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PING AN

Expertise Creates Value

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 (HKD counter) and 82318 (RMB counter)

**PROPOSED ISSUE OF U.S.\$3,500,000,000 0.875%
CONVERTIBLE BONDS DUE 2029 UNDER GENERAL MANDATE**

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Morgan Stanley

J.P. Morgan

Joint Lead Manager

China PA Securities (Hong Kong) Company Limited

On July 15, 2024 (after trading hours), the Company and the Managers entered into the Subscription Agreement. Pursuant to the Subscription Agreement, among other things, the Company has agreed to issue to the Managers or as they may direct, and the Managers have severally and not jointly agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds, subject to certain conditions set out in the Subscription Agreement.

A book-building exercise has been conducted by the Managers, after which the terms of the Bonds, including but not limited to, the principal amount and the initial Conversion Price, have been determined.

The Bonds, to be issued by the Issuer in the aggregate principal amount of U.S.\$3,500,000,000 are, in the circumstances set out in the Terms and Conditions, convertible into H Shares. The initial Conversion Price is HK\$43.71 per H Share (subject to adjustments).

Assuming full conversion of the Bonds at the initial Conversion Price of HK\$43.71 per H Share and no further Shares are issued, the Bonds will be convertible into approximately 625,203,614 Conversion Shares, representing approximately 8.39% of the number of existing issued H Shares and approximately 3.43% of the existing issued share capital of the Company as at the date of this announcement; and approximately 7.74% of the number of issued H Shares and approximately 3.32% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon the full conversion of the Bonds. The Conversion Shares will be fully-paid and rank *pari passu* in all respects with the H Shares then in issue on the relevant registration date.

Subject to completion of the issue of the Bonds, the Company intends to apply the net proceeds from the issue of the Bonds to further develop the Group's core business and strengthen the Group's capital position, support the Group's new strategic initiatives in the healthcare and eldercare sectors and for general corporate purposes.

The Conversion Shares will be allotted and issued pursuant to the general mandate granted to the Board by the Shareholders at the annual general meeting of the Company held on May 30, 2024. The issue and subscription of the Bonds and the issue of the Conversion Shares by the Company are not subject to further Shareholders' approval.

The Registration Certificate of Foreign Debt Borrowed by Enterprise (《企業借用外債審核登記證明》) in relation to the issuance of the Bonds has been obtained from the NDRC. An application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds and the Conversion Shares to be allotted and issued upon conversion of the Bonds on the Hong Kong Stock Exchange.

Completion of the issue and subscription of the Bonds is subject to the satisfaction and/or waiver of the conditions precedent set out in the Subscription Agreement. In addition, the Subscription Agreement may be terminated in certain circumstances as further described below.

As the issue and subscription of the Bonds under the Subscription Agreement may or may not proceed to completion, and the Bonds and/or the Conversion Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

SUBSCRIPTION AGREEMENT

- Date: July 15, 2024
- Parties: (1) the Company, as the issuer; and
(2) the Managers.
- Subscription: The Company has agreed to issue to the Managers or as they may direct, and the Managers have severally and not jointly agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds, on the Closing Date.
- To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Managers and its ultimate beneficial owner(s) is a third party independent from the Company and is not a connected person of the Company.
- Listing: The Company will make, or cause to be made, an application of the Bonds and the Conversion Shares to be listed on the Hong Kong Stock Exchange in accordance with the Subscription Agreement.
- Conditions Precedent to the Subscription: The obligations of the Managers to subscribe and pay for the Bonds are conditional on:
- (1) **Other Contracts:** the execution and delivery (on or before the Closing Date) of the Contracts, each in a form reasonably satisfactory to the Managers, by the respective parties;
 - (2) **Due Diligence:** the Managers being satisfied with the results of their due diligence investigations with respect to the Company and its subsidiaries and the offering circular for use in connection with the issue of the Bonds and the listing of the Bonds on the Hong Kong Stock Exchange shall have been prepared in form and content satisfactory to the Managers;
 - (3) **Auditors' Letters:** there having been delivered to the Managers comfort letters from Ernst & Young, the Certified Public Accountants to the Company, in form and substance satisfactory to the Managers and addressed to the Managers,
 - (i) on the date of the Subscription Agreement, dated the date of the Subscription Agreement; and
 - (ii) on the Closing Date, dated the Closing Date;

