
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

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

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眾安在綫財產保險股份有限公司

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

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

(Stock Code: 6060)

- (1) REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2023**
- (2) REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2023**
- (3) REPORT OF THE AUDITORS AND AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED DECEMBER 31, 2023**
- (4) RE-APPOINTMENT OF AUDITORS FOR THE YEAR 2024**
- (5) 2024-2026 THREE-YEAR CAPITAL PLANNING REPORT**
- (6) REVISION OF ANNUAL CAPS FOR THE ONLINE PLATFORM COOPERATION FRAMEWORK AGREEMENT**
- (7) PERFORMANCE REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR 2023**
- (8) PERFORMANCE AND EVALUATION REPORT OF THE DIRECTORS FOR THE YEAR 2023**
- (9) PERFORMANCE AND EVALUATION REPORT OF THE SUPERVISORS FOR THE YEAR 2023**
- (10) SPECIAL REPORT ON RELATED PARTY TRANSACTIONS FOR THE YEAR 2023**
- (11) REPORT ON REVIEW AND ANALYSIS OF SOLVENCY FOR THE YEAR 2023 AND**
- (12) NOTICE OF THE ANNUAL GENERAL MEETING**

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



A notice convening the AGM to be held at Conference Room Xin Pu Zhu Lin, 2/F, 219 Yuanmingyuan Road, Huangpu District, Shanghai, the PRC at 10:00 a.m. on Thursday, June 20, 2024 is set out on pages 78 to 80 of this circular.

A proxy form for use at the AGM is enclosed with this circular. If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon not less than 24 hours before the time appointed for the holding of the AGM (i.e. before 10:00 a.m. on Wednesday, June 19, 2024). Completion and return of a proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

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

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

May 21, 2024

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DEFINITIONS

In this circular, 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
“AGM”	the annual general meeting of the Company (or any adjournment thereof) to be held at Conference Room Xin Pu Zhu Lin, 2/F, 219 Yuanmingyuan Road, Huangpu District, Shanghai, the PRC at 10:00 a.m. on Thursday, June 20, 2024, to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 78 to 80 of this circular
“Articles of Association”	the articles of association of the Company
“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
“April Announcement”	the announcement of the Company dated April 3, 2024 in relation to the revision of annual caps for the Online Platform Cooperation Framework Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board” or “Board of Directors”	the board of Directors of the Company
“Chief Executive(s)”	has the meaning ascribed to it under the Listing Rules
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company” or “ZhongAn” or “ZhongAn Online” or “ZhongAn Insurance”	ZhongAn Online P & C Insurance Co., Ltd. (眾安在綫財產保險股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and carrying on business in Hong Kong as “ZA Online Fintech P & C”, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6060)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Director(s)”	the director(s) of the Company
“Domestic Shares”	ordinary shares with a nominal value of RMB1 each issued by the Company, which are subscribed for or credited as paid in RMB
“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
“Former CBIRC”	the former China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“Former CIRC”	the former China Insurance Regulatory Commission (中國保險監督管理委員會)
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed foreign invested ordinary shares in the share capital of the Company, with a nominal value of RMB1 each, which are subscribed for and traded in Hong Kong dollars on the Stock Exchange, and “H Shares” means any such Shares
“Hangzhou Junao”	Hangzhou Junao Equity Investment Partnership (Limited Partnership) (杭州君澳股權投資合夥企業(有限合夥))
“Hangzhou Junhan”	Hangzhou Junhan Equity Investment Partnership (Limited Partnership) (杭州君瀚股權投資合夥企業(有限合夥))
“Hangzhou Xingtao”	Hangzhou Xingtao Enterprise Management Consultancy Co., Ltd. (杭州星滔企業管理諮詢有限公司)
“Hangzhou Yunbo”	Hangzhou Yunbo Investment Consultancy 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 established for the purpose of giving a recommendation to the Independent Shareholders in relation to the Revised Annual Caps

DEFINITIONS

“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
“Latest Practicable Date”	May 16, 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended and supplemented from time to time)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“NAFR”	the National Administration of Financial Regulation (國家金融監督管理總局) (the former China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會) and the former China Insurance Regulatory Commission (中國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 dated October 27, 2023
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular, Hong Kong, Taiwan and the Macau
“PRC Company Law”	the Company Law of the PRC (中華人民共和國公司法)
“PRC Securities Law”	the Securities Law of the PRC (中華人民共和國證券法)
“Revised Annual Caps”	has the meaning ascribed to it in Appendix IV to this circular
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Service Fees”	the service fees payable to Ant Group and/or its associates by the Company under the Online Platform Cooperation Framework Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	Domestic Shares and/or H Shares
“Shareholder(s)”	shareholder(s) of the Company
“Sinolink Worldwide”	Sinolink Worldwide Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1168)
“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
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company established pursuant to the PRC Company Law
“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 our Company, incorporated in the PRC on July 7, 2016
“%”	per cent

LETTER FROM THE BOARD



眾安在綫財產保險股份有限公司
ZHONGAN ONLINE P & C INSURANCE CO., LTD.*

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

(Stock Code: 6060)

Executive Directors:

Mr. Xing Jiang
Mr. Gaofeng Li

Non-executive Directors:

Mr. Hai Yin (Chairman)
Mr. Yaping Ou
Mr. Liangxun Shi
Mr. Shuang Zhang
Mr. Hugo Jin Yi Ou

Independent non-executive Directors:

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

Headquarters and Principal Place of

Business in the PRC:
219 Yuanmingyuan Road
Shanghai
PRC

MFB1, MF102, MF201-1401
108 Beijing East Road
Shanghai
PRC

Registered Office:

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

Principal Place of Business in Hong Kong:

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

May 21, 2024

To the Shareholders

Dear Sir/Madam,

- (1) REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2023**
- (2) REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2023**
- (3) REPORT OF THE AUDITORS AND AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED DECEMBER 31, 2023**
- (4) RE-APPOINTMENT OF AUDITORS FOR THE YEAR 2024**
- (5) 2024-2026 THREE-YEAR CAPITAL PLANNING REPORT**
- (6) REVISION OF ANNUAL CAPS FOR THE ONLINE PLATFORM COOPERATION FRAMEWORK AGREEMENT**
- (7) PERFORMANCE REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR 2023**
- (8) PERFORMANCE AND EVALUATION REPORT OF THE DIRECTORS FOR THE YEAR 2023**
- (9) PERFORMANCE AND EVALUATION REPORT OF THE SUPERVISORS FOR THE YEAR 2023**
- (10) SPECIAL REPORT ON RELATED PARTY TRANSACTIONS FOR THE YEAR 2023**
- (11) REPORT ON REVIEW AND ANALYSIS OF SOLVENCY FOR THE YEAR 2023 AND**
- (12) NOTICE OF THE ANNUAL GENERAL MEETING**

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

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is, among other things, to provide you with the notice of the AGM and with the information on certain resolutions to be considered at the AGM to enable you to make an informed decision on whether to vote for or against the resolutions at the AGM.

2. BUSINESS TO BE CONSIDERED AT THE AGM

Ordinary resolutions to be proposed at the AGM for the Shareholders to consider and approve include: (i) report of the board of directors for the year 2023; (ii) report of the Supervisory Committee for the year 2023; (iii) report of the auditors and audited financial statements of the Company for the year ended December 31, 2023; (iv) re-appointment of auditors for the year 2024; (v) the 2024-2026 three-year capital planning report; and (vi) revision of annual caps for the Online Platform Cooperation Framework Agreement.

Matters to be proposed at the AGM for the Shareholders' consideration only and not for approval include: (i) review the Company's performance report of the independent Directors for the year 2023; (ii) review the Company's performance and evaluation report of the Directors for the year 2023; (iii) review the Company's performance and evaluation report of the Supervisors for the year 2023; (iv) review the Company's special report on related party transactions for the year 2023; and (v) review the Company's report on review and analysis of solvency for the year 2023.

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make well-informed decisions, the Company has provided detailed information in this circular, including business to be considered at the AGM (see Appendix I), work report of the Supervisory Committee for the year 2023 (see Appendix II), 2024-2026 three-year capital planning report (see Appendix III), particulars of the revision of annual caps for the Online Platform Cooperation Framework Agreement (see Appendix IV), performance report of the independent Directors for the year 2023 (see Appendix V), performance and evaluation report of the Directors for the year 2023 (see Appendix VI), performance and evaluation report of the Supervisors for the year 2023 (see Appendix VII), special report on related party transactions for the year 2023 (see Appendix VIII), report on review and analysis of solvency for the year 2023 (see Appendix IX) and general information (see Appendix X).

3. THE ANNUAL GENERAL MEETING

A notice convening the AGM to be held at Conference Room Xin Pu Zhu Lin, 2/F, 219 Yuanmingyuan Road, Huangpu District, Shanghai, the PRC at 10:00 a.m. on Thursday, June 20, 2024 is set out on pages 78 to 80 of this circular.

In order to determine the list of Shareholders who are entitled to attend the AGM, the register of members of the Company will be closed from Monday, June 17, 2024 to Thursday, June 20, 2024, both days inclusive, during which period no transfer of Shares will be registered. Unregistered holders of Shares who wish to attend the AGM must lodge the share certificates accompanied by transfer documents with the Company's H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) or the director's office of the Company at 4-5/F, Associate Mission Building, 169 Yuanmingyuan Road, Shanghai, the PRC (for holders of Domestic Shares) for registration no later than 4:30 p.m. on Friday, June 14, 2024. Shareholders whose names appear on the register of members of the Company on Thursday, June 20, 2024 shall be entitled to attend and vote at the AGM.

