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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 2024 GENERAL PROJECT SERVICE AGREEMENT WITH PICC INFORMATION TECHNOLOGY

On 30 August 2024, the Company entered into the 2024 General Project Service Agreement with PICC Information Technology. Pursuant to the Agreement, PICC Information Technology will provide the Company with shared project services and exclusive project services based on the Company's general system, 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 cap of technology service fees under the Agreement is more than 0.1% but less than 5%, therefore, 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 30 August 2024, the Company entered into the 2024 General Project Service Agreement with PICC Information Technology. Pursuant to the Agreement, PICC Information Technology will provide the Company with shared project services and exclusive project services based on the Company's general system, and the Company will pay technology service fees to PICC Information Technology.

2024 GENERAL PROJECT SERVICE AGREEMENT WITH PICC INFORMATION TECHNOLOGY

1. Date of Signing

30 August 2024

2. Parties

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

3. Term

From the date of signing the Agreement to 31 December 2024.

4. Matters of Cooperation

Pursuant to the Agreement, PICC Information Technology will provide the Company with shared project services and exclusive project services based on the Company's general system.

Shared project services

The shared project services are science and technology service projects based on the informatization construction plan of PICC Group, characterized by their strategic, fundamental, universal and shared nature, which will not be directly applied to the Company's important systems and do not involve any transmission of important data, mainly including general shared and co-construction and unified operation and maintenance projects, and general operation projects. Specifically, general shared and co-construction and unified operation and maintenance projects consist of network and operation and maintenance projects, basic technology platform construction projects, and "17+N" shared projects, and general operation projects consist of operation projects of new media marketing matrix.

Exclusive project services

Exclusive project services are customized or specialized services provided according to the Company's specific needs, which will not be directly applied to the Company's important systems and do not involve any transmission of important data, and are exclusively provided to the Company, specifically including the "PICC" APP special operation project.

5. Service Fees and Mode of Payment

According to the Agreement, the service fees will be charged by PICC Information Technology according to the comprehensive costs of the general projects. The comprehensive costs of the general projects include various direct costs (including internal input and external procurement), indirect costs, projects-related operation and management expenses and various taxes incurred by PICC Information Technology to complete the project services. Among them, the comprehensive costs of shared project services shall be allocated among the subsidiaries within the Group benefiting from such project services in accordance with the agreed proportion, and the comprehensive costs of exclusive project services shall be entirely borne by the Company. The estimated cap of technology service fees of the general projects payable by the Company to PICC Information Technology in 2024 is RMB463.9276 million, which will be paid by the Company from its internal resources.

According to the Agreement, the settlement of technology service fees shall be conducted by way of prepayment by instalments, quarterly settlement and annual final settlement. Upon the signing of the Agreement, the Company shall make a prepayment of 30% of the estimated total amount of the technology service fee to PICC Information Technology within 10 working days after receiving the prepayment notice from PICC Information Technology. The Company shall receive the quarterly billing invoice from PICC Information Technology by 30 September 2024, with the billing amount to be deducted from the prepayment, and at the same time make the next quarterly prepayment in accordance with the proportion agreed in the Agreement. PICC Information Technology shall calculate the estimated technology service fees for the fourth quarter by 10 December 2024, and the estimated billing amount will be deducted from the prepayment. For any shortfall after the deduction, the Company shall pay the corresponding difference to PICC Information Technology by 28 December 2024. Before 28 February 2025, both parties shall, in accordance with the actual implementation of the projects, jointly verify and confirm the aggregated comprehensive costs amount for the actual projects implemented in 2024, and complete the totalization and settlement of the technology service fees for the year of 2024. Based on such calculation results, PICC Information Technology shall provide the Company with adjusted bills and issue invoices for the difference in service fees respectively, and collect

from or refund to the Company the difference in fees accordingly. The above payment arrangement ensures that PICC Information Technology's technology services to the Company will be carried out in an orderly manner and that the staff reserve and workplace rental necessary for the provision of the technology services will be carried out smoothly. It is a common practice in the technology service industry to pay technology services by instalments.

Pricing Policy

For shared project services, as it is difficult to calculate and allocate the initial investment costs of the projects and services corresponding to specific projects on a one-to-one basis, the project investment is allocated based on the cost compensation mechanism of "revenue is determined by expenditure" of PICC Information Technology, and the overall pricing is shared by the beneficiary subsidiaries within the Group in accordance with the principles of "co-construction and sharing, cost sharing", "those who benefit bear the costs" and "special entrustment with reasonable consideration". At the same time, according to the different types of science and technology investment and the differentiated and clear allocation rules, the costs will be allocated according to the proportion of operating revenue in 2023 or usage of each beneficiary subsidiary. For exclusive project services, the Company will bear the project costs in full.

PICC Information Technology expected that costs related to shared project services and exclusive project services of the general projects in 2024 mainly consist of labor 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, costs in relation to external procurement for the implementation of informatization projects (including scientific and technological software products, outsourcing manpower, technical services, etc.), etc.

