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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

References are made to the 2022 Announcement, the 2023 Announcement, the circular of the Company dated November 20, 2023 and the announcement of the Company dated December 8, 2023 in relation to the continuing connected transactions contemplated under the Online Platform Cooperation Framework Agreement.

Based on the reasons mentioned in this announcement, it is expected that the total Service Fees payable by the Company under the Online Platform Cooperation Framework Agreement will exceed the Existing Annual Caps. Accordingly, the Board proposes to revise the Existing Annual Caps.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Ant Group is a substantial shareholder of the Company under the Listing Rules. Ant Group and its subsidiaries are therefore connected persons of the Company under Chapter 14A of the Listing Rules. As a result, the transactions contemplated under the Online Platform Cooperation Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, it 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 is more than 5%, the transactions thereunder are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

The Company will convene a general meeting for the Shareholders to consider and, if thought fit, approve the Revised Annual Caps.

The Independent Board Committee, comprising all of the independent non-executive Directors, will be formed to advise the Independent Shareholders in relation to the Revised Annual Caps. 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.

PUBLICATION OF CIRCULAR

A circular containing, among other things, (i) further details of the Revised Annual Caps; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders regarding the Revised Annual Caps; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Revised Annual Caps; and (iv) a notice of general meeting, is expected to be published 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 2023 Announcement, the circular of the Company dated November 20, 2023 and the announcement of the Company dated December 8, 2023 in relation to the continuing connected transactions contemplated under the Online Platform Cooperation Framework Agreement.

Under the Online Platform Cooperation Framework Agreement, the Existing Annual Caps for the amounts payable to Ant Group and/or its associates to promote and sell the Group's insurance products for the years ending December 31, 2024 and 2025 are RMB1,354,630,000 and RMB 1,561,850,000, respectively.

In light of a significant increase in the utilization of Ant Group's services under the Online Platform Cooperation Framework Agreement through which the Group's insurance products can be promoted on Ant Group's extensive and diversified channels, which would enable a diversion of end users of such platforms to purchase the Group's insurance products, it is expected that the total Service Fees payable by the Company under the Online Platform Cooperation Framework Agreement will exceed the Existing Annual Caps. Accordingly, the Board proposes to revise the Existing Annual Caps to RMB3,185,470,000 and RMB3,728,750,000 for the years ending December 31, 2024 and 2025, respectively (the "**Revised Annual Caps**").

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

Basis of the Revised Annual Caps

The Revised Annual Caps were determined principally with reference to (i) the total Service Fees of RMB347,760,000 that have been paid to Ant Group and/or its associates for the two months ended February 29, 2024, which represents approximately 25.7% of the annual cap for the year ending December 31, 2024 under the Existing Annual Caps, and (ii) the Service Fees expected to be payable to Ant Group and/or its associates for the two years ending December 31, 2025, which were estimated with reference to the expected market demand for the Group's insurance products and services, in particular health and digital lifestyle products and services, taking into account (a) the increase in insurance premiums on products sold via the online platforms operated by Ant Group, (b) the additional number of insurance products which the Group can promote and sell to potential users in 2024 and 2025 due to the increased utilization of Ant Group's services, (c) the positive recovery in the domestic economy and the unleashing of pent-up travel demand, (d) the popularity of various platforms operated by Ant Group and other independent third

parties through which the Group can promote and sell its insurance products to potential users with the services provided by Ant Group and/or its associates, and (e) the leverage on the insurance technology and Internet ecological service capabilities accumulated by the Group.

Historical Figures

The total Service Fees paid by the Company under the Online Platform Cooperation Framework Agreement for the two years ended December 31, 2022 and 2023 and the two months ended February 29, 2024 were approximately RMB877,583,000, RMB1,212,509,000 and RMB347,760,000, 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 promoted or sold by the Group under the Online Platform Cooperation Framework 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 marketing 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.

As there are comparable market rates paid by independent third parties for the transactions conducted under the Online Platform Cooperation Framework Agreement, the Company would normally obtain quotations for similar services from two or three other third party service providers in addition to Ant Group, as well as enquire with Ant Group regarding rates offered by them to their other customers, and compare such quotations against the rates offered by Ant Group to the Group.

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

The Company is one of the 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 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 Online Platform Cooperation Framework 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 other well-known online platforms. The cooperation with Ant Group and its associates to promote and sell the Group's insurance products via Ant Group's and other online platforms will bring more revenue to the Group 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. In particular, Ant Group has extensive online and offline all-channel media resources, diversified distribution channels, stable customer sources and an excellent ability to produce popular digital distribution materials that can enable the Company to achieve more stable efficiency in its marketing business. In addition, through relying on the technical capabilities of Ant Group's online platforms, the Group can significantly enhance its brand awareness by reaching users multiple times online and offline through various platforms and converting users to insured customers for the Company through various dimensions of operations, thus realizing an increase in conversion rate as well as insurance premiums, 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.

