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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)**

## **REVISION OF ANNUAL CAPS FOR THE ONLINE PLATFORM COOPERATION FRAMEWORK AGREEMENT AND THE AUTO CO-INSURANCE COOPERATION AGREEMENT**

References are made to the 2022 Announcement, the circular of the Company dated November 30, 2022 and the announcement of the Company dated December 29, 2022 in relation to the continuing connected transactions contemplated under the Online Platform Cooperation Framework Agreement and the Auto Co-insurance Cooperation Agreement.

Based on the reasons mentioned in this announcement, it is expected that (i) the total Service Fees payable by the Company under the Online Platform Cooperation Framework Agreement and (ii) the total premiums receivable by the Company under the Auto Co-insurance Cooperation Agreement will exceed the Existing Ant Group Annual Caps and the Existing Ping An Annual Caps, respectively. Accordingly, on October 27, 2023 (after trading hours), the Company entered into:

- (i) the Online Platform Cooperation Framework Supplemental Agreement with Ant Group to amend the Online Platform Cooperation Framework Agreement by revising the Existing Ant Group Annual Caps; and
- (ii) the Auto Co-insurance Cooperation Supplemental Agreement with Ping An P&C to amend the Auto Co-insurance Cooperation Agreement by revising the Existing Ping An Annual Caps.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement:

- (i) Ant Group is a substantial shareholder of the Company under the Listing Rules. Ant Group and its subsidiaries are therefore connected persons of the Company under Chapter 14A of the Listing Rules; and
- (ii) Ping An P&C is a subsidiary of Ping An Insurance, which is a substantial shareholder of the Company. Ping An P&C is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

As a result, the transactions contemplated under each of the Online Platform Cooperation Framework Agreement and the Auto Co-insurance Cooperation Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will have to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions. As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the revised annual caps for each of the Online Platform Cooperation Framework Supplemental Agreement and the Auto Co-insurance Cooperation Supplemental Agreement are more than 5%, respectively, the transactions thereunder are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL INFORMATION AND EGM**

The Company will convene an EGM for the Shareholders to consider and, if thought fit, approve the Online Platform Cooperation Framework Supplemental Agreement and the Auto Co-insurance Cooperation Supplemental Agreement.

The Independent Board Committee, comprising all of the independent non-executive Directors, will be formed to advise (i) the Ant Group Independent Shareholders in relation to the Online Platform Cooperation Framework Agreement (as amended by the Online Platform Cooperation Framework Supplemental Agreement); and (ii) the Ping An Independent Shareholders in relation to the Auto Co-insurance Cooperation Agreement (as amended by the Auto Co-insurance Cooperation Supplemental Agreement). Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee, the Ant Group Independent Shareholders and the Ping An Independent Shareholders in this regard.

## **DESPATCH OF CIRCULAR**

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

## **BACKGROUND**

References are made to the 2022 Announcement, the circular of the Company dated November 30, 2022 and the announcement of the Company dated December 29, 2022 in relation to the continuing connected transactions contemplated under the Online Platform Cooperation Framework Agreement and the Auto Co-insurance Cooperation Agreement.

Based on the reasons mentioned in this announcement, it is expected that (i) the total Service Fees payable by the Company under the Online Platform Cooperation Framework Agreement and (ii) the total premiums receivable by the Company under the Auto Co-insurance Cooperation Agreement will exceed the Existing Ant Group Annual Caps and the Existing Ping An Annual Caps, respectively. Accordingly, on October 27, 2023 (after trading hours), the Company entered into:

- (i) the Online Platform Cooperation Framework Supplemental Agreement with Ant Group to amend the Online Platform Cooperation Framework Agreement by revising the Existing Ant Group Annual Caps; and
- (ii) the Auto Co-insurance Cooperation Supplemental Agreement with Ping An P&C to amend the Auto Co-insurance Cooperation Agreement by revising the Existing Ping An Annual Caps.

