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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 28 July 2023 (after trading hours), TSFL, a subsidiary of the Company (as the Lessor) entered into the Current Finance Lease Agreement with the Lessee, pursuant to which the Lessor agreed to (i) purchase the Leased Assets of the Current Transaction from the Lessee at a consideration of RMB1,200,000,000, and (ii) lease the Leased Assets of the Current Transaction to the Lessee for a lease period of six years.

Reference is made to the Previous Finance Lease Agreement entered into between TSFL (as the Lessor), in the past 12 months prior to the Current Transaction, and the Previous Lessee, pursuant to which (i) TSFL (as the Lessor) purchased the Leased Assets of the Previous Transaction from the Previous Lessee at a consideration of RMB600,000,000, and (ii) the Lessor agreed to lease the Leased Assets of the Previous Transaction to the Previous Lessee for a lease period of five years. According to Chapter 14 of the Listing Rules, each of the highest applicable percentage ratio of the Previous Transaction was lower than 5%. As such, the Previous Transaction was not subject to the announcement requirement under Chapter 14 of the Listing Rules.

LISTING RULES IMPLICATIONS

Considered that the Previous Lessee to the Previous Transaction and the Lessee to the Current Transaction are subsidiaries of the same group, 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, as one or more applicable percentage ratio of the Current Transaction when aggregated with the Previous Transaction are higher than 5% but lower than 25%. Therefore, 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 Rule.

FINANCE LEASE TRANSACTIONS

The Board hereby announces that on 28 July 2023 (after trading hours), TSFL, a subsidiary of the Company (as the Lessor) entered into the Current Finance Lease Agreement with the Lessee, pursuant to which the Lessor agreed to (i) purchase the Leased Assets of the Current Transaction from the Lessee at a consideration of RMB1,200,000,000, and (ii) lease the Leased Assets of the Current Transaction to the Lessee for a lease period of six years.

THE CURRENT FINANCE LEASE AGREEMENT

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

Date

28 July 2023

Parties

- (i) TSFL (as Lessor)
- (ii) Nanjing OCT (as Lessee)

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Lessee and its ultimate beneficial owners 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 amusement facilities located in Happy Valley (歡樂谷) in Nanjing, the PRC. The assessed value of the Leased Assets of the Current Transaction is, in aggregate, approximately RMB1,217,421,000. The Lessee does not separately calculate the profits before and after tax of the Leased Assets of the Current Transaction.

Lease Period

Six 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 Lessee. 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 RMB1,200,000,000. The total amount of lease interest for the lease period is approximately RMB156,442,000. The lease principal and lease interest shall be paid by the Lessee to the Lessor every six months during the lease period in accordance with 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, the lease principal, the lease interest and other expenses contemplated under the Current Finance Lease Agreement were determined upon arm's length negotiation between the Lessee and the Lessor with reference to factors including the assessed 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.

The Leased Assets of the Current Transaction and their Ownership

The Lessee has 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 RMB1,200,000,000. The transfer consideration will be paid by the Lessor using its 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 Lessee. The Lessee is entitled to the possession, usage and benefits of such assets. Upon expiration of the lease period, the Lessee may purchase back the Leased Assets of the Current Transaction from the Lessor at a consideration of RMB1 in nominal value.

THE PREVIOUS TRANSACTION

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

Date

27 April 2023

Parties

- (i) TSFL (as lessor)
- (ii) Wuhan OCT (as Previous Lessee)

Wuhan OCT is a limited company established in the PRC. Wuhan OCT is held as to 66.0616% by Shenzhen Overseas Chinese Town Co., Ltd.* (深圳華僑城股份有限公司) (“**Shenzhen OCT**”) and 33.9384% by Shenzhen Overseas Chinese Town Properties Co., Ltd.* (深圳華僑城房地產有限公司) (“**Shenzhen OCT Properties**”). Shenzhen OCT Properties is a wholly-owned subsidiary of Shenzhen OCT. Shenzhen OCT is listed on the Shenzhen Stock Exchange (stock code: 000069), and its controlling shareholder is Overseas Chinese Town Holdings Company* (華僑城集團有限公司) (“**OCT Group**”). OCT Group is 100% owned by the State-owned Assets Supervision and Administration Commission of the State Council.

