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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 SUPPLEMENTAL AGREEMENT ON AMENDMENT TO TERMS OF ENTRUSTED MANAGEMENT FEE RATES WITH PICC AMC**

Reference is made to the announcement of the Company dated 30 June 2025 in relation to, among other things, the Asset Management Agreement and the Asset Management Supplemental Agreement entered into between the Company and PICC AMC on 30 June 2025. Pursuant to the Original Agreement, PICC AMC provides entrusted asset management services to the Company, and the Company pays entrusted management fees to PICC AMC. In addition, PICC AMC may subscribe for investment products sponsored and managed by PICC AMC, PICC Capital, PICC Equity, China Credit Trust or CCT Asset with the assets entrusted by the Company, and the Company is required to pay product management fees to PICC AMC, PICC Capital, PICC Equity, China Credit Trust or CCT Asset.

On 30 April 2026, the Company entered into the Supplemental Agreement on Amendment to Terms of Entrusted Management Fee Rates with PICC AMC, which revised the entrusted management fee rates payable by the Company to PICC AMC under the Original Agreement by establishing a floating entrusted management fee mechanism linked to investment performance.

As at the date of this announcement, PICC AMC is a wholly-owned subsidiary of PICC Group. Pursuant to the Listing Rules, PICC AMC is a connected person of the Company, the transactions contemplated under the Original Agreement and the Agreement constitute continuing connected transactions of the Company.

Pursuant to the Agreement, the aggregated annual caps of entrusted management fees payable by the Company to PICC AMC and PICC Capital under the Original Agreement and the Asset Management Agreement with PICC Capital shall remain unchanged. As the aggregated annual caps of entrusted management fees payable by the Company to PICC AMC and PICC Capital under the Original Agreement and the Asset Management Agreement with PICC Capital are more than 0.1% but less than 5%, the Transactions are subject to the reporting, annual review and announcement requirements and are 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 30 June 2025 in relation to, among other things, the Asset Management Agreement and the Asset Management Supplemental Agreement entered into between the Company and PICC AMC on 30 June 2025. Unless otherwise defined, capitalised terms used in this announcement shall have the same

meanings as those defined in the Announcement. Pursuant to the Original Agreement, PICC AMC provides entrusted asset management services to the Company, and the Company pays entrusted management fees to PICC AMC. In addition, PICC AMC may subscribe for investment products sponsored and managed by PICC AMC, PICC Capital, PICC Equity, China Credit Trust or CCT Asset with the assets entrusted by the Company, and the Company is required to pay product management fees to PICC AMC, PICC Capital, PICC Equity, China Credit Trust or CCT Asset.

On 30 April 2026, the Company entered into the Supplemental Agreement on Amendment to Terms of Entrusted Management Fee Rates with PICC AMC, which revised the entrusted management fee rates payable by the Company to PICC AMC under the Original Agreement by establishing a floating entrusted management fee mechanism linked to investment performance.

## **SUPPLEMENTAL AGREEMENT ON AMENDMENT TO TERMS OF ENTRUSTED MANAGEMENT FEE RATES**

### **1. Date of Signing**

30 April 2026.

### **2. Parties**

- i. the Company
- ii. PICC AMC

### **3. Term**

From 1 May 2026 to 31 December 2027. Pursuant to the Agreement, the excess performance incentive is required to be calculated based on annual performance of the manager. The Company intends to renegotiate with the manager, PICC AMC, and reassess the entrusted management fee rates prior to the expiry of the Agreement.

### **4. Principal Terms**

Pursuant to the Original Agreement, the Company entrusts PICC AMC to manage some of its investment assets, and PICC AMC shall manage the entrusted assets in accordance with relevant laws and regulations and regulatory rules, the Original Agreement and the entrusted investment business guidelines formulated by the Company, and the Company shall pay entrusted management fees to PICC AMC.

Pursuant to the Original Agreement, the entrusted management fee rates are separately determined in accordance with the asset categories agreed thereunder. The annual fee rates of entrusted management fees are between 0.02% and 0.2%, with the weighted average fee rate not exceeding 0.08%. Pursuant to the Agreement, the entrusted management fees are composed of basic fixed management fees, floating management fees and excess performance incentive. The annual rate of the basic fixed management fee is 0.068%. Based on performance targets set by the Company through investment guidelines, the Company shall pay floating management fees in tiers annually according to PICC AMC's performance, ranging from 0% to 0.012%. Upon triggering the excess performance incentive, the annual rate of the entrusted management fees in respect of the excess performance shall not exceed 0.008%, which does not deviate from fair level prevailing in the industry. The entrusted management fees shall be accrued on a daily basis, and payable by the Company to PICC AMC within 90 business days after the end of each half-year period.

