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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 company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2328)

CONTINUING CONNECTED TRANSACTION ENTERING INTO THE REINSURANCE FRAMEWORK AGREEMENT WITH PICC HK

On 31 December 2025, the Company entered into the Reinsurance Framework Agreement with PICC HK. Pursuant to the Agreement, the Company agreed to cede insurance premiums to PICC HK in return for commissions, and PICC HK agreed to cede insurance premiums to the Company in return for commissions.

Pursuant to the relevant provisions of the Listing Rules, PICC HK is a connected person of the Company, entering into the Reinsurance Framework Agreement with PICC HK constitutes a continuing connected transaction of the Company. As the highest applicable percentage ratios for the caps of insurance premiums and commissions for the Outward Reinsurance Transactions and the caps of insurance premiums and commissions for the Inward Reinsurance Transactions under the Reinsurance Framework Agreement exceed 0.1% but are less than 5%, the Outward Reinsurance Transactions and Inward Reinsurance Transactions are only subject to the reporting, annual review and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On 31 December 2025, the Company and PICC HK entered into the Reinsurance Framework Agreement to continue to strengthen the current business cooperation relationship between the Company and PICC HK, promote the continuous development of the parties' respective business, and ensure that the reinsurance businesses between the parties are conducted under the framework provided in the Agreement and in compliance with laws and regulations.

THE REINSURANCE FRAMEWORK AGREEMENT

1. Date of signing

31 December 2025

2. Parties

- (1) the Company
- (2) PICC HK

3. Term

One year, commencing from 1 January 2026 and expiring on 31 December 2026.

4. Cooperative matters

Pursuant to the Agreement, the Company agreed to cede insurance premiums to PICC HK from time to time, and PICC HK agreed to cede insurance premiums to the Company from time to time. The party hereto who acts as reinsurer shall accept the risks of and pay commissions to the

other party hereto in return for the agreed insurance premiums received. The reinsurance businesses consist of treaty and facultative reinsurance businesses, and the risks covered include all lines of property and casualty insurance business risks.

5. Premiums ceded and commissions

Under the framework provided in the Agreement, the parties to the Agreement may enter into various types of reinsurance agreements in respect of particular reinsurance businesses. Such particular reinsurance agreements shall use standard contracts. The parties may enter into tens of reinsurance agreements, with the ceding ratio for each particular reinsurance business strictly complying with the regulatory requirements of the Administrative Provisions on Reinsurance Business (《再保險業務管理規定》) and ranging from 0.1% to 80%. For each particular reinsurance business, the amount of premiums to be ceded is determined based on the total premiums to be ceded of such business of the Company and the reinsurance share of PICC HK, the commissions shall be determined based on the amount of premiums to be ceded and the commission rate of the ceded business, and the commission rate of the ceded business is calculated based on the historical operating status of such business by using actuarial models and determined through open market negotiations, not exceeding 45%. Generally speaking, for reinsurance agreements with a leading reinsurer, the reinsurance conditions are determined by the leading reinsurer, conditions of all reinsurers are consistent with that of the leading reinsurer; for reinsurance agreements without a leading reinsurer, the reinsurance conditions are the same among all reinsurers. The premiums to be ceded and commissions shall be paid in cash and the payment dates shall be determined according to the payment terms agreed by the parties to the agreements after arm's length negotiation when entering into the reinsurance agreements. The terms related to the ceded business of the Agreement shall be no more favorable than those of at least three Independent Third Parties.

6. Premiums assumed and commissions

Under the framework provided in the Agreement, the parties to the Agreement may enter into various types of reinsurance agreements in respect of particular reinsurance businesses. Such particular reinsurance agreements shall use standard contracts. The parties may enter into hundreds of reinsurance agreements, with the assuming ratio ranging from 0.1% to 100%. For each particular reinsurance business, the amount of premiums to be assumed is determined based on the total premiums to be ceded of such business by PICC HK and the reinsurance share of the Company, the commissions shall be determined based on the amount of premiums to be assumed and the commission rate of the assumed business, and the commission rate of the assumed business is calculated based on the historical operating status of such business by using actuarial models and determined through open market negotiations, not exceeding 40%. The premiums to be assumed and commissions shall be paid in cash and the payment dates shall be determined according to the payment terms agreed by the parties to the agreements after arm's length negotiation when entering into the reinsurance agreements. The terms related to the assumed business of the Agreement shall be no less favorable than those of at least three Independent Third Parties.

