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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)

UNAUDITED RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2025

This announcement is made by PICC Property and Casualty Company Limited (the “**Company**”) pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Board of Directors of the Company announces the unaudited results for the three months ended 31 March 2025 of the Company (exclusive of its subsidiaries). The financial information included in this announcement was prepared in accordance with the PRC Accounting Standards for Business Enterprises¹ and has not been audited.

I. Operating Analysis of Principal Activities

In 2025, the Company proactively seized the opportunity brought about by the recovery of China's economy and insisted on strengthening and enhancing its business, resulting in steady progress in business development and continuous improvement in quality and efficiency of business operation. The Company closely focused on the key areas and main points of the “Five Priorities” in finance, and enhanced its insurance service capacity and support from financial institutions. Guided by PICC Group's strategic goal of building a world-class insurance financial group, the Company resolutely implemented the requirements of the “five first-class”, continued to deepen reform and innovation, gave full play to its functions, and solidly promoted high-quality development. In the first quarter of 2025, the Company achieved an insurance revenue of RMB120,741 million, representing a year-on-year increase of 6.1%; and achieved a net profit of RMB11,312 million, representing a year-on-year increase of 92.7%.

(i) Insurance Business

The Company continuously optimized its business structure, developed innovative model for high-quality development of individual insurance businesses, improved the quality of corporate insurance business to overcome obstacles, and built its new development advantages in government-oriented business, so as to enhance core competitive advantages. In the first quarter of 2025, the Company achieved an original insurance premium income of RMB180,421 million, representing a year-on-year increase of 3.7%; the Company generated an insurance revenue of RMB120,741 million, representing a year-on-year increase of 6.1%, among which, the insurance revenue of the motor vehicle insurance was RMB74,334 million, representing a year-on-year increase of 2.8%; the insurance revenue of the non-motor vehicle insurance was RMB46,407 million, representing a year-on-year increase of 11.7%.

¹ Since 1 January 2023, the Company has implemented Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, Accounting Standard for Business Enterprises No. 23 - Transfer of Financial Assets, Accounting Standard for Business Enterprises No. 24 - Hedge Accounting and Accounting Standard for Business Enterprises No. 37 - Presentation of Financial Instruments and Accounting Standard for Business Enterprises No. 25 - Insurance Contracts.

The following table sets forth the breakdown of the Company's original insurance premium income² for the first quarter of 2025:

| | Original insurance premium income <i>RMB million</i> | Year-on-year change % |
|--|---|--------------------------|
| Motor vehicle insurance | 71,696 | 3.5 |
| Accidental injury and health insurance | 60,528 | 6.5 |
| Agriculture insurance | 19,155 | -4.1 |
| Liability insurance | 11,456 | -1.3 |
| Commercial property insurance | 6,215 | 1.2 |
| Other insurance | 11,371 | 11.3 |
| Total | 180,421 | 3.7 |

The Company insisted on focusing on value and profitability, accelerated the promotion of risk reduction services, empowered the basic level to increase efficiency, improved standardization, digitization and integration, and strengthened the refined operation by segments of customers, bolstering its self-driven development. In the first quarter of 2025, the Company continuously optimized expense inputs, coupled with the year-on-year decrease in catastrophe losses, and recognised an underwriting profit³ of RMB6,653 million, representing a year-on-year increase of 183.0%, and a combined ratio⁴ of 94.5%, representing a year-on-year decrease of 3.4 pp.

(ii) Insurance Fund Investment Business

The Company has been adhering to the long-term and steady investment philosophy. On the basis of maintaining a safe margin of liquidity, the Company appropriately increased its allocation of high-quality equity assets with long-term value. Benefiting from the overall recovery of the capital market in the first quarter, the optimization of the Company's portfolio magnified the positive effect of the market upturn, resulting in a significant year-on-year increase in total investment income. In the first quarter of 2025, the Company recognised a total investment income⁵ of RMB7,464 million, representing a year-on-year increase of RMB2,692 million, and a total investment yield (unannualised)⁶ of 1.2%, representing a year-on-year increase of 0.4 pp.

II. Solvency Margin

According to the Rules for the Supervision of Insurance Company Solvency (II) (Yin Bao Jian Fa [2021] No. 51) and the relevant notices issued by the National Financial Regulatory Administration (former

² The original insurance premium income is prepared pursuant to the Accounting Standards for Business Enterprises No.25 - Original Insurance Contracts (Cai Kuai (2006) No. 3) and the Regulations regarding the Accounting Treatment of Insurance Contracts (Cai Kuai (2009) No. 15) issued by the Ministry of Finance of the PRC.