Save for the amendments set out above, all other terms of the Original Agreement remain unchanged, and matters not provided for in the Agreement shall continue to be governed by the relevant provisions of the Original Agreement.

### **ANNUAL CAPS**

Pursuant to the Original Agreement and the Asset Management Agreement with PICC Capital, the aggregated annual caps of entrusted management fees payable by the Company to PICC AMC and PICC Capital are as follows:

<b>Period</b>	<b>Aggregated annual caps of entrusted management fees payable by the Company to PICC AMC and PICC Capital</b>
	<i>RMB million</i>
For the year ending 31 December 2026	590
For the year ending 31 December 2027	650
For the period from 1 January 2028 to 30 June 2028	380

The Company has mainly referred to the net value of the entrusted assets and the agreed entrusted management fee rates during the term of the Original Agreement and the Asset Management Agreement with PICC Capital when determining the annual caps of the above periods, and has reserved a certain amount of flexibility. The Company expects investment assets to grow steadily from 2026 to 2028, with the entrusted management fees growing in tandem.

Under the Agreement, the amount of entrusted management fees payable by the Company to PICC AMC is expected to remain at substantially the same level, and the aggregated annual caps of entrusted management fees payable to PICC AMC and PICC Capital by the Company under the Original Agreement and the Asset Management Agreement with PICC Capital shall remain unchanged.

### **HISTORICAL AMOUNTS**

For the year ended 31 December 2023, the year ended 31 December 2024 and the year ended 31 December 2025, the entrusted management fees paid by the Company to PICC AMC and PICC Capital calculated on an aggregated basis were RMB297 million, RMB304 million and RMB364 million, respectively. For the period from 1 January 2026 to 31 March 2026, the entrusted management fees payable by the Company to PICC AMC and PICC Capital calculated on an aggregated basis were RMB107 million.

*Note: The amount for the period from 1 January 2026 to 31 March 2026 was extracted from the business system and has not been audited.*

### **PRICING PRINCIPLES**

Prior to entering into the Agreement, the Company conducted a dedicated research on entrusted management fees among four comparable insurance companies in the industry and noted that the prevailing fee structure adopted by major peers for entrusted asset management generally comprises a fixed component plus a floating component, with annual entrusted management fee rates ranging between 0.06% and 0.12%. In order to reasonably incentivise the manager and achieve benefits sharing and risk sharing between the entrusting party and the entrusted party, and taking into account, among others, the scope of investment management services that PICC

AMC can provide, its management experience and its past cooperation with the Company, the Company and PICC AMC, following arm's length negotiations, agreed to revise the entrusted management fee rates payable by the Company to PICC AMC under the Original Agreement by establishing a floating entrusted management fee mechanism linked to investment performance. The agreed annual entrusted management fee rates shall range between 0.068% and 0.088%, which do not deviate from the industry average level. The entrusted management fee rates charged by PICC AMC to the Company are no less favourable than the entrusted management fee rates charged by PICC AMC to independent third parties for similar services.

Under this mechanism, the entrusted management fees are linked to performance results and the level of excess returns. Where performance is unsatisfactory, the entrusted management fees can be reasonably reduced, effectively lowering the Company's investment costs. Where performance meets the expected targets and generates positive excess returns, the corresponding entrusted management fees shall be accrued in accordance with the applicable rules, thereby providing strong incentives for the manager to diligently fulfil its duties and strictly control investment risks.

## **INTERNAL CONTROL MEASURES**

The Company has formulated management measures and operational guidelines on related party transactions and established a related party transaction management system for real-time monitoring of transaction caps. With respect to entrusted management fees, the Agreement introduces floating management fees and excess performance incentive arrangements on top of the basic fixed management fees. Based on the Company's assessment, the annual caps previously approved by the Board do not need to be adjusted. The Company records the amount of entrusted management fees in the system on a monthly basis according to management measures and operational guidelines on related party transactions to monitor transaction amounts on a real-time basis and ensure that the cap will not be exceeded. 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 agreements, the functional department will promptly inform the entrusted manager to monitor the amount of related party transactions on a case-by case basis. In addition, the Company conducts annual internal special audits for related party transactions and reports the audit results to the Board 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 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 with limited liability, 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 and the ultimate beneficial owner of PICC Group, holding 60.84% of the total share capital of PICC Group.