## 1. ONLINE PLATFORM COOPERATION FRAMEWORK SUPPLEMENTAL AGREEMENT

Pursuant to the Online Platform Cooperation Framework Agreement, the Group shall use online platforms operated by Ant Group and/or its associates to sell various insurance products to end users of their online platforms for a term of three years from January 1, 2023 to December 31, 2025. According to the Online Platform Cooperation Framework Agreement, the Existing Ant Group Annual Caps for the years ending December 31, 2023, 2024 and 2025 are RMB937,300,000, RMB984,170,000 and RMB1,033,380,000, respectively.

For the reasons set out in the section headed “Basis of the Revised Ant Group Annual Caps” of this announcement, it is expected that the total Service Fees payable by the Company under the Online Platform Cooperation Framework Agreement for the years ending December 31, 2023, 2024 and 2025 will exceed the Existing Ant Group Annual Caps. Accordingly, on October 27, 2023 (after trading hours), the Company entered into the Online Platform Cooperation Framework Supplemental Agreement.

The Online Platform Cooperation Framework Supplemental Agreement revises the Existing Ant Group Annual Caps to the Revised Ant Group Annual Caps (as defined below), effective upon the approval of the Ant Group Independent Shareholders. Pursuant to the Online Platform Cooperation Framework Supplemental Agreement, the Revised Ant Group Annual Caps for the years ending December 31, 2023, 2024 and 2025 shall be RMB1,291,540,000, RMB1,354,630,000 and RMB1,561,850,000, respectively (the “**Revised Ant Group Annual Caps**”)

Save for the Revised Ant Group Annual Caps, the other terms and conditions in the Online Platform Cooperation Framework Agreement remain unchanged and in full force and effect. For details of the Online Platform Cooperation Framework Agreement, please refer to the 2022 Announcement.

As at the date of this announcement, the aggregate of the total Service Fees paid by the Company to Ant Group pursuant to the Online Platform Cooperation Framework Agreement has not exceeded the Existing Ant Group Annual Caps.

### **Basis of the Revised Ant Group Annual Caps**

The Revised Ant Group Annual Caps have been determined principally with reference to (i) the total Service Fees of RMB717,150,000 that have been paid to Ant Group and/or its associates for the eight months ended August 31, 2023, which represents approximately 76.5% of the annual cap for the year ending December 31, 2023 under the Existing Ant Group Annual Caps, (ii) an expected increase in the Service Fees be payable to Ant Group for the four months ending December 31, 2023,

which was estimated with reference to the anticipated higher amount of sales to be achieved during the fourth quarter of 2023 with the Double Eleven and Double Twelve shopping festivals, and (iii) the estimated market demand for the insurance products and services from the date of this announcement until December 31, 2025, taking into account (a) the expansion of portfolio of insurance products under the cooperation between the Group and Ant Group and/or its associates, through which the Company can sell its insurance products to end users and at the same time better serve the insurance needs of ecological Internet users based on mutual cooperation, thus improving the user experience of the platforms; (b) the positive recovery in the domestic economy and the unleashing pent-up travel demand; (c) the popularity of the existing online platforms established by Ant Group and/or its associates through which the Group can sell its insurance products to end users; and (d) the leverage in the insurance technology and Internet ecological service capabilities accumulated by the Group, which the Group expects to continue to result in growth in the sales of the Internet insurance products through Ant Group and its partners.

### **Historical Figures**

The total Service Fees paid by the Company under the online platform cooperation framework agreements previously entered into between the Company and Ant Group and the Online Platform Cooperation Framework Agreement for the two years ended December 31, 2021 and 2022 and eight months ended August 31, 2023 was approximately RMB1,300,842,000, RMB877,583,000 and RMB717,150,000, respectively.

### **Pricing Policies**

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

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

The calculation of the Service Fees for the three main types of insurance products sold by the Group under the Online Platform Cooperation Agreement, namely health insurance, travel insurance and e-commerce insurance, will be based on a fixed rate of the total premiums received by the Group through Ant Group and/or its associates,

which is determined based on a number of factors specific to each insurance product, including the product's risk management level, the promotion(s) offered by the online platform, prevailing market prices for similar insurance products and the scale of the product's business. The Service Fees are typically between 2.0% to 40.0% of the total premiums received.

