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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 TRANSACTIONS
95518 ENTRUSTED OPERATION SERVICE FRAMEWORK
AGREEMENT WITH PICC TECHNOLOGY
AND
TRIPARTITE AGREEMENT ON THE TRANSFER OF 95518
ENTRUSTED OPERATION RELATED SERVICE CONTRACTS WITH
PICC FINANCIAL SERVICES AND PICC TECHNOLOGY**

On 31 May 2024, the Company entered into the 95518 Entrusted Operation Service Framework Agreement with PICC Technology, pursuant to which, PICC Technology will provide the Company with services relating to nationwide 95518 entrusted operation and construction and operation of regional centers, etc., and the Company will pay service fees to PICC Technology accordingly.

Reference is made to the announcement of the Company dated 18 April 2024, in relation to the Original PICC Financial Services 95518 Entrusted Operation Related Service Contracts entered into between the Company and PICC Financial Services. According to the Framework Agreement, the Company entered into the Tripartite Agreement on the Transfer of 95518 Entrusted Operation Related Service Contracts with PICC Financial Services and PICC Technology on the even date, pursuant to which, the entrusted party in relation to 95518 entrusted operation related service will be changed from PICC Financial Services to PICC Technology, and from 1 June 2024, all rights and obligations of PICC Financial Services under the Original Contracts shall be transferred to PICC Technology, the relevant services under the Original Contracts shall be transferred to the Tripartite Agreement for implementation, and the Company will pay service fees to PICC Technology.

Pursuant to the relevant provisions of the Listing Rules, the Transaction constitutes continuing connected transactions of the Company. As the highest applicable percentage ratio in respect of the estimated caps of service fees (inclusive of the estimated cap of service fees under the Tripartite Agreement) payable by the Company to PICC Technology under the Framework 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 May 2024, the Company entered into the 95518 Entrusted Operation Service Framework Agreement with PICC Technology, pursuant to which, PICC Technology will provide the

Company with services relating to nationwide 95518 entrusted operation and construction and operation of regional centers, etc., and the Company will pay service fees to PICC Technology accordingly.

Reference is made to the announcement of the Company dated 18 April 2024, in relation to the Original PICC Financial Services 95518 Entrusted Operation Related Service Contracts entered into between the Company and PICC Financial Services. According to the Framework Agreement, the Company entered into the Tripartite Agreement on the Transfer of 95518 Entrusted Operation Related Service Contracts with PICC Financial Services and PICC Technology on the even date, pursuant to which, the entrusted party in relation to 95518 entrusted operation related service will be changed from PICC Financial Services to PICC Technology, and from 1 June 2024, all rights and obligations of PICC Financial Services under the Original Contracts shall be transferred to PICC Technology, the relevant services under the Original Contracts shall be transferred to the Tripartite Agreement for implementation, and the Company will pay service fees to PICC Technology.

95518 ENTRUSTED OPERATION SERVICE FRAMEWORK AGREEMENT

1. Date of signing

31 May 2024

2. Parties

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

3. Term

From the date of signing to 31 December 2025.

4. Collaboration

PICC Technology will provide the Company with services relating to nationwide 95518 entrusted operation and construction and operation of regional centers. Among them, the specific contents of the nationwide 95518 entrusted operation service include: conducting operation assessment, business management, personnel training, team building, etc. of the 95518 regional center/provincial customer service center nationwide; introducing artificial intelligence and other technologies and developing intelligent service tools to promote the application of intelligent service scenarios, so as to continuously reduce the average service cost per case; 95518 communication services and operation and maintenance support; in accordance with the Company's business management requirements, improving the 95518 disaster emergency service capacity, etc. The specific contents of construction and operation of regional centers service include: undertaking the construction and operation of the 95518 regional centers, conducting recruitment of staff, workplace leasing, system construction and office operation during the construction period of the regional centers, etc.; in accordance with the Company's service standards and specifications, providing telephone and online services such as claim case reporting, customer consultations, complaints and value-added services, as well as customer services such as post-call communication and coordination and outbound callbacks; undertaking daily operation and management of the regional centers and carrying out operational support and data analysis to improve operational efficiency.