- (4) **Compliance:** at the Closing Date:
- (i) the representations and warranties of the Company in the Subscription Agreement being true and accurate at, and as if made on such date;
 - (ii) the Company having performed all of its obligations under the Subscription Agreement to be performed on or before such date; and
 - (iii) there having been delivered to the Managers a certificate in the form attached in the Subscription Agreement, dated as of such date, of a duly authorised officer of the Company to such effect;
- (5) **Material Adverse Change:** after the date hereof or, if earlier, the dates as of which information is given in the offering circular up to and at the Closing Date, there shall not have occurred any change (nor any development or event involving a prospective change), in the financial condition, prospects, results of operations or general affairs of the Company or of the Group as a whole, which, in the opinion of the Managers, is material and adverse in the context of the issue and offering of the Bonds;
- (6) **Listing:** the Hong Kong Stock Exchange having agreed to list the Conversion Shares and the Hong Kong Stock Exchange having agreed, subject to any conditions reasonably satisfactory to the Managers, to list the Bonds (or, in each case, the Managers being reasonably satisfied that such listing will be granted);
- (7) **Chief Financial Officer's Certificates:** on the date of the Subscription Agreement and the Closing Date, there having been delivered to the Managers a certificate substantially in the form attached in the Subscription Agreement dated as of such date and signed by the chief financial officer of the Company;

(8) **Legal Opinions:** on or before the Closing Date, there having been delivered to the Managers opinions, in form and substance satisfactory to the Managers, dated the Closing Date, as the case may be, of:

- (i) legal advisers to the Managers and the Trustee as to Hong Kong law;
- (ii) legal advisers to the Managers and the Trustee as to English law;
- (iii) legal advisers to the Issuer as to PRC law;
- (iv) legal advisers to the Managers as to PRC law,

and such other resolutions, consents, authorities and documents relating to the issue of the Bonds, as the Managers may reasonably require;

(9) **CSRC Filing:** on or prior to the Issue Date, the agreed and final or substantially complete drafts of the following documents in relation to the CSRC Filings, in form and substance satisfactory to the Managers, having been delivered to the Managers:

- (i) the CSRC Filing Report (including the letter of undertaking from the Company);
- (ii) legal opinions (including the letter of undertaking) of legal advisers to the Company as to PRC law, to be submitted to the CSRC; and
- (iii) any other CSRC Filings required by the CSRC.

(10) **NDRC Approval:** the NDRC having issued the Registration Certificate of Foreign Debt Borrowed by Enterprise 《企業借用外債審核登記證明》) in respect of the issue of the Bonds and such certificate remaining in full force and effect, and not altering the terms of any Contracts, on the Closing Date, and written evidence of such certificate having been given to the Managers.

The Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the above conditions (other than the condition (1) above).

As at the date of this announcement, certain of the above conditions precedent to the completion of the Subscription Agreement are yet to be satisfied and/or waived (as the case may be). It is the intention of the Company to satisfy or procure the satisfaction of all of the above conditions by the Closing Date.

Terminations:

The Managers may, by notice to the Company given at any time prior to payment of the net subscription monies for the Bonds to the Company, terminate the Subscription Agreement in any of the following circumstances:

- (1) if there shall have come to the notice of the Managers any breach of, or any event rendering untrue or inaccurate in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform, or breach of any of the Company's undertakings or agreements in the Subscription Agreement;
- (2) if any of the above conditions precedent to the subscription has not been satisfied or waived by the Managers on or prior to the Closing Date;
- (3) if, on or prior to the Closing Date:
 - (i) there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in its view, be likely to prejudice materially the success of the offering of the Bonds and distribution of the Bonds or dealings in the Bonds in the secondary market; or
 - (ii) there shall have occurred any of the following events: (a) a suspension or a material limitation in trading in securities generally on The Shanghai Stock Exchange, the Singapore Exchange Securities Trading Limited, the New York Stock Exchange, the London Stock Exchange plc, the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (b) a suspension or a material limitation in trading in the Company's securities on the Hong Kong Stock Exchange, The Shanghai Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (c) a general moratorium on commercial banking activities in the United States, the PRC, Hong Kong, Singapore, the European Union (or any member thereof) and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, the PRC, Hong Kong, Singapore, the European Union (or any member thereof) or the United Kingdom; or (d) a change or development involving a prospective change in taxation affecting the Company, the Bonds and the Conversion Shares or the transfer thereof; or

- (iii) there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in their view be likely to prejudice materially the success of the offering of the Bonds and distribution of the Bonds or dealings in the Bonds in the secondary market.

