

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.

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 2026 TO 2028 TECHNOLOGY SERVICE AGREEMENT WITH PICC TECHNOLOGY

On 31 December 2025, the Company entered into the 2026 to 2028 Technology Service Agreement with PICC Technology. Pursuant to the Agreement, PICC Technology will provide the Company with technology project services, and the Company will pay technology service fees to PICC Technology.

Pursuant to the relevant provisions of the Listing Rules, PICC Technology is a connected person of the Company, therefore, the Agreement constitutes a continuing connected transaction of the Company. As the highest applicable percentage ratio in respect of the estimated annual caps of technology service fees payable by the Company to PICC Technology under the Agreement exceeds 0.1% but is less than 5%, the Transaction is only subject to the reporting, annual review and announcement requirements and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On 31 December 2025, the Company entered into the 2026 to 2028 Technology Service Agreement with PICC Technology. Pursuant to the Agreement, PICC Technology will provide the Company with technology project services including system development, construction, operation and maintenance; infrastructure and resource construction and operation; operation and maintenance management; cybersecurity; disaster recovery; data resource management and utilization; and intelligent technology research and application, etc., and the Company will pay technology service fees to PICC Technology.

2026 TO 2028 TECHNOLOGY SERVICE AGREEMENT

1.Date of Signing

31 December 2025

2.Parties

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

3.Term

From 1 January 2026 to 31 December 2028.

4.Matters of Cooperation

Technology project services under the Agreement include technology services such as system

development, construction, operation and maintenance; infrastructure and resource construction and operation; operation and maintenance management; cybersecurity; disaster recovery; data resource management and utilization; and intelligent technology research and application, etc.

Technology projects can be specifically categorized into two major service types: technology construction and centralized operation and maintenance. Technology construction projects include, but are not limited to: application system R&D projects, infrastructure and resource development, foundation and system software construction, comprehensive security system construction, disaster recovery construction, and operation and management system construction. Centralized operation and maintenance projects include, but are not limited to: software and hardware operation and maintenance, network and security services, disaster recovery services, infrastructure services and various specialized services. The Company may also entrust PICC Technology to provide customized/specialized technology services as needed.

The specific projects and service contents undertaken by PICC Technology entrusted by the Company under the Agreement for each year shall be separately stipulated in the technology service agreements for the years 2026, 2027 and 2028.

5. Technology Service Fees and Payment Method

The Company and PICC Technology reasonably assess the internal manpower allocated by PICC Technology and the amount spent on externally procured products and services based on the project construction objectives and anticipated workload, while incorporating requirements of autonomy and controllability. This assessment forms the basis for determining the technology service fees. The estimated annual cap for technology service fees in 2026 (including tax) is RMB562.7100 million. The estimated annual cap for technology service fees in 2027 (including tax) is RMB513.4100 million. The estimated annual cap for technology service fees in 2028 (including tax) is RMB514.9016 million. The technology service fees shall be settled quarterly based on the chronological progress of project construction, operation, and cost investment, with final settlement conducted at year-end based on actual expenditures.

ANNUAL CAPS

The estimated annual caps for technology service fees payable by the Company to PICC Technology during the term of the Agreement are as follows:

Period	Annual caps for technology service fees payable by the Company to PICC Technology <i>RMB million</i>
For the year ending 31 December 2026	562.7100
For the year ending 31 December 2027	513.4100
For the year ending 31 December 2028	514.9016

The scope of technology services between the Company and PICC Technology in 2026 will increase while maintaining general stability of services in 2025. After comprehensively considering the 2025 technology service fee amount and the anticipated new technology service content for 2026, the Company estimates the annual cap for the technology service fees in 2026 to be approximately RMB562.7100 million, with the main changes set out as follows:

- (1) North Center operation and maintenance: the 2026 agreement amount increases by RMB9 million compared to 2025, including operation and maintenance services for various infrastructure to ensure the normal operation of the North Center, infrastructure optimization of the North Center, etc.
- (2) North Inner-City cabinet leasing: the 2026 agreement amount increases by RMB51 million compared to 2025.
- (3) Network line leasing, including lease of lines supporting the Company's backbone network, with the 2026 agreement amount increasing by RMB6 million compared to 2025.
- (4) 95518 Platform, with the 2026 agreement amount increasing by RMB27.55 million compared to 2025, including IT innovation transformation of the 95518 system, application system development, operation and maintenance services, etc.
- (5) Security operation and maintenance, including security operation personnel, security services, information security level assessment, commercial cryptographic evaluation, cloud security, and security tools. The 2026 agreement amount increases by RMB41 million compared to 2025.
- (6) The new categories added in 2026 primarily include the basic software platform governance project, database and middleware operation and maintenance services, data center hardware equipment, operating system and virtualization operation and maintenance, network operation services, as well as expenditures for basic shared services, application shared services, and internal personnel, totaling RMB158 million.
- (7) Energy costs are reduced by RMB20 million.

The Company anticipates that there will be no foundational software platform governance projects in 2027 and 2028, with relevant service fees amounting to approximately RMB75 million. The operation and maintenance costs of the North Center and the leasing costs of the North Inner-City will remain unchanged over the three-year period. For network line, security operation and maintenance, and newly-added projects (basic resource operation and maintenance and maintenance services), considering the annual increase in business demands and IT resource management scale, an 8% annual growth rate is estimated, resulting in a slight increase in amounts for 2027 and 2028. Concurrently, IT expense categories for basic shared and application shared services in the newly-added projects will increase by RMB32 million. For the 95518 Platform, the 2027 agreement amount is estimated to slightly increase to RMB45.89 million. Development work in 2028 will be reduced, lowering the amount to RMB21.58 million. Taking all these changes into account, the estimated annual cap of technology service fees in 2027 is RMB513.4100 million, and the estimated annual cap of technology service fees in 2028 is RMB514.9016 million.

HISTORICAL AMOUNTS

The historical amounts of similar transactions between the Company and PICC Technology are as follows:

Period	Technology service fees paid by the Company to PICC Technology RMB million
For the year ended 31 December 2023	146
For the year ended 31 December 2024	351
For the period ended 30 November 2025 (<i>Note</i>)	118

Note: Such figure was extracted from the business system and was not audited.

PRICING PRINCIPLES

PICC Technology charges technology service fees based on the comprehensive cost of the projects. The comprehensive cost of the projects includes all direct costs (including internal input and external procurement), indirect costs, and the portion of the operation and management expenses and various taxes of PICC Technology attributable to the project.

PICC Technology anticipates that the main components of relevant investments inputs for shared project services and exclusive project services under the Agreement for each year consist of: labor costs and office management-related expenses, asset-related expenses (including office rental costs, vehicle usage fees, electronic equipment usage fees, etc.), regulatory intermediary fees, taxes and costs for external procurement to implement IT projects (including technology software products, outsourced labor, technical services, etc.). Among them, for labor costs, the remuneration system of PICC Technology conducts external comparison of remuneration levels through Independent Third Parties in the market. It comprehensively considers factors such as company background, business scope, talent sources, and development stage, selecting 12 companies in the fintech industry for comparison. Internally, it mainly compares with PICC Group and its subsidiaries. Comparison results indicate that the remuneration standards of PICC Technology are positioned at the 75th percentile of the market. Office rental costs are determined based on rental assessments conducted by Independent Third Party consulting institutions, strictly adhering to procurement requirements of PICC Group through multiple rounds of negotiations with Independent Third Party property owners. Costs for external procurement to implement IT projects are primarily determined through bidding or competitive negotiation, fully incorporating competitive mechanisms. Both bidding and competitive negotiation processes involve participation of at least two Independent Third Parties.

Shared projects/services are based on the informatization construction plan of PICC Group. The cost allocation rules of shared projects/services are determined according to factors such as the nature of the project, construction phase/maturity phase, based on the annual revenue share of subsidiaries of PICC Group and the usage volume of the project/service. The comprehensive cost of exclusive service projects provided according to the Company's specific requirements shall be fully borne by the Company. The Company and PICC Technology reasonably assess the internal manpower allocated by PICC Technology and the amount spent on externally procured products and services based on the project construction objectives and anticipated workload, while incorporating requirements of autonomy and controllability. This assessment forms the basis for determining the technology service fees.

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 related party transaction in accordance with the above-mentioned regulations. The Company regularly records and reports on the occurrence and implementation of related party 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 related party 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.

