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**PICC** 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)

**PROPOSED H SHARE RIGHTS ISSUE OF 379,777,642 H SHARES,  
ON THE BASIS OF 0.9 H RIGHTS SHARES  
FOR EVERY 10 EXISTING H SHARES  
AT HK\$7.46 PER H RIGHTS SHARE  
PAYABLE IN FULL ON ACCEPTANCE**

**PROPOSED DOMESTIC SHARE RIGHTS ISSUE OF 844,594,760 DOMESTIC  
SHARES, ON THE BASIS OF 0.9 DOMESTIC RIGHTS SHARES  
FOR EVERY 10 EXISTING DOMESTIC SHARES  
AT RMB5.92 PER DOMESTIC RIGHTS SHARE  
PAYABLE IN FULL ON ACCEPTANCE**

**CLOSURE OF THE H SHAREHOLDERS' REGISTER  
FROM WEDNESDAY, 12 NOVEMBER 2014  
TO MONDAY, 17 NOVEMBER 2014  
(BOTH DAYS INCLUSIVE)**

The Board is pleased to announce that the Company is proposing the Rights Issue which will comprise an offer of Domestic Rights Shares and an offer of H Rights Shares to Qualified Domestic Shareholder(s) and Qualified H Shareholders, respectively.

Under the Articles of Association, Shareholders' approval by way of special resolution is required for the Company to issue new Shares. This requirement is satisfied by the Shareholders having passed a special resolution granting the General Mandate to the Board at the annual general meeting of the Company held on 27 June 2014. No class meeting is required when Shareholders have passed a special resolution authorising the issuance of Domestic Shares and H Shares of the Company not exceeding 20% of each of the aggregate nominal amount of the Domestic Shares and H Shares of the Company in issue within 12 months of the date on which the Shareholders' approval is obtained. Therefore, the Rights Issue is not subject to further approval by the Shareholders. On 28 July 2014, the CIRC gave its written approval in respect of the Rights Issue and on 2 November 2014, the CSRC gave its written approval in respect of the H Share Rights Issue.

The Rights Issue is conducted on the basis of 0.9 Rights Shares for every 10 existing Shares held by the Shareholders on the Record Date. The Subscription Prices of HK\$7.46 per H Rights Share and RMB5.92 (equivalent to approximately HK\$7.46) per Domestic Rights Share were arrived at after arm's length negotiations between the Company, the Sole Global Coordinator and the other Underwriters based on a discount to the recent closing price of the H Shares. The H Share Rights Issue will proceed on a fully underwritten basis in accordance with Rule 7.19 of the Hong Kong Listing Rules on the terms and conditions set out in the Underwriting Agreement.

The Rights Issue, consisting of the Domestic Share Rights Issue and the H Share Rights Issue, will raise (i) gross proceeds in an aggregate amount of approximately RMB7,249 million (equivalent to approximately HK\$9,132 million); and (ii) net proceeds (after deducting all estimated costs and expenses incidental to the Rights Issue) in an aggregate amount of approximately RMB7,224 million (equivalent to approximately HK\$9,101 million), on the basis of the Subscription Price. The proceeds of the Rights Issue will be used to strengthen the capital base of the Company. The Directors consider that the Rights Issue is in the interests of the Company and the Shareholders as a whole and is an appropriate means of raising capital to strengthen the capital base of the Company.

The Prospectus Documents will be despatched to the Qualified H Shareholders only. For the Excluded Shareholders, the Company will, to the extent reasonably practicable and legally permitted, send the H Share Rights Issue Prospectus to them for their information purposes only, but the Company will not send the Provisional Allotment Letter and the Excess Application Form to the Excluded Shareholders. To qualify for the subscription of the H Rights Shares, an H Shareholder must be registered as a member of the Company at the close of business on the H Share Record Date and must not be an Excluded Shareholder. In order to be registered as members of the Company at the close of business on the H Share Record Date, H Shareholders must lodge any transfer of H Shares (together with the relevant share certificates) with the H Share Registrar for registration no later than 4:30 p.m. on Tuesday, 11 November 2014. The H Shareholders' register of the Company will be closed from Wednesday, 12 November 2014 to Monday, 17 November 2014, both days inclusive. No transfer of H Shares will be registered during this period. The H Share Rights Issue is conditional upon the fulfilment of the conditions set out under the subsection headed "Conditions of the H Share Rights Issue" in this announcement. **If any of the conditions of the H Share Rights Issue are not fulfilled, the H Share Rights Issue will not proceed. The Underwriting Agreement contains provisions entitling the Underwriters by notice in writing to terminate the Underwriting Agreement upon the occurrence of certain events. In the event that the Underwriting Agreement does not become unconditional or if it is terminated in accordance with the terms thereof, the H Share Rights Issue will not proceed.**

**Any H Shareholder or other person dealing in H Rights Shares up to the date on which all the conditions to which the H Share Rights Issue is subject are fulfilled (and the date on which the Underwriters' right of terminating the Underwriting Agreement ceases) and any person dealing in the Nil Paid H Rights during the period from Thursday, 20 November 2014 to Thursday, 27 November 2014 (both days inclusive) will bear the risk that the H Share Rights Issue may not become unconditional or may not proceed. If in any doubt, investors are recommended to consult their professional advisors.**

## A. INTRODUCTION

The Board is pleased to announce that the Company is proposing the Rights Issue which will comprise an offer of Domestic Rights Shares and an offer of H Rights Shares to Qualified Domestic Shareholder(s) and Qualified H Shareholders, respectively, on the terms set out below.

Under the Articles of Association, Shareholders' approval by way of special resolution is required for the Company to issue new Shares. This requirement is satisfied by the Shareholders having passed a special resolution granting the General Mandate to the Board at the annual general meeting of the Company held on 27 June 2014. No class meeting is required where Shareholders have passed a special resolution authorising the issuance of Domestic Shares and H Shares of the Company not exceeding 20% of each of the aggregate nominal amount of the Domestic Shares and H Shares of the Company in issue within 12 months of the date on which the Shareholders' approval is obtained. Therefore, the Rights Issue is not subject to further approval by the Shareholders. Under the General Mandate, a maximum of 1,876,877,244 Domestic Shares and 843,950,316 H Shares can be allotted and issued within 12 months from 27 June 2014. No Share has been issued under the General Mandate since it was granted on 27 June 2014.