LETTER FROM THE BOARD

The proxy form for use at the AGM is enclosed to this circular and is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.zhongan.com). Shareholders who intend to appoint a proxy to attend the AGM shall complete the proxy form and return the same to the Company's H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) or the director's office of the Company at 4-5/F, Associate Mission Building, 169 Yuanmingyuan Road, Shanghai, the PRC (for holders of Domestic Shares) not less than 24 hours before the time fixed for the holding of the AGM (i.e. before 10:00 a.m. on Wednesday, June 19, 2024). Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the AGM or any adjournment thereof if he so wishes.

All voting at the AGM will be conducted by poll.

4. RECOMMENDATION

The Board (including the independent non-executive Directors having taking into consideration the advice of the Independent Financial Adviser in respect of the revision of annual caps for the Online Platform Cooperation Framework Agreement) considers that all resolutions set out in the notice of the AGM for consideration and approval by the Shareholders are in the interests of the Company and the Shareholders as a whole and accordingly recommends the Shareholders to vote in favor of all resolutions to be proposed at the AGM.

For the purpose of the AGM, the Board has established the Independent Board Committee comprising all the independent non-executive Directors to advise the Independent Shareholders in respect of the revision of annual caps for the Online Platform Cooperation Framework Agreement. Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 8 to 23 of this circular.

5. RESPONSIBILITY STATEMENT

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

Yours faithfully

On behalf of the Board

ZhongAn Online P & C Insurance Co., Ltd.

Hai Yin

Chairman



眾安在綫財產保險股份有限公司
ZHONGAN ONLINE P & C INSURANCE CO., LTD.*

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

(Stock Code: 6060)

May 21, 2024

To the Independent Shareholders of the Company

Dear Sir or Madam,

**(1) REVISION OF ANNUAL CAPS FOR THE ONLINE PLATFORM
COOPERATION FRAMEWORK AGREEMENT;
AND
(2) NOTICE OF ANNUAL GENERAL MEETING**

We refer to the April Announcement and the circular of the Company dated May 21, 2024 (the "**Circular**") of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context requires otherwise. We, being the independent non-executive Directors, have been appointed as the Independent Board Committee to advise the Independent Shareholders in connection with the Revised Annual Caps. Details of the Revised Annual Caps are set out in the Letter from the Board and Appendix IV contained in the Circular.

We wish to draw your attention to the letter from the Independent Financial Adviser as set out on pages 10 to 23 of the Circular.

Having considered the information set out in the Letter from the Board and Appendix IV, the Revised Annual Caps and the advice of the Independent Financial Adviser in relation thereto, we are of the view that:

- (i) the transactions under the Online Platform Cooperation Framework Agreement as captured under the Revised Annual Caps are conducted on normal commercial terms, are 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

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LETTER FROM THE INDEPENDENT BOARD COMMITTEE

(ii) the Revised Annual Caps are fair and reasonable.

Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM to approve the Revised Annual Caps.

Yours faithfully,
The Independent Board Committee

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

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Lego Corporate Finance Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in relation to the Revised Annual Caps.



May 21, 2024

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sir or Madam,

REVISION OF ANNUAL CAPS FOR THE ONLINE PLATFORM COOPERATION FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Revised Annual Caps, details of which are set out in the “Letter from the Board” and Appendix IV contained in the circular dated May 21, 2024 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

The Board proposed to revise the Existing Annual Caps.

As at the Latest Practicable Date, 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all of the independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the Revised Annual Caps, as well as to advise the Independent Shareholders as to whether to vote in favour of the relevant resolution to be proposed at the AGM to approve the Revised Annual Caps. As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, Lego Corporate Finance Limited did not have any shareholding in any member of the Group or Ant Group or interests, directly or indirectly, in any assets which have been or are proposed to be acquired or disposed of by or leased to any member of the Group or Ant Group since December 31, 2023, that could reasonably be regarded as relevant to the independence of Lego Corporate Finance Limited. In the last two years, other than the engagements in October 2022, May 2023 and September 2023 as the independent financial adviser to the independent board committee and independent shareholders of the Company in relation to (i) the entering into of the new auto co-insurance cooperation agreement (details of which are set out in the circular of the Company dated November 30, 2022); (ii) the entering into of the share purchase agreement (details of which are set out in the circular of the Company dated June 29, 2023); and (iii) the entering into of the online platform cooperation framework supplemental agreement and the auto co-insurance cooperation supplemental agreement (details of which are set out in the circular of the Company dated November 20, 2023), respectively, there was no engagement between the Group and Lego Corporate Finance Limited. Apart from normal professional fees being paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we have received or will receive any fees or benefits from the Group or Ant Group. Accordingly, we are qualified to give independent advice in respect of the Revised Annual Caps.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group (the “**Management**”); and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the date of the Circular and all such statements of belief, opinions and intention of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors, the Management, and/or the advisers of the Company. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the Management are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

1. Background Information

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.

2. Background of the Revised Annual Caps

2.1. Principal terms

Pursuant to the Online Platform Cooperation Framework Agreement, as a provider of online insurance products, the Group shall use online platforms (the “**Online Platforms**”) operated by Ant Group and/or its associates to sell various insurance products to end users of the Online Platforms for a term of three years from January 1, 2023 to December 31, 2025. The Existing Annual Caps shall be revised to the Revised Annual Caps, effective upon the approval of the Independent Shareholders.

2.2. Pricing policies

We noted that 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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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.

We have discussed with the Management and were given to understand that relevant subsidiaries of Ant Group will enter into separate agreements with the Group which will set out the specific terms and conditions (including pricing) according to the commercial terms provided in the Online Platform Cooperation Framework Agreement. As advised by the Management, 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 promotions offered by the Online Platforms, 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. The three main types of insurance products sold by the Group under the Online Platform Cooperation Framework Agreement are expected to be continuously sold by the Group upon the revision of the Existing Annual Caps.

As disclosed in the Appendix IV, there are comparable market rates paid by independent third parties for the similar transactions conducted under the Online Platform Cooperation Framework Agreement. Accordingly, 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.

As advised by the Management, as an important domestic Internet platform, Ant Group's policies applicable to insurance companies participating on its platforms are equal and transparent. In accordance with the requirements of the Measures on the Administration of Related Party Transactions of Insurance Companies (《銀行保險機構關聯交易管理辦法》) (CBIRC Order [2022] No. 1) (the "CBIRC Measures"), the Group has established an inter-departmental related party transaction management office (the "Related Party Transaction Management Office"), comprising members from the finance, business, compliance, risk control, the office of the Board and other departments. The Related Party Transaction Management Office shall evaluate the pricing fairness and reasonableness of, among others, each individual transaction to be entered into between the Group and Ant Group under the Online Platform Cooperation Framework Agreement, to ensure that the terms of such transaction are fair and reasonable and in the interests of the Shareholders. At the same time, the transactions contemplated under Online Platform Cooperation Framework Agreement constitute major related party transactions under the CBIRC Measures. Accordingly, the Company will file such transactions with the NAFR after approval of the same by the Board.

The Board considers that the methods and procedures in respect of the management of related party transactions adopted, and continuously and diligently adhered to, by the Company pursuant to the requirements of the NAFR, including those set out above, are sufficient in ensuring that the terms of the transactions under the Online Platform Cooperation Framework Agreement will be on normal commercial terms, fair and reasonable and in the interests of the Shareholders.

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We have reviewed sample agreements provided by the Management, including (i) all the 12 separate product agreements (the “**Product Agreements**”) entered into between the Group and the relevant subsidiaries of Ant Group for the year ended December 31, 2023 and the year ending December 31, 2024 pursuant to the Online Platform Cooperation Framework Agreement, which covered all three categories of insurance products (namely health, travel and e-commerce related insurance); and (ii) 23 randomly selected sample agreements entered into between the Group and other independent third parties who provide similar online platform services to the Group for the year ended December 31, 2023 and the year ending December 31, 2024, which covered all three categories of insurance products. Given that we have reviewed sample agreements entered into between the Group and other independent third parties that covered all three categories of insurance products of the Group, we considered we have reviewed sufficient and representative samples for our due diligence purpose. Based on the review of the aforesaid documents, we noted that the pricing policies stipulated in the Product Agreements are consistent with the pricing principle (i) (i.e., if there exists comparable market rates paid by independent third parties, the Service Fees shall be based on such prevailing market rates) as discussed above and the rates of service fees charged by the independent third parties are comparable to the rates charged by Ant Group and/or its associates, and the rates of service fees charged by Ant Group and/or its associates are no less favourable than the rates charged by the independent third parties.

Based on the above, we are of the view that the Online Platform Cooperation Framework Agreement is on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned.

3. Reasons for and benefits of the transactions with Ant Group and the Revised Annual Caps

As disclosed in the Appendix IV, 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 utilise 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 cooperation between the Group and Ant Group under 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/or 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 Company 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 activities. In addition, through relying on the technical capabilities of the 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 realising 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.

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Given that (i) the total Service Fees of approximately RMB347.8 million that have been paid to Ant Group and/or its associates for the two months ended February 29, 2024 already represents approximately 25.7% of the Existing Annual Caps for the year ending December 31, 2024; and (ii) the Service Fees to be payable to Ant Group and/or its associates for the two years ending December 31, 2025 are expected to amount to approximately RMB3,185.5 million and RMB3,728.8 million respectively, which represent approximately 235.2% and 238.7% of the Existing Annual Caps 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; (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 utilisation 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 Online Platforms 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, the Board expects that the Existing Annual Caps for the two years ending December 31, 2025 will not be sufficient to meet the Company's requirements. Accordingly, the Board proposed to revise the Existing Annual Caps.

