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众安集团
ZHONG AN GROUP

眾安集團有限公司
Zhong An Group Limited

(incorporated in the Cayman Islands with limited liability)

(Stock code: 672)

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF
ZHONG AN INTELLIGENT LIVING SERVICE LIMITED
ON THE MAIN BOARD OF THE STOCK EXCHANGE OF
HONG KONG LIMITED**

THE PROPOSED SPIN-OFF

The Company proposes to spin-off and separately list the shares of Zhong An Intelligent, a subsidiary of the Company, on the Main Board of the Stock Exchange by way of the Global Offering of the new Zhong An Intelligent Shares, which includes the preferential offering. The proposed separate listing of Zhong An Intelligent on the Main Board of the Stock Exchange constitutes a spin-off of Zhong An Intelligent by the Company under PN15. The Stock Exchange has agreed that the Company may proceed with the Proposed Spin-off.

ZHONG AN INTELLIGENT'S APPLICATION FOR LISTING

On 24 June 2021, Zhong An Intelligent submitted a listing application form (Form A1) to the Stock Exchange to apply for the listing of, and permission to deal in, the Zhong An Intelligent Shares on the Main Board of the Stock Exchange.

Upon completion of the Proposed Spin-off and Listing, the Company is expected to have an interest of not less than 50% in Zhong An Intelligent and Zhong An Intelligent will remain as a subsidiary of the Company.

The Spin-off Group is principally engaged in the provision of property management services as well as value-added services to non-property owners and community value-added services.

LISTING RULES IMPLICATIONS

The Proposed Spin-off constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. The Company currently expects that the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Proposed Spin-off will exceed 5% but will be lower than 25%, and on this basis the Company currently expects that the Proposed Spin-off will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

GENERAL

Shareholders and potential investors are reminded that there is no assurance that the Listing Committee will approve the Proposed Spin-off and the Listing. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

As the Proposed Spin-off is conditional upon, among other things, the approval of the Listing Committee, the final decision of the Board and the board of Zhong An Intelligent, market and other considerations, the Proposed Spin-off may or may not occur. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

INTRODUCTION

The Company proposes to spin-off and separately list the shares of Zhong An Intelligent, a subsidiary of the Company, on the Main Board of the Stock Exchange by way of the Global Offering of the new Zhong An Intelligent Shares. The proposed separate listing of Zhong An Intelligent on the Main Board of the Stock Exchange constitutes a spin-off of Zhong An Intelligent by the Company under PN15. The Stock Exchange has agreed that the Company may proceed with the Proposed Spin-off.

On 24 June 2021, Zhong An Intelligent submitted a listing application form (Form A1) to the Stock Exchange to apply for the listing of, and permission to deal in, the Zhong An Intelligent Shares on the Main Board of the Stock Exchange.

THE PROPOSED SPIN-OFF

The Proposed Spin-off involves the spin-off and separate listing of the Zhong An Intelligent Shares on the Main Board of the Stock Exchange by way of the Global Offering of the new Zhong An Intelligent Shares, which includes the preferential offering. The details of the Global Offering have yet to be finalised.

As at the date of this announcement, the Company indirectly holds 100% shareholding of Zhong An Intelligent. It is intended that upon completion of the Proposed Spin-off and the Listing, the Company will have an interest of not less than 50% in Zhong An Intelligent and Zhong An Intelligent will remain as a subsidiary of the Company.

THE SPIN-OFF GROUP

Zhong An Intelligent was incorporated in the Cayman Islands on 16 November 2020. The Spin-off Group is principally engaged in the provision of property management services as well as value-added services to non-property owners and community value-added services.

RATIONALE AND BENEFITS OF THE PROPOSED SPIN-OFF

The Company considers that the Proposed Spin-off is commercially beneficial and in the interest of the Company and its Shareholders as a whole as the Proposed Spin-off is expected to create greater value for the Company and its shareholders for the following reasons:

- (a) the Proposed Spin-off will allow the Company an opportunity to realise the value of investment in the Spin-off Group through listing of a standalone platform for the Spin-off Group's business;
- (b) the Proposed Spin-off will enable the Spin-off Group to build its identity as a separately listed group, and have a separate fund-raising platform and to broaden its investor base through the Global Offering. The Spin-off Group may acquire or invest in other property management services providers to further expand its business and brand awareness in the market. The Proposed Spin-off would allow the Spin-off Group to gain direct access to the capital market for equity and/or debt financing to fund its existing operations and future expansion without reliance on the Company, thereby improving its operating and financial management efficiencies;