## **B. APPROVALS OBTAINED FOR THE RIGHTS ISSUE**

On 28 July 2014, the CIRC gave its written approval (Bao Jian Fa Gai [2014] No. 122) in respect of the Rights Issue and on 2 November 2014, the CSRC gave its written approval (Zheng Jian Xu Ke [2014] No. 1154) in respect of the H Share Rights Issue.

## **C. THE RIGHTS ISSUE**

The Rights Issue is conducted on the basis of 0.9 Rights Shares for every 10 existing Shares held by the Shareholders on the Record Date.

The Subscription Prices of HK\$7.46 per H Rights Share and RMB5.92 (equivalent to approximately HK\$7.46) per Domestic Rights Share were arrived at after arm's length negotiations between the Company, the Sole Global Coordinator and the other Underwriters based on a discount to the recent closing price of the H Shares. The Subscription Prices of the Domestic Rights Shares and the H Rights Shares will be the same after exchange rate adjustment, and is higher than RMB4.23 (equivalent to approximately HK\$5.33), being the latest audited net asset value per Share as stated in the audited consolidated statement of financial position of the Company and its subsidiaries as at 31 December 2013 (on the basis of the total number of Shares in issue as at 31 December 2013).

The Rights Issue, consisting of the Domestic Share Rights Issue and the H Share Rights Issue, will raise (i) gross proceeds in an aggregate amount of approximately RMB7,249 million (equivalent to approximately HK\$9,132 million); and (ii) net proceeds (after deducting all estimated costs and expenses incidental to the Rights Issue) in an aggregate amount of approximately RMB7,224 million (equivalent to approximately HK\$9,101 million), on the basis of the Subscription Price. The Domestic Share Rights Issue and the H Share Rights Issue are not inter-conditional.

As a result of the completion of the Rights Issue, the registered capital of the Company will be increased and certain amendments will be made to the Articles of Association in relation to such increase in the registered capital of the Company. The Company will duly comply with the relevant PRC laws and regulations and the requirements as set out under the Hong Kong Listing Rules in respect of such amendments to the Articles of Association. Details of such amendments will be provided to the Shareholders in further announcement(s) to be issued by the Company in due course.

## D. H SHARE RIGHTS ISSUE

The H Share Rights Issue is subject to the fulfilment of the conditions as set out in the subsection headed “Conditions of the H Share Rights Issue” below.

Details of the H Share Rights Issue are as follows:

### H Share Rights Issue Statistics

<b>Basis of the H Share Rights Issue:</b>	0.9 H Rights Shares for every 10 existing H Shares in issue as at the close of business on the H Share Record Date
<b>Number of Shares in issue as at the date of this announcement:</b>	13,604,137,800
<b>Number of H Shares in issue as at the date of this announcement:</b>	4,219,751,580
<b>Total number of H Rights Shares proposed to be issued (assuming the number of H Shares in issue on the H Share Record Date remains the same as at the date of this announcement):</b>	379,777,642
<b>Aggregate nominal value of the H Rights Shares proposed to be issued:</b>	RMB379,777,642
<b>Subscription Price for the H Rights Shares:</b>	HK\$7.46 per H Rights Share
<b>Sole Global Coordinator:</b>	CICC
<b>Joint Lead Underwriters and Joint Lead Bookrunners:</b>	CICC, HSBC and Goldman Sachs

As at the date of this announcement, the Company has no outstanding convertible securities, options or warrants in issue which would otherwise confer any right to subscribe for, convert or exchange into new H Shares.

### Basis of Entitlement

Subject to the fulfilment of the conditions set out under the subsection below headed “Conditions of the H Share Rights Issue” in this announcement, Qualified H Shareholders will be entitled to Nil Paid H Rights to subscribe for 0.9 H Rights Shares for every 10 existing H Shares held on the H Share Record Date at the Subscription Price of HK\$7.46 for each H Rights Share payable in full on acceptance, constituting a total of 379,777,642 H Shares, representing 9.0% of the Company’s

existing issued H Share capital as at the date of this announcement and approximately 8.3% of the enlarged issued H Share capital of the Company immediately after the H Share Rights Issue (assuming the number of H Shares in issue as at the close of business on the H Share Record Date remains the same as at the date of this announcement).

### **Fractional Entitlements**

The entitlements of Qualified 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 H Rights Shares (rounded down to the nearest whole number) will be provisionally allotted to a nominee or nominees appointed by the Company and, if a premium (net of expenses) can be obtained, will be sold by the nominee or nominees on the Company's behalf in the market as soon as practicable after the commencement of 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 the unsold fractional entitlements will be made available for excess application by the Qualified H Shareholders.

### **Qualified H Shareholders, Closure of H Shareholders' Register and Distribution of the Prospectus Documents**

The Prospectus Documents will be despatched to the Qualified H Shareholders only. For the Excluded Shareholders, the Company will, to the extent reasonably practicable and legally permitted, send the H Share Rights Issue Prospectus to them for their information purposes only, but the Company will not send the Provisional Allotment Letter and the Excess Application Form to the Excluded Shareholders.

To qualify for the subscription of the H Rights Shares, an H Shareholder must be registered as a member of the Company at the close of business on the H Share Record Date and must not be an Excluded Shareholder.

In order to be registered as members of the Company at the close of business on the H Share Record Date, H Shareholders must lodge any transfer of H Shares (together with the relevant share certificates) with the H Share Registrar for registration no later than 4:30 p.m. on Tuesday, 11 November 2014.

The H Shareholders' register of the Company will be closed from Wednesday, 12 November 2014 to Monday, 17 November 2014, both days inclusive. No transfer of H Shares will be registered during this period.

## **Rights of Excluded Shareholders**

If at the close of business on the H Share Record Date, an H Shareholder's address on the Company's H Shareholders' register is in a place outside Hong Kong, that H Shareholder may not be eligible to take part in the H Share Rights Issue. Prospectus Documents to be despatched in connection with the H Share Rights Issue have not and will not be registered or filed under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong.

The Company is currently making enquiries regarding the feasibility of allowing the Overseas Shareholders to participate in the H Share Rights Issue to subscribe for the H Rights Shares. If, after making enquiries, the Board considers that it is necessary or expedient not to offer the H Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the place of his/her/its registered address or the requirements of the relevant regulatory body or stock exchange in that place, such Overseas Shareholders will not be allowed to take up their Nil Paid H Rights to subscribe for the H Rights Shares. The basis for such arrangement with respect to the Excluded Shareholders will be set out in the H Share Rights Issue Prospectus to be issued. The Company will, to the extent reasonably practicable and legally permitted, send copies of the H Share Rights Issue Prospectus to the Excluded Shareholders for their information purposes only, but the Company will not send the Provisional Allotment Letter and the Excess Application Form to the Excluded Shareholders.

