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**中國太平洋保險(集團)股份有限公司**

**CHINA PACIFIC INSURANCE (GROUP) CO., LTD.**

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

**(Stock Code: 02601)**

**ANNOUNCEMENT  
DISCLOSEABLE TRANSACTION  
ESTABLISHMENT OF A JOINT VENTURE TO PURCHASE AND  
DEVELOP REAL ESTATE**

**ESTABLISHMENT OF A JOINT VENTURE**

The Board is pleased to announce that on 5 July 2018, CPIC Life, being the Company's subsidiary, entered into a Joint Venture Contract with SODH and Yongye Group, pursuant to which the parties agreed to form a Joint Venture to carry out a real estate development project on the Target Land in Huangpu District, Shanghai, the PRC. Upon establishment of the Joint Venture, CPIC Life, SODH and Yongye Group will hold 70%, 25% and 5% of the equity interest of the Joint Venture, respectively.

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio under the Listing Rules in respect of the transactions of CPIC Life under the Joint Venture Contract exceeds 5% but less than 25%, entering into the Joint Venture Contract and transactions contemplated thereunder constitute a discloseable transaction of the Company under the Listing Rules, which are subject to reporting and announcement requirements of the Listing Rules, but exempt from requirements for shareholders' approval.

## **INTRODUCTION**

The Board is pleased to announce that on 5 July 2018, CPIC Life, being the Company's subsidiary, entered into a Joint Venture Contract with SODH and Yongye Group, pursuant to which the parties agreed to form a Joint Venture to carry out a real estate development project on the Target Land in Huangpu District, Shanghai, the PRC. Upon establishment of the Joint Venture, CPIC Life, SODH and Yongye Group will hold 70%, 25% and 5% of the equity interest of the Joint Venture, respectively.

## **JOINT VENTURE CONTRACT**

### **Date**

5 July 2018

### **Parties**

- (1) CPIC Life
- (2) SODH; and
- (3) Yongye Group

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, SODH and Yongye Group together with their ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Subject Matter**

Pursuant to the Joint Venture Contract, CPIC Life, SODH and Yongye Group will establish a Joint Venture to develop, build, own, manage, operate, market, lease and, where appropriate, sell all or part of the Project erected on the Target Land. CPIC Life, SODH and Yongye Group will own 70%, 25% and 5% of the Joint Venture, respectively. The registered capital of the Joint Venture is RMB14.05 billion.

## **Capital Commitment**

Pursuant to the Joint Venture Contract, total investment of the Project is estimated to be approximately RMB19.5 billion. CPIC Life shall make a contribution of RMB9.835 billion to the Joint Venture. In addition, CPIC Life shall provide shareholders' loans to the Joint Venture, which is estimated to be approximately RMB5.45 billion. The total amount of the above two contributions to be made by CPIC Life is estimated to be RMB15.285 billion in aggregate.

The registered capital of the Joint Venture is RMB14.05 billion, which shall be paid in cash by the Joint Venture Shareholders based on their proportion of shareholding. Accordingly, each of CPIC Life, SODH and Yongye Group shall contribute RMB9.835 billion, RMB3.5125 billion and RMB702.5 million, representing 70%, 25% and 5% of the registered capital, respectively.

Based on the Joint Venture Contract, for the difference between the total investment and the registered capital of the Joint Venture, capital support is provided to the Joint Venture through loans from banks or financial institutions, shareholders' loans or in a manner to be agreed by the Joint Venture Shareholders.

## **Land Acquisition**

On 5 July 2018, the Joint Venture Shareholders successfully won the Target Land at the price of RMB13.61 billion. The Joint Venture Shareholders signed the Transaction Confirmation with the Shanghai Land Exchange Centre to confirm that the Joint Venture Shareholders successfully won the bidding of the Target Land.

## **Information about the Target Land**

The Target Land is a commercial and office land parcel located in Huangpu District, Shanghai, PRC, with a land area of approximately 35,000 square meters and a floor area of approximately 243,000 square meters, including office portion of 197,000 square meters and commercial portion of 46,000 square meters; a floor area of approximately 148,000 square meters, including commercial portion of 60,000 square meters. The Joint Venture plans to build an integrated real estate project on the Target Land, comprising three office buildings and commercial facilities.

## **Board Composition**

The board of directors of the Joint Venture consists of seven directors, of which four directors shall be appointed by CPIC Life, two by SODH and one by Yongye Group. The chairman of the board of the Joint Venture shall be appointed by CPIC Life.

## **Restrictions on Transfer**

Pursuant to the relevant terms in the Joint Venture Contract, the Joint Venture Shareholders may not dispose of or create any encumbrance over any of the equity interests in the Joint Venture within the lock-up period in respect of direct/indirect interest stipulated in the Joint Venture Contract or the relevant land grant documents of the Target Land unless otherwise provided in the Joint Venture Contract.