Under the Framework Agreement, the Company and PICC Technology may enter into specific service procurement contract on specific cooperation matters such as relevant service projects and the construction and operation of regional centers.

5. Service fees and payment method

The transaction price under the Framework Agreement is determined using the cost method, taking into account the labor and material costs that PICC Technology expects to incur for such services. Specifically, the service fees include labor costs, workplace-related expenses, information construction expenses, other operating expenses, communication service fees, taxes, etc. The service fees shall be paid via bank transfer, and the payment cycle shall be agreed according to the contents and progress of the service project of the specific service contract under the Framework Agreement.

6. Pricing Policy

The consideration under the Framework Agreement is determined by using the reasonable cost method as pricing policy, and the service price is determined based on negotiation taking into account the fair market value and the transaction price with Independent Third Parties, in order to ensure that the pricing of the transactions under the Framework Agreement is fair and reasonable and in the interests of the Company and its shareholders as a whole. The service fees mainly include labor costs, material costs and related taxes. Among them, the labor costs are mainly determined based on the Company's internal salary standards and market salary levels; among the material costs, workplace-related expenses are determined on the basis of fair market value assessed by third parties, information construction expenses and communication service fees are determined based on the Company's internal historical purchase prices and market levels; and other operating expenses, such as office and travel expenses, are determined according to the Company's standards and market levels.

TRIPARTITE AGREEMENT ON THE TRANSFER OF 95518 ENTRUSTED OPERATION RELATED SERVICE CONTRACTS

1. Date of signing

31 May 2024

2. Parties

- (1) the Company
- (2) PICC Financial Services
- (3) PICC Technology

3. Term

From 1 June 2024, all rights and obligations of PICC Financial Services under the Original Contracts shall be transferred to PICC Technology, the service terms of various services under the Original Contracts shall remain unchanged. Specifically, the term of the Service Contract for Entrusting PICC Financial Services to Operate 95518 Customer Service is until 30 June 2024, the term of the Service Contract for Entrusting PICC Financial Services to Undertake 95518 Communication Service is until 31 December 2024, and the term of the Service Contract for Entrusting PICC Financial Services to Construct and Operate 95518 East China Center and South Center is until 17 April 2025.

4. Collaboration

From 1 June 2024, all rights and obligations of PICC Financial Services under the Original Contracts shall be transferred to PICC Technology, the relevant services under the Original Contracts shall be transferred to the Tripartite Agreement for implementation, and the content, contract amount, pricing standard and service term of such services will remain unchanged, and the Company will pay service fees to PICC Technology in accordance with the payment method set out in the Tripartite Agreement. The Company will separately enter into specific service contracts with PICC Technology pursuant to the Framework Agreement upon the expiry of the Original Contracts.

5. Service fees, pricing policy and payment method

Pursuant to the Tripartite Agreement, the contract amount and pricing standard under the Original Contracts will remain unchanged, and the aggregate amount of services fees to be transferred to PICC Technology are expected to be capped at approximately RMB310 million, which is the total service fees under the Original Contracts deducting the amount of the transactions that have already taken place and are expected to take place between the Company and PICC Financial Services before the effective date of the Tripartite Agreement. The Company will pay the service fees to PICC Technology by way of bank transfer in accordance with the payment arrangements agreed under the Tripartite Agreement.