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 or nominees 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 or nominees on such Excluded Shareholders' behalf on the Hong Kong Stock Exchange as soon as practicable after the commencement of the dealings in the Nil Paid H Rights. The proceeds of such sale, less expenses, will be divided on a pro rata basis and distributed by the H Share Registrar to the Excluded Shareholders, provided that individual amounts of HK\$100 or less will be paid to the Company for its own benefit. With respect to the Excluded Shareholders who hold interests in H Shares through CCASS, their 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. Any H Rights Shares in respect of unsold entitlements of the Excluded Shareholders, any unsold fractional entitlements to the H Rights Shares together with any H Rights Shares in respect of the Nil Paid H Rights not taken up by the Qualified H Shareholders or otherwise not subscribed for by transferees of the Nil Paid H Rights, will be made available for excess application on Excess Application Forms by the Qualified H Shareholders.

## **The Subscription Price for the H Rights Shares**

The Subscription Price of HK\$7.46 per H Rights Share is payable in full when a Qualified H Shareholder accepts the relevant provisional allotment of H Rights Shares or applies for excess H Rights Shares or when a transferee of the Nil Paid H Rights subscribes for the H Rights Shares.

The Subscription Price of HK\$7.46 per H Rights Share represents:

- (i) a discount of approximately 47.4% to the closing price of HK\$14.18 per H Share as quoted on the Hong Kong Stock Exchange on the Price Determination Date;
- (ii) a discount of approximately 47.2% to the average closing price of HK\$14.12 per H Share as quoted on the Hong Kong Stock Exchange for the 5 consecutive Trading Days up to and including the Price Determination Date;
- (iii) a discount of approximately 46.1% to the average closing price of HK\$13.84 per H Share as quoted on the Hong Kong Stock Exchange for the 10 consecutive Trading Days up to and including the Price Determination Date;
- (iv) a discount of approximately 46.6% to the average closing price of HK\$13.97 per H Share as quoted on the Hong Kong Stock Exchange for the 20 consecutive Trading Days up to and including the Price Determination Date; and
- (v) a discount of approximately 45.3% to the theoretical ex-right price of HK\$13.63 per H Share based on the closing price of HK\$14.18 per H Share as quoted on the Hong Kong Stock Exchange on the Price Determination Date.

The Subscription Price of HK\$7.46 per H Rights Share was arrived at after arm's length negotiations between the Company, the Sole Global Coordinator and the other Underwriters based on a discount to the recent closing price of the H Shares. The net price per H Rights Share upon full acceptance of the relevant provisional allotment of H Rights Shares will be approximately HK\$7.39.

### **Status of the H Rights Shares**

The H Rights Shares, when subscribed for and fully paid, will rank *pari passu* in all respects with the H Shares then in issue. Holders of the 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.

### **Application for Excess H Rights Shares**

Qualified H Shareholders may apply, by way of excess application, for H Rights Shares in respect of any unsold entitlements of the Excluded Shareholders, any unsold fractional entitlements to the H Rights Shares and any H Rights Shares in respect of the Nil Paid H Rights not taken up by the 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 the Qualified H Shareholders and only by completing an Excess Application Form and lodging the same with a separate remittance for the amount payable on application in respect of the excess H Rights Shares being applied for at the particular branches of Industrial and Commercial Bank of China (Asia) Limited as mentioned in the H Share Rights Issue Prospectus no later than 4:00 p.m. on Tuesday, 2 December 2014 or such

later time and/or date as may be agreed between the Company and the Underwriters. 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-EAF" and crossed "Account Payee Only".

All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any Excess Application Form in respect of which a cheque or cashier's order is dishonoured on first presentation is liable to be rejected. An applicant must pay the exact amount payable upon application for the H Rights Shares, any underpaid application will be rejected. In the event of overpaid application, a refund cheque will be made out to the applicant only if the overpaid amount is HK\$100 or above.

If no excess H Rights Shares are allotted and issued to a Qualified H Shareholder, the amount tendered on application is expected to be refunded to that Qualified H Shareholder in full without any interest by means of cheque(s) despatched by ordinary post at the risk of such Qualified H Shareholder on or about Tuesday, 9 December 2014. If the number of excess H Rights Shares allotted and issued to a Qualified H Shareholder is less than the number applied for, the surplus application monies are also expected to be refunded to such Shareholder without any interest by means of cheque(s) despatched by ordinary post at the risk of such Shareholder on or about Tuesday, 9 December 2014.

If the Underwriters exercise the right to terminate their obligations or if the conditions precedent under the Underwriting Agreement are not fulfilled before the Latest Time for Termination and the H Share Rights Issue does not proceed, the monies received in respect of the relevant applications for excess H Rights Shares will be returned to the relevant persons without interest, by means of cheque(s) to be despatched by ordinary post at the risk of such persons on or about Tuesday, 9 December 2014.

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.

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 allocated 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. If the aggregate number of H Rights Shares not taken up by the Qualifying H Shareholders under Provisional Allotment Letters is greater than the aggregate number of excess H Rights Shares applied for through Excess Application Forms, the Directors will allocate to each Qualifying H Shareholder who applies for excess H Rights Shares in full application. No preference will be given to topping up odd lots to whole board lots. There is no guarantee that Qualifying H Shareholders with odd lots of H Rights Shares will be topped up to whole board lots pursuant to their applications for excess H Rights Shares.

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, such 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 Shareholder(s) individually. H Shareholders with their H Shares held by a nominee company are advised to consider whether they would like to arrange the registration of the relevant H Shares in the name of the Beneficial H Shareholder(s) prior to the H Share Record Date.

H Shareholders whose H Shares are held by their nominee(s) and who would like to have their names registered on the H Shareholders' register of the Company must lodge all necessary documents with the H Share Registrar for completion of the relevant registration at or before 4:30 p.m. on Tuesday, 11 November 2014.

### **Conditions of the H Share Rights Issue**

It is expected that the H Share Rights Issue will be conditional upon the fulfilment of the following conditions:

- (i) the approval of the Rights Issue by the Board;
- (ii) the approval of the Rights Issue by the CIRC;
- (iii) the approval of the H Share Rights Issue by the CSRC;
- (iv) the Listing Committee of the Hong Kong Stock Exchange agreeing to grant the listing of, and permission to deal in, the Nil Paid H Rights and the H Rights Shares in their fully-paid forms, either unconditionally or subject to such conditions which the Company accepts; and
- (v) the delivery to the Hong Kong Stock Exchange and filing and registration of all documents in relation to the H Share Rights Issue as required by law to be filed by and registered with the Registrar of Companies in Hong Kong.