Taking into consideration (i) that the transactions contemplated under the Online Platform Cooperation Framework Agreement are conducted in the ordinary and usual course of business of the Company and on normal commercial terms; (ii) that the anticipated transactions with Ant Group and/or its associates pursuant to the Online Platform Cooperation Framework Agreement may exceed the original projection for the two years ending December 31, 2025; (iii) that save for the revision of the Existing Annual Caps, all terms and conditions of the Online Platform Cooperation Framework Agreement remain unchanged; and (iv) of the bases of determining the Revised Annual Caps as further discussed below, the Directors are of the view, and we concur, that the adoption of the Revised Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

4. The annual caps

4.1. Historical transaction amounts

The table below sets out the historical Service Fees payable to Ant Group and/or its associates by the Group and corresponding premium received by the Group pursuant to the Online Platform Cooperation Framework Agreement for each of the three years ended December 31, 2023 and the two months ended February 29, 2024 and the Existing Annual Caps for the two years ending December 31, 2025.

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Product category	For the year ended December 31,				For the two months ended February 29,		For the year ending December 31,
	2021		2022		2023		2025
	Premium in RMB million	Service Fees in RMB million	Premium in RMB million	Service Fees in RMB million	Premium in RMB million	Service Fees in RMB million	Service Fees in RMB million
Health insurance	2,191.7	544.0	1,881.3	437.1	2,180.3	629.2	162.6
Digital lifestyle insurance <i>(Note 1)</i>	5,077.9	756.8	4,294.3	440.5	4,904.1	583.4	185.2
Total	7,269.6	1,300.8	6,175.6	877.6	7,084.4	1,212.5	347.8
Historical/Existing annual caps		3,050.0		1,517.3		1,291.5	1,354.6 ^(Note 2)
Utilisation rates (%)		42.6		57.8		93.9	25.7

Notes:

- Digital lifestyle insurance comprises travel insurance and e-commerce related insurance.
- This figure represents the Existing Annual Caps for the year ending December 31, 2024.

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The premium received by the Group through Ant Group and/or its associates decreased from approximately RMB7,269.6 million for the year ended December 31, 2021 to approximately RMB6,175.6 million for the year ended December 31, 2022. As advised by the Management, such decrease was mainly due to (i) the overall development of the insurance industry decelerated due to factors such as the slowdown in the growth of national economy; and (ii) the decrease in premium from e-commerce related insurance as the delivery services were blocked, thereby affecting the demand for online shopping.

The premium received by the Group through Ant Group and/or its associates then increased to approximately RMB7,084.4 million for the year ended December 31, 2023. As advised by the Management, such increase was mainly due to the domestic economy recovery.

The Service Fees paid by the Group to Ant Group and/or its associates decreased from approximately RMB1,300.8 million for the year ended December 31, 2021 to approximately RMB877.6 million for the year ended December 31, 2022. As advised by the Management, such decrease was mainly due to the decrease in Service Fees paid for the health and e-commerce related insurance policies, which was in line with the decrease in premium received from the sales of insurance policies.

The Service Fees paid by the Group to Ant Group and/or its associates then increased to approximately RMB1,212.5 million for the year ended December 31, 2023. Such increase was in line with the increase in premium received from the sales of insurance policies.

The premium received by the Group through Ant Group and/or its associates increased from approximately RMB917.8 million for the two months ended February 28, 2023 to approximately RMB1,529.6 million for the two months ended February 29, 2024. As advised by the Management, such increase was mainly due to the marketing effort of Ant Group and/or its associates.

The Service Fees paid by the Group to Ant Group and/or its associates increased from approximately RMB158.8 million for the two months ended February 28, 2023 to approximately RMB347.8 million for the two months ended February 29, 2024, which was in line with the increase in premium received from the sales of insurance policies.

4.2. Basis and assessment of the Revised Annual Caps

As disclosed in the Appendix IV, the Revised Annual Caps for the years ending December 31, 2024 and 2025 shall be RMB3,185.5 million and RMB3,728.8 million, respectively, which were determined principally with reference to (i) the total Service Fees that have been paid to Ant Group and/or its associates for the two months ended February 29, 2024; and (ii) an expected increases in the Service Fees 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; (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 utilisation of Ant Group's services; (c) the recovery of the domestic economy and the unleashing of pent-up travel demand; (d) the popularity of various Online

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Platforms 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.

In order to assess the fairness and reasonableness of the Revised Annual Caps, we have discussed with the Management on the bases and assumptions underlying the determination of the Revised Annual Caps as below:

- (i) We noted that the total Service Fees of approximately RMB347.8 million that have been paid to Ant Group and/or its associates for the two months ended February 29, 2024 already represents approximately 25.7% of the Existing Annual Caps for the year ending December 31, 2024, mainly as a result of the services provided by Ant Group and/or its associates as further discussed below. For illustrative purpose, the annualised total Service Fees for the year ending December 31, 2024 (which is calculated based on the Group's actual total Service Fees of approximately RMB347.8 million for the two months ended February 29, 2024) amounts to approximately RMB2,086.6 million (the "**Annualised Service Fees**"), which exceeds the Existing Annual Caps of approximately RMB1,354.6 million and RMB1,561.9 million for the two years ending December 31, 2025, respectively. As such, the Company considers the Existing Annual Caps will not be sufficient to meet its requirements.

- (ii) Taking into consideration of (a) Ant Group's market position among online platform service providers in the PRC as well as its close cooperation with other well-known independent third-party online platforms ("**Independent Online Platforms**"); and (b) the marketing and technical capabilities of Ant Group, the continuous collaboration with Ant Group to increase marketing efforts will allow the Group to enhance its influence in the online insurance market and customer reach. We have discussed with the Management and were given to understand that Ant Group and/or its associates have been providing services to the Group to promote the Group's insurance products to users of the Independent Online Platforms and to divert such users to consume the Group's insurance products via the Online Platforms. As advised by the Management, the Group will continue to increase the budget to further improve the efficiency and effectiveness in marketing the insurance products offered by the Group on various Online Platforms and Independent Online Platforms, which in turn will result in further growth in gross merchandise volume of the insurance products for the two years ending December 31, 2025. As such, the Group can significantly enhance its brand awareness by reaching users multiple times online and offline through various platforms and converting users of Independent Online Platforms to insured customers for the Company through various dimensions of operations, thus realising an increase in conversion rate as well as insurance premiums. We noted that the Annualised Service Fees of approximately RMB2,086.6 million, which have not yet taken into account of the further increase in marketing budget as well as the expected growth in gross merchandise volume, represents approximately 65.5% and 56.0% of the Revised Annual Caps of RMB3,185.5 million and RMB3,728.8 million for the years ending December 31, 2024 and 2025, respectively. In light of the above, we are of the view that

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the collaboration with Ant Group by increasing its marketing spending for the promotion of the insurance products offered by the Group is mutually beneficial to both Ant Group and the Company, which provides a sound basis for a substantial increase in the insurance premiums and Service Fees, and hence the Revised Annual Caps are not excessive.

- (iii) The market demand for the Group's insurance products and services from the Latest Practicable Date until December 31, 2025 is expected to increase, taking into account of (a) the cooperation between the Group and Ant Group and/or its associates, through which the Company can promote its insurance products to potential users of various Independent Online Platforms and at the same time better serve the insurance needs of ecological Internet users based on mutual cooperation, insurance technology and customised advertising, thus improving the user experience of the platforms and bringing growth in the sales of the Internet insurance products through Ant Group and its partners; (b) the recovery of the domestic economy and the unleashing pent-up travel demand; and (c) the popularity of various Online Platforms and Independent Online Platforms 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, which is influenced by the market reaction and development.
- (iv) We have discussed with the Management and were given to understand that the Revised Annual Caps are closely linked to the online insurance products to be sold by the Group using the Online Platforms operated by Ant Group and/or its associates to the end users, which in turn represent the sales target of the Group's business. We would like to emphasise that, the premium to be received by the Group pursuant to the Online Platform Cooperation Framework Agreement is a stable and recurring source of income of the Group, hence we are of the view that it is fair and reasonable to determine the Revised Annual Caps according to the Group's sales target, so as not to limit the development of the Group's business in the event that it is able to meet its sales target.
- (v) The Revised Annual Caps amount to approximately RMB3,185.5 million and RMB3,728.8 million for the two years ending December 31, 2025, representing a year-on-year growth rate of approximately 17.1%. We have reviewed the annual report of the Company for the year ended December 31, 2023, and noted that the gross written premiums of the Group amounted to approximately RMB24,005.3 million and RMB29,684.6 million for the two years ended December 31, 2023, respectively, representing an increase of approximately 23.7%. Further, the premium received by the Group through Ant Group and/or its associates increased by approximately 66.7% for the two months ended February 29, 2024 as compared to the same period in the previous year. In view of the historical growth of the gross written premium of the Group, we consider that the growth rate of the Revised Annual Caps for the two years ending December 31, 2025 of approximately 17.1% is justifiable.

Based on the aforesaid, we consider the bases of determination of the Revised Annual Caps under the Online Platform Cooperation Framework Agreement to be fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

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The Revised Annual Caps are determined by the Management based on the assumptions, which include but are not limited to the current estimation of the amount of premiums and market conditions. Accordingly, we express no opinion as to how closely the actual amounts contemplated under the continuing connected transactions in comparison to the Revised Annual Caps.

INTERNAL CONTROL OF THE CONTINUING CONNECTED TRANSACTIONS

Pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the continuing connected transactions under the Online Platform Cooperation Framework Agreement and the transactions contemplated thereunder (including the Revised Annual Caps) are subject to the following requirements:

- (i) the independent non-executive Directors must review the continuing connected transactions every year and confirm in the annual report whether the transactions have been entered into:
 - in the ordinary and usual course of business of the Group;
 - on normal commercial terms or better; and
 - according to the agreement governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole;
- (ii) the Company must engage its auditors to report on the continuing connected transactions for each financial year of the Company and that the Company's auditors must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the continuing connected transactions:
 - have not been approved by the Board;
 - were not, in all material respects, in accordance with the pricing policy of the Group if the transactions involve the provision of goods or services by the Group;
 - were not entered into, in all material respects, in accordance with the relevant agreement governing the transaction; and
 - have exceeded the Revised Annual Caps.

