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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 limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2328)

CONTINUING CONNECTED TRANSACTION SUPPLEMENTAL AGREEMENT RELATING TO THE INTERNET INSURANCE BUSINESS COOPERATION AGREEMENT WITH PICC FINANCIAL SERVICES

Reference is made to the announcement of the Company dated 24 August 2018 regarding the Internet Insurance Business Cooperation Agreement entered into between the Company and PICC Financial Services.

On 11 July 2019, the Company and PICC Financial Services entered into the Supplemental Agreement relating to the Internet Insurance Business Cooperation Agreement to supplement the contents of cooperation and to reach an agreement in respect of the cap of service fees for the period from 1 January 2019 to 26 November 2019. As the highest applicable percentage ratio for the estimated cap of service fees for the period from 1 January 2019 to 26 November 2019 to be paid by the Company to PICC Financial Services under the Supplemental 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

Reference is made to the announcement of the Company dated 24 August 2018 regarding the Internet Insurance Business Cooperation Agreement entered into between the Company and PICC Financial Services. The term of the Cooperation Agreement is one year from 27 November 2017 to 26 November 2018. If neither party terminates the cooperation under the Cooperation Agreement by notifying in writing within 30 days before the expiry date of the Cooperation Agreement, the Cooperation Agreement will be automatically extended for one year.

The Cooperation Agreement has now been automatically extended for one year and the term of which is from 27 November 2018 to 26 November 2019. On 11 July 2019, the Company and PICC Financial Services entered into the Supplemental Agreement relating to the Internet Insurance Business Cooperation Agreement to supplement the contents of cooperation and to reach an agreement in respect of the cap of service fees for the period from 1 January 2019 to 26 November 2019.

Main Provisions of the Supplemental Agreement and the Cap of Service Fees

Pursuant to the Supplemental Agreement, PICC Financial Services will, by leveraging on its information platform resources and advantages, provide the Company with technical support,

information technology platform services and publicity and promotion services for both parties to exchange and share information, share customer acquisition channels and enhance customer experience. Both parties will not be entitled to interests or assume obligations in relation to insurance display (excluding reference to products for the purpose of overall promotion of the platform).

The branches of the Company, as the local service organisations for business cooperation, respectively negotiate and enter into the local service agreements with PICC Financial Services based on specific local demands and pursuant to the principle of compliance and fairness, which include selecting all or part of the cooperation contents in the Cooperation Agreement based on market demands, determining the specific price of cooperation projects subject to market conditions, and the parties to the agreement ensuring the pricing is fair and does not deviate from the fee standard of independent third parties in the market.

Pursuant to the Supplemental Agreement, the Company estimated that the cap of service fees to be paid by the Company to PICC Financial Services for the period from 1 January 2019 to 26 November 2019 is RMB254.4 million (including tax). The service fees for the period from 27 November 2018 to 31 December 2018 has been included in the annual cap of service fees for the year 2018 as disclosed by the Company in the announcement dated 24 August 2018. The cap of service fees for the period from 1 January 2019 to 26 November 2019 of the Company is the aggregate of estimated service fees of branches of the Company. The branches of the Company estimated their cap of service fees for the period from 1 January 2019 to 26 November 2019 based on factors including the market condition, the development plan and the historical cooperation.

Except the provisions mentioned above, other provisions of the Cooperation Agreement remain unchanged.

HISTORICAL AMOUNTS

Before entering into the Cooperation Agreement, the Company was not engaged in any internet insurance business cooperation with PICC Financial Services. During the year ended 31 December 2017, the year ended 31 December 2018 and the period from 1 January 2019 to 30 June 2019 respectively, the service fees paid by the Company to PICC Financial Services in respect of the internet insurance business cooperation with PICC Financial Services were approximately RMB3 million, RMB287 million and RMB114 million (including tax, business statistics source, not audited or reviewed), respectively.

