

中国人民财产保险股份有限公司 PICC Property and Casualty Company Limited

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

(Stock Code: 2328)

Date: 18 November 2014

Dear Qualified H Shareholder(s),

Reference is made to the prospectus ("**H Share Rights Issue Prospectus**") issued by PICC Property and Casualty Company Limited ("**Company**") dated 18 November 2014 in relation to the H Share Rights Issue. Terms defined in the H Share Rights Issue Prospectus bear the same meanings when used herein unless the context otherwise requires. In accordance with the terms and subject to the conditions set out in the H Share Rights Issue Prospectus accompanying this document despatched to the Qualified H Shareholders and subject to the Articles, the Directors have provisionally allotted to you H Rights Shares on a basis of 0.9 H Rights Shares for every 10 existing H Shares registered in your name on the H Share Register on the H Share Record Date (i.e. at the close of business on 17 November 2014). Your holding of H Shares on the H Share Record Date is set out in Box A and the number of H Rights Shares provisionally allotted to you is set out in Box B of the Provisional Allotment Letter.

H Rights Shares in respect of any unsold entitlements of the Excluded Shareholders, any unsold fractional entitlements to the H Rights Shares, and H Rights Shares not taken up by Qualified H Shareholders or otherwise not subscribed for by transferees of the Nil Paid H Rights, will be made available for excess applications by the Qualified H Shareholders using the accompanying Excess Application Form.

The H Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the H Shares then in issue. Holders of fully-paid H Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the H Rights Shares.

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. No action has been taken to permit a public offering of the Nil Paid H Rights and/or H Rights Shares, other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong.

No person receiving the H Share Rights Issue Prospectus or a Provisional Allotment Letter or an Excess Application Form in any territory outside Hong Kong may treat it as an offer or invitation to apply for the H Rights Shares or excess H Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone outside Hong Kong wishing to take up its Nil Paid H Rights or make an application for excess H Rights Shares to satisfy itself/himself/herself/themselves, before acquiring any Nil Paid H Rights or to apply for excess H Rights Shares, as to the observance of the laws and regulations of all relevant territories, including obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith without prejudice to the foregoing. The Company reserves the right to refuse to permit any H Shareholder to take up its Nil Paid H Rights or apply for excess H Rights Shares where it believes that doing so would violate applicable securities legislations or other laws or regulations of any jurisdiction.

No provisional allotment of the H Rights Shares has been or will be made to the Excluded Shareholders and no Provisional Allotment Letter or Excess Application Form is being sent to them. Arrangements will be made for the Nil Paid H Rights of the Excluded Shareholders who hold their existing H Shares in certificated form to be provisionally allotted to a nominee appointed by the Company for the benefit of the Excluded Shareholders and, if a premium (net of expenses) can be obtained, to be sold by the nominee on such Excluded Shareholders' behalf on the Hong Kong Stock Exchange as soon as practicable after the commencement of dealing in the Nil Paid H Rights. The proceeds of such sale, less expenses, will be divided on a pro rata basis and passed to the Excluded Shareholders, provided that no more than 10% of the proceeds of such sale, less expenses, will be paid to the Company for its own benefit. With respect to the Excluded Shareholders who hold interests in H Shares through CCASS, the nominees, custodians or other intermediaries may sell, on such Excluded Shareholders' behalf, their entitlements to the Nil Paid H Rights in compliance with applicable securities laws and distribute the proceeds thereof as appropriate.

The Company will send copies of the H Share Rights Issue Prospectus to the Excluded Shareholders, to the extent reasonably practicable and legally permitted, for their information purposes only, provided that the H Share Rights Issue Prospectus shall not be sent to Excluded Shareholders who are known by the Company to be resident in the United States. The Company will not send any Provisional Allotment Letter or Excess Application Form to the Excluded Shareholders.

PROCEDURE FOR ACCEPTANCE AND PAYMENT

To take up your right to subscribe for the H Rights Shares provisionally allotted to you in full as specified in this Provisional Allotment Letter, you must lodge the whole of this original Provisional Allotment Letter in accordance with the instructions herein at any of the particular branches of Industrial and Commercial Bank of China (Asia) Limited as mentioned below together with a remittance for the full amount payable on acceptance, as set out in Box C by no later than **4:00 p.m. on 2 December 2014**. This will constitute acceptance of the provisional allotment and entitlements on the terms of this Provisional Allotment Letter and the H Share Rights Issue Prospectus in submission to the Articles. Unless otherwise agreed by the Company, all remittances must be made in Hong Kong dollars and by cheque or cashier's order. Cheques must be drawn on an account with, and cashier's order must be issued by, a licensed bank in Hong Kong. All such cheques and cashier's order must be made payable to "**ICBC (Asia) Nominee Limited – PICC – PAL**" and must be crossed "**Account Payee only**". No receipt will be given for such remittances. All enquiries in connection with this Provisional Allotment Letter should be addressed to the H Share Registrar at (852) 2862 8647.

