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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 31 March 2023 (after trading hours), TSFL, a subsidiary of the Company (as the Lessor) entered into the Current Finance Lease Agreements with the Lessees, pursuant to which (i) the Lessor purchased the Leased Assets of the Current Transactions from the Lessees at a total consideration of RMB500,000,000, and (ii) the Lessor agreed to lease the Leased Assets of the Current Transactions to the Lessees with a lease period of 2 and 3 years respectively.

References are made to the Previous Finance Lease Agreements entered into by TSFL (as the Lessor), in the past twelve months prior to the Current Transactions, with the Previous Lessees, pursuant to which (i) TSFL (as the Lessor) has purchased the Leased Assets of the Previous Transactions from the Previous Lessees at a total consideration of RMB1,100,000,000, and (ii) the Lessor has agreed to lease the Leased Assets of the Previous Transactions to the Previous Lessees with lease periods of 3 years. According to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the Previous Transactions is lower than 5%, the Previous Transactions are not subject to the announcement requirement under Chapter 14 of the Listing Rules.

#### **LISTING RULES IMPLICATIONS**

Considered that as the Previous Lessees and the Lessees to the Previous Transactions and the Current Transactions are subsidiaries of the same group respectively, for the purpose of transaction classification under Chapter 14 of the Listing Rules, the Current Transactions and the Previous Transactions 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 Transactions and the Previous Transactions, calculated on a standalone basis, is lower than 5%, the highest applicable percentage ratio of the Current Transactions and the Previous Transactions, when aggregated, is higher than 5% but lower than 25%, the Current Transactions therefore constitute a discloseable transaction of the Company and are subject to the announcement requirement, but are exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

## **FINANCE LEASE TRANSACTIONS**

The Board hereby announces that on 31 March 2023 (after trading hours), TSFL, a subsidiary of the Company (as the Lessor) entered into the Current Finance Lease Agreements with the Lessees, pursuant to which (i) the Lessor purchased the Leased Assets of the Current Transactions from the Lessees at a total consideration of RMB500,000,000, and (ii) the Lessor agreed to lease the Leased Assets of the Current Transactions to the Lessees.

### **CURRENT FINANCE LEASE AGREEMENTS**

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

#### **Current Finance Lease Agreement I**

##### **Date**

31 March 2023

##### **Parties**

“Lessor” : TSFL  
“Lessees” : Longyu Chemical  
Coking Coal Energy  
Yong Coal Group

#### **Leased Assets I of the Current Transactions**

The Leased Assets I of the Current Transactions are coal chemical production equipment located in the PRC. The assessed value of the Leased Assets I of the Current Transactions is in aggregate approximately RMB370,000,000. The Lessees do not separately calculate the profits before and after tax of the Leased Assets I of the Current Transactions.

##### **Lease Period**

2 years

##### **Rent and Method of Payment**

Pursuant to the Current Finance Lease Agreement I, the Lessor agreed to lease back the Leased Assets I of the Current Transactions 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, totalling RMB370,000,000. The total amount of lease interest for the lease period is approximately RMB26,007,000. The lease principal and lease interest shall be paid by the Lessees to the Lessor every half year.

#### **Current Finance Lease Agreement II**

##### **Date**

31 March 2023

##### **Parties**

“Lessor” : TSFL  
“Lessees” : Zhongtai Coal Coking  
Coking Coal Energy  
Yong Coal Group

## **Leased Assets II of the Current Transactions**

The Leased Assets II of the Current Transactions are coal chemical production equipment located in the PRC. The assessed value of the Leased Assets II of the Current Transactions is in aggregate approximately RMB130,000,000. The Lessees do not separately calculate the profits before and after tax of the Leased Assets II of the Current Transactions.

### **Lease Period**

3 years

### **Rent and Method of Payment**

Pursuant to the Current Finance Lease Agreement II, the Lessor agreed to lease back the Leased Assets II of the Current Transactions 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, totalling RMB130,000,000. The total amount of lease interest for the lease period is approximately RMB13,383,000. The lease principal and lease interest shall be paid by the Lessees to the Lessor every half year.

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).

The terms of the Current Finance Lease Agreements, including the transfer consideration for the Leased Assets of the Current Transactions, lease principals, lease interest and other expenses under the Current Finance Lease Agreements were determined upon arm's length negotiation between the Lessees and the Lessor with reference to factors including the assessed value of the Leased Assets of the Current Transactions, 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 TRANSACTIONS AND THEIR OWNERSHIP**

The Lessees have agreed to transfer and/or change the registration of the Leased Assets of the Current Transactions to the Lessor during the lease period at a transfer consideration of RMB500,000,000. 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 Transactions 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 Transactions from the Lessor at a total consideration of RMB2 in nominal value.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE CURRENT FINANCE LEASE AGREEMENTS**

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

## **LISTING RULES IMPLICATIONS**

References are made to the Previous Finance Lease Agreements entered into by TSFL (as the Lessor), in the past twelve months prior to the Current Transactions, with the Previous Lessees, pursuant to which (i) TSFL (as the Lessor) has purchased the Leased Assets of the Previous Transactions from the Previous Lessees at a total consideration of RMB1,100,000,000, and (ii) the Lessor has agreed to lease the Leased Assets of the Previous Transactions to the Previous Lessees with lease periods between 3 years. According to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the Previous Transactions is lower than 5%, the Previous Transactions are not subject to the announcement requirement under Chapter 14 of the Listing Rules.

