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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)**

## **PROPOSED PAYMENT OF CASH DIVIDENDS AND PROPOSED ISSUE OF SHARES BY WAY OF CONVERSION OF CAPITAL RESERVE**

### **PROPOSED PAYMENT OF CASH DIVIDENDS AND PROPOSED ISSUE OF SHARES BY WAY OF CONVERSION OF CAPITAL RESERVE**

On 23 March 2018, the Board resolved (i) to distribute Cash Dividends of RMB0.338 per Share (inclusive of applicable tax); and (ii) to issue a total of 7,414,255,101 Shares, an aggregate nominal value of RMB7,414,255,101.00, by way of capitalisation of capital reserve, on the basis of five (5) Capitalisation Shares for every ten (10) existing Shares.

#### **GENERAL**

The proposed payment of Cash Dividends and the proposed Capitalisation Issue are subject to the approval of the Shareholders at the AGM.

A circular containing, inter alia, details of the proposed payment of Cash Dividends, the proposed Capitalisation Issue and the notice of the AGM will be despatched to the Shareholders in due course.

#### **1 INTRODUCTION**

On 23 March 2018, the Board resolved (i) to distribute Cash Dividends of RMB0.338 per Share (inclusive of applicable tax); and (ii) to issue a total of 7,414,255,101 Shares, an aggregate nominal value of RMB7,414,255,101.00, by way of capitalisation of capital reserve, on the basis of five (5) Capitalisation Shares for every ten (10) existing Shares.

#### **2 PROPOSED PAYMENT OF CASH DIVIDENDS**

The Board is pleased to announce that at the meeting of the Board held on 23 March 2018, it was approved to propose the payment of Cash Dividends of RMB0.338 per Share (inclusive of applicable tax).

In accordance with the Articles of Association, Cash Dividends will be denominated and declared in RMB. The dividends for Domestic Shares will be paid in RMB and the

dividends for H Shares will be paid in Hong Kong dollars. The payment of Cash Dividends is subject to the approval of the Shareholders at the AGM.

### **3 PROPOSED CAPITALISATION ISSUE**

The Capitalisation Issue involves the issue of a total of 7,414,255,101 Capitalisation Shares by way of capitalisation of capital reserve of the Company on the basis of five (5) Capitalisation Shares for every ten (10) existing Shares.

The Capitalisation Issue is subject to the following conditions:

- (i) the approval of the Shareholders at the AGM;
- (ii) the approval by the Listing Committee of the SEHK for the listing of, and permission to deal in, the Capitalisation H Shares; and
- (iii) the compliance with the relevant legal procedures and requirements under the Company Law of People's Republic of China that are applicable to the Capitalisation Issue.

### **4 ENTITLEMENTS OF THE CAPITALISATION SHARES AND TREATMENT OF FRACTION OF CAPITALISATION SHARES**

The Capitalisation H Shares and Capitalisation Domestic Shares will rank pari passu in all respects with the respective H Shares and Domestic Shares then in issue on the Record Date. Holders of the Capitalisation Shares will be entitled to receive all future dividends and distributions (if any) which are declared, made or paid after the date on which the Capitalisation Shares are allotted and issued, but will not be entitled to the Cash Dividends of the Company for the year ended 31 December 2017 which is subject to the approval of the Shareholders at the AGM.

The Capitalisation H Shares will be issued on a pro rate basis and any fractional Shares (if any) will be rounded down to the nearest whole number. The fractional Shares to be issued under the Capitalisation Issue will not be allotted to the Shareholders, but will be aggregated and sold for the benefits of the Company.

### **5 OVERSEAS SHAREHOLDERS**

The Company will make enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange and upon the enquiry, if the Board is of the view that Overseas Shareholders will not be entitled to the Capitalisation Issue because of the legal restrictions under the laws or statutory regulations of their jurisdiction or the requirements of the stock exchange in that jurisdiction, the Company will arrange for the Capitalisation Shares which would otherwise have been issued to the Overseas Shareholders to be sold in the market as soon as practicable after dealings commence, if a premium, net of expenses, can be obtained. Any net proceeds of such sale for each Overseas Shareholder, after deduction of expenses, of HK\$100 or more will be distributed in Hong Kong dollars to the relevant Overseas Shareholder, by ordinary post at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100 in which case it will be retained for the benefit of the Company.

## **6 APPLICATION FOR LISTING**

Application will be made to the Listing Committee of the SEHK for the approval for the listing of, and permission to deal in, the Capitalisation H Shares.

Subject to the granting of the listing of, and permission to deal in, the Capitalisation H Shares on the SEHK and the compliance with the stock admission required by the HKSCC, the Capitalisation H Shares will be accepted as eligible securities by the HKSCC for deposit, clearance and settlement in the CCASS with effect from the date of commencement of dealings in the Capitalisation H Shares or such other date as determined by the HKSCC.

## **7 REASONS FOR THE PROPOSED CAPITALISATION ISSUE**

The Board believes that the Capitalisation Issue will allow the Shareholders to participate in the growth of the Company by way of conversion of the capital reserve and will provide the Company with a wider capital base and therefore increase the marketability of the Shares.