INTERNAL CONTROL MEASURES

The Company has formulated management regulations and operational guidelines on related party transactions, which set out requirements and rules on the management body, reporting and disclosure, management procedures, supervision of related party transactions, etc. The Company supervises and manages each connected transaction in accordance with the above-mentioned regulations. The Company regularly records and reports on the occurrence and implementation of connected transactions, monitors the implementation of the transactions and earnestly performs its internal control obligations. The Company has established an early warning mechanism for the annual caps of transactions. When the actual transaction amount reaches the early warning line of the set annual cap (i.e. 80% of the annual cap of the transaction amount)

during the implementation of the agreement, the relevant functional department will pay close attention to it, reset the annual cap in a timely manner and go through the corresponding procedures. In addition, the Company conducts annual internal special audits for connected transactions and reports the audit results to the Board of the Company. The Independent Directors and external auditors of the Company review and give their opinions on the continuing connected transactions on an annual basis.

The terms, commission rate and other information in respect of each reinsurance business will be published via the reinsurance trading platform of the Company. The reinsurance trading platform is the only platform for reinsurance business transactions of the Company, which can be used for business information release, invitations, communications, share confirmations, etc. The invitation scope of the platform is among the reinsurers who are eligible in the reinsurance registration system of the National Administration of Financial Regulation and have an account at the trading platform of the Company. All invited reinsurers may log in to the platform to view information relevant to the reinsurance business. When determining the reinsurer (including PICC HK), the Company mainly considers the reinsurer's credit rating, competence level, service ability, overall business cooperation situation, etc. According to the current settings of the reinsurance trading platform, the reinsurance conditions and commission rates provided to PICC HK via the reinsurance trading platform are exactly the same as that of other reinsurers. In determining the cedant (including PICC HK), the Company mainly follows the same criteria as the businesses in open market and considers the cedant's underwriting business performance, underwriting policies, premium adequacy, whether the terms of the contracts are fair, and whether the commissions of the contracts are in line with the market level, etc. The Company can monitor the scale of premiums ceded to / assumed from and commissions received from / paid to PICC HK on a monthly basis to ensure that they don't exceed the annual caps.

ANNUAL CAPS

The annual caps for the Outward Reinsurance Transactions for the year ending 31 December 2026 are estimated as follows:

	RMB million
Premiums ceded by the Company to PICC HK	1,400
Commissions paid to the Company by PICC HK	630

The Company determines the above annual cap for premiums ceded primarily based on the scale of total premiums expected to be ceded by the Company in the future and the historical data of premiums ceded to PICC HK. The scale of total premiums expected to be ceded in the future is determined based on the growth of historical annual premiums of the Company, the regulatory requirement on the percentage of premiums retained, the demand for risk diversification of the Company's business, etc. The above annual cap for commissions is calculated based on the above annual cap for premiums ceded and the commission rates of ceded business.

The annual caps for the Inward Reinsurance Transactions for the year ending 31 December 2026 are estimated as follows:

	RMB million
Premiums assumed by the Company from PICC HK	3,500
Commissions paid to PICC HK by the Company	1,400

The Company increased the annual caps of premiums assumed by the Company from PICC HK and commissions paid to PICC HK by the Company in 2026. In particular, the increase in the

annual cap of premiums assumed is mainly based on the expected substantial increase in the premiums to be assumed by the Company from PICC HK for China-overseas-interest business. In accordance with the development plans of PICC Group and the Company and in order to further implement the function of financial services in serving the real economy, PICC Group will strengthen the synergy among its subsidiaries in the future, give full play to the geographical advantages of PICC HK and the advantages of the Company's risk protection capabilities, put further efforts in serving the "Belt and Road", and provide risk solutions for Chinese enterprises to invest overseas. As the demand for the development of China-overseas-interest business has exceeded the underwriting capacity of PICC HK, in view of the business co-operation between PICC HK and the Company and in order to form underwriting synergy to support the development of the business, after communicating with PICC HK, it is expected that the scale of premiums to be assumed by the Company from PICC HK for China-overseas-interest business will be substantially increased to better support Chinese-funded clients to "go global". It is estimated that the growth rate of premiums for China-overseas-interest business will be approximately 15% in 2026. Additionally, marine cargo insurance may emerge as a new growth segment.

HISTORICAL FIGURES

The historical premiums ceded by the Company to PICC HK and the historical commissions paid to the Company by PICC HK are as follows:

	Premiums ceded by the Company to PICC HK	Commissions paid to the Company by PICC HK
	RMB million	RMB million
For the year ended 31 December 2023	671	206
For the year ended 31 December 2024	747	239
For the period ended 30 November 2025 (<i>Note</i>)	633	178

The historical premiums assumed by the Company from PICC HK and the historical commissions paid to PICC HK by the Company are as follows:

	Premiums assumed by the Company from PICC HK	Commissions paid to PICC HK by the Company
	RMB million	RMB million
For the year ended 31 December 2023	18	4
For the year ended 31 December 2024	162	38
For the period ended 30 November 2025 (<i>Note</i>)	725	184

Note: the above figures are extracted from the business system and have not been audited.