### **Reasons for and Benefits of the transactions with Ant Group and the Revised Ant Group Annual Caps**

The Company is one of only four companies with an online insurance license in the PRC. It is necessary as part of the Group's online business development to utilize various online platforms to reach a wider customer base. The cooperation with Ant Group (and its subsidiaries) under the Online Platform Cooperation Framework Agreement (as amended by the Online Platform Cooperation Framework Supplemental Agreement) will continue to be beneficial to the Group in light of Ant Group's market position among online platform service providers in the PRC market as well as its close cooperation with Alibaba and other well-known online platforms, which will bring more revenue for the Company to collaborate with Ant Group to sell the Company's insurance products via Ant Group's online platforms and allow the Group to secure important sales channels which offer steadily increasing revenue and in turn enhance the Group's influence in the online insurance market and brand awareness, which is conducive to the development of the Group's business in the future and in the interest of the Group and the Shareholders as a whole.

The Company considers Ant Group to be an important ecosystem partner and the customer reach offered by Ant Group is incomparable to other online platform service providers. The Company anticipates that the amount of Service Fees payable by the Company will continue to increase, hence the Board expects that the Existing Ant Group Annual Caps will not be sufficient to meet the Company's requirements and proposed to revise the Existing Ant Group Annual Caps.

Having taken into account the above reasons and benefits, the Directors (including all of the independent non-executive Directors but excluding Mr. Gang Ji, who has abstained from voting on the relevant Board resolutions) are of the view that the continuing connected transactions contemplated under the Online Platform Cooperation Framework Agreement (as amended by the Online Platform Cooperation Framework Supplemental Agreement) have been conducted on normal commercial terms, were entered into in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and its shareholders as a whole, and that the Revised Ant Group Annual Caps for the continuing connected transactions under the Online Platform Cooperation Framework Agreement are fair and reasonable.



## 2. AUTO CO-INSURANCE COOPERATION SUPPLEMENTAL AGREEMENT

Pursuant to the Auto Co-insurance Cooperation Agreement, the Company shall enter into agreements for the provision of auto insurance products to the public, and Ping An P&C shall be responsible for operating the duties (including co-insuring and making payments pursuant to claims) under such auto insurance agreements for a term of two years from January 1, 2023 to December 31, 2024. Payments under such auto insurance agreements shall be made to the Company which will then be settled with Ping An P&C. According to the Auto Co-insurance Cooperation Agreement, the Existing Ping An Annual Caps for the years ending December 31, 2023 and 2024 are RMB1,488,000,000 and RMB1,786,000,000, respectively.

For the reasons set out in the section headed “Basis of the Revised Ping An Annual Caps” of this announcement, it is expected that the total premiums receivable by the Company under the Auto Co-insurance Cooperation Agreement for the years ending December 31, 2023 and 2024 will exceed the Existing Ping An Annual Caps. Accordingly, on October 27, 2023 (after trading hours), the Company entered into the Auto Co-insurance Cooperation Supplemental Agreement.

The Auto Co-insurance Cooperation Supplemental Agreement revises the Existing Ping An Annual Caps to the Revised Ping An Annual Caps (as defined below), effective upon the approval of the Ping An Independent Shareholders. Pursuant to the Auto Co-insurance Cooperation Supplemental Agreement, the Revised Ping An Annual Caps for the years ending December 31, 2023 and 2024 shall be RMB1,600,000,000 and RMB2,150,000,000, respectively (the “**Revised Ping An Annual Caps**”).

Save for the Revised Ping An Annual Caps, the other terms and conditions in the Auto Co-insurance Cooperation Agreement remain unchanged and in full force and effect. For details of the Auto Co-insurance Cooperation Agreement, please refer to the 2022 Announcement and the circular of the Company dated November 30, 2022.

As at the date of this announcement, the aggregate of the total premiums received by the Company pursuant to the Auto Co-insurance Cooperation Agreement has not exceeded the Existing Ping An Annual Caps.

