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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)

(Stock Code: 2328)

CONTINUING CONNECTED TRANSACTION 2023 PICC TECHNOLOGY SERVICE AGREEMENT WITH PICC INFORMATION TECHNOLOGY

Reference is made to the announcement of the Company dated 28 October 2022, in relation to the 2022 PICC Technology Service Agreement entered into between the Company and PICC Information Technology. On 30 December 2022, the Company entered into the 2023 PICC Technology Service Agreement with PICC Information Technology. Pursuant to the Agreement, PICC Information Technology will provide the Company with shared projects and services as well as exclusive services and the Company will pay technology service fees to PICC Information Technology.

Pursuant to the relevant provisions of the Listing Rules, the Agreement constitutes a continuing connected transaction of the Company. As the highest applicable percentage ratio for the annual cap of technology service fees under the Agreement is more than 0.1% but 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

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2023 PICC TECHNOLOGY SERVICE AGREEMENT

1. Date of Signing

30 December 2022

2. Parties

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

3. Term

From 1 January 2023 to 31 December 2023

4. Matters of Cooperation

Pursuant to the Agreement, PICC Information Technology will provide the Company with shared projects and services as well as exclusive services.

Shared projects and services

The shared projects and services are based on the informatization construction plan of PICC Group, have the characteristics of strategic, shared, systematic, and long-term, and refer to the project construction, operation, maintenance and services, whose benefits and costs are jointly shared by the Company and other companies within PICC Group, including (1) the construction of the Group's basic technology platforms; (2) the construction, operation and maintenance of the Group's shared application systems; (3) the construction of the Group's data governance and data standard; (4) research of new technology and implementation of information innovation; (5) the operation and maintenance services of data center computer room; (6) the network construction and services of data center; (7) the operation and maintenance services of database and middleware; (8) PICC Group's information security services; (9) the operation and support services of service ecosystem; (10) the marketing services of new media; (11) online operation services; (12) the reporting and monitoring services; (13) the shared customer resources operation services; (14) the call-out services with privacy protection via virtual telephone numbers; and (15) other projects.

Exclusive services

Exclusive services are personalized/specialized service supports, which are provided on the basis of the specific needs of the Company or the Company and other companies within the Group, including: (1) the exclusive construction, operation and maintenance services of the system; (2) the management and application services of data; (3) the exclusive infrastructure services; and (4) operation-related exclusive services.

5. Service Fees and Mode of Payment

According to the Agreement, the settlement of technology service fees shall be conducted in the way of prepayment by instalments, quarterly settlement and annual final settlement. The Company shall prepay 30% of the estimated total amount of technology service fees upon entering into the Agreement. In the second, third and fourth quarters of 2023, the Company shall pay the technology service fees for the previous quarter. The estimated technology service fees for the fourth quarter shall be paid by the end of December, and PICC Information Technology shall refund accordingly the prepaid technology service fees to the Company. PICC Information Technology shall work together with the Company to calculate the actual technology service fees and confirm payment status for the fourth quarter of 2023 in accordance with the actual progress and costs of the projects, and shall settle the technology service fees for the year of 2023 before 31 January 2024. An adjusted bill shall be provided for the difference between the actual technology service fees and actual payment by the Company, and the Company shall pay in full in case of insufficiency or PICC Information Technology shall refund if there is a balance. This payment arrangement can ensure the orderly implementation of technology services provided by PICC Information Technology to the Company, and the smooth progress of personnel reserve and workplace rent for the implementation of technology services. It is a common practice in the technology service industry to pay technology service fees by instalments.

