

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.

PING AN

Finance · Technology

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
RESTRUCTURING INVESTMENT AGREEMENT RELATING TO
THE FOUNDER GROUP RESTRUCTURING**

RESTRUCTURING INVESTMENT AGREEMENT

Reference is made to the announcement of the Company dated January 29, 2021 in relation to the notification received by the Company from the Administrators confirming that the consortium formed by the Company, Huafa Group (representing the state-owned enterprises of Zhuhai Municipality) and SDG Group to participate in the Founder Group Restructuring.

The Board announces that, on April 30, 2021 (after trading hours), Ping An Life (a non-wholly-owned subsidiary of the Company), the Administrators, other Investors and the Restructuring Entities entered into the Restructuring Investment Agreement. The Restructuring Investment Agreement has become effective, however, the subsequent implementation is subject to the approval by the relevant bodies, so uncertainties still remain. Pursuant to the Restructuring Investment Agreement, among other things, (i) the Investors have agreed to participate in the Founder Group Restructuring; and (ii) subject to the selection of the debt repayment plan by the creditors of the Restructuring Entities, Ping An Life and Huafa Group (representing the state-owned enterprises of Zhuhai Municipality) will acquire no less than 73% equity interest in New Founder Group at a ratio of 7:3, no more than 27% equity interest in New Founder Group will be used to repay the creditors if such creditors select to be repaid by the equity interest in New Founder Group. The final amount of the restructuring investment amount payable by the Investors for participating in the Founder Group Restructuring and the proportion of equity interest in New Founder Group to be acquired by the Investors shall depend on the creditors' selection of the debt repayment plan. Among other things, Ping An Life will acquire 51.1% to 70.0% equity interest in New Founder Group at a consideration of RMB37.05 billion to RMB50.75 billion.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under the Listing Rules and is accordingly subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Draft Restructuring Plan is subject to the approval by the creditors at the creditors' meeting, and shall take effect after being adjudicated and approved by the Court, so uncertainties still remain. Thus, there is uncertainty existed as to whether the Founder Group Restructuring and the relevant matters contemplated under the Restructuring Investment Agreement will be implemented successfully. Shareholders and potential investors should exercise caution when dealing in the Shares.

Reference is made to the announcement of the Company dated January 29, 2021 in relation to the notification received by the Company from the Administrators confirming that the consortium formed by the Company, Huafa Group (representing the state-owned enterprises of Zhuhai Municipality) and SDG Group to participate in the Founder Group Restructuring.

1. RESTRUCTURING INVESTMENT AGREEMENT

The principal terms of the Restructuring Investment Agreement are set out below:

Date

April 30, 2021

The Parties

- (1) the Administrators
- (2) Investors
 - a. Ping An Life, a non-wholly owned subsidiary of the Company
 - b. Huafa Group (representing the state-owned enterprises of Zhuhai Municipality)
 - c. Shenchao Technology (as designated entity of SDG Group to participate in the Founder Group Restructuring under the authorization of SDG Group)
- (3) Restructuring Entities

On February 19, 2020, the Court adjudicated to accept the application for the initiation of restructuring procedure against Peking University Founder Group Company Limited* (北大方正集團有限公司), and appointed the Administrators. On July 31, 2020, the Court adjudicated to accept the application for a substantive consolidated restructuring of the Restructuring Entities.

- a. Peking University Founder Group Company Limited* (北大方正集團有限公司)
- b. Peking University Founder Information Industry Group Co., Ltd.* (北大方正信息產業集團有限公司)
- c. PKU Healthcare Industry Group Co., Ltd.* (北大醫療產業集團有限公司)
- d. Peking University Resources Group Limited* (北大資源集團有限公司)
- e. Founder Industry Holdings Co., Ltd.* (方正產業控股有限公司)

The Acquisition

Pursuant to the Restructuring Investment Agreement, among other things, Ping An Life will acquire part of the equity interest in New Founder Group in cash. Ping An Life will use its own funds for participating in the Founder Group Restructuring.