In addition, as confirmed by the Management, the Company has implemented the following internal control measures in order to ensure that the pricing mechanism and the terms of the continuing connected transactions are fair and reasonable and no less favourable than the terms provided by any independent third party:

- a) in accordance with the requirements of the CBIRC Measures issued by the NAFR, the Group has established the Related Party Transaction Management Office, comprising members from the finance, business, compliance, risk control, the office of the Board and other departments. The Related Party Transaction Management Office shall evaluate the pricing fairness and reasonableness of, among others, each individual transaction to be

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entered into between the Group and Ant Group under the Online Platform Cooperation Framework Agreement, to ensure that the terms of such transaction are fair and reasonable and in the interests of the Shareholders. At the same time, the transactions contemplated under the Online Platform Cooperation Framework Agreement constitute a major related party transaction under the CBIRC Measures. Accordingly, the Company will file such transactions with the NAFR after approval of the same by the Board. In addition, the Related Party Transaction Management Office has established mechanisms for the continuous monitoring of the actual transaction amounts relating to the continuing connected transactions under the framework agreement to ensure that the annual caps under the framework agreement are complied with. If the actual transaction amount reaches a certain threshold of an annual cap or if the Group expects that the relevant business operations will expand and may use up a substantial part of an annual cap in the short run, the matter shall promptly be raised to the Related Party Transaction Management Office, who will then assess if there is a need to revise any existing annual cap or adjust the volume of transactions to be conducted under the framework agreement for the annual cap period. In the event there is a need to revise an existing annual cap, the Company will do so in accordance with the relevant internal procedures and re-comply with the requirements under the Listing Rules.;

- b) the Supervisory Committee, which operates independently of the Board and performs supervisory duties over the Board and the senior management of the Company, is responsible for supervising the establishment and implementation of internal control and conducts review of the Group's connected transactions annually and monitors whether such transactions would damage the interests of the Shareholders. The Risk Management and Related Transaction Control Committee is responsible for reviewing and monitoring the internal control of the Company. The Supervisory Committee and the Risk Management and Related Transaction Control Committee shall perform internal review and control over the continuing connected transactions of the Group, including reviewing contracts signed between the Company and its connected persons, supervising the performance of procedures prior to signing of contracts as well as the fulfilment of transactions thereunder, and inspecting specific terms of the Company's transactions with connected persons and comparing them with the terms of same type of transactions of the Company entered into with independent third parties, to ensure that the pricing and other terms for the Group's continuing connected transactions are on normal commercial terms and in the ordinary and usual course of business of the Group, fair and reasonable, and in the interests of the Company and its Shareholders;
- (c) the independent non-executive Directors conduct annual reviews of the continuing connected transactions. In doing so, they shall review reports on the continuing connected transactions prepared by the Risk Management and Related Transaction Control Committee and the annual audit of the continuing connected transactions prepared by the Company's external auditor to ensure that such transactions are conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the agreement governing the transactions on terms and conditions that are fair and reasonable and are in the interests of the Company and the Shareholders as a whole; and

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- d) the Company has engaged an external auditor to conduct annual audits and issue its opinion as to the implementation of the continuing connected transactions by the Company and whether such transactions are conducted within the annual caps as approved by the Shareholders.

In view of the above and in particular that the continuing connection transactions under the Online Platform Cooperation Framework Agreement will be subject to annual review of the independent non-executive Directors and the auditor of the Company, we are of the view that appropriate measures will be in place to govern the conduct of the continuing connected transactions under the Online Platform Cooperation Framework Agreement and safeguard the interests of the Independent Shareholders.

In assessing the adequacy and effectiveness of the Company's internal control measures, we have reviewed the annual report of the Company for the year ended December 31, 2023 and noted that the independent non-executive Directors and auditor of the Company have confirmed that the continuing connected transactions under the Online Platform Cooperation Framework Agreement have been entered into on normal commercial terms or better and are fair and reasonable and in the interests of the Shareholders as a whole. We have also reviewed (i) the meeting minutes of the Supervisory Committee and the Risk Management and Related Transaction Control Committee; and (ii) the resolutions of the Related Party Transaction Management Office in relation to the continuing connected transactions of the Company for the year ended December 31, 2023, and noted that the Company had carried out the aforesaid internal control procedures to (a) ascertain the continuing connected transactions are on normal commercial terms or better; and (b) govern that the continuing connected transactions will not exceed the Existing Annual Caps.

Having considered the internal control measures implemented by the Group, among others, (i) reviewing contracts signed between the Company and its connected persons; (ii) supervising the performance of procedures prior to signing of contracts as well as the fulfilment of transactions thereunder; (iii) inspecting specific terms of the Company's transactions with connected persons and comparing them with the terms of same type of transactions of the Company entered into with independent third parties to ensure the terms offered by connected persons shall not be less favourable to the Company than those offered by independent third parties; (iv) established mechanisms for the continuous monitoring of the actual transaction amounts relating to the continuing connected transactions under each framework agreement to ensure that the annual caps under the framework agreements are complied with; and (v) the internal control measures have been executed and operated smoothly by the Company in the past, we concur with the Management's view that there are adequate internal control procedures and external supervision measures to ensure that the continuing connected transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

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RECOMMENDATION

Having considered the principal factors and reasons as discussed above, we are of the opinion that the transactions contemplated under the Online Platform Cooperation Framework Agreement are entered into in the ordinary and usual course of business of the Group, and the adoption of the Revised Annual Caps is on normal commercial terms, and fair and reasonable so far as the Independent Shareholders are concerned, and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, and advise the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the relevant resolution at the AGM to approve the Revised Annual Caps.

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

Ms. Kristie Ho is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). She has over 20 years of experience in the finance and investment banking industry.

I. TO CONSIDER AND APPROVE THE REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED DECEMBER 31, 2023

For details of the Company's report of the board of directors for the year 2023, please refer to the Report of Directors set out in the 2023 Annual Report of the Company published by the Company on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.zhongan.com) on April 24, 2024.

This resolution has been approved at the 11th meeting of the fourth session of the Board and is hereby submitted to the AGM for consideration and approval.

II. TO CONSIDER AND APPROVE THE REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2023

For details of the Company's report of the Supervisory Committee for the year 2023, please refer to the Work Report of the Supervisory Committee for the Year 2023 as set out in Appendix II of this circular.

This resolution has been approved at the 11th meeting of the fourth session of the Board and is hereby submitted to the AGM for consideration and approval.

III. TO CONSIDER AND APPROVE THE REPORT OF THE AUDITORS AND AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED DECEMBER 31, 2023

For details of the report of the auditors and audited financial statements of the Company for the year ended December 31, 2023, please refer to the independent auditor's report and audited financial statements set out in the 2023 Annual Report of the Company published by the Company on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.zhongan.com) on April 24, 2024.

This resolution has been approved at the 11th meeting of the fourth session of the Board and is hereby submitted to the AGM for consideration and approval.

IV. TO CONSIDER AND APPROVE THE RE-APPOINTMENT OF AUDITORS FOR THE YEAR ENDING DECEMBER 31, 2024

The Board proposes to re-appoint PricewaterhouseCoopers as the international auditors of the Company and PricewaterhouseCoopers Zhong Tian LLP as the PRC auditors of the Company for the year ending December 31, 2024 until conclusion of the next annual general meeting, and to authorize the Board to re-authorise the management to fix the auditors' remuneration.

This resolution has been approved at the 11th meeting of the fourth session of the Board and is hereby submitted to the AGM for consideration and approval.

V. TO CONSIDER AND APPROVE THE 2024-2026 THREE-YEAR CAPITAL PLANNING REPORT

Pursuant to the relevant requirements of the Solvency Regulatory Rules (II) for Insurance Companies (《保險公司償付能力監管規則(II)》) issued by the Former CBIRC, in order to better use the capital, optimize the capital structure, ensure the solvency of the Company, and meet the needs of the Company's business development and product planning, the Capital Management Plan (2024-2026) is specially prepared and submitted for approval by the general meeting.

For details of the 2024-2026 three-year capital plan, please refer to the 2024-2026 three-year capital planning report of the Company in Appendix III of this circular.

This resolution has been approved at the 12th extraordinary meeting of the fourth session of the Board and is hereby submitted to the AGM for consideration and approval.

VI. REVISION OF ANNUAL CAPS FOR THE ONLINE PLATFORM COOPERATION FRAMEWORK AGREEMENT

Reference is made to the April Announcement of the Company or the Appendix IV of this circular in relation to the revision of annual caps for the Online Platform Cooperation Framework Agreement.

This resolution has been approved at the 11th meeting of the fourth session of the Board and is hereby submitted to the AGM for consideration and approval.

VII. TO REVIEW THE PERFORMANCE REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR 2023

According to relevant requirements of the Guidelines on the Operation of the Board of Directors of Insurance Companies (《保險公司董事會運作指引》) released by the Former CIRC, the Measures on the Administration of Independent Directors of Insurance Companies issued by the Former CBIRC and the Administrative Measure for the Performance Evaluation of Directors and Supervisors of ZhongAn Insurance, the independent Directors shall submit a report on their performance of duties to the general meeting every year.

The Company's performance report of the independent Directors for the year 2023 is set out in Appendix V of this circular. This report is submitted for the Shareholders' review only and no Shareholders' approval is required.

VIII. TO REVIEW THE PERFORMANCE AND EVALUATION REPORT OF THE DIRECTORS FOR THE YEAR 2023

The Supervisory Committee shall conduct an annual performance evaluation of the Directors and report to the general meeting in accordance with the relevant requirements of the Measures for Performance Evaluation of Directors and Supervisors of Banking and Insurance Institutions (for Trial Implementation) issued by the Former CBIRC, the Articles of Association and the Administrative Measure for the Performance Evaluation of Directors and Supervisors of ZhongAn Insurance. According to regulatory requirements and the requirements of corporate management system, the Supervisory Committee has organized to conduct the performance evaluation of the Directors. Based on detailed review on annual duty performance records of Directors and their actual work, the annual evaluation of all Directors of the Company was “competent” after assessment.