District	Branch Name	Address	Opening hours from 19 November 2014 to 2 December 2014 (both days inclusive):
Hong Kong	Central Branch	1/F, 9 Queen's Road Central	Monday to Friday: 9:00 a.m. to 5:00 p.m.;
	Wan Chai Road Branch	G/F Times Media Centre, No.133 Wan Chai Road	Saturday: 9:00 a.m. to 1:00 p.m.; and
	North Point Branch	G/F, 436-438 King's Road, North Point	The Latest Acceptance Date (2 December 2014) : 9:00 a.m. to 4:00 p.m.

Kowloon	Mongkok Branch	G/F., Belgian Bank Building, 721-725 Nathan Road, Mongkok
	Tsimshatsui East Branch	Shop B, G/F, Railway Plaza, 39 Chatham Road South, Tsimshatsui
	Ngau Tau Kok Branch	Shop Nos. G211-214, G/F, Phase II, Amoy Plaza, 77 Ngau Tau Kok Road

New Territories	Kwai Fong Branch	C63A-C66, 2/F, Kwai Chung Plaza, Kwai Fong
	Sheung Shui Branch	Shop 2, G/F, San Fung Building, No.33 San Fung Avenue, Shek Wu Hui, Sheung Shui

It should be noted that unless this Provisional Allotment Letter, duly completed, together with the appropriate remittance for the amount as shown in Box C, has been lodged in the manner as described above by no later than 4:00 p.m. on 2 December 2014, whether by the original allottee or any person in whose favour the rights to subscribe for the H Rights Shares have been validly transferred, your provisional allotment and all rights thereto will be deemed to have been declined and will be cancelled and such H Rights Shares will be made available for application on Excess Application Forms by other Qualified H Shareholders. The Company may (at its discretion) treat a Provisional Allotment Letter as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions.

Completion and return of this Provisional Allotment Letter will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong, in connection with the Provisional Allotment Letter and any acceptance of it, have been, or will be, duly complied with. The Company reserves the right to refuse to accept any application for the H Rights Shares where it believes that in doing so would violate the applicable securities legislations or other laws or regulations of any jurisdiction. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

TRANSFER

If you wish to transfer all of your Nil Paid H Rights, you must complete and sign the Form of Transfer (Form B), and hand the original Provisional Allotment Letter to the person(s) to or through whom you are transferring your Nil Paid H Rights. The transferee(s) must then complete and sign on the same Form of Transfer (Form B) and lodge the Provisional Allotment Letter intact, together with a remittance for the full amount payable on acceptance as set out in Box C at any one of the branches of Industrial and Commercial Bank of China (Asia) Limited as mentioned above by no later than 4:00 p.m. on 2 December 2014. Unless otherwise agreed by the Company, all remittances must be made in Hong Kong dollars and by cheque or cashier's order. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**ICBC (Asia) Nominee Limited – PICC – PAL**" and must be crossed "**Account Payee only**". It should be noted that stamp duty is payable in connection with the transfer of your Nil Paid H Rights to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

SPLITTING

If you wish to accept only part of your provisional allotment or wish to transfer all or part of your provisional allotment to more than one person, the original Provisional Allotment Letter must be surrendered and lodged for cancellation, together with a covering letter stating clearly the number of split Provisional Allotment Letters required and the number of Nil Paid H Rights to be comprised in each split Provisional Allotment Letter (which, in aggregate, should be equal to the number of H Rights Shares provisionally allotted to you as stated in Box B) by no later than 4:30 p.m. on 24 November 2014 to the H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong who will cancel the original Provisional Allotment Letter and issue new Provisional Allotment Letters in the denominations required, which will be available for collection at the same place on the second business day after you surrender the original Provisional Allotment Letter.