³ Underwriting profit = insurance revenue - insurance service expenses - (allocation of reinsurance premiums paid - amounts recovered from reinsurance contracts held) - (finance expenses/(income) from insurance contracts issued - finance income/(expenses) from reinsurance contracts held) - change in premium reserves

⁴ Combined ratio = [insurance service expenses + (allocation of reinsurance premiums paid - amounts recovered from reinsurance contracts held) + (finance expenses/(income) from insurance contracts issued - finance income/(expenses) from reinsurance contracts held) + change in premium reserves]/insurance revenue

⁵ Total investment income = investment income + interest revenue + net gains/(losses) on fair value changes + rental income - investment asset credit impairment losses - interest expenses of securities sold under agreements to repurchase

⁶ Total investment yield = total investment income/(average of total investment assets at the beginning of the period and at the end of the period - average of securities sold under agreements to repurchase at the beginning of the period and at the end of the period). Among which, investment assets mainly include cash and cash equivalents, term deposits, financial assets purchased under resale agreements, financial investments, investments in subsidiaries, associates and joint ventures, restricted statutory deposits, investment properties.

China Banking and Insurance Regulatory Commission), the Company disclosed its summary of solvency margin report for the first quarter of 2025 on the official website of the Company (property.picc.com) and the website of Insurance Association of China (www.iachina.cn) on 29 April 2025.

The following table sets forth the major solvency margin indicators contained in the summary of solvency margin report for the first quarter of 2025:

| | As at 31 March 2025 RMB million Unaudited | As at 31 December 2024 RMB million Audited | Change % |
|---|--|---|---------------------|
| Actual capital | 274,631 | 265,560 | 3.4 |
| Core capital | 250,082 | 240,863 | 3.8 |
| Minimum capital | 115,618 | 114,171 | 1.3 |
| Comprehensive solvency margin ratio (%) | 237.5% | 232.6% | Increased by 4.9 pp |
| Core solvency margin ratio (%) | 216.3% | 211.0% | Increased by 5.3 pp |

Note: The solvency margin results were calculated in accordance with the Rules for the Supervision of Insurance Company Solvency (II) and the relevant notices issued by the National Financial Regulatory Administration (former China Banking and Insurance Regulatory Commission).

III. Financial Statements

(i) Statement of Financial Position of the Company

| Items | As at 31 March 2025 RMB'000 Unaudited | As at 31 December 2024 RMB'000 Audited |
|--|--|---|
| Cash and cash equivalents | 16,963,276 | 9,127,946 |
| Term deposits | 80,550,973 | 77,011,603 |
| Financial assets purchased under resale agreements | 6,227,939 | 10,566,997 |
| Financial investments: | 512,848,838 | 498,614,167 |
| Financial assets at fair value through profit or loss | 118,991,049 | 118,650,351 |
| Financial assets at amortised cost | 138,848,523 | 135,313,452 |
| Debt financial assets at fair value through other comprehensive income | 156,693,419 | 141,377,431 |
| Equity financial assets at fair value through other comprehensive income | 98,315,847 | 103,272,933 |
| Insurance contract assets | 573,271 | 1,712,746 |
| Reinsurance contract assets | 35,796,729 | 40,505,606 |
| Investments in subsidiaries, associates and joint ventures | 72,476,082 | 70,748,607 |
| Restricted statutory deposits | 4,628,907 | 4,630,355 |
| Investment properties | 5,199,867 | 5,199,867 |
| Property and equipment | 20,520,388 | 20,903,511 |
| Right-of-use assets | 1,288,566 | 1,393,002 |
| Intangible assets | 6,357,193 | 6,611,070 |
| Deferred income tax assets | 10,576,964 | 8,439,445 |
| Other assets | 16,151,661 | 18,461,632 |
| TOTAL ASSETS | 790,160,654 | 773,926,554 |
| Securities sold under agreements to repurchase | 52,865,946 | 39,621,417 |
| Premiums received in advance | 4,317,623 | 6,696,585 |
| Salaries and staff welfare payables | 23,010,131 | 22,983,970 |
| Tax payable | 7,158,059 | 7,857,148 |
| Investment contract liabilities | 1,729,457 | 1,730,653 |
| Premium reserves | 771,883 | 280,601 |
| Bonds payable | 12,103,350 | 20,433,059 |
| Insurance contract liabilities | 398,525,323 | 401,638,856 |
| Reinsurance contract liabilities | 81,543 | 58,911 |
| Lease liabilities | 1,307,227 | 1,379,481 |
| Other liabilities | 18,045,702 | 13,194,625 |
| TOTAL LIABILITIES | 519,916,244 | 515,875,306 |
| Issued capital | 22,242,765 | 22,242,765 |
| Share premium account | 10,517,519 | 10,517,519 |
| Other comprehensive income | 20,927,891 | 22,202,236 |
| Surplus reserve | 90,566,457 | 90,566,457 |
| General risk reserve | 29,289,672 | 29,289,672 |
| Catastrophic loss reserve | 258,165 | 258,165 |
| Retained profits | 96,441,941 | 82,974,434 |

| | | |
|-------------------------------------|--------------------|-------------|
| TOTAL EQUITY | 270,244,410 | 258,051,248 |
| TOTAL LIABILITIES AND EQUITY | 790,160,654 | 773,926,554 |

