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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 AUTO PARTS PROCUREMENT SUPPLEMENTAL CONTRACT WITH BANGBANG AUTO SALES & SERVICES

References are made to the announcements of the Company dated 29 April 2021 and 16 June 2023 in relation to the Auto Parts Procurement Contract entered into between the Company and Bangbang Auto Sales & Services on 29 April 2021 and the Auto Parts Procurement Supplemental Contract entered into between the Company and Bangbang Auto Sales & Services on 16 June 2023 (collectively, the “Original Contract”). On 7 February 2024, the Company further entered into an Auto Parts Procurement Supplemental Contract with Bangbang Auto Sales & Services, and each of the Contract and the Original Contract forms an integral part of the New Contract. Pursuant to such New Contract, the Company shall purchase auto spare parts from Bangbang Auto Sales & Services for the maintenance of insured vehicles damaged in accidents, and Bangbang Auto Sales & Services shall supply the goods ordered under such contract, undertake the responsibility of delivery, installment and adjustment of goods, and provide the Company with services including warranty, maintenance, consultation and training. The Company shall pay the cost of the auto spare parts to Bangbang Auto Sales & Services.

Pursuant to the relevant provisions of the Listing Rules, the Auto Parts Procurement Supplemental Contract with Bangbang Auto Sales & Services constitutes a continuing connected transaction of the Company. As the highest applicable percentage ratio for the proposed caps of the auto spare parts fees to be paid by the Company to Bangbang Auto Sales & Services under the Auto Parts Procurement Supplemental Contract 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

References are made to the announcements of the Company dated 29 April 2021 and 16 June 2023 in relation to the Auto Parts Procurement Contract entered into between the Company and the Bangbang Auto Sales & Services on 29 April 2021 and Auto Parts Procurement Supplemental Contract entered into between the Company and Bangbang Auto Sales & Services on 16 June 2023 (collectively, the “Original Contract”). On 7 February 2024, the Company further entered into an Auto Parts Procurement Supplemental Contract with Bangbang Auto Sales & Services, and each of the Contract and the Original Contract forms an integral part of the New Contract. The term of the Contract shall be one year, from 7 February 2024 to 6 February 2025.

Pursuant to such New Contract, the Company shall purchase auto spare parts from Bangbang Auto Sales & Services for the maintenance of insured vehicles damaged in accidents, and Bangbang Auto Sales & Services shall supply the goods ordered under such contract, undertake the responsibility of delivery, installment and adjustment of goods, and provide the Company with services including warranty, maintenance, consultation and training. The Company shall pay the cost of the auto spare parts to Bangbang Auto Sales & Services.

AUTO PARTS PROCUREMENT SUPPLEMENTAL CONTRACT WITH BANGBANG AUTO SALES & SERVICES

1. Date of Signing

7 February 2024

2. Parties

- (1) the Company
- (2) Bangbang Auto Sales & Services

3. Term

One year, from 7 February 2024 to 6 February 2025, and the Company may terminate the Contract at any time.

4. Collaboration

The Company shall purchase auto spare parts from Bangbang Auto Sales & Services for the maintenance of insured vehicles damaged in accidents, and Bangbang Auto Sales & Services shall supply the goods ordered under the Contract, undertake the responsibility of delivery, installment, adjustment of goods, and provide the Company with services including warranty, maintenance, consultation and training. The Company shall pay the cost of the auto spare parts to Bangbang Auto Sales & Services.

5. Payment for auto spare parts

The Company or its branch offices may obtain quotations from multiple suppliers on the “Jia’anpei” platform of Bangbang Auto Sales & Services in the Company’s claim system and such suppliers include the spare parts suppliers who were winners of the Company’s previous bidding process or recommended by the Company as well as those selected by Bangbang Auto Sales & Services. The Company or its branch offices shall determine the final price of the spare parts after comparing the price offered by the suppliers with the original price standard in the claim system of the Company to ensure that the price of the auto spare parts is fair and does not deviate from the price or the charging standard offered by independent third parties in the market.