Conditions (i) to (iii) have been satisfied as at the date of this announcement. **If any of the conditions is not fulfilled, the H Share Rights Issue will not proceed.**

Please note that the H Share Rights Issue will proceed on a fully underwritten basis in accordance with Rule 7.19 of the Hong Kong Listing Rules. Please refer to the subsection headed "H Share Rights Issue Underwriting Arrangements" in this announcement for details of the underwriting arrangements. **In the event that the Underwriting Agreement does not become unconditional or if it is terminated in accordance with the terms thereof, the H Share Rights Issue will not proceed.**

## **Application for Listing/Dealing Arrangements**

Application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Nil Paid H Rights and the H Rights Shares. Dealings in the Nil Paid H Rights and the H Rights Shares will be subject to the payment of stamp duty, Hong Kong Stock Exchange trading fee, Securities and Futures Commission transaction levy or any other applicable fees and charges in Hong Kong. The board lot size of Nil Paid H Rights and the H Rights Shares is 2,000 Nil Paid H Rights and 2,000 H Rights Shares, respectively.

Subject to the granting of listing of, and permission to deal in, the Nil Paid H Rights and the H Rights Shares on the Hong Kong Stock Exchange, and subject to compliance with the stock admission requirements of HKSCC, the Nil Paid H Rights and the H Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Nil Paid H Rights and the H Rights Shares on the Hong Kong Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange on any Trading Day is required to take place in CCASS on the second Trading Day thereafter. All activities under CCASS are subject to the “General Rules of CCASS” and “CCASS Operational Procedures” in effect from time to time.

Please note that the H Rights Shares and the Domestic Rights Shares are neither interchangeable nor fungible, and there is no trading or settlement between the Domestic Share and the H Share markets.

## **H Share Rights Issue Underwriting Arrangements**

The H Share Rights Issue will be conducted on a fully underwritten basis in accordance with Rule 7.19 of the Hong Kong Listing Rules. Details of the underwriting arrangements in relation to the H Share Rights Issue are set out below:

### *The Underwriting Agreement*

<b>Date:</b>	Tuesday, 4 November 2014
<b>Sole Global Coordinator:</b>	CICC
<b>Joint Lead Underwriters and Joint Lead Bookrunners:</b>	CICC, HSBC and Goldman Sachs
<b>Total number of H Rights Shares underwritten:</b>	Pursuant to the terms of the Underwriting Agreement, the Underwriters have agreed to fully underwrite up to 379,777,642 H Rights Shares not taken up by the Qualified H Shareholders.

Each of CICC, HSBC and Goldman Sachs shall acquire in equal proportions, by subscribing for or by procuring purchaser(s), all H Rights Shares not taken up, each at the Subscription Price.

## *Conditions of the Underwriting Agreement*

The underwriting obligations of the Underwriters under the Underwriting Agreement are conditional upon the following conditions:

- (i) the grant of listing of the H Rights Shares by the Hong Kong Stock Exchange either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof and the grant of permission to deal in the Nil Paid H Rights and H Rights Shares by the Hong Kong Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked or amended prior to the Latest Time for Termination);
- (ii) the H Rights Shares being duly issued and provisionally allotted by the Company on the terms set out in the Prospectus Documents to the Qualified H Shareholders;
- (iii) the approvals of the H Share Rights Issue by (i) CSRC; and (ii) CIRC, and such approvals not subsequently having been withdrawn or revoked or amended prior to the Latest Time for Termination;
- (iv) the delivery of the Prospectus Documents to the Hong Kong Stock Exchange on the Business Day before the Prospectus Date and the issue by the Hong Kong Stock Exchange of a certificate of authorisation of registration before 5:00 p.m. or such later time as agreed by the Hong Kong Stock Exchange on the Business Day before the Prospectus Date;
- (v) the Registrar of Companies in Hong Kong registering the Prospectus Documents and having all the documents required by the provisions of section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) on or before the Despatch Date;
- (vi) despatch of the Prospectus Documents to the Qualified H Shareholders on or before the Despatch Date or such later date to be agreed between the Company and the Sole Global Coordinator (on behalf of the Underwriters);
- (vii) the Company, on the Business Day immediately before the Latest Time for Termination having delivered to the Sole Global Coordinator (on behalf of the Underwriters) a certificate duly signed by an authorised representative of the Board addressed to the Underwriters, dated as of the applicable date, and in the form set forth in the Underwriting Agreement; and
- (viii) the Sole Global Coordinator (on behalf of the Underwriters) receiving from the Company all the documents as set out in the Underwriting Agreement in accordance with the timing as set out therein.

If the conditions of the Underwriting Agreement are not duly satisfied and/or waived (where applicable) by the Sole Global Coordinator (on behalf of the Underwriters), when and as required by the Underwriting Agreement to be satisfied, or the time or date for the fulfilment of any condition is not extended by the Sole Global Coordinator (on behalf of the Underwriters), or if the Underwriting

Agreement shall be terminated as described below, save in respect of certain rights and obligations under the Underwriting Agreement, all obligations of the parties under the Underwriting Agreement will cease. In such circumstances, the Company shall remain liable to reimburse the Underwriters for certain expenses incurred on behalf of the Company, but shall not be liable to pay to any of the Underwriters the underwriting commissions thereunder.

Any of the conditions set out above (except conditions (i) to (vi) above) may be waived at any time by the Sole Global Coordinator (on behalf of the Underwriters), in its sole discretion, and such waiver may be in whole or in part. If the Underwriting Agreement does not become unconditional or is terminated, the H Share Rights Issue will not proceed.

