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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

ADDITIONAL CAPITAL CONTRIBUTION TO ZHONGAN TECHNOLOGIES INTERNATIONAL GROUP LIMITED

ADDITIONAL CAPITAL CONTRIBUTION

The Board hereby announces that, on October 27, 2021 (after trading hours), ZATI entered into the Share Purchase Agreement with ZhongAn Technology, Sinolink, Warrior and the Opportunities Fund.

As at the date of this announcement, the voting interest in ZATI is held as to approximately 46.44% by ZhongAn Technology, approximately 44.62% by Sinolink and approximately 8.94% by Warrior, respectively. Upon completion of the First Subscriptions and the Second ZhongAn Subscription, the voting interest in ZATI shall be held as to approximately 47.32% by ZhongAn Technology, approximately 41.50% by Sinolink, approximately 8.33% by Warrior, and approximately 2.85% by the Opportunities Fund, respectively. ZATI will remain as a non-wholly-owned subsidiary of the Company and the results of ZATI will continue to be consolidated into the accounts of the Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Yaping Ou, the chairman and an executive Director, together with his associate, is interested in 51.54% 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.

ZATI is a non-wholly-owned subsidiary of the Company, and Sinolink (a connected person of the Company at issuer level) is interested in approximately 44.62% of the voting interest in ZATI. ZATI is therefore a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules. Accordingly, each of the ZhongAn Subscription and the Sinolink Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As certain of the applicable percentage ratios (as defined in the Listing Rules) in respect of the ZhongAn Subscription and the Sinolink Subscription exceed 0.1% but are less than 5%, such transactions are subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As all applicable percentage ratios (as defined in the Listing Rules) in respect of the subscription by each of Warrior and the Opportunities Fund under the Share Purchase Agreement are less than 5%, such transactions are exempt from the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board hereby announces that, on October 27, 2021 (after trading hours), ZATI entered into the Share Purchase Agreement with ZhongAn Technology, Sinolink, Warrior and the Opportunities Fund.

As at the date of this announcement, the voting interest in ZATI is held as to approximately 46.44% by ZhongAn Technology, approximately 44.62% by Sinolink and approximately 8.94% by Warrior, respectively. Upon completion of the First Subscriptions and the Second ZhongAn Subscription, the voting interest in ZATI shall be held as to approximately 47.32% by ZhongAn Technology, approximately 41.50% by Sinolink, approximately 8.33% by Warrior, and approximately 2.85% by the Opportunities Fund, respectively. ZATI will remain as a non-wholly-owned subsidiary of the Company and the results of ZATI will continue to be consolidated into the accounts of the Group.

THE SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are set out below:

Date

October 27, 2021

Parties

- (i) ZATI;
- (ii) ZhongAn Technology;
- (iii) Sinolink;
- (iv) Warrior; and
- (v) the Opportunities Fund.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Warrior and the Opportunities Fund and their respective controlling shareholder(s) are third parties independent of the Company and its connected persons.

Pursuant to the terms and conditions of the Share Purchase Agreement:

- (i) ZhongAn Technology conditionally agreed to subscribe for 81,735,522 new ZATI Ordinary Shares for a subscription price of approximately US\$54 million (the **"First ZhongAn Subscription"**);
- (ii) Sinolink conditionally agreed to subscribe for 74,212,258 new ZATI Ordinary Shares for a subscription price of approximately US\$49 million;
- (iii) Warrior conditionally agreed to subscribe for 15,145,358 new ZATI Ordinary Shares for a subscription price of approximately US\$10 million; and
- (iv) the Opportunities Fund conditionally agreed to subscribe for 75,726,794 new ZATI Ordinary Shares for a subscription price of approximately US\$50 million.

In addition, the Opportunities Fund conditionally agreed to subscribe for the Warrant. The subscriptions by Warrior and the Opportunities Fund do not constitute notifiable transactions for the purpose of Chapter 14 of the Listing Rules.

Subsequent issue of ZATI Ordinary Shares

During a period from the date of the Share Purchase Agreement to June 30, 2022, ZATI may also, at one or more Subsequent Closings and subject to any legal or regulatory consents/approvals required, consummate the issuance and sale of:

- (i) 105,088,530 new ZATI Ordinary Shares to ZhongAn Technology at the Purchase Price Per Share and for a subscription price of approximately US\$69 million (the “**Second ZhongAn Subscription**”); and
- (ii) up to 227,180,382 new ZATI Ordinary Shares to any of its shareholders and/or new investors selected by ZATI in its sole and absolute direction at the Purchase Price Per Share and on substantially the same terms and conditions as set forth in the Transaction Documents (the “**Additional Subscription**”).

