

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 with limited liability)

(Stock Code: 2328)

CONTINUING CONNECTED TRANSACTION GOODS PROCUREMENT CONTRACT WITH BANGBANG AUTO SALES & SERVICES

The Company entered into a Goods Procurement Contract with BangBang Auto Sales & Services on 29 May 2019, pursuant to which, the Company shall purchase spare parts for the maintenance of insured accident-damaged vehicles from BangBang Auto Sales & Services, and BangBang Auto Sales & Services shall supply spare parts for accident-damaged vehicles and provide services on development, operation and maintenance of relevant systems to the Company. The Company shall pay the cost of the auto spare parts to BangBang Auto Sales & Services.

Pursuant to the relevant provisions of the Listing Rules, the Goods Procurement Contract with BangBang Auto Sales & Services constitutes a continuing connected transaction of the Company. As the highest applicable percentage ratio for the payment to BangBang Auto Sales & Services for the auto spare parts by the Company under the Goods Procurement Contract exceeds 0.1% but is less than 5%, the Transaction is subject to the reporting, annual review and announcement requirements and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

Certain branch offices of the Company started to purchase auto spare parts from BangBang Auto Sales & Services which are required to substitute for those of the accident-damaged vehicles during the claim settlement and loss adjustment process of motor vehicle insurance since the year of 2018. For the year ended 31 December 2018 and during the period from 1 January 2019 to 30 April 2019, the highest applicable percentage ratio for the payment to BangBang Auto Sales & Services for the auto spare parts by the Company didn't exceed 0.1%. The Company entered into a Goods Procurement Contract with BangBang Auto Sales & Services on 29 May 2019, pursuant to which, the Company shall purchase spare parts for the maintenance of insured accident-damaged vehicles from BangBang Auto Sales & Services, and BangBang Auto Sales & Services shall supply spare parts for accident-damaged vehicles and provide services on development, operation and maintenance of relevant systems to the Company. The Company shall pay the cost of the auto spare parts to BangBang Auto Sales & Services.

GOODS PROCUREMENT CONTRACT

1. Date of Signing

29 May 2019

2. Parties

- (1) the Company
- (2) BangBang Auto Sales & Services

3. Term

Commencing from 1 April 2019 and expiring on 31 March 2021

4. Collaboration

The Company will purchase spare parts for the maintenance of insured accident-damaged vehicles from BangBang Auto Sales & Services, and BangBang Auto Sales & Services will supply spare parts for accident-damaged vehicles and provide services on development, operation and maintenance of relevant systems to the Company.

5. Payment for auto spare parts

Branch offices of the Company may obtain the quotes from multiple suppliers on the “Jia An Pei” platform of BangBang Auto Sales & Services in the claim system and determine the final price of the spare parts after comparing the price offered by the suppliers with the original price rate in the claim system of the Company to ensure that the price of the auto spare parts is fair and does not deviate from the price or the charging standard offered by independent third parties in the market. BangBang Auto Sales & Services supplies auto spare parts to the Company and the Company pays for the auto spare parts to BangBang Auto Sales & Services; other than that, the Company is not liable to make any further payment to BangBang Auto Sales & Services pursuant to the Contract.

The Company or any branch offices thereof will purchase auto spare parts from BangBang Auto Sales & Services by placing an order and BangBang Auto Sales & Services will deliver the auto spare parts specified in the order to the agreed location for acceptance inspection. Upon completion of the acceptance inspection of the auto spare parts by the designated personnel of the Company or the branch offices, the Company or the branch offices will make a lump sum payment in full of the order to BangBang Auto Sales & Services within 20 days after the receipt of the invoice issued by BangBang Auto Sales & Services, or upon completion of claim settlements in respect of the accidents by the Company or the branch offices and within 20 days after the receipt of the invoice issued by BangBang Auto Sales & Services. The Company will settle the payment via bank transfer.

PROPOSED ANNUAL CAPS

During the term of the Contract, the proposed annual caps for the payment for auto spare parts to be paid by the Company to BangBang Auto Sales & Services are as follows:

Period	Proposed Annual Caps <i>RMB million</i>
Year ending 31 December 2019	1,540
Year ending 31 December 2020	6,000
1 January 2021 to 31 March 2021	1,500

The proposed annual caps set out above are determined based on the estimated overall claim payment for auto spare parts of the Company and estimated percentage of auto spare parts to be purchased from BangBang Auto Sales & Services. With the business development of the Company and expansion of business cooperation between the Company and BangBang Auto

Sales & Services, the amounts of auto spare parts purchased by the Company from BangBang Auto Sales & Services are expected to increase on a yearly basis, which leads to the gradual increase in proposed annual caps during the term of the Contract.

HISTORICAL AMOUNT

For the year ended 31 December 2018 and during the period from 1 January 2019 to 30 April 2019, the Company paid BangBang Auto Sales & Services RMB141 million and RMB102 million respectively for auto spare parts.

GENERAL INFORMATION

Information of the Company

The Company is a joint stock limited company incorporated in the PRC with limited liability, whose H shares are listed on the Hong Kong Stock Exchange. The Company is principally engaged in property loss insurance, liability insurance, credit insurance, accidental injury insurance, short-term health insurance, surety insurance and the related reinsurance business as well as investment and funds application business in the PRC.

