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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 REINSURANCE

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

Pursuant to the relevant provisions of the Listing Rules, PICC Reinsurance is a connected person of the Company, entering into the Reinsurance Framework Agreement with PICC Reinsurance 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 under the Reinsurance Framework Agreement exceed 0.1% but are less than 5%, the Outward 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. As the highest applicable percentage ratios for the caps of insurance premiums and commissions for the Inward Reinsurance Transactions under the Reinsurance Framework Agreement do not exceed 0.1%, the Inward Reinsurance Transactions are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### INTRODUCTION

On 31 December 2025, the Company and PICC Reinsurance entered into the Reinsurance Framework Agreement to continue the current business cooperation relationship between the Company and PICC Reinsurance 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 Reinsurance

#### 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 Reinsurance from time to time, and PICC Reinsurance 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 and the reinsurance share of PICC Reinsurance, 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 of the Agreement shall be no more 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 external 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 Reinsurance), 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 Reinsurance via the reinsurance trading platform are exactly the same as that of other reinsurers. The Company can monitor the scale of premiums ceded to and commissions received from PICC Reinsurance on a monthly basis to ensure that they don't exceed the annual caps.

### ANNUAL CAPS

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

	RMB million
Premiums ceded by the Company to PICC Reinsurance	6,500
Commissions paid to the Company by PICC Reinsurance	2,925

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 Reinsurance. 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.

Based on the annual caps for the Inward Reinsurance Transactions for the year ending 31 December 2026, the Inward Reinsurance Transactions constitute *de minimis* continuing connected transactions under Rule 14A.76 of the Listing Rules and, therefore, are fully exempt from the independent shareholders' approval, annual review and all disclosure requirements.

### HISTORICAL FIGURES

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

	Premiums ceded by the Company to PICC Reinsurance	Commissions paid to the Company by PICC Reinsurance
	RMB million	RMB million
For the year ended 31 December 2023	5,153	1,523
For the year ended 31 December 2024	5,100	1,394
For the period ended 30 November 2025 ( <i>Note</i> )	5,054	1,415

*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 Reinsurance*

PICC Reinsurance is a joint stock limited liability company incorporated in the PRC and is principally engaged in commercial reinsurance business of property insurance, life insurance, short-term health insurance and accidental injury insurance in the PRC, service and consultation business related to the above reinsurance business, insurance funds application business permitted under the relevant laws and regulations of the PRC, and other business approved by the PRC insurance regulatory authority. As at the date of this announcement, PICC Group and the Company hold 51% and 49% of the total share capital of PICC Reinsurance respectively.

### *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 Reinsurance was jointly established by way of promotion by PICC Group and the Company. It is the fourth Chinese-funded corporate reinsurance company in the PRC. The Company entered into the Agreement with PICC Reinsurance in order to achieve risks diversification and stabilisation of operation.

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 Reinsurance is a subsidiary of PICC Group, the controlling shareholder of the Company. PICC Group and the Company hold 51% and 49% of the total share capital of PICC Reinsurance respectively. Pursuant to the Listing Rules, PICC Reinsurance 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, and Mr. Jiang Caishi, a Director of the Company, holding a position in PICC Reinsurance, have both 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 under the Reinsurance Framework Agreement exceed 0.1% but are less than 5%, the Outward 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. As the highest applicable percentage ratios for the caps of insurance premiums and commissions for the Inward Reinsurance Transactions under the Reinsurance Framework Agreement do not exceed 0.1%, the Inward Reinsurance Transactions are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements 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 Reinsurance
“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 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 Reinsurance 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 Reinsurance in return for commissions as contemplated under the Agreement
“PICC Group”	The People’s Insurance Company (Group) of China Limited

“PICC Reinsurance”	PICC Reinsurance Company 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.*