Subsequent to the expiration of the aforesaid lock-up period, each of the Joint Venture Shareholders shall be subject to customary transfer restrictions provided under the Joint Venture Contract (including right of first refusal, tag-along right and drag-along right) in a proposed transfer of its equity interests held in the Joint Venture and no partial transfer of equity interests in the Joint Venture held by a proposed transferor is allowed.

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

The Project, upon completion of construction, will be used by the Company for its own offices to meet the Group's demand for office in Shanghai in mid-to-long term. In addition, the Company will be entitled to the naming right for office premises, leading to positive publicity in branding and advertising effects.

The Directors are of the view that the terms of the Joint Venture Contract are normal commercial terms, and the terms and conditions of the Joint Venture Contract and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE GROUP**

CPIC Life is a subsidiary of the Company and mainly provides life insurance products and services to its customers. The Group is a leading integrated insurance group in the PRC, providing, through its nationwide marketing network and diversified service platform, a broad range of risk and protection solutions, wealth management and asset management services to over 100 million customers throughout the country.

## **INFORMATION ON SODH**

SODH is a company incorporated in the Cayman Islands and is principally engaged in investment holding and debt financing. SODH is a wholly-owned subsidiary of Shui On Land Limited, a company listed on the main board of the Hong Kong Stock Exchange (Stock Code: 272). Shui On Group is one of the leading property developers in the PRC. It engages principally in the development, sale, leasing, management and long-term ownership of high-quality residential, office, retail, entertainment and cultural properties in the PRC.

## **INFORMATION ON YONGYE GROUP**

Yongye Group is a company incorporated in the PRC and is principally engaged in real estate development and management, taking up significant responsibilities of old area reconstruction, municipal construction, subsidized housing construction and management, property management for stated-owned housing, preservation protection and development of outstanding historical buildings, etc.

## **LISTING RULES IMPLICATIONS**

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## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless context otherwise requires:

“A Share(s)”	domestic shares of the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB;
“Board”	the board of directors of the Company;

“Company”	China Pacific Insurance (Group) Co., Ltd. (中國太平洋保險(集團)股份有限公司), a company incorporated as a joint stock company with limited liability under the laws of the PRC, 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;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“CPIC Life”	China Pacific Life Insurance Co., Ltd., a subsidiary of the Company;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“H Share(s)”	overseas listed foreign shares of the Company, the registered capital of which has a nominal value of RMB1.00 per share, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Joint Venture”	Shanghai Ruiyongjing Real Estate Development Co., Ltd. (上海瑞永景房地產開發有限公司), the sino-foreign equity joint venture to be established in the PRC pursuant to the Joint Venture Contract;
“Joint Venture Contract”	the joint venture contract entered into between the Joint Venture Shareholders on 5 July 2018 in relation to the establishment and operation of the Joint Venture;
“Joint Venture Shareholder(s)”	the shareholders of the Joint Venture under the Joint Venture Contract, namely CPIC Life, SODH and Yongye Group;
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;

“PRC”	the People’s Republic of China;
“Project”	the real estate project intended to be developed by the Joint Venture on the Target Land;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shanghai Land Exchange Centre”	上海市土地交易事務中心, a public body in the PRC responsible for, among other things, the transaction of land use rights in Shanghai, and was appointed by Shanghai Huangpu District Planning and Land Bureau to offer the Target Land for sale;
“Shui On Group”	Shui On Land Limited (a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 272)) and its subsidiaries;
“SODH”	Shui On Development (Holding) Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of Shui On Land Limited;
“subsidiary”	has the meaning ascribed to it under the Listing Rules;
“Target Land”	the land parcels in Lot Nos. 123, 124 and 132 of Huai Hai Zhong Road, Huangpu District, Shanghai City, the PRC;
“Transaction Confirmation”	the confirmation dated 5 July 2018 entered into between Shanghai Land Exchange Centre and the Joint Venture Shareholders confirming the successful bidding of the Target Land;
“Yongye Group”	Shanghai Yongye Enterprise (Group) Co., Ltd., a company incorporated in the PRC with limited liability;
“%”	per cent.

By Order of the Board  
**China Pacific Insurance (Group) Co., Ltd.**  
**KONG Qingwei**  
*Chairman*

Shanghai, the PRC, 6 July 2018

*As at the date of this announcement, the Executive Directors of the Company are Mr. KONG Qingwei and Mr. HE Qing; the Non-executive Directors of the Company are Mr. HUANG Dinan, Mr. WANG Tayu, Mr. KONG Xiangqing, Mr. ZHU Keping, Ms. SUN Xiaoning, Mr. WU Junhao and Mr. CHEN Xuanmin; and the Independent Non-executive Directors of the Company are Mr. BAI Wei, Mr. LEE Ka Sze, Carmelo, Mr. LAM Chi Kuen, Mr. ZHOU Zhonghui and Mr. GAO Shanwen.*

\* *Note:* The appointment qualification of Mr. Huang Dinan is subject to approval by China Banking and Insurance Regulatory Commission.