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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, certified public accountant or other professional adviser.

**If you have sold or transferred** all your shares in ZhongAn Online P & C Insurance Co., Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO  
THE ADDITIONAL CAPITAL CONTRIBUTION TO ZHONGAN  
TECHNOLOGIES INTERNATIONAL GROUP LIMITED BY SINOLINK;  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee and  
the Independent Shareholders**



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A notice convening the EGM to be held at Conference Room Xin Pu Zhu Lin, 2/F, 219 Yuanmingyuan Road, Huangpu District, Shanghai, the PRC on Friday, July 14, 2023 at 10 a.m. is set out on pages S-1 to S-2 of this circular.

A proxy form for use at the EGM is enclosed with this circular. If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon not less than 24 hours before the time appointed for the holding of the EGM (i.e. before 10 a.m. on Thursday, July 13, 2023) or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

References to time and dates in this circular are to Hong Kong time and dates.

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

June 29, 2023

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## DEFINITIONS

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

“2022 Announcement”	the announcement of the Company dated September 2, 2022
“2022 Sinolink Subscription”	the subscription by Sinolink for an aggregate of 156,060,606 new ZATI Ordinary Shares at a subscription price of approximately US\$103.0 million pursuant to the share purchase agreement entered into between ZATI and the Investors on September 2, 2022, details of which are set out in the 2022 Announcement
“2023 Announcement”	the announcement of the Company dated May 31, 2023
“Additional Sinolink Subscription”	the Initial Subscription and the Subsequent Subscription
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Chief Executive(s)”	has the meaning ascribed to it under the Listing Rules
“Closing”	the Initial Closing and/or the Subsequent Closing, as the context requires
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“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”, the Shares of which 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
“Domestic Shares”	ordinary shares of RMB1.00 each issued by the Company, which are subscribed for in RMB or credited as fully paid up

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## DEFINITIONS

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“EGM”	the extraordinary general meeting of the Company to be held at Conference Room Xin Pu Zhu Lin, 2/F, 219 Yuanmingyuan Road, Huangpu District, Shanghai, the PRC at 10 a.m. on Friday, July 14, 2023, for the Shareholders to consider among other things, and, if thought fit, to approve the resolutions contained in the Notice of EGM, or any adjournment thereof
“Fintech”	financial technology
“Group”	the Company and its subsidiaries
“HKFRSs”	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, as amended from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“H Shares”	the overseas listed foreign invested ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars, and “H Shares” means any such Shares
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors formed to give a recommendation to the Independent Shareholders in relation to the Additional Sinolink Subscription 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 Additional Sinolink Subscription and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders who are not required to abstain from voting in the EGM on the resolutions in relation to the Additional Sinolink Subscription and the transactions contemplated thereunder
“Initial Closing”	closing of the Initial Subscription pursuant to the terms and conditions of the Share Purchase Agreement

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## DEFINITIONS

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“Initial Subscription”	the subscription by Sinolink for an aggregate of 67,556,247 new ZATI Ordinary Shares at a subscription price of approximately US\$44.6 million pursuant to the terms and conditions of the Share Purchase Agreement
“Insurtech”	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
“Latest Practicable Date”	June 21, 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“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
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules
“Notice of EGM”	the notice of the EGM dated June 29, 2023, as set out on pages S-1 to S-2 of this circular
“Opportunities Fund”	AIA VCC for a/c of AIA Opportunities Fund - Venture Capital 2021, a company incorporated under the laws of the Republic of Singapore
“PRC” or “China”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Taiwan and Macau Special Administrative Region of the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	Domestic Shares and/or H Shares
“Shareholder(s)”	shareholder(s) of the Company
“Shareholders Agreement”	the shareholders agreement to be entered into between ZATI and each of the Investors in relation to the rights and obligations between and among the Investors and ZATI

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## DEFINITIONS

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“Share Purchase Agreement”	the share purchase agreement dated May 31, 2023 entered into between ZATI and the Investors in relation to, inter alia, the Additional Sinolink Subscription
“Sinolink”	Sinolink Worldwide Holdings Limited (百仕達控股有限公司), a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1168)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsequent Closing”	closing of the Subsequent Subscription pursuant to the terms and conditions of the Share Purchase Agreement
“Subsequent Subscription”	the subscription by Sinolink for an aggregate of 28,952,677 new ZATI Ordinary Shares at a subscription price of approximately US\$19.1 million pursuant to the terms and conditions of the Share Purchase Agreement
“subsidiary(ies)”	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
“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 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 the Company, incorporated in the PRC on July 7, 2016
“US\$”	United States dollars
“%”	per cent

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Xing Jiang  
Mr. Gaofeng Li

*Non-executive Directors:*

Mr. Yaping Ou (*Chairman*)  
Mr. Liangxun Shi  
Mr. Gang Ji  
Mr. Shuang Zhang  
Mr. Hugo Jin Yi Ou

*Independent non-executive Directors:*

Mr. Wei Ou  
Ms. Vena Wei Yan Cheng  
Ms. Gigi Wing Chee Chan  
Mr. Hai Yin

*Headquarters and principal place of business in the PRC:*

219 Yuanmingyuan Road  
Shanghai  
PRC

*Registered office:*

4-5/F, Associate Mission Building  
169 Yuanmingyuan Road  
Shanghai  
PRC

*Principal place of business in Hong Kong:*

5/F, Manulife Place  
348 Kwun Tong Road  
Kowloon, Hong Kong

June 29, 2023

*To the Shareholders*

Dear Sir/Madam,

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION  
TO THE ADDITIONAL CAPITAL CONTRIBUTION TO ZHONGAN  
TECHNOLOGIES INTERNATIONAL GROUP LIMITED BY SINOLINK;  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

Reference is made to the 2023 Announcement in relation to the Additional Sinolink Subscription. The purpose of this circular is to, among other things, provide you with further details of the

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

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## LETTER FROM THE BOARD

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transactions contemplated under the Additional Sinolink Subscription, the letter from the Independent Board Committee to the Independent Shareholders in respect of the Additional Sinolink Subscription, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Additional Sinolink Subscription and the Notice of EGM at which relevant resolutions will be proposed to consider and approve the Additional Sinolink Subscription.

On September 2, 2022 (after trading hours), ZATI entered into a share purchase agreement with ZhongAn Technology, Sinolink, Warrior and the Opportunities Fund, pursuant to which Sinolink subscribed for an aggregate of 156,060,606 new ZATI Ordinary Shares at a subscription price of approximately US\$103.0 million. As a result of the 2022 Sinolink Subscription, the voting interest in ZATI held by Sinolink increased from 41.50% to 44.75%. Further details of the 2022 Sinolink Subscription are set out in the 2022 Announcement.

Subsequently, within a 12-month period of the 2022 Sinolink Subscription, on May 31, 2023 (after trading hours), ZATI entered into the Share Purchase Agreement with ZhongAn Technology, Sinolink, Warrior and the Opportunities Fund, pursuant to which Sinolink conditionally agreed to subscribe for, and ZATI conditionally agreed to issue and allot, a maximum of 96,508,924 ZATI Ordinary Shares at a purchase price of US\$0.66 per ZATI Ordinary Share. The Additional Sinolink Subscription will take place in two tranches.

As at the Latest Practicable Date, the voting interest in ZATI was held as to approximately 44.70% by ZhongAn Technology, approximately 44.75% by Sinolink, approximately 7.86% by Warrior, and approximately 2.69% by the Opportunities Fund, respectively. Upon the completion of both tranches of the Additional Sinolink Subscription (comprising the Initial Subscription (being a subscription by Sinolink for an aggregate of 67,556,247 new ZATI Ordinary Shares at a subscription price of approximately US\$44.6 million) and the Subsequent Subscription (being a subscription by Sinolink for an aggregate of 28,952,677 new ZATI Ordinary Shares at a subscription price of approximately US\$19.1 million)), the voting interest in ZATI shall be held as to approximately 43.22% by ZhongAn Technology, approximately 46.58% by Sinolink, approximately 7.60% by Warrior, and approximately 2.60% by the Opportunities Fund, respectively. The effect of the Additional Sinolink Subscription on the shareholding of ZATI is illustrated in the table below.

Name of shareholder of ZATI	As at the Latest Practicable Date		Upon the completion of the Initial Subscription		Upon the completion of the Subsequent Subscription	
	<i>No. of ZATI Ordinary Shares</i>		<i>No. of ZATI Ordinary Shares</i>		<i>No. of ZATI Ordinary Shares</i>	
		%		%		%
<b>ZhongAn Technology</b>	1,257,824,052	44.70%	1,257,824,052	43.65%	1,257,824,052	43.22%
<b>Sinolink</b>	1,259,272,864	44.75%	1,326,829,111	46.04%	1,355,781,788	46.58%
<b>Warrior</b>	221,309,952	7.86%	221,309,952	7.68%	221,309,952	7.60%
<b>Opportunities Fund</b>	75,726,794	2.69%	75,726,794	2.63%	75,726,794	2.60%

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## LETTER FROM THE BOARD

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Pursuant to the Shareholders Agreement, resolutions of a meeting of the board of directors of ZATI shall be adopted by the unanimous consent of those present and voting in such meeting. As a result, it is expected that ZATI will no longer remain as a non-wholly-owned subsidiary of the Company in accordance with HKFRSs and the results of ZATI will no longer be consolidated into the accounts of the Group. Upon the Shareholders Agreement becoming effective, ZATI will be accounted for by using equity method by the Company.

### 2. THE SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement in respect of the Additional Sinolink Subscription are set out below:

#### **Date**

May 31, 2023

#### **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, 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, Sinolink conditionally agreed to subscribe for, and ZATI conditionally agreed to issue and allot, a maximum of 96,508,924 new ZATI Ordinary Shares. The Additional Sinolink Subscription will take place in two tranches, comprising the Initial Subscription (being a subscription by Sinolink for an aggregate of 67,556,247 new ZATI Ordinary Shares at a subscription price of approximately US\$44.6 million) and the Subsequent Subscription (being a subscription by Sinolink for an aggregate of 28,952,677 new ZATI Ordinary Shares at a subscription price of approximately US\$19.1 million). Such two-tranche structure was determined after commercial discussions between ZATI and Sinolink, taking into account the capital needs of ZATI and the availability of funds of Sinolink and is a customary arrangement in the market for a financing transaction of this nature.

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## LETTER FROM THE BOARD

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### Subscription price and basis of consideration

The subscription price for the Additional Sinolink Subscription is approximately US\$63.7 million in aggregate, which represents a purchase price of US\$0.66 per ZATI Ordinary Share and was determined after arm's length negotiations among the parties taking into account market conditions, the subscription price of the 2022 Sinolink Subscription, the business and growth prospects of ZATI and the financial needs of ZATI for the operation and expansion of its business. In particular, part of the total subscription price is expected to contribute towards supporting the development of ZATI's key business segments as needed, including virtual banking in Hong Kong and technology export in overseas markets, with the remainder to be used for general corporate purposes of ZATI, including purchasing additional shares of some of its non-wholly-owned subsidiaries from their respective other shareholders should an opportunity arise. The subscription price payable to ZATI by Sinolink will be funded by its internal resources.

### Conditions precedent

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

- (i) the representations and warranties of each of ZATI and Sinolink remaining true and correct and not misleading as of the date of the Closing;
- (ii) each of ZATI and Sinolink 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 (other than the consents that are required to be obtained at or after the Closing) having been duly obtained and effective as of the Closing;
- (iv) all requirements of the regulatory authorities or any applicable laws, regulations and the listing rules which require compliance by ZATI and/or its shareholders (including the approval by the Independent Shareholders) having been complied with;
- (v) the transactions contemplated by the Share Purchase Agreement having been approved by the shareholders of Sinolink as required by the applicable listing rules under the Listing Rules;
- (vi) 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 Sinolink;
- (vii) the articles of association of ZATI in effect as of the date of the Share Purchase Agreement having been duly amended (the "**Restated Articles**");

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## LETTER FROM THE BOARD

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- (viii) the parties having executed and delivered the Transaction Documents; and
- (ix) 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.