Lock-up Undertakings: Neither the Company nor any person acting on its behalf will:

- (a) issue, offer, sell, pledge, encumber, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them;
- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares;
- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise; or
- (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Managers between the date hereof and the date which is 90 days after the Closing Date (both dates inclusive); except for (i) the Bonds and the Conversion Shares, or (ii) any Shares or other securities (including rights or options) which are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of employees (including directors) of the Company or any of its subsidiaries pursuant to any employee share scheme or plan existing as at the date of the Subscription Agreement.

For the purpose of this section, “**Shares**” means (i) ordinary shares with a nominal value of RMB1.00 issued by the Company to investors which are traded in HK dollars on the Hong Kong Stock Exchange; (ii) ordinary shares with a par value of RMB1.00 each issued by the Company and which are traded in Renminbi on The Shanghai Stock Exchange and (iii) any other fully-paid and non-assessable shares of any class or classes of the ordinary shares of the Company authorised after the date hereof which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Company.

PRINCIPAL TERMS OF THE BONDS

Issuer:	the Company
Bonds:	U.S.\$3,500,000,000 in aggregate principal amount of 0.875% convertible bonds due 2029
Maturity Date:	July 22, 2029
Issue Price:	100% of the principal amount of the Bonds
Interest:	The Bonds bear interest from and including July 22, 2024 at the rate of 0.875% per annum payable semi-annually in arrear in equal instalments of U.S.\$437.5 per U.S.\$100,000 in principal amount of the Bonds on January 22, and July 22, in each year.
Status:	The Bonds constitute direct, unsubordinated, unconditional and (subject to Condition (<i>Negative Pledge</i>) of the Terms and Conditions) unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition (<i>Negative Pledge</i>) of the Terms and Conditions, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.
Form and Domination:	<p>The Bonds are issued in registered form in the specified denomination of U.S.\$200,000 each and integral multiples of U.S.\$100,000 in excess thereof.</p> <p>Upon issue, the Bonds will be represented by a global certificate registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A..</p>
Conversion Right:	<p>Subject to and upon compliance with the Terms and Conditions, each Bondholder has the right to convert any Bond into Conversion Shares.</p> <p>The number of Conversion Shares will be determined by dividing the principal amount of the Bonds to be converted (translated into HK dollars at the fixed rate of HK\$7.8079 = U.S.\$1.00) (the “Fixed Exchange Rate”) by the Conversion Price in effect on the conversion date.</p>
Conversion Period:	Subject to and upon compliance with the Terms and Conditions, each Bondholder may exercise the conversion right attaching to any Bond, at the option of the holder thereof, at any time on or after 41st day after the Issue Date up to the close of business on the date falling seven working days prior to the Maturity Date (both days inclusive) or if such Bond shall have been called for redemption by the Company before the Maturity Date, then up to and including the close of business on a date no later than seven working days prior to the date fixed for redemption thereof.

Conversion Price: The price at which H Shares will be issued upon conversion will initially be HK\$43.71 per H Share but will be subject to adjustments in certain circumstances.

The conversion price will be subject to adjustment upon the occurrence of certain prescribed events, namely: (i) consolidation, subdivision or re-classification of H Shares; (ii) capitalisation of profits or reserves; (iii) capital distributions; (iv) rights issues of ordinary shares or options over ordinary shares at a consideration less than 95% of the Current Market Price per H Share; (v) rights issues of other securities; (vi) issues at less than 95% of the Current Market Price per H Share; (vii) other issues of convertible or exchangeable securities at less than 95% of the Current Market Price per H Share; (viii) modification of rights of conversion etc. at less than 95% of the Current Market Price per H Share; (ix) other offers to ordinary shareholders; or (x) other events as the Company otherwise determines that an adjustment should be made to the Conversion Price as further described in the Terms and Conditions (each an “**Adjustment Event**”).

