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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)**

## **ANNOUNCEMENT**

### **CONTINUING CONNECTED TRANSACTION IN RELATION TO THE NEW ONLINE PLATFORM COOPERATION FRAMEWORK AGREEMENT**

#### **AND**

### **SETTING OF ANNUAL CAP FOR THE YEAR ENDING 31 DECEMBER 2022**

On November 11, 2021 (after trading hours), the Company entered into the New Online Platform Cooperation Framework Agreement with Ant Group for the provision of insurance products to various parties.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Ant Group is a substantial shareholder of the Company under the Listing Rules. Ant Group and its subsidiaries are therefore connected persons of the Company under Chapter 14A of the Listing Rules.

As a result, the transactions contemplated under the New Online Platform Cooperation Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the transactions under the New Online Platform Cooperation Framework Agreement is more than 5%, the entering into of the New Online Platform Cooperation Framework Agreement is subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL INFORMATION AND EGM**

The Company will convene an EGM for the Shareholders to consider and, if thought fit, approve the New Online Platform Cooperation Framework Agreement.

The Independent Board Committee comprising all of the independent non-executive Directors will be formed to advise the Independent Shareholders in relation to the New Online Platform Cooperation Framework Agreement and the transactions contemplated thereunder. Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

## **DESPATCH OF CIRCULAR**

A circular containing, among other things, (i) details of the New Online Platform Cooperation Framework Agreement; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders regarding the New Online Platform Cooperation Framework Agreement; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the New Online Platform Cooperation Framework Agreement; and (iv) a notice of EGM, is expected to be despatched to the Shareholders no more than 15 business days after publication of this announcement in accordance with the Listing Rules.

On November 11, 2021, the Company entered into the New Online Platform Cooperation Framework Agreement, which is an online platform cooperation framework agreement for the provision of insurance products to various parties, pursuant to which the relevant subsidiaries of Ant Group will enter into separate agreements with the Company which will set out the specific terms and conditions (including pricing) according to normal commercial terms provided therein.

The New Online Platform Cooperation Framework Agreement is a renewal of the Online Platform Cooperation Framework Agreement, details of which are set out in the November 2020 Announcement and the circular of the Company dated December 11, 2020.

Details of the New Online Platform Cooperation Framework Agreement are set out below:

## **NEW ONLINE PLATFORM COOPERATION FRAMEWORK AGREEMENT**

Date: November 11, 2021

Parties: (1) the Company; and  
(2) Ant Group.

Duration: One year from January 1, 2022 to December 31, 2022

Subject matter: Relevant subsidiaries of Ant Group will enter into separate agreements with the Company which will set out the specific terms and conditions (including pricing) according to normal commercial terms provided in the New Online Platform Cooperation Framework Agreement.

### ***1.1 Historical transaction amounts***

The Online Platform Cooperation Framework Agreement is an existing agreement as at the date of this announcement concerning the same subject matter as that of the New Online Platform Cooperation Framework Agreement, which will be terminated with effect from January 1, 2022 once the New Online Platform Cooperation Framework Agreement becomes effective.

For the years ended December 31, 2018, 2019, 2020 and the nine months ended September 30, 2021, the total Service Fees paid by the Company under the Online Platform Cooperation Framework Agreement were RMB487,624,000, RMB1,084,963,000, RMB2,068,096,000 and RMB1,009,438,406, respectively.

### ***1.2 Annual caps***

The annual cap for the year ending December 31, 2022 for the New Online Platform Cooperation Framework Agreement is RMB1,517,270,000, which is determined principally with reference to:

- (i) the expansion of the portfolio of insurance products under the cooperation between the Group and Ant Group and/or its associates, through which the Company can sell its insurance products to end users and at the same time better serve the insurance needs of ecological Internet users based on mutual cooperation, thus improving the user experience of the platforms;

- (ii) the tremendous development of online platforms in the PRC in recent years, in particular, the rapid growth of the Internet property and casualty insurance business, which has given rise to the increase in the gross written premiums received by the Group from its provision of insurance products through the online platforms pursuant to the Online Platform Cooperation Framework Agreement, from approximately RMB2,789.6 million for the year ended December 31, 2018 to estimated approximately RMB7,658.1 million for the year ended December 31, 2021, representing a CAGR of approximately 40.0%, and the Directors expected that this growth trend will continue into 2022;
- (iii) the popularity of the five existing online platforms established by Ant Group and/or its associates through which the Group can sell its insurance products to end users;
- (iv) leveraging on the insurance technology and Internet ecological service capabilities accumulated by the Group, the Group expects to continue the growth in the sales of the Internet insurance products through Ant Group and its partners; and
- (v) the total Service Fees that has been paid and/or payable to Ant Group and/or its associates for the nine months ended September 30, 2021.

### ***1.3 Pricing policies***

The Service Fees payable to Ant Group and/or its associates by the Company will be determined based on arm's length negotiations between the Company and Ant Group and/or its associates and according to the following principles:

- (i) if there exists comparable market rates paid by independent third parties, the Service Fees shall be based on such prevailing market rates;
- (ii) if there exists no comparable rates, the Service Fees shall be based on arm's length negotiations; and
- (iii) if there exists no comparable rates and there are difficulties with regards to arm's length negotiations, the Service Fees can be based on similar transactions' market rates.

