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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)

CONNECTED TRANSACTION

ADDITIONAL CAPITAL CONTRIBUTION TO ZHONGAN TECHNOLOGIES INTERNATIONAL GROUP LIMITED BY SINOLINK

ADDITIONAL CAPITAL CONTRIBUTION

The Board hereby announces that, on September 2, 2022 (after trading hours), ZATI entered into the Share Purchase Agreement with ZhongAn Technology, Sinolink, Warrior and the Opportunities Fund, pursuant to which Sinolink shall subscribe for 156,060,606 ZATI Ordinary Shares at a purchase price of US\$0.66 per ZATI Ordinary Share (the "**Additional Sinolink Subscription**").

As at the date of this announcement, the voting interest in ZATI is held as to approximately 47.32% by ZhongAn Technology, approximately 41.50% by Sinolink, approximately 8.33% by Warrior, and approximately 2.85% by the Opportunities Fund, respectively. Upon completion of the Additional Sinolink Subscription, the voting interest in ZATI shall be 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. ZATI will remain as a non-wholly-owned subsidiary of the Company and the results of ZATI will continue to be consolidated into the accounts of the Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Yaping Ou, the chairman and an executive Director of the Company, is 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.

ZATI is a non-wholly-owned subsidiary of the Company, and Sinolink (a connected person of the Company at the issuer level) is interested in approximately 41.50% 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.

Pursuant to Rule 14A.81 of the Listing Rules, the Sinolink Subscription (details of which are disclosed in the 2021 Announcement) and the Additional Sinolink Subscription will be aggregated as a series of connected transactions. As certain of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Sinolink Subscription and the Additional Sinolink Subscription exceed 0.1% but are less than 5%, such transactions are subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board hereby announces that, on September 2, 2022 (after trading hours), ZATI entered into the Share Purchase Agreement with ZhongAn Technology, Sinolink, Warrior and the Opportunities Fund, pursuant to which Sinolink shall make the Additional Sinolink Subscription.

As at the date of this announcement, the voting interest in ZATI is held as to approximately 47.32% by ZhongAn Technology, approximately 41.50% by Sinolink, approximately 8.33% by Warrior, and approximately 2.85% by the Opportunities Fund, respectively. Upon completion of the Additional Sinolink Subscription, the voting interest in ZATI shall be 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. ZATI will remain as a non-wholly-owned subsidiary of the Company and the results of ZATI will continue to be consolidated into the accounts of the Group.

THE SHARE PURCHASE AGREEMENT

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

Date

September 2, 2022

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 and 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 156,060,606 new ZATI Ordinary Shares.

Subscription price and basis of consideration

The subscription price for the Additional Sinolink Subscription is approximately US\$103 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 the growth prospects of ZATI and the financial needs of ZATI for the operation and expansion of its business. The subscription price payable to ZATI by Sinolink will be funded by internal resources.

Conditions precedent

The Additional Sinolink 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 having been duly obtained and effective as of the date of the Closing;

- (iv) 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;
- (v) the articles of association of ZATI in effect as of the date of the Share Purchase Agreement having been duly amended (the “**Restated Articles**”);
- (vi) the parties having executed and delivered the Transaction Documents; and
- (vii) 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.

The conditions precedent in respect of ZATI may be waived by Sinolink in writing and the conditions precedent in respect of Sinolink may be waived by ZATI in writing.

Closing

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

Termination

The Share Purchase Agreement may be terminated prior to the Closing (a) by mutual written consent of the parties, (b) by Sinolink or ZATI, if the Closing has not been consummated on or prior to December 31, 2022, provided that no party shall be entitled to terminate the Share Purchase Agreement if such party is responsible for the failure of the 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.

THE SHAREHOLDERS AGREEMENT

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

Board composition of ZATI

With effect immediately from the date of the Closing, the board of directors of ZATI shall consist of four directors. ZhongAn Technology shall be entitled to nominate three directors, and Sinolink shall be entitled to nominate one director.