In respect of condition precedent (iii), such consents refer to the prior written notice to the Insurance Authority in respect of a change in the shareholding structures of ZA Life Limited, and its direct and indirect shareholders, ZATI and ZhongAn Technology.

The Subsequent Subscription shall be conditional upon the satisfaction or waiver of, inter alia, conditions precedent (i), (ii), (iii), and (ix) above.

Except for conditions precedent (iv) and (v) with respect to the Initial Closing, conditions precedent (i) to (iii) and (vi) to (ix) in respect of ZATI may be waived by Sinolink in writing and conditions precedent (i) to (iii) and (viii) in respect of Sinolink may be waived by ZATI in writing.

As at the Latest Practicable Date, none of the conditions precedent had been satisfied or waived.

The Initial Closing and the Subsequent Closing are not inter-conditional.

### **Closing**

Each of the Initial Closing and Subsequent Closing shall take place no later than 10 business days after the satisfaction or waiver of each of the aforementioned conditions precedent (as applicable), or at such other time and place as ZATI and Sinolink shall mutually agree in writing.

It is currently intended that the Initial Closing and Subsequent Closing will take place by the end of July 2023 and the end of September 2023, respectively.

### **Termination**

The Share Purchase Agreement may be terminated prior to any Closing (a) by mutual written consent of the parties, (b) by Sinolink or ZATI, if no Closing has been consummated on or prior to December 31, 2023, provided that no party shall be entitled to terminate the Share Purchase Agreement if such party is responsible for the failure of any Closing prior to such date, (c) solely with respect to the Additional Sinolink Subscription between Sinolink 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.

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## LETTER FROM THE BOARD

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### 3. THE SHAREHOLDERS AGREEMENT

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

#### **Board Composition of ZATI**

With effect immediately from the date of the Initial Closing, the board of directors of ZATI shall consist of no more than five directors. ZhongAn Technology shall be entitled to nominate three directors, and Sinolink shall be entitled to nominate up to two directors. With effect immediately from the date of the Initial Closing, Sinolink shall be entitled to nominate one additional director.

Resolutions of a meeting of the board of directors of ZATI shall be adopted by the unanimous consent of those present and voting in such meeting, and each director shall have one vote.

#### **Pre-emptive right**

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

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*Note: As disclosed in the 2022 Announcement, the execution and delivery of a shareholders agreement, the key terms of which are set out in the 2022 Announcement, by the shareholders of ZATI (the “Existing Shareholders Agreement”) was a condition precedent to the 2022 Sinolink Subscription. Pursuant to the Existing Shareholders Agreement, if ZATI issues any new equity interests, each of the ZATI shareholders shall have a pre-emptive right to purchase pro rata all or any part of such new equity interests.*

*As disclosed in the section headed “Reasons for and benefits of the Additional Sinolink Subscription” below, ZATI has a business agenda of expanding the virtual banking business in Hong Kong and technology export business in overseas markets, which would require capital contributions from new investors and its existing shareholders, including ZhongAn Technology. In determining to opt out from exercising the pre-emptive right in respect of the Additional Sinolink Subscription pursuant to the Existing Shareholders Agreement, the Board took into account the following factors at the time of receiving the participation notice from ZATI: (i) the business plan and capital needs of ZhongAn Technology; (ii) the financial condition of ZhongAn Technology and availability of funds; and (iii) the continuous business relationship between the Group and Sinolink. Sinolink has been the single largest shareholder of ZATI since the completion of the 2022 Sinolink Subscription and the Board considers that the Additional Sinolink Subscription can continue to provide additional working capital and greater financial flexibility to ZATI. The Group and Sinolink have maintained a continuous and mutually beneficial business relationship since the listing of the Company and the Board is confident that both parties will continue to maintain such business relationship in working together to support ZATI to pursue its business agenda. The Group continues to be optimistic about the business prospects of ZATI, which plays a significant role in the virtual banking industry in Hong Kong and technology export in overseas markets, and may consider making additional capital contribution to ZATI should an opportunity arise in future.*

#### **Restrictions on transfer**

Except as permitted under the Shareholders Agreement, none of the ZATI shareholders shall itself, nor shall it permit its affiliates to sell, assign, transfer, encumber, hypothecate, pledge or otherwise alienate or dispose of, directly or indirectly (“**Transfer**”) all or any part of its ZATI Ordinary Shares without the prior written consent of other ZATI shareholders.

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## LETTER FROM THE BOARD

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### **Rights of first refusal**

If any ZATI shareholder proposes to Transfer all or any part of its ZATI Ordinary Shares, then all other ZATI shareholders shall have a right of first refusal to purchase pro rata 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 its ZATI Ordinary Shares (the “**Selling Shareholder**”) subject to the Investors’ co-sale rights 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 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 any Closing, ZATI issues any new securities (not including the ZATI Ordinary Shares subscribed under the Share Purchase Agreement) without consideration or for a consideration per ZATI Ordinary 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 ADDITIONAL SINOLINK SUBSCRIPTION**

The additional capital contribution under the Additional Sinolink Subscription will provide additional working capital and greater financial flexibility to ZATI which will further facilitate its business agenda of expanding the virtual banking business in Hong Kong and technology export business in overseas markets.

The Directors (including the independent non-executive Directors after having considered the advice from the Independent Financial Adviser) are of the view that the Additional Sinolink Subscription has been entered into on normal commercial terms, and the terms of the Additional Sinolink Subscription and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

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## LETTER FROM THE BOARD

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

#### 4. 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 Insurtech, including virtual banking and digital-only insurance in Hong Kong and technology export in overseas markets. As at the Latest Practicable Date, the voting interest in ZATI was held as to approximately 44.70% by ZhongAn Technology, approximately 44.75% by Sinolink, approximately 7.86% by Warrior, and approximately 2.69% by the Opportunities Fund, 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 December 31, 2022 and 2021.

	<b>As at/For the year ended December 31, 2022</b> <i>audited</i> <i>HKD (thousand)</i>	<b>As at/For the year ended December 31, 2021</b> <i>audited</i> <i>HKD (thousand)</i>
Total equity	2,772,480	3,535,480
Total revenue and other income	1,526,642	686,579
Loss before income tax	(591,941)	(849,113)
Net loss for the year	(591,941)	(849,338)
Net loss attributable to owners of ZATI	(614,976)	(759,617)

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 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). Sinolink's principal business activities are increasingly focused on Fintech investment and management, while it is also engaged in property development, property management, property investment, financial services and asset financing. 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.

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## LETTER FROM THE BOARD

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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 annual report, it does not have any controlling shareholders.

It is expected that the Company will record a gain in relation to the Additional Sinolink Subscription and the transactions contemplated thereunder upon the Initial Closing. When the Company loses control of ZATI, the assets and liabilities of ZATI and non-controlling interests of ZATI are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the fair value of any retained interest in ZATI by the Company, and (ii) the carrying amount of the identifiable assets and liabilities of ZATI attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to ZATI are accounted for as if the Company had directly disposed of the related assets or liabilities of ZATI (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). As the Company will need to appoint a relevant third party valuer to further evaluate the fair value of ZATI at the date of the deconsolidation, it is currently not in a position to calculate and disclose the amount of the relevant gain in this circular pending the information of such valuation.

The Company will announce the gain in relation to the Additional Sinolink Subscription and the transactions contemplated thereunder upon the Initial Closing as soon as practicable after the information becomes available.

### 5. LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules, the 2022 Sinolink Subscription (details of which are disclosed in the 2022 Announcement) and the Additional Sinolink Subscription will be aggregated.

As the Shareholders Agreement (the execution and delivery of which is a condition precedent to the Initial Closing) will be effective upon the Initial Closing and provides that resolutions of a meeting of the board of directors of ZATI shall be adopted by the unanimous consent of those present and voting in such meeting, it is expected that ZATI will no longer remain as a subsidiary of the Company following the completion of the Initial Subscription. Therefore, the applicable percentage ratios in respect of the deemed disposal under the Additional Sinolink Subscription will be calculated in accordance with Rule 14.31 of the Listing Rules on the basis of 100% of ZATI's total assets, profit and revenue. As the highest applicable percentage ratio in respect of the 2022 Sinolink Subscription and the deemed disposal pursuant to the Additional Sinolink Subscription in aggregate exceeds 5% but is less than 25%, the deemed disposal of ZATI constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements thereunder.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, Mr. Yaping Ou, the chairman and a non-executive Director of the Company, was 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.

As at the Latest Practicable Date, ZATI was a non-wholly-owned subsidiary of the Company, and Sinolink (a connected person of the Company) was interested in approximately 44.75% of the voting interest in ZATI. ZATI is therefore a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules. Accordingly, the Additional Sinolink Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement, circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, Cnhooray Internet Technology Co. Ltd. (深圳日訊網絡科技股份有限公司) (“**Cnhooray**”) beneficially owned 81,000,000 H Shares. Cnhooray is a subsidiary of Timeway Holdings Limited (中宇集團有限公司), the entire interest of which is held by Sinolink, whose ultimate and immediate holding company is Asia Pacific Promotion Limited, a company wholly owned by Mr. Yaping Ou, a non-executive Director and a non-executive director of Sinolink as to approximately 45.10%. In addition, as at the Latest Practicable Date, Shenzhen Jia De Xin Investment Limited (深圳市加德信投資有限公司) (“**Jia De Xin**”) beneficially owned 133,615,251 H Shares. Jia De Xin is a subsidiary of Shenzhen Huaxinlian Investment Limited (深圳市華信聯投資有限公司), which is controlled by Mr. Ou Yafei (歐亞非). Mr. Ou Yafei is the elder brother of Mr. Ou Yaping. As such, both Cnhooray and Jia De Xin are considered to have a material interest in the Additional Sinolink Subscription and the transactions contemplated thereunder and will be required to abstain from voting on the relevant resolutions at the EGM. Save as disclosed, to the best knowledge of the Company, no other Shareholder has a material interest in the Additional Sinolink Subscription and the transactions contemplated thereunder which would require them to abstain from voting on the relevant resolutions to be proposed at the EGM.

### 6. EGM

The EGM will be held at 10 a.m. on Friday, July 14, 2023 at Conference Room Xin Pu Zhu Lin, 2/F, 219 Yuanmingyuan Road, Huangpu District, Shanghai, the PRC. The Notice of EGM is set out on pages S-1 to S-2 of this circular.

In order to determine the list of Independent Shareholders who are entitled to attend the EGM, the register of members of the Company will be closed from Tuesday, July 11, 2023 to Friday, July 14, 2023, both days inclusive, during which period no transfer of Shares will be registered. Unregistered holders of Shares of the Company who wish to attend the EGM must lodge the share certificates accompanied by transfer documents with the Company's H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) or the Company's office of the Board of Directors at 4-5/F, Associate Mission Building, 169 Yuanmingyuan Road, Shanghai, the PRC (for holders of Domestic Shares) no later than 4:30 p.m. on Monday, July 10, 2023 for registration. Shareholders whose names appear on the register of members of the Company on Friday, July 14, 2023 shall be entitled to attend and vote at the EGM.

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## LETTER FROM THE BOARD

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The proxy form for use at the EGM is enclosed to this circular and also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.zhongan.com](http://www.zhongan.com)). Shareholders who intend to appoint a proxy to attend the EGM shall complete the proxy form and return the same to the Company's H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) or the Company's office of the Board of Directors at 4-5/F, Associate Mission Building, 169 Yuanmingyuan Road, Shanghai, the PRC (for holders of Domestic Shares) not less than 24 hours before the time fixed for the holding of the EGM (i.e. before 10 a.m. on Thursday, July 13, 2023). Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof if he/she so wishes.

