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眾安在綫財產保險股份有限公司

ZHONGAN ONLINE P & C INSURANCE CO., LTD.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability and carrying on business in Hong Kong as "ZA Online Fintech P & C")

(Stock Code: 6060)

CONNECTED TRANSACTION

SUBSCRIPTION OF REDEEMABLE PREFERENCE SHARES BY SINOLINK

SUBSCRIPTION OF REDEEMABLE PREFERENCE SHARES BY SINOLINK

On April 29, 2021, ZATI, ZhongAn Technology and Sinolink entered into the Sinolink Subscription Agreement, pursuant to which Sinolink conditionally agreed to invest a total of RMB500 million payable in cash in consideration for 500,000,000 Redeemable Preference Shares.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Yaping Ou, the chairman and executive Director of the Company, is interested in 49.66% of the issued shares of Sinolink. As such, Sinolink is an associate of Mr. Yaping Ou and hence a connected person of the Company under Chapter 14A of the Listing Rules. As a result, the entering into of the Sinolink Subscription Agreement constitutes a connected transaction of the Company under the Listing Rules.

As certain of the applicable percentage ratios in respect of the transaction contemplated under the Sinolink Subscription Agreement exceed 0.1% but are less than 5%, the entering into of the Sinolink Subscription Agreement and the consummation of the transaction thereunder are subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements for the Company under Chapter 14A of the Listing Rules.

Reference is made to the announcements of the Company dated December 8, 2017 and March 28, 2018 in connection with the establishment of ZATI, a joint venture company owned by ZhongAn Technology and Sinolink as to 51% and 49%, respectively.

On April 29, 2021, ZATI, ZhongAn Technology and Sinolink entered into the Sinolink Subscription Agreement, pursuant to which Sinolink conditionally agreed to invest a total of RMB500 million payable in cash in consideration for 500,000,000 Redeemable Preference Shares. Following completion of the Sinolink Subscription Agreement, ZATI will continue to be owned by ZhongAn Technology and Sinolink as to 51% and 49%, respectively.

MATERIAL TERMS OF THE SINOLINK SUBSCRIPTION AGREEMENT

Date

April 29, 2021

Parties

- (1) ZATI;
- (2) ZhongAn Technology; and
- (3) Sinolink.

Sinolink Subscription

Pursuant to the Sinolink Subscription Agreement, Sinolink conditionally agreed to invest a total of RMB500 million payable in cash in consideration for 500,000,000 Redeemable Preference Shares.

Completion

Completion is conditional upon the fulfillment (or waiver in accordance with the Sinolink Subscription Agreement) of, inter alia, the following conditions on or before the Long Stop Date:

- (a) the compliance of all requirements of the regulatory authorities or any applicable laws, regulations and the Listing Rules which requires compliance by ZATI, ZhongAn Technology, Sinolink and their affiliates (as the case may be) at any time prior to Completion in relation to the transactions contemplated under the Sinolink Subscription Agreement;

- (b) there being, from the date of the Sinolink Subscription Agreement until the date of Completion, no fact, matter, event, circumstances, condition or change which materially and adversely affects, or could reasonably be expected to materially and adversely affect, the business, operations, assets, liabilities, prospects or results of operation of ZATI and its subsidiaries (if any) as a whole;
- (c) each of the warranties pursuant to the Sinolink Subscription Agreement remaining true and correct on and as of Completion (as if they were repeated immediately prior to Completion), and there having been no material breach by ZATI, ZhongAn Technology or Sinolink of any obligation, undertakings, and/or warranties under the Sinolink Subscription Agreement; and
- (d) the receipt of prior written consent of all of the holder(s) of Redeemable Preference Shares of ZATI.

Sinolink may waive the conditions set out in paragraph (b) and/or (c) above; and ZATI may waive the conditions set out in paragraph (c) above if and only to the extent Sinolink has committed a material breach of the warranties under the Sinolink Subscription Agreement.

Completion shall take place on a date to be specified by ZATI in a notice at least 20 Business Days before the date of Completion. If any of the aforementioned conditions has not been satisfied before the Long Stop Date, the Sinolink Subscription Agreement shall terminate with immediate effect in accordance with its terms.