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 motor vehicle insurance, commercial property insurance, cargo insurance, liability insurance,

accidental injury insurance, short-term health insurance, agriculture insurance, credit insurance, surety insurance, homeowners insurance, marine hull insurance and other insurance business, which are denominated in RMB and foreign currencies, and the related reinsurance business as well as investment and funds application business permitted under the relevant laws and regulations of 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 HK

PICC HK is a limited liability company incorporated in Hong Kong, and is principally engaged in general insurance, including property insurance, cargo transportation insurance, accidents in travel insurance, home insurance, motor vehicle insurance, hull insurance, health insurance, aerospace insurance and various liability insurances, reinsurance business and own funds and insurance funds application business. As at the date of this announcement, PICC Group is the controlling shareholder of PICC HK, holding 89.363% of the total share capital of PICC HK. To the best knowledge and belief of the Company, and having made all reasonable enquiries, there are no other shareholders holding 10% or more of the share capital of PICC HK.

Information of PICC Group

PICC Group is a joint stock limited liability company incorporated in the PRC with limited liability, whose shares are listed on the Hong Kong Stock Exchange (stock code: 01339) and the Shanghai Stock Exchange (stock code: 601319), respectively. PICC Group mainly invests in and holds shares in listed companies, insurance agencies and other financial institutions, supervises and manages various domestic and international businesses of its invested companies and policy-oriented insurance businesses authorised or entrusted by the government, etc. As at the date of this announcement, the Ministry of Finance is the controlling shareholder of PICC Group, holding 60.84% of the total share capital of PICC Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

As a property and casualty insurance company, in order to lower the risk, the Company shall arrange reinsurance for part of the risk it underwrites. PICC HK has long been one of the reinsurers of the Company. The Company entered into the Agreement with PICC HK in order to achieve risks diversification and stabilisation of operation. Meanwhile, in consideration of the advantages of PICC HK in overseas business and in order to form an underwriting synergy to support the development of the business, the Company strengthens the cooperation with PICC HK in respect of China-overseas-interest business to further develop the inward reinsurance business.

Considering the above pricing policy, the Board, including the Independent Directors, is of the view that the transactions under the Agreement will be conducted on normal commercial terms and in the ordinary and usual course of business of the Company, the terms of the Agreement and the proposed annual caps are fair and reasonable, and such terms are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

PICC HK is a non-wholly-owned subsidiary of PICC Group, the controlling shareholder of the Company. Pursuant to the Listing Rules, PICC HK is a connected person of the Company. Accordingly, the Agreement constitutes a continuing connected transaction of the Company. Ms. Ding Xiangqun, the chairperson of the Company, holding a position in PICC Group, has abstained from voting on the Board resolution for considering and approving the Agreement. Save as disclosed above, no other Directors were required to abstain from voting on the Board resolution for considering and approving the Agreement or are regarded as having a material interest in the Agreement.

As the highest applicable percentage ratios for the caps of insurance premiums and commissions for the Outward Reinsurance Transactions and the caps of insurance premiums and commissions for the Inward Reinsurance Transactions under the Reinsurance Framework Agreement exceed 0.1% but are less than 5%, the Outward Reinsurance Transactions and Inward Reinsurance Transactions are only subject to the reporting, annual review and announcement requirements and are 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 “Reinsurance Framework Agreement”	the 2026 Framework Agreement on Reinsurance Business Cooperation dated 31 December 2025 entered into between the Company and PICC HK
“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”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Directors”	independent non-executive directors of the Company
“Independent Third Party(ies)”	has the meaning as defined in the Listing Rules
“Inward Reinsurance Transactions”	the reinsurance transactions which involve the ceding of insurance premiums by PICC HK to the Company in return for commissions as contemplated under the Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Outward Reinsurance Transactions”	the reinsurance transactions which involve the ceding of insurance premiums by the Company to PICC HK in return for commissions as contemplated under the Agreement
“PICC Group”	The People’s Insurance Company (Group) of China Limited
“PICC HK”	The People’s Insurance Company of China (Hong Kong), Limited

“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By Order of the Board
PICC Property and Casualty Company Limited
Bi Xin
Secretary of the Board

Beijing, the PRC, 31 December 2025

As at the date of this announcement, the Chairperson of the Board of the Company is Ms. Ding Xiangqun (non-executive director), the executive directors are Mr. Zhang Daoming, Mr. Jiang Caishi and Mr. Hu Wei, and the independent directors are Mr. Cheng Fengchao, Mr. Wei Chenyang, Mr. Li Weibin, Mr. Qu Xiaobo and Ms. Xue Shuang.