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

Leased Assets of the Previous Transaction

The Leased Assets of the Previous Transaction are several amusement facilities located in Wuhan, Hubei Province, the PRC. The assessed value of the Leased Assets of the Previous Transaction is, in aggregate, approximately RMB603,726,000. The Previous Lessee does not separately calculate the profits before and after tax of the Leased Assets of the Previous Transaction.

Lease period

Five years

Rent and Method of Payment

Pursuant to the Previous Finance Lease Agreement, the Lessor agreed to lease back the Leased Assets of the Previous Transaction to the Previous Lessee. 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 RMB600,000,000. The total amount of lease interest for the lease period is approximately RMB65,392,000. The lease principal and lease interest shall be paid by the Previous Lessee to the Lessor every six months during the lease period in accordance with the terms of the Previous Finance Lease Agreement.

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

The Leased Assets of the Previous Transaction and their Ownership

The Previous Lessee has agreed to transfer and/or change the registration of the Leased Assets of the Previous Transaction to the Lessor during the lease period at a transfer consideration of RMB600,000,000. The transfer consideration will be paid by the Lessor using its self-owned funds and/or commercial loans. At the same time, the Lessor has agreed to lease back the Leased Assets of the Previous Transaction to the Previous Lessee. The Previous Lessee is entitled to the possession, usage and benefits of such assets. Upon expiration of the lease period, the Previous Lessee may purchase back the Leased Assets of the Previous Transaction from the Lessor at a consideration of RMB1 in nominal value.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE TRANSACTIONS

The Current Finance Lease Agreement and the Previous Finance Lease Agreement are entered into by TSFL during its ordinary and usual course of business and each is classified as finance lease in accordance with the applicable accounting standards. Entering into the Current Finance Lease Agreement and the Previous Finance Lease Agreement with the Lessee and the Previous Lessee 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 contemplated under the Current Finance Lease Agreement and the Previous 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 and the Previous Finance Lease Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Reference is made to the Previous Finance Lease Agreement entered into between TSFL (as the Lessor), in the past 12 months prior to the Current Transaction, and the Previous Lessee, pursuant to which (i) TSFL (as the Lessor) purchased the Leased Assets of the Previous Transaction from the Previous Lessee at a consideration of RMB600,000,000, and (ii) the Lessor agreed to lease the Leased Assets of the Previous Transaction to the Previous Lessee for a lease period of five years. According to Chapter 14 of the Listing Rules, each of the highest applicable percentage ratio of the Previous Transaction was lower than 5%. As such, the Previous Transaction was not subject to the announcement requirement under Chapter 14 of the Listing Rules.

Considered that the Previous Lessee to the Previous Transaction and the Lessee to the Current Transaction are subsidiaries of the same group, 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, as one or more applicable percentage ratio of the Current Transaction when aggregated with the Previous Transaction are higher than 5% but lower than 25%. Therefore, 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 Rule.

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 three-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 National Administration of Financial Regulation. As at the date of this announcement, TSFL is owned as to 50% by TPL and China Petrochemical Corporation, respectively.

Information of Nanjing OCT

Nanjing OCT is a limited liability company established in the PRC principally engaged in tourism project investment, construction, development and operation; real estate investment, development and sales and amusement park services, which is a wholly-owned subsidiary of Shenzhen OCT. Shenzhen OCT is listed on the Shenzhen Stock Exchange (stock code: 000069), and its controlling shareholder is OCT Group. OCT Group is 100% owned by the State-owned Assets Supervision and Administration Commission of the State Council.

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 Lessee on 28 July 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 amusement facilities located in Happy Valley (歡樂谷) in Nanjing, the PRC
“Leased Assets of the Previous Transaction”	several amusement facilities located in Wuhan, Hubei Province, the PRC
“Lessee” or “Nanjing OCT”	南京華僑城實業發展有限公司 (Nanjing OCT Industry Development Co., Ltd.*), a limited company established in the PRC
“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 Previous Lessee in the past 12 months
“Previous Lessee” or “Wuhan OCT”	武漢華僑城實業發展有限公司 (Wuhan OCT Industry Development Co., Ltd.*), a limited liability company established in the PRC
“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 established 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, 28 July 2023

As at the date of this announcement, the Board comprises 11 directors, of which Mr. WANG Sidong, Mr. YIN Zhaojun 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.