In respect of the Additional Subscription, the Company will comply with the Listing Rules as and when necessary, and when they are materialised.

Subscription price and basis of consideration

The subscription price for the First Subscriptions, the Second ZhongAn Subscription and the Additional Subscription of approximately US\$382 million in aggregate, which represents a purchase price per ZATI Ordinary Share of US\$0.66 (the “**Purchase Price Per Share**”), was determined after arm’s length negotiations among the parties taking into account the growth prospects of ZATI and the financial needs of ZATI for the operation and expansion of its business. The subscription price payable to ZATI by ZhongAn Technology will be funded by internal resources.

Conditions precedent

The First Subscriptions shall be conditional upon the satisfaction or waiver of, inter alia, the following conditions:

- (i) the representations and warranties of each party remaining true and correct and not misleading as of the date of the First Closing;
- (ii) each party having performed and complied with all agreements, obligations and conditions contained in the Share Purchase Agreement;
- (iii) all consents of any competent governmental authority or of any other person that are required to be obtained in connection with the Share Purchase Agreement having been duly obtained and effective as of the First Closing;

- (iv) all corporate and other proceedings in connection with the transactions contemplated under the Share Purchase Agreement and all documents and instruments incidental to such transactions being reasonably satisfactory in form and substance to the relevant Investor;
- (v) the articles of association of ZATI in effect as of the date of the Share Purchase Agreement having been duly amended (the “**Restated Articles**”);
- (vi) the parties having executed and delivered the Transaction Documents;
- (vii) there having been no material adverse effect on the financial condition, business, prospects or operations of ZATI and its subsidiaries taken as a whole since the date of the Share Purchase Agreement; and
- (viii) with respect to ZhongAn Technology, ZhongAn Technology having completed the overseas direct investment filing and obtained all necessary approvals and/or registrations from the relevant governmental authorities with respect to its subscription of ZATI Ordinary Shares.

The conditions precedent in respect of ZATI may be waived by an Investor in writing and the conditions precedent in respect of each Investor may be waived by ZATI in writing.

Closing

First Closing

Subject to the satisfaction (or waiver, as applicable) of the conditions precedent to the First Closing as set forth above, the First Closing shall take place on a date specified by the parties which shall be no later than 10 Business Days after the satisfaction or waiver of each condition precedent to the First Closing, or at such other time as ZATI and an Investor shall mutually agree in writing. The First Closing for each Investor under the Share Purchase Agreement shall not be conditional upon the First Closing for any other Investor and may occur independently.

Subsequent Closing

A Subsequent Closing shall take place upon the execution and delivery of a counterpart signature page to the Share Purchase Agreement and/or the Shareholders Agreement (as applicable) by each subscriber of the Additional Subscription and on substantially the same terms and conditions as set forth in the Transaction Documents, in which case, (A) such subscriber shall be deemed as and have all the rights and obligations of an Investor and a party under the Share Purchase Agreement, and all schedules and exhibits to the Share Purchase Agreement shall, where applicable, be updated to reflect such subscriber as a party thereto without the

need to amend the Share Purchase Agreement; (B) the warranties of ZATI set forth in the Share Purchase Agreement shall speak as of the First Closing and ZATI shall have no obligation to update any such warranties; and (C) the representations and warranties of an Investor set forth in the Share Purchase Agreement at each Subsequent Closing shall speak as of the Subsequent Closing.

Termination

The Share Purchase Agreement may be terminated prior to the First Closing by (1) mutual written consent of all of the parties; or (2) by any Investor or ZATI, if the First Closing in respect of such Investor has not been consummated on or prior to December 31, 2021 (or June 30, 2022 solely with respect to ZhongAn Technology), provided that no party shall be entitled to terminate the Share Purchase Agreement if such party is responsible for the failure of the First Closing to occur prior to December 31, 2021 (or June 30, 2022 solely with respect to ZhongAn Technology); or (3) solely with respect to the transactions under the Share Purchase Agreement between any Investor and ZATI, by the non-defaulting party, if a material breach of the Share Purchase Agreement has been committed by one party and such breach has not been waived or cured within 30 days after the receipt of the notice by the other party thereof, and such termination shall not relieve the breaching party of liability for such breach or otherwise.

THE SHAREHOLDERS AGREEMENT

The Share Purchase Agreement provides that the execution and delivery of the Shareholders Agreement is a condition precedent to the First Closing, a summary of which is set out below.

