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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 INVESTMENT BUSINESS AGREEMENT WITH PICC LIFE, PICC HEALTH, PICC REINSURANCE AND PICC CAPITAL

On 20 May 2024, the Company entered into the Investment Business Agreement with PICC Life, PICC Health, PICC Reinsurance and PICC Capital, pursuant to which, PICC Capital provides the Company with the services of subscription of equity investment products initiated and managed by enterprises other than connected persons of the Company (other subscribers of such investment products include PICC Life and/or PICC Health and/or PICC Reinsurance) with the Company's funds, and the Company shall pay entrusted management fees to PICC Capital.

Pursuant to the relevant provisions of the Listing Rules, the Investment Business Agreement with PICC Life, PICC Health, PICC Reinsurance and PICC Capital constitutes a continuing connected transaction of the Company. As the highest applicable percentage ratio for the annual caps of subscription amount of the Company of RMB4 billion under the 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 20 May 2024, the Company entered into the Investment Business Agreement with PICC Life, PICC Health, PICC Reinsurance and PICC Capital, pursuant to which, PICC Capital provides the Company with the services of subscription of equity investment products initiated and managed by enterprises other than connected persons of the Company (other subscribers of such investment products include PICC Life and/or PICC Health and/or PICC Reinsurance) with the Company's funds, and the Company shall pay entrusted management fees to PICC Capital.

INVESTMENT BUSINESS AGREEMENT

1. Date of Signing

20 May 2024

2. Parties

- (1) the Company
- (2) PICC Life
- (3) PICC Health
- (4) PICC Reinsurance
- (5) PICC Capital

3. Term

From 20 May 2024 to 30 June 2025.

4. Collaboration

Each of the Company, PICC Life, PICC Health and PICC Reinsurance had entered into the Asset Management Agreement and the Asset Management Supplemental Agreement with PICC Capital respectively. The Company, PICC Life, PICC Health and PICC Reinsurance agreed that PICC Capital, pursuant to the aforesaid executed Asset Management Agreement and Asset Management Supplemental Agreement, shall subscribe for equity investment products, including but not limited to corporate funds, partnership funds and equity investment plans, hereinafter the same, with funds of any one or more parties among the Company, PICC Life, PICC Health and PICC Reinsurance. The Agreement governs the circumstances where PICC Capital subscribes for equity investment products initiated and managed by enterprises other than connected persons of the Company with the Company's funds, while other subscribers of such investment products include PICC Life and/or PICC Health and/or PICC Reinsurance. Under the Agreement, the Company may enter into agreements with PICC Life and/or PICC Health and/or PICC Reinsurance for specific equity projects in accordance with relevant requirements of the local administration for market regulation.

5. Subscription Amount and entrusted management fees

During the term of the Agreement, if PICC Capital subscribes for equity investment products initiated and managed by enterprises other than connected persons of the Company with the funds of the Company, PICC Life and/or PICC Health and/or PICC Reinsurance simultaneously, the total amount subscribed by the Company shall not exceed RMB4 billion in aggregate for each calendar year. The entrusted management fees payable by the Company to PICC Capital under the Agreement fall within the scope of the entrusted management fees agreed in the Asset Management Agreement and the Asset Management Supplemental Agreement. The annual caps for the entrusted management fees payable by the Company to PICC Capital under the Agreement have been included in the caps of the entrusted management fees as agreed in the aforesaid Asset Management Agreement and the Asset Management Supplemental Agreement.

PRICING POLICY

Under the Agreement, the annual cap of the subscription amount of the Company is RMB4 billion, which is determined based on the Company's equity investment needs and the staffing capacity and investment capability of PICC Capital as the trustee. The entrusted management fees payable by the Company to PICC Capital under the Agreement will be determined in accordance with the pricing policy of the entrusted management fees as agreed in the Asset Management Agreement and the Asset Management Supplemental Agreement entered into between the Company and PICC Capital.

ANNUAL CAPS

During the term of the Agreement, if PICC Capital subscribes for equity investment products initiated and managed by enterprises other than connected persons of the Company with the funds of the Company and PICC Life and/or PICC Health and/or PICC Reinsurance simultaneously, the subscription amount of the Company shall not exceed RMB4 billion in aggregate for each calendar year.

Taking into account the equity investment market conditions, the Company's business needs and the investment capabilities of PICC Capital, the Company has set the annual cap for the subscription amount of equity investment products under the abovementioned circumstances

(referring to the situation where PICC Capital subscribes for equity investment products initiated and managed by enterprises other than connected persons of the Company with the Company's funds, and other subscribers of such investment products include PICC Life and/or PICC Health and/or PICC Reinsurance).

HISTORICAL AMOUNT

The Company was not engaged in such transaction in the past three years as governed by the Agreement where PICC Capital subscribes for equity investment products initiated and managed by enterprises other than connected persons of the Company with the Company's funds, while other subscribers of such investment products include PICC Life and/or PICC Health and/or PICC Reinsurance.

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 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 Life

PICC Life is a joint stock limited company incorporated in the PRC and is principally engaged in life insurance, health insurance and accidental injury insurance and the related reinsurance 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 holding 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. Information of shareholders of PICC Life holding 10% or more of the remaining equity interest in PICC Life is as below: Sumitomo Life Insurance Company* (日本住友生命保險公司), which holds 10% of the total share capital of PICC Life, is a mutual insurance company incorporated in Japan principally engaged in life insurance business, investments and other insurance businesses, 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.

