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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 CUSTOMER SERVICES COOPERATION FRAMEWORK AGREEMENT WITH AIBAO TECHNOLOGY

On 29 December 2023, the Company entered into the Customer Services Cooperation Framework Agreement with Aibao Technology, pursuant to which, Aibao Technology and its subsidiaries shall provide value-added services for customers' motor vehicle insurance, value-added services related to online activities, and online advertising services, etc. to the Company, and the Company shall pay service fees to Aibao Technology and its subsidiaries.

Pursuant to the relevant provisions of the Listing Rules, Aibao Technology is a connected person of the Company, therefore, the Customer Services Cooperation Framework Agreement with Aibao Technology constitutes a continuing connected transaction of the Company. As the highest applicable percentage ratio for services fees to be paid to Aibao Technology and its subsidiaries by the Company under the Customer Services Cooperation Framework 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 29 December 2023, the Company entered into the Customer Services Cooperation Framework Agreement with Aibao Technology, pursuant to which, Aibao Technology and its subsidiaries shall provide value-added services for customers' motor vehicle insurance, value-added services related to online activities, and online advertising services, etc. to the Company, and the Company shall pay service fees to Aibao Technology and its subsidiaries.

#### CUSTOMER SERVICES COOPERATION FRAMEWORK AGREEMENT

##### 1. Signing date

29 December 2023

##### 2. Parties

- (1) the Company
- (2) Aibao Technology

### **3. Term**

From 1 January 2024 to 31 December 2024.

### **4. Collaboration**

Aiming at joint development and long-term cooperation, Aibao Technology and the Company jointly reached consensus on the following customer services cooperation matters based on the principles of voluntariness, equality, mutual benefit and trustworthiness and in accordance with the relevant PRC laws, regulations and regulatory requirements: Aibao Technology and its subsidiaries shall provide value-added services for customer's motor vehicle insurance, value-added services related to online activities, and online advertising services, etc. to the Company, and the Company shall pay service fees to Aibao Technology and its subsidiaries.

The Company is in need of the services under the Customer Services Cooperation Framework Agreement from time to time in its ordinary and usual course of business. The value-added services for customers' motor vehicle insurance include safety inspection, designated driving services, designated delivery for inspection and other related services. The value-added services related to online activities include planning, designing and promoting web pages for online activities, and providing movie watching services and coupons to customers who participate in online activities through the APP and Wechat official account of the Company. The online advertising services include assistance in the production of promotion materials for products and services as well as launching of the same through online media.

### **5. Service Fees**

For specific cooperation matters, the provincial/municipal branches of the Company will take into account the local market conditions and, on the basis of ensuring compliance, sign a specific procurement contract with Aibao Technology and its subsidiaries according to the fair market price. Service fees are settled according to actual service volume incurred and the service price per unit determined by both parties. Service fees are paid in cash and the payment dates are determined in specific contracts entered into by the provincial/municipal branches of the Company and Aibao Technology and its subsidiaries.

### **PRICING POLICY**

The Company and Aibao Technology jointly negotiate and determine the price of each service based on the fair value of the service item in the market and the transaction price with Independent Third Parties to ensure that the price of the Transaction is fair and reasonable and in the interests of the Company and its shareholders as a whole. Aibao Technology and its subsidiaries shall participate in the bidding through public tendering or competitive negotiations in the same manner as other similar service suppliers in the market. Qualification for the bid is determined according to the bidding appraisal rules, which is in line with the requirements of normal commercial terms of the Company.

### **ANNUAL CAPS**

For the year ending 31 December 2024, the estimated annual cap for the service fees to be paid by the Company to Aibao Technology and its subsidiaries is RMB980 million.

The Company mainly refers to the volume of historical service transactions and the estimated annum increment of the transaction between the Company and Aibao Technology and its subsidiaries to evaluate the annual cap of service fees for the term under the Agreement. Based on the historical amounts of the service fees paid by the Company to Aibao Technology and its subsidiaries and taking into account of expansion of service areas, increase in utilisation rate of customer services, increase in online service scenarios, increase in online service scopes and other factors, the Company sets the annual cap of service fees for the year ending 31 December 2024 at RMB980 million.

## **HISTORICAL AMOUNT**

For the year ended 31 December 2021, the year ended 31 December 2022 and the period from 1 January 2023 to 30 November 2023, the service fees paid by the Company to Aibao Technology and its subsidiaries are as follows:

	RMB million
For the year ended 31 December 2021	335
For the year ended 31 December 2022	689
For the period from 1 January 2023 to 30 November 2023 (Note)	381

*Note: The figure for the period from 1 January 2023 to 30 November 2023 was extracted from the business system and was not audited.*

## **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 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 Aibao Technology***

Aibao Technology is a limited liability company incorporated in the PRC. Its principal businesses include marketing and planning, services of automobile towing, rescue request and obstacle removal, designated driving, technical inspection, business agency, automobile decoration and advertisement agency.

