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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 DISPOSAL OF SHARE INSTRUMENTS IN A TARGET COMPANY**

China Reinsurance (Group) Corporation (the “**Company**”) is pleased to announce that on 2 September 2021, China Re Finance, a subsidiary of the Company, entered into a sale and purchase agreement (the “**Agreement**”) with, amongst others, Chengdong Investment Corporation (“**Chengdong**”), Pearl Bidco S.à r.l. and Aurora Investment (Cayman) Limited (together, the “**Acquirors**”). Pursuant to the Agreement, China Re Finance agreed to dispose of its shares in Eurologi II S.à r.l. (“**HoldCo**”) and preferred equity certificates issued by a subsidiary of HoldCo (the “**Shareholder Instruments**”), representing a 10% ownership of the Logicor Group (the “**Asset Portfolio**”) to the Acquirors for a cash consideration of EUR718,000,000 (equivalent to approximately RMB5,490,617,800 or HKD6,610,264,381)<sup>1</sup> (the “**Disposal**”).

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

### **AGREEMENT**

**Date of Agreement:** 2 September 2021

**Parties:** China Re Finance

Chengdong

Pearl Bidco S.à r.l.

Aurora Investment (Cayman) Limited

Eurologi II S.à r.l.

Majority Midco S.à r.l.

Chengdong is a subsidiary of the Company's controlling Shareholder's parent company. As the Company's controlling Shareholder is a PRC government body, it is not treated as a connected person of the Company under Chapter 14A of the Listing Rules. As such, save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Acquirors and their respective ultimate beneficial owners are Independent Third Parties.

**Subject Matter:** Pursuant to the Agreement, China Re Finance agreed to dispose of its Shareholder Instruments (representing a 10% ownership of the Asset Portfolio) to the Acquirors.

**Asset Portfolio:** The Asset Portfolio comprises approximately 600 logistics assets in Europe with a total area of approximately 14 million square meters. The assets in the Asset Portfolio are primarily located along key transportation corridors and are close to commercial hubs, benefiting from the rapid growth of the e-commerce and third party logistics industries.

<b>Net Profit of the Asset Portfolio under the Disposal</b> (estimated by 10% of the total net profit of Logicor Group):		<b>Before tax</b>	<b>After tax</b>
2019		EUR59.3 million	EUR45.3 million
2020		EUR84.9 million	EUR64.9 million

**Book Value of the Asset Portfolio under the Disposal:** The Company's book value of its 10% ownership interest in the assets comprising the Asset Portfolio is EUR717,224,100 as at the end of 2020.

**Consideration and Payment:** The consideration for the Disposal is EUR718,000,000 in cash (equivalent to approximately RMB5,490,617,800 or HKD6,610,264,381)<sup>1</sup>.

The economic effective date of the transaction is 31 December 2020. Based on the above consideration, according to the adjustment arrangement of the settlement amount agreed in the Agreement, the actual settlement amount to be paid by the Acquirors as at the completion date of the Disposal in full satisfaction of the consideration for the Disposal is approximately EUR675,000,000 (equivalent to approximately RMB5,161,792,500 or HKD6,214,385,038)<sup>1</sup>.

**Basis of the Consideration:** The consideration of the Disposal was arrived at after arm's length negotiations between the Parties, taking into account the Company's book value of its 10% ownership interest in the Asset Portfolio.

**Completion:** The Disposal is expected to complete on 15 September 2021 (or such other date as the Parties may agree).

Upon completion, China Re Finance will no longer hold any ownership interests in the Asset Portfolio.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

HoldCo was established at the direction of Chengdong on 1 June 2017. In November 2017, China Re Finance, Chengdong and certain other investors subscribed for shares in HoldCo and preferred equity certificates issued by a subsidiary of HoldCo for the purpose of indirectly investing in the Asset Portfolio. The net proceeds from the Disposal may be used as funding of the Group for allocation and management. It is expected that it will have no impact on the daily operations of the Group. In light of the above, the Directors are of the view that the Disposal provides a great opportunity for the Group to realise its capital gain and generate additional cash flow as well as to carry out capital allocation. The Disposal is on normal commercial terms, fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL IMPACTS OF THE DISPOSAL AND USE OF PROCEEDS**

Upon completion of the Disposal, the Group will no longer own any shares or other securities in HoldCo or any of its subsidiaries (i.e. it will no longer have any ownership in the Asset Portfolio).

The Group expects to realise a book gain of approximately EUR98,000,000 (equivalent to approximately RMB749,415,800 or HKD902,236,643)<sup>1</sup> from the Disposal, being the difference between the settlement amount it will receive on the completion date of the Disposal and the investment cost.

The net proceeds from the Disposal amount to approximately EUR675,000,000 (equivalent to approximately RMB5,161,792,500 or HKD6,214,385,038)<sup>1</sup>, which are expected to be used for the Group's fund allocation and business development.

## **INFORMATION ON PARTIES TO THE DISPOSAL**

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 Re Finance is incorporated in the British Virgin Islands. It is a special purpose vehicle wholly owned by China Re AMC. The business scope of China Re AMC covers management of its own funds and insurance funds, entrusted fund management, consulting services related to funds management and other asset management businesses permitted by laws and regulations.

Chengdong is a limited liability company incorporated in Beijing, China. It is principally engaged in investment management and investment advisory business.

Pearl Bidco S.à r.l. is a société à responsabilité limitée (private limited liability company) incorporated under the laws of the Grand Duchy of Luxembourg which is principally engaged in investment business.

Aurora Investment (Cayman) Limited is a Cayman Islands exempted company which is principally engaged in investment business.

HoldCo is a private limited liability company incorporated in Luxembourg. It is an investment holding company and is principally engaged in investment business.

Majority Midco S.à r.l. is a private limited liability company incorporated in Luxembourg. It is principally engaged in investment business.

## **IMPLICATIONS UNDER THE LISTING RULES**

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

As the Acquirors and their respective ultimate beneficial owners are Independent Third Parties, the Disposal 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:

“Board”	the board of directors of the Company
“China Re Finance”	China Reinsurance Finance Corporation Limited, a subsidiary of the Company incorporated in the British Virgin Islands
“Director(s)”	the director(s) of the Company
“EUR”	Euro, the lawful currency of Europe
“Group”	the Company and (unless the context requires otherwise) its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	the third party(ies) independent of the Company and its connected person (as defined in the Listing Rules)

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

*Note 1: For the purpose of this announcement and illustration only, conversion is based on the approximate exchange rate of EUR1.00 to RMB7.6471, HKD1.00 to RMB0.83062. No representation is made that any amount in EUR, HKD or RMB could have been or could be converted at the above rates or at any other rates.*

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

Beijing, the PRC, 3 September 2021

*As at the date of this announcement, the executive Directors are Mr. Yuan Linjiang, Mr. He Chunlei and Mr. Zhuang Qianzhi, the non-executive Directors are Mr. Wen Ning, Ms. Wang Xiaoya and Mr. Liu Xiaopeng, and the independent non-executive Directors are Mr. Hao Yansu, Mr. Li Sanxi, Ms. Mok Kam Sheung and Ms. Jiang Bo.*