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China Reinsurance (Group) Corporation
中國再保險(集團)股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 1508)

DISCLOSEABLE TRANSACTION
ACQUISITION OF REAL ESTATE BY CHINA CONTINENT INSURANCE

China Reinsurance (Group) Corporation (the "**Company**") is pleased to announce that on 15 December 2018, China Continent Insurance (a subsidiary of the Company), as the Buyer, entered into a Sale and Purchase Agreement with Shanghai Fuyuan (the Vendor), and agreed to acquire the Property from the Vendor at a consideration of approximately RMB3.085 billion which is payable in cash.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements but is exempt from the Shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

MAJOR TERMS OF THE SALE AND PURCHASE AGREEMENT

Date	15 December 2018
Parties	
Buyer	China Continent Insurance, a subsidiary of the Company
Vendor	Shanghai Fuyuan, the owner of the Property. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Shanghai Fuyuan and its ultimate beneficial owner are third parties independent of the Company and its connected persons as at the date of this announcement.
Target	The target of the Acquisition is Building No. 1 (located at No. 6 Lane 38, Yuanshen Road) of the Shanghai Fuyuan Landmark Plaza Project located at the land plot Nos. 04-4 of Huangpu Riverbank Unit E10, Pudong New District, Shanghai, the PRC, with an above-ground sellable gross floor area of approximately 36,000 square metres.

Consideration	The consideration for the Acquisition (subject to adjustment based on the actual gross floor area of the Property upon completion) is approximately RMB3.085 billion, payable in cash. The total consideration is expected to be paid to the Vendor in five instalments by 2021, of which, 70% shall be paid to the Vendor in two instalments before the delivery of the Property in 2020 and the remaining 30% shall be paid to the Vendor by the end of 2021 in three instalments. The consideration for the Acquisition will be financed by the internal cash resource of China Continent Insurance.
Basis of the Consideration	The consideration was agreed between the parties after commercial negotiations at arm's length. The Buyer agreed to the consideration after its internal valuation based on comparison of the publicly available real estate transaction prices in or near the same locality, the Property's area, the building's age, location and orientation, general construction quality, interior finishes and fittings and neighboring transportation and connectivity. The appraisal value of the Property is approximately RMB3.25 billion.
Completion	The Vendor expects to complete the delivery of the Property by 2020.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company believes that the acquisition of the Property for investment purpose provides an investment opportunity for the Group to obtain stable rental income and to seize the potential growth of the capital value of the property. Besides, incorporating the Property into the property investment combination of the Group could strengthen the asset base of the Group, and hence the Group could invest its properties more sporadically on a geographical base and in a wider market.

Given the foregoing, the Directors are of the view that the Acquisition is conducted on normal commercial terms and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON PARTIES TO THE ACQUISITION

The Group is principally engaged in property and casualty ("**P&C**") reinsurance, life and health reinsurance, primary P&C insurance and asset management business.

China Continent Insurance, a subsidiary of the Company, is mainly engaged in the primary P&C insurance business.

Shanghai Fuyuan is a company established on 3 July 2013, validly incorporated and existing under the laws of the PRC with limited liability. It is principally engaged in the businesses of real estate development and operation, constructions of municipal utilities work, asset management, property management, exhibition and conference services, hotel management, sales of general merchandise, import and export of cargo and technology.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements but is exempt from the Shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Shanghai Fuyuan and its ultimate beneficial owner are third parties independent of the Company and its connected persons as at the date of this announcement. Therefore, the Acquisition does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

DEFINITIONS

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

"Acquisition"	the purchase of the Property from Shanghai Fuyuan by China Continent Insurance in accordance with the Sale and Purchase Agreement
"Board"	the board of directors of the Company
"China" or "PRC"	the People's Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"China Continent Insurance" or "Buyer"	China Continent Property & Casualty Insurance Company Ltd. (中國大地財產保險股份有限公司), a subsidiary of the Company incorporated in the PRC on 15 October 2003
"Company"	China Reinsurance (Group) Corporation
"connected person"	has the meanings ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries (except where the context requires otherwise)
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

"Property"	Building No. 1 (located at No. 6 Lane 38, Yuanshen Road) of Shanghai Fuyuan Landmark Plaza Project at land plot Nos. 04-4 of Huangpu Riverbank Unit E10, Pudong New District, Shanghai, the PRC
"RMB"	Renminbi, the lawful currency of the PRC
"Sale and Purchase Agreement"	the sale and purchase agreement entered into between China Continent Insurance and Shanghai Fuyuan on 15 December 2018 in relation to the acquisition of the Property
"Shanghai Fuyuan" or "Vendor"	Shanghai Fuyuan Binjiang Development Co., Ltd.
"Shareholder(s)"	holder(s) of the shares of the Company

On behalf of the Board
China Reinsurance (Group) Corporation
Zhu Xiaoyun
Joint Company Secretary

Beijing, the PRC, 16 December 2018

As at the date of this announcement, the executive Directors are Mr. Yuan Linjiang, Mr. He Chunlei and Mr. Ren Xiaobing, the non-executive Directors are Ms. Lu Xiuli and Mr. Shen Shuhai, and the independent non-executive Directors are Mr. Hao Yansu, Mr. Li Sanxi, Ms. Mok Kam Sheung and Ms. Jiang Bo.*

* *The appointment of Ms. Jiang Bo will become effective upon the approval of her qualification as a Director by the China Banking and Insurance Regulatory Commission and the implementation of the procedural requirements set out by the Articles of Association of the Company.*