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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 95518 EAST CHINA CENTER AND SOUTH CENTER SERVICE CONTRACT WITH PICC FINANCIAL SERVICES

On 18 April 2024, the Company entered into the 95518 East China Center and South Center Service Contract with PICC Financial Services, pursuant to which, PICC Financial Services will provide the Company with services relating to the construction and operation of 95518 East China Center and South Center, the optimization of customer service system functions, and the design, development, promotion and application services regarding the intelligent services, and the Company will pay service fees to PICC Financial Services accordingly.

PICC Financial Services is a subsidiary of PICC Group, the controlling shareholder of the Company. PICC Financial Services is a connected person of the Company under relevant provisions of the Listing Rules. Accordingly, the transactions under the Contract, the 95518 Customer Service Contract and the 95518 Communication Service Contract constitute continuing connected transactions of the Company. Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, as the transactions under the Contract, the 95518 Customer Service Contract and the 95518 Communication Service Contract are conducted with PICC Financial Services within a 12-month period, the transactions under the Contract, the 95518 Customer Service Contract and the 95518 Communication Service Contract shall be aggregated. As the highest applicable percentage ratio in respect of the aggregated service fees payable by the Company to PICC Financial Services under the Contract, the 95518 Customer Service Contract and the 95518 Communication Service 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

On 18 April 2024, the Company entered into the 95518 East China Center and South Center Service Contract with PICC Financial Services with a term from 18 April 2024 to 17 April 2025, pursuant to which, PICC Financial Services will provide the Company with services relating to the construction and operation of 95518 East China Center and South Center, the optimization of customer service system functions, and the design, development, promotion and application services regarding the intelligent services, and the Company will pay service fees to PICC Financial Services accordingly.

95518 EAST CHINA CENTER AND SOUTH CENTER SERVICE CONTRACT

1. Date of signing

18 April 2024

2. Parties

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

3. Term

From 18 April 2024 to 17 April 2025.

4. Collaboration

PICC Financial Services will provide the Company with services relating to the construction and operation of 95518 East China Center and South Center, the optimization of customer service system functions, and the design, development, promotion and application services regarding the intelligent services. Specifically, the scope of services include: construction of 95518 East China Center and South Center, including recruitment of staff, workplace leasing, system construction and office operation of the regional centers; centralized operation of 95518 customer service business covering provincial branches, including telephone and online service demands such as claim case reporting, customer consultation, complaints and value-added services, and customer services such as post-call communication and scheduling and outbound callbacks; intelligent services including 95518 customer service system function optimization, and the design, development, promotion and application of the intelligent services; operational services such as 95518 operation analysis, process optimization, case reporting risk control and complaint risk management.

5. Service fees and payment method

The transaction price for the Contract is determined on a cost-plus basis, taking into account the labor and material costs that PICC Financial Services expects to expend for this service. The service fees include labor costs, workplace-related expenses, information construction expenses, office operating expenses, operation and management fees, and taxes and other costs and expenses that may be incurred in connection with the Contract.

The method and date of payment of the service fees:

(1) after the Contract comes into effect, within 15 working days after the Company receives a written notice of payment from PICC Financial Services, the Company shall pay PICC Financial Services 40% of the estimated contractual amount, i.e., RMB109.12 million; (2) after the first payment, by the 10th day of each month, PICC Financial Services shall provide the Company with a breakdown of the actual service fees incurred during the previous month, and the remaining amount of the first payment may be carried over to be used in the following month; (3) when the remaining amount of the first payment is insufficient to cover the amount of the next month's bill, in addition to routinely providing the Company with a breakdown of the actual service fees incurred during the previous month on the 10th day of each month, PICC Financial Services shall at the same time provide the Company with a list of the estimated fees for the next month and apply for such amount for the next month to be prepaid, and if the prepaid amount is greater than that actual incurred, the remaining amount may be carried over to be used in the following month; (4) for the last payment, the Company shall conduct an examination of the overall service level and service quality during the project contract period and form an examination report. Within 15 working days after completion of the examination report, the Company shall pay the remaining service fees incurred to PICC Financial Services based on the settlement status between both parties.