Having taken into account the above reasons and benefits, the Directors (including all of the independent non-executive Directors) are of the view that the continuing connected transactions contemplated under the Online Platform Cooperation Framework 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 Annual Caps 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.[#] (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). 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, (i) approximately 33% of the issued shares in Ant Group are held by Taobao (China) Software Co., Ltd.[#] (淘寶(中國)軟件有限公司), an indirect wholly-owned subsidiary of Alibaba Group Holding Limited; (ii) Hangzhou Junhan Equity Investment Partnership (Limited Partnership) (杭州君瀚股權投資合夥企業(有限合夥)) (“**Hangzhou Junhan**”) and Hangzhou Junao Equity Investment Partnership (Limited Partnership) (杭州君澳股權投資合夥企業(有限合夥)) (“**Hangzhou Junao**”) hold approximately 31% and 22% of Ant Group’s total issued shares, respectively. Hangzhou Xingtao Enterprise Management Consultancy Co., Ltd. (杭州星滔企業管理諮詢有限公司) (“**Hangzhou Xingtao**”) is the executive partner and general partner of Hangzhou Junhan. Each of Mr. Ma Yun, Mr. Cyril Xinyi Han, Ms. Yu Zhang, Mr. Chenli Huang and Ms. Yun Zhou holds 20% of the equity interests in Hangzhou Xingtao. Hangzhou Yunbo Investment Consultancy Co., Ltd. (杭州雲鉞投資諮詢有限公司) (“**Hangzhou Yunbo**”) is the executive partner and general partner of Hangzhou Junao. Each of Mr. Jing Eric Xiandong, Mr. Xiaofeng Shao, Mr. Xingjun Ni, Ms. Angel Zhao and Ms. Minzhi Wu holds a 20% equity interest in Hangzhou Yunbo; and (iii) the remaining approximately 14% of the issued shares in Ant Group is held by other minority shareholders.

Provided that the ultimate beneficial owners of the major shareholders of Ant Group, namely Alibaba, Hangzhou Junhan and Hangzhou Junao, have been disclosed above, the Company is of the view that disclosing the ultimate beneficial owners in respect of the remaining shareholders would not provide material information to the Shareholders.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Ant Group is a substantial shareholder of the Company under the Listing Rules. Ant Group and its subsidiaries are therefore connected persons of the Company under Chapter 14A of the Listing Rules. As a result, the transactions contemplated under the Online Platform Cooperation Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will have to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected 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 is more than 5%, the transactions thereunder are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the revision of annual caps (i.e. the Revised Annual Caps) under the Online Platform Cooperation Framework Agreement, and none of them was required to abstain from voting on the relevant Board resolutions.

GENERAL INFORMATION

The Company will convene a general meeting for the Shareholders to consider and, if thought fit, approve the Revised Annual Caps.

The Independent Board Committee, comprising all of the independent non-executive Directors, will be formed to advise the Independent Shareholders in relation to the Revised Annual Caps. 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.

PUBLICATION OF CIRCULAR

A circular containing, among other things, (i) further details of the Revised Annual Caps; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders regarding the Revised Annual Caps; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Revised Annual Caps; and (iv) a notice of general meeting, is expected to be published 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
“2023 Announcement”	the announcement of the Company dated October 27, 2023
“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
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	ZhongAn Online P & C Insurance Co., Ltd.* (眾安在綫財產保險股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and carrying on business in Hong Kong as “ZA Online Fintech P & C” whose H Shares are listed on the Main Board of the Stock Exchange (stock code: 6060)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Annual Caps”	the original annual caps for the continuing connected transactions under the Online Platform Cooperation Framework Agreement for the years ending December 31, 2024 and 2025 as set out in the 2023 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
“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 the Independent Shareholders in relation to the Revised Annual Caps
“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 relation to the Revised Annual Caps
“Independent Shareholders”	Shareholders other than Ant Group and its 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)
“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 dated October 27, 2023
“PRC” or “China”	People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Service Fees”	the service fees payable to Ant Group and/or its associates by the Company under the Online Platform Cooperation Framework Agreement
“Shareholder”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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

Shanghai, the PRC, April 3, 2024

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. Shuang Zhang, Mr. Hugo Jin Yi Ou and Mr. Hai Yin, and three independent non-executive Directors, namely Mr. Wei Ou, Ms. Vena Wei Yan Cheng and Ms. Gigi Wing Chee Chan.

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

For identification purposes only