All voting at the EGM will be conducted by poll.

### 7. RECOMMENDATION

Based on the relevant information disclosed herein, the Board (including the independent non-executive Directors but excluding Mr. Yaping Ou and Mr. Hugo Jin Yi Ou who abstained from voting on the relevant Board resolutions) considers that the resolutions set out in the Notice of EGM for consideration and approval by the Independent Shareholders are in the interests of the Company and the Shareholders as a whole and accordingly recommends the Shareholders to vote in favour of the resolutions in connection with the Additional Sinolink Subscription to be proposed at the EGM.

For the purpose of the EGM, the Board has established the Independent Board Committee comprising all the independent non-executive Directors to advise the Independent Shareholders in relation to the Additional Sinolink Subscription 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.

The letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages S-1 to S-2 of this circular.

### 8. ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the Appendix I to this circular.

Yours faithfully,  
By and on behalf of the Board  
**ZhongAn Online P & C Insurance Co., Ltd.**  
**Yaping Ou**  
*Chairman*



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)

June 29, 2023

*To the Independent Shareholders of the Company*

Dear Sir or Madam,

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO  
THE ADDITIONAL CAPITAL CONTRIBUTION TO ZHONGAN  
TECHNOLOGIES INTERNATIONAL GROUP LIMITED BY SINOLINK;  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

We refer to the 2023 Announcement and the circular of the Company dated June 29, 2023 (the "Circular") of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context requires otherwise. We, being the independent non-executive Directors, have been appointed as the Independent Board Committee to advise the Independent Shareholders in connection with the Additional Sinolink Subscription. Details of the Additional Sinolink Subscription are set out in the Letter from the Board contained in the Circular.

We wish to draw your attention to the letter from the Independent Financial Adviser as set out on pages 18 to 46 of the Circular.

Having considered the information set out in the letter from the Board, the terms of the Share Purchase Agreement and the advice of the Independent Financial Adviser in relation thereto as set out on pages 5 to 15 and pages 18 to 46 of the Circular, we are of the view that although the entering into of the Share Purchase Agreement is not in the ordinary and usual course of business of the Group:

- (i) the terms of the Share Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned, on normal commercial terms; and
- (ii) the Share Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

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

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Share Purchase Agreement and the transactions contemplated thereunder.

Yours faithfully,  
The Independent Board Committee

**Mr. Wei Ou      Ms. Vena Wei Yan Cheng      Ms. Gigi Wing Chee Chan      Mr. Hai Yin**  
*Independent non-executive Directors*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of a letter of advice from Lego Corporate Finance Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in relation to the Share Purchase Agreement and the transactions contemplated thereunder (including the Additional Sinolink Subscription).*



June 29, 2023

*To the Independent Board Committee and  
the Independent Shareholders*

Dear Sir or Madam,

### **DISCLOSEABLE AND CONNECTED TRANSACTION**

### **ADDITIONAL CAPITAL CONTRIBUTION TO ZHONGAN TECHNOLOGIES INTERNATIONAL GROUP LIMITED BY SINOLINK**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Share Purchase Agreement and the transactions contemplated thereunder (including the Additional Sinolink Subscription), details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular dated June 29, 2023 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

On September 2, 2022 (after trading hours), ZATI entered into a share purchase agreement with ZhongAn Technology, Sinolink, Warrior and the Opportunities Fund, pursuant to which Sinolink subscribed for an aggregate of 156,060,606 new ZATI Ordinary Shares at a subscription price of approximately US\$103.0 million. As a result of the 2022 Sinolink Subscription, the voting interest in ZATI held by Sinolink increased from 41.50% to 44.75%.

Subsequently, within a 12-month period of the 2022 Sinolink Subscription, on May 31, 2023 (after trading hours), ZATI entered into the Share Purchase Agreement with ZhongAn Technology, Sinolink, Warrior and the Opportunities Fund, pursuant to which Sinolink conditionally agreed to subscribe for, and ZATI conditionally agreed to issue and allot, a maximum of 96,508,924 ZATI Ordinary Shares at a purchase price of US\$0.66 per ZATI Ordinary Share. The Additional Sinolink Subscription will take place in two tranches.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As at the Latest Practicable Date, the voting interest in ZATI was held as to approximately 44.70% by ZhongAn Technology, approximately 44.75% by Sinolink, approximately 7.86% by Warrior, and approximately 2.69% by the Opportunities Fund, respectively. Upon the completion of both tranches of the Additional Sinolink Subscription (comprising the Initial Subscription (being a subscription by Sinolink for an aggregate of 67,556,247 new ZATI Ordinary Shares at a subscription price of approximately US\$44.6 million) and the Subsequent Subscription (being a subscription by Sinolink for an aggregate of 28,952,677 new ZATI Ordinary Shares at a subscription price of approximately US\$19.1 million)), the voting interest in ZATI shall be held as to approximately 43.22% by ZhongAn Technology, approximately 46.58% by Sinolink, approximately 7.60% by Warrior, and approximately 2.60% by the Opportunities Fund, respectively. The effect of the Additional Sinolink Subscription on the shareholding of ZATI is illustrated in the table below.

Name of shareholder of ZATI	As at the Latest Practicable Date		Upon the completion of the Initial Subscription		Upon the completion of the Subsequent Subscription	
	<i>No. of ZATI Ordinary Shares</i>		<i>No. of ZATI Ordinary Shares</i>		<i>No. of ZATI Ordinary Shares</i>	
		<i>%</i>		<i>%</i>		<i>%</i>
ZhongAn Technology	1,257,824,052	44.70%	1,257,824,052	43.65%	1,257,824,052	43.22%
Sinolink	1,259,272,864	44.75%	1,326,829,111	46.04%	1,355,781,788	46.58%
Warrior	221,309,952	7.86%	221,309,952	7.68%	221,309,952	7.60%
Opportunities Fund	75,726,794	2.69%	75,726,794	2.63%	75,726,794	2.60%

Pursuant to the Shareholders Agreement, resolutions of a meeting of the board of directors of ZATI shall be adopted by the unanimous consent of those present and voting in such meeting. As a result, it is expected that ZATI will no longer remain as a non-wholly-owned subsidiary of the Company in accordance with HKFRSs and the results of ZATI will no longer be consolidated into the accounts of the Group. Upon the Shareholders Agreement becoming effective, ZATI will be accounted for by using equity method by the Company.

As at the Latest Practicable Date, Mr. Yaping Ou, the chairman and a non-executive Director of the Company, was 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.

As at the Latest Practicable Date, ZATI was a non-wholly-owned subsidiary of the Company, and Sinolink (a connected person of the Company) was interested in approximately 44.75% of the voting interest in ZATI. ZATI is therefore a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules. Accordingly, the Additional Sinolink Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, and is subject to the reporting and announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules, the 2022 Sinolink Subscription (details of which are disclosed in the 2022 Announcement) and the Additional Sinolink Subscription will be aggregated.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders as to whether (i) the entering into of the Share Purchase Agreement is in the ordinary and usual course of business of the Group based on normal commercial terms; and (ii) the terms of the Share Purchase Agreement and the transactions contemplated thereunder (including the Additional Sinolink Subscription) are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders as to whether to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Share Purchase Agreement and the transactions contemplated thereunder (including the Additional Sinolink Subscription). As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regard.

### OUR INDEPENDENCE

As at the Latest Practicable Date, Lego Corporate Finance Limited did not have any shareholding in any member of the Group or Sinolink or relationships with or interests, directly or indirectly, in any assets which have been or are proposed to be acquired or disposed of by or leased to any member of the Group or Sinolink since December 31, 2022, that could reasonably be regarded as relevant to the independence of Lego Corporate Finance Limited. In the last two years, other than the engagements in December 2021 and November 2022 as the independent financial adviser to the independent board committee and independent shareholders in relation to (i) the entering into of the new online platform cooperation framework agreement (details of which are set out in the circular of the Company dated December 10, 2021); and (ii) the entering into of the new auto co-insurance cooperation agreement (details of which are set out in the circular of the Company dated November 30, 2022), respectively, there was no engagement between the Group and Lego Corporate Finance Limited. Apart from normal professional fees being paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we have received or will receive any fees or benefits from the Group or Sinolink. Accordingly, we are qualified to give independent advice in respect of the Share Purchase Agreement and the transactions contemplated thereunder (including the Additional Sinolink Subscription).

### BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group (the “**Management**”); and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the date of the Circular and all such statements of belief, opinions and intention of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors, the Management, and/or the advisers of the Company. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the Management are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed the relevant information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors, the Management or Sinolink, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group or Sinolink or any of their respective subsidiaries or associates.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation, we have considered the following principal factors and reasons:

#### 1. Background Information

##### (a) Information on the Parties

###### *The Company*

The Company is an online Insurtech company in the PRC and the Group 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.

The following table summarises the financial information of the Group for the years ended or as at December 31, 2020, 2021 and 2022 as extracted from the annual reports of the Company for the year ended December 31, 2022 (the “**2022 Annual Report**”) and December 31, 2021 (the “**2021 Annual Report**”).

	For the year ended December 31		
	2022	2021	2020
	RMB'000	RMB'000	RMB'000
Net premiums earned	22,265,626	18,885,094	16,215,204
Total income	23,352,149	21,940,360	18,493,163
Profit / (loss) before income tax	(2,016,281)	829,117	146,530
Net profit / (loss) for the year	(1,633,011)	757,099	254,380
Net profit / (loss) attributable to owners of the parent	(1,356,095)	1,164,590	553,786

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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	As at December 31		
	2022	2021	2020
	RMB'000	RMB'000	RMB'000
Total assets	54,557,388	51,772,329	45,673,436
Total liabilities	37,530,708	32,642,132	28,280,101
Total equity	17,026,680	19,130,197	17,393,335
Equity attributable to owners of the parent	15,213,820	16,748,402	15,705,350

*For the years ended or as at December 31, 2021 and 2022*

The Group's net premiums earned increased from approximately RMB18,885.1 million for the year ended December 31, 2021 to approximately RMB22,265.6 million for the year ended December 31, 2022. As disclosed in the 2022 Annual Report, such increase was mainly attributable to the increase in net premiums earned generated from the Digital Lifestyle Ecosystem of approximately 21.4% year-on-year due to further expansion of shipping return policy into diversified e-commerce platforms and robust growth contributed by innovative business, such as pet insurance and phone screen cracking insurance. The Group recorded a net loss attributable to owners of the parent of approximately RMB1,356.1 million for the year ended December 31, 2022 as compared to a net profit attributable to owners of the parent of approximately RMB1,164.6 million for the year ended December 31, 2021, mainly due to (i) the significant decrease in investment income resulting from the sluggish performance of capital markets in 2022 and the adoption of HKFRS 9 "Financial Instruments" by the Group since January 1, 2022 to replace HKAS 39 "Financial Instruments: Recognition and Measurement"; and (ii) the unrealized exchange losses on the USD-denominated bonds payable as a result of the appreciation of the USD against RMB.

As at December 31, 2022, total assets of the Group amounted to approximately RMB54,557.4 million, which mainly comprised of (i) financial assets at fair value through profit or loss of approximately RMB21,862.8 million; (ii) debt financial assets at fair value through other comprehensive income of approximately RMB11,606.9 million; (iii) premium receivables of approximately RMB6,393.0 million; and (iv) loans and advances to customers of approximately RMB4,367.3 million. As at December 31, 2022, total liabilities of the Group amounted to approximately RMB37,530.7 million, which mainly comprised of (i) insurance contract liabilities of approximately RMB10,582.1 million; (ii) customer deposits of approximately RMB8,184.0 million; (iii) securities sold under agreements to repurchase of approximately RMB6,992.4 million; and (iv) bonds payable of approximately RMB6,657.8 million.

