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中国人民保险集团股份有限公司

THE PEOPLE'S INSURANCE COMPANY (GROUP) OF CHINA LIMITED

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

(Stock Code: 1339)

VOLUNTARY ANNOUNCEMENT ANNOUNCEMENT IN RELATION TO THE SUBSCRIPTION OF PICC HEALTH'S NEW SHARES BY PICC P&C

On 23 June 2016, The People's Insurance Company (Group) of China Limited (the "Company"), PICC Property and Casualty Company Limited ("PICC P&C") (a subsidiary of the Company), PICC Investment Holding Co., Ltd. ("PICC Investment Holding") (a wholly-owned subsidiary of the Company), PICC Health Insurance Company Limited ("PICC Health") (a subsidiary of the Company) and other existing shareholders of PICC Health entered into a capital increase agreement. It is agreed that the capital of PICC Health shall be increased by way of issue of new shares. The number of new shares to be issued is 2,118,644,067 shares, representing approximately 24.73% of the total issued share capital of PICC Health after completion of the capital increase, all of which shall be subscribed by PICC P&C. The consideration for the subscription is RMB2.5 billion. Upon completion of the capital increase, the shareholding in PICC Health of the Company, PICC P&C and PICC Investment Holding shall be 69.32%, 24.73% and 1.40%, respectively.

INFORMATION ABOUT PICC P&C AND PICC HEALTH

PICC P&C is a joint stock company incorporated in the PRC with limited liability. Its H Shares are listed on the Stock Exchange of Hong Kong Limited. It mainly carries on property insurance, accidental injury insurance, short-term health insurance and related reinsurance business in the PRC and also engages in investment and fund management business. PICC P&C received gross written premiums of RMB281,698 million in the year of 2015. The total assets of PICC P&C as at 31 December 2014 and 2015 were RMB366,130 million and RMB420,420 million respectively. The net assets of PICC P&C as at 31 December 2014 and 2015 were RMB85,775 million and RMB108,951 million respectively.

PICC Health is a joint stock company incorporated in the PRC with limited liability in 2005. It is the first specialized health insurance company established in the PRC. PICC Health mainly carries on health insurance, accidental injury insurance, health insurance-related advisory and agency business and reinsurance business in the PRC and also engages in the business of fund management. PICC Health achieved total written premiums of RMB18.719 billion in the year of 2015. According to the audited

financial statements prepared in accordance with the PRC Accounting Standards, the total assets of PICC Health as at 31 December 2014 and 2015 were RMB33,605 million and RMB32,831 million, respectively. The net assets of PICC Health as at 31 December 2014 and 2015 were RMB3,338 million and RMB3,410 million, respectively. As at 31 December 2015, the registered capital of PICC Health was RMB6,449,770,670, total number of shares were 6,449,770,670, which were held as to 92.10%, 1.85%, 2.95% and 3.10%, by the Company, PICC Investment Holding, DKV Deutsche Krankenversicherung AG and an independent third party, respectively.

INFORMATION ABOUT THE SUBSCRIPTION OF NEW SHARES

In order to improve its solvency margin, speed up business development and to facilitate business transformation, PICC Health proposed to increase its capital. According to the capital increase agreement entered into by the Company, PICC P&C, PICC Investment Holding, PICC Health and other existing shareholders of PICC Health on 23 June 2016, each party has agreed that PICC Health shall issue 2,118,644,067 new shares, all of which shall be subscribed by PICC P&C. The consideration for the subscription is RMB2.5 billion, representing a subscription price of RMB1.18 per share. The consideration is determined by reference to the net assets of PICC Health valued by an independent third party valuation institution in the PRC and arrived at after arm's length negotiations.

After completion of the capital increase, the registered capital of PICC health will be increased from RMB6,449,770,670 to RMB8,568,414,737. Its total number of shares issued shall also be increased from 6,449,770,670 shares to 8,568,414,737 shares, of which, 5,939,955,391 shares (representing 69.32%) are held by the Company, 2,118,644,067 shares (representing 24.73%) are held by PICC P&C, 119,815,279 shares (representing 1.40%) are held by PICC Investment Holding, 190,000,000 shares (representing 2.22%) are held by DKV Deutsche Krankenversicherung AG, and 200,000,000 shares (representing 2.33%) are held by an independent third party. The increase in the share capital of PICC Health shall become effective upon obtaining approvals from the China Insurance Regulatory Commission and other relevant government authorities.

REASONS FOR THE SUBSCRIPTION OF SHARES

Health insurance business in China has been promoted and supported by a series of policies promulgated by the PRC government in recent years, along with increased awareness of health insurance and demand for insurance. The health insurance business in China presents good prospect for long-term development. PICC Health is the first specialized health insurance company established in the PRC. PICC P&C's subscription of new shares in PICC Health and becoming a major shareholder of PICC Health will facilitate the business development of PICC Health and improve its solvency margin, which is beneficial for PICC P&C to share the development results of PICC Health. It would be beneficial to the PICC group in terms of strengthening the sharing of resources within the group and strengthening interactive business development.

The subscription of new shares of PICC Health by PICC P&C does not constitute a notifiable transaction of the Company.

On behalf of the Board
The People's Insurance Company (Group) of China Limited
WU Yan
Chairman

Beijing, the PRC, 23 June 2016

As at the date of this announcement, the executive directors are Mr. Wu Yan, Mr. Wang Yincheng, Ms. Zhuang Chaoying and Mr. Li Yuquan, the non-executive directors are Mr. Yao Zhiqiang, Mr. Wang Qiao, Ms. Hua Rixin and Ms. Cheng Yuqin and Mr. Li Fang, and the independent non-executive directors are Mr. Lau Hon Chuen, Mr. Du Jian, Mr. Xu Dingbo, Mr. Luk Kin Yu, Peter and Mr. Lin Yixiang.