## **8 EXPECTED TIMETABLE**

The expected timetable for, inter alia, the Capitalisation Issue and the distribution of Cash Dividends as set out below is indicative only and has been prepared on the assumption that all conditions of the Capitalisation Issue and distribution of Cash Dividends will be fulfilled. The expected timetable may be varied, and any subsequent change will be announced in a separate announcement by the Company as and when appropriate:

Last time for lodging transfer of H Shares in order to be qualified for attending and voting at the AGM	4:30 p.m. on Monday, 21 May 2018
Register of members of H Shares closes	from Wednesday, 23 May 2018 to Friday, 22 June 2018 (both days inclusive)
AGM	Friday, 22 June 2018
Publication of the poll results of the AGM	Friday, 22 June 2018
Last day of dealings in H Shares on a cum-entitlement basis	Tuesday, 26 June 2018
First day of dealings in H Shares on an ex-entitlement basis	Wednesday, 27 June 2018
Latest time for lodging transfer of H Shares in order to be entitled to the Cash Dividends and the Capitalisation H Shares	4:30 p.m. on Thursday, 28 June 2018
Register of members of H Shares closes	from Friday, 29 June 2018 to Wednesday, 4 July 2018 (both days inclusive)
Record Date	Wednesday, 4 July 2018

Register of members of H Shares re-opens	Thursday, 5 July 2018
Certificates for the Capitalisation H Shares are expected to be despatched	Friday, 20 July 2018
Commencement of dealings in the Capitalisation H Shares	9:00 a.m. on Monday, 23 July 2018
Distribution of Cash Dividends of H Shares	Tuesday, 21 August 2018

## 9 CLOSURE OF BOOKS

The register of members of the Company will be closed from Friday, 29 June 2018 to Wednesday, 4 July 2018 (both days inclusive) during which period no transfer of Shares will be effected. In order to be qualified for the entitlement to the Capitalisation Issue and the Cash Dividends, all transfer instruments of the holders of H Shares must be lodged with the Company's H Share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at shops 1712-1716, 17th floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on 28 June 2018.

## 10 GENERAL

Upon the approval at the AGM, the Board shall be authorised to make corresponding amendments to the Articles of Association as it thinks fit so as to reflect the new capital structure of the Company upon completion of the Capitalisation Issue.

A circular containing, inter alia, specific arrangements regarding the proposed payment of Cash Dividends and the proposed Capitalisation Issue (including arrangement of withholding and payment of income tax for Shareholders) and the notice of the AGM, will be despatched to the Shareholders in due course.

## 11 DEFINITIONS

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

“AGM”	means the 2017 annual general meeting of the Company to be convened at 2:30 p.m. on Friday, 22 June 2018
“Articles of Association”	means the articles of association of the Company
“Board”	means the board of directors of the Company
“Capitalisation Domestic Share(s)”	means the new Domestic Shares to be allotted and issued under the Capitalisation Issue
“Capitalisation H Share(s)”	means the new H Shares to be allotted and issued under the Capitalisation Issue
“Capitalisation Issue”	means the issue of a total of 7,414,255,101 Shares by way of

	conversion of capital reserve, to the Shareholders whose names appear on the register of members of the Company on the Record Date, on the basis of five (5) Capitalisation Shares for every ten (10) existing Shares
“Capitalisation Share(s)”	means the Capitalisation Domestic Shares and the Capitalisation H Shares to be allotted and issued under the Capitalisation Issue
“Cash Dividends”	means the cash dividends proposed to be distributed of RMB0.338 per Share (inclusive of applicable tax)
“CCASS”	means the Central Clearing and Settlement System established and operated by HKSCC
“Company”	means PICC Property and Casualty Company Limited
“Directors”	means the directors of the Company
“Domestic Share(s)”	means the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for in RMB
“H Share(s)”	means the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are listed on the Main Board of the SEHK and subscribed for in Hong Kong dollars
“HKSCC”	means Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchange and Clearing Limited
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Listing Committee”	means the listing committee of the board of directors of the SEHK
“Overseas Shareholder(s)”	means Shareholder(s) whose address(es) as stated in the register of members of H Shares of the Company is/are outside Hong Kong
“PRC”	means the People's Republic of China
“Record Date”	means, with respect to Shareholders of H Shares and Domestic Shares, Wednesday, 4 July 2018, being the date

for determining the Shareholders' entitlement to the Capitalisation Shares and the Cash Dividends

“RMB”	means Renminbi, the lawful currency of the PRC
“SEHK”	means The Stock Exchange of Hong Kong Limited
“Share(s)”	means shares of the Company, including Domestic Share(s) and H Share(s)
“Shareholders”	means the shareholders of the Company

By Order of the Board  
**Zou Zhihong**  
*Secretary of the Board*

Beijing, the PRC, 23 March 2018

*As at the date of this announcement, the Chairman of the Board is Mr. Miao Jianmin (executive director), the Vice Chairman is Mr. Lin Zhiyong (executive director), the non-executive director is Mr. Li Tao, Mr. Yun Zhen and Mr. Wang Dedi 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.*