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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)

CONNECTED TRANSACTIONS PROPERTY LEASING AGREEMENT AND OFFICE PREMISE LEASING CONTRACT WITH PICC INVESTMENT

On 21 June 2024, the Company entered into the Property Leasing Agreement with PICC Investment, pursuant to which, (i) PICC Investment (as the lessor) leases its property to the Company (as the lessee) and the Company pays rent to PICC Investment; (ii) the Company (as the lessor) leases its property to PICC Investment (as the lessee) and PICC Investment pays rent to the Company.

On 1 August 2024, the Company entered into the Office Premise Leasing Contract with PICC Investment, pursuant to which, PICC Investment (as the lessor) leases its property to the Company (as the lessee) and the Company pays rent to PICC Investment.

PICC Investment is a wholly-owned subsidiary of PICC Group which is the controlling shareholder of the Company. In accordance with the Listing Rules, PICC Investment is a connected person of the Company. Therefore, the transactions under the Property Leasing Agreement and the Office Premise Leasing Contract constitute connected transactions of the Company. Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, as the transactions under the Property Leasing Agreement and the Office Premise Leasing Contract are conducted with PICC Investment within a 12-month period, the leasing transactions, in which the Company is the lessee, under the Property Leasing Agreement and the Office Premise Leasing Contract shall be aggregated. For the transactions under the Property Leasing Agreement and the Office Premise Leasing Contract, (i) the Company shall recognize the leasing transactions, in which the Company is the lessee, as a right-of-use asset pursuant to the Hong Kong Financial Report Standard (HKFRS) 16 Leases. In accordance with the relevant provisions of the Listing Rules, the leasing transactions, in which the Company is the lessee, are regarded as asset acquisitions by the Company and constitute one-off connected transactions of the Company, and (ii) in accordance with the relevant provisions of the Listing Rules, the leasing transaction, in which the Company is the lessor, constitutes a continuing connected transaction of the Company. As under the Property Leasing Agreement and the Office Premise Leasing Contract, (i) the highest applicable percentage ratio for the aggregated value of the right-of-use assets of the leasing transactions in which the Company is the lessee exceeds 0.1% but is less than 5%, such transactions are only subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules; and (ii) the highest applicable percentage ratio for the aggregate annual amount of rent of the leasing transaction in which the Company is the lessor is less than 0.1%, such transaction is exempt from reporting, annual review, announcement and independent shareholders' approval requirements.

INTRODUCTION

On 21 June 2024, the Company entered into the Property Leasing Agreement with PICC Investment, pursuant to which, (i) PICC Investment (as the lessor) leases its property to the Company (as the lessee) and the Company pays rent to PICC Investment; (ii) the Company (as the lessor) leases its property to PICC Investment (as the lessee) and PICC Investment pays rent to the Company. As the transactions under the Property Leasing Agreement are conducted on normal commercial terms and the highest applicable percentage ratios for (i) the value of the right-of-use asset of the leasing transaction in which the Company is the lessee and (ii) the aggregate annual amount of rent of the leasing transaction in which the Company is the lessor are both less than 0.1%, the Property Leasing Agreement is exempt from independent shareholders' approval, annual review and all the disclosure requirements pursuant to Rule 14A.76 of the Listing Rules.

On 1 August 2024, the Company entered into the Office Premise Leasing Contract with PICC Investment, pursuant to which, PICC Investment (as the lessor) leases its property to the Company (as the lessee) and the Company pays rent to PICC Investment. Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, as the transactions under the Property Leasing Agreement and the Office Premise Leasing Contract were conducted with PICC Investment within a 12-month period, the leasing transactions, in which the Company is the lessee, under the Property Leasing Agreement and the Office Premise Leasing Contract shall be aggregated. As the highest applicable percentage ratio for the aggregated value of the right-of-use assets of the leasing transactions in which the Company is the lessee under the Property Leasing Agreement and the Office Premise Leasing Contract exceeds 0.1% but is less than 5%, such transactions are only subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirement pursuant to Rule 14A.76 of the Listing Rules.

PROPERTY LEASING AGREEMENT

1. Date of signing

21 June 2024

2. Parties

- (1) the Company
- (2) PICC Investment

3. Term

Commencing on 7 July 2024 and expiring on 6 July 2027

4. Cooperative matters

Pursuant to the Property Leasing Agreement, during the term of such agreement, PICC Investment (as the lessor) leases its 362 properties located in 32 provinces and cities in the PRC to the Company (as the lessee), with an aggregate area of 304.3 thousand square meters, mainly for office use for the branches of the Company across the country; the Company (as the lessor) leases its 9 properties located in 7 provinces and cities in the PRC to PICC Investment (as the lessee), with an aggregate area of 843.21 square meters, mainly for office use for the branches of PICC Investment.

