Terms and Conditions
“Reset Date”	means the First Call Date, the Step-Up Date and the day falling every 5 calendar years after the Step-Up Date
“Securities”	the perpetual subordinated capital securities to be issued by the Company on the Issue Date in an aggregate principal amount of US\$600,000,000
“Standard Chartered Bank”	Standard Chartered Bank
“Step-Up Margin”	means 1 per cent.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 2 September 2014 entered into between the Issuer, the Joint Lead Managers and the Co-Manager in relation to the Securities
“Terms and Conditions”	means the terms and conditions of the Securities
“Trustee”	The Bank of New York Mellon, London Branch

By order of the Board of
China Taiping Insurance Holdings Company Limited
ZHANG Ruohan CHAN Man Ko
Joint Company Secretary

Hong Kong, 3 September 2014

As at the date of this announcement, the Board comprises 12 directors, of which Mr. WANG Bin, Mr. LI Jinfu, Mr. MENG Zhaoyi and Mr. XIE Yiqun are executive directors, Mr. HUANG Weijian, Mr. ZHU Xiangwen, Mr. WU Changming and Mr. NI Rongming are non-executive directors and Dr. WU Jiesi, Mr. CHE Shujian, Mr. ZHU Dajian and Mr. WU Ting Yuk Anthony 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.entaiping.com.