Terms of the Redeemable Preference Shares

The key terms of the Redeemable Preference Shares are summarized below:

Redemption

Subject to the requirements under the Listing Rules and relevant laws applicable to ZATI, the Company, Sinolink and their respective Affiliates:

- (a) ZATI has the right to, within five (5) years from the date of issuance of the Redeemable Preference Shares to the respective RSP Holders (which term shall be renewed automatically every five (5) years, subject to veto by any of ZhongAn Technology, Sinolink (in respect of the Redeemable Preference Shares respectively held by the RPS Holders), require the redemption from any RPS holder of the Redeemable Preference Shares all or any portion of its Redeemable Preference Shares, at the price equal to (a) the proportion amount of RPS capital contribution attributable to the Redeemable Preference Shares being redeemed;

and (b) together with such amount equivalent to a yield of a simple interest of 5.5% per annum on such amount of RPS capital contribution since the date of the relevant RPS capital contribution made by the relevant RPS Holder (the “**Yield**”).

- (b) upon the occurrence of an Exit, Sinolink may, by the delivering a redemption request notice to ZATI to require ZATI to redeem up to all of Redeemable Preferences Shares held by it (unless otherwise agreed by Sinolink in writing to ZATI),

in each case above, ZATI shall within 10 Business Days after delivering of the redemption request notice redeem all of the Redeemable Preference Shares held by each holder(s) at the amount equal to (a) the amount of RPS capital contribution attributable to the Redeemable Preference Shares being redeemed; and (b) together such amount equivalent to the Yield amount.

Dividend Rights

RPS Holder shall not have the right to receive any dividend from ZATI.

Liquidation Preference

In the event of (a) an return of capital, liquidation, dissolution or winding-up of ZATI (or other similar events), either voluntary or involuntary; or (b) a sale of all or substantially all of ZATI’s assets (being at least 75% in value) (each a “**Liquidation Event**”), RPS Holder(s) shall rank in priority to any other class of shares in the Company and shall be entitled to receive in cash, (a) the amount of RPS capital contribution attributable to the then issued and outstanding Redeemable Preference Shares; (b) together with the Yield amount (the “**Preference Amount**”). Following the distribution of the Preference Amount in full, any remaining assets of ZATI legally available for distribution shall be distributed pro rata among holder(s) of the ZATI ordinary shares. If upon any Liquidation Event, the assets lawfully available for distribution among the RPS Holders shall be insufficient to permit the payment in full of the Preference Amount, the entire assets of ZATI shall be distributed ratably to the holder(s) of Redeemable Preference Shares in proportion to the Preference Amount that each such holder would otherwise be entitled to receive.

Call Option

In addition to ZATI's right to redeem the Redeemable Preference Shares, Sinolink has granted to ZhongAn Technology and its Affiliates the Call Option, subject to any Redeemable Preference Shares remaining in issue and being held by Sinolink, to require Sinolink to sell to ZhongAn Technology up to all the Redeemable Preference Shares issued to and currently held by Sinolink pursuant to the Sinolink Subscription Agreement. The exercise price of the Call Option shall equal to (a) the amount of capital contribution payment attributable to the Redeemable Preference Shares subject to the Call Option; (b) together with the Yield amount as at the date of the closing of the Call Option. Pursuant to the Sinolink Subscription Agreement, ZhongAn Technology undertakes to Sinolink to comply or procure its Affiliate to comply with the applicable requirements under the Listing Rules in connection with the exercise of the Call Option, including to procure the Company to convene an extraordinary general meeting to obtain any shareholders' approval as may be required by the Listing Rules.

Preemptive Right

The RPS Holders are granted preemptive rights to subscribe for new Redeemable Preference Shares to be issued by ZATI.