ANNUAL CAPS

The estimated caps of the service fees payable by the Company to PICC Technology under the Framework Agreement are as follows:

	RMB million
From the date of the signing to 31 December 2024	436
From 1 January 2025 to 31 December 2025	720

The above caps are determined based on the estimated transaction amount under the Framework Agreement. The transaction amount is determined by cost method while taking into account related taxes, including i) the estimated cap of transaction amount agreed to be transferred to PICC Technology in the Tripartite Agreement (approximately RMB310 million) and ii) the estimated cap of transaction amount of specific service contracts (such as the contracts relating to regional centers) which are expected to be entered into with PICC Technology under the Framework Agreement, which is approximately RMB846 million. Such transaction amounts mainly consist of: (1) labor costs: considering the Company’s internal salary standards and market salary levels, and in accordance with the progress of the recruitment process, the labor costs during the term of the Framework Agreement are expected to be approximately RMB917 million, including approximately RMB342 million for 2024 and approximately RMB575 million for 2025, respectively; (2) material costs: the material costs to be invested at the initial stage of operation include workplace-related expenses, information construction expenses, other operating expenses and communication service fees, and based on the pricing principles of the various material costs under the Framework Agreement, and taking into account the estimated scale of the material inputs during the initial stage of operation, the material costs are estimated to be approximately RMB239 million, including approximately RMB94 million for 2024 and approximately RMB145 million for 2025.

HISTORICAL AMOUNT

The Company did not incur historical amount of similar transactions in the past three years with PICC Technology.

Please refer to the Company’s continuing connected transaction announcement dated 18 April 2024 for the historical transaction amounts of the service fees paid by the Company to PICC Financial Services under the Original Contracts.

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, and monitoring of related party transactions, etc. The Company manages and monitors each related party transaction in accordance with the abovementioned 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 promptly 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 and the supervisory committee 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.

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 motor vehicle insurance, commercial property insurance, cargo insurance, liability insurance, accidental injury insurance, short-term health insurance, agriculture insurance, credit insurance, surety insurance, household property insurance, marine hull insurance and other insurance businesses in the PRC, 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 and registered 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 authorized 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 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.

Information of PICC Financial Services

PICC Financial Services is a limited liability company incorporated in the PRC. PICC Financial Services is principally engaged in internet information services, value-added telecommunication businesses, auction businesses, artificial intelligence public services, technical services, technology development, technical consultation and other businesses. PICC Group, the Company and PICC Life respectively holds approximately 70.6781%, 17.5932% and 11.7288% of the registered capital of PICC Financial Services. Among them, PICC Life is a joint stock limited company incorporated in the PRC and is principally engaged in life insurance, health insurance, accidental injury insurance, the related re-insurance business and insurance funds application

business in the PRC. As at the date of this announcement, PICC Group is the controlling shareholder of PICC Life and directly holds approximately 71.08% of the total share capital of PICC Life, the Company holds approximately 8.62% of the total share capital of PICC Life, and PICC AMC, a wholly-owned subsidiary of PICC Group, holds approximately 0.3% of the total share capital of PICC Life. Information on the shareholder who owns 10% or more of the remaining equity interests in PICC Life: 10% equity interests are held by Sumitomo Life Insurance Company* (日本住友生命保險公司), a mutual insurance company incorporated in Japan and principally engaged in life insurance businesses, investments and other insurance businesses, which is ultimately and beneficially owned and controlled by the policy holders and has no shareholder(s) thereto in accordance with applicable laws and regulations in Japan.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION

According to PICC Group's plan to build a unified omni-channel intelligent customer service system, as well as the work arrangements of optimizing the technology sector, the 95518 entrusted operation business was transferred from PICC Financial Services to PICC Technology as a whole, including operation management team, customer service staff, leased workplace and information systems, etc. To ensure the normal operation of the Company's 95518 operation services, the Company entered into the Tripartite Agreement with PICC Financial Services and PICC Technology to transfer a series of Original Contracts entered into with PICC Financial Services before the implementation of work in connection with the optimization of the technology sector by PICC Group, to PICC Technology on a consolidated basis.

The Company entered into the Framework Agreement with PICC Technology in respect of 95518 entrusted operation related services that the Company will require from time to time in its daily business in the future. Upon entering into the Framework Agreement with PICC Technology, PICC Technology will provide centralized 95518 operation services for the customer service business of the Company. The regional centers are conducive to leveraging the efficiency of centralized operation, deepening the application of intelligent services, and strengthening the risk management and control of case reporting and complaints.