Pricing Policy

For shared projects and services, as it is difficult to calculate and collect the initial investment costs of the projects and services corresponding to specific projects in accordance with the one-to-one correspondence principle, the investment costs of the projects are shared in the principle of cost sharing based on the proportion of benefits which is estimated by reference to the actual business scale (business revenue) in the year of 2022 of each company. For exclusive services, if the service is out of exclusive demand of the Company, the project costs shall be borne by the Company alone; if the demand side includes the Company and other companies within the Group, the project costs shall be borne by the Company and other companies within the Group in accordance with the agreed sharing percentage of each project's beneficiary relationship. In order to meet the needs of providing technology services to companies within the Group, PICC Information Technology needs to have sufficient technical personnel to ensure the continuous construction of the projects and the realization of its objectives. Its related labour costs, workplace rent and related administrative management expenses constitute the main costs of shared projects and services and exclusive services. PICC Information Technology calculates labour costs in strict accordance with its remuneration system by reference to the technology talent market standard. Other workplace rent and related administrative management expenses are strictly implemented in accordance with the relevant procurement system of the Group and by reference to the market price, to ensure that all procurement costs are fair and all investment costs are reasonable.

Annual Cap

Pursuant to the Agreement, the Company estimated the annual cap of technology service fees payable by the Company to PICC Information Technology in 2023 to be RMB516.0462 million, which will be paid by the Company with internal resources.

The Company decided the above annual cap of the Transaction under the Agreement mainly after consideration of the following factors: PICC Information Technology estimated the investment costs related to shared projects and services in 2023 to be no more than approximately RMB492.4872 million, which is to be shared by the Company by approximately 70.10%, which is the estimated proportion of benefits based on the estimated business scale (business revenue) of the Company within the Group in 2022. And having fully considered the unforeseeable needs of projects, the technology service fees related to shared projects and services to be paid by the Company to PICC Information Technology in 2023 was estimated to be less than approximately RMB396.9868 million. The exclusive services provided by PICC Information Technology to the Company shall be borne according to the expected project costs and the agreed sharing percentage by the demand side. The technology service fees related to exclusive services to be paid by the Company to PICC Information Technology in 2023 was estimated to be no more than approximately RMB119.0594 million.

PICC Information Technology expected that costs related to shared projects and services and exclusive services in 2023 mainly consist of labour costs and office management related expenses (including employee salaries, social medical insurance, housing provident funds, procurements of low-value consumables, network communication fees, travel expenses, etc.), asset-related expenses (including expenses in relation to workplace rent, vehicle usage, electronic equipment usage, etc.), regulatory intermediary fees (including intermediary consulting service fees, audit fees, legal fees, membership fees, etc.), taxes (including various turnover tax surcharges), costs in relation to external procurement for the

implementation of informatization projects and other costs, among which, the labour cost is estimated and calculated in accordance with the annual talent planning objectives and implementation progress.

Historical Amounts

As at the date of this announcement, the technology service fees paid by the Company to PICC Information Technology was RMB119.4497 million.

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 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 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 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 of PICC Group, holding approximately 60.84% of the total share capital of PICC Group.

Information of PICC Information Technology

PICC Information Technology is a limited company incorporated and registered in the PRC.

PICC Information Technology mainly 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 Information Technology, holding 100% of the total share capital of PICC Information Technology.

Reasons and benefits for entering into the Agreement

PICC Information Technology is a financial insurance technology company specifically established by PICC Group by following the policy orientations of the “Fourteenth Five-Year” National Informatization Plan and the Guideline Opinions on the Digital Transformation of the Banking and Insurance Industry by the CBIRC and on the basis of the needs of informatization transformation and upgrading of PICC Group. PICC Information Technology’s own research and development team has engaged in various construction work of insurance informatization for a long time, and has rich experience in implementation and professional service capabilities. PICC Information Technology manages and operates technology infrastructure, software research and development as well as technology innovation in a centralized manner, optimizes resource allocation, in order to promote the Company’s all-round and whole-process transformation with digitalization, expand online insurance, promote intelligent development, and enable the business front line, form the core competitiveness of technology, improve management level and innovation and development ability, and strongly support business development of the Company.