After making price enquiry and comparison on the “Jia’anpei” platform of Bangbang Auto Sales & Services, the Company or its branch offices can order auto spare parts on the “Jia’anpei” platform. The branch offices of the Company and Bangbang Auto Sales & Services can enter into separate cooperation contracts for specific collaboration terms. Bangbang Auto Sales & Services shall deliver the auto spare parts specified in the order to the agreed location in accordance with the contract terms. The Company or its branch offices will make a full lump sum payment of the order to Bangbang Auto Sales & Services within 15 working days after the Company or its branch offices receive(s) the goods and valid special VAT invoice with full amount. The Company shall settle the payment via bank transfer.

ANNUAL CAP

During the period from 7 February 2024 to 31 December 2024, the cap for the auto spare parts fees to be paid by the Company to Bangbang Auto Sales & Services is RMB250 million, and during the period from 1 January 2025 to 6 February 2025, the cap for the auto spare parts fees to be paid by the Company to Bangbang Auto Sales & Services is RMB50 million.

The above caps are determined based on the historical actual transaction amounts and the business development trend, as well as the estimated overall claim payment cost for auto spare parts of the Company and estimated percentage of auto spare parts to be purchased from Bangbang Auto Sales & Services during the term of the Auto Parts Procurement Supplemental Contract.

HISTORICAL AMOUNT

For the two years ended 31 December 2021 and 2022, the auto spare parts fees paid by the Company to Bangbang Auto Sales & Services were approximately RMB496 million and RMB389 million, respectively. For the period from 1 January 2023 to 30 November 2023, the auto spare parts fees paid by the Company to Bangbang Auto Sales & Services was approximately RMB169 million.

Note: The amount for the period from 1 January 2023 to 30 November 2023 has not been audited. For the period from 1 December 2023 to the date before entering into the Contract, no such transaction in relation to auto parts procurement was conducted between the Company and Bangbang Auto Sales & Services (exclusive of any transactions incurred during the term of the Original Contract but still pending for payment).

PRICING POLICY

Based on the fair market price, the price of auto parts is determined after price comparison and selection among multiple suppliers of auto spare parts on the “Jia’anpei” platform operated by Bangbang Auto Sales & Services. The pricing process is as follows: the market prices of auto spare parts are obtained in a timely manner by way of quotations from multiple suppliers and are compared horizontally. The Company’s branch offices will determine the final price of the spare parts after comparing the prices offered by the suppliers on the “Jia’anpei” platform with the price standard in the claim system of the Company.

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, 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 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 Bangbang Auto Sales & Services

Bangbang Auto Sales & Services is a limited liability company incorporated in the PRC and is jointly established by the Company and PICC Financial Services together with external industrial capital, in order to expand footprint in the field of automotive services. Its principal business activities include developing multiple business modes such as M2B and B2b (where auto spare parts manufacturers are referred to as “M”, auto spare parts suppliers are referred to as “B” and auto repair enterprises are referred to as “b”), which are complemented with direct warehousing and delivery system and supply chain financial services. It gradually opens and optimises the supply chain of auto spare parts to bring products and services with high quality and favourable price to auto owners and b-end repair enterprises, achieving a win-win situation among the auto owners, repair enterprises, suppliers, manufacturers, insurance companies and platform operators.

As at the date of this announcement, PICC Group, the controlling shareholder of the Company, indirectly holds 49% of the registered capital in Bangbang Auto Sales & Services, among which 24.5% is held by the Company and the other 24.5% is held by PICC Financial Services, a subsidiary of PICC Group.

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, technology services, technology development, technology 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 reinsurance 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. 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 businesses, investments and other insurance businesses, which is ultimately and beneficially owned and controlled by the policyholders 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 limited liability company incorporated in Bermuda with its shares listed on the Hong Kong Stock Exchange (stock code: 662), and principally engaged in underwriting of general and life insurance and investment holding; and (iii) 5% by Bangkok Bank Public Company Limited (泰國盤谷銀行), a limited liability company incorporated in Thailand and listed on the Stock Exchange of Thailand (stock code: BBL), and principally engaged in commercial banking business and bank-related businesses.

To the best knowledge and belief of the Company, and having made all reasonable enquiries, as at the date of this announcement, the remaining 51% of the registered capital in Bangbang Auto Sales & Services is held by Chetai Investment. The general partner of Chetai Investment is Chehe Investment and the other limited partners holding 10% (inclusive) or more of its interests are Chechuang Investment Management, Grey Tile Wealth Investment, Shuishan Yongchang Investment and YTO Express Group Co., Ltd.