When entering into annual agreements, the Company and PICC Technology will further verify specific project content and anticipated workload based on project construction objectives. While incorporating requirements of autonomy and controllability, the Company will reasonably assess manpower allocated and the amount spent on externally procured products and services, to fully reduce costs and share relevant costs according to pricing principles based on actual expenditures. The Company will continue to drive PICC Technology to optimize cost allocation rules, improving cost management standards and utilization efficiency through enhancing budget management and process control.

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 approximately 68.98% of the total share capital of the Company.

Information of PICC Group

PICC Group is a joint stock limited company incorporated in the PRC, 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 approximately 60.84% of the total share capital of PICC Group.

Information of PICC Technology

PICC Technology is a limited liability company incorporated and registered in the PRC. PICC Technology primarily engages in software development, information system operation and maintenance, data processing services, data processing and storage support services, information technology consulting services, computer system services, information system integration services, network technology services, internet data services, internet security services, cloud computing, big data, the Internet of Things, artificial intelligence and other technology service businesses. As at the date of this announcement, PICC Group is the controlling shareholder of PICC Technology, holding 100% of the total share capital of PICC Technology.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

PICC Technology is an insurance technology company specifically established by PICC

Group on the basis of its digital upgrade needs. As the main force of PICC Group's technology sector, PICC Technology undertakes four major functions of PICC Group, namely science and technology infrastructure, research and development support, shared operation and innovation incubation. PICC Technology's own research and development team has engaged in various construction work of insurance informatization for a long time, and has rich experience in implementation and professional service capabilities. PICC Technology manages and operates technology infrastructure, software research and development as well as technology innovation in a centralized manner, optimizes resource allocation, in order to promote the Company's all-round and whole-process transformation with digitalization, expand online insurance, promote intelligent development, and enable the business front line, form the core competitiveness of technology, improve management level and innovation and development ability, and strongly support business development of the Company.

The technology services provided by PICC Technology during the term of the Agreement either involve unified operation of PICC Group, or relate to the information of the Company's customers. From the perspective of security, autonomy and controllability, some projects are not suitable to be carried out by a third party and can only be coordinated and promoted by a company within PICC Group. At the same time, the centralized implementation of informatization projects by PICC Technology gives play to scale advantage and reduces the procurement costs. The project costs are expected to be lower than that of a decentralized implementation by companies within PICC Group.

PICC Technology pays great attention to security research and technology innovation, and strictly implements security confidentiality and customer protection agreements to fully ensure information security in terms of personnel, technology and systems in accordance with the unified data security strategy and management requirements of PICC Group. The Company believes that PICC Technology has rich resources in technology services, extensive resources in fundamental supports, rich experience in customer service and reliable operation and maintenance, meets the basic requirements of the Company for technology service providers and can actively cooperate to fulfil risk regulation requirements by the National Financial Regulatory Administration. In addition, the Company and PICC Technology have agreed on the ownership of intellectual property achievements in the Agreement, which can fully guarantee the Company takes credit for the intellectual property achievements.

The Board (including the Independent 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 of the Agreement and the annual caps of technology service fees are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

PICC Technology is a wholly-owned subsidiary of PICC Group, the Company's controlling shareholder. According to the Listing Rules, PICC Technology is a connected person of the Company. Therefore, 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 Director was required to abstain from voting on the Board resolution for considering and approving the Agreement or was regarded as having a material interest in the Agreement.

As the highest applicable percentage ratio in respect of the estimated annual caps of

technology service fees payable by the Company to PICC Technology under the Agreement exceeds 0.1% but is less than 5%, the Transaction is only subject to the reporting, annual review and announcement requirements and is 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 “2026 to 2028 Technology Service Agreement”	the 2026 to 2028 Technology Service Agreement entered into between the Company and PICC Technology on 31 December 2025
“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
“Director(s)”	The director(s) of the Company
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Director(s)”	independent non-executive director(s) of the Company
“Independent Third Party(ies)”	has the same meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PICC Group”	The People’s Insurance Company (Group) of China Limited
“PICC Technology”	PICC Information Technology Co., Limited
“PRC”	the People’s Republic of China, which, 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
“Transaction”	Pursuant to the Agreement, PICC Technology will provide the Company with shared project services and exclusive project services, and the Company will pay technology service fees to PICC Technology
“%”	Percentage

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.