



**Wednesday 3 January 2007**

**CITIC PRUDENTIAL AWARDED LIFE INSURANCE LICENCE FOR TIANJIN DIRECT ADMINISTRATION ZONE IN NORTH EASTERN CHINA**

Prudential plc announced today that its China joint venture, CITIC Prudential, has been awarded a life insurance licence for Tianjin municipality, a strategically significant Direct Administration Zone (DAZ) under the jurisdiction of the Central Government.

Tianjin is located 130 km southeast of Beijing and has a population of 10.4 million. It is the largest open seaport and coastal city in north eastern China and was one of the first cities open to foreign investment. It is now a national development priority according to China's recently published 11<sup>th</sup> Five-Year Plan. In 2005 Tianjin had a GDP of US\$48 billion (RMB 370 billion) and annual income per capita of US\$4,647 (RMB 35,783), increases of 15% and 13% over 2004 respectively.

Garth Jones, Prudential's Managing Director, Insurance, with responsibility for China, said: "We are very excited about this licence as it gives us early entry into Tianjin which the central government has said it plans to develop it into a major economic and financial hub similar to Shenzhen and Pudong, Shanghai over the longer term."

The Tianjin branch is expected to be operational by Q2 2007.

In the fourth quarter 2006, CITIC Prudential also opened new sales offices in Changzhou, in Jiangsu Province, Yichang in Hubei Province and Qingyuan in Guangdong Province. These, together with the Tianjin licence now mean CITIC Prudential has 18 cities covering five provinces and 3 DAZ, making it the leading European life insurance joint venture in China.

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**News release**

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Incorporated and registered in England and Wales. Registered office as above. Registered number 1397169.  
Prudential plc is a holding company, subsidiaries of which are authorised and regulated by the Financial Services Authority.

### **About CITIC- Prudential**

CITIC Prudential, the joint venture between CITIC and Prudential was launched in 2000 and continues to expand its presence in China. It currently has 18 city licences for individual life insurance, a licence permitting it to sell group life insurance nationally in China and a network of over 16,000 agents and staff in China. In addition to life insurance, CITIC Prudential also has a fund management operation based in Shanghai with a national licence to sell retail mutual funds.

<b>City</b>	<b>Province</b>	<b>Licence granted</b>
Guangzhou	Guangdong	Q2 2000
Beijing	Direct Administration Zone	Q1 2003
Suzhou	Jiangsu	Q1 2004
Shanghai	Direct Administration Zone	Q4 2004
Foshan	Guangdong	Q1 2005
Dongguan	Guangdong	Q1 2005
Wuhan	Hubei	Q1 2005
Zhongshan	Guangdong	Q2 2005
Shenzhen	Guangdong	Q2 2005
Nanjing	Jiangsu	Q2 2005
Jinan	Shandong	Q1 2006
Wuxi	Jiangsu	Q2 2006
Jiangmen	Guangdong	Q2 2006
Hangzhou	Zhejiang	Q3 2006
Qingyuan	Guangdong	Q4 2006
Yichang	Hubei	Q4 2006
Changzhou	Jiangsu	Q4 2006
Tianjin	Direct Administration Zone	Q4 2006

### **About Prudential plc**

\*Prudential plc, a company incorporated and with its principal place of business in the United Kingdom, and its affiliated companies constitute one of the world's leading financial services groups. It provides insurance and financial services directly and through its subsidiaries and affiliates throughout the world. It has been in existence for over 150 years and has £238 billion in assets under management, as at 30 June 2006. Prudential plc is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America.

### **Forward-Looking Statements**

This statement may contain certain "forward-looking statements" with respect to certain of Prudential's plans and its current goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements containing the words "believes", "intends", "expects", "plans", "seeks" and "anticipates", and words of similar meaning, are forward-looking. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Prudential's control including among other things, UK domestic and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the policies and actions of regulatory authorities, the impact of competition, inflation, and deflation; experience in particular with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; and the impact of changes in capital, solvency or accounting standards, and tax and other legislation and regulations in the jurisdictions in which Prudential and its affiliates operate. This may for example result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits. As a result, Prudential's actual future financial condition, performance and results may differ materially from the plans, goals, and expectations set forth in Prudential's forward-looking statements. Prudential undertakes no obligation to update the forward-looking statements contained in this statement or any other forward-looking statements it may make.

### **About CITIC Group (China International Trust and Investment Corporation)**

CITIC was established on October 4 1979 by Rong Yiren. The creation of CITIC was initiated and approved by Deng Xiaoping, chief architect of China's reform.

CITIC is a window on the way China has opened to the outside world. Since its inception, CITIC has always adhered to the principle of innovation. In line with government laws, regulations and policies, CITIC has attracted and utilized foreign capital, introduced advanced technologies, and adopted advanced and scientific international practices in operations and management. CITIC has established successful, strong performing businesses in many fields. As a result, CITIC has made significant contributions to the country's reform and opening up drive and has improved China's reputation both domestically and abroad.

CITIC has grown into a large multinational conglomerate. It now owns 44 subsidiaries in countries including Hong Kong, the United States, Canada, Australia and New Zealand. The company has also set up representative offices in Tokyo, New York and Frankfurt. CITIC's core business ranges from financial services to service industries.