Information of PICC Health

PICC Health is a joint stock limited company incorporated in the PRC and is principally engaged in health insurance business supporting the national medical security policy and entrusted by the PRC government, various health insurance business that are denominated in RMB and foreign currencies, accidental injury insurance business, consultancy service business related to health insurance and agency business, reinsurance business related to health insurance as well as 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 PICC Health, directly holding approximately 69.32% of the total share capital of PICC Health and indirectly holding approximately 1.40% of the total share capital of PICC Health through its wholly owned subsidiary PICC Investment, and the Company holds approximately 24.73% of the total share capital of PICC Health.

Information of PICC Reinsurance

PICC Reinsurance is a joint stock limited liability company incorporated in the PRC and is principally engaged in commercial reinsurance business of property insurance, life insurance, short-term health insurance and accidental injury insurance in the PRC, service and consultation business related to the above reinsurance business, insurance funds application business permitted under the relevant laws and regulations of the PRC, and other business approved by the PRC insurance regulatory authority. As at the date of this announcement, PICC Group and the Company hold 51% and 49% of the total share capital of PICC Reinsurance respectively.

Information of PICC Capital

PICC Capital is a limited liability company incorporated in the PRC. Its principal business scope includes alternative investment business with RMB or foreign currencies entrusted, management and utilisation of its own RMB and foreign currencies, insurance asset management products business such as debt investment plans and equity investment plans and consulting business related to asset management. As at the date of this announcement, it is a wholly-owned subsidiary of PICC Group, which is the controlling shareholder of the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

Quality equity investment products have a certain degree of scarcity. PICC Capital has engaged competent professionals to identify high-quality equity investment products. In the future, PICC Capital can use the funds from the Company and PICC Life and/or PICC Health and/or PICC Reinsurance to subscribe for high-quality investment products simultaneously, which will bring

better investment returns to the Company. The establishment of equity projects is a relatively time-sensitive process. For equity investment products with relatively considerable yields, in order to improve the Company's assets allocation efficiency, create more opportunities to allocate high-quality equity investment products and obtain more investment returns, the Company has entered into the Agreement with PICC Life, PICC Health, PICC Reinsurance and PICC Capital, and set the annual cap for the subscription amount of equity investment products under the situation where PICC Capital subscribes for equity investment products initiated and managed by enterprises other than connected persons of the Company with the Company's funds, and other subscribers of such investment products include PICC Life and/or PICC Health and/or PICC Reinsurance.

The Board, including all Independent Directors, is of the view that the Investment Business Agreement with PICC Life, PICC Health, PICC Reinsurance and PICC Capital, 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 caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Each of PICC Life, PICC Health, PICC Reinsurance and PICC Capital is a subsidiary of PICC Group, the controlling shareholder of the Company. Pursuant to the relevant provisions of the Listing Rules, each of PICC Life, PICC Health, PICC Reinsurance and PICC Capital is an associate of PICC Group and thereby is a connected person of the Company. Therefore, the Agreement constitutes a continuing connected transaction of the Company. Mr. Wang Tingke and Mr. Yu Ze, Directors of the Company who hold positions in PICC Group, Mr. Jiang Caishi, a Director of the Company who holds a position in PICC Reinsurance, Mr. Zhang Daoming, a Director of the Company who holds positions in PICC Life and PICC Health, and Mr. Li Tao, a Director of the Company who is designated by PICC Group, have abstained from voting on the Board's 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 subscription amount of the Company of RMB4 billion under the 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:

“Agreement” or “Investment Business Agreement”	the Investment Business Agreement entered into among the Company, PICC Life, PICC Health, PICC Reinsurance and PICC Capital on 20 May 2024
“Asset Management Agreement and Asset Management Supplemental Agreement”	the Asset Management Agreement and the Asset Management Supplemental Agreement entered into between the Company and PICC Capital on 8 September 2022. For details please refer to the continuing connected transaction announcement released by the Company on 8 September 2022 in relation to Asset Management Agreements with PICC AMC and PICC Capital.

“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 Directors”	the independent non-executive directors of the Company
“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 registered and incorporated in the PRC. As at the date of the announcement, it is a wholly-owned subsidiary of PICC Group
“PICC Capital”	PICC Capital Insurance Asset Management Company Limited
“PICC Group”	The People’s Insurance Company (Group) of China Limited
“PICC Health”	PICC Health Insurance Company Limited
“PICC Investment”	PICC Investment Holding Company Limited, a limited liability company registered and incorporated in the PRC. As at the date of the announcement, it is a wholly-owned subsidiary of PICC Group
“PICC Life”	PICC Life Insurance Company Limited
“PICC Reinsurance”	PICC Reinsurance Company Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Transaction”	Under the Agreement, PICC Capital provides the Company with the services of subscription of equity investment products initiated and managed by enterprises other than connected persons of the Company (other subscribers of such investment products include PICC Life and/or PICC Health and/or PICC Reinsurance) with the Company’s funds, and the Company shall pay entrusted management fees to PICC Capital.
“%”	percentage

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

Beijing, the PRC, 20 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.