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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)

CONNECTED TRANSACTION JOINT ESTABLISHMENT OF PICC REAL ESTATE (SHENZHEN) COMPANY LIMITED

On 26 June 2020, the Company entered into the Shareholders' Capital Contribution Agreement with PICC Life and PICC Health, pursuant to which all parties agreed to jointly establish PICC Real Estate. The Company will subscribe for approximately RMB2.47 billion of the registered capital of PICC Real Estate, with a shareholding of 50%. In addition to the abovementioned capital contributions made to the registered capital, the Company will make further contributions of RMB7.5 million to the capital reserve of PICC Real Estate in proportion to its shareholding of 50%. After the completion of the Transaction, PICC Real Estate will not become a subsidiary of the Company and its financial results will not be consolidated into the financial statements of the Company.

Pursuant to the relevant provisions of the Listing Rules, the Transaction constitutes a connected transaction of the Company. As the highest applicable percentage ratio for the Transaction exceeds 0.1% but is less than 5%, the Transaction is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On 26 June 2020, the Company entered into the Shareholders' Capital Contribution Agreement with PICC Life and PICC Health, pursuant to which all parties agreed to jointly establish PICC Real Estate. The Company will subscribe for approximately RMB2.47 billion of the registered capital of PICC Real Estate, with a shareholding of 50%. In addition to the abovementioned capital contributions made to the registered capital, the Company will make further contributions of RMB7.5 million to the capital reserve of PICC Real Estate in proportion to its shareholding of 50%. After the completion of the Transaction, PICC Real Estate will not become a subsidiary of the Company and its financial results will not be consolidated into the financial statements of the Company.

SHAREHOLDERS' CAPITAL CONTRIBUTION AGREEMENT

1. Date of signing

26 June 2020

2. Parties

- (1) the Company;
- (2) PICC Life; and
- (3) PICC Health.

3. PICC Real Estate

Pursuant to the Shareholders' Capital Contribution Agreement, PICC Real Estate (Shenzhen) Company Limited* (中保不動產(深圳)有限公司) (the name is subject to the final approval by the enterprise registration authorities) is a limited liability company to be incorporated in the PRC with a registered capital of RMB4.94 billion. The Company, PICC Life and PICC Health will subscribe for the registered capital of PICC Real Estate respectively, with a shareholding of 50%, 37.5% and 12.5%, respectively.

The shareholding structure of PICC Real Estate is as follows:

Name of investors	Contributions to the Registered Capital <i>RMB billion</i>	Shareholding %
the Company	2.47	50
PICC Life	1.8525	37.5
PICC Health	0.6175	12.5
Total	4.94	100.0

In addition to the abovementioned capital contributions made to the registered capital, all investors will jointly make further contributions of RMB15.0 million to the capital reserve of PICC Real Estate as its initial and preliminary working capital, of which RMB7.5 million shall be paid by the Company in proportion to its shareholding of 50%.

PICC Real Estate will purchase the property of 1F-49F (the lobby in 1F-2F will be equally shared), Unit A, Building 1 of China Merchants Kaiyuan Center Phase I Land Parcel 03 Project* (招商開元中心一期03地塊項目) located in Luohu District, Shenzhen and developed by Shenzhen Dehan Investment Development Co., Ltd.* (深圳市德瀚投資發展有限公司) ("Target Property"), and PICC Real Estate will be in charge of holding and operating the Target Property as the owner. After the establishment, PICC Real Estate will not engage in other businesses or make investments apart from purchasing, operating and managing the Target Property.

4. Capital contributions and payment method

The registered capital subscribed by the Company is approximately RMB2.47 billion and the capital reserve contributed by the Company is RMB7.5 million, which is determined after arm's length negotiations and with reference to the estimated registered capital and capital reserve of PICC Real Estate as well as the shareholding of the Company. Pursuant to the Agreement, the capital contributions shall be paid by all investors in cash. The first installment of RMB2.361 billion shall be paid by the Company within ten (10) days upon the establishment of PICC Real Estate and the remaining contribution amount of the Company shall be paid before 30 June 2021.