#### *Termination of the Underwriting Agreement*

If any of the termination events set out in the Underwriting Agreement occurs at any time prior to the Latest Time for Termination:

- (i) any of the conditions in the Underwriting Agreement shall not have been satisfied (unless otherwise waived or modified by the Sole Global Coordinator (on behalf of the Underwriters) in accordance with the terms of the Underwriting Agreement);
- (ii) any of the warranties made by the Company under the Underwriting Agreement becomes untrue, inaccurate or misleading or is otherwise breached or is alleged to be untrue, inaccurate or misleading or otherwise breached;
- (iii) any statement contained in the Prospectus Documents is found to be untrue, inaccurate, incomplete or misleading in any material respect;
- (iv) matters have arisen or have been discovered which would, if the Prospectus Documents were to be issued at the time, constitute a material omission therefrom; or
- (v) there has been, occurred, happened, come into effect or become public knowledge, any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
  - a. a suspension or material limitation (including, without limitation, any minimum or maximum price limit or range) in or on trading in securities generally on the Hong Kong Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Tokyo Stock Exchange, the Shenzhen Stock Exchange or the Shanghai Stock Exchange;
  - b. a general suspension or material limitation (including, without limitation, any minimum or maximum price limit or range) in or on trading in any securities of the Company listed or quoted on a stock exchange;

- c. a general moratorium on commercial banking activities declared by relevant Governmental Authorities in Hong Kong, the PRC, the United States, the United Kingdom or the European Union (or any member state thereof), or a material disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in Hong Kong, the PRC, the United States, the United Kingdom or the European Union (or any member state thereof);
- d. any significant change in, or otherwise having a material adverse effect on, (whether or not permanent) local, national or international financial, political, military, industrial, monetary, economic, legal, fiscal, regulatory (including foreign investment regulations) or securities market matters or conditions or currency exchange rates or exchange controls (including (A) any event or circumstance in the nature of force majeure, including any act of government, any declaration by the PRC, Hong Kong, or the United States of a national emergency, economic sanctions, riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, any outbreak or escalation of hostilities (whether or not war has been declared), any acts of terrorism (whether or not responsibility has been claimed), act of God, epidemic, pandemic, outbreak of infectious disease, calamity or crisis, in any of the aforementioned places, (B) any new Laws or any change, or any development involving a prospective change, or any event or circumstance likely to result in a change or a development involving a prospective change, in or affecting existing Laws or the interpretation or application of existing Laws by any court or other competent authority in Hong Kong, the PRC, the United States or the United Kingdom, the European Union (or any member state thereof));
- e. any Governmental Authorities commencing any investigation or other action, or announcing an intention to investigate or take other action, into or in respect of any material breach by the Company and its subsidiaries of applicable Laws, against the Company and its subsidiaries; or
- f. the permission to deal in and the listing of the Nil Paid H Rights and the H Rights Shares having been withdrawn by the Hong Kong Stock Exchange,

and provided that any event described in paragraphs (i) to (v) (in the reasonable opinion of the majority of the Underwriters): (a) results in a Material Adverse Effect (as defined in the Underwriting Agreement); (b) is or may be materially adverse to the success of the H Share Rights Issue; or (c) may make it impracticable or inadvisable or inexpedient to proceed with the H Share Rights Issue, the Sole Global Coordinator (on behalf of the Underwriters) may, after consultation with the Company where practicable, by serving a notice in writing to the Company prior to the Latest Time for Termination, rescind or terminate the Underwriting Agreement.

In the event that the Underwriters exercise their right under the Underwriting Agreement to terminate the Underwriting Agreement, their underwriting obligations will cease and the H Share Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

## *Lock up undertaking*

The Company has undertaken to the Underwriters that it will not at any time prior to the date which is 30 days after the Acceptance Date, except with the prior written consent of the Sole Global Coordinator (on behalf of the Underwriters) and except for the H Rights Shares and Domestic Rights Shares, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interests in Shares.

### **Warning of the Risks of Dealing in the H Rights Shares and the Nil Paid H Rights**

Existing H Shares are expected to be dealt on an ex-rights basis from Monday, 10 November 2014. Dealings in the Nil Paid H Rights are expected to take place from Thursday, 20 November 2014 to Thursday, 27 November 2014 (both days inclusive). **If any of the conditions of the H Share Rights Issue (please refer to the subsection headed “Conditions of the H Share Rights Issue” in this announcement) are not fulfilled, the H Share Rights Issue will not proceed.**

The Underwriting Agreement contains provisions entitling the Underwriters by notice in writing to terminate the Underwriting Agreement upon the occurrence of certain events as described above. **In the event that the Underwriting Agreement does not become unconditional or if it is terminated in accordance with the terms thereof, the H Share Rights Issue will not proceed.**

Any H Shareholder or other person dealing in H Rights Shares up to the date on which all the conditions to which the H Share Rights Issue is subject are fulfilled (and the date on which the Underwriters’ right of termination of the Underwriting Agreement ceases) and any person dealing in the Nil Paid H Rights during the period from Thursday, 20 November 2014 to Thursday, 27 November 2014 (both days inclusive) will bear the risk that the H Share Rights Issue may not become unconditional or may not proceed. If in any doubt, investors are recommended to consult their professional advisers.

Any dealing in the H Rights Shares or the Nil Paid H Rights is at the investor’s own risk. If in any doubt, investors are recommended to consult their professional advisers.

### **Despatch of H Share Certificates and the Refund Cheques for the H Rights Shares**

Subject to the fulfilment of the conditions of the H Share Rights Issue, it is expected that the certificates for the H Rights Shares and the refund cheque(s) in respect of wholly or partly unsuccessful applications for excess H Rights Shares (if any) will be despatched by ordinary post to the allottees and those entitled thereto, at their own risk, to their registered addresses by the H Share Registrar on or about Tuesday, 9 December 2014.

## **Taxation**

Qualified H Shareholders are advised to consult their professional advisers if they are in any doubt as to the tax implications of the receipt, purchasing, holding, exercising, disposing of or dealing in the Nil Paid H Rights or the H Rights Shares and, regarding the Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the Nil Paid H Rights on their behalf.

It is emphasised that none of the Company, the Directors nor any other parties involved in the H Share Rights Issue accepts responsibility for any tax effects or liabilities of holders of the H Shares resulting from the receipt, purchasing, holding, exercising, disposing of, or dealing in the Nil Paid H Rights or the H Rights Shares or receipt of such net proceeds.

## **Proceeds from the H Share Rights Issue**

The H Share Rights Issue will raise (i) gross proceeds in an aggregate amount of approximately HK\$2,833 million (or approximately RMB2,249 million) and (ii) net proceeds (after deducting all estimated costs and expenses incidental to the H Share Rights Issue) in an aggregate amount of approximately HK\$2,805 million (or approximately RMB2,227 million).