Termination

The Sinolink Subscription Agreement may be terminated by written notice given at any time (1) by joint written consent of the Transaction Parties; or (2) either Transaction Party if in any respect the Closing provisions of the Sinolink Subscription Agreement are not fully complied with by any Transaction Party on the date of Completion; or (3) if a material breach of the Sinolink Subscription Agreement has been committed by a Transaction Party and such breach has not been waived by the other Transaction Party or cured within thirty (30) days after such breach having occurred, such termination shall not affect or prejudice any accrued rights or liabilities of any party to the Sinolink Subscription Agreement as at the date of termination or the continuation of any surviving provisions of the Sinolink Subscription Agreement.

REASONS FOR AND BENEFITS OF THE SINOLINK SUBSCRIPTION

The Sinolink Subscription allows ZATI to obtain and strengthen its financial resources to further develop its business needs, including the exploration of international business development, collaboration and investment opportunities in the areas of Fintech and Insurtech in overseas markets, in response to the One Belt One Road policy initiated by the PRC government.

The Directors (including the independent non-executive Directors) are of the view that the Sinolink Subscription Agreement has been entered into on normal commercial terms or better, and the terms of the Sinolink Subscription Agreement and the transaction thereunder are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

INFORMATION ON THE PARTIES

ZATI, a company incorporated in Hong Kong with limited liability, which is a non-wholly owned subsidiary indirectly held by the Company through its wholly-owned subsidiary ZhongAn Technology. ZATI is 51% held by ZhongAn Technology and 49% held by Sinolink. ZATI is established to explore international business development, collaboration and investment opportunities in the area of fintech and insurtech, including virtual bank and digital-only insurer in Hong Kong.

ZhongAn Technology is a company incorporated in the PRC with limited liability and is a direct wholly-owned subsidiary of the Company. ZhongAn Technology is principally engaged in the business of technology development and technology consulting. The Company is an online Insurtech company in the PRC and is principally engaged in the provision of insurance products and solutions in the context of five major ecosystems, namely lifestyle consumption, consumer finance, health, auto and travel ecosystems.

Sinolink is a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 1168). Its principal business activity is property development, property management, property investment, financial services and asset financing, while Sinolink also focuses on financial technology (FinTech) investment and management. Its ultimate and immediate holding company is Asia Pacific Promotion Limited, a company incorporated in the British Virgin Islands, which is wholly-owned by Mr. Yaping Ou.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Yaping Ou, the chairman and executive Director of the Company, is interested in 49.66% of the issued shares of Sinolink. As such, Sinolink is an associate of Mr. Yaping Ou and hence a connected person of the Company under Chapter 14A of the Listing Rules. As a result, the entering into of the Sinolink Subscription Agreement constitutes a connected transaction of the Company under the Listing Rules.

As certain of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Sinolink Subscription Agreement exceed 0.1% but are less than 5%, the entering into of the Sinolink Subscription Agreement and the consummation of the transaction thereunder are subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements for the Company under Chapter 14A of the Listing Rules.

Mr. Yaping Ou, being the chairman and executive Director of the Company and a controlling shareholder of Sinolink, and Mr. Hugo Jin Yi Ou, being an executive Director of the Company and a non-executive director of Sinolink, have abstained from voting on the relevant Board resolutions in relation to the Sinolink Subscription Agreement and matters contemplated therein.

Save as disclosed above, none of the Directors has any material interest in the Sinolink Subscription Agreement and matters contemplated therein nor is any of them required to abstain from voting on the relevant Board resolutions.

DEFINITIONS

“Affiliate”	with respect to any person, any person directly or indirectly controlling, controlled by or under common control with, such person
“Asset Sale”	a sale by ZATI of all or substantially all (being at least 75% in value) of the ZATI's business, assets and undertakings to a single buyer or to one or more buyers as part of a single transaction or series of connected transactions, excluding any Reorganisation.
“associate”	has the meaning given to it in the Listing Rules
“Board”	the board of Directors of the Company