(ii) Income Statement of the Company

| Items | Three months ended 31 March | |
|---|------------------------------|------------------------------|
| | 2025 RMB'000 Unaudited | 2024 RMB'000 Unaudited |
| Operating income | 128,563,879 | 118,988,001 |
| Insurance revenue | 120,740,688 | 113,843,230 |
| Interest revenue | 3,041,053 | 2,785,600 |
| Investment income | 4,989,902 | 2,154,007 |
| Included: Share of profits or losses of associates and joint ventures | 1,906,207 | 921,959 |
| Other gains | 43,294 | 109,810 |
| Net losses on fair value changes | (444,802) | (163,547) |
| Foreign exchange (losses)/gains, net | (17,704) | 5,763 |
| Other operating income | 205,319 | 235,300 |
| Net gains on disposal of assets | 6,129 | 17,838 |
| Operating expenses | 115,020,725 | 112,164,504 |
| Insurance service expenses | 109,066,494 | 105,586,711 |
| Allocation of reinsurance premiums paid | 7,293,238 | 7,136,140 |
| Less: Amounts recovered from reinsurance contracts held | 4,681,789 | 4,060,636 |
| Finance expenses from insurance contracts issued | 2,191,055 | 2,580,100 |
| Less: Finance income from reinsurance contracts held | 273,070 | 298,139 |
| Interest expenses | 208,578 | 298,325 |
| Tax and other surcharges | 32,311 | 6,128 |
| General and administrative expenses | 568,011 | 334,435 |
| Credit impairment losses | (18,087) | (123,429) |
| Change in premium reserves | 491,282 | 547,770 |
| Other operating costs | 142,702 | 157,099 |
| Operating profit | 13,543,154 | 6,823,497 |
| Add: Sundry income | 20,054 | 23,814 |
| Less: Sundry expenses | 31,427 | 21,789 |
| Profit before income tax | 13,531,781 | 6,825,522 |
| Less: Income tax expense | 2,219,942 | 954,581 |
| Net profit | 11,311,839 | 5,870,941 |

(iii) Statement of Cash Flows of the Company

| Items | Three months ended 31 March | |
|--|------------------------------|------------------------------|
| | 2025 RMB'000 Unaudited | 2024 RMB'000 Unaudited |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Premiums received from insurance contracts issued | 131,522,623 | 124,302,554 |
| Proceeds from reinsurance contracts issued, net | 3,402,759 | 3,482,539 |
| Others | 18,281,349 | 18,685,256 |
| Cash inflows from operating activities | 153,206,731 | 146,470,349 |
| Claims paid for insurance contracts issued | 84,431,572 | 84,502,620 |
| Payments for reinsurance contracts held, net | 1,075,753 | 1,064,546 |
| Commissions paid | 9,785,032 | 10,218,980 |
| Payment to and on behalf of staff | 9,523,552 | 10,557,365 |
| Taxes and surcharges paid | 10,024,706 | 9,047,076 |
| Others | 30,194,382 | 30,177,129 |
| Cash outflows from operating activities | 145,034,997 | 145,567,716 |
| Net cash flows generated from operating activities | 8,171,734 | 902,633 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of investments | 55,062,662 | 27,941,202 |
| Investment income and interest revenue received | 2,952,604 | 2,343,696 |
| Proceeds from disposal of fixed assets, intangible assets and other long-term assets | 4,515 | 4,159 |
| Others, net | 265,046 | 7,732,105 |
| Cash inflows from investing activities | 58,284,827 | 38,021,162 |
| Payment for purchases of investments | 67,249,074 | 28,241,031 |
| Payment for purchases of fixed assets, intangible assets and other long-term assets | 183,161 | 171,422 |
| Cash outflows from investing activities | 67,432,235 | 28,412,453 |
| Net cash flows (used in)/generated from investing activities | (9,147,408) | 9,608,709 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from financial assets sold under agreements to repurchase, net | 13,400,741 | - |
| Cash inflows from financing activities | 13,400,741 | - |
| Payments for financial assets sold under agreements to repurchase, net | - | 7,937,831 |
| Cash repayments of borrowings | 8,000,000 | - |
| Payment for distribution of dividends, profit or payment of interests | 287,200 | 287,200 |
| Others | 161,208 | 131,565 |
| Cash outflows from financing activities | 8,448,408 | 8,356,596 |
| Net cash flows generated from/(used in) financing activities | 4,952,333 | (8,356,596) |
| Effect of exchange rate changes on cash and cash equivalents | (2,870) | (308) |
| Net increase in cash and cash equivalents | 3,973,789 | 2,154,438 |

This announcement is prepared in both Chinese and English, and the Chinese version shall prevail.

By Order of the Board
PICC Property and Casualty Company Limited

Bi Xin

Secretary of the Board

Beijing, the PRC, 29 April 2025

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