## **Basis of the Revised Ping An Annual Caps**

The Revised Ping An Annual Caps have been determined principally with reference to the following factors/reasons:

- (i) the total premiums of approximately RMB1,037.4 million that have been shared by the Group for the eight months ended August 31, 2023, which represents approximately 69.7% of the annual cap for the year ending December 31, 2023 under the Existing Ping An Annual Caps;
- (ii) the total premiums expected to be received by the Company for the four months ending December 31, 2023;
- (iii) the rebound of the domestic PRC passenger car market with a 9.8% year-on-year growth in sales volume in the first half of 2023;
- (iv) the favourable government policies in the new energy vehicle industry, which is expected to encourage young consumers to purchase new energy vehicles in the PRC and thereby drive up the consumption demand for new energy vehicle insurance;
- (v) the expected increase in demand for auto insurance which is expected to be driven by the prosperity of the electric vehicle industry; insurance costs and premiums are higher for electric vehicles, thereby further increasing the premiums expected to be received by the Group for the two years ending December 31, 2024. The PRC automobile industry had officially accelerated the pace of reform driven by the constant promotion of a new energy security strategy and the establishment of the “dual carbon” goals. In early 2022, the State Council of the PRC promulgated the 14th Five-Year Plan for the Comprehensive Work Plan for Energy Conservation and Emission Reduction (「十四五」節能減排綜合工作方案) in respect of the transportation and logistics energy saving and emission reduction project, which aims to boost the sales of new energy vehicles to around 20% of the total sales of new vehicles by 2025. Moreover, certain divisions, including the National Development and Reform Commission, promulgated the Implementation Plan for Promoting Green Consumption (促進綠色消費實施方案), proposing to develop green transportation consumption vigorously, such as implementing the lifting of traffic restrictions, road rights and other support policies, lifting the restrictions on the purchase of new energy vehicles gradually, and facilitating the construction of infrastructure and hardware including hydrogen refueling, battery swapping stations and new energy storage. Taking into account that the Group is one of the few online Insurtech companies in the PRC to provide online auto insurance, we consider the Group is well-positioned to seize the opportunities and benefit from the growth of the electric vehicles industry.



On the basis of the above, the Company anticipates a year-on-year growth rate of approximately 34.4% for the premiums it will receive for its auto insurance business under the Auto Co-insurance Cooperation Agreement for each of the two years ending December 31, 2024.

### **Historical Figures**

The total premiums received by the Company under the previous auto co-insurance cooperation agreement entered into between the Company and Ping An P&C and the Auto Co-insurance Cooperation Agreement for the two years ended December 31, 2021 and 2022 and eight months ended August 31, 2023 was approximately RMB941,851,000, RMB1,219,856,000 and RMB1,037,410,000, respectively.

### **Pricing Policies**

Auto insurance premiums are heavily regulated in the PRC and the premiums charged under the Auto Co-insurance Cooperation Agreement are determined at a market rate and approved by the NAFR. The Company's business department determines all aspects of the product, including the pricing, according to analysis of prevailing market conditions and various other procedures. These prices must conform with the terms and regulations set by the Company and be approved by other relevant departments of the Company such as the actuary department and the operations management center. The premium and claim payment sharing ratio between the Company and Ping An Group is agreed by both parties after arm's length negotiations having regard to the fact that Ping An Group will be responsible for the daily operations of the agreements, including receiving reports of claims, investigating the claims and maintaining customer records.

Pursuant to the Auto Co-insurance Cooperation Agreement, the premiums, claims and all fees and expenses incurred in the provision of auto co-insurance pursuant to the Auto Co-insurance Cooperation Agreement are to be shared by the Company and Ping An P&C at 50:50 ratio, respectively.

## **Reasons for and Benefits of The Transactions with Ping An P&C and the Revised Ping An Annual Caps**

Ping An Group is one of the largest insurance providers in the PRC. Property and casualty insurance has been the foundation of its business with steady growth since its inception. The increase of the annual caps for the Auto Co-insurance Cooperation Agreement between Ping An P&C and the Company in the provision of auto co-insurance products to the public represents an affirmation by both parties of the results of the existing cooperation, indicating the determination and confidence of both parties to further deepen the cooperation and marking a higher level of cooperation and business exploration between the parties in the area of auto insurance. In addition, the Company believes that its collaboration with Ping An P&C is mutually beneficial. The Auto Co-insurance Cooperation Agreement, as captured by the Revised Ping An Annual Caps, allows the Company to not only share the risk of claims with Ping An Group but also benefit from Ping An P&C's brand name in the PRC market and its expertise in the operation of the provision of auto insurance products, while Ping An P&C benefits from the Company's technological expertise such as using big data analytics in price determination, personalised product design based on the Company's proprietary technologies and its network of platforms from its ecosystem partners as well as its own proprietary platforms to provide the front-line sales channels to Ping An P&C. Moreover, the Directors believe that Ping An Group's online auto co-insurance network will provide the Company with a number of opportunities to conduct a variety of business explorations.

