

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

REVISION OF ANNUAL CAP OF EXISTING CONTINUING CONNECTED TRANSACTIONS

Based on the reasons mentioned in this announcement, it is expected that the maximum total commissions payable by the Company to WeBank will increase for the current financial year and therefore it is expected that the maximum total commissions payable by the Company to WeBank for the year ending December 31, 2021 will exceed the Original Annual Cap. Accordingly, the Original Annual Cap will be increased from RMB46 million to RMB53 million (i.e. the Revised Annual Cap).

LISTING RULES IMPLICATIONS

By virtue of it controlling the exercise of 10.21% of the voting power of the Company through Tencent Computer System, Tencent is a connected person and a substantial shareholder of the Company. WeBank is an associate of Tencent and is therefore a connected person of the Company. As a result, the transactions contemplated under the Agreements as captured under the Revised Annual Cap constitute continuing connected transactions of the Company under the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will have to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transaction. As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Agreements as captured under the Revised Annual Cap exceeds 0.1% but all of the applicable percentage ratios are less than 5%, the transactions contemplated under the Agreements as captured under the Revised Annual Cap are subject to reporting, announcement and annual review requirements but are exempt from Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated May 21, 2021 in respect of the Insurance Agent Business Agreement, as amended by the Supplemental Agreement (the “**Agreements**”). Pursuant to the Agreements, WeBank agreed to act as the Company's insurance agent for the (i) sale of the Company's various insurance products to the public; (ii) collection of premiums under the relevant insurance products; and (iii) provision of renewal service under the relevant insurance products, and the Company agreed to pay to WeBank commissions as determined according to specific insurance products entered into under the Agreements.

REVISION OF ORIGINAL ANNUAL CAP

Revised Annual Cap

In light of residents' enhanced property insurance awareness resulting from natural disasters in the PRC that occurred in the third quarter, there has been an increase in demand from residents for the purchase of relevant insurance products of the Company (including Carefree (經營無憂) and other commercial property insurance products) through WeBank, one of the online insurance sales platforms in the PRC. Accordingly, it is expected that the total commissions payable to WeBank for the year ending December 31, 2021 will exceed the Original Annual Cap. Hence, revision of the Original Annual Cap is required and the Original Annual Cap will be increased from RMB46 million to RMB53 million (i.e. the Revised Annual Cap).

As at the date of this announcement, the aggregate of the total commissions paid by the Company to WeBank pursuant to the Agreements has not exceeded the Original Annual Cap.

Basis of the Revised Annual Cap

The Revised Annual Cap has been determined principally with reference to (i) the total commissions that have been paid to WeBank as of the date of this announcement; (ii) the commissions expected to be payable to WeBank for the year

ending December 31, 2021; (iii) the enhanced ability of WeBank to promote and sell the Company's insurance products following the Company's past experience engaging WeBank to sell its insurance products, taking into account an expected improvement of the sales technique and business skill level of WeBank's salespersons; and (iv) the anticipated increase of potential customers as a result of continued business development.

HISTORICAL FIGURES

The total commissions payable under the Agreements for the year ended December 31, 2020 and the ten months ended October 31, 2021 were approximately RMB11.3 million and approximately RMB41.5 million, respectively.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS WITH WEBANK

The Company is one of only four companies with an online insurance license in China and it is in the ordinary course of the Company's business to provide different types of insurance products to a wide range of clients. It is also in the normal course of business of the Company to enter into agency agreements with independent third parties for the promotion and sale of the Company's insurance products. The commission rate payable to WeBank is fair and reasonable and in normal commercial terms reflecting the industry norm as the rates are comparable to the market rates paid to other independent third parties that provide agency services for the Company, subject to particular insurance products and business scale. The Company considers that the cooperation with WeBank is beneficial for the Company to reach a wider base of customers and provide insurance service for Internet customers through cooperation with WeBank. The Company anticipates that the amount of insurance products sold by WeBank will continue to increase, and hence will bring more revenue for the Company engaging WeBank as an agent to sell the Company's insurance products.

Having taken into account the above reasons and benefits, the Directors (including all of the independent non-executive Directors) are of the view that the continuing connected transactions contemplated under the Agreements have been conducted on normal commercial terms, were entered into in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and its shareholders as a whole, and that the Revised Annual Cap for the continuing connected transactions under the Agreements is fair and reasonable.

INFORMATION ON THE PARTIES

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.

WeBank is a company established under the laws of the PRC, and an associate of Tencent, a connected person of the Company. It is principally engaged in online banking business. To the best of the knowledge, information and belief of the Company having made all reasonable enquiry and based on internet searches conducted in the PRC, WeBank is held as to:

- (i) 30% by Shenzhen Tencent Domain Computer Network Co., Ltd.[#] (深圳市騰訊網絡計算機網絡有限公司) (“**Shenzhen Tencent**”). Shenzhen Tencent is in turn held by Shenzhen Shiji Kaixuan Technology Co., Ltd.[#] (深圳市世紀凱旋科技有限公司) (“**Shiji Kaixuan**”) as to 71% and Tencent Computer Systems, a substantial shareholder of the Company, as to 29%. Each of Shiji Kaixuan and Tencent Computer System is a subsidiary of Tencent;
- (ii) 20% by Shenzhen Baiyeyuan Investment Co., Ltd.[#] (深圳市百業源投資有限公司), a PRC limited liability company primarily engaged in the business of investment and supply of resources and ultimately controlled by Baoguo Zhu (朱保國), an independent third party;
- (iii) 20% by Shenzhen Liye Group Co., Ltd.[#] (深圳市立業集團有限公司), a PRC limited liability company primarily engaged in the business of electricity and high-tech projects, property development and brokerage, supply of resources, consultancy, and development of computer software and telecommunication products and ultimately controlled by Li Lin (林立), an independent third party;
- (iv) 9.9% by Shenzhen Chunyong Investment Co., Ltd.[#] (深圳市淳永投資有限公司), a PRC limited liability company primarily engaged in investment management and consulting and ultimately controlled by China Development Bank Boyu Phase I (Shanghai) Equity Investment Partnership (Limited Partnership)[#] (國開博裕一期(上海)股權投資合夥企業(有限合夥)), an independent third party primarily engaged in investment, investment management and investment consultation;
- (v) 5% by Shenzhen Henggang Investment Co., Ltd.[#] (深圳市橫崗投資股份有限公司), a PRC joint stock limited liability company primarily engaged in domestic businesses, material supply and marketing, which is in turn ultimately controlled by Zi Yan (晏紫), an independent third party;
- (vi) 4% by Shenzhen Guanghui Oil Group Co., Ltd.[#] (深圳光匯石油集團股份有限公司), a PRC joint stock limited liability company primarily engaged in oil businesses, import and export businesses, domestic businesses, material supply and marketing which is in turn ultimately controlled by Guanglin Xue (薛光林), an independent third party;

- (vii) 3% by Shenzhen Jinli Communication Equipment Co., Ltd.[#] (深圳市金立通信設備有限公司), a PRC limited liability company primarily engaged in the development and sales of communication equipment which is in turn ultimately controlled by Lirong Liu (劉立榮), an independent third party;
- (viii) 3% by Xintai Technology (Group) Co., Ltd.[#] (信太科技(集團)股份有限公司), a PRC joint stock limited liability company primarily engaged in the development, production and sales of mobile phones, MP4 players, laptop computers and other electronic products which is in turn ultimately controlled by Ruihui Zhang (張瑞輝), an independent third party;
- (ix) 3% by Yongjin Investment Holding Co., Ltd.[#] (湧金投資控股有限公司), a PRC limited liability company primarily engaged in investment management and consulting and the sale and purchase of raw materials which is in turn ultimately controlled by Jinxia Chen (陳金霞), an independent third party; and
- (x) 2.1% by Zhonghua Meilin Petrochemical Group Co., Ltd.[#] (中化美林石油化工集團有限公司), a PRC limited liability company primarily engaged in the petrochemical commodities business which is in turn ultimately controlled by Zhuhai Dingxin Huarui Equity Investment Fund Partnership Enterprise (Limited Partnership)[#] (珠海鼎信華睿股權投資基金合夥企業(有限合夥)) and Zhuhai Dingxin Huahao Equity Investment Fund Partnership Enterprise (Limited Partnership)[#] (珠海鼎信華浩股權投資基金合夥企業(有限合夥)), each an independent third party and primarily engaged in investment.

LISTING RULES IMPLICATIONS

As at the date of this announcement, by virtue of it controlling the exercise of 10.21% of the voting power of the Company through Tencent Computer System, Tencent is a connected person and a substantial shareholder of the Company. WeBank is an associate of Tencent and is therefore a connected person of the Company. As a result, the transactions contemplated under the Agreements as captured under the Revised Annual Cap constitute continuing connected transactions of the Company under the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will have to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transaction. As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Agreements as captured under the Revised

Annual Cap exceeds 0.1% but all of the applicable percentage ratios are less than 5%, the transactions contemplated under the Agreements as captured under the Revised Annual Cap are subject to reporting, announcement and annual review requirements but are exempt from shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Weibiao Zhan, being a non-executive Director of the Company who is appointed by Tencent Computer System, has abstained from voting on the relevant Board resolutions in relation to the Revised Annual Cap and matters contemplated therein.

Save as disclosed above, none of the Directors has any material interest in the matters contemplated therein nor is any of them required to abstain from voting on the relevant Board resolutions approving the Revised Annual Cap and the transactions contemplated thereunder.

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 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 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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“Insurance Agent Business Agreement”	the insurance agreement entered into between the Company and WeBank dated May 19, 2020
“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)
“Original Annual Cap”	the original annual cap for the continuing connected transactions under the Agreements for the year ending December 31, 2021 as disclosed in the Company’s announcement dated May 21, 2021
“PRC” or “China”	People’s Republic of China, which, for the purposes of this announcement only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Revised Annual Cap”	the revised annual cap for the continuing connected transactions under the Agreements for the year ending December 31, 2021
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreement”	the supplemental agreement dated May 21, 2021 entered into between the Company and WeBank to amend the Insurance Agent Business Agreement
“Tencent”	Tencent Holdings Limited, a company incorporated in the Cayman Islands and listed on the Main Board of the Stock Exchange and a substantial shareholder of the Company

“Tencent Computer System”	Shenzhen Tencent Computer Systems Company Limited (深圳市騰訊計算機系統有限公司), a limited liability company incorporated in the PRC on November 11, 1998, one of the Company’s substantial shareholders and a subsidiary of Tencent
“WeBank”	WeBank Co., Ltd [#] (深圳前海微眾銀行股份有限公司), a company established under the laws of the PRC, an associate of Tencent and a connected person of the Company
“%”	per cent

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

Shanghai, the PRC, December 17, 2021

*As at the date of this announcement, the board of directors of the Company 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 of the Company being approved by the China Banking and Insurance Regulatory Commission.*

[#] *For identification purposes only*