If a Change of Control shall have occurred, the Company shall give notice of that fact to the Bondholders (the “**Change of Control Notice**”) and to the Trustee and the agents in writing within 14 days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of conversion rights such that the relevant conversion date falls within the period of 30 days following the later of (i) the occurrence of the relevant Change of Control and (ii) the date on which the Change of Control Notice is given to Bondholders (such period, the “**Change of Control Conversion Period**”), the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} / (1 + (\text{CP} \times c/t))$$

Where:

NCP = the Conversion Price after such adjustment;

OCP = the Conversion Price before such adjustment. For the avoidance of doubt, OCP for the purposes of this adjustment shall be the conversion price applicable on the relevant conversion date in respect of any conversion pursuant to this adjustment;

Conversion Premium (“CP”) = 25.0% expressed as a fraction;

c = the number of days from and including the first day of the Change of Control Conversion Period to but excluding the Maturity Date; and

t = the number of days from and including the Issue Date to but excluding the Maturity Date.

No adjustment will be made to the Conversion Price when ordinary shares or other securities (including rights or options) are issued, offered, exercised, allotted, appropriated, modified or granted to or for the benefit of employees (including directors) of the Company or any of its Subsidiaries pursuant to any employee share scheme or plan (and which employee share scheme or plan is in compliance with, if applicable, the Listing Rules or, if applicable, the Stock Listing Rules of The Shanghai Stock Exchange or, if relevant, the listing rules of the Alternative Stock Exchange (“**Share Scheme Options**”) unless any issue or grant of Share Scheme Options would result in the total number of ordinary shares which may be issued upon exercise of all Share Scheme Options granted during the 12-month period up to and including the date of such issue or grant representing, in aggregate, more than 2.0% of the average of the issued and outstanding ordinary shares during such 12-month period.

Cash Settlement Option: Notwithstanding the conversion right of each Bondholder in respect of each Bond, at any time when the delivery of H Shares deliverable upon conversion of the Bond is required to satisfy the conversion right in respect of a notice of conversion (the “**Conversion Notice**”), the Company shall have the option, in its sole discretion, to pay to the relevant Bondholder an amount of cash equivalent to the Cash Settlement Amount (as defined below) in order to satisfy such conversion right in whole or in part (the “**Cash Settlement Option**”), by providing notice of the exercise of the Cash Settlement Option (the “**Cash Settlement Notice**”) as soon as practicable but no later than the fifth H Share Stock Exchange Business Day following the date of the Conversion Notice.

The “**Cash Settlement Amount**” means an amount in U.S. dollars (which shall be determined by the Issuer using the Prevailing Rate on the date of Cash Settlement Notice) equal to the product of:

- (i) the number of H Shares otherwise deliverable upon exercise of the conversion right in respect of the Bonds to which the Conversion Notice applies, and in respect of which the Company has elected the Cash Settlement Option; and
- (ii) the arithmetic average of the Volume Weighted Average Price of the H Shares for each day during the 20 H Share Stock Exchange Business Days immediately after the date of Cash Settlement Notice.

If the Company is at any time otherwise (for any reason whatsoever) unable to issue sufficient H Shares in satisfaction of the conversion right of any converting Bondholder, the Company undertakes to exercise the Cash Settlement Option in full, or to the extent required, to satisfy the conversion right of such Bondholder.