- (c) the Proposed Spin-off will enable the Spin-off Group to enhance its corporate profile, thereby increasing its ability to attract strategic investors, which could provide synergy for the Spin-off Group, for investment in and forming strategic partnerships directly with the Spin-off Group;
- (d) the Proposed Spin-off will enable a more focused development, strategic planning and better allocation of resources for the Retained Group and the Spin-off Group with respect to their respective businesses. Both the Retained Group and the Spin-off Group will benefit from the efficient decision-making process under the separate management structure for seizing emerging business opportunities, especially with a dedicated management team for the Spin-off Group to focus on its development;
- (e) the Company will continue to be the beneficial owner of a majority of shares in the Spin-off Group upon completion of the Proposed Spin-off and to benefit from any enhanced value of the Spin-off Group through the Proposed Spin-off; and
- (f) the stock performance of the Spin-off Group can serve as a separate benchmark for the evaluation of the performance of the Spin-off Group which could in turn serve as an incentive for the management of the Spin-off Group to seek improvement and raise management and operating efficiency of the Spin-off Group on an ongoing basis.

INFORMATION OF THE GROUP

The Group is principally engaged in property development, property leasing and hotel operations.

ASSURED ENTITLEMENT AND FURTHER ANNOUNCEMENT

The Board will give due regard to the interests of the Shareholders by providing the Qualifying Shareholders with an assured entitlement to Zhong An Intelligent Shares under the Global Offering, subject to certain conditions, if the Board and the board of directors of Zhong An Intelligent decide to proceed with the Proposed Spin-off and the Global Offering, and the Listing Committee has given its approval to the Listing. Details of such assured entitlement have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

LISTING RULES IMPLICATIONS

The Proposed Spin-off constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. The Company currently expects that the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Proposed Spin-off will exceed 5% but will be lower than 25%, and on this basis the Company currently expects that the Proposed Spin-off will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

GENERAL

A redacted form of the application proof of Zhong An Intelligent's listing document (the "Application Proof") is expected to be available for reviewing and downloading on the Stock Exchange's website at <http://www.hkexnews.hk/APP/SEHKAPPMainIndex.htm>. The Application Proof contains, among other things, certain business and financial information relating to the Spin-off Group. Shareholders should note that the Application Proof is in draft form and the information contained in it is subject to change which may be material.

Shareholders and potential investors are reminded that there is no assurance that the Listing Committee will approve the Proposed Spin-off and the Listing. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

As the Proposed Spin-off is conditional upon, among other things, the approval of the Listing Committee, the final decision of the Board and the board of directors of Zhong An Intelligent, market conditions and other considerations, the Proposed Spin-off may or may not occur. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

"Board"	the board of Directors
"Company"	Zhong An Group Limited (眾安集團有限公司) (stock code: 672), an exempted company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board operated by the Stock Exchange
"Director(s)"	director(s) of the Company from time to time
"Global Offering"	the offering to the public in Hong Kong for subscription, and the international offering to institutional and professional investors, of Zhong An Intelligent Shares
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

“Listing”	the proposed listing of the Zhong An Intelligent Shares on the Main Board of the Stock Exchange
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock exchange (excluding the options market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Non-Qualifying Shareholders”	Shareholders whose names appear in the register of members of the Company on the Record Date and whose addresses as shown in such register are in any of the specified territories and any Shareholders or beneficial Shareholders at that time who are otherwise known by the Company to be resident in any of the specified territories;
“PN15”	Practice Note 15 to the Listing Rules
“PRC”	the People’s Republic of China
“Proposed Spin-off”	the proposed spin-off and separate listing of the Zhong An Intelligent Shares on the Main Board of the Stock Exchange
“Qualifying Shareholders”	Shareholders whose names appear in the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	the record date for determining the assured entitlement of the Qualifying Shareholders to the Zhong An Intelligent Shares in the preferential offering under the Global Offering
“Retained Group”	the Company and its subsidiaries, excluding the Spin-off Group
“Shareholder(s)”	shareholder(s) of the Company
“Spin-off Group”	Zhong An Intelligent and its subsidiaries
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

“Zhong An Intelligent” Zhong An Intelligent Living Service Limited (众安智慧生活服务有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 16 November 2020

“Zhong An Intelligent Shares” ordinary shares of Zhong An Intelligent

By Order of the Board
Zhong An Group Limited
Shi Zhongan
Chairman

The PRC, 24 June 2021

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Shi Zhongan (alias Shi Kancheng) (Chairman), Mr. Zhang Jiangang (Chief Executive Officer), Ms. Shen Tiaojuan, Ms. Jin Ni and Ms. Shi Jinfan; and two independent non-executive Directors, namely Professor Pei Ker Wei and Mr. Zhang Huaqiao.