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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)

DISCLOSEABLE TRANSACTION FINANCE LEASE TRANSACTIONS

FINANCE LEASE TRANSACTIONS

The Board hereby announces that on 29 March 2023 (after trading hours), TSFL, a subsidiary of the Company (as the Lessor) entered into the Current Finance Lease Agreement with the Lessees, pursuant to which (i) the Lessor purchased the Leased Assets of the Current Transaction from the Lessees at a consideration of RMB1,000,000,000, and (ii) the Lessor agreed to lease the Leased Assets of the Current Transaction to the Lessees with a lease period of 2 years.

References are made to the Previous Finance Lease Agreement entered into by TSFL (as the Lessor), in the past twelve months prior to the Current Transaction, with the Lessees, pursuant to which (i) TSFL (as the Lessor) has purchased the Leased Assets of the Previous Transaction from the Lessees at a total consideration of RMB1,000,000,000, and (ii) the Lessor has agreed to lease the Leased Assets of the Previous Transaction to the Lessees with lease periods of 3 years. According to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the Previous Transaction is lower than 5%, the Previous Transaction is not subject to the announcement requirement under Chapter 14 of the Listing Rules.

LISTING RULES IMPLICATIONS

Considered that the Lessees are parties to both the Previous Transaction and the Current Transaction, for the purpose of transaction classification under Chapter 14 of the Listing Rules, the Current Transaction and the Previous Transaction are aggregated according to Rule 14.22 of the Listing Rules. According to Chapter 14 of the Listing Rules, although the highest applicable percentage ratio of the Current Transaction is lower than 5%, its highest applicable percentage ratio is higher than 5% but lower than 25% when aggregated with the Previous Transaction, the Current Transaction constitutes a discloseable transaction of the Company and is subject to the announcement requirement, but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

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CURRENT FINANCE LEASE AGREEMENT

Details of the Current Finance Lease Agreement are summarised as follows:

Date

29 March 2023

Parties

“Lessor” : TSFL
“Lessee I” : Shandong Steel Group
“Lessee II” : Laiwu Steel Group

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the Lessees and their ultimate beneficial owner are independent third parties of the Company and its connected persons (as defined in the Listing Rules).

Leased Assets of the Current Transaction

The Leased Assets of the Current Transaction are certain steel production equipment, in particular, blast furnaces located in the PRC. The appraised value of the Leased Assets of the Current Transaction is in aggregate approximately RMB1,083,117,000. The Lessees do not separately calculate the profits before and after tax of the Leased Assets of the Current Transaction.

Lease Period

2 years

Rent and Method of Payment

Pursuant to the Current Finance Lease Agreement, the Lessor agreed to lease back the Leased Assets of the Current Transaction to the Lessees. The rent, including value-added taxes, is calculated and paid in RMB, and comprised of lease principal and lease interest. Of which, the lease principal is of the same amount as the transfer consideration, totaling RMB1,000,000,000. The total amount of lease interest for the lease period is approximately RMB60,182,000. The lease principal and lease interest shall be paid by the Lessees to the Lessor every 3 months or every 6 months pursuant to the terms of the Current Finance Lease Agreement.

The terms of the Current Finance Lease Agreement, including the transfer consideration for the Leased Assets of the Current Transaction, lease principals, lease interest and other expenses under the Current Finance Lease Agreement were determined upon arm’s length negotiation between the Lessees and the Lessor with reference to factors including the appraised value of the Leased Assets of the Current Transaction, loan prime rate (LPR) and the prevailing market prices of the same category of finance lease products in the PRC.

Leased Assets of the Current Transaction and Their Ownership

The Lessees have agreed to transfer and/or change the registration of the Leased Assets of the Current Transaction to the Lessor during the lease period at a transfer consideration of RMB1,000,000,000. The consideration will be paid with the Lessor's self-owned funds and/or commercial loans. At the same time, the Lessor has agreed to lease back the Leased Assets of the Current Transaction to the Lessees. The Lessees are entitled to the possession, usage and benefits of such assets. Upon expiration of the lease period, the Lessees may purchase back the Leased Assets of the Current Transaction from the Lessor at a consideration of RMB1 in nominal value.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CURRENT FINANCE LEASE AGREEMENT

The Current Finance Lease Agreement is entered into by TSFL during its ordinary and usual course of business and are classified as finance leases in accordance with the applicable accounting standards. Entering into the Current Finance Lease Agreement with the Lessees is beneficial to TSFL by increasing the income of its finance lease business and is consistent with the Group's business development strategy.