The Company’s report on the performance evaluation results of the Directors for the year 2023 is set out in Appendix VI of this circular. This report is submitted for the Shareholders’ review only and no Shareholders’ approval is required.

IX. TO REVIEW THE PERFORMANCE AND EVALUATION REPORT OF THE SUPERVISORS FOR THE YEAR 2023

The Supervisory Committee shall conduct an annual performance evaluation of the Supervisors and report to the general meeting in accordance with the relevant requirements of the Measures for Performance Evaluation of Directors and Supervisors of Banking and Insurance Institutions (for Trial Implementation) issued by the Former CBIRC, the Articles of Association and the Administrative Measure for the Performance Evaluation of Directors and Supervisors of ZhongAn Insurance. According to regulatory requirements and the requirements of corporate management system, the Supervisory Committee has organized to conduct the performance evaluation of the Supervisors. Based on detailed review on annual duty performance records of Supervisors and their actual work, the annual evaluation of all Supervisors of the Company was “competent” after assessment.

The Company’s report on performance evaluation results of the Supervisors for the year 2023 is set out in Appendix VII of this circular. This report is submitted for the Shareholders’ review only and no Shareholders’ approval is required.

X. TO REVIEW THE SPECIAL REPORT ON RELATED PARTY TRANSACTIONS FOR THE YEAR 2023

In 2023, the Company continuously and diligently adhered to regulatory requirements, laws and regulations governing related party transactions, and optimized and improved the related party transaction management process, so as to ensure that the management system for related party transactions is continuously operated in a standardized and efficient manner. The Company has completed the “Special Report on the Related Party Transactions of the Company for the Year 2023” based on the actual situation. The report is set out in Appendix VIII to this circular. This report is submitted for the Shareholders’ review only and no Shareholders’ approval is required.

XI. TO REVIEW THE REPORT ON REVIEW AND ANALYSIS OF SOLVENCY FOR THE YEAR 2023

In accordance with the regulations of the Regulatory Rules on the Solvency of Insurance Companies No. 11: Solvency Aligned Risk Management Requirements and Assessment (《保險公司償付能力監管規則第11號：償付能力風險管理要求與評估》) and the Notice of the CIRC on Matters in respect of the Formal Implementation of China Risk-oriented Solvency System (《中國保監會關於正式實施中國風險導向的償付能力體系有關事項的通知》) promulgated by the Former CBIRC, a session on the explanation of solvency shall be set up during the annual general meeting of insurance companies for the review and analysis on the solvency condition of the Company in the past four quarters. The Company has prepared a report on review and analysis of solvency for the year 2023. The report is set out in Appendix IX to this circular. This report is submitted for the Shareholders' review only and no Shareholders' approval is required.

In 2023, in accordance with laws, regulations, regulatory requirements and the Articles of Association, all members of the Supervisory Committee of the Company, with their loyalty, trustworthiness, diligence and conscientiousness, effectively performed their supervisory functions, urged the Company to carry out its work in accordance with laws and regulations, consistently ensured effective corporate governance and safeguarded the interests of shareholders, the Company, employees, consumers, and other stakeholders.

I. Meetings of the Supervisory Committee

During the Reporting Period, the Supervisory Committee held a total of 8 meetings. All meetings were convened in accordance with the Articles of Association by way of physical meeting or circulating written resolutions, and were attended by all Supervisors entitled to be present. No proxy had been authorized to attend such meetings on their behalves. Meetings were held to consider proposals on development strategy, financial activities, risk management, internal audit, etc., and review reports on the management's annual work, related party transactions, etc. Details of Supervisors' attendance at meetings of the Supervisory Committee are set out as follows:

No.	Name	Category of Supervisors	Date of appointment	Meetings required to attend	Meetings attended	% of attendance
1	Yuping Wen	Shareholder Representative Supervisor	November 29, 2013	8	8	100%
2	Haijiao Liu	Employee Representative Supervisor	May 14, 2018	6	6	100%
3	Yao Wang	Employee Representative Supervisor	September 13, 2023	2	2	100%
4	Limin Guo	External Supervisor	January 28, 2022	8	8	100%

Note: Haijiao Liu, the former Employee Representative Supervisor, resigned on September 13, 2023.

II. Attendance of the general meetings and Board meetings by Supervisors

In 2023, the Company held a total of 3 general meetings and 4 on-site Board meetings. Certain Supervisors had attended the general meetings and were present at all the on-site Board meetings, and supervised the convening of the meetings were in compliance with the relevant laws and regulations, voting procedures, the Directors' attendance of, opinions expressed at and voting results of the general meetings and Board meetings, respectively. During the Reporting Period, the Supervisory Committee had no objection to various supervisory matters.

III. Independent opinion on relevant issues from the Supervisory Committee**(I) Lawful operation**

The Supervisors of the Company carefully study regulatory policies in the industry, closely monitor the operational and compliance risk control of the Company, actively perform their duties, pay attention to the Company's lawful and compliant operations, and review the legality and compliance of the Company's major decision-making procedures. The Supervisory Committee believes that:

During the Reporting Period, the Company operated and managed its businesses in accordance with the laws and regulations, and its operational results were objective and true. The Company's operational decision-making processes were legitimate. The Directors and other senior management personnel were royal, diligent and dedicated in the business operations and management processes, and they were not found to have breached any laws, regulations or the Articles of Association or harmed the interests of the Shareholders.

(II) Authenticity of the financial statements

PricewaterhouseCoopers has issued the standard unqualified auditor's reports in accordance with auditing standards on the Company's financial statements for 2023. The consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard and other regulations.

During the Reporting Period, the Company actively responded to changes in external laws, regulations and regulatory policies, and properly disclosed financial information, continuously optimized internal procedures and strengthened financial system construction, optimized financial work and established a long-term financial internal control mechanism to effectively prevent financial risks and ensured the standardized, high quality and efficient operation of the Company's financial work. The Supervisory Committee believes that the Company's financial work has been carried out in an effective manner and the financial operation was in good condition.

(III) Use of proceeds

The Company successfully completed the initial offering of its overseas listed foreign shares (H Shares) on September 28, 2017. An aggregate of 229 million shares (upon exercise of the over-allotment option) were issued, and the gross proceeds raised were approximately HK\$13,683 million. All of the proceeds raised from the offering, net of relevant offering expenses, will be used to strengthen the capital base of the Company to support its business development. The Supervisory Committee monitored the use of proceeds and did not find improper use of proceeds.

(IV) Related party transactions

During the Reporting Period, the Supervisory Committee reviewed the related party transactions during the Reporting Period and believed that: related party transactions of the Company were conducted for normal production and operations, the decision-making procedures complied with relevant laws, regulations and the Articles of Association, the prices of related party transactions were fair without violating the principles of openness, fairness and impartiality, without prejudice to the interests of the Company and minority Shareholders.

(V) Internal control

During the Reporting Period, the management of the Company paid great attention to the establishment of internal control system. The Company has set up a relatively complete, rational and effective internal control system, and continued to improve its internal control management. In 2023, the Supervisory Committee has considered/reviewed the Resolution on Management Letter of the Company for 2022 (《關於公司2022年度管理建議書的議案》), the Resolution on “Internal Control Audit Report and Management Letter on Insurance Fund Application of the Company for 2022” (《關於<公司2022年度保險資金運用內控審計報告及管理建議書>的議案》) and other resolutions. After review, the Supervisory Committee believes that the internal control self-assessment report of the Company for 2022 truly, objectively and completely reflects the actual situation of the Company’s internal control, an internal control mechanism for the businesses and matters included in the scope of the assessment has been established and effectively implemented, and the Company’s internal control objectives have been achieved.

(VI) Assessment on internal audit

During the Reporting Period, the Supervisory Committee monitored internal audit, considered and approved the Resolution on the Internal Audit Report of the Company for 2022 and the Internal Audit Plan and Budget of the Company for 2023 (《關於公司2022年度內部審計工作報告暨2023年度內部審計工作計劃及預算的議案》), the Resolution on “the Internal Audit Quality Assessment Report for 2022” (《關於<2022年內部審計質量評估報告>的議案》) and internal and external audit reports covering areas such as management of related party transactions, use and management of insurance funds, assessment on solvency risk management, assessment on anti-fraud management system, anti-money laundering management, and termination of employment of senior executives during terms of office, and believed that all internal audit works have been completed on time and with high quality.

(VII) Assessment on the performance of duties by Directors and Supervisors

During the Reporting Period, all the Supervisors reviewed and approved the Resolution on the “Performance and Evaluation Report of the Directors of the Company for 2023” and the Resolution on the “Performance and Evaluation Report of the Supervisors of the Company for 2023”, made a specialized assessment on the performance of duties by all the Directors and Supervisors, and issued the performance evaluation results. The Supervisory Committee agreed that all the Directors and Supervisors of the Company in 2023 performed their duties diligently and served the Company faithfully, and thus their performance evaluations were “competent”.

(VIII) Implementation of the Company's information disclosure management system

During the Reporting Period, the Supervisory Committee monitored the Company's information disclosure, reviewed regular reports of the Company, and provided written review opinions. No violation of laws or regulation were found in the Company's information disclosure throughout the year.

(IX) Risk management

During the Reporting Period, the Supervisory Committee reviewed the Company's Risk Assessment Report for 2022 (2022年度風險評估報告), Overall Risk Management Plan for 2023 (2023年度風險管理總體規劃), Solvency Review and Analysis Report for 2022 (2022年度償付能力回顧分析報告) and other resolutions and reports, learned about the risk management of the Company, monitored major solvency risks that may arise from business operation, and supervised the performance of duties by the Board and senior management in reputation risk management by reviewing the Company's Inspection and Assessment of the Solvency Risk Management System for 2022 (公司2022年度償付能力風險管理體系檢查與評估).