As to Chehe Investment, shareholders holding 10% (inclusive) or more of its shares are Chechuang Investment Management, Grey Tile Wealth Investment, Rongyu Investment Management and YTO Express Group Co., Ltd., among which Chechuang Investment Management holds 51% of the shares of Chehe Investment. The general partner and ultimate beneficial owner of Chechuang Investment Management is Mr. Gong Tuo (an Independent Third Party). Information of other shareholders holding 10% (inclusive) or more of the shares of Chehe Investment is set out as below:

As to Grey Tile Wealth Investment, its general partner is Xiamen Grey Tile Investment Management Co., Ltd. and the other limited partners holding 10% (inclusive) or more of its interests are Beijing Fenghua Xinyuan Consulting Co., Ltd., Xiamen Gushu Yunduan Industry Investment Partnership (L.P.) and Mr. Chen Weijie (an Independent Third Party). Among which:

As to Xiamen Grey Tile Investment Management Co., Ltd., shareholders holding 10% (inclusive) or more of its shares are Mr. Liu Jianfeng (an Independent Third Party) and Xiamen Guangyao Tianxiang Equity Investment Partnership (L.P.) and the ultimate beneficial owner is Mr. Liu Jianfeng. As to Xiamen Guangyao Tianxiang Equity Investment Partnership (L.P.), its general partner is Xiamen Guangyao Tianxiang Investment Co., Ltd. (its ultimate beneficial owner is Mr. Liu Zhen, an Independent Third Party) and the other limited partners holding 10% (inclusive) or more of its interests are Mr. Liu Zhen (an Independent Third Party) and Mr. Zheng Feng (an Independent Third Party).

As to Beijing Fenghua Xinyuan Consulting Co., Ltd., its ultimate beneficial owner is Mr. Zhang Wei (an Independent Third Party).

As to Xiamen Gushu Yunduan Industry Investment Partnership (L.P.), shareholders holding 10% (inclusive) or more of its shares is Xiamen Grey Tile Investment Management Co., Ltd.

As to Rongyu Investment Management, its general partner is Shanghai Rongyu Enterprise

Management Co., Ltd. (it is ultimately held by a number of dispersed Independent Third Party individuals) and the other limited partners holding 10% (inclusive) or more of its interests are Shanghai Hongyu Enterprise Management Center (L.P.) (its ultimate beneficial owner is Mr. Zhou Yong, an Independent Third Party), Hangzhou Xinyu Investment Management Partnership (L.P.) (its ultimate beneficial owner is Inner Mongolia Yitai Coal Co., Ltd., a joint stock company with limited liability incorporated in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 900948)), Beijing Panyu Enterprise Management Center (L.P.) (its ultimate beneficial owner is SDIC Capital Co., Ltd., a joint stock company with limited liability incorporated in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 600061)) and Shanghai Yulong Enterprise Management Center (L.P.) (its ultimate beneficial owner is State-owned Assets Supervision & Administration Commission of the People's Government of Hebei Province).

YTO Express Group Co., Ltd. is a joint stock company with limited liability incorporated in the PRC whose shares are listed on the Shanghai Stock Exchange (Stock code: 600233).

As to Shuishan Yongchang Investment, its general partner is Chenglian Holdings (Xiamen) Co., Ltd. and the other limited partners holding 10% (inclusive) or more of its interests are Rongyu Investment Management, Chenglian (Xiamen) Supply Chain Management Co., Ltd. and Fengbang Financial Leasing (Shanghai) Co., Ltd. Among which:

As to Chenglian Holdings (Xiamen) Co., Ltd., shareholders holding 10% (inclusive) or more of its shares are Orange Connex (HK) Holdings Limited.

As to Chenglian (Xiamen) Supply Chain Management Co., Ltd., it is wholly owned by Chenglian Holdings (Xiamen) Co., Ltd.

