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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 INSURANCE BROKERAGE BUSINESS COOPERATION AGREEMENT WITH PIB

Reference is made to the announcement of the Company dated 21 June 2019 regarding the Former Insurance Brokerage Business Cooperation Agreements entered into between the Company and ZSIB, CIB and PIB respectively. The Former Agreement between the Company and PIB will expire on 16 June 2022. On 15 June 2022, the Company renewed the Insurance Brokerage Business Cooperation Agreement with PIB. Pursuant to the Agreement, the Company continues to cooperate with PIB in insurance business. PIB provides insurance brokerage services for the insurance contracts entered into between the insurance purchasers and the Company, and the Company pays brokerage commissions to PIB.

In accordance with the relevant provisions of the Listing Rules, the Insurance Brokerage Business Cooperation Agreement constitutes a continuing connected transaction of the Company. As specified in Chapter 14A of the Listing Rules, as the highest applicable percentage ratio for the estimated annual caps of the brokerage commissions involved in the Agreement is more than 0.1% but 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.

INTRODUCTION

The Former Insurance Brokerage Business Cooperation Agreement between the Company and PIB will expire on 16 June 2022. On 15 June 2022, the Company renewed the Insurance Brokerage Business Cooperation Agreement with PIB, commencing on 17 June 2022 and expiring on 16 June 2025. Pursuant to the Agreement, the Company continues to cooperate with PIB in insurance business. PIB provides insurance brokerage services for the insurance contracts entered into between the insurance purchasers and the Company, and the Company pays brokerage commissions to PIB.

Insurance Brokerage Business Cooperation Agreement

1. Date of Signing

15 June 2022

2. Parties

(1) the Company

(2) PIB

3. Term

Commencing on 17 June 2022 and expiring on 16 June 2025.

4. Cooperative matters

Pursuant to the Agreement, the Company continues to cooperate with PIB in insurance business. PIB provides insurance brokerage services for the insurance contracts entered into between the insurance purchasers and the Company, and the Company pays brokerage commissions to PIB.

5. Brokerage Commissions

Pursuant to the Agreement, the Company and PIB will enter into agreements for the cooperation under specific projects. The cooperation under specific projects will be carried out at fair and reasonable prices and based on normal commercial terms. The brokerage commissions will be calculated according to the actual net insurance premiums received by the Company from the relevant insurance products under the agreements and the agreed commission rates. The commission rates will not exceed the ceiling limit determined in the specific cooperation agreements, and will include factors such as the product type, business scale, business quality, regional markets, etc. The commission rates shall comply with the regulatory requirements regarding the commissions of relevant business and the commission management requirements of the Company and shall not deviate from the prices or commission standards adopted by the independent third parties in the market.

The brokerage commissions will be paid in cash (bank account transfer) based on the payment terms no favorable than that available to independent third parties.

ANNUAL CAPS

The annual caps of the brokerage commissions to be paid by the Company to PIB during the term of the Agreement are estimated to be as follows:

Period	Estimated Annual Caps
	<i>RMB million</i>
For the year ending 31 December 2022	600
For the year ending 31 December 2023	600
For the year ending 31 December 2024	600
For the period from 1 January 2025 to 16 June 2025	600

The Company determined the above estimated annual caps primarily with reference to several factors such as the business cooperation between the Company and PIB in recent years, the historical brokerage commissions paid by the Company to PIB and the corresponding growth rate, current and future business cooperation in terms of areas and types of insurance products, situation of business cooperation development as well as market commissions, etc. In 2021, the actual brokerage commissions paid by the Company to PIB grew at a high year-on-year rate of approximately 137%. The brokerage commissions paid by the Company to PIB for the first four months of 2022 increased approximately 114% compared to the same period of previous year. Meanwhile, in recent years, PIB focused on the development mode of insurtech. The Company and PIB will gradually enhance cooperation in such new sales model as via internet and expand the cooperation in motor vehicle insurance and other relevant businesses in future. In terms of the trend, the business cooperation between the Company and PIB will

continue to grow at a high rate. The Company has comprehensively evaluated the above factors and set the above-mentioned annual caps.

HISTORICAL AMOUNT

The brokerage commissions paid by the Company to PIB for the years ended 31 December 2019, 31 December 2020, and 31 December 2021 as well as the period from 1 January 2022 to 30 April 2022 were approximately RMB131 million, RMB91 million, RMB216 million and RMB122 million, respectively.