Ranking of Conversion Shares:	The Conversion Shares will be fully paid up and will in all respects rank <i>pari passu</i> with, and within the same class as, the H Shares in issue on the relevant registration date except for any right excluded by mandatory provisions of applicable law.
Redemption at Maturity:	Unless previously redeemed, converted or purchased and cancelled, the Company will redeem each Bond at its principal amount, together with accrued and unpaid interest thereon on the Maturity Date.
Redemption at the Option of the Issuer:	<p>The Company may, having given not less than 30 nor more than 60 days' notice to the Bondholders, the Trustee and the Principal Agent (which notice will be irrevocable), redeem all but not some only of the Bonds at their principal amount, together with accrued and unpaid interest thereon to but excluding the date fixed for redemption:</p> <ul style="list-style-type: none"> (i) at any time after August 5, 2027 but prior to the Maturity Date, provided that no such redemption may be made unless the closing price of an H Share translated into U.S. dollars at the Prevailing Rate applicable to each H Share Stock Exchange Business Day, for any 20 H Share Stock Exchange Business Days within a period of 30 consecutive H Share Stock Exchange Business Days, the last of such H Share Stock Exchange Business Day shall occur not more than 10 days prior to the date upon which notice of such redemption is given, was, for each such 20 H Share Stock Exchange Business Days, at least 130% of the Conversion Price (translated into U.S. dollars at the Fixed Exchange Rate) then in effect; (ii) if at any time the aggregate principal amount of the Bonds outstanding is less than 10% of the aggregate principal amount originally issued.
Redemption for Taxation Reasons:	At any time the Company may, having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Agent and the Bondholders (which notice shall be irrevocable) redeem all but not some only of the Bonds at their principal amount (the " Tax Redemption Date "), together with interest accrued and unpaid thereon to but excluding the date fixed for redemption, if the Company satisfies the Trustee immediately prior to the giving of such notice that (i) the Company has or will become obliged to pay additional tax amounts as provided or referred to in the Terms and Conditions as a result of any change in, or amendment to, the laws or regulations of the PRC or Hong Kong or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after July 15, 2024, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due.

If the Company gives a notice of redemption, each Bondholder will have the right to elect that his Bond(s) shall not be redeemed. Upon a Bondholder electing not to have his Bonds redeemed in such circumstances, no additional tax amount shall be payable by the Company in respect thereof pursuant to the Terms and Conditions and any payments due after the relevant Tax Redemption Date shall be made subject to any deduction or withholding of any tax required to be deducted or withheld. Any additional tax amounts which had been payable in respect of the Bonds as a result of the laws or regulations of the government of the PRC or Hong Kong or, in each case, any authority thereof or therein having power to tax prior to July 15, 2024, will continue to be payable to such Bondholders.

Redemption at the
Option of the
Bondholders:

Each Bondholder will have the right at such Bondholder's option, to require the Company to redeem all or some only of that Bondholder's Bonds on July 22, 2027 at their principal amount together with interest accrued and unpaid to but excluding such date.

Redemption for
Relevant Events:

Following the occurrence of a relevant event, either:

- (a) a Change of Control in the Company;
- (b) a delisting, when the H Shares cease to be listed or admitted to trading on the Hong Kong Stock Exchange or the Alternative Stock Exchange (as the case may be); or
- (c) an H Share suspension in trading, when the suspension in trading of the H Shares for a period of 30 consecutive H Share Stock Exchange Business Days,

each Bondholder will have the right at such Bondholder's option, to require the Company to redeem all or some only of such holder's Bonds on the Relevant Event Put Date (as defined below) at their principal amount together with interest accrued and unpaid to but excluding the Relevant Event Put Date.

The "**Relevant Event Put Date**" shall be the fourteenth day after the expiry of such period of 30 days following the delivery of the notice of redemption by the holder of the relevant Bond not later than 30 days following a relevant event, or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Company in accordance with the Terms and Conditions.

Negative Pledge: So long as any Bond remains outstanding, the Company will not create or permit to subsist, and the Company will procure that no Principal Subsidiary, other than a Listed Subsidiary and Subsidiaries of a Listed Subsidiary, will create, or have outstanding, any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of its undertaking, assets or revenues (including any uncalled capital), present or future, to secure any Relevant Indebtedness or to secure any guarantee of or indemnity in respect of any Relevant Indebtedness unless, at the same time or prior thereto according to the Bonds the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

CONVERSION PRICE AND CONVERSION SHARES

The initial Conversion Price is HK\$43.71 per H Share (subject to adjustments), which represents:

- (a) a premium of approximately 21.25% over the closing price of HK\$36.05 per H Share as quoted on the Hong Kong Stock Exchange on July 15, 2024 (being the day on which the Subscription Agreement was entered into); and
- (b) a premium of approximately 22.27% over approximately HK\$35.75 per H Share, being the average closing price per H Share as quoted on the Hong Kong Stock Exchange for the last five consecutive trading days up to and including July 15, 2024.