The Service Fees will be calculated with reference to the total premium the Company received from the insurance products sold through such platforms, and based on either:

- (i) a fixed rate of the total premium, which is determined based on a number of factors specific to each insurance product, including the product's risk management level, the promotion offered by the online platform, prevailing market prices for similar insurance products and the scale of the product business; or
- (ii) a formula based on the actual settlement claim in relation to the insurance products.

#### ***1.4 Reasons for and benefits of entering into the New Online Platform Cooperation Framework Agreement***

The Company is one of only four companies with an online insurance licence in China. It is necessary as part of the Group's online business expansion to utilise various online platforms to reach a wider customer base. The cooperation with Ant Group (and its subsidiaries) under the New Online Platform Cooperation Framework Agreement will continue to be beneficial to the Group in light of Ant Group's market position in online platforms in the PRC market as well as its close cooperation with Alibaba and other well-known online platforms and allows the Group to secure the important sales channels which offer steadily increasing revenue and in turn enhances the Group's influence in the online insurance market and brand awareness, which is conducive to the expansion of the Group's business in the future and in the interest of the Group and the Shareholders as a whole.

The Company considers Ant Group an important ecosystem partner and the customer reach offered by Ant Group is incomparable to other online platform service providers. Nevertheless, before entering into any agreement under the New Online Platform Cooperation Framework Agreement, the Company will assess the needs and will only enter into these transactions when the agreement is in the best interests of the Shareholders as a whole.

### **INFORMATION ABOUT THE PARTIES**

#### ***The Company***

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.

## ***Ant Group***

Ant Group Co., Ltd. (螞蟻科技集團股份有限公司) is a joint stock limited company incorporated in the PRC on October 19, 2000. It was formerly known as Ant Small and Micro Financial Services Group Co., Ltd.<sup>#</sup> (浙江螞蟻小微金融服務集團股份有限公司) and as Zhejiang Alibaba E-Commerce Co., Ltd.<sup>#</sup> (浙江阿里巴巴電子商務有限公司). Ant Group aims to create the infrastructure and platform to support the digital transformation of the service industry and strives to enable all consumers and small businesses to have equal access to financial and other services that are inclusive, green and sustainable. As at the date of this announcement, Hangzhou Junhan and Hangzhou Junao held approximately 29.86% and 20.66% (together approximately 50.52%) of Ant Group's total issued shares, respectively. Hangzhou Yunbo is the executive partner and general partner of, and controls, Hangzhou Junhan and Hangzhou Junao. Mr. Jack Ma held a 34% equity interest in Hangzhou Yunbo and each of Mr. Eric Jing, Mr. Simon Hu and Ms. Fang Jiang held a 22% equity interest in Hangzhou Yunbo. Pursuant to the concert party agreement entered into between them and the articles of association of Hangzhou Yunbo, Mr. Jack Ma has ultimate control over Ant Group. To the best of the knowledge, information and belief of the Company having made all reasonable enquiry and based on internet searches conducted in Hong Kong and the PRC, further to the 29.86% held by Hangzhou Junhan and 20.66% held by Hangzhou Junao, Ant Group is held as to:

- (i) 32.65% by Hangzhou Alibaba Network Technology Co., Ltd.<sup>#</sup> (杭州阿里巴巴網絡科技有限公司) (“**Hangzhou Alibaba**”), a PRC limited liability company and an indirectly wholly-owned subsidiary of Alibaba Group Holding Limited (阿里巴巴集團控股有限公司), a company incorporated in the Cayman Islands with limited liability listed on the Stock Exchange (Stock Code: 9988) and the New York Stock Exchange (NYSE: BABA); and
- (ii) the remaining 16.83% by other 29 shareholders each holding less than 3% of Ant Group's total issued shares and they are primarily either limited partnership, insurance companies or otherwise carrying on the business of investment activities. The aggregate shareholding in Ant Group by Shanghai Qizhan Investment Center (Limited Partnership), Shanghai Zhongfu Equity Investment Management Center (Limited Partnership), Shanghai Jingyi Investment Center (Limited Partnership), Shanghai Qihong Investment Center (Limited Partnership) and Shanghai Yunfeng Xincheng Investment Center (Limited Partnership) (collectively, the “**Yunfeng Investees**”) is approximately 4.27% and they are funds managed by Shanghai Yunfeng Xinchuang Investment Management Company Limited (“**Yunfeng Xinchuang**”), which in turn is owned by Mr. Jack Ma as to 40%. However, Mr. Jack Ma has irrevocably relinquished his voting rights in Yunfeng Xinchuang and does not control Yunfeng Xinchuang or any of the Yunfeng Investees. Yunfeng Xinchuang does not hold any economic interest in the Yunfeng Investees and only collects management fees from the

Yunfeng Investees. Save as this, to the best of the knowledge, information and belief of the Company having made all reasonable enquiry, each of the remaining shareholders is a third party independent of and not connected with Hangzhou Alibaba, Mr. Jack Ma, and the Company.