As to Fengbang Financial Leasing (Shanghai) Co., Ltd., shareholders holding 10% (inclusive) or more of its shares are VIBRANT CREEK LIMITED, Shanghai Panxin Heyao Investment Management Center (L.P.) (it is ultimately held by a number of dispersed partners) and CPEChina Leasing Investment (BVI) Limited.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTRACT

The Original Contract entered into between the Company and Bangbang Auto Sales & Services has expired. The Company is promoting the procurement of auto spare parts by way of open tendering, in cooperation with a number of auto spare part e-commerce platforms. Currently, the Company has not yet completed the relevant procurement procedures. In order to avoid any interruption in the direct supply of spare parts which could impact the Company's business, the Company decides to continue its previous cooperation with Bangbang Auto Sales & Services and has entered into the Contract with Bangbang Auto Sales & Services to extend the term of the Auto Parts Procurement Contract, so as to keep the parties' cooperation in the purchase of auto spare parts and continuously improve the Company's service quality and customer satisfaction. The Company may terminate the Contract at any time.

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

LISTING RULES IMPLICATIONS

As at the date of this announcement, PICC Group holds approximately 68.98% of the issued

capital of the Company and is the controlling shareholder of the Company. The Company and PICC Financial Services, a subsidiary of PICC Group, each holds 24.5% of the registered capital in Bangbang Auto Sales & Services. Therefore, PICC Group indirectly holds 49% of the registered capital in Bangbang Auto Sales & Services. Pursuant to the relevant provisions of the Listing Rules, Bangbang Auto Sales & Services is a connected person of the Company, and the Auto Parts Procurement Supplemental Contract with Bangbang Auto Sales & Services constitutes a continuing connected transaction of the Company. Mr. Wang Tingke and Mr. Yu Ze, each a Director of the Company holding positions in PICC Group, and Mr. Li Tao, a Director of the Company who is designated by PICC Group, have all abstained from voting on the Board resolution for considering and approving the Contract. Save as disclosed above, no other Director was required to abstain from voting on the Board resolution for considering and approving the Contract or was regarded as having a material interest in the Contract.

As the highest applicable percentage ratio for the proposed caps of the auto spare parts fees to be paid by the Company to Bangbang Auto Sales & Services under the Auto Parts Procurement Supplemental Contract 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:

“Auto Parts Procurement Supplemental Contract” or “Contract”	the “Auto Parts Procurement Supplemental Contract” entered into between the Company and Bangbang Auto Sales & Services on 7 February 2024
“Bangbang Auto Sales & Services”	Bangbang Auto Sales & Service (Beijing) Co., Ltd.
“Board”	the board of directors of the Company
“Chechuang Investment Management”	Gongqingcheng Chechuang Investment Management Partnership (L.P.)
“Chehe Investment”	Gongqingcheng Chehe Investment Co., Ltd.
“Chetai Investment”	Gongqingcheng Chetai Investment Management Partnership (L.P.)
“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
“Grey Tile Wealth Investment”	Xiamen Grey Tile Wealth Investment Partnership (L.P.)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Independent Directors”	the independent non-executive directors of the Company
“Independent Third Party”	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
“Ministry of Finance”	The Ministry of Finance of the PRC
“New Contract”	Each of the Contract and the Original Contract forms an integral part of the New Contract
“Original Contract”	the Auto Parts Procurement Contract entered into between the Company and Bangbang Auto Sales & Services on 29 April 2021 and Auto Parts Procurement Supplemental Contract entered into between the Company and Bangbang Auto Sales & Services on 16 June 2023
“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
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Rongyu Investment Management”	Zhuhai Rongyu Investment Management Center (L.P.)
“Shuishan Yongchang Investment”	Shenzhen Shuishan Yongchang Investment Center (L.P.)
“Transaction”	Under the New Contract, the Company shall purchase auto spare parts for the maintenance of insured accident-damaged vehicles from Bangbang Auto Sales & Services, Bangbang Auto Sales & Services shall supply the goods ordered under such contract, be responsible for delivery, installment, adjustment of goods, and provide the Company with services including warranty, maintenance, consultation and training, and the Company shall pay the cost of the auto spare parts to Bangbang Auto Sales & Services.
“%”	Percentage

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

Beijing, the PRC, 7 February 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. JiangCaishi, Mr. Zhang Daoming and Mr. Hu Wei are executive directors, Mr. Li Tao is a non-executive director, and the independent directors are Ms. Qu Xiaohui, Mr. Cheng Fengchao, Mr. Wei Chenyang, Mr. Li Weibin and Mr. Qu Xiaobo.