## **AIG Undertaking(s)**

As at the date of this announcement, AIG held, through its Relevant Subsidiaries, 1,346,809,396 H Shares, representing approximately 31.92% of the issued H Shares of the Company and approximately 9.9% of the total Shares in issue. AIG has irrevocably undertaken to the Company, pursuant to the Letter of Undertaking, to procure that each Relevant Subsidiary:

- (i) accepts, subscribes and pays fully for all of the H Rights Shares which will be provisionally allotted to it, as soon as practicable and not later than the latest time for acceptance of and payment for such H Rights Shares, by completing provisional allotment letters and lodging the same with a valid remittance of subscription monies for the H Rights Shares being applied for with the H Share Registrar;
- (ii) shall not withdraw or revoke the application, subscription or payment referred to in paragraph (i) above;
- (iii) without prejudice to the obligations of AIG and its subsidiaries under the Strategic Placing Agreement, shall not, from the date of the Letter of Undertaking to the earliest of (i) the commencement of dealing in the H Rights Shares in fully-paid form, (ii) the date on which the Rights Issue lapses or is abandoned or withdrawn or (iii) 31 January 2015:
  - a. sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest, or contract or agree to sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest over, any H Shares, any Nil Paid H Rights or any H Rights Shares, provided that AIG and its Relevant Subsidiaries may, to the extent requested by a governmental authority or required for regulatory purposes, transfer any H Shares, any Nil

Paid H Rights or any H Rights Shares to AIG or any of its other direct or indirect wholly owned subsidiaries (each, a “**transferee**”) and provided that AIG will be responsible for ensuring that each such transferee complies with the terms of the Letter of Undertaking and the Strategic Placing Agreement and that if any such transferee is about to or will cease to be a wholly owned subsidiary of AIG, then such transferee will transfer its entire interest in H Shares to AIG or a wholly owned subsidiary of AIG before ceasing to be a wholly owned subsidiary; or

- b. enter into any transaction, or offer to or agree to or announce any intention to, effect any transaction specified in, or with the same economic effect as any transaction specified in, sub-paragraph (a) above; and

(iv) takes all actions necessary to give effect to the matters contemplated under the Letter of Undertaking including but not limited to entering into agreements and arrangements with the Company or any other party.

Notwithstanding the paragraph (iii) above, pursuant to the Letter of Undertaking, AIG will not be obligated to subscribe for or purchase, whether directly or indirectly through any wholly owned subsidiary, any H Rights Shares to the extent that it would increase its shareholding interest in the Company to more than 9.9% of the issued share capital of the Company from time to time. Moreover, in the event that the Company undertakes any action that would increase AIG’s shareholding interest in the Company to more than 9.9%, AIG shall be permitted to sell, transfer or otherwise dispose of any shareholding in the Company that is in excess of 9.9% of the Company’s issued share capital, subject in each case and without prejudice to the obligations of AIG and its subsidiaries under the Strategic Placing Agreement.

Save for the undertaking from AIG, the Company has not obtained undertakings from any other H Shareholders that they will subscribe for any or all of the H Rights Shares to be provisionally allotted to them.

### **Expected H Share Rights Issue Timetable**

Last day of dealings in H Shares on a cum-rights basis	Friday, 7 November 2014
First day of dealings in H Shares on an ex-rights basis	Monday, 10 November 2014
Latest time for lodging transfers of H Shares in order to qualify for the H Share Rights Issue	4:30 p.m., Tuesday, 11 November 2014
Register of the H Shareholders closed	Wednesday, 12 November 2014 to Monday, 17 November 2014 (both days inclusive)
H Share Record Date	Monday, 17 November 2014
Despatch of Prospectus Documents	Tuesday, 18 November 2014

Register of the H Shareholders re-opens	Tuesday, 18 November 2014
First day for acceptance of and payment for H Rights Shares and application and payment for excess H Rights Shares	Wednesday, 19 November 2014
First day of dealings in Nil Paid H Rights	9:00 a.m., Thursday, 20 November 2014
Latest time for splitting Provisional Allotment Letters	4:30 p.m., Monday, 24 November 2014
Last day of dealings in Nil Paid H Rights	4:00 p.m., Thursday, 27 November 2014
Latest time for acceptance of and payment for H Rights Shares and application and payment for excess H Rights Shares	4:00 p.m., Tuesday, 2 December 2014
Latest time for the termination of the Underwriting Agreement and for the H Share Rights Issue to become unconditional	5:00 p.m., Thursday, 4 December 2014
Announcement of results of acceptance of and excess applications for H Rights Shares	Monday, 8 December 2014
Despatch of certificates for fully-paid H Rights Shares	Tuesday, 9 December 2014
Despatch of refund cheques in respect of wholly or partially unsuccessful applications for excess H Rights Shares	Tuesday, 9 December 2014
Commencement of dealings in H Rights Shares in fully-paid form	9:00 a.m., Wednesday, 10 December 2014

***Shareholders should note that the dates specified in the expected timetable of the H Share Rights Issue as set out above, and in other parts of this announcement, are indicative only. In the event any special circumstances arise, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any such extension or adjustment to the expected timetable will be announced and notified to the Shareholders as and when appropriate.***

#### **Effect of Bad Weather on Latest Time for Acceptance of and Payment for H Rights Shares and Application and Payment for Excess H Rights Shares**

The latest time for acceptance of and payment for H Rights Shares and application and payment for excess H Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 2 December 2014. Instead, the latest time for acceptance of and payment for H Rights Shares and application and payment for excess H Rights Shares will be extended to 5:00 p.m. on the same Business Day; or

(ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 2 December 2014. Instead, the latest time for acceptance of and payment for H Rights Shares and application and payment for excess H Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for H Rights Shares and application and payment for excess H Rights Shares does not take place on Tuesday, 2 December 2014, the dates mentioned in the subsection headed “Expected H Share Rights Issue Timetable” above may be affected. An announcement will be made by the Company in such event.