Considered that as the Previous Lessees and the Lessees to the Previous Transactions and the Current Transactions are subsidiaries of the same group respectively, for the purpose of transaction classification under Chapter 14 of the Listing Rules, the Current Transactions and the Previous Transactions 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 Transactions and the Previous Transactions, calculated on a standalone basis, is lower than 5%, the highest applicable percentage ratio of the Current Transactions and the Previous Transactions, when aggregated, is higher than 5% but lower than 25%, the Current Transactions therefore constitute discloseable transaction of the Company and are subject to the announcement requirement, but are exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

## **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 Longyu Chemical***

Longyu Chemical, a company incorporated in the PRC with limited liability and is an indirect wholly owned subsidiary of Henan Energy Group ultimately controlled by Henan SASAC. Longyu Chemical is principally engaged in the production and sale of various grades of paraformaldehyde, formaldehyde, trimellitate, dioxopentacyclic, nucleating agent and modified paraformaldehyde.

### ***Information of Zhongtai Coal Coking***

Zhongtai Coal Coking, a company incorporated in the PRC with limited liability and an indirect non-wholly owned subsidiary of Henan Energy Group is ultimately controlled by Henan SASAC. Zhongtai Coal Coking is principally engaged in coal processing and integrated utilization enterprise integrating coal washing and coking production.

### ***Information of Coking Coal Energy***

Coking Coal Energy, a company incorporated in the PRC with limited liability and is an indirect non-wholly owned subsidiary of Henan Energy Group ultimately controlled by Henan SASAC. The business comprises coal mining and washing, trade and logistics, building materials and sales of materials, and is mainly engaged in coal mining and washing, with a small amount of trade and logistics business.

### ***Information of Yong Coal Group***

Yong Coal Group, a joint-stock company incorporated in the PRC and is an indirect non-wholly owned subsidiary of Henan Energy Group ultimately controlled by Henan SASAC. Yong Coal Group is principally engaged in the mining of coal resources and production of fine anthracite coal.

## **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 Agreements”	collectively, the Current Finance Lease Agreement I and the Current Finance Lease Agreement II
“Current Finance Lease Agreement I”	a finance lease agreement in respect of the Leased Assets I of the Current Transactions entered into between the Lessor, Lessee I, Lessee II and Lessee III on 31 March 2023
“Current Finance Lease Agreement II”	a finance lease agreement in respect of the Leased Assets II of the Current Transactions entered into between the Lessor, Lessee IV, Lessee II and Lessee III on 31 March 2023
“Current Transactions”	the finance lease transactions contemplated under the Current Finance Lease Agreements
“Director(s)”	the director(s) of the Company

“Finance Lease Transactions”	collectively, the Previous Transactions and the Current Transactions
“Group”	the Company and its subsidiaries
“Henan Energy Group”	河南能源集團有限公司 (Henan Energy Group Co., Ltd.*), a limited liability company established in the PRC and a wholly state-owned enterprise controlled by Henan SASAC
“Henan SASAC”	Henan Provincial State-owned Assets Supervision and Administration Commission
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Leased Assets of the Current Transactions”	collectively, the Leased Assets I of the Current Transactions and the Leased Assets II of the Current Transactions
“Leased Assets I of the Current Transactions”	Coal chemical production equipment located in the PRC
“Leased Assets II of the Current Transactions”	Coal chemical production equipment located in the PRC
“Leased Assets of the Previous Transactions”	Leased Assets which the Lessor purchased from and leased to the Lessee pursuant to the Previous Finance Lease Agreements under the Previous Transactions
“Lessees”	Lessee I, Lessee II, Lessee III and/or Lessee IV, as the case may be
“Lessee I” or “Longyu Chemical”	開封龍宇化工有限公司 (Kaifeng Longyu Chemical Company Limited*)
“Lessee II” or “Coking Coal Energy”	河南焦煤能源有限公司 (Henan Coking Coal Energy Company Limited*)
“Lessee III” or “Yong Coal Group”	永煤集團股份有限公司 (Yong Coal Group Company Limited*)
“Lessee IV” or “Zhongtai Coal Coking”	拜城縣眾泰煤焦化有限公司 (Baicheng County Zhongtai Coal Coking Company Limited*)
“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 Agreements”	certain finance lease agreements in respect of the Leased Assets of the Previous Transactions entered into between the Lessor and the Previous Lessees in the past 12 months
“Previous Lessees”	companies under the control of Henan Energy Group, including Lessee III, which to the best knowledge of the Directors, being independent third parties
“Previous Transactions”	the finance lease transactions contemplated under the Previous Finance Lease Agreements
“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, 31 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.*