The Conversion Price was determined with reference to the prevailing market price H Shares and the Terms and Conditions (including the redemption options) and was negotiated on an arm's length basis between the Company and the Managers after a book-building exercise. The Directors consider that the Conversion Price is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

The Bonds may be converted into Conversion Shares pursuant to the Terms and Conditions. Assuming full conversion of the Bonds at the initial Conversion Price of HK\$43.71 per H Share and no further Shares are issued, the Bonds will be convertible into approximately 625,203,614 Conversion Shares, representing approximately 8.39% of the number of existing issued H Shares and approximately 3.43% of the existing issued share capital of the Company as at the date of this announcement and approximately 7.74% of the number of issued H Shares and approximately 3.32% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon the full conversion of the Bonds.

SUBSCRIBERS

The Managers have informed the Company that the Bonds will be offered to no less than six independent subscribers (who will be professional investors).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the subscribers (and their respective ultimate beneficial owners) is not a connected person of the Company before and immediately after the completion of the issuance of the Bonds.

CSRC FILINGS

Upon completion of the issue of the Bonds, the Company shall proceed with the relevant CSRC Filings.

NFRA APPROVAL ON INCREASE IN REGISTERED CAPITAL

Upon completion of the issue of the Bonds, in case of any issue of Conversion Shares, the Company will seek NFRA's approval for the increase in registered capital thereafter in due course.

EFFECT ON SHAREHOLDING STRUCTURE

The following table summarises the potential effects on the shareholding structure of the Company as a result of the issue of the Bonds assuming full conversion of the Bonds and no further Shares are issued:

	As at the date of this announcement		Assuming the Bonds are fully converted into Conversion Shares at the initial Conversion Price and no further Shares are issued	
	<i>Number of Shares</i>	<i>Approximately % of total issued Shares</i>	<i>Number of Shares</i>	<i>Approximately % of total issued Shares</i>
Holder of A Shares:	10,762,657,695	59.10%	10,762,657,695	57.14%
Holder of H Shares:	7,447,576,912	40.90%	7,447,576,912	39.54%
Bondholders:	—	—	625,203,614	3.32%
Total issued Shares:	<u>18,210,234,607</u>	<u>100.00%</u>	<u>18,835,438,221</u>	<u>100.00%</u>

USE OF PROCEEDS

The net proceeds from the Bonds (after deduction of issue fees and expenses) are estimated to be approximately U.S.\$3,452.0 million, representing a net issue price of approximately HK\$43.11 per Conversion Share based on the initial Conversion Price. The Group intends to apply the net proceeds from the issue of the Bonds to further develop the Group's core business and strengthen the Group's capital position, support the Group's new strategic initiatives in the healthcare and eldercare sectors and for general corporate purposes.

REASONS FOR AND BENEFITS OF THE ISSUE OF THE BONDS

The Board considers that the issue of the Bonds represents an opportunity to optimize the capital structure and diversify funding sources of the Group, which will support the Group's ongoing business development.

GENERAL MANDATE

At the 2023 annual general meeting convened by the Company on May 30, 2024, Shareholders approved to grant general mandates to the Board, to allot, issue and deal with additional H Shares not exceeding 10% of the H Shares in issue of the Company at the date of such meeting (the “**General Mandate**”), and grant a general and unconditional mandate to the Board to issue debt financing instruments in the principal amount of not more than RMB40 billion (inclusive) in aggregate or equivalent in foreign currencies in one or several tranches in domestic or overseas markets.

Under the General Mandate, a maximum of 744,757,691 Conversion Shares may fall to be allotted and issued. As at the date of this announcement, the General Mandate has not been utilised.

The Conversion Shares will be allotted and issued under the General Mandate. The Conversion Shares in respect of the Bonds will utilise, based on the initial Conversion Price, approximately 625,203,614 Shares under the General Mandate, representing approximately 83.95% of the maximum number that is allowed to be allotted and issued under the General Mandate. As such, the Board considers that the General Mandate will be sufficient for, and no further Shareholders’ approval is required for, the allotment and issue of the Conversion Shares.