5. Rent and pricing policies

Pursuant to the Property Leasing Agreement, the aggregate rent for three years to be paid by the Company (as the lessee) to PICC Investment (as the lessor) is estimated to be approximately RMB217.70 million, which will be paid by the Company with internal funds. The rent is determined by arm's length negotiations between both parties with reference to the

comparable rent in local markets, valuation results by professional institutions as well as the actual condition of the properties and other relevant factors. In accordance with the Hong Kong Financial Report Standard (HKFRS) 16 Leases, the fixed rent payment is capital in nature, and the Company shall recognize the leasing transaction in which the Company is the lessee as a right-of-use asset. The targets of the leasing transaction in which the Company is the lessee shall be recognized as right-of-use assets of the Company from the commencement date of the lease, with an amount of approximately RMB198.81 million. The amount of the right-of-use assets is the present value calculated with the discount rate of 2.68% of the aggregate rent for three years estimated to be paid by the Company to PICC Investment under the Property Leasing Agreement, and the amount will be adjusted according to the actual rent paid by the Company.

Pursuant to the Property Leasing Agreement, the aggregate annual amount of rent to be paid by PICC Investment (as the lessee) to the Company (as the lessor) is estimated to be approximately RMB1.11 million. As the highest applicable percentage ratio for the transaction is less than 0.1%, such transaction is exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

6. Mode of payment

Pursuant to the Property Leasing Agreement, either party under the agreement shall pay half amount of the annual rent on a semiannual basis, i.e. before 20 April and 20 October, respectively. The first payment (aggregate rent from 7 July 2024 to 31 December 2024) shall be made before 23 December 2024. The last payment (aggregate rent from 1 January 2027 to 6 July 2027) shall be made before 20 April 2027.

OFFICE PREMISE LEASING CONTRACT

1. Date of signing

1 August 2024

2. Parties

- (1) the Company
- (2) PICC Investment

3. Term

Commencing on 1 August 2024 and expiring on 31 July 2029

4. Cooperative matters

Pursuant to the Office Premise Leasing Contract, during the term of the contract, PICC Investment (as the lessor) leases a property located in Nanjing City, Jiangsu Province, the PRC to the Company (as the lessee), with an aggregate area of 1,006.33 square meters, mainly for office use for the departments of the headquarter of the Company.

5. Rent and pricing policies

Pursuant to the Office Premise Leasing Contract, the aggregate rent for five years to be paid by the Company (as the lessee) to PICC Investment (as the lessor) is estimated to be approximately RMB7.29 million, which will be paid by the Company with internal funds. The rent is determined by arm's length negotiations between both parties with reference to the comparable rent in local markets, valuation results by professional institutions as well as the actual condition of the properties and other relevant factors. In accordance with the Hong Kong Financial Report Standard (HKFRS) 16 Leases, the fixed rent payment is capital in nature, and the Company shall recognize the leasing transaction in which the Company is the

lessee as a right-of-use asset. The target of the leasing transaction in which the Company is the lessee shall be recognized as a right-of-use asset of the Company from the commencement date of the lease, with an amount of approximately RMB6.83 million. The amount of the right-of-use asset is the present value calculated with the discount rate of 2.68% of the aggregate rent for five years estimated to be paid by the Company to PICC Investment under the Office Premise Leasing Contract, and the amount will be adjusted according to the actual rent paid by the Company.

6. Mode of payment

Pursuant to the Office Premise Leasing Contract, apart from the first payment, the Company shall pay a quarter of the annual rent to PICC Investment every three months, i.e. before 1 February, 1 May, 1 August and 1 November, respectively. The first payment (aggregate rent from 1 August 2024 to 31 January 2025) shall be made before 10 August 2024. The last payment (aggregate rent from 1 May 2029 to 31 July 2029) shall be made before 1 May 2029.

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 Investment

PICC Investment, a wholly-owned subsidiary of PICC Group, is a limited liability company incorporated in the PRC. PICC Investment is principally engaged in real estate investment, management of projects construction, real estate management, investment in elderly care industry, property management and service, and etc.