(X) Implementation of the resolutions approved by the general meetings, Board meetings and Supervisory Committee meetings

During the Reporting Period, certain members of the Supervisory Committee had attended the general meetings. The Supervisory Committee had no objection to the resolutions submitted by the Board for approval by the Shareholders at the general meetings. The Supervisory Committee has monitored the implementation of the resolutions approved by the general meetings, and was of the opinion that the Board was able to implement the resolutions approved by the general meetings earnestly. The Supervisory Committee has monitored the implementation of resolutions and proposals of the Board and Supervisory Committee, and was of the opinion that the operation management was able to implement the relevant resolutions earnestly, paid satisfactory attention to and adopted such proposals.

IV. Supervisors' participation in training

The Supervisors of the Company attached importance to the continuous improvement of their capabilities to perform duties and ensuring professionalism. In 2023, all Supervisors of the Company actively participated in the training courses centrally procured by the Company to learn professional knowledge including the spirit of the 20th National Congress of the Communist Party of China (CPC), the organic integration of CPC leadership and corporate governance, financial accounting, investment practices, C-ROSS, related party transactions, and compliance. All Supervisors completed more than 100 hours of external professional training. In December 2023, the Company also invited lawyers and ESG experts to provide on-site training on compliant performance of duties by Directors and Supervisors and ESG regulatory updates, with the attendance of all Supervisors. Furthermore, the Supervisors of the Company maintained sensitivity to the industry and market by keeping an eye on industry development trends and the impact of domestic and international new policies and technologies on the Company, analyzing new regulations dispatched by the Company, and exchanging views, thereby enhancing their professional capabilities to perform duties.

In order to better use the capital, optimize the capital structure, ensure the solvency of the Company, and meet the needs of the Company’s business development and product planning, pursuant to the relevant requirements of the Solvency Regulatory Rules (II) for Insurance Companies (《保險公司償付能力監管規則(II)》) issued by the Former CBIRC, the Capital Management Plan (2024-2026) of ZhongAn Online P & C Insurance Co., Ltd. is specially prepared.

I. Considerations for capital planning

(I) Macro-economic situation

Withstanding external pressure and overcoming internal difficulties, China’s economy continued to develop and grow while overcoming challenges in 2023. In the context of the world entering a new period of turbulence and change and the global economy lacking momentum for growth, China’s economy showed a recovery trend of “wave-like development and tortuous progress”. In 2024, with the consolidation and enhancement of the internal driving force of the economy and intensified policy efforts to boost efficiency, China will continue to implement proactive fiscal policies and prudent monetary policies, intensify macro-policy regulation, and strengthen coordination and cooperation among various policies, striving to promote the overall economic recovery and the solid progress of high-quality development. We will insist on taking scientific and technological innovation as the primary driving force, leading the industrial transformation with scientific and technological innovation, constantly opening up new fields and exploring new paths, and creating new drivers and advantages for development.

(II) Forecast of the insurance industry

Regulatory policy is a key factor that affects the formulation of strategic targets of the Company and cannot be ignored. Over the recent years, the regulatory authorities have taken a multi-pronged approach to address both the symptoms and the root causes, thereby facilitating the transformation of institutional advantages into governance effectiveness by strengthening the leadership of the Party. We will adhere to the general principle of seeking progress while maintaining stability, and implement the new development concept in a complete, accurate, and comprehensive manner. While firmly upholding the bottom line of avoiding systemic financial risks and steadily promoting high-quality financial development, we will spare no effort to push forward reforms of small and medium-sized financial institutions to defuse risks and implement the tightened and strict regulatory requirements.

(III) Planning goals of the Company

As an innovative company focusing on online insurance business, in the next three years, ZhongAn will seize every opportunity arising in the new era and uphold its development philosophy of “empowering finance with technology and providing insurance service with a caring hand”, with an aim to develop itself into a leading international innovative insurance group focusing on online business.

1. Improving the core strength of “Insurance + Technology” and deepening industry empowerment

The Company will continue to adhere to its dual-engine growth strategy of “Insurance + Technology” where it will increase the research and development, application, and export of insurance technology, empower the insurance industry, strengthen the export and layout development of tech-enabled insurance at home and abroad, and constantly explore new technologies, customers, market demands and products, thereby building a perfect and abundant “new insurance” ecosystem and contributing to the transformation and upgrading of the insurance industry.

2. Strengthening channel control and improving the operation system of its own channel

The Company will continue to fulfil the management and control responsibilities of the responsible subject and constantly strengthen the qualification review and business compliance monitoring of cooperative intermediaries; deepen the long-term effectiveness of the strategic layout of the intermediary channel, respond to market demands, and optimize and innovate cooperation models and scenarios to provide users with customized insurance coverage products. At the same time, the Company continued to expand the construction and investment in its proprietary platform business, focusing on the cultivation and conversion of, and service export to private domain traffic customers, thereby effectively reducing its dependence on the intermediary channel and Internet platforms, and enabling it to carry out independent, controllable, sustainable, and in-depth user management in its own field.

3. Promoting the balanced development of all types of insurance

As the Company continues to develop and grow, its technologies and products are constantly updated and iterated, and the market demands are further expanded, laying the foundation for the Company to explore new business areas such as assumed reinsurance business, construction insurance, specialty insurance, and agricultural insurance in the future.

II. The goal of capital planning

Through capital planning, the Company shall ensure that the solvency ratio at the end of each quarter is not lower than the solvency adequacy ratio limit or minimum regulatory standard under the Company’s risk preference for the current year, so as to ensure that sufficient capital is available to support the growth of the insurance business.

III. Retrospect of capital planning in 2023

In 2023, the Company’s gross written premiums increased by 24.7% to RMB29.50 billion. Through rationally optimizing business structure, enriching business channels, and improving business quality, the Company achieved underwriting profitability. In terms of investment, mainly due to events such as the pace of US interest rate cuts and the weaker-than-expected economic recovery of China, the capital market experienced significant fluctuations, the equity market fell after a rise, and more than half of the industry sectors underperformed, resulting in the effective rate of return on underlying assets being significantly weaker than expected.

At the end of 2023, the comprehensive solvency margin ratio was 239.78%, which was within the risk appetite of the Company and met the regulatory requirements for solvency margin ratio under the current C-ROSS standard.

IV. Capital Requirements Plan (2024-2026)

(I) Major assumptions

1. Income assumptions

From 2024 to 2026, the Company insists on pursuing quality growth, aiming at steady growth in scale and optimization of structure, and makes assumptions about the insurance premium scale based on the Company's development plan and the steady growth of the industry environment.

2. Actuarial and cost assumptions

The actuarial assumptions are formulated based on the recent actual conditions of the Company's various insurances, combined with the industry environment and the Company's operating experience, while the cost assumptions are forecast based on the budget in 2024 and the Company's operating goals.

3. Asset allocation assumptions

According to the Company's regulatory requirements, combined with strategic planning, macroeconomics, risk preference and other factors, the allocation of various assets in the next three years will be consistent with the Company's strategic asset allocation.

4. Solvency Assumptions

The relevant parameters and assumptions of the Basic Scenario, Stress Scenario 1 and Stress Scenario 2 are consistent with the Regulatory Rules on the Solvency of Insurance Companies No. 10: Stress Test (《保險公司償付能力監管規則第10號：壓力測試》).

(II) Solvency

With the gradual improvement in the efficiency of the Company's capital utilization, the impact of the change in measurement resulted from the implementation of the C-ROSS Phase II and taking into account the normal consumption in business development, it is expected that the Company's solvency margin ratio will fall within a narrower range in the future.

V. Capital planning mechanism

The Company's capital management mechanism consists of two parts, namely, early warning mechanism for capital management and replenishment mechanism for capital management.

(I) Early warning mechanism for capital management

Based on the management requirements on capital and solvency, the Company has established a daily early warning and monitoring mechanism for solvency risk events, so as to predict and prevent possible solvency deterioration events as soon as possible, and take emergency measures in a timely manner.

(II) Replenishment mechanism for capital management

According to the Company's business development plan for the next three years, under the basic scenario, the Company's solvency, while remains above the minimum regulatory standard and the Company's current risk tolerance limit, is declining year by year. In the absence of other significant capital consumption events, in order to ensure that the Company maintains sufficient solvency, in addition to rational use of in-house capital replenishment measures, the Company still needs to continue to consider arranging potential external capital replenishment for appropriate capital increases or issuance of capital replenishment instruments, so that the Company's solvency margin ratio in the next three years can meet regulatory requirements and is in line with the Company's risk appetite.

1. INTRODUCTION

References are made to the 2022 Announcement, 2023 Announcement and 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.

The purpose of this appendix is to, among other things, provide you with further details of the Revised Annual Caps.

2. 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 RMB 3,185,470,000 and RMB 3,728,750,000 for the years ending December 31, 2024 and 2025, respectively (the "**Revised Annual Caps**").

As at the Latest Practicable Date, the total Service Fees paid by the Company to Ant Group pursuant to the Online Platform Cooperation Framework Agreement had not exceeded the Existing Ant Group 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, 2024 and 2025 of RMB3,185,470,000 and RMB3,728,750,000, respectively, which were estimated with reference to the expected market demand for the 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.

For further details of the internal control measures, please refer to the section headed “INTERNAL CONTROL” below.

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 for the continuing connected transactions under the Online Platform Cooperation Framework Agreement are fair and reasonable.

3. 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 Latest Practicable Date, (i) approximately 33% of the issued shares in Ant Group were 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 and Hangzhou Junao held 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 held 20% of the equity interests in Hangzhou Xingtao. 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 held a 20% equity interest in Hangzhou Yunbo; and (iii) the remaining approximately 14% of the issued shares in Ant Group was 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.