## **E. DOMESTIC SHARE RIGHTS ISSUE**

Details of the Domestic Share Rights Issue are as follows:

### **Domestic Share Rights Issue Statistics**

<b>Basis of the Domestic Share Rights Issue:</b>	0.9 Domestic Rights Shares for every 10 existing Domestic Shares in issue as at the close of business on the Domestic Share Record Date
<b>Number of Shares in issue as at the date of this announcement:</b>	13,604,137,800
<b>Number of Domestic Shares in issue as at the date of this announcement:</b>	9,384,386,220
<b>Total number of Domestic Rights Shares proposed to be issued (assuming the number of Domestic Shares in issue on the Domestic Share Record Date remains the same as at the date of this announcement):</b>	844,594,760
<b>Aggregate nominal value of the Domestic Rights Shares proposed to be issued:</b>	RMB844,594,760
<b>Subscription Price for the Domestic Rights Shares:</b>	RMB5.92 per Domestic Rights Share (equivalent to approximately HK\$7.46)

## **Basis of Entitlement**

Subject to the fulfilment of the conditions set out under the subsection below headed “Conditions of the Domestic Share Rights Issue” in this announcement, Qualified Domestic Shareholder(s) will be entitled to subscribe for 0.9 Domestic Rights Shares for every 10 existing Domestic Shares held on the Domestic Share Record Date at the Subscription Price of RMB5.92 for each Domestic Rights Share payable in full on acceptance, constituting a total of 844,594,760 Domestic Shares, representing 9.0% of the Company’s existing issued Domestic Shares capital as at the date of this announcement and approximately 8.3% of the enlarged issued Domestic Share capital of the Company immediately after the Domestic Share Rights Issue (assuming the number of Domestic Shares in issue as at the close of business on the Domestic Share Record Date remains the same as at the date of this announcement).

## **Qualified Domestic Shareholder(s)**

In order to qualify for the Domestic Rights Issue, a Domestic Shareholder must be a registered Domestic Shareholder of the Company on the Domestic Share Record Date.

## **Expected Timetable of Domestic Share Rights Issue**

Domestic Share Record Date	Monday, 17 November 2014
First day for acceptance of and payment for the Domestic Rights Shares	Wednesday, 19 November 2014
Last day for acceptance of and payment for the Domestic Rights Shares	4:00 p.m., Tuesday, 2 December 2014

***Shareholders should note that the dates specified in the expected timetable of the Domestic Share Rights Issue as set out above, and in other parts of this announcement, are indicative only and may change. Any such change to the expected timetable will be announced and notified to the Shareholders as and when appropriate.***

## **Conditions of the Domestic Share Rights Issue**

The Domestic Share Rights Issue is conditional upon the fulfilment of the following matters:

- (i) the approval of the Rights Issue by the Board; and
- (ii) the approval of the Rights Issue by the CIRC.

The conditions set out above have been satisfied as at the date of this announcement. As set out in the section headed “Introduction”, the Shareholders have passed a special resolution granting the General Mandate to the Board and as such the Domestic Rights Issue is not subject to the further approval of the Shareholders.

The Controlling Shareholder, which holds all the Domestic Shares, representing approximately 69.0% of the total Shares in issue, has made the following irrevocable undertakings to the Company:

- (i) it will accept, subscribe and pay fully for all of the Domestic Rights Shares which will be provisionally allotted to it, as soon as practicable and not later than the last day for acceptance of and payment for such Domestic Rights Shares; and
- (ii) it shall not withdraw or revoke the application, subscription or payment referred to in paragraph (i) above.

### **Proceeds from the Domestic Share Rights Issue**

The Domestic Share Rights Issue will raise (i) gross proceeds in an aggregate amount of approximately RMB5,000 million (or approximately HK\$6,299 million) and (ii) net proceeds (after deducting all estimated costs and expenses incidental to the Domestic Share Rights Issue) in an aggregate amount of approximately RMB4,997 million (or approximately HK\$6,296 million).

### **F. REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

The proceeds of the Rights Issue will be used to strengthen the capital base of the Company. The Directors consider that the Rights Issue is in the interests of the Company and the Shareholders as a whole and is an appropriate means of raising capital to strengthen the capital base of the Company.

### **G. SHAREHOLDING STRUCTURE OF THE COMPANY PRIOR TO AND UPON COMPLETION OF THE RIGHTS ISSUE**

The following table sets out the Company's current shareholding structure prior to, and its proposed shareholding structure upon completion of, the Rights Issue (assuming the Rights Issue is conducted on the basis of 0.9 Rights Shares for every 10 existing Shares with full subscription for the Rights Shares and assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Record Date):

Share class	Total number of issued Shares before the Rights Issue as at the date of this announcement	Percentage of the total number of issued Shares	Number of Shares to be issued under the Rights Issue	Total number of issued Shares immediately after the Rights Issue	Percentage of the total number of issued Shares immediately after the Rights Issue
H Shares	4,219,751,580	31.0%	379,777,642	4,599,529,222	31.0%
Domestic Shares	9,384,386,220	69.0%	844,594,760	10,228,980,980	69.0%
Total	13,604,137,800	100.0%	1,224,372,402	14,828,510,202	100.0%

The Company did not issue any equity securities in the 12 months immediately preceding the date of this announcement. Upon the completion of the Rights Issue, the Company expects to be able to satisfy the public float requirements under Rule 8.08(1) of the Hong Kong Listing Rules.

## **H. H SHAREHOLDER HOTLINE**

If you have questions in relation to the H Rights Issue, please telephone the H Shareholder hotline on (852) 2862 8647 during business hours from 9:00 a.m. to 6:00 p.m., Monday to Friday (other than public holidays).

## **I. DEFINITIONS**

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

“Acceptance Date”	2 December 2014 or such later date as the Company and Sole Global Coordinator (on behalf of the Underwriters) may agree in writing
“AIG”	American International Group, Inc.
“Articles of Association”	the articles of association of the Company (as amended from time to time)
“Beneficial H Shareholder(s)”	any beneficial owner(s) of H Shares whose H Shares are registered in the name of a registered H Shareholder as shown in the H Shareholders’ register of the Company
“Board”	the board of directors of the Company
“Business Day”	any day other than Saturday or Sunday on which commercial banks and financial institutions in Hong Kong are open for business
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“CICC”	China International Capital Corporation Hong Kong Securities Limited
“CIRC”	China Insurance Regulatory Commission
“Company”	PICC Property and Casualty Company Limited

“Controlling Shareholder”	The People’s Insurance Company (Group) of China Limited, a joint stock limited liability company incorporated in the PRC, whose H shares are listed on the Hong Kong Stock Exchange
“CSRC”	China Securities Regulatory Commission
“Despatch Date”	the date on which the Prospectus Documents are despatched to Qualified H Shareholders
“Directors”	the directors of the Company
“Domestic Rights Shares”	the new Domestic Shares proposed to be allotted and issued to Domestic Shareholder(s) pursuant to the Domestic Share Rights Issue
“Domestic Share(s)”	domestic ordinary share(s) of RMB1.00 each in the share capital of the Company
“Domestic Share Record Date”	Monday, 17 November 2014, or such other date determined by the Board by reference to which entitlements to the Domestic Share Rights Issue are to be determined
“Domestic Share Rights Issue”	the issue of 844,594,760 Domestic Rights Shares at the Subscription Price on the basis of 0.9 Domestic Rights Shares for every 10 existing Domestic Shares in issue as at the close of business on the Domestic Share Record Date
“Domestic Shareholder(s)”	Holder(s) of the Domestic Shares
“Excess Application Form(s)”	the application form(s) for excess H Rights Shares
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Board, based on advice received from relevant legal advisers, considers it necessary or expedient to exclude on account either of the legal restrictions under the laws of the place of his/her/their registered address(es) or the requirements of the relevant regulatory body or stock exchange in such jurisdiction