Given that the actual amount of premiums shared by the Group for the eight months ended August 31, 2023 was approximately RMB1,037.4 million, and in light of the favourable government policies in the new energy vehicle industry, the Board expects that the Existing Ping An Annual Caps will not be sufficient to meet the Company's requirements. Accordingly, the Board proposed to revised the Existing Ping An Annual Caps.

Having taken into account the above reasons and benefits, the Directors (including all of the independent non-executive Directors but excluding Mr. Liangxun Shi, who has abstained from voting on the relevant Board resolutions) are of the view that the terms of the Auto Co-insurance Cooperation Agreement (as amended by the Auto Co-insurance Cooperation Supplemental Agreement) are fair and reasonable, and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group, on normal commercial terms, and in the interests of the Company and its shareholders as a whole, and that the Revised Ping An Annual Caps for the continuing connected transactions under the Auto Co-insurance Cooperation Agreement are fair and reasonable.

## INFORMATION ON THE PARTIES

### *The Company*

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.

### *Ant Group*

Ant Group Co., Ltd. (螞蟻科技集團股份有限公司) is a joint stock limited company incorporated in the PRC on October 19, 2000. It was formerly known as Ant Small and Micro Financial Services Group Co., Ltd.<sup>#</sup> (浙江螞蟻小微金融服務集團股份有限公司) and as Zhejiang Alibaba E-Commerce Co., Ltd.<sup>#</sup> (浙江阿里巴巴電子商務有限公司). Ant Group aims to create the infrastructure and platform to support the digital transformation of the service industry and strives to enable all consumers and small businesses to have equal access to financial and other services that are inclusive, green and sustainable.

As at the date of this announcement, Hangzhou Junhan Equity Investment Partnership (Limited Partnership) (“**Hangzhou Junhan**”) and Hangzhou Junao Equity Investment Partnership (Limited Partnership) (“**Hangzhou Junao**”) hold approximately 31% and 22% (together approximately 53%) of Ant Group’s total issued shares, respectively. Hangzhou Yunbo Investment Consultancy Co., Ltd. (“**Hangzhou Yunbo**”) is the executive partner and general partner of, and controls, Hangzhou Junhan and Hangzhou Junao. Mr. Ma Yun holds a 34% equity interest in Hangzhou Yunbo and each of Mr. Jing Eric Xiandong, Mr. Hu Simon Xiaoming and Ms. Jiang Fang holds a 22% equity interest in Hangzhou Yunbo. The remaining approximately 47% issued shares in Ant Group are held as to approximately 33% by Taobao (China) Software Co., Ltd.<sup>#</sup> (淘寶(中國)軟件有限公司), an indirect wholly-owned subsidiary of Alibaba Group Holding Limited, and as to approximately 14% by other minority shareholders.

To the best of the Company’s knowledge, pursuant to certain agreements entered into on January 7, 2023, there will be changes to the voting structure of Ant Group’s major shareholders upon completion of such agreements, and as a result, no direct or indirect shareholder of Ant Group, alone or jointly with other parties, will have control over Ant Group. As at the date of this announcement, completion of such agreements have not taken place and is subject to approval of or filing with relevant government authorities, which are currently being processing.

As the Company does not own any interest in Ant Group and has no relationship with its remaining shareholders, it is not in a position to request Ant Group to provide all information regarding its remaining shareholders and thus has no information to

ascertain their ultimate beneficial owners. Provided that the largest shareholders of Ant Group have been disclosed above, the Company is of the view that disclosing the ultimate beneficial owners in respect of Ant Group's remaining shareholders would not provide material information to the Shareholders.