*For the years ended or as at December 31, 2020 and 2021*

The Group's net premiums earned increased from approximately RMB16,215.2 million for the year ended December 31, 2020 to approximately RMB18,885.1 million for the year ended December 31, 2021. As disclosed in the 2021 Annual Report, such increase was mainly attributable to the significant increase in net premiums earned generated from the Health Ecosystem of approximately 16.3% year-on-year due to continuously deepened cooperation with the Group's ecosystem partners and rapid development of proprietary platforms, and from the Digital Lifestyle Ecosystem of approximately 20.6% year-on-year due to further expansion of shipping return policy into diversified

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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e-commerce platforms and robust growth contributed by innovative business, such as pet insurance and phone screen cracking insurance. The Group's net profit attributable to owners of the parent increased from approximately RMB553.8 million for the year ended December 31, 2020 to approximately RMB1,164.6 million for the year ended December 31, 2021, mainly due to (i) the significant increase in investment income resulting from overall recovery in domestic economy combined with strengthened asset allocation capability and prudent risk management measures; and (ii) the profit generated from the underwriting business benefiting from its "sustainable growth with quality" strategy and technology-driven cost reduction and efficiency improvement.

As at December 31, 2021, total assets of the Group amounted to approximately RMB51,772.3 million, which mainly comprised of (i) available-for-sale financial assets of approximately RMB21,979.1 million; (ii) financial assets at fair value through profit or loss of approximately RMB11,812.6 million; (iii) premium receivables of approximately RMB5,014.3 million; and (iv) cash and amounts due from banks and other financial institutions of approximately RMB4,300.7 million. As at December 31, 2021, total liabilities of the Group amounted to approximately RMB32,642.1 million, which mainly comprised of (i) insurance contract liabilities of approximately RMB9,304.2 million; (ii) bonds payable of approximately RMB6,325.0 million; (iii) customer deposits of approximately RMB5,696.8 million; and (iv) securities sold under agreements to repurchase of approximately RMB5,548.3 million.

### *ZATI*

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 Insurtech, including virtual banking and digital-only insurance in Hong Kong and technology export in overseas markets.

ZATI has three major operating subsidiaries, namely ZA Bank Limited ("**ZA Bank**"), ZA Life Limited ("**ZA Life**") and ZA Tech Global Limited ("**ZA Tech**"). ZA Bank is 100.00% owned by ZATI. ZA Life is 65.00% owned by ZATI and ZA Tech is 49.00% owned by ZATI.

#### *ZA Bank*

ZA Bank is one of the first banks in Hong Kong to be granted a virtual banking license in March 2019, and officially commenced operation in March 2020. ZA Bank aims to develop into a one-stop financial service platform in Hong Kong to provide diversified, convenient, and inclusive financial services to retail users and micro, small and medium enterprises. As at December 31, 2022, ZA Bank had more than 650,000 retail customers, representing a penetration rate of approximately 10% of the overall population aged 18 or above in Hong Kong. In 2022, the average monthly active users of the ZA Bank APP accounted for nearly 50% of the total, with an average monthly card usage of nearly 15 times, twice of the average of VISA cards in Hong Kong. ZA Bank has become one of the virtual banks with the most comprehensive functions in the Hong Kong market, building a one-stop integrated financial service platform through its mobile APP, which operates fully in a digitalised mode, and provides users with 24-hours digital banking services such as deposits, loans, transfers, consumption, insurance, investment and corporate banking.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As at December 31, 2022, ZA Bank had a deposit balance of approximately HK\$9,172 million and a loan balance of approximately HK\$4,881 million, with the loan-to-deposit ratio increasing by nearly 17 percentage points to 53.2% from 36.1% as at December 31, 2021. Meanwhile, ZA Bank's net interest margin increased to approximately 1.84% for the year ended December 31, 2022 from approximately 0.91% for the corresponding period last year. During the year ended December 31, 2022, with the launch of new products, ZA Bank recorded a net revenue of approximately HK\$274 million, of which non-interest income accounted for approximately 30%. Meanwhile, the net loss margin narrowed by approximately 233 percentage points to approximately 181.8% for the year ended December 31, 2022 from approximately 414.4% for the year ended December 31, 2021.

### *ZA Life*

In May 2020, ZA Life, the joint venture between ZATI and Fubon Life Insurance (Hong Kong) Company Limited, obtained a digital-only insurer license from the Hong Kong Insurance Authority. ZA Life aims to satisfy the protection needs of different people with innovative insurance services and products. ZA Life implemented the ideology of offering affordable insurance services, and provides users with insurance products and services that "everyone can afford" through a 24/7 online platform, including life insurance, voluntary health insurance, cancer insurance, accident insurance and cardiovascular disease insurance. In 2022, ZA Life deepened the bancassurance partnership with ZA Bank and continued to launch "ZA Savings Insurance" series on the ZA Bank APP to provide fundamental protections for users' health and wealth. During the year ended December 31, 2022, ZA Life achieved gross written premiums of approximately HK\$414 million, representing a year-on-year increase of approximately 2.16 times.

### *ZA Tech*

ZA Tech focuses on exporting new Insurtech solutions and digital insurance technical experience to international customers, aiming to become a new standard for overseas Insurtech digitalisation. Currently, ZA Tech's footprints have covered major markets such as Japan, Hong Kong, Southeast Asia and Europe. The clients served can be divided into two categories: insurance companies and Internet platforms. Revenue generated from ZA Tech rose from approximately HK\$309 million for the year ended December 31, 2021 to approximately HK\$351 million for the year ended December 31, 2022. The technology business continued to experience steady growth and increased profitability, and recorded a profit of approximately HK\$123 million for the year ended December 31, 2022.

The following table summarises the financial information of ZATI for the years ended or as at December 31, 2020, 2021 and 2022 as extracted from the auditor's reports of ZATI for the years ended December 31, 2021 and 2022.

	<b>For the year ended December 31</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Total revenue and other income	1,526,642	686,579	324,939
Loss before income tax	(591,941)	(849,113)	(609,805)
Net loss for the year	(591,941)	(849,338)	(609,878)
Net loss for the year attributable to owners of the parent	(614,976)	(759,617)	(496,440)

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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	As at December 31		
	2022	2021	2020
	HK\$'000	HK\$'000	HK\$'000
Total assets	13,901,506	12,148,472	9,481,218
Total liabilities	11,129,026	8,612,992	6,866,105
Total equity	2,772,480	3,535,480	2,615,113
Equity attributable to owners of the parent	2,470,257	3,256,021	2,278,814

*For the years ended or as at December 31, 2021 and 2022*

ZATI's total revenue and other income increased from approximately HK\$686.6 million for the year ended December, 31, 2021 to approximately HK\$1,526.6 million for the year ended December 31, 2022. Such increase was mainly attributable to the significant increase of approximately 220.8% year-on-year in insurance premium revenue and interest income growth of ZA Bank. ZATI's net loss attributable to owners of the parent decreased from approximately HK\$759.6 million for the year ended December 31, 2021 to approximately HK\$615.0 million for the year ended December 31, 2022, mainly due to (i) improved revenue generating capability of ZA Bank and cost disciplines across ZA Bank and ZA Life, as a result of which, their respective operating expenses as percentage of revenue further narrowed; and (ii) gain on disposal of certain subsidiaries and associates of approximately HK\$495 million, partially offset by the increase in net claims and benefits incurred and movement in liabilities to policyholders of approximately HK\$255.4 million.

As at December 31, 2022, total assets of ZATI amounted to approximately HK\$13,901.5 million, which mainly comprised of (i) financial assets at fair value through other comprehensive income of approximately HK\$5,863.2 million; (ii) loans and advances to customers of approximately HK\$4,887.0 million; and (iii) cash and amounts due from banks and other financial institutions of approximately HK\$1,387.2 million. As at December 31, 2022, total liabilities of ZATI amounted to approximately HK\$11,129.0 million, which mainly comprised of deposits from customers of approximately HK\$9,157.9 million.

*For the years ended or as at December 31, 2020 and 2021*

ZATI's total revenue and other income increased from approximately HK\$324.9 million for the year ended December 31, 2020 to approximately HK\$686.6 million for the year ended December 31, 2021. Such increase was mainly attributable to the significant increase in insurance premium revenue and service fee income generated from technology export business. ZATI's net loss attributable to owners of the parent increased from approximately HK\$496.4 million for the year ended December 31, 2020 to approximately HK\$759.6 million for the year ended December 31, 2021, mainly due to (i) the significant increase in operating expenses, such as employee benefit expense; and (ii) the increase in net claims and benefits incurred and movement in liabilities to policyholders.

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As at December 31, 2021, total assets of ZATI amounted to approximately HK\$12,148.5 million, which mainly comprised of (i) financial assets at fair value through other comprehensive income of approximately HK\$5,590.0 million; and (ii) cash and amounts due from banks and other financial institutions of approximately HK\$3,104.1 million. As at December 31, 2021, total liabilities of ZATI amounted to approximately HK\$8,613.0 million, which mainly comprised of deposits from customers of approximately HK\$6,967.2 million.

### *ZhongAn Technology*

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.

### *Sinolink*

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). Sinolink's principal business activities are increasingly focused on Fintech investment and management, while it is also engaged in property development, property management, property investment, financial services and asset financing. 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*

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.

### *Opportunities Fund*

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 annual report, it does not have any controlling shareholders.

### **(b) Future plan and prospects of ZATI**

As a Fintech company, ZATI requires substantial investment in human resources and underlying technologies before profitability can be achieved. Despite this initial hurdle, the Fintech industry is experiencing rapid growth and is expected to have a major impact on the financial services sector in the next decade.

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ZA Bank has accumulated the largest user base among eight virtual banks in Hong Kong. As of March 31, 2023, ZA Bank had more than 670,000 retail users. Hong Kong has a bankable population (aged 18-79 years old) of around 6.1 million, ZA Bank is expected to further penetrate into local banking market with its established brand name. ZA Bank has constantly improved its user engagement and activity level through diversifying product portfolio and gamified user experience. In December 2022, the average number of monthly logins per customer increased to approximately 18.5 times from approximately 16.5 times in December 2021. The average number of products used per customer stood around 5 times for existing to bank users and demonstrated an increasing trend for new to bank users. As ZA Bank continues to diversify its product mix with launch of new products/services such as stock trading and margin loans, and expansion of current products/services such as offering more mutual fund products, ZA Bank is expected to see further increase in user activity. ZA Bank's comprehensive product lines laid the solid foundation for monetisation and cross-selling, which will increase the average revenue per user. Currently, ZA Bank has the most comprehensive product offerings covering both retail customers and micro, small and medium enterprises, including loans, deposits, insurance, mutual fund investment, foreign exchange, inward/outward remittance, etc.

Given that ZA Tech was incubated by the Company, the leading Insurtech player in the PRC, it features the same strengths and differentiators: next-generation technology, deep (digital) insurance expertise, and the ability to closely collaborate and connect with ecosystem partners.

ZA Tech's business development process has evolved over the years — from an inbound model based on word-of-mouth referrals in select Asian countries to a matured outbound business development process across Asia and Europe. ZA Tech currently has local teams on the ground in 14 countries and regions, including Hong Kong, Southeast Asia, Japan and Europe, to develop its business with insurance and intermediary clients. Simultaneously, ZA Tech's client base quickly grew from 2 in 2018 to 36 in 2022. The local presence, together with the proven track record with leading insurers and intermediaries, will enable ZA Tech to quickly penetrate into the major markets and further grow.