PRICING POLICY AND RELEVANT INTERNAL CONTROL MEASURES

When conducting insurance brokerage business cooperation, price shall be determined by the Company and PIB after fair negotiation in accordance with the market-based principles and with reference to a combination of factors such as products, subject matter and geographies. The pricing shall comply with the regulatory requirements regarding the commissions of relevant business and the commission management requirements of the Company and shall not deviate from the prices or commission standards adopted by the independent third parties in the market to ensure that the price of the transaction is fair and reasonable and in the interests of the Company and its shareholders as a whole. When carrying out a specific business, the relevant product managing department of the branch company will provide guidance and examine the relevant commission rate level, the materials to be examined include whether the pricing of transaction with PIB complies with the regulatory requirements regarding the commissions of relevant business and the commission management requirements of the Company, and whether there is any divergence between the pricing standards of PIB and those of independent third parties in the market for similar business (if any), etc. The business cooperation will not be carried out until the relevant materials are thoroughly examined.

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 promptly inform the relevant department of the Related Party Transaction Control Committee to 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 and the supervisory committee of the Company. The independent non-executive 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 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 Group

PICC Group is 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, 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 and the ultimate beneficial owner of PICC Group, holding 60.84% of the total share capital of PICC Group.

Information of PIB

PIB is a limited liability company incorporated in the PRC, principally engaged in drafting insurance proposals for insurance purchasers, selecting insurers and handling insurance purchase procedures; assisting the insureds and beneficiaries in claim settlement processes; reinsurance brokerage services; and providing services on disaster and loss prevention, risk assessment and risk management consultation. As at the date of this announcement, PICC Financial Services, Ocean Regal Development and Aibao Technology respectively holds 77.5%, 12.5% and 10% of the registered capital of PIB.

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 financial information, technology and consultation services and acceptance of financial information and technology service outsourcing, financial business process outsourcing and financial knowledge process outsourcing under the entrustment by financial institutions. As at the date of this announcement, PICC Group, the Company and PICC Life respectively holds approximately 70.68%, 17.59% and 11.73% of the registered capital of PICC Financial Services.

Information of PICC Life

PICC Life is a joint stock limited company incorporated in the PRC and is principally engaged in life insurance, health insurance and accident injury insurance and the related re-insurance business as well as insurance funds application business in the PRC. As at the date of this announcement, PICC Group is the controlling shareholder of PICC Life, 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 Asset, a wholly-owned subsidiary of PICC Group, holds approximately 0.3% of the total share capital of PICC Life. The remaining equity interest in PICC Life is owned as to (i) 10% 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 business, 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; (ii) 5% by Asia Financial Holdings Ltd.* (亞洲金融集團(控股)有限公司), a public company incorporated in Bermuda with limited liability and principally engaged in underwriting of general and life insurance as well as investment holding, whose shares are listed on the Hong

Kong Stock Exchange (stock code: 662); and (iii) 5% by Bangkok Bank Public Company Limited* (泰國盤古銀行), a public company incorporated in Thailand with limited liability and principally engaged in commercial banking business and bank-related businesses, whose shares are listed on the Stock Exchange of Thailand (stock symbol: BBL).

Information of Ocean Regal Development

Ocean Regal Development is a limited liability company incorporated in Hong Kong. Its principal businesses include industrial investment, investment management and commercial trading. As at the date of this announcement, Ocean Regal Development is held by independent third parties Gao Haixiang and Luo Weili, and the ultimate beneficial owner of Ocean Regal Development is Gao Haixiang, an independent third party.

Information of Aibao Technology

Aibao Technology is a limited liability company incorporated in the PRC. Its principal businesses include marketing and planning, services of automobile towing, rescue request and obstacle removal, chauffeur driving, technical inspection, business agency, automobile decoration and advertisement agency. As at the date of this announcement, Laibao Investment (Hengqin) Partnership (Limited Partnership) holds 54.9% of the registered capital of Aibao Technology, and PICC Financial Services holds 45.1% of the registered capital of Aibao Technology.

The partners of Laibao Investment (Hengqin) Partnership (Limited Partnership) include Beijing Xinbao Information Technology Co., Ltd., Beijing Yunqihulian Investment Co., Ltd., Jubao Investment (Hengqin) Partnership (Limited Partnership), Shanghai Ruiluo Enterprise Management Consulting Co., Ltd. and Zhibao Technology (Hengqin) Co., Ltd., with equity interests of approximately 36.84%, 36.84%, 18.01%, 8.28% and 0.02%, respectively.

Beijing Xinbao Information Technology Co., Ltd. is a wholly-owned subsidiary of Linzhi Lichuang Information Technology Co., Ltd, which is a wholly-owned subsidiary of Shenzhen Litong Industrial Investment Fund Co., Ltd., whose ultimate beneficial owners are independent third parties Zhu Jinsong, Li Huimin, Hu Min and Chen Fei.