Restructuring Investment Amount

Subject to the selection of the debt repayment plan by the creditors of the Restructuring Entities, Ping An Life and Huafa Group (representing the state-owned enterprises of Zhuhai Municipality) will acquire no less than 73% equity interest in New Founder Group at a ratio of 7:3, no more than 27% equity interest in New Founder Group will be used to repay the creditors if such creditors select to be repaid by the equity interest in New Founder Group, and all of the equity interests of Founder Microelectronics held by Restructuring Entities will be taken over solely by Shenchao Technology or its designated entity. The final amount of the restructuring investment amount payable by the Investors for participating in the Founder Group Restructuring and the proportion of equity interest in New Founder Group to be acquired by the Investors shall depend on the creditors' selection of the debt repayment plan. Among other things, Ping An Life will acquire 51.1% to 70.0% equity interest in New Founder Group at a consideration of RMB37.05 billion to RMB50.75 billion.

Pursuant to the Restructuring Investment Agreement, under the circumstances that all the creditors choose to be repaid entirely by cash, the Investors shall pay all the consideration in cash to the Administrators; if the creditors select to retain debt at New Founder Group and/or be repaid by the equity interest in New Founder Group according to the restructuring plan, Ping An Life and Huafa Group shall pay no less than RMB52.925 billion in cash to the Administrators.

Ping An Life and Zhuhai Huafa shall pay the restructuring investment amount to the designated account of the Administrators in installments as agreed under the Restructuring Investment Agreement.

Liability for Breach of Contract

If any party to the Restructuring Investment Agreement breaches the obligations and undertakings as agreed under the Restructuring Investment Agreement, the non-breaching party shall have the right to request the breaching party to rectify such breach within a reasonable period and indemnify the non-breaching party for actual losses suffered by the non-breaching party as a result of the breach.

Debt Restructuring Arrangement

All the restructuring investment amount paid by the Investors shall be used by the Administrators, based on the provisions under the restructuring plan, for payment of the restructuring fees and Common Interest Debts and debt repayment in accordance with the relevant laws and regulations.

Asset Restructuring Arrangement

The New Founder Group will be established by the Restructuring Entities by using the majority of its equity assets, debt assets and other assets held. Huafa Group and Ping An Life will acquire no less than 73% equity interest in New Founder Group in cash at a ratio of 3:7 while no more than 27% equity interest in New Founder Group shall be used for repaying the creditors.

2. THE FOUNDER GROUP RESTRUCTURING PLAN OVERVIEW

Peking University Founder Group Company Limited* (北大方正集團有限公司) was invested and founded by Peking University, which is a national state-owned conglomerate. Over time, Peking University Founder Group Company Limited* (北大方正集團有限公司) has developed a substantial business scale and asset base, as well as high corporate and brand recognition. In recent years, due to internal and external factors, Peking University Founder Group Company Limited* (北大方正集團有限公司) and some of its subsidiaries have been facing operation and financial difficulties, and the Restructuring Entities have been adjudicated by the Court to enter into a judicial restructuring procedures.

The Investors, through participating in the Founder Group Restructuring, proposed to acquire the assets of New Founder Group which consist of equity assets, debt assets and other assets of the Restructuring Entities covering business segments such as healthcare, finance, information technology, education, commerce and trade and real estate. A brief introduction of the major core segments is as follows:

- (1) Healthcare: represented by PKU Healthcare Industry Group Co., Ltd.* (北大醫療產業集團有限公司) and with the support of Peking University and Peking University Health Science Center, the healthcare service system of which consists of a flagship hospital, Peking University International Hospital, and over 10 healthcare institutions; PKU Healthcare IT Co., Ltd.* (北大醫療信息技術有限公司), the first healthcare information technology company in China; PKU Healthcare and PKU HealthCare Corp., Ltd.* (北大醫藥股份有限公司, 000788.SZ), a key pharmaceutical company in China, and a healthcare industrial park with a total area of more than 220 mu and incubates more than 100 innovative biomedical enterprises.
- (2) Finance: the core entities include Founder Securities Co., Ltd.* (方正證券股份有限公司, 601901.SH) and PKU Founder Life Insurance Co., Ltd.* (北大方正人壽保險有限公司), with businesses cover securities, futures, funds, insurance and other fields.
- (3) Information Technology: the core entity is Peking University Founder Information Industry Group Co., Ltd.* (北大方正信息產業集團有限公司), the subsidiaries of which include Founder Technology Group Co., Ltd.* (方正科技集團股份有限公司, 600601.SH) and other companies, with businesses covering smart manufacturing (printed circuit boards (PCB), packaging substrates), printing and publishing, news media, broadband communication, smart city solutions and other fields.
- (4) Education: the segment mainly includes China Hi-Tech Group* (中國高科集團股份有限公司, 600730.SH) and Peking University Founder Technology College, which are principally engaged in vocational education and non-academic vocational training.