The Board, including all Independent Directors, is of the view that the Transaction is entered into in the ordinary and usual course of business of the Company and on normal commercial terms, and the terms of the Transaction and the proposed annual caps of service fees are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

PICC Technology and PICC Financial Services are both subsidiaries of PICC Group, the Company's controlling shareholder. According to the Listing Rules, each of PICC Technology and PICC Financial Services is a connected person of the Company. Therefore, the Transaction constitutes continuing connected transactions of the Company. Mr. Wang Tingke and Mr. Yu Ze, Directors of the Company holding positions in PICC Group, Mr. Li Tao, a Director of the Company designated by PICC Group, and Mr. Zhang Daoming, a Director of the Company holding position in PICC Financial Services, have all abstained from voting on the Board resolution for considering and approving the Transaction. Save as disclosed above, no other Director was required to abstain from voting on the Board resolution for considering and approving the Transaction or was regarded as having a material interest in the Transaction.

As the highest applicable percentage ratio in respect of the estimated cap of service fees (inclusive of the estimated caps of service fees under the Tripartite Agreement) payable by the Company to PICC Technology under the Framework 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:

“Framework Agreement” or “95518 Entrusted Operation Service Framework Agreement”	the 95518 Entrusted Operation Service Framework Agreement entered into between the Company and PICC Technology on 31 May 2024
“associate”	has the meaning as defined in the Listing Rules
“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)”	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 meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Original Contracts” or “Original PICC Financial Services 95518 Entrusted Operation Related Service Contracts”	the Service Contract for Entrusting PICC Financial Services to Operate 95518 Customer Service entered into between the Company and PICC Financial Services on 11 April 2023 and the Supplemental Contract for Entrusting PICC Financial Services to Operate 95518 Customer Service entered into between the Company and PICC Financial Services on 29 March 2024, the Service Contract for Entrusting PICC Financial Services to Undertake 95518 Communication Service entered into between the Company and PICC Financial Services on 1 January 2024 and the Service Contract for Entrusting PICC Financial Services to Construct and Operate 95518 East China Center and South Center entered into between the Company and PICC Financial Services on 18 April 2024
“PICC AMC”	PICC Asset Management Company Limited, a limited liability company incorporated in the PRC

“PICC Financial Services”	PICC Financial Services Company Limited
“PICC Group”	The People’s Insurance Company (Group) of China Limited
“PICC Life”	PICC Life Insurance Company Limited
“PICC Technology”	PICC Information Technology Co., Ltd.
“Tripartite Agreement”	the Tripartite Agreement on the Transfer of 95518 Entrusted Operation Related Service Contracts entered into between the Company, PICC Financial Services and PICC Technology on 31 May 2024
“RMB”	Renminbi, the lawful currency of the PRC
“Transaction”	According to the Framework Agreement, PICC Technology will provide the Company with services relating to nationwide 95518 entrusted operation and construction and operation of regional centers, etc., and through the Tripartite Agreement, the contents of the services and the rights and obligations of PICC Financial Services under the Original PICC Financial Services 95518 Entrusted Operation Related Service Contracts will be transferred to PICC Technology, and the Company will pay service fees to PICC Technology accordingly
“%”	percentage

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

Beijing, the PRC, 31 May 2024

As at the date of this announcement, the Chairman of the Board of the Company is Mr. Wang Tingke (non-executive director), the Vice Chairman of the Board is Mr. Yu Ze (executive director), Mr. Jiang Caishi, Mr. Zhang Daoming and Mr. Hu Wei are executive directors, Mr. Li Tao is a non-executive director, and the independent directors are Mr. Cheng Fengchao, Mr. Wei Chenyang, Mr. Li Weibin and Mr. Qu Xiaobo.