Apart from the shareholding held by Hangzhou Junhan, Hangzhou Junao and Hangzhou Alibaba, the information of the 29 shareholders holding in aggregate the remaining 16.83% shareholding is based on the disclosures in Ant Group's prospectus dated October 27, 2020.

As the Company does not own any interest in Ant Group and has no relationship with these 29 shareholders, it is not in a position to request Ant Group to provide all information regarding these 29 shareholders and thus has no information to ascertain their ultimate beneficial owners. Provided that the ultimate beneficial owners of the controlling shareholders of Ant Group, namely Hangzhou Alibaba, Hangzhou Junhan and Hangzhou Junao, holding in aggregate 83.17% of Ant Group's total issued shares, have been disclosed above, the Company is of the view that disclosing the ultimate beneficial owners in respect of the 29 minority shareholders, each holding less than 3% and in aggregate 16.83% of Ant Group, would not provide material information to our Shareholders.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Ant Group holds approximately 13.54% of the total issued share capital of the Company and is a substantial shareholder of the Company under the Listing Rules. Ant Group and its subsidiaries are therefore connected persons of the Company under Chapter 14A of the Listing Rules.

As a result, the transactions contemplated under the New Online Platform Cooperation Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the transactions under the New Online Platform Cooperation Framework Agreement is more than 5%, the entering into of the New Online Platform Cooperation Framework Agreement is subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the New Online Platform Cooperation Framework Agreement and the transactions contemplated thereunder, nor is any of them required to abstain from voting on the relevant Board resolutions.



## **GENERAL INFORMATION AND EGM**

The Company will convene an EGM for the Shareholders to consider and, if thought fit, approve the New Online Platform Cooperation Framework Agreement.

The Independent Board Committee comprising all of the independent non-executive Directors will be formed to advise the Independent Shareholders in relation to the New Online Platform Cooperation Framework Agreement and the transactions contemplated thereunder. Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders.

## **DESPATCH OF CIRCULAR**

A circular containing, among other things, (i) details of the New Online Platform Cooperation Framework Agreement; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders regarding the New Online Platform Cooperation Framework Agreement; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the New Online Platform Cooperation Framework Agreement; and (iv) a notice of EGM, is expected to be despatched to the Shareholders no more than 15 business days after publication of this announcement in accordance with the Listing Rules.

## **DEFINITIONS**

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

“Ant Group”	Ant Group Co., Ltd. (formerly known as Ant Small and Micro Financial Services Group Co., Ltd. <sup>#</sup> (浙江螞蟻小微金融服務集團股份有限公司) and as Zhejiang Alibaba E-Commerce Co., Ltd. <sup>#</sup> (浙江阿里巴巴電子商務有限公司)), a joint stock limited liability company incorporated in the PRC on October 19, 2000 and one of our substantial shareholders
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company



“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
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held for the Shareholders to consider, among other things, and if thought fit, approve the New Online Platform Cooperation Framework Agreement and the transactions contemplated thereunder, or any adjournment thereof
“Group”	the Company and its subsidiaries
“H Shares”	the overseas listed foreign invested ordinary shares in the ordinary share capital of the Company, with a nominal value of RMB1 each, which are subscribed for and traded in Hong Kong dollars, and a “H Share” means any one of them
“Hangzhou Junao”	Hangzhou Junao Equity Investments Partnership (Limited Partnership) (杭州君澳股權投資合夥企業 (有限合夥))
“Hangzhou Junhan”	Hangzhou Junhan Equity Investments Partnership (Limited Partnership) (杭州君瀚股權投資合夥企業 (有限合夥))
“Hangzhou Yunbo”	Hangzhou Yunbo Investment Consulting Co., Ltd. (杭州雲鉞投資諮詢有限公司)

“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors that will be formed for the purpose of giving a recommendation to the Independent Shareholders in relation to the New Online Platform Cooperation Framework Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Lego Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the New Online Platform Cooperation Framework Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than Ant Group and its associates
“Insuretech”	use of technology innovations designed to achieve savings and efficiency from the traditional insurance industry model
“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)
“New Online Platform Cooperation Framework Agreement”	the agreement dated November 11, 2021 entered into between the Company and Ant Group for the provision of insurance products to various parties
“November 2020 Announcement”	the announcement of the Company dated November 27, 2020 in relation to the Online Platform Cooperation Framework Agreement
“Online Platform Cooperation Framework Agreement”	the agreement dated November 27, 2020 entered into between the Company and Ant Group for the provision of insurance products to various parties, the details of which are set out in the November 2020 Announcement
“PRC”	People’s Republic of China

“RMB”	Renminbi, the lawful currency of the PRC
“Service Fees”	the service fees payable to Ant Group and/or its associates by the Company under the Online Platform Cooperation Framework Agreement or the New Online Platform Cooperation Framework Agreement, as the case may be. Such service fees are mainly insurance agent handling charges
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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
“%”	per cent.

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

Shanghai, the PRC, November 11, 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.*

# *For identification purposes only*