4. INTERNAL CONTROL

The Company has implemented the following internal control measures in order to ensure that the transactions under the Online Platform Cooperation Framework Agreement are conducted within the frameworks of the agreement:

- (i) in accordance with the requirements of the Measures on the Administration of Related Party Transactions of Insurance Companies (《銀行保險機構關聯交易管理辦法》) (CBIRC Order [2022] No. 1) (the “**CBIRC Measures**”), the Group has established an inter-departmental related party transaction management office (the “**Related Party Transaction Management Office**”), comprising members from the finance, business, compliance, risk control, the office of the Board and other departments. The Related Party Transaction Management Office shall evaluate the pricing fairness and reasonableness of, among others, each individual transaction to be entered into between the Group and Ant Group under the Online Platform Cooperation Framework Agreement, to ensure that the terms of such transaction are fair and reasonable and in the interests of the Shareholders. At the same time, the transactions contemplated under the Online Platform Cooperation Framework Agreement each constitute a major related party transaction under the CBIRC Measures. Accordingly, the Company will file such transactions with the NAFR after

approval of the same by the Board. In addition, the Related Party Transaction Management Office has established mechanisms for the continuous monitoring of the actual transaction amounts relating to the continuing connected transactions under each framework agreement to ensure that the annual caps under the framework agreements are complied with. If the actual transaction amount reaches a certain threshold of an annual cap or if the Group expects that the relevant business operations will expand and may use up a substantial part of an annual cap in the short run, the matter shall promptly be raised to the Related Party Transaction Management Office, who will then assess if there is a need to revise any existing annual cap or adjust the volume of transactions to be conducted under the framework agreement for the annual cap period. In the event there is a need to revise an existing annual cap, the Company will do so in accordance with the relevant internal procedures and re-comply with the requirements under the Listing Rules;

- (ii) the Supervisory Committee, which operates independently of the Board and performs supervisory duties over the Board and the senior management of the Company, is responsible for supervising the establishment and implementation of internal control and conducts review of the Group's connected transactions annually and monitors whether such transactions would damage the interests of the Shareholders. The Risk Management and Related Transaction Control Committee is responsible for reviewing and monitoring the internal control of the Company. The Supervisory Committee and the Risk Management and Related Transaction Control Committee shall perform internal review and control over the continuing connected transactions of the Group, including reviewing contracts signed between the Company and its connected persons, supervising the performance of procedures prior to signing of contracts as well as the fulfilment of transactions thereunder, and inspecting specific terms of the Company's transactions with connected persons and comparing them with the terms of same type of transactions of the Company entered into with independent third parties, to ensure that the pricing and other terms for the Group's continuing connected transactions are on normal commercial terms and in the ordinary and usual course of business of the Group, fair and reasonable, and in the interests of the Company and its Shareholders;
- (iii) the independent non-executive Directors conduct annual reviews of the continuing connected transactions. In doing so, they shall review reports on the continuing connected transactions prepared by the Risk Management and Related Transaction Control Committee and the annual audit of the continuing connected transactions prepared by the Company's external auditor to ensure that such transactions are conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the agreement governing the transactions on terms and conditions that are fair and reasonable and are in the interests of the Company and the Shareholders as a whole; and
- (iv) the Company has engaged an external auditor to conduct annual audits and issue its opinion as to the implementation of the continuing connected transactions by the Company and whether such transactions are conducted within the annual caps as approved by the Shareholders.

5. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Ant Group was 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 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 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.

Ant Group (one of the Company's substantial shareholders interested in an aggregate of 152,462,937 H Shares as at the Latest Practicable Date, representing approximately 10.37% of the total issued shares of the Company with voting rights) and its associates, and those Shareholders who are involved or interested in the Revised Annual Caps will be required to abstain from voting on the relevant resolutions to be proposed at the AGM.

WEI OU, INDEPENDENT DIRECTOR

I am Wei Ou, an independent Director of ZhongAn Online P & C Insurance Co., Ltd. (hereinafter referred to as the “Company”). In 2023, in strict compliance with the Measures for the Administration of Independent Directors of Insurance Institutions, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of the Company (hereinafter referred to as the “Articles of Association”), the Rules of Procedures of the Board of Directors (hereinafter referred to as the “Board”), the rules of procedures of the special committees, and other institutional requirements, I performed my duties honestly, diligently, prudently and independently. I attended Board meetings and meetings of each special committee, deliberated resolutions carefully and expressed independent opinions in a prudent manner, paid close attention to and understood the operation and management of the Company, and earnestly safeguarded the legitimate rights and interests of the Company, the insured, and the minority Shareholders. The independent Director’s performance in 2023 is reported as follows:

I. Basic information of the independent Director

According to the Document (Yin Bao Jian Fu [2019] No. 1136) issued by the former China Banking and Insurance Regulatory Commission, I formally took office as an independent Director of the Company on December 16, 2019. After the re-election of the Board on November 28, 2022, I served as an independent Director of the fourth session of the Board of the Company. As of the end of 2023, I served as the chairperson of the Nomination and Remuneration Management Committee and a member of each of the Risk Management and Related Transaction Control Committee and the Audit and Consumer Rights Protection Committee under the fourth session of the Board.

In 2023, apart from serving as an independent Director in the Company and the positions in special committees under the Board as mentioned above, I did not hold other position in the Company, nor did I have any relationship with the Company or the controlling shareholders that may affect my independent and objective judgment on the Company’s affairs. There was no other factor that might affect my independence.

II. Overview of the independent Director’s annual performance of duties**(I) Attendance at meetings**

1. Attendance at general meetings and Board meetings

Name	Attendance at general meetings		Attendance at Board meetings				Note
	Number of scheduled attendance	Number of actual attendance	Number of scheduled attendance	Number of attendance in person	Number of attendance by proxy	Number of absence	
Wei Ou	3	3	8	8	0	0	

2. Attendance at meetings of special committees under the Board

Name	Audit and Consumer Rights Protection Committee		Risk Management and Related Transaction Control Committee		Nomination and Remuneration Management Committee		Strategy and Investment Decision Committee	
	Number of scheduled attendance	Number of actual attendance	Number of scheduled attendance	Number of actual attendance	Number of scheduled attendance	Number of actual attendance	Number of scheduled attendance	Number of actual attendance
Wei Ou	0	0	8	8	6	6	—	—

Note: “—” means that the independent Director is not a member of the special committee.

On December 21, 2023, the Company convened the 2023 Research and Investigation Meeting of Independent Directors and Supervisors. At the meeting, there was extensive communication and exchange on topics such as risk management, annual summary of internal audit and planning for the next year, annual achievements of consumer rights protection, and the operation and management of the Company, at which I put forward my professional opinions on the Company’s business development.

On the same day, the Company convened the 2023 Communication Meeting of Independent Directors. At the meeting, there were in-depth discussions on topics such as the annual compliance management of the Company, the functioning of the Board and the performance of duties by independent Directors.

(II) Participation in voting and expression of opinions

In 2023, I performed my duties honestly, diligently, prudently and independently. Throughout the year, I considered or reviewed a total of 195 proposals or reports and voted in favor of all resolutions with full understanding of all the matters after thorough discussions and prudent consideration of such matters, without abstention or dissenting vote or abstaining from voting. Moreover, I expressed my independent opinions regarding related party transactions, appointment of senior management, nomination of Directors, and other matters based on my own professional expertise and practical experience, performing my duties as an independent Director.

(III) Work done to understand the developments of the Company

I gained a timely understanding of the Company’s business development and financial data by attending the discussion at the meetings, reading the Monthly Correspondence of Directors (《董事月訊》) and other means. I also communicated with other Directors, Supervisors, and the management of the Company through various channels such as telephone, WeChat and email, in order to grasp the latest development, internal management and operations of the Company on different levels. Moreover, I also maintained effective communication with external auditors, obtained independent and objective information from third parties, gave full play to my expertise and played an active role as an independent Director, put forward reasonable opinions and suggestions to the Company, and provided constructive advice for the business development of the Company so as to effectively safeguard the legitimate rights and interests of the Company and all Shareholders.

(IV) No obstacles encountered in the performance of duties

I believe that there are no obstacles in performing my duties. I attended every Board meeting and corresponding meeting of the special committees with an adequate and timely access to all of the required materials, data and information. Regarding matters of particular interest, I was also provided with efficient responses from the Company's team to enquiries raised.

(V) Performance self-evaluation for the year

In 2023, I honestly and diligently performed my duties and obligations specified by laws, regulations, and the Articles of Association. I participated in the decision-making of the Board from an independent and objective standpoint, and paid attention to safeguarding the legitimate rights and interests of all Shareholders, especially the minority Shareholders in the decision-making.

In 2023, I have strengthened my learning and in-depth understanding on the development as well as laws and regulations of the insurance industry. In particular, I have attended various training courses for a total of 103.2 hours, covering the organic integration of the Communist Party of China leadership and corporate governance, online public opinion guidance and risk and crisis response in the financial industry, ESG investment strategies and financial performance of insurance institutions, and the operational norms and practices of corporate governance of insurance institutions, etc., which provided a solid basis to better fulfil my obligations and assist in the standardized operation of the Company in the future.

Looking forward to 2024, I will continue to perform my duties independently, faithfully and diligently, actively provide constructive advice for the Company's operation and development, earnestly safeguard the legitimate rights and interests of the Company, the insured, and the minority Shareholders in decision-making, and strengthen communication and collaboration with the Board, the Supervisory Committee, and the management, so as to contribute to the high-quality development of the Company.

(VI) Evaluation on the performance of the Board and the management

In 2023, the Board of the Company demonstrated a high level of responsibility and efficiency in its operations, proactively pushed forward the development strategy of the Company, and promptly dealt with the difficulties and obstacles encountered during the course of operation. Under the leadership of the Board, the management actively implemented the decisions of the Board and gave timely feedback on the progress of the relevant projects, ensuring a compliant, efficient, pragmatic and transparent operation.