According to the overall arrangement of the Founder Group Restructuring, the retained assets of each segment of the Restructuring Entities should be taken over entirely by the Investors, and specifically, the “sales reorganization” approach is adopted. That is, New Founder Group is funded and established by the Restructuring Entities through injection of the retained assets other than the entire rights and interests in Founder Microelectronics, and then the equity interests of New Founder Group are transferred to the Investors. The to-be-disposed assets are retained in the Restructuring Entities and are handled in accordance with the provisions of the restructuring plan to avoid the transmission of contingent risks to New Founder Group for the purpose of risk isolation.

As at the date of this announcement, the remaining procedures for the Founder Group Restructuring include:

- (1) the CBIRC to approve the major equity investment by Ping An Life;
- (2) the Court to adjudicate and approve the respective Draft Restructuring Plan of each Restructuring Entity;
- (3) to obtain other approvals that may be required by the relevant regulatory authorities.

The Financial Information of New Founder Group

The Founder Group Restructuring adopts the approach of “sales reorganization”. This means, the Restructuring Entities will establish New Founder Group through injection of its retained assets other than the entire rights and interests in Founder Microelectronics, and the Investors will then acquire the equity interests of New Founder Group. According to the latest work progress, the Draft Restructuring Plan has not been adjudicated and approved by the Court, and New Founder Group has not been established. Therefore, the key financial information of New Founder Group is not available. In the meantime, it is expected that a large range of assets and enterprises will be included into New Founder Group, and as limited by the current work progress of the Founder Group Restructuring, no key pro-forma financial information of New Founder Group is available.

3. REASONS FOR AND BENEFITS OF PARTICIPATING IN THE FOUNDER GROUP RESTRUCTURING

Participation in the Founder Group Restructuring is an important move of the Company to further boost its strategic layout in the healthcare sector and actively build a healthcare ecosystem. By closely combining the high-quality medical resources of PKU Healthcare Industry Group Co., Ltd.* (北大醫療產業集團有限公司) with the Company's professionalism in insurance business and medical technology capabilities, a “scenario-based, service-focused, customer-centric and frequently-used” healthcare ecosystem will be built to create the new engine for the continuous growth of the Company's future value and support the “Healthy China” initiative. Meanwhile, the Company will also actively promote the business enhancement, asset operation and capital operations as well as compliance reform of other segments of Peking University Founder Group Company Limited* (北大方正集團有限公司). By participating in the Founder Group Restructuring, the Company will strive to achieve outstanding investment returns and social benefits, and further enhance the Company's comprehensive strength and corporate reputation.

Accordingly, the Directors are of the view that the terms of the Restructuring Investment Agreement and the transactions contemplated thereunder are fair and reasonable and is in the interests of the Group and the Shareholders as a whole.

4. IMPACT OF THE PARTICIPATION IN THE FOUNDER GROUP RESTRUCTURING ON THE GROUP'S FINANCIAL PROFILE AND OPERATION RESULTS

After New Founder Group has been consolidated into the Company's consolidated financial statements, the Company will ensure effective post-investment management and give full play to multidimensional advantages to promote the core business development of New Founder Group in healthcare, and to achieve business upgrading, operation efficiency and asset appreciation, so as to improve business performance.

5. THE RISKS OF PARTICIPATING IN THE FOUNDER GROUP RESTRUCTURING

- a. The successful execution of the Founder Group Restructuring is subject to uncertainty

As many interested entities are involved in the Founder Group Restructuring, the relevant transaction plans are complicated. If there are circumstances that the restructuring plan was unable to be executed, the successful execution of the Founder Group Restructuring is still subject to uncertainty.

- b. The successful consolidation of New Founder Group and the future operation of New Founder Group are subject to uncertainties

Upon completion of the Founder Group Restructuring, the Company will control New Founder Group. Uncertainty remains regarding the daily management, business consolidation, the implementation of cooperative development, the effectiveness of consolidation and future operation of New Founder Group to be carried out by the Company.

- c. The Founder Group Restructuring may also be subject to uncertainties including the cooperation of each party to the Restructuring Investment Agreement, insufficient disclosure of relevant risks and hidden dangers, and other unpredictable risks.

6. INFORMATION ON THE PARTIES

Information on the Administrators

The liquidation team for the Founder Group Restructuring is designated as the Administrators. The liquidation team comprises the People's Bank of China, the Ministry of Education, the CBIRC Beijing Bureau and each relevant departments of Beijing Municipal Government.