ZA Tech now leverages its no-code Software-as-a-Service (SaaS) insurance distribution platform Nano (with lower annual subscription fee) as the hook product to attract insurers who are in the early stage of digital transformation (and require digital capabilities without replacing the legacy core system). Subsequently, ZA Tech upsells to the full-stack, next-generation, cloud-native insurance core system Graphene (with higher annual subscription fee). Clients can switch from Nano to Graphene without the need to migrate data. Through multi-tenant capabilities, ZA Tech can serve multiple insurers across different countries on one shared infrastructure, reducing cloud infrastructure costs per client.

Currently, legacy insurance core systems are on average over 15 years old and are no longer fit for purpose. Most insurance companies find it difficult to integrate with new (digital) channels, quickly and efficiently launch new innovative products, and maintain the legacy systems. The modernization of monolithic legacy core systems deployed on-premise to microservices-based core systems deployed on the cloud as SaaS will be the biggest opportunity for ZA Tech's development in the next decade. ZA Tech is moving to modernize the entire core insurance systems — instead of just

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focusing on digital insurance. This way, ZA Tech will help insurers reduce IT expense by around 50%, while equipping insurers with the latest functionalities and technologies via continuous upgrades. This new value proposition will help ZA Tech increase average revenue per client, increase stickiness, and accelerate its development across global markets.

As ZA Tech continues to build its technology platforms and ecosystems, ZA Tech expects to realize clear economies of scale. The fixed cost per client will be diluted as the client base grows, while variable unit cost will be reduced through increased maturity of the tech platforms. ZA Tech can then use cost savings to invest in research and development and customer acquisition, enabling accelerated profitable growth.

Fintech is a strategic sector that the Hong Kong government is investing considerable resources to foster the growth of the Fintech ecosystem. The Hong Kong Monetary Authority's Fintech 2025 Strategy focus areas are: (i) all banks go Fintech; (ii) future-proofing Hong Kong for Central Bank Digital Currencies; (iii) creating the next-generation data infrastructure; (iv) expanding the Fintech-savvy workforce; and (v) nurturing the ecosystem with funding and policies. Favourable policies and government support include, among others, the Fintech Proof-of-Concept Subsidy Scheme by Financial Services and the Treasury Bureau encourages partnership between Fintech and licensed financial institutions. Further, the Hong Kong government launched the US\$641 million Strategic Tech Fund to support series A and B financing for start-ups and allocated an additional US\$1.27 billion to the Hong Kong Growth Fund for investments in projects that enhance Hong Kong's status as a financial, commercial and innovation centre. The InvestHK's Global Fast Track programme connects Fintech with corporate clients, investors and local partners.

For the past decade, Hong Kong has consistently ranked among the top 10 on the Global Financial Centres Index's world financial centre list. With low taxation, legislation favouring free trade, strong capital inflow, as well as world-class, progressive regulators, the city offers a host of rich financial services market opportunities. With growing consumer and institutional adoption, backed by mounting investments from banks and venture capitalists, Fintech carries immense potential to drive the development of Hong Kong financial services sector.

Based on the foregoing, we are of the view that the performance of ZATI will improve in the coming years with significant potential future opportunities in the dynamic and evolving Fintech industry, benefiting from the Hong Kong government's ongoing support for the Fintech industry. Meanwhile, substantial investment in human resources and underlying technologies will continue to be required by ZATI in the short to medium term.

### **(c) Reasons for and benefits of entering into the Share Purchase Agreement**

As disclosed in the Letter from the Board, the additional capital contribution under the Additional Sinolink Subscription will provide additional working capital and greater financial flexibility to ZATI which will further facilitate its business agenda of expanding the virtual banking business in Hong Kong and technology export business in overseas markets.

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ZATI, as a Fintech company, takes time and require substantial upfront investment in development of human resources and underlying technologies before it is capable of generating profit. In such regard, we noted that the shareholders of ZATI have been contributing additional capital to ZATI from time to time. In November 2021, ZhongAn Technology, Sinolink, Warrior and the Opportunities Fund in aggregate contributed additional capital of approximately US\$232.3 million to ZATI. In September 2022, Sinolink contributed additional capital of approximately US\$103.0 million to ZATI.

We have discussed with the Management and were given to understand that ZATI has a business agenda of expanding the virtual banking business in Hong Kong and technology export business in overseas markets, which would require capital contributions from new investors and its existing shareholders, including ZhongAn Technology. In determining to opt out from exercising the pre-emptive right in respect of the Additional Sinolink Subscription pursuant to the Existing Shareholders Agreement, the Board took into account the following factors at the time of receiving the participation notice from ZATI: (i) the business plan and capital needs of ZhongAn Technology; (ii) the financial condition of ZhongAn Technology and availability of funds; and (iii) the continuous business relationship between the Group and Sinolink. Sinolink has been the single largest shareholder of ZATI since the completion of the 2022 Sinolink Subscription and the Board considers that the Additional Sinolink Subscription can continue to provide additional working capital and greater financial flexibility to ZATI. The Group and Sinolink have maintained a continuous and mutually beneficial business relationship since listing of the Company and the Board is confident that both parties will continue to maintain such business relationship in working together to support ZATI to pursue its business agenda.

Based on the discussion with the Management, we were given to understand that the Group continues to be optimistic about the business prospects of ZATI, which plays a significant role in the virtual banking industry in Hong Kong and technology export in overseas markets and may consider making additional capital contribution to ZATI should an opportunity arise in future.

In light of the above, and taking into consideration that the Company could still maintain significant influence in ZATI in terms of board representation even without making any additional capital contribution to ZATI, and expects to enjoy investment returns from ZATI in medium to long term, we concur with the Directors that the rationale behind the grant of waiver of the pre-emptive right pursuant to the Existing Shareholders Agreement is fair and reasonable to the Company and the Shareholders as a whole.

As stated in the Letter from the Board, the total subscription price is expected to contribute towards supporting the development of ZATI's key business segments as needed, including virtual banking in Hong Kong and technology export in overseas markets, with the remainder to be used for general corporate purposes of ZATI, including purchasing additional shares of some of its non-wholly-owned subsidiaries from their respective other shareholders should an opportunity arise. We have discussed with the Management and were given to understand that ZATI requires additional funding from time to time to support its business development, and hence the capital injection from the Additional Sinolink Subscription provides sufficient funding for the capital needs of the operation and business expansion of ZATI.

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Taking into consideration (i) that given ZATI has a large demand for financing, it is difficult for the Group to continuously investing a large amount of funds to meet its development requirements; (ii) that the Company retains its significant influence on ZATI, maintains a cooperative relationship, and expects to enjoy investment returns from ZATI in medium to long term; and (iii) the analysis of the subscription price as discussed in the paragraph headed “4. Valuation Considerations” below, the Directors are of the view, and we concur that, the Share Purchase Agreement has been entered into on normal commercial terms, despite not being in the ordinary and usual course of business of the Company, and the terms of the Share Purchase Agreement and the transactions contemplated thereunder (including the Additional Sinolink Subscription) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### 2. THE SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement in respect of the Additional Sinolink Subscription are set out below:

- Date:** May 31, 2023
- 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, 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, Sinolink conditionally agreed to subscribe for, and ZATI conditionally agreed to issue and allot, a maximum of 96,508,924 new ZATI Ordinary Shares. The Additional Sinolink Subscription will take place in two tranches, comprising the Initial Subscription (being a subscription by Sinolink for an aggregate of 67,556,247 new ZATI Ordinary Shares at a subscription price of approximately US\$44.6 million) and the Subsequent Subscription (being a subscription by Sinolink for an aggregate of 28,952,677 new ZATI Ordinary Shares at a subscription price of approximately US\$19.1 million). Such two-tranche structure was determined after the commercial discussions between ZATI and Sinolink, taking into account the capital needs of ZATI and the availability of funds of Sinolink and is a customary arrangement in the market for a financing transaction of this nature.

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### Subscription price and basis of consideration

The subscription price for the Additional Sinolink Subscription is approximately US\$63.7 million in aggregate, which represents a purchase price of US\$0.66 per ZATI Ordinary Share and was determined after arm's length negotiations among the parties taking into account market conditions, the subscription price of the 2022 Sinolink Subscription, the business and growth prospects of ZATI and the financial needs of ZATI for the operation and expansion of its business. In particular, part of the total subscription price is expected to contribute towards supporting the development of ZATI's key business segments as needed, including virtual banking in Hong Kong and technology export in overseas markets, with the remainder to be used for general corporate purposes of ZATI, including purchasing additional shares of some of its non-wholly-owned subsidiaries from their respective other shareholders should an opportunity arise. The subscription price payable to ZATI by Sinolink will be funded by its internal resources.

### Conditions precedent

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

- (i) the representations and warranties of each of ZATI and Sinolink remaining true and correct and not misleading as of the date of the Closing;
- (ii) each of ZATI and Sinolink 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 (other than the consents that are required to be obtained at or after the Closing) having been duly obtained and effective as of the Closing;
- (iv) all requirements of the regulatory authorities or any applicable laws, regulations and the listing rules which require compliance by ZATI and/or its shareholders (including the approval by the Independent Shareholders) having been complied with;
- (v) the transactions contemplated by the Share Purchase Agreement having been approved by the shareholders of Sinolink as required by the applicable listing rules under the Listing Rules;
- (vi) 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 Sinolink;
- (vii) the articles of association of ZATI in effect as of the date of the Share Purchase Agreement having been duly amended (the "**Restated Articles**");

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(viii) the parties having executed and delivered the Transaction Documents; and

(ix) 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.

In respect of condition precedent (iii), such consents refer to the prior written notice to the Insurance Authority in respect of a change in the shareholding structures of ZA Life, and its direct and indirect shareholders, ZATI and ZhongAn Technology.

The Subsequent Subscription shall be conditional upon the satisfaction or waiver of, inter alia, conditions precedent (i), (ii), (iii), and (ix) above.

Except for conditions precedent (iv) and (v) with respect to the Initial Closing, conditions precedent (i) to (iii) and (vi) to (ix) in respect of ZATI may be waived by Sinolink in writing and conditions precedent (i) to (iii) and (viii) in respect of Sinolink may be waived by ZATI in writing.

As at the Latest Practicable Date, none of the conditions precedent had been satisfied or waived.

The Initial Closing and the Subsequent Closing are not inter-conditional.

### **Closing**

Each of the Initial Closing and Subsequent Closing shall take place no later than 10 business days after the satisfaction or waiver of each of the aforementioned conditions precedent (as applicable), or at such other time and place as ZATI and Sinolink shall mutually agree in writing.

It is currently intended that the Initial Closing and Subsequent Closing will take place by the end of July 2023 and the end of September 2023, respectively.

### **Termination**

The Share Purchase Agreement may be terminated prior to any Closing (a) by mutual written consent of the parties, (b) by Sinolink or ZATI, if no Closing has been consummated on or prior to December 31, 2023, provided that no party shall be entitled to terminate the Share Purchase Agreement if such party is responsible for the failure of any Closing prior to such date, (c) solely with respect to the Additional Sinolink Subscription between Sinolink 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.

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### 3. THE SHAREHOLDERS AGREEMENT

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

#### **Board composition of ZATI**

With effect immediately from the date of the Initial Closing, the board of directors of ZATI shall consist of no more than five directors. ZhongAn Technology shall be entitled to nominate three directors, and Sinolink shall be entitled to nominate up to two directors. With effect immediately from the date of the Initial Closing, Sinolink shall be entitled to nominate one additional director.

Resolutions of a meeting of the board of directors of ZATI shall be adopted by the unanimous consent of those present and voting in such meeting, and each director shall have one vote.