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.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PROPERTY LEASING AGREEMENT AND OFFICE PREMISE LEASING CONTRACT

The Company has leased properties from PICC Investment for years for offices and rural areas' business outlets of branches of the Company across the country. Such properties have long been used as business outlets by branches of the Company for years and a business layout covering surrounding areas of the business outlets has been formulated, which facilitates a more efficient reaction to requests of clients. After years of use, decorations and facilities of these properties are in line with the Company's requirements for business and

office as well as the corporate image. Change of such properties may affect the stability and continuity of the Company's business and may incur additional renovation costs. Based on the reasons above, the Company has entered into the Property Leasing Agreement with PICC Investment.

Due to business development needs, the Company established the Nanjing Development Centre in Nanjing, Jiangsu Province this year, and PICC Investment has local premises available for lease that satisfy the office use demands, therefore, the Company has entered into the Office Premise Leasing Contract with PICC Investment to enable the newly established institution to commence its regular operations promptly.

The Board, including the Independent Directors, is of the view that the Property Leasing Agreement and Office Premise Leasing Contract are entered into in the ordinary and usual course of business of the Company and on normal commercial terms, and the terms of the Property Leasing Agreement and Office Premise Leasing Contract are fair and reasonable, which are no less favourable than terms offered by independent third parties to the Company for comparable transactions, and such terms are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

PICC Investment is a wholly-owned subsidiary of PICC Group which is the controlling shareholder of the Company. In accordance with the Listing Rules, PICC Investment is a connected person of the Company. Therefore, the transactions under the Property Leasing Agreement and Office Premise Leasing Contract constitute connected transactions of the Company. Mr. Wang Tingke and Mr. Yu Ze, Directors 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 Property Leasing Agreement and Office Premise Leasing Contract. Save as disclosed above, no other Director was required to abstain from voting on the Board resolution for considering and approving the Property Leasing Agreement and Office Premise Leasing Contract or was regarded as having a material interest in the Property Leasing Agreement and Office Premise Leasing Contract.

As the transactions under the Property Leasing Agreement are conducted on normal commercial terms and the highest applicable percentage ratios for (i) the value of the right-of-use asset of the leasing transaction in which the Company is the lessee and (ii) the aggregate annual amount of rent of the leasing transaction in which the Company is the lessor are both less than 0.1%, the Property Leasing Agreement is exempt from independent shareholders' approval, annual review and all the disclosure requirements in accordance with Rule 14A.76 of the Listing Rules.

Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, as the transactions under the Property Leasing Agreement and Office Premise Leasing Contract were conducted with PICC Investment within a 12-month period, the leasing transactions, in which the Company is the lessee, under the Property Leasing Agreement and Office Premise Leasing Contract shall be aggregated. For the transactions under the Property Leasing Agreement and Office Premise Leasing Contract, (i) the Company shall recognize the leasing transactions, in which the Company is the lessee, as right-of-use assets pursuant to the Hong Kong Financial Report Standard (HKFRS) 16 Leases. In accordance with the relevant provisions of the Listing Rules, the leasing transactions, in which the Company is the lessee, are regarded as asset acquisitions by the Company and constitute connected transactions of the Company, and (ii) in accordance

with the relevant provisions of the Listing Rules, the leasing transaction, in which the Company is the lessor, constitutes a continuing connected transaction of the Company.

As under the Property Leasing Agreement and Office Premise Leasing Contract, (i) the highest applicable percentage ratio for the aggregated value of the right-of-use assets of the leasing transactions in which the Company is the lessee exceeds 0.1% but is less than 5%, such transactions are only subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules; and (ii) the highest applicable percentage ratio for the aggregate annual amount of rent of the leasing transaction in which the Company is the lessor is less than 0.1%, such transaction is exempt from reporting, annual review, announcement and independent shareholders' approval requirements.

DEFINITIONS

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

“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)”	directors 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
“Office Premise Leasing Contract”	the Office Premise Leasing Contract for Nanjing Development Centre entered into between the Company and PICC Investment on 1 August 2024, pursuant to which, PICC Investment (as the lessor) leases its property to the Company (as the lessee) and the Company pays rent to PICC Investment
“PICC Group”	The People's Insurance Company (Group) of China Limited
“PICC Investment”	The PICC Investment Holding Company Limited
“PRC”	the People's Republic of China
“Property Leasing Agreement”	the Property Leasing Agreement entered into between the Company and PICC Investment on 21 June 2024, pursuant to which, (i) PICC Investment (as the lessor) leases its property

to the Company (as the lessee) and the Company pays rent to PICC Investment; (ii) the Company (as the lessor) leases its property to PICC Investment (as the lessee) and PICC Investment pays rent to the Company

“RMB”

Renminbi, the lawful currency of the PRC

“%”

per cent

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

Secretary of the Board

Beijing, the PRC, 1 August 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.