Information on the Group

The Company is a company established in the PRC on March 21, 1988. The business of the Group covers insurance, banking, investment, finance technology, medical technology and other sectors.

Ping An Life is a joint stock limited company incorporated in the PRC with limited liability. As at the date of this announcement, Ping An Life is held as to 99.51% by the Company and is a non-wholly owned subsidiary of the Company. Ping An Life is principally engaged in the life insurance business.

Information on Huafa Group (Representing the State-owned Enterprises of Zhuhai Municipality)

Huafa Group is a limited liability company established in the PRC. As at the date of this announcement, Huafa Group is wholly owned by the State-owned Assets Supervision and Administration Commission of Zhuhai Municipal Government. The principal businesses of Huafa Group include real estate development and operation (operated with the qualification certificate), house leasing, export of light industrial products, black metal and other commodities, import of light industrial products, instruments and meters and other commodities (specifically operated under Yue Jing Mao Jin Zi [1993] No. 254), bonded warehouse business (subject to items approved by Customs), entrepot trade (operated under Yue Jing Mao Jin Zi [1995] No. 256), building materials, hardware, arts and crafts, clothing, wholesale and retail of textiles, project investment and investment management.

Information on Shenchao Technology

Shenchao Technology is a limited liability company incorporated in the PRC. As at the date of this announcement, Shenchao Technology is wholly owned by Shenzhen Major Industry Investment Group Co., Ltd.* (深圳市重大產業投資集團有限公司), which is an investment platform for emerging industries controlled by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal Government. The principal businesses of Shenchao Technology include investment in high-tech industries, introduction and use of foreign investment (subject to separate application for specific items), technology consultation and technology service, and real estate operation and leasing (excluding restricted projects). Shenchao Technology is the designated entity of SDG Group to participate in the Founder Group Restructuring under the authorization of SDG Group.

Information on the Restructuring Entities

Peking University Founder Group Company Limited* (北大方正集團有限公司) is a limited liability company incorporated in the PRC, which is a large state-owned holdings enterprise group, comprising business segments such as healthcare, finance, information technology, education, commerce and trade and real estate. As at the date of this announcement, Peking University Founder Group Company Limited* (北大方正集團有限公司) is held as to 70% and 30% by Peking University Assets Management Company Limited* (北大資產經營有限公司) and Beijing Zhaorun Investments Management Co. Ltd.* (北京招潤投資管理有限公司), respectively.

Peking University Founder Information Industry Group Co., Ltd.* (北大方正信息產業集團有限公司) is a limited liability company incorporated in the PRC, which is principally engaged in the businesses of manufacturing products such as packaging substrates, printed circuit boards and wafer, smart city solutions, mobile internet and big data. As at the date of this announcement, Peking University Founder Information Industry Group Co., Ltd.* (北大方正信息產業集團有限公司) is wholly owned by Peking University Founder Group Company Limited* (北大方正集團有限公司).

PKU Healthcare Industry Group Co., Ltd.* (北大醫療產業集團有限公司) is a limited liability company incorporated in the PRC, which is principally engaged in businesses such as healthcare service, healthcare informatization, pharmaceutical industry and healthcare industrial park. As at the date of this announcement, PKU Healthcare Industry Group Co., Ltd.* (北大醫療產業集團有限公司) is held as to 85.6% by Peking University Founder Group Company Limited* (北大方正集團有限公司).

Peking University Resources Group Limited* (北大資源集團有限公司) is a limited liability company incorporated in the PRC, which is principally engaged in businesses such as the development and operation of technology, healthcare and education related industrial parks, integrated urban service and venture capital service. As at the date of this announcement, Peking University Resources Group Limited* (北大資源集團有限公司) is held as to 40%, 30% and 30% by Peking University Assets Management Company Limited* (北大資產經營有限公司), Peking University Founder Group Company Limited* (北大方正集團有限公司) and Lide Technology Development Company Limited* (利德科技發展有限公司), respectively.

Founder Industry Holdings Co., Ltd.* (方正產業控股有限公司) is a limited liability company incorporated in the PRC, which is principally engaged in businesses such as bulk commodity trading and provision of supply chain service for international bulk commodity. As at the date of this announcement, Founder Industry Holdings Co., Ltd.* (方正產業控股有限公司) is held as to 94.1667% by Peking University Founder Group Company Limited* (北大方正集團有限公司).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, the Administrators, Huafa Group (representing the state-owned enterprises of Zhuhai Municipality), Shenchao Technology and the Restructuring Entities and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

7. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under the Listing Rules and is accordingly subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

None of the Directors were deemed to have material interests in the Acquisition and thus no Directors were required to abstain from voting on the relevant resolution(s) at the board meeting.