GENERAL INFORMATION

Information on 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 property loss insurance, liability insurance, credit insurance, accidental injury insurance, short-term health insurance, surety insurance and the related reinsurance business as well as investment and funds application business in the PRC.

Information on PICC Financial Services

PICC Financial Services is a limited liability company incorporated in the PRC. PICC Financial Services is principally engaged in internet financial information, technology and consultation services and acceptance of financial information and technology service outsourcing, financial business process outsourcing and financial knowledge process outsourcing under the

entrustment by financial institutions.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT

As the Cooperation Agreement was automatically extended, the Company and PICC Financial Services have entered into the Supplemental Agreement in order to supplement the contents of cooperation and to reach an agreement in respect of the cap of service fees for the period from 1 January 2019 to 26 November 2019. PICC Financial Services leverages on its information platform and resources to provide the branches of the Company involved in the cooperation with the services such as the customer acquisition support and technical support and to enhance customer experience.

The Board, including the independent non-executive Directors, is of the view that the Supplemental Agreement will be conducted on normal commercial terms and in the ordinary and usual course of business of the Company, the terms of the Supplemental Agreement and the proposed annual cap is fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

PICC Group, the controlling shareholder of the Company, holds approximately 68.98% of the issued capital of the Company. PICC Financial Services is a wholly owned subsidiary of PICC Group. Pursuant to the Listing Rules, PICC Financial Services is a connected person of the Company. Accordingly, the Supplemental Agreement constitutes a continuing connected transaction of the Company. As among the Directors of the Company, Mr. Miao Jianmin, Mr. Xie Yiqun and Mr. Tang Zhigang hold positions in PICC Group, and Mr. Li Tao holds a position in PICC Life, a subsidiary of PICC Group, therefore they have abstained from voting on the board resolution for considering and approving the Supplemental Agreement. Save as disclosed above, no other Directors were required to abstain from voting on the board resolution for considering and approving the Supplemental Agreement or are regarded as having a material interest in the Supplemental Agreement.

As the highest applicable percentage ratio for the estimated cap of service fees for the period from 1 January 2019 to 26 November 2019 to be paid by the Company to PICC Financial Services under the Supplemental 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:

“Cooperation Agreement”	the Internet Insurance Business Cooperation Agreement entered into between the Company and PICC Financial Services on 27 November 2017
“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

“Directors”	directors of the Company
“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 Financial Services”	PICC Financial Services Company Limited
“PICC Group”	The People’s Insurance Company (Group) of China Limited, a joint stock limited liability company incorporated in the PRC, whose shares are listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange, respectively
“PICC Life”	PICC Life Insurance Company Limited, a joint stock limited liability company incorporated in the PRC, with approximately 80.0% of whose equity capital are held directly or indirectly by the PICC Group, the controlling shareholder of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Supplemental Agreement”	the Supplemental Agreement relating to the Internet Insurance Business Cooperation Agreement, which was entered into between the Company and PICC Financial Services on 11 July 2019
“Transaction”	the technical support, information technology platform services and publicity and promotion services provided by PICC Financial Services to the Company, by leveraging on its information platform resources and advantages, for both parties to exchange and share information, share customer acquisition channels and enhance customer experience, and the payments of the service fees by the Company to PICC Financial Services, in each case, under the Cooperation Agreement and the Supplemental Agreement
“%”	percentage

By Order of the Board
PICC Property and Casualty Company Limited
Miao Jianmin
Chairman

Beijing, the PRC, 11 July 2019

As at the date of this announcement, the Chairman of the Board is Mr. Miao Jianmin (executive director), the Vice Chairman is Mr. Xie Yiqun (executive director), the non-executive directors are Mr. Tang Zhigang and Mr. Li Tao, Ms. Xie Xiaoyu and Mr. Hua Shan are executive directors, and the independent non-executive directors are Mr. Lin Hanchuan, Mr. Lo Chung Hing, Mr. Na Guoyi, Mr. Ma Yusheng, Mr. Chu Bende and Ms. Qu Xiaohui.