Board composition of ZATI

With effect immediately from the date of the First Closing, the board of directors of ZATI shall consist of four directors. ZhongAn Technology shall be entitled to nominate three directors, and Sinolink shall be entitled to nominate one director.

Pre-emptive right

If ZATI issues any new equity interests, the ZATI shareholders shall have a pre-emptive right to purchase their pro rata share of all or any part of such new equity interests.

Rights of first refusal

If any ZATI shareholder proposes to sell, assign, transfer, encumber, hypothecate, pledge or otherwise alienate or dispose of, directly or indirectly (the “**Transfer**”) all or any part of its ZATI Ordinary Shares, then all other ZATI shareholders shall have a right of first refusal to purchase such ZATI Ordinary Shares in accordance with the Shareholders Agreement.

Co-sale right

In the event that any of ZhongAn Technology, Sinolink and/or Warrior proposes to effect a Transfer of the ZATI Ordinary Shares (the “**Selling Shareholder**”) held by it as at the date of the Share Purchase Agreement and to the extent the Investors do not exercise their respective rights of first refusal pursuant to the Shareholders Agreement, the Investors shall have the right to participate in the sale of the any equity interest in ZATI to a third party by the Selling Shareholder for the same price and on the same terms and conditions as those offered by the Selling Shareholder.

Anti-dilution

In the event that at any time after the First Closing, ZATI issues any new securities without consideration or for a consideration per share received by ZATI (net of any selling concessions, discounts or commissions) that is less than the original purchase price at which the Investors subscribed for its ZATI Ordinary Shares (the “**Original Purchase Price**”), the Original Purchase Price shall be adjusted in accordance with the Shareholders Agreement and ZATI shall issue additional number of ZATI Ordinary Shares to each of the Investors that such Investor should receive upon such adjustment.

REASONS FOR AND BENEFITS OF THE ZHONGAN SUBSCRIPTION AND THE SINOLINK SUBSCRIPTION

The additional capital contribution under the ZhongAn Subscription and the Sinolink Subscription will provide additional working capital and greater financial flexibility to ZATI for expanding its virtual banking and online life insurance services in Hong Kong and technology export business in overseas markets. The ZhongAn Subscription and the Sinolink Subscription will enable ZhongAn Technology and Sinolink to further align its investment returns with the growth and development of ZATI.

The Directors (including the independent non-executive Directors) are of the view that the Share Purchase Agreement has been entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of the Share Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

Mr. Yaping Ou, being the chairman and an 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 resolutions of the Board in relation to the Share Purchase Agreement and matters contemplated therein.

Save as disclosed above, none of the Directors had any material interest in the Share Purchase Agreement and matters contemplated therein and was required to abstain from voting on the relevant resolutions of the Board.

INFORMATION ON THE PARTIES

ZATI is a company incorporated in Hong Kong with limited liability and a non-wholly-owned subsidiary indirectly held by the Company through its wholly-owned subsidiary ZhongAn Technology. ZATI was established to explore international business development, collaboration and investment opportunities in the areas of Fintech and Insuretech, including virtual banking and digital-only insurance in Hong Kong and technology export in overseas markets. As at the date of this announcement, the voting interest in ZATI is held as to approximately 46.44% by ZhongAn Technology, approximately 44.62% by Sinolink and approximately 8.94% by Warrior, respectively.

Set out below is certain selected financial information of ZATI based on its audited consolidated financial statements as at or for the years ended 31 December 2020 and 2019.

	As at / For the year ended 31 December 2020 <i>audited</i> <i>HKD (thousand)</i>	As at / For the year ended 31 December 2019 <i>audited</i> <i>HKD (thousand)</i>
Net assets	2,615,113	2,054,999
Loss before income tax	(609,805)	(349,117)
Net loss	(609,878)	(352,187)

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 Insuretech company in the PRC and is principally engaged in the provision of insurance products and solutions in the context of four major ecosystems, namely health, digital lifestyle, consumer finance and auto 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 activities are property development, property management, property investment, financial services and asset financing, while Sinolink also focuses on 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.

Warrior is a company incorporated in the British Virgin Islands with limited liability. Its principal business activity is investment holding. It is a wholly-owned subsidiary of Chow Tai Fook Nominee Limited, which is held by the Cheng Yu Tung family.

The Opportunities Fund, a Variable Capital Company incorporated in Singapore, is part of AIA Group Limited's group-wide investment programme to facilitate capital deployment globally with a particular focus on balance sheet exposure to specialist and alternative investments. AIA Group Limited is a company listed on the Main Board of the Stock Exchange (stock code: 1299) and based on its latest published interim report, it does not have any controlling shareholders.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Yaping Ou, the chairman and an executive Director, together with his associate, is interested in 51.54% 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.