#### **Pre-emptive right**

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

#### **Restrictions on transfer**

Except as permitted under the Shareholders Agreement, none of the ZATI shareholders shall itself, nor shall it permit its affiliates to sell, assign, transfer, encumber, hypothecate, pledge or otherwise alienate or dispose of, directly or indirectly (“**Transfer**”) all or any part of its ZATI Ordinary Shares without the prior written consent of other ZATI shareholders.

#### **Rights of first refusal**

If any ZATI shareholder proposes to Transfer all or any part of its ZATI Ordinary Shares, then all other ZATI shareholders shall have a right of first refusal to purchase pro rata 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 its ZATI Ordinary Shares (the “**Selling Shareholder**”) subject to the Investors’ co-sale rights 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 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.

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### Anti-dilution

In the event that at any time after any Closing, ZATI issues any new securities (not including the ZATI Ordinary Shares subscribed under the Share Purchase Agreement) without consideration or for a consideration per ZATI Ordinary 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.

Upon our review of the Shareholders Agreement, we are not aware of any principal terms contained in the Shareholders Agreement which may entitle any shareholders of ZATI to rights that is disproportionate to its shareholdings and be unfavourable or unfair to the Company.

## 4. VALUATION CONSIDERATIONS

### Comparable companies

In assessing the fairness and reasonableness of the purchase price of US\$0.66 per ZATI Ordinary Share (the “**Purchase Price**”), we have adopted market approach by conducting a peer comparison of comparable companies (the “**Comparable Companies**”). The Comparable Companies are selected on the criteria that they are listed on global stock exchanges with market capitalisation over US\$1,000 million (“**Market Capitalisation Parameter**”) that could be identified on Bloomberg which are principally engaged in businesses comparable to ZATI, namely (i) virtual banking; (ii) digital-only insurance; and (iii) technology export (i.e. exporting new Insurtech solutions (e.g. insurance underwriting and/or claims system) and digital insurance technical experience to international customers).

Based on the Purchase Price of US\$0.66 per ZATI Ordinary Share and the number of ZATI Ordinary Share of 3,234,133,662, the implied market capitalisation of ZATI (the “**Implied Market Value**”) was approximately US\$2,134.5 million. Based on the Implied Market Value, which approximates to the Market Capitalisation Parameter, we consider that the Comparable Companies form a representative reference for the Independent Shareholders to assess the fairness and reasonableness of the Purchase Price.

We have identified (i) five virtual banking business comparables (the “**VB Comparables**”); (ii) five digital-only insurance business comparables (the “**DI Comparables**”); and (iii) two technology export business comparables (the “**TE Comparables**”), which represent an exhaustive list based on the aforementioned selection criteria. Taking into consideration that (i) the Comparable Companies are principally engaged in the businesses that are comparable to ZATI; and (ii) save for the Comparables Companies, there were no other public companies listed on the global stock exchanges that could meet our selection criteria, we consider that the Comparable Companies form a list of fair, meaningful and representative samples for the Independent Shareholders to assess the fairness and reasonableness of the Purchase Price.

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In respect of the selection of the valuation multiple, price-to-earnings multiple is considered not appropriate for the valuation as ZATI recorded net loss of approximately HK\$591.9 million for the year ended December 31, 2022. Hence, price-to-book multiple (“**P/B Multiple**”) is selected for the VB Comparables and DI Comparables as it is the commonly used valuation benchmark in assessing the valuation of non-profit making and asset-heavy companies, and price-to-sales multiple (“**P/S Multiple**”) is selected for TE Comparables as it is the commonly used valuation benchmark in assessing the valuation of non-profit making and asset-light companies.

Set out below is the details of the VB Comparables.

<b>Company</b>	<b>Ticker</b>	<b>Business description</b>	<b>Market Capitalisation</b> <i>(Note 1)</i> <i>US\$ million</i>	<b>P/B Multiple</b>
Nu Holdings Ltd	NU (NYSE)	Nu Holdings Ltd is a Brazil-based company that provides a digital banking platform. The company offers its customers products across the five financial seasons: spending, saving, investing, borrowing, and protecting. Its spending solutions are designed to help customers pay for goods and services in their everyday lives with a customised credit line or instantly through a mobile phone, while collecting loyalty points and rewards on applicable transactions. Its savings solutions are designed to help customers deposit, manage and save their money in interest-earning accounts with complementary debit cards. Its investing solutions are designed to help customers invest their money in investment products and services. Its borrowing solutions are designed to provide customers with unsecured loans that are easy to receive, manage and pay back. Its NuInsurance protecting solutions are designed to help customers secure life insurance and funeral benefits.	31,773.7	6.5

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<b>Company</b>	<b>Ticker</b>	<b>Business description</b>	<b>Market Capitalisation</b> <i>(Note 1)</i> <i>US\$ million</i>	<b>P/B Multiple</b>
KakaoBank Corp.	323410 (KRX)	KakaoBank Corp. is a Korea-based company principally engaged in the Internet banking business. The company operates its business into two segments. The Banking Business is engaged in the provision of deposit, loan, foreign currency remittance and payment settlement services. The Platform Business is engaged in the provision of stock accounts opening, loans from affiliates recommending and affiliated credit cards services.	9,404.2	2.1
Nordnet AB	SAVE (OMX)	Nordnet AB (publ) is a Sweden-based company that offers a digital platform for savings and investments. Nordnet's core business is savings and investments. Via Nordnet's digital platform, savings and investments are offered in a number of financial products at low costs, as well as a number of selected loan products. The platform is aimed at private savers in Sweden, Norway, Denmark and Finland and is available via nordnet's Web services, app and a number of trading applications developed by partners of the company.	3,488.9	6.8
PT Bank Jago Tbk	ARTO (IDX)	PT Bank Jago Tbk is an Indonesia-based company primarily engaged in the banking business. The bank offers various banking products and services that are categorized into funding and lending activities, along with other supporting banking services. It offers Jago, a finance application that helps in money management.	2,199.4	4.0

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Company	Ticker	Business description	Market Capitalisation <i>(Note 1)</i> US\$ million	P/B Multiple
PT Bank Aladin Syariah Tbk	BANK (IDX)	PT Bank Aladin Syariah Tbk is a digital-based sharia bank in Indonesia. The bank is engaged in conducting business in the field of sharia commercial bank with its banking activities running by sharia principles. The bank is engaged in using information technology to develop funding products, financing and other banking services, such as fund transfers, payments, purchases and others.	1,336.1	6.4
			<b>Mean</b>	5.2
			<b>Median</b>	6.4
			<b>Average of mean and median</b> <i>(Note 2)</i>	5.8

*Source: Bloomberg, website of the New York Stock Exchange (<https://www.nyse.com/>), website of the Korea Exchange (<https://global.krx.co.kr/main/main.jsp>), website of the Indonesia Stock Exchange (<https://www.idx.co.id/id>) and website of the Nasdaq Nordic (<https://www.nasdaqomxnordic.com/>)*

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*Notes:*

1. The market capitalisation was based on the closing price and the total shares in issue as at the date of the 2023 Announcement.
2. The average of the mean value and median value has been adopted as we consider that it reduces the distortion caused by the relatively wide distribution of the VB Comparables (the “**VB Average**”).

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Set out below is the details of the DI Comparables.

Company	Ticker	Business description	Market Capitalisation <i>(Note 1)</i> <i>US\$ million</i>	P/B Multiple
Kinsale Capital Group Inc	KNSL (NYSE)	Kinsale Capital Group, Inc. is a property and casualty insurance company. The company focuses on the excess and surplus lines (E&S) market in the U.S. The company markets and sells insurance products in approximately 50 states, the District of Columbia, the Commonwealth of Puerto Rico and the U.S. Virgin Islands primarily through a network of independent insurance brokers. It writes an array of insurance coverages for risks. Its commercial lines offerings include commercial property, small business casualty, construction, excess casualty, allied health, general casualty, products liability, life sciences, professional liability, energy, management liability, entertainment, environmental, health care, small property, public entity, inland marine, commercial auto, aviation, product recall and ocean marine. The company also writes a small amount of homeowners insurance in the personal lines market, which is included within its personal insurance division.	7,015.4	8.6
ZhongAn Online P & C Insurance Co Ltd	6060 (HK)	ZhongAn Online P & C Insurance Co., Ltd. is an online Insurtech 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.	4,129.9	1.9

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<b>Company</b>	<b>Ticker</b>	<b>Business description</b>	<b>Market Capitalisation</b> <i>(Note 1)</i> <i>US\$ million</i>	<b>P/B Multiple</b>
Oscar Health Inc	OSCR (NYSE)	Oscar Health, Inc. is a health insurance company that has built a full stack technology platform focused on serving its members. It is engaged in offering individual and family, small group, and medicare advantage plans, and +Oscar platform. Its individual and small group consists of policies purchased by individuals and families through health insurance marketplaces. It offers health plans on the individual market on exchange and off-exchange under the four metal plan categories, such as bronze, silver, gold, and platinum. It offers medicare advantage plans to adults who are age 65 and older and eligible for traditional medicare. Its Campaign Builder is its +Oscar modularised solution, which is an engagement and automation platform that enables personalized interventions and automates workflows. Its health plans include access to a network of physicians and hospitals, as well as a personalized care team that supports members from finding a doctor to navigating costs.	1,602.7	1.7

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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<b>Company</b>	<b>Ticker</b>	<b>Business description</b>	<b>Market Capitalisation</b> <i>(Note 1)</i> <i>US\$ million</i>	<b>P/B Multiple</b>
Palomar Holdings Inc	PLMR (NASDAQ)	Palomar Holdings, Inc. is an insurance holding company. The company is focused on providing specialty insurance to residential and commercial earthquake markets. Its primary lines of business include Residential Earthquake, Commercial Earthquake, Inland Marine, Commercial All Risk, Hawaii Hurricane, and Residential Flood. It distributes products through multiple channels, including retail agents, program administrators, wholesale brokers, and in partnership with other insurance companies. The company offers Residential Earthquake products insure against damage to the home, contents, and any appurtenant structures in 37 states. Commercial Earthquake products focused on providing coverage for benign commercial risks. Commercial All Risk policy covers the perils of fire and wind, with wind including hurricane, tornado, and hailstorm. Inland Marine division offers products that include builder's risk, contractor's equipment, mobile equipment, and special property floaters, among others.	1,358.7	3.4

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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<b>Company</b>	<b>Ticker</b>	<b>Business description</b>	<b>Market Capitalisation</b> <i>(Note 1)</i> <i>US\$ million</i>	<b>P/B Multiple</b>
Lemonade Inc	LMND (NYSE)	Lemonade, Inc. is an insurance company that offers renters, homeowners, car, pet, and life insurance. The company offers its products to renters and homeowners in the U.S., contents and liability insurance in Germany, the Netherlands, France, and the United Kingdom. It offers pet insurance that covers diagnostics, procedures, medication, accidents or illness. Its car insurance covers car accidents, weather damage, theft and vandalism, damage from fire, trees, or animals, glass and windshield repair, liability for bodily injury and property damage, medical expenses, roadside assistance. It offers various bots to improve interactions with its customers across its platform, which include AI Maya, AI Jim and CX.AI. Its proprietary applications include Forensic Graph, Blender, and Cooper. Forensic Graph utilizes the combined power of behavioral economics, big data, and artificial intelligence (AI) to predict, deter, detect, and block fraud throughout the customer engagement.	1,224.4	1.5
			<b>Mean</b>	3.4
			<b>Median</b>	1.9
			<b>Average of mean and median</b> <i>(Note 2)</i>	2.7

Source: Bloomberg, website of the Hong Kong Stock Exchange (<https://www.hkex.com.hk/>), website of the New York Stock Exchange (<https://www.nyse.com/>) and website of Nasdaq (<https://www.nasdaq.com>)

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*Notes:*

1. The market capitalisation was based on the closing price and the total shares in issue as at the date of the 2023 Announcement.
2. The average of the mean value and median value has been adopted as we consider that it reduces the distortion caused by the relatively wide distribution of the DI Comparables (the “**DI Average**”).