GENERAL INFORMATION

Information of the Company

The Company is a joint stock limited liability company incorporated in the PRC, whose H shares are listed on the Hong Kong Stock Exchange. The Company is principally engaged in property and casualty insurance, liability insurance, credit insurance, accidental injury

insurance, short-term health insurance, surety insurance and the related reinsurance businesses as well as investment and funds application businesses in the PRC. As at the date of this announcement, PICC Group is the controlling shareholder of the Company, holding 68.98% of the total share capital of the Company.

Information of PICC Life

PICC Life is a joint stock limited company incorporated in the PRC and is principally engaged in life insurance, health insurance and accident injury insurance and the related re-insurance business as well as insurance funds application business in the PRC. As at the date of this announcement, PICC Group is the controlling shareholder of PICC Life, directly and indirectly holding 80.0% of the total share capital of PICC Life, among which the Company holds approximately 8.615% of the total share capital of PICC Life.

Information of PICC Health

PICC Health is a joint stock limited company incorporated in the PRC and is principally engaged in health insurance, accident injury insurance, health insurance related consultancy services and agency and re-insurance business as well as insurance funds application business in the PRC. As at the date of this announcement, PICC Group is the controlling shareholder of PICC Health, directly and indirectly holding 95.45% of the total share capital of PICC Health, among which the Company holds approximately 24.726% of the total share capital of PICC Health.

Information of PICC Group

PICC Group is a joint stock limited liability company incorporated in the PRC, whose shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively. PICC Group is principally engaged in the investment and holding of shares of listed corporations, insurance institutions and other financial institutions, the supervision and management of various domestic and overseas businesses of its controlled enterprises and the policy-guided insurance business that is authorised or appointed by the PRC. As at the date of this announcement, the Ministry of Finance of the PRC is the controlling shareholder and the ultimate beneficial owner of PICC Group, holding 60.84% of the total share capital of PICC Group.

REASONS FOR AND BENEFITS OF THE TRANSACTION

PICC Real Estate, to be jointly established by the Company, PICC Life and PICC Health, will purchase the Target Property. The Target Property proposed to be purchased is at reasonable price, can be rented in the future and has certain property investment value considering the economic development prospects of such area. The Board, including the independent non-executive Directors, is of the view that the Transaction is conducted on normal commercial terms in the usual course of business of the Company, the terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

PICC Group is the controlling shareholder of the Company, PICC Life and PICC Health are non-wholly owned subsidiaries of PICC Group. Pursuant to the Listing Rules, PICC Life and PICC Health are connected persons of the Company. Therefore, the Transaction constitutes a connected transaction of the Company. As Mr. Miao Jianmin, a Director of the Company, holds positions in PICC Group and PICC Health, Mr. Xie Yiqun, a Director of the Company, holds a position in PICC Group, Mr. Li Tao, a Director of the Company, holds a position in PICC Life, they have abstained from voting on the Board's proposal for considering and approving the Transaction. Save as disclosed above, no other Directors were required to

abstain from voting on the Board’s proposal for considering and approving the Transaction or is regarded as having a material interest in the Transaction.

As the highest applicable percentage ratio for the Transaction exceeds 0.1% but is less than 5%, the Transaction is only subject to the reporting 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:

“Agreement” or “Shareholders’ Capital Contribution Agreement”	the Shareholders’ Capital Contribution Agreement in relation to the Establishment of PICC Real Estate (Shenzhen) Company Limited* (中保不動產(深圳)有限公司) dated 26 June 2020 entered into between the Company, PICC Life and PICC Health
“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 Group”	The People’s Insurance Company (Group) of China Limited
“PICC Health”	PICC Health Insurance Company Limited
“PICC Life”	PICC Life Insurance Company Limited
“PICC Real Estate”	PICC Real Estate (Shenzhen) Company Limited* (中保不動產(深圳)有限公司) (the name is subject to the final approval by the enterprise registration authorities)
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Transaction”	the joint establishment of PICC Real Estate by the Company, PICC Life and PICC Health in accordance with the Shareholders’ Capital Contribution Agreement

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

Beijing, the PRC, 26 June 2020

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 director is Mr. Li Tao, Mr. Jiang Caishi and Ms. Xie Xiaoyu are executive directors, and the independent non-executive directors are Mr. Lin Hanchuan, Mr. Lo Chung Hing, Mr. Ma Yusheng, Mr. Chu Bende and Ms. Qu Xiaohui.

** For identification purpose only*