ZATI is a non-wholly-owned subsidiary of the Company, and Sinolink (a connected person of the Company at issuer level) is interested in approximately 44.62% of the voting interest in ZATI. ZATI is therefore a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules. Accordingly, each of the ZhongAn Subscription and the Sinolink Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As certain of the applicable percentage ratios (as defined in the Listing Rules) in respect of the ZhongAn Subscription and the Sinolink Subscription exceed 0.1% but are less than 5%, each of the ZhongAn Subscription and the Sinolink Subscription is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As all applicable percentage ratios (as defined in the Listing Rules) in respect of the subscription by each of Warrior and the Opportunities Fund under the Share Purchase Agreement are less than 5%, such transactions are exempt from the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day that is not a Saturday, Sunday, legal holiday or a day on which banks are required to be closed in Hong Kong or the PRC
“Company”	ZhongAn Online P & C Insurance Co., Ltd.* (眾安在綫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 ascribed to it under the Listing Rules
“connected subsidiary”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Fintech”	financial technology
“First Closing”	closing of the First Subscriptions pursuant to the terms and conditions of the Share Purchase Agreement
“First Subscriptions”	the First ZhongAn Subscription, the Sinolink Subscription, and the subscription of 15,145,358 and 75,726,794 new ZATI Ordinary Shares by Warrior and the Opportunities Fund, respectively, pursuant to the terms and conditions of the Share Purchase Agreement

“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“H Share(s)”	the overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1 each, which are listed on the Main Board of the Stock Exchange
“Insuretech”	use of technology innovations designed to achieve savings and efficiency from the traditional insurance industry model
“Investors”	ZhongAn Technology, Sinolink, Warrior and the Opportunities Fund, with respect to the ZATI Ordinary Shares each of them subscribes for under the Share Purchase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended and supplemented from time to time)
“Opportunities Fund”	AIA VCC for a/c of AIA Opportunities Fund — Venture Capital 2021
“PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, Taiwan and Macau Special Administrative Region of the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Shareholders Agreement”	the shareholders agreement to be entered into between the Investors and ZATI in relation to the rights and obligations between and among the Investors and ZATI
“Share Purchase Agreement”	the share purchase agreement dated October 27, 2021 entered into between ZATI and the Investors in relation to, inter alia, the Sinolink Subscription and the ZhongAn Subscription

“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)
“Sinolink Subscription”	the subscription by Sinolink of an aggregate of 74,212,258 new ZATI Ordinary Shares for a subscription price of approximately US\$49 million pursuant to the terms and conditions of the Share Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsequent Closing”	closing of the Second ZhongAn Subscription and/or the Additional Subscription pursuant to the terms and conditions of the Share Purchase Agreement
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Transaction Documents”	the Share Purchase Agreement, the Shareholders Agreement, the Restated Articles, and any other document, certificate, and agreement delivered in connection with the transactions contemplated thereunder
“Warrant”	a warrant to be issued by ZATI to the Opportunities Fund to, subject to any legal or regulatory consents/approvals required, purchase up to 75,726,794 new ZATI Ordinary Shares for a total exercise price of up to US\$50 million pursuant to the terms and conditions of the Share Purchase Agreement
“Warrior”	Warrior Treasure Limited, an investment holding limited liability company incorporated under the laws of the British Virgin Islands
“ZATI”	ZhongAn Technologies International Group Limited (眾安科技(國際)集團有限公司), a limited liability company incorporated in Hong Kong and a non-wholly-owned subsidiary of the Company

“ZATI Ordinary Shares”	the voting ordinary shares in the share capital of ZATI
“ZhongAn Subscription”	the First ZhongAn Subscription and the Second ZhongAn Subscription
“ZhongAn Technology”	ZhongAn Information and Technology Services Co., Ltd. (眾安信息技術服務有限公司), a wholly-owned subsidiary of our Company, incorporated in the PRC on July 7, 2016
“US\$”	United States dollars
“%”	per cent.

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

Shanghai, the PRC, October 27, 2021

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Yaping Ou (chairman), Mr. Hugo Jin Yi Ou and Mr. Xing Jiang**, two non-executive Directors, namely Mr. Liangxun Shi, and Mr. Weibiao Zhan, and four independent non-executive Directors, namely Mr. Shuang Zhang, Ms. Hui Chen, 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. Xing Jiang shall be an executive director of the Company upon his qualification as a Director being approved by the China Banking and Insurance Regulatory Commission.*