

中国平安 PINGAN

保險 · 銀行 · 投資

**Introduction of Chow Tai Fook as a Strategic Investor
through the Issuance of US\$2.5 bn of New Shares via
a Private Placement**

March 15, 2011

中国平安 PINGAN

Key Terms of the Transaction

Issuer	<ul style="list-style-type: none"> • Ping An Insurance (Group) Company of China Limited (“Ping An” or the “Company”)
Investor	<ul style="list-style-type: none"> • Jinjun Limited, a wholly-owned subsidiary of Chow Tai Fook Nominee Limited (“Chow Tai Fook”)
Offering Type	<ul style="list-style-type: none"> • Private Placement
Primary / Secondary	<ul style="list-style-type: none"> • 100% Primary
Gross Proceeds	<ul style="list-style-type: none"> • HK\$19,448 million (or US \$2.5 billion)
No. of Shares	<ul style="list-style-type: none"> • 272,000,000 H-Share
Offer Price	<ul style="list-style-type: none"> • HK\$71.50 per share
Discount	<ul style="list-style-type: none"> • 12.5% discount to the closing H Share price of HK \$81.70 on 11 March 2011 • 9.9% discount to the average closing price per H Share for the 30 trading days up to and including 11 March 2011 of HK\$79.39
% of Ping An	<ul style="list-style-type: none"> • 3.6% of existing total shares outstanding • 9.5% of existing H-Shares outstanding • 3.4% of pro forma total shares outstanding • 8.7% of pro forma H-Shares outstanding
Advisors	<ul style="list-style-type: none"> • Goldman Sachs acted as the placement agent • CICC acted as the financial advisor

Rationale for the Transaction

Reasons For and Benefits of the Subscription

- Strengthen the capital base and solvency ratio of the Company
- Enable the Company to meet the capital needs of its three core businesses, allowing the Company to achieve its strategic goal of becoming a “leading integrated financial services provider” and to further enhance the market competitiveness of the Company
- Broaden the shareholder base of the Company

Reasons for Choosing the H-share Private Placement Structure

- Ping An’s H-shares currently command a 35.6% premium over the A-share (based on the closing prices on 11 March 2011), and thus, raising funds in the H-share market would allow us to maximize proceeds and minimize dilution to existing shareholders
- The private placement structure enables us to consummate the issuance in the shortest possible timeframe with minimal disruption to Ping An’s share price
- The placement falls under the General Mandate to issue up to 571,546,491 new H Shares that was granted to the Directors at the annual general meeting of the Company held on 29 June 2010

Shareholding Structure of the Company

The shareholding structure of the Company immediately prior to, and immediately after, completion of the Subscription is as follows:

Class of Shares	As at the date of this announcement		Immediately after completion of the Subscription	
	No. of Shares	Approximate %	No. of Shares	Approximate %
H Shares				
• HSBC Holdings plc <i>(Note 1)</i>	1,240,069,099	16.22	1,240,069,099	15.67
• Other Shareholders	1,617,663,357	21.16	1,617,663,357	20.43
• Investor	-		272,000,000	3.44
Sub-total	2,857,732,456	37.38	3,129,732,456	39.54
A Shares	4,786,409,636	62.62	4,786,409,636	60.46
Total	7,644,142,092	100.00	7,916,142,092	100.00

¹ HSBC Holdings plc is deemed to be interested in these H Shares by virtue of (1) its wholly-owned subsidiaries, namely HSBC Insurance Holdings Limited and HSBC Bank plc, which are interested in 618,886,334 H Shares and 60,532 H Shares, respectively; (2) its control over (i) The Hongkong and Shanghai Banking Corporation Limited; (ii) Hang Seng Bank (Trustee) Limited; and (iii) Hang Seng Bank Trustee International Limited, which respectively held a direct interest in 613,929,279 H Shares, 120,295 H Shares and 7,072,659 H Shares.