As at the date of this announcement, to the best knowledge and belief of the Directors after having made all reasonable enquiries, Laibao Investment (Hengqin) Partnership (Limited Partnership) and PICC Financial Services respectively hold 54.9% and 45.1% of the registered capital in Aibao Technology. To the best knowledge and belief of the Company after having made all reasonable enquiries, as at the date of this announcement:

The main business of Laibao Investment (Hengqin) Partnership (Limited Partnership) include investment with its own fund, and its partners holding more than 10% of shares include Beijing Yunqihulian Investment Co., Ltd., Beijing Xinbao Information Technology Co., Ltd. and Qingdao Copton Investment Co., Ltd., with equity interests of 35.6382%, 32.0344% and 20.6971%, respectively. Beijing Yunqihulian Investment Co., Ltd. is the wholly-owned subsidiary of Beijing Wuba Information Technology Co., Ltd. 86.66% of the registered capital in Beijing Wuba Information Technology Co., Ltd. is held by Yao Jinbo, an Independent Third Party, and its remaining registered capital of 13.34% is held by Beijing Wanglinton Information Technology Co., Ltd. The shareholders of Beijing Wanglinton Information Technology Co., Ltd. are Independent Third Parties Yao Jinbo, Chen Xiaohua, Gao Bo, Xu Guipeng, Zhuang Jiandong, Cui Jinfeng, Geng Chunsheng and Jin Yusong. Beijing Xinbao Information Technology Co., Ltd. is a wholly-owned subsidiary of Linzhi Lichuang Information Technology Co., Ltd., which is a wholly-owned subsidiary of Shenzhen Litong Industrial Investment Fund Co., Ltd., whose ultimate beneficial owners are Independent Third Parties Zhu Jinsong, Li Huimin, Hu Min and Chen Fei. Qingdao Copton Investment Co., Ltd. is a wholly-owned subsidiary of Qingdao Copton Technology Co., Ltd., whose shares are listed on the main board of the Shanghai Stock Exchange (stock code: 603798).

### ***Information of PICC Financial Services***

PICC Financial Services is a limited liability company incorporated in the PRC. PICC Financial Services is principally engaged in internet information services, value-added telecommunication services, auction services, artificial intelligence public services,

technical services, technology developments, technical consulting and other businesses.

PICC Group, the Company and PICC Life respectively hold approximately 70.6781%, 17.5932% and 11.7288% of the registered capital in PICC Financial Services. Among which, 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 re-insurance 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 holds 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. The remaining equity interest in PICC Life is owned as to (i) 10% by Sumitomo Life Insurance Company\* (日本住友生命保險公司), a mutual insurance company incorporated in Japan and principally engaged in life insurance business, investments and other insurance businesses, which 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; (ii) 5% by Asia Financial Holdings Ltd.\* (亞洲金融集團(控股)有限公司), a public company incorporated in Bermuda with limited liability and principally engaged in underwriting of general and life insurance as well as investment holding, whose shares are listed on the Hong Kong Stock Exchange (stock code: 662); and (iii) 5% by Bangkok Bank Public Company Limited\* (泰國盤谷銀行), a public company incorporated in Thailand with limited liability and principally engaged in commercial banking business and bank-related businesses, whose shares are listed on the Stock Exchange of Thailand (stock symbol: BBL).

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT**

These value-added services for customers are beneficial to the Company in terms of creating more scenarios and opportunities for the Company to provide services to customers, enhancing the level of customers' perception of the Company's services, raising the frequency of interaction between the Company and its customers, improving customer stickiness and satisfaction as well as promoting the Company's brand influence, which are in line with the Company's business development objectives and conducive to the Company's business development.

The principal businesses of Aibao Technology and its subsidiaries include multiple key service projects for the post-sale market of motor vehicles, including road rescue, safety inspection, designated driving and designated delivery for inspection, which integrate a large number of high-quality vehicle-related service resources. Aibao Technology and its subsidiaries have their advantages in effective integration of various service resources on the market, and customisation and development of systems and solutions which meet customers' needs. The services provided by Aibao Technology and its subsidiaries are able to satisfy the needs of ordinary business of the Company.

The Board, including all 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 proposed annual cap of service fees are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, PICC Group holds approximately 68.98% of the issued capital of the Company and is the controlling shareholder of the Company. PICC Financial Services, a subsidiary of PICC Group, holds 45.1% of the registered capital in Aibao Technology. Pursuant to the relevant provisions of the Listing Rules, Aibao Technology 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 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 Agreement. Save as disclosed above, no other Director was required to abstain from voting on the Board resolution for considering and approving the Agreement or was regarded as having a material interest in the Agreement.

As the highest applicable percentage ratio for services fees to be paid to Aibao Technology and its subsidiaries by the Company under the Customer Services Cooperation Framework 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 “Customer Services Cooperation Framework Agreement”	the “Customer Services Cooperation Framework Agreement” entered into between the Company and Aibao Technology on 29 December 2023
“Aibao Technology”	Aibao Technology Co., Ltd.
“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 Director(s)”	independent non-executive director(s) of the Company

“Independent Party(ies)”	Third	has the meaning as defined in the Listing Rules
“Listing Rules”		the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PICC Services”	Financial	PICC Financial Services Company Limited
“PICC Group”		The People’s Insurance Company (Group) of China Limited
“PICC Life”		PICC Life Insurance Company Limited
“PRC”		the People’s Republic of China
“RMB”		Renminbi, the lawful currency of the PRC
“Transaction”		Under the Agreement, Aibao Technology and its subsidiaries shall provide value-added services for customers’ motor vehicle insurance, value-added services related to online activities, and online advertising services etc. to the Company, and the Company shall pay service fees to Aibao Technology and its subsidiaries
“%”		percentage

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

Beijing, the PRC, 29 December 2023

*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 Ms. Qu Xiaohui, Mr. Cheng Fengchao, Mr. Wei Chenyang, Mr. Li Weibin and Mr. Qu Xiaobo.*