In order to meet the needs of providing scientific and technological services to subsidiaries within the Group, PICC Information Technology need to be equipped with sufficient technical personnel to ensure the continuous construction of the projects and the realization of goals. The related labor costs, workplace rent and related administrative expenses constitute the main costs of shared project services and exclusive project services. PICC Information Technology refers to the market standards of science and technology talents, calculates labor costs in strict accordance with the its salary policy, strictly controls the personnel increment plan, and actively enhances the linkage between employee performance appraisal and the assessment of quality and efficiency of project implementation. The labor cost is estimated and calculated according to the annual talent planning objectives and implementation progress, and the rest of the workplace rent, external procurement and related administrative expenses are strictly implemented in accordance with the relevant procurement policy of the Group and with reference to the market price to ensure that the procurement prices are fair and the input costs are reasonable.

Annual Cap

Pursuant to the Agreement, the Company estimated that the cap of technology service fees of the general projects payable by the Company to PICC Information Technology in 2024 will be RMB463.9276 million.

With regard to setting the cap of the Transaction, PICC Information Technology estimated that the investment in general projects in 2024 is expected to be no more than RMB613.94 million, and the costs of general projects involving the Company will be shared in accordance with the

above pricing policies. The shared projects will be allocated to the Company by 75.1% with an estimated amount of no more than RMB452.4201 million. The Company's exclusive projects will be entirely borne by the Company with an estimated amount of no more than RMB11.5075 million. At the same time, taking into account the unpredictable project needs, it has been calculated that the technology service fees for general projects to be paid by the Company to PICC Information Technology in 2024 will not exceed approximately RMB463.9276 million.

The content and scale of science and technology service fees in 2024 increase to a certain extent compared with 2023, mainly including: first, the increase in computer room leasing projects such as North Center; second, changes in the network security situation and increased regulatory requirements for business continuity, autonomy and controllability, which lead to an increase in the cost of network and operation and maintenance projects; third, the cost of construction of the fundamental technology platform increased compared with last year, mainly including the evaluation of data governance capabilities added to the unified data platform, and the rise in expenses resulting from the inclusion of the Company within the service scope of the unified intelligent platform. In addition, certain costs of security projects that were initially procured by the Company have been changed to the Group's overall procurement and included in the agreement for cost sharing; fourth, due to the implementation of the Group's digitalization development strategy and the promotion of "17+N" sharing projects, the amount allocated to the Company increases. Meanwhile, the cap of the technology service fees for general projects in 2024 is only an estimated amount, and the Company will review and check each project item by item when the projects are approved and the cost is settled. The settlement will be carried out after confirming the consistency, so as to ensure that the allocation is reasonable and the implementation is compliant.

Historical Amounts

PICC Information Technology was established in 2022. On 28 October 2022, the Company and PICC Information Technology entered into the 2022 PICC Technology Service Agreement for the first time, and on 30 December 2022 further entered into the 2023 PICC Technology Service Agreement with PICC Information Technology. For the two financial years ended 31 December 2022 and 31 December 2023, the technology service fees paid by the Company to PICC Information Technology were RMB72 million and RMB146 million, respectively. As of the date of this announcement, the Company has not paid technology service fees to PICC Information Technology this year.

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 PICC Information Technology

PICC Technology is a limited company incorporated and registered in the PRC. PICC Technology primarily 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 Technology, holding 100% of the total share capital of PICC Technology.

Reasons For and Benefits of Entering into the Agreement

PICC Information Technology is an 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 former CBIRC and on the basis of the Group’s own digital upgrade needs. 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. As the main force of the Group’s technology sector, PICC Information Technology undertakes four major functions of the Group, namely science and technology infrastructure, research and development support, shared operation and innovation incubation, builds and forms an independent, controllable, efficient, safe, intelligent and advanced technology system, effectively collaborates with the science and technology teams of various companies within the Group, better provides science and technology infrastructure, various applications and operation services, and builds an industry-leading

insurance technology company. 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.

The technology services provided by PICC Information Technology during the term of the Agreement either involve unified operation of the Group, or relate to the information of the Company's customers. From the perspective of security, autonomy and controllability, some projects are not suitable to be carried out by a third party and can only be coordinated and 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 implementation by subsidiaries within the Group.

PICC Information Technology pays great attention to security research and technology innovation, and strictly implements security confidentiality and customer protection agreements to fully 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 former 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 National Financial Regulatory Administration. 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 takes 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 cap of technology service fees are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Listing Rules Implications

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. Wang Tingke and Mr. Yu Ze, Directors of the Company holding positions in PICC Group, and Mr. Li Tao, a Director of the Company designated by PICC Group, have all abstained from voting on the Board resolution for considering and approving the Transaction. 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 cap of technology service fees under the Agreement is more than 0.1% but less than 5%, therefore, 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 “the 2024 General Project Service Agreement”	the 2024 General Project Service Agreement entered into between the Company and PICC Information Technology on 30 August 2024
“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)”	The director(s) of the Company
“former CBIRC”	former China Banking and Insurance Regulatory Commission (currently known as National Financial Regulatory Administration)
“Group” or “PICC Group”	The People’s Insurance Company (Group) of China Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Director(s)”	independent non-executive director(s) of the Company
“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
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Transaction” Pursuant to the Agreement, PICC Information Technology will provide the Company with shared project services and exclusive project services based on the Company’s general system, and the Company will pay technology service fees to PICC Information Technology

“%” percentage

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

Beijing, the PRC, 30 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.