FRACTIONS OF H RIGHTS SHARES

Qualifying H Shareholders will be rounded down to the nearest whole number and fractional entitlements to H Rights Shares will not be provisionally allotted to the H Shareholders. The Nil Paid H Rights representing the aggregate of all the fractions of the H Rights Shares (rounded down to the nearest whole number) will be provisionally allotted to a nominee appointed by the Company and, if a premium (net of expenses) can be obtained, will be sold by the nominee on the Company's behalf in the market as soon as practicable after the commencement in dealing in the Nil Paid H Rights and the net proceeds of such sale will be retained by the Company for its own benefit. Any H Rights Shares in respect of unsold fractional entitlements will be made available for excess application by the Qualified H Shareholders.

EXCESS H RIGHTS SHARES

Qualified H Shareholders may apply, by way of excess applications, for H Rights Shares in respect of any unsold entitlements of the Excluded Shareholders, any unsold fractional entitlements to the H Rights Shares and H Rights Shares not taken up by Qualified H Shareholders or otherwise not subscribed for by transferees of the Nil Paid H Rights.

Applications for excess H Rights Shares should be made only by Qualified H Shareholders and only by completing an Excess Application Form. Excess H Rights Shares (if available) will, at the sole discretion of the Directors (after consulting with the Sole Global Coordinator), be allocated and allotted on a fair and reasonable basis. All excess H Rights Shares will be allotted to Qualified H Shareholders who have applied for excess H Rights Shares on a pro rata basis with reference to their number of excess H Rights Shares applied for. No reference will be made to H Rights Shares comprised in applications by Provisional Allotment Letter or the existing number of H Shares held by Qualified H Shareholders.

H Shareholders with their H Shares held by a nominee company should note that the Board will regard the nominee company as a single H Shareholder in accordance with the H Shareholders' register of the Company. Accordingly, H Shareholders should note that the aforesaid arrangement in relation to the allocation of excess H Rights Shares will not be extended to Beneficial H Shareholders individually.

The Excess Application Form is for use only by the person(s) to whom it is addressed and is not transferable. All enquiries in connection with the Excess Application Form should be addressed to the H Share Registrar.

If you wish to apply for excess H Rights Shares, you must complete and sign the Excess Application Form together with a separate remittance for the amount payable on application in respect of the excess H Rights Shares applied for, with any one of the branches of Industrial and Commercial Bank of China (Asia) Limited as mentioned above by no later than 4:00 p.m. on 2 December 2014. Unless otherwise agreed by the Company, all remittances must be in Hong Kong Dollars and by cheque or cashier's order. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**ICBC (Asia) Nominee Limited – PICC – EAF**" and must be crossed "**Account Payee only**". An announcement of the results of acceptance of and excess applications for the H Share Rights Issue will be published on 8 December 2014. There is no guarantee that the Company will allot and issue any excess H Rights Shares that you apply for.

CHEQUES AND CASHIER'S ORDER

All cheques and cashier's orders will be presented for payment upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Any Provisional Allotment Letter and/or Excess Application Form in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation is liable to be rejected. Completion and return of a Provisional Allotment Letter and/or Excess Application Form with a cheque and/or cashier's order, whether by you or by any nominated transferee will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to other rights of the Company in respect thereof, the Company reserves the right to reject any Provisional Allotment Letter in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements given pursuant to it will be deemed to have been declined and will be cancelled. You must pay the exact amount payable upon application for the H Rights Shares, any underpaid applications will be rejected. In the event of an overpaid application, a refund cheque will be made out to you only if the overpaid amount is HK\$100 or above. The full fulfilment of the conditions of the H Share Rights Issue, refund cheques in respect of wholly or partially unsuccessful applications for excess H Rights Shares (if any) are expected to be posted by ordinary post at your own risk to your registered addresses, or other persons entitled thereto, on or about 9 December 2014.

SHARE CERTIFICATES AND REFUND CHEQUES

Subject to the fulfilment of the conditions of the H Share Rights Issue, it is expected that the certificates for the H Rights Shares will be posted by the H Share Registrar, Computershare Hong Kong Investor Services Limited, to those entitled thereto by ordinary mail at their own risk to their registered addresses on or about 9 December 2014. Refund cheques in respect of wholly or partially unsuccessful applications for excess H Rights Shares (if any) are expected to be posted to those entitled by ordinary mail at their own risk on or about 9 December 2014.

You will receive one share certificate for the entitlement to the H Rights Shares in fully paid form.

