

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



眾安在綫財產保險股份有限公司

ZHONGAN ONLINE P & C INSURANCE CO., LTD.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability and carrying on business in Hong Kong as "ZA Online Fintech P & C")

(Stock Code: 6060)

CONTINUING CONNECTED TRANSACTIONS NEW ASSET MANAGEMENT AGREEMENT

On December 27, 2024 (after trading hours), the Company entered into the Supplemental Agreement with Ping An Asset Management to renew the 2021 Asset Management Agreement. Pursuant to the New Asset Management Agreement (being the 2021 Asset Management Agreement as amended by the Supplemental Agreement), Ping An Asset Management agreed to continue to provide asset management services to the Company for the three years ending December 31, 2027.

LISTING RULES IMPLICATIONS

Ping An Asset Management is a subsidiary of Ping An Insurance, which is a substantial shareholder of the Company. Ping An Asset Management is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

As a result, the transactions contemplated under the New Asset Management Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the New Asset Management Agreement exceeds 0.1% but all of the applicable percentage ratios are less than 5%, the transactions contemplated under the New Asset Management Agreement are subject to reporting, announcement and annual review requirements but are exempt from Shareholders' approval requirements under Chapter 14A of the Listing Rules.

On December 27, 2024 (after trading hours), the Company entered into the Supplemental Agreement with Ping An Asset Management to renew the 2021 Asset Management Agreement. Pursuant to the New Asset Management Agreement (being the 2021 Asset Management Agreement as amended by the Supplemental Agreement), Ping An Asset Management agreed to continue to provide asset management services to the Company for the three years ending December 31, 2027.

Details of the New Asset Management Agreement are set out below:

Date

December 27, 2024

Parties

- (i) the Company; and
- (ii) Ping An Asset Management

Term

From January 1, 2025 until December 31, 2027

If neither party raises a written objection one month before the agreement expires, the parties shall enter into a supplemental agreement to renew the agreement.

Subject matter

Ping An Asset Management shall provide asset management services to the Company in respect of assets (including but not limited to the Company's capital, insurance premiums, investment income) entrusted in an escrow account set up with an independent third party bank by the Company.

Historical transaction amounts

Historical transaction amounts refer to the total management fees paid to Ping An Asset Management. For the two years ended December 31, 2022 and 2023 and the 11 months ended November 30, 2024, the total management fees payable to Ping An Asset Management pursuant to the 2021 Asset Management Agreement were approximately RMB8.1 million, RMB8.0 million and RMB7.3 million, respectively.

Annual caps

The annual caps under the New Asset Management Agreement are as follows:

Year ending December 31, 2025	Year ending December 31, 2026	Year ending December 31, 2027
RMB160 million	RMB160 million	RMB160 million

The annual caps under the New Asset Management Agreement were determined with reference to the Board's anticipation of the size and composition of the assets to be managed by Ping An Asset Management and the historical transaction amounts. Specifically, in considering the Board's anticipation of the size and composition of the assets managed by Ping An Asset Management and the historical transaction amounts, the Company took into account the unpredictability of market performance. Given that the composition of the investment portfolio managed by Ping An Asset Management includes equities, bonds and other assets, the management fee payable to Ping An Asset Management is accordingly largely dependent on the performance of the securities market, which is difficult to foresee and beyond the Company's control. The Board notes that the PRC stock market has been volatile in recent years. For example, the lowest and highest points of the SSE Composite Index in 2024 so far are 2,635 points and 3,674 points, respectively, with a fluctuation range of 39.43%. While the performance of the securities market, in particular the performance of PRC domestic stocks, was in decline in the past three years, which resulted in the low utilization of the existing annual caps, looking ahead to the future of the capital markets, with the continuing foreign interest rate cut cycle and the steady recovery of the domestic macro-economy, the Board has confidence that there will be an increase in return on the Company's investment portfolio. In view of the Company's investment positioning and strategy and investment opportunities for the next three years taking into account its investment portfolio, and subject to the then market conditions, the Company estimates that the highest annual yield rate on its investment portfolio could reach 20% to 30%. In addition, taking into account the volatility and unpredictability of the PRC financial markets, the Board considered it was necessary to provide appropriate buffers for such transactions due to changes in market factors, so as not to unnecessarily restrict the future investment management of the Company. Therefore, the Board considers that the annual caps set under the New Asset Management Agreement are appropriate and reasonable.