The Directors are of the view that the transactions under the Current Finance Lease Agreement are conducted in the ordinary course of business of the Group on normal commercial terms, the terms under the Current Finance Lease Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

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GENERAL INFORMATION

Information of the Company

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are the underwriting of direct life insurance business in the PRC, Hong Kong, Macau and Singapore, direct property and casualty insurance business in the PRC, Hong Kong and overseas, pension and group life business, and all classes of global reinsurance business. The Company's subsidiaries also carry on operations in asset management, insurance intermediary, finance leasing, property investment, health care, rehabilitation and elderly care investment, securities dealing and broking business.

Information of TSFL

TSFL, a non-wholly owned subsidiary of the Group, is a limited liability company established in the PRC and is principally engaged in finance leasing, transfers or acquisitions of subject assets of finance leases, investment in fixed-income securities, taking in deposits of finance leases from lessees and 3-month or longer term deposits from non-banking shareholders, inter-bank lending, borrowings from financial institutions, offshore borrowings, sales and handling of leased assets, and economic consultation and such other businesses as approved by the China Banking and Insurance Regulatory Commission. As at the date of this announcement, TSFL is owned as to 50% by TPL and China Petrochemical Corporation, respectively.

Information of Shandong Steel Group

Shandong Steel Group is a limited liability company incorporated in the PRC. It is a state-owned holding company in Shandong Province controlled by the State-owned Assets Supervision and Administration Commission of the People's Government of Shandong Province. It mainly engages in ferrous metal smelting and rolling; production and sales of pig iron, steel ingots, billets, steel products, pellets, coke and coking products, steelmaking by-products, building materials, cement and products, water slag, casting and forging parts, iron castings, standard parts, aluminum alloys, thermal insulation materials, refractory materials and products.

Information of Laiwu Steel Group

Laiwu Steel Group, a limited liability company incorporated in the PRC, is a wholly-owned subsidiary of Shandong Steel Group, mainly engaged in the production and sales of section steel, strip steel, pig iron, billet and steel by-products; power generation and other businesses.

DEFINITIONS

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

“Board”	the board of Directors
“China Petrochemical Corporation”	中國石油化工集團有限公司 (China Petrochemical Corporation*), and formerly known as 中國石油化工集團公司 (China Petrochemical Corporation*) a wholly state-owned enterprise incorporated in the PRC

“Company”	China Taiping Insurance Holdings Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Current Finance Lease Agreement”	a finance lease agreement in respect of the Leased Assets of the Current Transaction entered into between the Lessor and the Lessees on 29 March 2023
“Current Transaction”	the finance lease transaction contemplated under the Current Finance Lease Agreement
“Director(s)”	the director(s) of the Company
“Finance Lease Transactions”	collectively, the Previous Transaction and the Current Transaction
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Leased Assets of the Current Transaction”	certain steel production equipment, in particular, blast furnaces located in the PRC
“Leased Assets of the Previous Transaction”	certain steel production equipment, in particular, thick leather production line equipment located in the PRC
“Lessees”	Lessee I and/or Lessee II, as the case may be
“Lessee I” or “Shandong Steel Group”	Shandong Iron & Steel Group Co., Ltd.* (山東鋼鐵集團有限公司), a limited liability company established in the PRC, a state-owned holding company controlled by the State-owned Assets Supervision and Administration Commission of Shandong Provincial People’s Government
“Lessee II” or “Laiwu Steel Group”	Laiwu Iron & Steel Group Yinshan Steel Co., Ltd.* (萊蕪鋼鐵集團銀山型鋼有限公司), a limited liability company established in the PRC, a wholly owned subsidiary of Shandong Steel Group
“Lessor”	TSFL
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Finance Lease Agreement”	the finance lease agreement in respect of the Leased Assets of the Previous Transaction entered into between the Lessor and the Lessees in the past 12 months

“Previous Transaction”	the finance lease transaction contemplated under the Previous Finance Lease Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“TPL”	Taiping Life Insurance Company Limited, a company incorporated in the PRC with limited liability and a subsidiary of the Company owned as to 75.1% by the Company as at the date of this announcement
“TSFL”	太平石化金融租賃有限責任公司 (Taiping & Sinopec Finance Leasing Co. Ltd.*), a limited liability company established in the PRC and a subsidiary of the Company, owned as to 50% by TPL and China Petrochemical Corporation, respectively, as at the date of this announcement
“%”	per cent

** for identification purpose only*

By Order of the Board of
China Taiping Insurance Holdings Company Limited
ZHANG Ruohan
Company Secretary

Hong Kong, 29 March 2023

As at the date of this announcement, the Board comprises 12 directors, of which Mr. WANG Sidong, Mr. YIN Zhaojun, Mr. XIAO Xing and Mr. LI Kedong are executive directors, Mr. GUO Zhaoxu, Mr. HU Xingguo, Ms. ZHANG Cui and Mr. YANG Changgui are non-executive directors, and Mr. ZHU Dajian, Mr. WU Ting Yuk Anthony, Mr. XIE Zhichun and Mrs. LAW FAN Chiu Fun Fanny are independent non-executive directors.