Among the technology services provided by PICC Information Technology during the term of the Agreement, the shared projects have characteristics of strategic, basic, long-term and shared, the purpose of which is to strengthen the construction of the Group’s overall information technology infrastructure, innovative research and development of frontier technology, the operation and maintenance of integrated application system and customer interface, and the overall management and development of data assets, etc. It is of great significance to enhance the overall core technology capabilities of the Group and strengthen the autonomy and controllability. From the perspective of security, autonomy and controllability, exclusive projects might involve group-integrated operations, or might be closely related to the information of the Company’s customers, some projects are not suitable to be carried out by a third party and can only be promoted by a company within the Group. At the same time, the centralized implementation of informatization projects by PICC Information Technology gives play to scale advantage and reduces the procurement costs. The project costs are expected to be lower than that of a decentralized promotion among the companies within the Group.

PICC Information Technology pays great attention to security research and technology innovation, strictly implements security confidentiality and customer protection agreements to comprehensively ensure information security in terms of personnel, technology and systems in accordance with the unified data security strategy and management requirements of the Group. In accordance with the Regulatory Measures for the Supervision of Information Technology Outsourcing Risks of Banking and Insurance Institutions issued by the CBIRC, the Company has conducted due diligence research on PICC Information Technology and conducted outsourcing risk assessment. The Company believes that PICC Information Technology has rich resources in technology services, extensive resources in fundamental

supports, rich experience in customer service and reliable operation and maintenance, meets the basic requirements of the Company for technology service providers and can actively cooperate to fulfil risk regulation requirements by the CBIRC. In addition, the Company and PICC Information Technology have agreed on the ownership of intellectual property achievements in the Agreement, which can fully guarantee the Company to take credit for the intellectual property achievements.

The Board (including the Independent 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 of the Agreement and the annual cap of technology service fees are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Listing Rules Implication

PICC Information Technology is a wholly-owned subsidiary of PICC Group, the Company's controlling shareholder. According to the Listing Rules, PICC Information Technology is a connected person of the Company. Therefore, the Agreement constitutes a continuing connected transaction of the Company. As Mr. Luo Xi, Director of the Company, holds a position in PICC Group, Mr. Yu Ze, Director of the Company, holds positions in PICC Group and PICC Information Technology, Mr. Li Tao, Director of the Company, holds a position in PICC Life, a subsidiary of PICC Group, they abstained from voting on the board 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 were regarded as having a material interest in the Agreement.

As the highest applicable percentage ratio for the annual cap of technology service fees under the Agreement is more than 0.1% but 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:

"the 2022 PICC Technology Service Agreement"	the 2022 PICC Technology Service Agreement entered into between the Company and PICC Information Technology on 28 October 2022
"Agreement" or "the 2023 PICC Technology Service Agreement"	the 2023 PICC Technology Service Agreement entered into between the Company and PICC Information Technology on 30 December 2022
"Board"	the board of directors of the Company
"CBIRC"	China Banking and Insurance Regulatory Commission
"Company"	PICC Property and Casualty Company Limited

"connected person"	has the meaning as defined in the Listing Rules
"Directors"	directors of the Company
"Group" or "PICC Group"	The People's Insurance Company (Group) of China Limited
"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
"PICC Information Technology"	PICC Information Technology Co., Limited
"PICC Life"	PICC Life Insurance Company Limited, a joint stock company registered and incorporated in the PRC with limited liability, approximately 80.0% of whose issued share capital is directly and indirectly held by PICC Group, the controlling shareholder of the Company, among which approximately 8.62% of its issued share capital is held by the Company
"PRC"	the People's Republic of China
"Transaction"	Pursuant to the Agreement, PICC Information Technology will provide the Company with shared projects and services as well as exclusive services and the Company will pay technology service fees to PICC Information Technology
"RMB"	Renminbi, the lawful currency of the PRC
"%"	percentage

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

Beijing, the PRC, 30 December 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 Directors are Mr. Lin Hanchuan, Mr. Lo Chung Hing, Ms. Qu Xiaohui and Mr. Cheng Fengchao.