EQUITY FUND-RAISING ACTIVITY BY THE COMPANY IN THE LAST 12 MONTHS

The Company has not raised any fund by issuing equity securities during the 12 months immediately before the date of this announcement.

APPLICATION FOR LISTING

The Company will make a formal application to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange under Chapter 37 of the Listing Rules. The Company will also make an application to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Conversion Shares on the Hong Kong Stock Exchange.

Completion of the transactions under the Subscription Agreement is subject to the satisfaction and/or waiver of certain conditions precedents therein. In addition, the Subscription Agreement may be terminated under certain circumstances. Please refer to the section headed “SUBSCRIPTION AGREEMENT” above for further information.

As the issue and subscription of the Bonds under the Subscription Agreement may or may not proceed to completion, and the Bonds and/or the Conversion Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Agency Agreement”	the paying, conversion and transfer agency agreement (as amended and/or supplemented from time to time) between the Company, the Trustee, the Principal Agent and The Bank of New York Mellon SA/NV, Dublin Branch, as registrar and transfer agent, which expression shall include any successor appointed from time to time in connection with the Bonds, to be dated on or about the Issue Date
“Alternative Stock Exchange”	at any time, in the case of the H Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which such H Shares are then listed or quoted or dealt in
“A Share(s)”	the ordinary domestic share(s) of RMB1.00 each issued by the Company which are listed and traded on The Shanghai Stock Exchange
“Board”	the board of directors of the Company
“Bondholders”	holders of the Bonds from time to time
“Bonds”	U.S.\$3,500,000,000 0.875% convertible bonds due 2029 convertible at the option of the holder thereof into fully paid H Shares at the initial Conversion Price of HK\$43.71 per H Share
“Change of Control”	(i) any person or persons, acting together acquires control of the Company; or (ii) the Company consolidates with or merges into or sells or transfers all or substantially all of its assets to any other person or persons acting together, unless the consolidation, merger, sale or transfer will not result in any person acquiring control over the Company or the successor entity
“Closing Date” or “Issue Date”	the date on which the Bonds are issued, which is tentatively scheduled on July 22, 2024, or such later date, not being later than 14 days after July 22, 2024, as the Company and the Managers may agree
“Company” or “Issuer”	Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), 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 Hong Kong Stock Exchange

“connected person”	has the meaning ascribed to it under the Listing Rules
“Contracts”	the Subscription Agreement, the Trust Deed and the Agency Agreement
“Conversion Price”	the price per Conversion Share (subject to adjustments) at which the Bonds may be converted into the H Shares
“Conversion Shares”	the H Shares to be issued on conversion of the Bonds pursuant to the Trust Deed and the Terms and Conditions
“CSRC”	the China Securities Regulatory Commission
“CSRC Filing(s)”	any letters, filings, correspondences, communications, documents, responses, undertakings and submissions in any form, including any amendments, supplements and/or modifications thereof, made or to be made to the CSRC, relating to or in connection with the issuance of the Bonds pursuant to the CSRC Filing Rules (including, without limitation, the CSRC Filing Report)
“CSRC Filing Report”	the filing report of the Company in relation to the issuance of the Bonds which will be submitted to the CSRC within three business days after the completion of the issue of the Bonds pursuant to Articles 13 and 16 of the CSRC Filing Rules
“CSRC Filing Rules”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines issued by the CSRC on February 17, 2023 and became effective on March 31, 2023, as amended, supplemented or otherwise modified from time to time
“Current Market Price”	subject to the Terms and Conditions, in respect of a ordinary share of a class on a particular date, the average of the daily closing price on each of the 20 consecutive trading days ending on and including the trading day immediately preceding such date and (if necessary) translated into HK dollars at the Prevailing Rate as at the relevant date
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share Stock Exchange Business Day”	any day (other than a Saturday or Sunday) on which the Hong Kong Stock Exchange or the Alternative Stock Exchange (as the case may be) is open for the business of dealing in securities
“H Share(s)”	the ordinary foreign share(s) with a par value of RMB1.00 each issued by the Company which are listed and traded on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Independent Financial Advisor”	an independent investment bank or licensed financial advisor or institution of international repute (acting as an expert) selected and appointed at its own cost by the Issuer and notified in writing to the Trustee
“Listed Subsidiary”	at any time, any Subsidiary of the Company, the ordinary voting shares of which are at such time listed on the Hong Kong Stock Exchange or any recognised stock exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Managers”	Morgan Stanley Asia Limited, J.P. Morgan Securities (Asia Pacific) Limited and China PA Securities (Hong Kong) Company Limited
“Maturity Date”	July 22, 2029
“NFRA”	the National Financial Regulatory Administration of the PRC
“NDRC”	the National Development and Reform Commission of the PRC
“PRC”	the People’s Republic of China, which shall for the purpose of this announcement only, exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Prevailing Rate”	in respect of any currency on any day, the spot exchange rate between the relevant currencies prevailing as at or about 12:00 noon (Hong Kong time) on that date as appearing on or derived from the relevant Bloomberg BFIX page (or its successor page) or if there is no such page, on the relevant Reuters HKDFIX page (or its successor page) or such other information service provider that displays the relevant information, or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12:00 noon (Hong Kong time) on the immediately preceding day on which such rate can be so determined, provided that in the case of any cash capital distribution in respect of the H Shares, the “Prevailing Rate” shall be deemed to be the average benchmark exchange rate between Renminbi and HK dollars, calculated in the manner as announced by the Issuer on the Hong Kong Stock Exchange from time to time
“Principal Agent”	The Bank of New York Mellon, London Branch