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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Set out below is the details of the TE Comparables.

<b>Company</b>	<b>Ticker</b>	<b>Business description</b>	<b>Market Capitalisation</b> <i>(Note)</i> <i>US\$ million</i>	<b>P/S Multiple</b>
Guidewire Software Inc	GWRE (NYSE)	Guidewire Software, Inc. is a provider of software products for property and casualty insurers. The company's platform combines core operations, digital engagement, analytics, and artificial intelligence applications delivered as a cloud service or self-managed software. Its core operational services and products include InsuranceSuite Cloud, InsuranceNow, and InsuranceSuite for self-managed installations. Its InsuranceSuite Cloud is a configurable and scalable product, delivered as a service and primarily comprised of three core applications, such as PolicyCenter Cloud, BillingCenter Cloud, and ClaimCenter Cloud. The company's InsuranceNow is a cloud-based application that offers policy, billing, and claims management functionality to insurers. Its InsuranceSuite Cloud is hosted on Amazon Web Services and managed by its internal cloud operations team. The company's Data Platform collects data from InsuranceSuite Cloud and InsuranceNow, as well as other internal and external sources.	6,768.4	7.9

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Company	Ticker	Business description	Market Capitalisation <i>(Note)</i> US\$ million	P/S Multiple
nCino Inc	NCNO (NASDAQ)	nCino, Inc. is a global provider of cloud banking and digital solutions for the global financial services industry. The company offers nCino Bank Operating System, which is a single, multi-tenant software-as-a-service solution that connects financial institutions (FI) employees, their clients and third parties on a single, cloud-based platform, eliminating silos and bringing new levels of coordination and transparency to the FI. This platform provides all the functionality necessary to complete workflow, enabling client onboarding, loan origination, deposit account opening, analytics and compliance. The nCino Bank Operating System also delivers data analytics and artificial intelligence and machine learning (AI/ML) capabilities through its nCino IQ application suite to provide its customers with automation and insights into their operations, such as tools for analyzing, measuring and managing credit risk, as well as to improve their ability to comply with regulatory requirements.	3,085.8	7.1
			<b>Mean</b>	<b>7.5</b>

*Source: Bloomberg, website of the New York Stock Exchange (<https://www.nyse.com/>) and website of Nasdaq (<https://www.nasdaq.com>)*

*Note: The market capitalisation was based on the closing price and the total shares in issue as at the date of the 2023 Announcement.*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### Value of ZATI based on sum-of-the-parts (“SOTP”)

Since ZATI comprises three distinct businesses, we have therefore performed an assessment on the value of ZATI based on the sum of value of the three segments, as SOTP valuation will more accurately reflect the valuation placed by the market on the different businesses.

Based on the above Comparable Companies analysis, the SOTP valuation of the Group is as follows:

*(Approximately)*

#### **Virtual banking segment**

Equity attributable to virtual banking segment as at December 31, 2022	US\$275.0 million
P/B Multiple adopted <i>(Note 1)</i>	5.8
<b>Implied value of virtual banking segment (A)</b>	<b>US\$1,592.0 million</b>

#### **Digital-only insurance segment**

Equity attributable to digital-only insurance segment as at December 31, 2022	US\$77.5 million
P/B Multiple adopted <i>(Note 2)</i>	2.7
Implied value of digital-only insurance segment	US\$206.8 million
<b>Implied value of digital-only insurance segment attributable to ZATI <i>(Note 3)</i> (B)</b>	<b>US\$134.4 million</b>

#### **Technology export segment**

Total revenue and other income attributable to technology export segment for the year ended December 31, 2022	US\$44.8 million
P/S Multiple adopted <i>(Note 4)</i>	7.5
Implied value of technology export segment	US\$337.5 million
<b>Implied value of technology export segment attributable to ZATI <i>(Note 5)</i> (C)</b>	<b>US\$165.4 million</b>

Total value of ZATI (A+B+C)	US\$1,891.8 million
Total number of ZATI Ordinary Shares (including reserved ESOP shares of 420,000,000 ZATI Ordinary Shares)	3,234,133,662
<b>Implied SOTP valuation per ZATI Ordinary Share</b>	<b>US\$0.585</b>

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#### Notes:

1. The VB Average P/B Multiple of the VB Comparables has been adopted.
2. The DI Average P/B Multiple of the DI Comparables has been adopted.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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3. The implied value of digital-only insurance segment is calculated by multiplying the 65% shareholding held by ZATI.
4. The mean P/S Multiple of the TE Comparables has been adopted.
5. The implied value of technology export segment is calculated by multiplying the 49% shareholding held by ZATI.

Based on the above result, the sum of business value of ZATI's three business segments would be approximately US\$1,891.8 million or US\$0.585 per ZATI Ordinary Share. Accordingly, the Purchase Price of US\$0.66 per ZATI Ordinary Share represents a premium of approximately 12.8% over such calculated SOTP value. We are of the opinion that the premium is justifiable taking into account the growth potential of the Fintech and Insurtech industries and the business prospects of ZATI as a young company, which renders higher growth than the Comparable Companies, as discussed above.

Taking into consideration (i) that the Purchase Price of US\$0.66 per ZATI Ordinary Share represents a premium of approximately 12.8% over the implied SOTP valuation of US\$0.585 per ZATI Ordinary Share; (ii) the Purchase Price was the same as the purchase price of the 2022 Sinolink Subscription; (iii) the bases taken into account when determining the Purchase Price after arm's length negotiations between the parties to the Share Purchase Agreement as stated in the Letter from the Board; (iv) the reasons for and benefits of the Additional Sinolink Subscription as discussed above; and (v) the growth potential of the Fintech and Insurtech industries and the business prospect of ZATI as a young company, which renders higher growth than the Comparable Companies, we are of the view that the Purchase Price is fair and reasonable so far as the Independent Shareholders are concerned.

### 5. EFFECT OF THE TRANSACTION

As disclosed in the Letter from the Board, it is expected that the Company will record a gain in relation to the Additional Sinolink Subscription and the transactions contemplated thereunder upon the Initial Closing. When the Company loses control of ZATI, the assets and liabilities of ZATI and non-controlling interests of ZATI are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the fair value of any retained interest in ZATI by the Company, and (ii) the carrying amount of the identifiable assets and liabilities of ZATI attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to ZATI are accounted for as if the Company had directly disposed of the related assets or liabilities of ZATI (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). As the Company will need to appoint a relevant third party valuer to further evaluate the fair value of ZATI at the date of deconsolidation, it is currently not in a position to calculate and disclose the amount of the relevant gain in the Circular pending the information of such valuation.

The Company will announce the gain in relation to the Additional Sinolink Subscription and the transactions contemplated thereunder upon the Initial Closing as soon as practicable after the information becomes available.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### RECOMMENDATION

Having considered the above principal factors, we are of the opinion that although the entering into of the Share Purchase Agreement is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and Shareholders as a whole and are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders, and we advise the Independent Shareholders, to vote in favor of the ordinary resolutions to be proposed at the EGM for approving the Share Purchase Agreement and the transactions contemplated thereunder (including the Additional Sinolink Subscription).

Yours faithfully,  
For and on behalf of  
**Lego Corporate Finance Limited**  
**Ms. Kristie Ho**  
*Managing Director*

*Ms. Kristie Ho is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited 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). She has over 15 years of experience in the finance and investment banking industry.*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable inquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors and Chief Executive

As at the Latest Practicable Date and in accordance with the records of the Company maintained in accordance with the SFO and the Listing Rules, the interests and short positions of the Directors or Chief Executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and the Chief Executive of the Company are taken and deemed to have under such provisions of the SFO, or which are required to be and are recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Class of Shares	Nature of interest	Number of Shares	Approximate percentage in Shares of the same class <sup>(1)</sup>	Approximate percentage of the Company's total issued share capital <sup>(1)</sup>
Yaping Ou <sup>(2)</sup>	H Shares	Interest of controlled corporation	81,000,000 (Long position)	5.70%	5.51%

*Notes:*

- (1) The shareholding percentages are calculated on the basis of 50,000,000 Domestic Shares and 1,419,812,900 H Shares.
- (2) Cnhooray Internet Technology Co. Ltd. (深圳日訊網絡科技股份有限公司) is a subsidiary of Timeway Holdings Limited (中宇集團有限公司). The entire interest of Timeway Holdings Limited (中宇集團有限公司) is held by Sinolink which is listed on the Hong Kong Stock Exchange (stock code: 1168) and is owned by Asia Pacific Promotion Limited, a company wholly owned by Mr. Yaping Ou, as to approximately 45.10%. As such, Timeway Holdings Limited (中宇集團有限公司), Sinolink, Asia Pacific Promotion Limited and Mr. Yaping Ou are deemed to be interested in the Shares held by Cnhooray Internet Technology Co. Ltd. (深圳日訊網絡科技股份有限公司).

Save as disclosed above, as at the Latest Practicable Date, so far as is known to any Director or the Chief Executive of the Company, none of the Directors and the Chief Executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO (including the interests and short positions which the Director is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, the following Directors were directors or employees of companies which had an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (a) Mr. Yaping Ou is a non-executive director of Sinolink and the chairman of Cnhooray Internet Technology Co. Ltd. Sinolink is deemed to be interested in, for the purpose of the SFO, 81,000,000 H Shares, representing approximately 5.51% of the total number of issued shares of the Company. All of such 81,000,000 H Shares are held by Cnhooray Internet Technology Co. Ltd., a subsidiary of Timeway Holdings Limited, which in turn is entirely owned by Sinolink.
- (b) Mr. Gang Ji is the vice president and head of the strategic investment and corporate development department of Ant Group Co. Ltd. (“**Ant Group**”). Ant Group is interested in 152,462,937 H Shares, representing approximately 10.37% of the total number of issued shares of the Company.
- (c) Mr. Hugo Jin Yi Ou is a non-executive director of Sinolink. Sinolink is deemed to be interested in, for the purpose of the SFO, 81,000,000 H Shares, representing approximately 5.51% of the total number of issued shares of the Company. All of such 81,000,000 H Shares are held by Cnhooray Internet Technology Co. Ltd., a subsidiary of Timeway Holdings Limited, which in turn is entirely owned by Sinolink.
- (d) Mr. Liangxun Shi is the general manager of Ping An P&C. Ping An P&C is a subsidiary of Ping An Insurance, which is interested in 150,000,000 H Shares, representing approximately 10.21% of the total number of issued shares of the Company.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other Director who was a director or employee of a company which had an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**(b) Substantial Shareholders**

As at the Latest Practicable Date, so far as the Directors are aware, the following persons (other than the Directors or Chief Executive of the Company) had an interest or short position in the Shares or underling Shares which are required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

<b>Name of Shareholder</b>	<b>Class of Shares</b>	<b>Nature of interest</b>	<b>Number of Shares<sup>(1)</sup></b>	<b>Approximate percentage in Shares of the same class<sup>(2)</sup></b>	<b>Approximate percentage of the Company's total issued share capital<sup>(2)</sup></b>
Ant Group	H Shares	Beneficial interest	152,462,937	10.74%	10.37%
Ping An Insurance <sup>(3)</sup>	H Shares	Beneficial interest	150,000,000	10.56%	10.21%
Shenzhen Jia De Xin Investment Limited <sup>(4)</sup>	H Shares	Beneficial interest	133,615,251	9.41%	9.09%
Shenzhen Huaxinlian Investment Limited <sup>(4)</sup>	H Shares	Interest of controlled corporation	133,615,251	9.41%	9.09%
Yafei Ou <sup>(4)</sup>	H Shares	Interest of controlled corporation	133,615,251	9.41%	9.09%
Tencent Computer System <sup>(5)</sup>	H Shares	Beneficial interest	114,921,812	8.09%	7.82%
Huateng Ma <sup>(5)</sup>	H Shares	Interest of controlled corporation	114,921,812	8.09%	7.82%
Tencent <sup>(5)</sup>	H Shares	Interest of controlled corporation	114,921,812	8.09%	7.82%
Unifront Holding Limited <sup>(6)</sup>	H Shares	Beneficial interest	90,000,000	6.33%	6.12%
Shanghai Songlu Investment Management Co., Ltd. <sup>(6)</sup>	H Shares	Interest of controlled corporation	90,000,000	6.33%	6.12%
Shanghai Jianguo Investment Management Co., Ltd. <sup>(6)</sup>	H Shares	Interest of controlled corporation	90,000,000	6.33%	6.12%