Information of BangBang Auto Sales & Services

BangBang Auto Sales & Services is a limited liability company incorporated in the PRC and is jointly established by the Company and PICC Financial Services together with external capital. By focusing on the auto services sector, its principal business activities include developing multiple business modes such as M2b and B2b (where auto spare parts manufacturers are referred to as “M”, auto spare parts suppliers are referred to as “B” and auto repair enterprises are referred to as “b”), which are complemented with direct warehousing and distribution system and low interest-bearing financial products. It gradually opens and optimises the supply chain of auto spare parts to bring products and services with high quality and favourable price to auto owners and b-end repair enterprises, achieving a win-win situation among the auto owners, repair enterprises, suppliers, manufacturers, insurance companies and platform operators.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTRACT

Certain branch offices of the Company started to purchase from BangBang Auto Sales & Services auto spare parts which are required to substitute for those of the accident-damaged vehicles during the claim settlement and loss adjustment process of motor vehicle insurance since the year of 2018. The cooperation between the Company and BangBang Auto Sales & Services will be able to improve our pricing power during the claim settlement of motor vehicle insurances, further optimise the classification management system of cooperating repair enterprises, promote business development, reduce the claim cost, accelerate the processing of claim cases and enhance the customer satisfactions so as to provide quality claim services to the insured and realise sharing of resources. In order to meet the business cooperation needs between the Company and BangBang Auto Sales & Services, the Company and BangBang Auto Sales & Services entered into the Contract and expressly set out the cooperation policy guidance of the headquarter for each of the branch offices, which will be helpful for the implementation of the business on claim settlement and loss reduction in each branch.

The Board, including all independent non-executive Directors, is of the view that the Contract is entered into in the ordinary and usual course of business of the Company and on normal commercial terms, and the terms of the Contract and the proposed annual caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

PICC Group holds approximately 68.98% of the issued capital of the Company and is the controlling shareholder of the Company. The Company and PICC Financial Services, a wholly-owned subsidiary of PICC Group, each holds 24.5% of the registered capital in BangBang Auto Sales & Services. Therefore, PICC Group indirectly holds 49% of the registered capital in BangBang Auto Sales & Services. Pursuant to the relevant provisions of the Listing Rules, BangBang Auto Sales & Services is a connected person of the Company, and the Goods Procurement Contract with BangBang Auto Sales & Services constitutes a continuing connected transaction of the Company. As among the Directors of the Company, Mr. Miao Jianmin, Mr. Xie Yiqun and Mr. Tang Zhigang hold positions in PICC Group, while Mr. Li Tao holds a position in PICC Life, a subsidiary of PICC Group, they all abstained from voting on the board resolution for considering and approving the Contract. Save as disclosed above, no other Directors were required to abstain from voting on the board resolution for considering and approving the Contract or are regarded as having a material interest in the Contract.

As the highest applicable percentage ratio for the payment to BangBang Auto Sales & Services for the auto spare parts by the Company under the Goods Procurement Contract exceeds 0.1% but is less than 5%, the Transaction is subject to the reporting, annual review and announcement requirements and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Contract” or “Goods Procurement Contract”	the “Goods Procurement Contract” entered into between the Company and BangBang Auto Sales & Services on 29 May 2019
“Board”	the board of directors of the Company
“Company”	PICC Property and Casualty Company Limited
“connected person”	has the meaning as defined in the Listing Rules
“Directors”	directors of the Company
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PICC Financial Services”	PICC Financial Services Company Limited, a limited liability company incorporated in the PRC
“PICC Group”	The People’s Insurance Company (Group) of China Limited, a joint stock limited company incorporated in the PRC with limited liability, whose shares are listed on the Hong Kong

Stock Exchange and the Shanghai Stock Exchange

“PICC Life”	PICC Life Insurance Company Limited, a joint stock limited company incorporated in the PRC
“BangBang Auto Sales & Services”	BangBang Auto Sales & Service (Beijing) Co., Ltd.
“PRC”	the People’s Republic of China
“Transaction”	Under the Contract, the Company shall purchase spare parts for the maintenance of insured accident-damaged vehicles from BangBang Auto Sales & Services, BangBang Auto Sales & Services shall supply spare parts for accident-damaged vehicles and provide services on development, operation and maintenance of relevant systems to the Company, and the Company shall pay the cost of the auto spare parts to BangBang Auto Sales & Services
“RMB”	Renminbi, the lawful currency of the PRC
“%”	percentage

By Order of the Board
PICC Property and Casualty Company Limited
Miao Jianmin
Chairman

Beijing, the PRC, 29 May 2019

As at the date of this announcement, the Chairman of the Board is Mr. Miao Jianmin (executive director), the Vice Chairman is Mr. Xie Yiqun (executive director), the non-executive directors are Mr. Tang Zhigang and Mr. Li Tao, Ms. Xie Xiaoyu and Mr. Hua Shan are executive directors, and the independent non-executive directors are Mr. Lin Hanchuan, Mr. Lo Chung Hing, Mr. Na Guoyi, Mr. Ma Yusheng, Mr. Chu Bende and Ms. Qu Xiaohui.