The Draft Restructuring Plan is subject to the approval by the creditors at the creditors' meeting, and shall take effect after being adjudicated and approved by the Court, so uncertainties still remain. Thus, there is uncertainty existed as to whether the Founder Group Restructuring and the relevant matters contemplated under the Restructuring Investment Agreement will be implemented successfully. Shareholders and potential investors should exercise caution when dealing in the Shares.

8. DEFINITIONS

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

“A Share(s)”	A share(s) of RMB1.00 each in the capital of the Company which is/are listed and traded on the Shanghai Stock Exchange
“Acquisition”	acquisition of part of the equity interest in New Founder Group by Ping An Life
“Administrators”	the liquidation team for the Founder Group Restructuring designated as the administrators. The liquidation team comprises the People’s Bank of China, the Ministry of Education, the CBIRC Beijing Bureau and each relevant departments of Beijing Municipal Government
“Board”	the board of directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission
“Common Interest Debts”	debts arising for the common interests of all creditors of the Restructuring Entities during the process of the Founder Group Restructuring which fall within the scope specified by Article 42 of the PRC Enterprise Bankruptcy Law
“Company”	Ping An Insurance (Group) Company of China, Ltd., a joint stock limited 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 Stock Exchange
“Court”	The First Intermediate People’s Court of Beijing
“Directors”	the directors of the Company
“Draft Restructuring Plan”	The Administrators will formulate the draft restructuring plan for the Founder Group Restructuring on the basis of the Restructuring Investment Agreement in accordance with relevant laws and regulations. The draft restructuring plan is subject to the approval by the creditors at the creditors’ meeting and the adjudication and approval by the Court
“Founder Group Restructuring”	the substantive consolidated restructuring of the Restructuring Entities
“Founder Microelectronics”	Shenzhen Founder Microelectronics Co., Ltd.* (深圳方正微电子有限公司)

“Group”	the Company and its subsidiaries
“H Share(s)”	H share(s) of RMB1.00 each in the capital of the Company which is/are listed and traded on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huafa Group”	Zhuhai Huafa Group Co., Ltd.* (珠海華發集團有限公司) (representing the state-owned enterprises of Zhuhai Municipality)
“Investor(s)”	Ping An Life, Huafa Group (representing the state-owned enterprises of Zhuhai Municipality) and Shenchao Technology
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Founder Group”	a company to be established according to the restructuring plan
“Ping An Life”	Ping An Life Insurance Company of China, Ltd., a non-wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“PRC Enterprise Bankruptcy Law”	the Enterprise Bankruptcy Law of the PRC
“Restructuring Entity(ies)”	the five companies included in the scope of Founder Group Restructuring, including Peking University Founder Group Company Limited* (北大方正集團有限公司), Peking University Founder Information Industry Group Co., Ltd.* (北大方正信息產業集團有限公司), PKU Healthcare Industry Group Co., Ltd.* (北大醫療產業集團有限公司), Peking University Resources Group Limited* (北大資源集團有限公司) and Founder Industry Holdings Co., Ltd.* (方正產業控股有限公司)
“Restructuring Investment Agreement”	a restructuring investment agreement entered into by the Administrators, Ping An Life, Huafa Group (representing the state-owned enterprises of Zhuhai Municipality), Shenchao Technology and the Restructuring Entities with respect to the Founder Group Restructuring on April 30, 2021
“RMB”	Renminbi, the lawful currency of the PRC
“SDG Group”	Shenzhen SDG Co., Ltd.* (深圳特發集團有限公司)

“Shenchao Technology”	Shenzhen Shenchao Technology Investment Co., Ltd.* (深圳市深超科技投資有限公司)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	A Share(s) and/or H Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
Sheng Ruisheng
Joint Company Secretary

Shenzhen, PRC, April 30, 2021

As at the date of this announcement, the executive Directors are Ma Mingzhe, Xie Yonglin, Tan Sin Yin, Yao Jason Bo and Cai Fangfang; the non-executive Directors are Soopakij Chearavanont, Yang Xiaoping and Wang Yongjian; the independent non-executive Directors are Ge Ming, Ouyang Hui, Ng Sing Yip, Chu Yiyun and Liu Hong.