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.

Anti-dilution

In the event that at any time after the Closing, ZATI issues any new securities 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 for expanding its virtual banking services in Hong Kong and technology export business in overseas markets. The Additional Sinolink Subscription will enable Sinolink to further align its investment returns with the growth and development of ZATI.

The Directors (including the independent non-executive Directors) are of the view that the Additional Sinolink Subscription has been entered into on normal commercial terms and in the ordinary and usual course of business of the Group, 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 of the Company as a whole.

Mr. Yaping Ou, being the chairman and an executive Director of the Company and a controlling shareholder of Sinolink, and Mr. Hugo Jin Yi Ou, being an 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 matters contemplated therein.

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

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 Insuretech, including virtual banking and digital-only insurance in Hong Kong and technology export in overseas markets. As at the date of this announcement, the voting interest in ZATI is held as to approximately 47.32% by ZhongAn Technology, approximately 41.50% by Sinolink, approximately 8.33% by Warrior, and approximately 2.85% 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, 2021 and 2020.

	As at / For the year ended December 31, 2021 <i>audited</i> <i>HKD (thousand)</i>	As at / For the year ended December 31, 2020 <i>audited</i> <i>HKD (thousand)</i>
Total equity	3,535,480	2,615,113
Net loss	(849,338)	(609,878)
Net loss attributable to owners of ZATI	(759,617)	(496,440)

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 the first internet-based Insuretech company in the PRC and is principally engaged in the provision of insurance products and solutions in the context of four major ecosystems, namely health, digital lifestyle, consumer finance and auto ecosystems.

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.

Information regarding Warrior and the Opportunities Fund is set out in the 2021 Announcement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Yaping Ou, the chairman and an executive Director of the Company, is 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.

ZATI is a non-wholly-owned subsidiary of the Company, and Sinolink (a connected person of the Company at the issuer level) is interested in approximately 41.50% 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.

Pursuant to Rule 14A.81 of the Listing Rules, the Sinolink Subscription (details of which are disclosed in the 2021 Announcement) and the Additional Sinolink Subscription will be aggregated as a series of connected transactions. As certain of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Sinolink Subscription and the Additional Sinolink Subscription exceed 0.1% but are less than 5%, such transactions are subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“2021 Announcement”	the announcement of the Company dated October 27, 2021
“Additional Sinolink Subscription”	the subscription by Sinolink of an aggregate of 156,060,606 new ZATI Ordinary Shares for a subscription price of approximately US\$103 million pursuant to the terms and conditions of the Share Purchase Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Closing”	closing of the Additional Sinolink Subscription pursuant to the Share Purchase Agreement
“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
“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
“Fintech”	financial technology
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“H Share(s)”	the overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1 each, which are listed on the Main Board of the Stock Exchange
“Insuretech”	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
“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)
“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”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, Taiwan and Macau Special Administrative Region of the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“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

“Share Purchase Agreement”	the share purchase agreement dated September 2, 2022 entered into between ZATI and the Investors in relation to, inter alia, the Additional Sinolink Subscription
“Sinolink”	Sinolink Worldwide Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1168)
“Sinolink Subscription”	the subscription by Sinolink of an aggregate of 74,212,258 new ZATI Ordinary Shares for a subscription price of approximately US\$49 million pursuant to the share purchase agreement entered into between ZATI and the Investors on October 27, 2021, details of which are set out in the 2021 Announcement
“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
“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.

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

Shanghai, the PRC, September 2, 2022

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Yaping Ou (chairman) and Mr. Hugo Jin Yi Ou, two non-executive Directors, namely Mr. Liangxun Shi and Mr. Gang Ji, and four independent non-executive Directors, namely Mr. Shuang Zhang, Ms. Hui Chen, Mr. Wei Ou and Ms. Vena Wei Yan Cheng.

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