“Principal Subsidiary”	Subject to the Terms and Conditions, a “Principal Subsidiary” means any Subsidiary of the Company: <ul style="list-style-type: none"> (i) whose total revenue (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its latest audited income statement is at least 10% of the consolidated total revenue as shown by the latest published audited income statement of the Company and its consolidated Subsidiaries; or (ii) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its latest audited balance sheet are at least 10% of the consolidated total assets of the Company and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Company and its Subsidiaries, including the investment of the Company and its consolidated Subsidiaries in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Company and of associated companies and after adjustment for minority interests
“professional investors”	has the meaning ascribed to it under Chapter 37 of the Listing Rules
“Relevant Indebtedness”	any present or future indebtedness having a maturity of not less than one year incurred outside the PRC in the form of, or represented by, bonds, debentures, notes, loan stock, bearer participation certificates, depositary receipts, certificates of deposit or other investment securities which represent indebtedness and are for the time being, or are intended to be or capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market, but shall not include any future or present indebtedness denominated in RMB and offered or sold in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	A Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Subscription Agreement”	the agreement dated July 15, 2024 entered into between the Company and the Managers in relation to the issue and subscription of the Bonds

“Subsidiary”	in relation to any person, (i) any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50% of the registered share capital or issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or (ii) any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws of Hong Kong or the PRC, or in accordance with generally accepted accounting principles applicable in the PRC from time to time, should have its accounts consolidated with those of that person
“Terms and Conditions”	the terms and conditions of the Bonds
“Trust Deed”	the trust deed (as amended and/or supplemented from time to time) constituting the Bonds to be made between the Company and the Trustee to be dated on or about July 22, 2024
“Trustee”	The Bank of New York Mellon, London Branch
“Volume Weighted Average Price”	in relation to an H Share for any H Share Stock Exchange Business Day, the order book volume-weighted average price of an H Share for such H Share Stock Exchange Business Day appearing on or derived from Bloomberg screen page “2318 HK Equity VAP” (or its successor page) or, if not available on any of such screens, from such other source as shall be determined in good faith and in a commercially reasonable manner, using a volume-weighted average method, to be appropriate by an Independent Financial Advisor, provided that for any H Share Stock Exchange Business Day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an H Share in respect of such H Share Stock Exchange Business Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding H Share Stock Exchange Business Day on which the same can be so determined
“%”	per cent.

By order of the Board
Sheng Ruisheng
Company Secretary

Shenzhen, the PRC, July 16, 2024

As at the date of this announcement, the executive directors of the Company are Ma Mingzhe, Xie Yonglin and Cai Fangfang; the non-executive directors of the Company are Soopakij Chearavanont, Yang Xiaoping, He Jianfeng and Cai Xun; the independent non-executive directors of the Company are Ng Sing Yip, Chu Yiyun, Liu Hong, Ng Kong Ping Albert, Jin Li and Wang Guangqian.