

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



(Stock Code: 2328)

CONTINUING CONNECTED TRANSACTION COOPERATION AGREEMENT WITH ZSIB AND CIB

Reference is made to the announcement of the Company on 17 June 2016 regarding the Original Cooperation Agreement entered into between the Company and ZSIB. Pursuant to the Original Cooperation Agreement, the Company and ZSIB and its Subsidiaries will cooperate within the prescribed scope of insurance businesses, including business cooperation in terms of insurance sales, insurance brokerage and insurance loss assessment. Based on the actual conditions of business cooperation among the Company and ZSIB and its subsidiary CIB, the Company entered into the Agreement with ZSIB and CIB on 27 December 2018. The Agreement will replace the Original Cooperation Agreement, which will be automatically terminated on the signing date of the Agreement. The parties entered into the Agreement to redefine the content and scope of cooperation and reset the annual caps of brokerage fees and service fees and etc.

Pursuant to the relevant provisions of the Listing Rules, the Transaction constitutes a continuing connected transaction of the Company. As none of the applicable percentage ratios exceeds the 5% threshold under Rule 14A.76 of the Listing Rules, the Transaction is only subject to the reporting, annual review and announcement requirements and is exempt Rules.

INTRODUCTION

Reference is made to the announcement of the Company on 17 June 2016 regarding the Original Cooperation Agreement entered into between the Company and ZSIB. The Original Cooperation Agreement has a term of three years, commencing from 17 June 2016. Pursuant to the Original Cooperation Agreement, the Company and ZSIB and its Subsidiaries will cooperate within the prescribed scope of insurance businesses, including business cooperation in terms of insurance sales, insurance brokerage and insurance loss assessment.

Based on the actual conditions of business cooperation among the Company and ZSIB and its subsidiary CIB, the Company entered into the Agreement with ZSIB and CIB on 27 December 2018. The Agreement will replace the Original Cooperation Agreement, which will be automatically terminated on the signing date of the Agreement. The parties entered into the Agreement to redefine the content and scope of cooperation and reset the annual caps of brokerage fees and service fees and etc.

COOPERATION AGREEMENT

1. Date of signing

27 December 2018

2. Parties

- (1) the Company
- (2) ZSIB
- (3) CIB

3. Term

Commencing from 27 December 2018 and expiring on 16 June 2019.

4. Content and scope of cooperation

Pursuant to the Agreement, the Company will cooperate with ZSIB and CIB mainly in the field of insurance brokerage. ZSIB and CIB will provide insurance intermediary services for insurance contracts entered into between insurance purchasers and the Company, and provide consultation services on

The Company determined the above annual caps primarily by reference to the factors such as the brokerage fees and service fees paid by the Company to ZSIB and CIB in the past, and current and future business cooperation in terms of areas and insurance product types as well as development of business cooperation among the parties.

REASONS AND BENEFITS OF ENTERING INTO THE AGREEMENT

Insurance broker institutions are one of the distribution channels of the Company. The Company has cooperation relationships with many insurance broker companies, and ZSIB and CIB are both insurance broker companies cooperating with the Company. Entering into the Cooperation Agreement among the Company, ZSIB and CIB is beneficial to all parties in terms of resources integration and business synergy and in the building up of the Company's distribution channels as well as in the promotion of the Company's development capability in the broker business market. Entering into the Cooperation Agreement among the Company, ZSIB and CIB does not affect the cooperation between the Company and other insurance broker companies.

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

HISTORICAL FIGURES

The brokerage fees and service fees in aggregate paid by the Company to ZSIB and CIB for the business cooperation for the years ended 31 December 2016, 31 December 2017 and the period from 1 January 2018 to 30 November 2018 were approximately RMB91.56 million, RMB182.49 million and RMB291.37 million, respectively.

GENERAL INFORMATION

Information of the Company

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

Information on ZSIB and CIB

ZSIB and CIB are limited liability companies established in the PRC. The businesses of ZSIB and CIB include: drafting insurance proposals to insurance purchasers, selecting insurers and completing insurance purchase procedures; assisting insureds and beneficiaries in claims compensation processes; operating reinsurance broker business; and providing consultation services on disaster prevention, loss prevention, risk assessment and risk management.

LISTING RULES IMPLICATIONS

ZSIB is a non-wholly owned subsidiary of PICC Group, the controlling shareholder of the Company. PICC Group holds approximately 69% of the issued share capital of the Company and 92.71% of the registered capital of ZSIB. CIB is a non-wholly owned subsidiary of ZSIB. ZSIB holds approximately 55.01% of the registered capital of CIB. Pursuant to the Listing

Rules, ZSIB and CIB are connected persons of the Company. Accordingly, the Transaction constitutes a continuing connected transaction of the Company. As Mr. Miao Jianmin, Mr. Xie Yiqun and Mr. Li Tao, Directors of the Company, hold positions in PICC Group, they abstained from voting on the board resolution for considering and approving the Transaction. Save as disclosed above, no other Directors were required to abstain from voting on the board resolution for considering and approving the Transaction or are regarded as having a material interest in the Transaction.

As none of the applicable percentage ratios for the Transaction exceeds the 5% threshold under Rule 14A.76 of the Listing Rules, the Transaction is only subject to the reporting, annual review and announcement requirements and is exempt from the independent

DEFINITIONS

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

“Agreement” “Cooperation Agreement”	or	The Insurance Business Cooperation Agreement entered into between the Company, ZSIB and CIB on 27 December 2018
“Board”		the board of directors of the Company
“CIB”		China Insurance Brokers Co. Ltd, a non wholly-owned subsidiary of ZSIB
“Company”		PICC Property and Casualty Company Limited
“connected persons”		has the meaning as defined in the Listing Rules
“Directors”		directors of the Company
		The Stock Exchange of Hong Kong Limited
“Listing Rules”		the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Original Cooperation Agreement”		the Comprehensive Strategic Cooperation Agreement renewed between the Company and ZSIB on 17 June 2016
“PIB”		Prime Insurance Brokers Company Limited, a subsidiary of ZSIB until 28 December 2017
“PICC Group”		The People Insurance Company (Group) of China Limited, a joint stock limited company incorporated in the PRC with limited liability, whose shares are listed on the Hong Kong Stock