Pricing policies

The pricing of the asset management services is determined after arm's length negotiations having regard to the amount of asset management services required by the Company, the investment guidelines as agreed by both parties and the prices for comparable services charged by other asset management service providers. Under this arrangement, Ping An Asset Management mainly charges investment management fees, which are agreed upon based on the income from the assets under entrusted management during the year, the investment amount, investment scope, and investment policy as specified in the investment guidelines and confirmed in writing by both parties. The benchmarks set out in the investment guidelines are determined and updated in accordance with the requirements of relevant regulatory authorities and the market standards. The relevant pricing shall be within the fee range of similar products in the market and be comparable to the rates of similar asset management contracts entered into by the Company with other third parties. The Company will only enter into these transactions if the management fees charged by Ping An Asset Management are in line with or lower than the rates offered by other competent and independent third party service providers and the agreement is in the best interests of the Shareholders as a whole.

The Company shall arrange for payment of the investment management fees to Ping An Asset Management on a quarterly basis. Ping An Asset Management shall provide the management fee list of each quarter after the end of the quarter and the Company shall settle the management fee with Ping An Asset Management after confirmation.

Reasons for and benefits of entering into the New Asset Management Agreement

The Company has received asset management services from Ping An Asset Management since 2014 and recorded sustainable and stable performance in its investments thereunder. The scale of assets under the entrusted management provided by Ping An Asset Management ranks among the top in the industry, and the asset management services provided by Ping An Asset Management enjoy a high reputation and competitiveness in the market, and the continuous use of this service will be beneficial to the Group in light of Ping An Asset Management's experience, particularly in long-term investments.

The Directors (including all of the independent non-executive Directors of the Company) are of the view that the continuing connected transactions contemplated under the New Asset Management Agreement (including the annual caps thereunder) are on normal commercial terms, in the ordinary and usual course of business of the Group, and fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company and the Group

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.

Ping An Asset Management

Ping An Asset Management is principally engaged in the provision of a range of services, such as management and use of self-owned funds and insurance funds, and fiduciary funds management. As at the date of this announcement, Ping An Asset Management is owned by Ping An Insurance, Ping An Life and Ping An P&C as to approximately 98.66%, approximately 0.67% and approximately 0.67%, respectively, and is ultimately controlled by Ping An Insurance, a world-leading technology-powered retail financial services group whose shares are listed on the Main Board of the Stock Exchange (stock code: 02318) and the Shanghai Stock Exchange (stock code: 601318). Ping An Life and Ping An P&C are ultimately controlled by Ping An Insurance.

LISTING RULES IMPLICATIONS

Ping An Asset Management is a subsidiary of Ping An Insurance, which is a substantial shareholder of the Company. Ping An Asset Management is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

As a result, the transactions contemplated under the New Asset Management Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the New Asset Management Agreement exceeds 0.1% but all of the applicable percentage ratios are less than 5%, the transactions contemplated under the New Asset Management Agreement are subject to reporting, announcement and annual review requirements but are exempt from Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Liangxun Shi (a non-executive Director of the Company and the general manager of Ping An P&C) abstained from voting on the relevant Board resolutions in respect of the New Asset Management Agreement and the transactions contemplated thereunder.

Save as disclosed above, none of the Directors has any material interest in the New Asset Management Agreement, nor is any of them required to abstain from voting on the relevant Board resolutions.

DEFINITIONS

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

“2021 Asset Management Agreement”	the asset management agreement dated December 31, 2021 entered into between the Company and Ping An Asset Management for the provision of asset management services by Ping An Asset Management to the Company, details of which are set out in the announcements of the Company dated December 31, 2021 and January 13, 2022
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	ZhongAn Online P & C Insurance Co., Ltd.* (眾安在綫財產保險股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and carrying on business in Hong Kong as “ZA Online Fintech P & C” whose shares are listed on the Main Board of the Stock Exchange (stock code: 6060)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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
“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)
“New Asset Management Agreement”	the 2021 Asset Management Agreement as amended by the Supplemental Agreement
“Ping An Asset Management”	Ping An Asset Management Co., Ltd. (平安資產管理有限責任公司), a company established in May 2005 in the PRC and a subsidiary of Ping An Insurance
“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 Life”	Ping An Life Insurance Company of China, Ltd. (中國平安人壽保險股份有限公司), a company incorporated in the PRC whose sole ultimate beneficial owner is Ping An Insurance
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

“Supplemental Agreement” the supplemental agreement dated December 27, 2024 entered into between the Company and Ping An Asset Management to renew the 2021 Asset Management Agreement

“%” per cent

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

Shanghai, the PRC, December 27, 2024

As at the date of this announcement, the board of directors of the Company 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 four independent non-executive directors, namely Mr. Wei Ou, Ms. Vena Wei Yan Cheng, Ms. Gigi Wing Chee Chan and Mr. Stanley Chiu Fai Choi.

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