QUALIFIED H SHAREHOLDERS AND EXCLUDED SHAREHOLDERS

To qualify for the subscription of the H Rights Shares, an individual shareholder must be registered as a member of the Company at the close of business on 17 November 2014 and must not be an Excluded Shareholder. In order to be registered as members of the Company at the close of business on 17 November 2014, H Shareholders must lodge their Provisional Allotment Letter together with the relevant share certificates with the H Share Registrar for registration no later than 4:30 p.m. on 11 November 2014.

Excluded Shareholders are those H Shareholders or Beneficial H Shareholders with registered addresses in, or who are otherwise known by the Company to be residents of, places outside Hong Kong and in respect of whom the Directors, based on enquiries made by the Directors, consider it necessary or expedient not to offer the H Rights Shares on account either of the legal restrictions under the laws of the relevant place in which the H Shareholder or Beneficial H Shareholder is located or the requirements of the relevant regulatory body or stock exchange in that place.

For the purposes of the H Share Rights Issue, the Excluded Shareholders are:

- H Shareholders whose name(s) appeared in the register of members of the Company at the close of business on 17 November 2014 and whose address(es) as shown in such register is/are in any of the Specified Territories, except for those H Shareholders with addresses in the PRC and the United States who fulfil the relevant requirements to the satisfaction of the Company; and
- any H Shareholder or Beneficial H Shareholders at that time who are otherwise known by the Company to be resident in any of the Specified Territories, except for those H Shareholders or Beneficial H Shareholders resident in the PRC and the United States who fulfil the relevant requirements to the satisfaction of the Company.

Notwithstanding any other provision in the Prospectus Documents, the Company reserves the right to permit any H Shareholder or Beneficial H Shareholder to take up his/her/its rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. The Company also reserves the right to treat as invalid, and will not be bound to allot or issue any H Rights Shares in respect of, any acceptance or purported acceptance of the offer of Nil Paid H Rights or the H Rights Shares which:

- appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction; or
 - in the case of a Provisional Allotment Letter, provides for an address for delivery of the share certificates in, or, in the case of a credit of H Rights Shares in CCASS, a CCASS participant whose address is in, or is otherwise a resident of, any of the Specified Territories or any other jurisdiction in which it would be unlawful to deliver such share certificates or make such a credit or if the Company believes or its agents believe that the same may violate applicable legal or regulatory requirements.
- Receipt of any of the Prospectus Documents or the crediting of Nil Paid H Rights to a stock account in CCASS does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, the Prospectus Documents must be treated as sent for information purposes only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of any of the Prospectus Documents or whose stock account in CCASS is credited with Nil Paid H Rights should not, in connection with the H Rights Issue, distribute or send the same into or from, or transfer Nil Paid H Rights to any person in, into or from, any of the Specified Territories. If a Provisional Allotment Letter, an Excess Application Form or a credit of Nil Paid H Rights to a stock account in CCASS is received by any person in any such Specified Territory, or by his/her/its agent or nominee, he/she/it should not seek to take up the rights referred to in the Provisional Allotment Letter or transfer the Provisional Allotment Letter (or apply for any excess H Rights Shares under the Excess Application Form) or transfer the Nil Paid H Rights in CCASS unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward any of the Prospectus Documents in, into or from any of the Specified Territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

LIMITED CATEGORIES OF PERSONS IN THE SPECIFIED TERRITORIES, WHO MAY BE ABLE TO TAKE UP THEIR NIL PAID H RIGHTS TO SUBSCRIBE FOR THE H RIGHTS SHARES UNDER THE H SHARE RIGHTS ISSUE

Notwithstanding what is said in the section headed "Qualified H Shareholders and Excluded Shareholders" above, the following limited categories of persons in the Specified Territories may be able to take up their rights under the H Share Rights Issue:

- H Shareholders or Beneficial H Shareholders in the United States are generally Excluded Shareholders. However, a limited number of H Shareholders and Beneficial H Shareholders in the United States who the Company reasonably believes are QIBs may be able to take up their Nil Paid H Rights to subscribe for H Rights Shares being offered in the H Share Rights Issue in transactions exempt from registration requirements under the U.S. Securities Act, provided that they fulfil relevant requirements to the satisfaction of the Company; and
- H Shareholders or Beneficial H Shareholders in the PRC are generally Excluded Shareholders. However, QIBs and persons who are entitled to hold H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authority may be able to take up their Nil Paid H Rights to subscribe for H Rights Shares being offered under the H Share Rights Issue, provided that they fulfil the requirements under the relevant PRC laws and regulations to the satisfaction of the Company.