“General Mandate”	the general mandate granted to the Board by a special resolution of the Shareholders passed at the annual general meeting of the Company held on 27 June 2014 authorising the Directors to separately or concurrently issue, allot or deal with additional Domestic Shares and H Shares in the Company not exceeding 20% of each of the aggregate nominal amount of the Domestic Shares and H Shares of the Company in issue within 12 months from the date on which the Shareholders’ approval was obtained
“Goldman Sachs”	Goldman Sachs (Asia) L.L.C.
“Governmental Authorities”	any public, regulatory, taxing, administrative or governmental agency of authority or any securities exchange authority
“H Rights Shares”	the new H Shares proposed to be allotted and issued to the Qualified H Shareholders pursuant to the H Share Rights Issue
“H Share(s)”	overseas listed foreign share(s) of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“H Share Record Date”	Monday, 17 November 2014, or such other date determined by the Board by reference to which entitlements to the H Share Rights Issue are to be determined
“H Share Registrar”	Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queens Road East, Wanchai, Hong Kong, being the Company’s registrar of the H Shares
“H Share Rights Issue”	the issue of 379,777,642 H Rights Shares at the Subscription Price on the basis of 0.9 H Rights Shares for every 10 existing H Shares in issue as at the close of business on the H Share Record Date
“H Share Rights Issue Prospectus”	the prospectus to be issued by the Company in respect of the H Share Rights Issue containing further details of the H Share Rights Issue
“H Shareholder(s)”	holder(s) of the H Shares
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Latest Time for Termination”	5:00 p.m., Thursday, 4 December 2014
“Laws”	all laws, rules, statutes, ordinances, regulations, codes, guidelines, opinions, notices, circulars, orders, judgements, decrees or rulings of any Governmental Authority and “Law” includes any one of them
“Letter of Undertaking”	the letter of undertaking dated 9 October 2014 from AIG to the Company
“Listing Committee”	the listing committee of the Hong Kong Stock Exchange
“Material Adverse Effect”	a material adverse effect or any development reasonably likely to involve a material adverse effect on the earnings, general affairs, management, business, legal or financial condition, shareholders’ equity or results of operations of the Company, taken as a whole
“Nil Paid H Rights”	rights to subscribe for H Rights Shares (in the form of H Rights Shares in nil paid form) before the Subscription Price is paid
“Overseas Shareholder(s)”	(i) H Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the H Share Record Date and whose registered address(es) is/are in a place outside Hong Kong; and (ii) Beneficial H Shareholder(s) whose address(es) is/are in a place outside Hong Kong
“PRC”	the People’s Republic of China but excluding, for the purposes of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Price Determination Date”	4 November 2014, the date on which the Subscription Price was fixed for the purposes of the Rights Issue

“Prospectus Date”	the date of issue of the H Share Rights Issue Prospectus
“Prospectus Documents”	the H Share Rights Issue Prospectus, the Provisional Allotment Letter and the Excess Application Form
“Provisional Allotment Letter(s)”	provisional allotment letter(s) for the H Rights Shares
“Qualified Domestic Shareholder(s)”	Domestic Shareholder(s) whose name(s) appear(s) on the Domestic Shareholder(s)’ register of members of the Company at the close of business on the Domestic Share Record Date
“Qualified H Shareholder(s)”	H Shareholders whose name(s) appear(s) on the H Shareholders’ register of members of the Company at the close of business on the H Share Record Date and who is/are not an Excluded Shareholder(s)
“Record Date”	the Domestic Share Record Date and/or the H Share Record Date
“Relevant Subsidiaries”	AIG Property Casualty Company, Commerce and Industry Insurance Company and Lexington Insurance Company, and “Relevant Subsidiary” means each of them
“Rights Issue”	the Domestic Share Rights Issue and the H Share Rights Issue
“Rights Share(s)”	the Domestic Rights Share(s) and the H Rights Share(s)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Domestic Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of the Domestic Shares and/or H Shares of the Company
“Sole Global Coordinator”	CICC
“Strategic Placing Agreement”	the agreement among the Company, PICC Holding Company, Birmingham Fire Insurance Company of Pennsylvania (being a wholly owned subsidiary of AIG), Commerce and Industry Insurance Company (being a wholly owned subsidiary of AIG), China International Capital Corporation Limited and Morgan Stanley Dean Witter Asia Limited dated 29 September 2003

“Subscription Price(s)”	the final subscription price(s) for the Domestic Rights Shares and the H Rights Shares to be offered pursuant to the Rights Issue
“subsidiary” or “subsidiaries”	has the meaning given to it in the Hong Kong Listing Rules
“Trading Day”	a day on which the Hong Kong Stock Exchange is open for dealing or trading in securities
“Underwriters”	CICC, HSBC and Goldman Sachs
“Underwriting Agreement”	the underwriting agreement dated 4 November 2014 and entered into between the Company and the Underwriters in relation to the H Share Rights Issue
“%”	per cent.

*Unless otherwise specified in this announcement, conversions of RMB into HK\$ are made in this announcement for illustration only, at the rate of RMB0.79376 to HK\$1.00. No representation is made that any amounts in RMB could have been or could be converted at that rate or at any other rates or at all.*

By order of the Board  
**PICC Property and Casualty Company Limited**  
**Wu Yan**  
*Chairman of the Board*

4 November 2014

*On the date of this announcement, the Chairman of the Board is Mr. Wu Yan (executive director), the Vice Chairman is Mr. Guo Shengchen (executive director), the non-executive directors are Mr. Wang Yincheng, Mr. Zhou Shurui, Ms. Yu Xiaoping and Mr. Li Tao, Mr. Wang He is an executive director and the independent non-executive directors are Mr. Luk Kin Yu, Peter, Mr. Ding Ningning, Mr. Liao Li and Mr. Lin Hanchuan.*