### ***Information of PICC AMC***

PICC AMC is a limited liability company incorporated in the PRC. Its principal business scope includes management and utilisation of its own funds, trusted or entrusted asset management business, consultation business in relation to the asset management business and other asset management business permitted by the PRC laws and regulations. As at the date of this announcement, it is a wholly-owned subsidiary of PICC Group, which is the controlling shareholder of the Company.

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

The Agreement helps reasonably incentivise the manager and achieve benefits sharing and risk sharing between the entrusting party and the entrusted party. Adopting a floating entrusted management fee mechanism linked to investment performance enables effective alignment of the manager's operating returns with the Company's investment returns, encouraging PICC AMC to pursue investment strategies exceeding benchmarks and creating greater investment returns for the Company. At the same time, said mechanism can guide the manager to establish a long-term and rational investment mindset, curb short-term behaviour, and promote the maintenance of a long-term, prudent and stable investment style. 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, on normal commercial terms, and that its terms 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 is the controlling shareholder of the Company, holding 68.98% of the total share capital of the Company, and PICC AMC is a wholly-owned subsidiary of PICC Group. Pursuant to the Listing Rules, PICC AMC is a connected person of the Company, the transactions contemplated under the Original Agreement and the Agreement constitute continuing connected transactions of the Company. Ms. Ding Xiangqun and Mr. Zhang Daoming, both being Directors of the Company, who hold positions in PICC Group, have 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 Agreements or are regarded as having a material interest in the Agreement.

Pursuant to the Agreement, the aggregated annual caps of entrusted management fees payable by the Company to PICC AMC and PICC Capital under the Original Agreement and the Asset Management Agreement with PICC Capital shall remain unchanged. As the aggregated annual caps of entrusted management fees payable by the Company to PICC AMC and PICC Capital under the Original Agreement and the Asset Management Agreement with PICC Capital are more than 0.1% but less than 5%, the Transactions are subject to the reporting, annual review and announcement requirements and are 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 “Supplemental Agreement on Amendment to Terms of Entrusted Management Fee Rates ”	the Supplemental Agreement on Amendment to Terms of Entrusted Management Fee Rates entered into between the Company and PICC AMC on 30 April 2026
“Announcement”	the announcement of the Company dated 30 June 2025 in relation to the Original Agreement and the Asset Management Agreement with PICC Capital entered into by the Company with PICC AMC and PICC Capital, respectively
“Asset Management Agreement with PICC Capital”	the Asset Management Agreement and Supplemental Agreement entered into between the Company and PICC Capital on 30 June 2025. For details, please refer to the Announcement
“Board”	the board of directors of the Company
“CCT Asset”	CCT Asset Management (Beijing) Co., Ltd., a limited liability company registered and incorporated in the PRC. As at the date of this announcement, CCT Asset is a wholly- owned subsidiary of China Credit Trust
“China Credit Trust”	China Credit Trust Co., Ltd., a limited liability company registered and incorporated in the PRC, with approximately 32.9% of its issued share capital held by PICC Group, the controlling shareholder of the Company, as at the date of this announcement
“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
“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
“Ministry of Finance”	The Ministry of Finance of the PRC
“Original Agreement”	the Asset Management Agreement and Supplemental

Agreement entered into between the Company and PICC AMC on 30 June 2025. For details, please refer to the Announcement

“PICC AMC”	PICC Asset Management Company Limited
“PICC Capital”	PICC Capital Insurance Asset Management Company Limited
“PICC Equity”	PICC Capital Equity Investment Company Limited, a limited liability company registered and incorporated in the PRC. As at the date of this announcement, it is a wholly-owned subsidiary of PICC Capital
“PICC Group”	The People’s Insurance Company (Group) of China Limited
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Transactions”	the payment of entrusted management fees by the Company to PICC AMC under the Original Agreement and the Agreement
“%”	percentage

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

Beijing, the PRC, 30 April 2026

*As at the date of this announcement, the Chairperson of the Board of the Company is Ms. Ding Xiangqun (non-executive director), the executive directors are Mr. Zhang Daoming and Mr. Hu Wei, the employee director is Ms. Li Ling (non-executive director), and the independent directors are Mr. Cheng Fengchao, Mr. Wei Chenyang, Mr. Li Weibin, Mr. Qu Xiaobo and Ms. Xue Shuang.*