Beijing Yunqihulian Investment Co., Ltd. is a wholly-owned subsidiary of Beijing Wuba Information Technology Co., Ltd. Independent third parties Yao Jinbo and Zhang Lianqing respectively hold 46.84% and 39.82% of the registered capital in Beijing Wuba Information Technology Co., Ltd., and its remaining registered capital of 13.34% is held by Beijing Wanglinton Information Technology Co., Ltd. The shareholders of Beijing Wanglinton Information Technology Co., Ltd are independent third parties Yao Jinbo, Chen Xiaohua, Gao Bo, Xu Guipeng, Zhuang Jiandong, Cui Jinfeng, Geng Chunsheng and Jin Yusong.

The ultimate beneficial owners of Jubao Investment (Hengqin) Partnership (Limited Partnership) are independent third parties Lv Minggang and Jiang Hua.

The ultimate beneficial owners of Shanghai Ruiluo Enterprise Management Consulting Co., Ltd. are independent third parties Mo Fei and Liu Weixiang.

Jubao Investment (Hengqin) Partnership (Limited Partnership) holds 60% of the registered capital of Zhibao Technology (Hengqin) Co., Ltd., and Beijing Xinbao Information Technology Co., Ltd. and Beijing Yunqihulian Investment Co., Ltd. each hold 20% of the registered capital of Zhibao Technology (Hengqin) Co., Ltd.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

Insurance brokerage is one of the sales channels of the Company. The Company is in multiple business cooperation relationships with many insurance brokers companies, and PIB is one of the insurance brokers companies cooperating with the Company. The Company entered into the Agreement with PIB for the benefit of the resource integration and business synergy with PIB, it is also beneficial for the construction of sales channels of the Company and promotion of the development ability of the Company in the brokerage business market. The Agreement entered into between the Company and PIB shall not affect the cooperation between the Company and other insurance brokers companies.

The Board, including the independent non-executive 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 and annual caps under the Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

PIB is a company indirectly held by PICC Group, the controlling shareholder of the Company. Pursuant to the relevant provisions of Listing Rules, PIB is a connected person of the Company, therefore, the Agreement constitutes a continuing connected transaction of the Company. As Mr. Luo Xi, a Director of the Company, holds a position in PICC Group, Mr. Yu Ze, a Director of the Company, holds positions in PICC Group and PICC Financial Services and Mr. Li Tao, a Director of the Company, holds a position in PICC Life, which is a subsidiary of PICC Group, they all abstained from voting on the Board resolution for considering and approving the Agreement. Save as disclosed above, no other Directors was required to abstain from voting on the Board’s resolution for considering and approving the Agreement or is regarded as having a material interest in the Agreement.

Pursuant to Chapter 14A of the Listing Rules, as the highest applicable percentage ratio for the estimated annual caps of the brokerage commissions involved in the Insurance Brokerage Business Cooperation Agreement is more than 0.1% but 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.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

- “Agreement” or “Insurance Brokerage Business Cooperation Agreement” the Insurance Brokerage Business Cooperation Agreement entered into between the Company and PIB on 15 June 2022
- “Aibao Technology” Aibao Technology Co., Ltd.
- “Associate(s)” has the meanings as defined in the Listing Rules
- “Board” the board of directors of the Company
- “CIB” China Insurance Brokers Co., Ltd.
- “Company” PICC Property and Casualty Company Limited
- “connected persons” 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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Former Agreement” or “Former Insurance Brokerage Business Cooperation Agreement”	the Insurance Business Cooperation Agreements entered into between the Company and ZSIB, CIB and PIB respectively on 21 June 2019
Ocean Regal Development	Ocean Regal Development Limited* (海豪發展有限公司)
“PIB”	Prime Insurance Brokers Company Limited
“PICC Asset”	PICC Asset Management Company Limited
“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
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“ZSIB”	Zhongsheng International Insurance Brokers Co., Ltd.
“%”	percentage

By Order of the Board
PICC Property and Casualty Company Limited
Jiang Caishi
Executive Director

Beijing, the PRC, 15 June 2022

As at the date of this announcement, the Chairman of the Board is Mr. Luo Xi (non-executive Director), the executive Directors are Mr. Yu Ze, Mr. Jiang Caishi and Mr. Zhang Daoming, Mr. Li Tao is a non-executive director, and the independent non-executive Directors are Mr. Lin Hanchuan, Mr. Lo Chung Hing, Mr. Chu Bende and Ms. Qu Xiaohui.

** For identification purposes only*