ANNUAL CAP

The estimated caps of the service fees payable by the Company to PICC Financial Services under the Contract are as follows:

	RMB million
From 18 April 2024 to 31 December 2024	204.60
From 1 January 2025 to 17 April 2025	68.20

The above caps are determined based on the estimated transaction amount under the Contract. The transaction amount is determined on a cost-plus basis while taking into account related taxes, and the transaction amount mainly consists of: (1) labor costs: considering the Company's internal salary standards and market salary levels and that PICC Financial Services is expected to employ approximately 1,890 persons for this service, and in accordance with the progress of the recruitment process, the labor costs during the term of the Contract are expected to be approximately RMB189.6038 million; (2) material costs: the material costs to be invested in this service at the initial stage of operation will include office space related expenses, information construction expenses and other operating expenses, and the material costs are estimated to be approximately RMB48.7943 million; and (3) operation and management fees: the operation and management fees are estimated to be no more than RMB18.96 million, determined by multiplying the actual labor costs incurred during the term of the Contract by the service quality evaluation factor.

HISTORICAL AMOUNT

On 11 April 2023, the Company and PICC Financial Services entered into the Service Contract for Entrusting PICC Financial Services to Operate 95518 Customer Service, which is valid for one year. On 29 March 2024, the Company entered into the Supplemental Contract for Entrusting PICC Financial Services to Operate 95518 Customer Service with PICC Financial Services, which extended the validity period of the aforesaid contract to 30 June 2024. According to the 95518 Customer Service Contract, PICC Financial Services shall provide services including nationwide 95518 service operation and construction of the North Center to the Company. Under the 95518 Customer Service Contract, for the year ended 31 December 2023 and for the three months from 1 January 2024 to 31 March 2024, the Company paid service fees to PICC Financial Services in an amount of RMB57.48 million and RMB39 million, respectively.

On 1 January 2024, the Company and PICC Financial Services entered into the 95518 Communication Service Contract with a term of one year, pursuant to which PICC Financial Services shall provide services including 95518 inbound calls and outbound calls to the Company. Under the 95518 Communication Service Contract, for the three months from 1 January 2024 to 31 March 2024, the Company has not paid any service fees to PICC Financial Services.

PRICING POLICY

As the services involved in the Transaction are non-standardized services and there is no independent third-party service transaction price for reference, a reasonable cost-plus method has been adopted as the pricing principle for determining the transaction amount, so as to ensure that the pricing of the Transaction is fair and reasonable and in the interests of the Company and its shareholders as a whole. The transaction amount mainly includes labor costs, material costs, operation and management fees and related taxes. Among them, the labor costs are mainly determined based on the Company's internal salary standards and market salary levels; the material costs are determined based on the Company's internal historical purchase prices and market level; and the operation and management fees will be determined based on the results of

the Company's assessment of the quality of the 95518 operation and service of PICC Financial Services, with a maximum amount of no more than 10% of the labor costs.

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 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 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 CONTRACT

The services under the 95518 East China Center and South Center Service Contract are required by the Company from time to time during its ordinary course of business. According to PICC Group's plan to build a unified omni-channel intelligent customer service system, unified regional customer service centers of PICC Group with a professional team and operated under a commercialized model can provide centralized 95518 operation services for the customer service business of the subsidiaries of PICC Group. 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 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 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 Financial Services is a subsidiary of PICC Group, the controlling shareholder of the Company. PICC Financial Services is a connected person of the Company under relevant provisions of the Listing Rules. Accordingly, the Contract constitutes a continuing connected transaction 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 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 transactions under the 95518 Customer Service Contract and the 95518 Communication Service Contract are conducted on normal commercial terms and the highest applicable percentage ratio in respect of the service fees payable by the Company to PICC Financial Services under such transactions is less than 0.1% both individually and aggregately, each of the 95518 Customer Service Contract and the 95518 Communication Service Contract is fully exempted from independent shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.76 of the Listing Rules.

Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, as the transactions under the Contract, the 95518 Customer Service Contract and the 95518 Communication Service Contract were conducted with PICC Financial Services within a 12-month period, the transactions under the Contract, the 95518 Customer Service Contract and the 95518 Communication Service Contract

shall be aggregated. As the highest applicable percentage ratio in respect of the aggregated service fees payable by the Company to PICC Financial Services under the Contract, the 95518 Customer Service Contract and the 95518 Communication Service 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:

“95518 Customer Service Contract”	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
“95518 Communication Service Contract”	the Service Contract for Entrusting PICC Financial Services to Undertake 95518 Communication Service
“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
“Contract” or “95518 East China Center and South Center Service Contract”	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
“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
“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
“Transaction”	Under the Contract, PICC Financial Services will provide the Company with services relating to the construction and operation of 95518 East China Center and South Center, the optimization of customer service system functions, and the design, development, promotion and application services regarding the intelligent services, and the Company will pay service fees to PICC Financial Services accordingly
“%”	percentage

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

Beijing, the PRC, 18 April 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 Ms. Qu Xiaohui, Mr. Cheng Fengchao, Mr. Wei Chenyang, Mr. Li Weibin and Mr. Qu Xiaobo.