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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 limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2328)**

## CONTINUING CONNECTED TRANSACTION FRAMEWORK AGREEMENT ON OCCUPATIONAL ANNUITY FUND MANAGEMENT BUSINESS AND CORPORATE ANNUITY FUND MANAGEMENT BUSINESS COOPERATION WITH PICC PENSION

The Company entered into a Framework Agreement on Occupational Annuity Fund Management Business and Corporate Annuity Fund Management Business Cooperation with PICC Pension on 20 February 2019, pursuant to which, the Company will carry out business cooperation regarding occupational annuity fund management business and corporate annuity fund management business with PICC Pension and receive business cooperation fees from PICC Pension.

Pursuant to the relevant provisions of the Listing Rules, the Framework Agreement with PICC Pension constitutes a continuing connected transaction of the Company. As the highest applicable percentage ratio for the annual cap of the business cooperation fees received by the Company from PICC Pension under the Agreement exceeds 0.1% but is less than 5%, the Agreement 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

The Company entered into a Framework Agreement on Occupational Annuity Fund Management Business and Corporate Annuity Fund Management Business Cooperation with PICC Pension on 20 February 2019 in order to carry out relevant business cooperation, with a term expiring on 31 December 2020.

### THE FRAMEWORK AGREEMENT WITH PICC PENSION

#### 1. Date

20 February 2019

#### 2. Parties

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

#### 3. Term

Commencing from 20 February 2019 and expiring on 31 December 2020.

#### **4. Collaboration**

Pursuant to the Agreement, the Company will carry out business cooperation regarding occupational annuity fund management business and corporate annuity fund management business with PICC Pension. The Company will provide to PICC Pension customer information (within the authorisation of customers) which can help promote the development of its occupational annuity fund management business and corporate annuity fund management business, assist it on customer development, marketing, promotion, bidding or participation in contract negotiations and will receive business cooperation fees from PICC Pension.

Occupational annuity refers to the supplementary pension insurance mechanism set up for government offices and public institutions and their staffs in addition to their participation in the basic pension insurance of government offices and public institutions. Corporate annuity refers to the supplementary pension insurance mechanism self-established by enterprises and their employees in addition to their participation in the basic pension insurance in accordance with the relevant laws.

#### **5. Business cooperation fees and way of payment**

The business cooperation fees under the Agreement are negotiated and determined according to business scales, market conditions and industry self-discipline conventions and pursuant to the principles of compliance and fairness, and do not deviate from fee standards of independent third parties in the market. The business cooperation fees are calculated mainly on the basis of the entrusted business amount and investment management business amount of the occupational annuity or corporate annuity received by PICC Pension, for which the Company helps it win the bids, with reference to the local entrusted management fee rate and investment management base fee rate of occupational annuity and corporate annuity. Industry self-discipline convention shall be referred to for the local entrusted management fee rate and investment management base fee rate of occupational annuity and corporate annuity.

The business cooperation fees will be paid monthly by way of bank transfer.

#### **ANNUAL CAP OF BUSINESS COOPERATION FEES**

Pursuant to the Agreement, the annual cap for the business cooperation fees received by the Company from PICC Pension is estimated to be RMB300 million per year.

Before entering into the Agreement, the Company was not engaged in any occupational annuity fund management business and corporate annuity fund management business cooperation with PICC Pension. The Company determined the above annual cap for the business cooperation fees primarily on the basis of entrusted business amount and investment management business amount of the occupational annuity or corporate annuity to be received by PICC Pension as estimated by the Company, for which the Company helps it win the bids, and the maximum entrusted management fee rate and investment management base fee rate of occupational annuity and corporate annuity.

#### **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 of PICC Pension***

PICC Pension is a subsidiary solely established by PICC Group by way of promotion, which specialises in pension insurance and has a registered capital of RMB4 billion. PICC Pension is principally engaged in group pension insurance, personal pension insurance, annuities, short-term health insurance and accidental injury insurance business in the PRC.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT**

The Company entered into the Agreement with PICC Pension, with a view to achieving resource sharing and interest complementation through business cooperation, and further enhancing the Company's influence in corporate customers. The Board, including all independent non-executive Directors, is of the view that the transaction under 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 proposed annual cap are fair and reasonable and in the interests of the Company and its shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

PICC Group holds approximately 68.98% of the issued capital of the Company. PICC Pension is a wholly-owned subsidiary of PICC Group, the controlling shareholder of the Company. Pursuant to the Listing Rules, PICC Pension is a connected person of the Company. According to the relevant provisions of the Listing rules, the Framework Agreement with PICC Pension constitutes a continuing connected transaction of the Company. As among the Directors of the Company, Mr. Miao Jianmin, Mr. Xie Yiqun and Mr. Li Tao (when considering the board resolution regarding the Agreement) hold positions in PICC Group, they all 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 ratio for the annual cap of the business cooperation fees received by the Company from PICC Pension under the Agreement exceeds 0.1% but is less than 5%, the Agreement 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 “Framework Agreement with PICC Pension”	the Framework Agreement on Occupational Annuity Fund Management Business and Corporate Annuity Fund Management Business Cooperation dated 20 February 2019 and entered into between the Company and PICC Pension
“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
“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, a joint stock limited company incorporated in the PRC with limited liability, whose shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange
“PICC Pension”	PICC Pension Company Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By Order of the Board  
**Zou Zhihong**  
*Secretary of the Board*

Beijing, the PRC, 20 February 2019

*As at the date of this announcement, the Chairman of the Board is Mr. Miao Jianmin (executive director), the Vice Chairman is Mr. Lin Zhiyong (executive director), the non-executive directors are Mr. Xie Yiqun and Mr. Li Tao, and the independent non-executive directors are Mr. Lin Hanchuan, Mr. Lo Chung Hing, Mr. Na Guoyi, Mr. Ma Yusheng, Mr. Chu Bende and Ms. Qu Xiaohui.*