In each case, the Company reserves the right, in its absolute discretion, to determine whether to allow such participation, as well as the identity of the persons who may be allowed to do so.

REPRESENTATIONS AND WARRANTIES

By completing, signing and submitting this Provisional Allotment Letter, each subscriber of H Rights Shares being offered and sold outside the United States hereby represents and warrants to the Company and the Underwriters and to any person acting on their behalf, unless in their sole discretion, the Company and the Underwriters waive such requirement expressly in writing that:

- he/she/it was an H Shareholder as at the H Share Record Date, or he/she/it lawfully acquired or may lawfully acquire the Nil Paid H Rights, directly or indirectly, from such a person;
- he/she/it is not located in any other jurisdiction in which it is unlawful to purchase or take up the Nil Paid H Rights or subscribe for or accept H Rights Shares;
- Subject to certain exceptions, he/she/it is not resident or located in, or a citizen of, the United States;
- Subject to certain exceptions, he/she/it is not accepting an offer to purchase or take up the Nil Paid H Rights or subscribe for or accept H Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of, the United States at the time the instruction to accept was given;
- he/she/it is not doing so for the account of any person who is located in the United States, unless:
 - the instruction to purchase or take up the Nil Paid H Rights or to subscribe for or accept H Rights Shares was received from a person outside the United States; and
 - the person giving such instruction has confirmed that he/she/it (x) has the authority to give such instruction, and (y) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the H Rights Shares in an "offshore transaction" within the meaning of Regulation S under the U.S. Securities Act;
- he/she/it is acquiring the Nil Paid H Rights and/or the H Rights Shares in an "offshore transaction" as defined in Regulation S under the U.S. Securities Act;
- he/she/it has not been offered the H Rights Shares by means of any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act;
- he/she/it is not purchasing or taking up the Nil Paid H Rights or subscribing for or accepting H Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renoucement, pledge, transfer or delivery, directly or indirectly, of any such Nil Paid H Rights or H Rights Shares into the United States or any other jurisdiction referred to in paragraph (i) above; and
- he/she/it understands that neither the Nil Paid H Rights nor the H Rights Shares have been or will be registered under the U.S. Securities Act or with any securities regulatory authority of any state, territory, or possession of the United States and the Nil Paid H Rights or H Rights Shares are being distributed and offered outside the United States in reliance on the U.S. Securities Act. Consequently he/she/it understands the Nil Paid H Rights or H Rights Shares may not be offered, sold, pledged or otherwise transferred in or into the United States, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

GENERAL

Lodgment of this Provisional Allotment Letter with, where relevant, the form of transfer and nomination purporting to have been signed by the person(s) in whose favour it has been issued, shall be conclusive evidence of the title of the party or parties lodging it to deal with the same and to receive split Provisional Allotment Letters and/or the share certificates for H Rights Shares.

This Provisional Allotment Letter and any acceptance of the offer contained herein shall be governed by, and construed in accordance with, the laws of Hong Kong.

Full details of the H Share Rights Issue Prospectus giving details of the H Share Rights Issue are available from the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong during normal business hours.

All documents, including cheques for refund, will be sent by ordinary mail at the risk of the relevant applicants or other persons entitled thereto.

Nil Paid H Rights are expected to be traded in board lots of 2,000 (as the existing H Shares are currently traded) on the Hong Kong Stock Exchange in board lots of 2,000. References in this Provisional Allotment Letter to time are to Hong Kong time unless otherwise stated.

By completing, signing and submitting this Provisional Allotment Letter, you agree to disclose to the Company and/or its H Share Registrar and their respective advisers and agents personal data and any information which they require about you or the person(s) for whose benefit you have made the acceptance of the provisional allotment of H Rights Shares. The Personal Data (Privacy) Ordinance provides the holders of securities with rights to ascertain whether the Company or its H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. In accordance with the Personal Data (Privacy) Ordinance, the company and its H Share Registrar have the right to charge a reasonable fee for the processing of any data access request. All requests for access to data or correction of data or for information regarding policies and practices and the kinds of data held should be addressed to the Company, at its principal place of business in Hong Kong at 13th Floor, Guangdong Investment Tower, 148 Canton Road, Central, Hong Kong or as notified from time to time in accordance with applicable law, for the attention of the Company Secretary or (as the case may be) the H Share Registrar.

Yours faithfully,
for and on behalf of
PICC Property and Casualty Company Limited
Wu Yan
Chairman of the Board