“Business Day”	a day (other than a Saturday or Sunday) officially identified by government or authorities as a working day in Hong Kong and the PRC
“Call Option”	the call option granted by Sinolink under the Sinolink Subscription Agreement pursuant to which ZhongAn Technology and its Affiliates is entitled to require Sinolink to sell to ZhongAn Technology up to all of the Redeemable Preference Shares issued to Sinolink pursuant to the Sinolink Subscription Agreement
“Completion”	the completion of the subscription by Sinolink under the Sinolink Subscription Agreement
“Company”	ZhongAn Online P & C Insurance Co., Ltd. (眾安在線財產保險股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and carrying on business in Hong Kong as “ZA Online Fintech P & C” whose H shares are listed on the Main Board of the Stock Exchange (stock code: 6060)
“connected person(s)”	has the meaning given to it in the Listing Rules
“controlling shareholder”	has the meaning given to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Exit”	Sale, Asset Sale or Quotation
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Joint Venture Agreement”	the joint venture formation agreement entered into between ZhongAn Technology and Sinolink on December 8, 2017, as supplemented by a supplemental joint venture agreement entered into by the same parties on March 28, 2018
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and/or the equivalent rules governing listed entities in the PRC (as applicable).

“Long Stop Date”	the date that is twelve (12) months after the date of the Sinolink Subscription Agreement, or such other date as the parties may agree in writing
“Quotation”	the admission and commencement of trading of the whole of any class of the issued share capital of ZATI to any recognised investment exchange, recognized overseas investment exchange, designated investment exchange or designated overseas investment exchange
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excludes, Hong Kong, Taiwan and Macau Special Administrative Region
“Redeemable Preference Share(s)”	the redeemable preference shares in the share capital of ZATI
“Reorganisation”	a permitted transfer of all of the voting ordinary shares in the share capital of ZATI (and all other voting shares of ZhongAn Technology (if applicable)) to another incorporated company controlled by ZhongAn Technology (and on the basis of ZhongAn Technology and Sinolink collectively holding (directly or indirectly) not less than 51% of the voting share capital of such company) for internal group reorganisation or taxation purposes only, and on the basis that to the extent this company ceases to be Controlled (or collectively controlled) by ZhongAn Technology and/or Sinolink in this way it will no longer be deemed to be a Reorganisation for the purposes of this definition)
“RMB”	Renminbi, the lawful currency of the PRC
“RPS capital contribution”	the investment in ZATI in cash in consideration for the Redeemable Preference Shares made or to be made by each of the RPS Holders including the investment to be made by Sinolink by virtue of the Sinolink Subscription Agreement, respectively
“RPS Holder(s)”	holder(s) of the Redeemable Preference Shares

“Sale”	sale of more than 50% in number of the ordinary shares in the issued share capital of ZATI to a single buyer or to one or more buyers as part of a single transaction or a series of connected transactions, excluding any Reorganisation
“Sinolink”	Sinolink Worldwide Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1168) and a connected person of the Company
“Sinolink Subscription Agreement”	the subscription agreement entered into among ZATI, ZhongAn Technology and Sinolink on April 29, 2021 in connection with the subscription of the Redeemable Preference Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction Parties”	ZATI, ZhongAn Technology and Sinolink, and each a “Transaction Party”
“ZATI”	ZhongAn Technologies International Group Limited (眾安科技(國際)集團有限公司), a limited liability company duly incorporated and validly existing under the laws of Hong Kong
“ZhongAn Technology”	ZhongAn Information Technology Services Co., Ltd. (眾安信息技術服務有限公司), a wholly-owned subsidiary of the Company, incorporated in the PRC on July 7, 2016
“%”	percent

By Order of the Board
ZhongAn Online P & C Insurance Co., Ltd.
Yaping Ou
Chairman

Shanghai, the PRC, April 29, 2021

*As at the date of this announcement, the board of directors of the Company comprises two executive directors, namely Mr. Yaping Ou (chairman) and Mr. Hugo Jin Yi Ou, three non-executive directors, namely Mr. Xinyi Han, Mr. Liangxun Shi and Mr. Weibiao Zhan**, and five independent non-executive directors, namely Mr. Shuang Zhang, Ms. Hui Chen, Mr. Yifan Li, Mr. Ying Wu and Mr. Wei Ou.*

** For identification purposes only and carrying on business in Hong Kong as “**ZA Online Fintech P&C**”*

*** Mr. Weibiao Zhan shall be a non-executive director of the Company upon his qualification as a director of the Company being approved by the China Banking and Insurance Regulatory Commission.*