Name of Shareholder	Class of Shares	Nature of interest	Number of Shares <sup>(1)</sup>	Approximate percentage in Shares of the same class <sup>(2)</sup>	Approximate percentage of the Company's total issued share capital <sup>(2)</sup>
Shanghai Xinlu Investment Management Co., Ltd. <sup>(6)</sup>	H Shares	Interest of controlled corporation	90,000,000	6.33%	6.12%
Shanghai Youlu Investment Management Co., Ltd. <sup>(6)</sup>	H Shares	Interest of controlled corporation	90,000,000	6.33%	6.12%
Zhen Zhang <sup>(6)</sup>	H Shares	Interest of controlled corporation	90,000,000	6.33%	6.12%
Cnhooray Internet Technology Co. Ltd. <sup>(7)</sup>	H Shares	Beneficial interest	81,000,000	5.70%	5.51%
Timeway Holdings Limited <sup>(7)</sup>	H Shares	Interest of controlled corporation	81,000,000	5.70%	5.51%
Sinolink <sup>(7)</sup>	H Shares	Interest of controlled corporation	81,000,000	5.70%	5.51%
Asia Pacific Promotion Limited <sup>(7)</sup>	H Shares	Interest of controlled corporation	81,000,000	5.70%	5.51%
Shanghai Yuanqiang Investment Company Limited <sup>(8)</sup>	Domestic Shares	Beneficial interest	50,000,000	100%	3.40%
Song Zou <sup>(8)</sup>	Domestic Shares	Interest of controlled corporation	50,000,000	100%	3.40%

*Notes:*

- (1) All the Shares are held in long position (as defined under Part XV of the SFO) unless otherwise specified.
- (2) The shareholding percentages are calculated on the basis of 50,000,000 Domestic Shares and 1,419,812,900 H Shares.
- (3) Ping An Insurance is a joint-stock company incorporated in the PRC and listed on Main Board of the Stock Exchange (stock code: 2318) and the Shanghai Stock Exchange (stock code: 601318).
- (4) Shenzhen Jia De Xin Investment Limited (深圳市加德信投資有限公司) is a subsidiary of Shenzhen Huaxinlian Investment Limited (深圳市華信聯投資有限公司). As such, Shenzhen Huaxinlian Investment Limited is deemed to be interested in the Shares held by Shenzhen Jia De Xin Investment Limited. Shenzhen Huaxinlian Investment Limited is controlled by Mr. Yafei Ou (歐亞非). As such, Mr. Yafei Ou (歐亞非) is deemed to be interested in the Shares held by Shenzhen Jia De Xin Investment Limited.

- (5) Tencent Computer System is a consolidated affiliated entity (through contractual arrangements) of Tencent, a company listed on the Stock Exchange (stock code: 0700), and is one of its principal PRC domestic operating entities. Tencent Computer System is a leading provider of Internet value-added services in the PRC and a clear holder of the Company's Shares. As such, Tencent is deemed to be interested in the Shares held by Tencent Computer System. Mr. Huateng Ma (馬化騰) holds 54.29% shares in Tencent Computer System.
- (6) Unifront Holding Limited (優孚控股有限公司) is owned by Shanghai Songlu Investment Management Co., Ltd. (上海松鹿投資管理有限公司) as to 25.00%, Shanghai Jianglu Investment Management Co., Ltd. (上海江鹿投資管理有限公司) as to 16.88% and Shanghai Xinlu Investment Management Co., Ltd. (上海鑫鹿投資管理有限公司) as to 13.12%. The entire interest of Shanghai Songlu Investment Management Co., Ltd., Shanghai Jianglu Investment Management Co., Ltd. and Shanghai Xinlu Investment Management Co., Ltd. are held by Shanghai Youlu Investment Management Co., Ltd. (上海游鹿投資管理有限公司), which in turn is controlled by Zhen Zhang (張真). As such, Shanghai Youlu Investment Management Co., Ltd., Shanghai Songlu Investment Management Co., Ltd., Shanghai Jianglu Investment Management Co., Ltd. and Shanghai Xinlu Investment Management Co., Ltd. are deemed to be interested in the Shares held by Unifront Holding Limited. As such, Zhen Zhang (張真) is deemed to be interested in the Shares held by Unifront Holding Limited.
- (7) Cnhooray is a subsidiary of Timeway Holdings Limited (中宇集團有限公司). The entire interest of Timeway Holdings Limited (中宇集團有限公司) is held by Sinolink. Sinolink is held by Asia Pacific Promotion Limited (a company wholly owned by Mr. Yaping Ou) as to approximately 45.10%. As such, Timeway Holdings Limited (中宇集團有限公司), Sinolink, Asia Pacific Promotion Limited and Mr. Yaping Ou are deemed to be interested in the Shares held by Cnhooray.
- (8) Shanghai Yuanqiang Investment Company Limited (上海遠強投資有限公司) is owned by Mr. Song Zou (鄒松) as to 80.00%. As such, Mr. Song Zou (鄒松) is deemed to be interested in the Shares held by Shanghai Yuanqiang Investment Company Limited (上海遠強投資有限公司).

Save as disclosed above, according to the register kept by the Company under Section 336 of the SFO, there was no other person who had a substantial interest or short positions in the Shares or underlying Shares as at the Latest Practicable Date.

### 3. FURTHER INFORMATION CONCERNING DIRECTORS

#### (a) Directors' service contracts

As at the Latest Practicable Date, none of the Directors had entered, or was proposing to enter, into any service contract with any member of the Group (excluding contracts expiring or determinable by such member of the Group within one year without payment of compensation (other than statutory compensation)).

#### (b) Directors' interest in competing business

As at the Latest Practicable Date, none of the Directors or their respective close associate is or was interested in any business apart from the Group's business, that competes or is likely to compete, either directly or indirectly, with the Group's business.

#### (c) Directors' interest in assets

None of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of or leased to any member of the Group or proposed to be so acquired, disposed of or leased since December 31, 2022, being the date to which the latest published audited accounts of the Company were made up, and up to the Latest Practicable Date.

**(d) Directors' interest in contracts**

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial position or trading prospects of the Group since December 31, 2022, the date to which the latest published audited financial statements of the Company were made up.

**5. QUALIFICATION AND CONSENT OF EXPERT**

The following is the qualification of the expert or professional adviser who has given opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
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)

Lego Corporate Finance Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

**6. INTERESTS OF EXPERT**

As at the Latest Practicable Date, Lego Corporate Finance Limited:

- (a) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (b) was not interested, directly or indirectly, in any assets which have been or are proposed to be acquired or disposed of by or leased to any member of the Group since December 31, 2022, being the date to which the latest published audited accounts of the Company were made up.

**7. DOCUMENTS ON DISPLAY**

A copy of the Share Purchase Agreement will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.zhongan.com](http://www.zhongan.com)) for a period of 14 days from the date of this circular.

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## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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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)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms in this notice of the extraordinary general meeting (the "EGM") shall have the same meanings as defined in the circular of ZhongAn Online P & C Insurance Co., Ltd. (the "Company") dated June 29, 2023 unless the context otherwise specified.

**NOTICE IS HEREBY GIVEN** that the EGM of the Company will be held at Conference Room Xin Pu Zhu Lin, 2/F, 219 Yuanmingyuan Road, Huangpu District, Shanghai, the PRC on Friday, July 14, 2023 at 10 a.m. for the purpose of considering, and if thought fit, passing the following resolutions, with or without modification, as ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

**"THAT**

- (a) the Share Purchase Agreement and the transactions contemplated thereunder be and are hereby approved and confirmed; and
- (b) any one director of the Company be and are hereby generally and unconditionally authorized to do all such further acts and things and to sign and execute all such other or further documents and to take all such steps as he/she may consider necessary, desirable, appropriate or expedient to implement and/or give effect to or otherwise in connection with the Share Purchase Agreement and the transactions contemplated thereunder."

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

Shanghai, the PRC, June 29, 2023

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

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## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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*Notes:*

- (1) In order to determine the list of shareholders of the Company (the “Shareholders”) who are entitled to attend the EGM, the register of members of the Company will be closed from Tuesday July 11, 2023 to Friday, July 14, 2023, both days inclusive, during which period no transfer of shares of the Company (the “Shares”) will be registered. Unregistered holders of Shares who wish to attend the EGM must lodge the share certificates accompanied by transfer documents with the Company’s H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H shares of the Company) or the Company’s office of the board of directors at 4-5/F, Associate Mission Building, 169 Yuanmingyuan Road, Shanghai, the PRC (for holders of domestic shares of the Company) no later than 4:30 p.m. on Monday, July 10, 2023 for registration. Shareholders whose names appear on the register of members of the Company on Friday, July 14, 2023 shall be entitled to attend and vote at the EGM.
- (2) A Shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote in his stead. A proxy need not be a Shareholder but must attend the EGM in person to represent the relevant Shareholder.

The instrument appointing a proxy must be in writing under the hand of a Shareholder or a representative authorised in writing by such Shareholder. If the Shareholder is a corporation, the instrument must bear the official stamp or the signatures of its directors, or representatives duly authorised. If that instrument is signed by another person authorised by the shareholder, the power of attorney authorising the signature or other authorisation document must be notarised.

In order to be valid, the proxy form together with the notarised power of attorney or other authorisation document (if any) must be deposited at the Company’s H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H shares of the Company) or the Company’s office of the board of directors at 4-5/F, Associate Mission Building, 169 Yuanmingyuan Road, Shanghai, the PRC (for holders of domestic shares of the Company) not less than 24 hours before the time fixed for the holding of the EGM (i.e. before 10 a.m. on Thursday, July 13, 2023) or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof if he so wishes.

- (3) According to the provisions of the articles of association of the Company, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolution set out in this notice of the EGM will be voted on by way of poll.
- (4) Shareholders or their proxies attending the EGM (or any adjournment thereof) shall produce their identity documents. Shareholders or their proxies attending the EGM shall be responsible for their own travelling and accommodation expenses.
- (5) For details of the ordinary resolutions, please refer to the circular of the Company dated June 29, 2023.
- (6) If the attending Shareholder is a corporation, its legal representative shall present his/her own identity card, valid certificates and valid documents evidencing his/her capacity as legal representative, whereas the proxy authorised by the legal representative shall present his/her identity card and written proxy form legally issued by the relevant Shareholder.
- (7) References to time and dates in this notice are to Hong Kong time and dates.

*As at the date of this notice, the Board comprises two executive Directors, namely Mr. Xing Jiang and Mr. Gaofeng Li, five non-executive Directors, namely Mr. Yaping Ou, Mr. Liangxun Shi, Mr. Gang Ji, Mr. Shuang Zhang and Mr. Hugo Jin Yi Ou, and four independent non-executive Directors, namely Mr. Wei Ou, Ms. Vena Wei Yan Cheng, Ms. Gigi Wing Chee Chan and Mr. Hai Yin.*