### ***Ping An P&C***

Ping An P&C is a subsidiary of Ping An Insurance, which is our substantial shareholder. The business scope of Ping An P&C covers all statutory property and casualty business and international reinsurance business including insurance for automobile, commercial properties, construction, liability, cargo, short-term accident and health. As at the date of this announcement, Ping An P&C is controlled by Ping An Insurance, which holds approximately 99.55% of Ping An P&C's share capital.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement:

- (i) Ant Group is a substantial shareholder of the Company under the Listing Rules. Ant Group and its subsidiaries are therefore connected persons of the Company under Chapter 14A of the Listing Rules; and
- (ii) Ping An P&C is a subsidiary of Ping An Insurance, which is a substantial shareholder of the Company. Ping An P&C is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

As a result, the transactions contemplated under each of the Online Platform Cooperation Framework Agreement and the Auto Co-insurance Cooperation Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will have to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions. As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the revised annual caps for each of the Online Platform Cooperation Framework Supplemental Agreement and the Auto Co-insurance Cooperation Supplemental Agreement are more than 5%, respectively, the transactions thereunder are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Gang Ji (the non-executive Director and the vice president and head of the strategic investment and corporate development department of Ant Group) abstained from voting on the relevant Board resolutions in respect of the Online Platform Cooperation Framework Agreement (as amended by the Online Platform Cooperation Framework Supplemental Agreement) and the transactions contemplated thereunder.

Mr. Liangxun Shi (the non-executive Director and the general manager of Ping An P&C) abstained from voting on the relevant Board resolutions in respect of the Auto Co-insurance Cooperation Agreement (as amended by the Auto Co-insurance Cooperation Supplemental Agreement) and the transactions contemplated thereunder.

Save as disclosed above, none of the Directors has any material interest in the revision of annual caps for the Online Platform Cooperation Framework Agreement (i.e. the Revised Ant Group Annual Caps), the revision of annual caps for the Auto Co-insurance Cooperation Agreement (i.e. the Revised Ping An Annual Caps) and the transactions respectively contemplated thereunder, and none of them was required to abstain from voting on the relevant Board resolutions.

## **GENERAL INFORMATION AND EGM**

The Company will convene an EGM for the Shareholders to consider and, if thought fit, approve the Online Platform Cooperation Framework Supplemental Agreement and the Auto Co-insurance Cooperation Supplemental Agreement.

The Independent Board Committee, comprising all of the independent non-executive Directors, will be formed to advise (i) the Ant Group Independent Shareholders in relation to the Online Platform Cooperation Framework Supplemental Agreement; and (ii) the Ping An Independent Shareholders in relation to the Auto Co-insurance Cooperation Supplemental Agreement. Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee, the Ant Group Independent Shareholders and the Ping An Independent Shareholders in this regard.

## **DESPATCH OF CIRCULAR**

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

## DEFINITIONS

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

“2022 Announcement”	the announcement of the Company dated November 9, 2022
“Ant Group”	Ant Group Co., Ltd. (formerly known as Ant Small and Micro Financial Services Group Co., Ltd# (浙江螞蟻小微金融服務集團股份有限公司) and as Zhejiang Alibaba E-Commerce Co., Ltd.# (浙江阿里巴巴電子商務有限公司)), a joint stock limited liability company incorporated in the PRC on October 19, 2000 and one of our substantial shareholders
“Ant Group Independent Shareholders”	Shareholders other than Ant Group and its associates
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Auto Co-insurance Cooperation Agreement”	the co-insurance agreement dated November 9, 2022 entered into between the Company and Ping An P&C for the provision of auto co-insurance products to the public, as amended by the Auto Co-insurance Cooperation Supplemental Agreement (as the context requires)
“Auto Co-insurance Cooperation Supplemental Agreement”	the supplemental agreement dated October 27, 2023 entered into between the Company and Ping An P&C to amend the Auto Co-insurance Cooperation Agreement
“Board”	the board of Directors of the Company
“Company”	ZhongAn Online P & C Insurance Co., Ltd.* (眾安在綫財產保險股份有限公司), a joint stock limited liability company incorporated in the PRC with limited liability and carrying on business in Hong Kong as “ZA Online Fintech P & C” whose shares are listed on the Main Board of the Stock Exchange (stock code: 6060)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules



“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held for the Independent Shareholders to consider, and if thought fit, approve the Revised Annual Caps as contemplated under the Online Platform Cooperation Framework Supplemental Agreement and the Auto Co-insurance Cooperation Supplemental Agreement, and the transactions contemplated thereunder, respectively, or any adjournment thereof
“Existing Ant Group Annual Caps”	the original annual caps for the continuing connected transactions under the Online Platform Cooperation Framework Agreement for the years ending December 31, 2023, 2024 and 2025 as set out in the 2022 Announcement
“Existing Ping An Annual Caps”	the original annual caps for the Auto Co-insurance Cooperation Agreement for the years ending December 31, 2023 and 2024 as set out in the 2022 Announcement
“Group”	the Company and its subsidiaries
“H Shares”	the overseas listed foreign invested ordinary shares in the ordinary share capital of the Company, with a nominal value of RMB1 each, which are subscribed for and traded in Hong Kong dollars, and a “H Share” means any one of them
“Hangzhou Junao”	Hangzhou Junao Equity Investments Partnership (Limited Partnership) (杭州君澳股權投資合夥企業 (有限合夥))
“Hangzhou Junhan”	Hangzhou Junhan Equity Investments Partnership (Limited Partnership) (杭州君瀚股權投資合夥企業 (有限合夥))
“Hangzhou Yunbo”	Hangzhou Yunbo Investment Consulting Co., Ltd. (杭州雲鉞投資諮詢有限公司)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors that will be formed for the purpose of giving a recommendation to (i) the Ant Group Independent Shareholders in relation to the Online Platform Cooperation Framework Agreement (as amended by the Online Platform Cooperation Framework Supplemental Agreement); and (ii) the Ping An Independent Shareholders in relation to the Auto Co-insurance Cooperation Agreement (as amended by the Auto Co-insurance Cooperation Supplemental Agreement), respectively
“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 Online Platform Cooperation Framework Agreement (as amended by the Online Platform Cooperation Framework Supplemental Agreement) and the Auto Co-insurance Cooperation Agreement (as amended by the Auto Co-insurance Cooperation Supplemental Agreement)
“Independent Shareholders”	Shareholders other than Ant Group, Ping An P&C and their respective associates
“Insurtech”	use of technology innovations designed to achieve savings and efficiency from the traditional insurance industry model
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended and supplemented from time to time)
“NAFR”	the National Administration of Financial Regulation (國家金融監督管理總局) (formerly known as China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會))

“Online Platform Cooperation Framework Agreement”	the online platform cooperation framework agreement dated November 9, 2022 entered into between the Company and Ant Group for the provision of insurance products and services to various parties, as amended by the Online Platform Cooperation Framework Supplemental Agreement (as the context requires)
“Online Platform Cooperation Framework Supplemental Agreement”	the supplemental agreement dated October 27, 2023 entered into between the Company and Ant Group to amend the Online Platform Cooperation Framework Agreement
“Ping An Independent Shareholders”	Shareholders other than Ping An P&C and its associates
“Ping An Group”	Ping An Insurance and its subsidiaries
“Ping An Insurance”	Ping An Insurance (Group) Co. of China, Ltd. (中國平安保險(集團)股份有限公司), a joint stock limited company incorporated in the PRC on March 21, 1988 listed on Main Board of the Stock Exchange (stock code: 02318) and the Shanghai Stock Exchange (stock code: 601318), and one of our substantial shareholders
“Ping An P&C”	Ping An Property and Casualty Insurance Company of China, Ltd. (中國平安財產保險股份有限公司), a subsidiary of Ping An Insurance
“PRC” or “China”	People’s Republic of China
“Revised Annual Caps”	collectively, the Revised Ant Group Annual Caps and the Revised Ping An Annual Caps
“RMB”	Renminbi, the lawful currency of the PRC
“Service Fees”	the service fees payable to Ant Group and/or its associates by the Company under the Online Platform Cooperation Framework Agreement. Such service fees are mainly insurance agent handling charges
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“substantial shareholder” has the meaning ascribed to it under the Listing Rules

“%” per cent

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

Shanghai, the PRC, October 27, 2023

*As at the date of this announcement, 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.*

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

# *For identification purposes only*