In 2023, in accordance with the relevant laws and regulations and the Articles of Association, the Directors of the Company carefully performed their duties as Directors in an objective and prudent manner. They utilized their extensive expertise and experience to actively promote more standardized, scientific, and efficient decision-making processes of the Board and the special committees of independent Directors. They not only strived to safeguard the legitimate rights and interests of all Shareholders of the Company, especially the minority Shareholders, but also contributed to the healthy, sustainable and steady development of the Company.

VENA WEI YAN CHENG, INDEPENDENT DIRECTOR

I am Vena Wei Yan Cheng, an independent Director of ZhongAn Online P & C Insurance Co., Ltd. (hereinafter referred to as the “Company”). In 2023, in strict compliance with the Measures for the Administration of Independent Directors of Insurance Institutions, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of the Company (hereinafter referred to as the “Articles of Association”), the Rules of Procedures of the Board of Directors (hereinafter referred to as the “Board”), the rules of procedures of the special committees, and other institutional requirements, I performed my duties honestly, diligently, prudently and independently. I attended Board meetings and meetings of each special committee, deliberated resolutions carefully and expressed independent opinions in a prudent manner, paid close attention to and understood the operation and management of the Company, and earnestly safeguarded the legitimate rights and interests of the Company, the insured, and the minority Shareholders. The independent Director’s performance in 2023 is reported as follows:

I. Basic information of the independent Director

According to the Document (Yin Bao Jian Fu [2022] No. 61) issued by the former China Banking and Insurance Regulatory Commission, I was qualified as an independent Director of the Company from January 26, 2022. After the re-election of the Board on November 28, 2022, I served as an independent Director of the fourth session of the Board of the Company. As of the end of 2023, I served as the chairperson of the Risk Management and Related Transaction Control Committee and a member of each of the Nomination and Remuneration Management Committee and the Audit and Consumer Rights Protection Committee under the fourth session of the Board.

In 2023, apart from serving as an independent Director in the Company and the positions in special committees under the Board as mentioned above, I did not hold other position in the Company, nor did I have any relationship with the Company or the controlling shareholders that may affect my independent and objective judgment on the Company’s affairs. There was no other factor that might affect my independence.

II. Overview of the independent Director’s annual performance of duties**(I) Attendance at meetings**

1. Attendance at general meetings and Board meetings

Name	Attendance at general meetings		Attendance at Board meetings				Note
	Number of scheduled attendance	Number of actual attendance	Number of scheduled attendance	Number of attendance in person	Number of attendance by proxy	Number of absence	
Vena Wei Yan Cheng	3	3	8	8	0	0	

2. Attendance at meetings of special committees under the Board

Name	Audit and Consumer Rights Protection Committee		Risk Management and Related Transaction Control Committee		Nomination and Remuneration Management Committee		Strategy and Investment Decision Committee	
	Number of scheduled attendance	Number of actual attendance	Number of scheduled attendance	Number of actual attendance	Number of scheduled attendance	Number of actual attendance	Number of scheduled attendance	Number of actual attendance
Vena Wei								
Yan								
Cheng	8	8	0	0	6	6	—	—

Note: “—” means that the independent Director is not a member of the special committee.

On December 21, 2023, the Company convened the 2023 Research and Investigation Meeting of Independent Directors and Supervisors. At the meeting, there was extensive communication and exchange on topics such as risk management, annual summary of internal audit and planning for the next year, annual achievements of consumer rights protection, and the operation and management of the Company, at which I put forward my professional opinions on the Company’s business development.

On the same day, the Company convened the 2023 Communication Meeting of Independent Directors. At the meeting, there were in-depth discussions on topics such as the annual compliance management of the Company, the functioning of the Board and the performance of duties by independent Directors.

(II) Participation in voting and expression of opinions

In 2023, I performed my duties honestly, diligently, prudently and independently. Throughout the year, I considered or reviewed a total of 205 proposals or reports and voted in favor of all resolutions with full understanding of all the matters after thorough discussions and prudent consideration of such matters, without abstention or dissenting vote or abstaining from voting. Moreover, I expressed my independent opinions regarding related party transactions, appointment of senior management, nomination of Directors, and other matters based on my own professional expertise and practical experience, performing my duties as an independent Director.

(III) Work done to understand the developments of the Company

I learned about the operation, financial reporting, risk management, related transaction control and other developments of the Company through various means, including but not limited to considering and reviewing resolutions and reports at the meetings of the Board and special committees, communicating with the accountants engaged by the Company, communicating with the management of the Company and reading the Monthly Correspondence of Directors (《董事月訊》) dispatched by the Company on a monthly basis, as well as announcements publicly disclosed on the Stock Exchange and reports of analysts. Moreover, I also put forward reasonable opinions and suggestions to the Company, and provided constructive advice for the business development of the Company so as to effectively safeguard the legitimate rights and interests of the Company and all Shareholders.

(IV) No obstacles encountered in the performance of duties

I believe that there are no obstacles in performing my duties as an independent Director. I attended every Board meeting and corresponding meeting of the special committees with an adequate and timely access to all of the required materials, data and information. Regarding matters of particular interest, I was also provided with efficient responses from the Company's team to enquiries raised.

(V) Performance self-evaluation for the year

In 2023, I honestly and diligently performed my duties and obligations specified by laws, regulations, and the Articles of Association. I participated in the decision-making of the Board from an independent and objective standpoint, and paid attention to safeguarding the legitimate rights and interests of all Shareholders, especially the minority Shareholders in the decision-making.

In 2023, I have strengthened my learning and in-depth understanding on the development as well as laws and regulations of the insurance industry. In particular, I have attended various training courses for a total of 103.2 hours, covering the organic integration of the Communist Party of China leadership and corporate governance, online public opinion guidance and risk and crisis response in the financial industry, ESG investment strategies and financial performance of insurance institutions, and the operational norms and practices of corporate governance of insurance institutions, etc., which provided a solid basis to better fulfil my obligations and assist in the standardized operation of the Company in the future.

Looking forward to 2024, I will continue to perform my duties independently, faithfully and diligently, actively provide constructive advice for the Company's operation and development, earnestly safeguard the legitimate rights and interests of the Company, the insured, and the minority Shareholders in decision-making, and strengthen communication and collaboration with the Board, the Supervisory Committee, and the management, so as to contribute to the high-quality development of the Company.

(VI) Evaluation on the performance of the Board and the management

During the performance of my duties, I noticed that the Board meetings of the Company had been convened and held in compliance with statutory procedures, while all of the material decision-makings on operation had undergone the necessary procedures. During the decision-making process, all independent Directors participated independently and objectively in the decision-making of the Company on important matters, which was in compliance with the requirements of laws and regulations and the Articles of Association.

The Board and the management of the Company had fulfilled their duties under the relevant laws and regulations and the Articles of Association diligently based on the principle of independence, objectivity and prudence. By adhering to the development strategy of the Company, they were devoted to their duties and responsibilities and worked hard together to promote the business development. In addition, they also took it as their mission to promote and lead the development of the industry, and actively explored for new opportunities by keeping abreast with the development trend of the industry, so as to promote the healthy, sustainable and stable development of the Company.

GIGI WING CHEE CHAN, INDEPENDENT DIRECTOR

I am Gigi Wing Chee Chan, an independent Director of ZhongAn Online P & C Insurance Co., Ltd. (hereinafter referred to as the “Company”). In 2023, in strict compliance with the Measures for the Administration of Independent Directors of Insurance Institutions, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of the Company (hereinafter referred to as the “Articles of Association”), the Rules of Procedures of the Board of Directors (hereinafter referred to as the “Board”), the rules of procedures of the special committees, and other institutional requirements, I performed my duties honestly, diligently, prudently and independently. I attended Board meetings and meetings of each special committee, deliberated resolutions carefully and expressed independent opinions in a prudent manner, paid close attention to and understood the operation and management of the Company, and earnestly safeguarded the legitimate rights and interests of the Company, the insured, and the minority Shareholders. The independent Director’s performance in 2023 is reported as follows:

I. Basic information of the independent Director

According to the Document (Yin Bao Jian Fu [2022] No. 744) issued by the former China Banking and Insurance Regulatory Commission, I was qualified as an independent Director of the Company from October 21, 2022. After the re-election of the Board on November 28, 2022, I formally took office as an independent Director of the fourth session of the Board of the Company, while serving as the chairperson of the Audit and Consumer Rights Protection Committee and a member of the Risk Management and Related Transaction Control Committee under the fourth session of the Board.

In 2023, apart from serving as an independent Director in the Company and the positions in special committees under the Board as mentioned above, I did not hold other position in the Company, nor did I have any relationship with the Company or the controlling shareholders that may affect my independent and objective judgment on the Company’s affairs. There was no other factor that might affect my independence.

II. Overview of the independent Director’s annual performance of duties**(I) Attendance at meetings**

1. Attendance at general meetings and Board meetings

Name	Attendance at general meetings		Attendance at Board meetings				Note
	Number of scheduled attendance	Number of actual attendance	Number of scheduled attendance	Number of attendance in person	Number of attendance by proxy	Number of absence	
Gigi Wing Chee Chan	3	3	8	8	0	0	

2. Attendance at meetings of special committees under the Board

Name	Audit and Consumer Rights Protection Committee		Risk Management and Related Transaction Control Committee		Nomination and Remuneration Management Committee		Strategy and Investment Decision Committee	
	Number of scheduled attendance	Number of actual attendance	Number of scheduled attendance	Number of actual attendance	Number of scheduled attendance	Number of actual attendance	Number of scheduled attendance	Number of actual attendance
Gigi Wing Chee Chan	8	8	8	8	—	—	—	—

Note: “—” means that the independent Director is not a member of the special committee.

On December 21, 2023, the Company convened the 2023 Research and Investigation Meeting of Independent Directors and Supervisors. At the meeting, there was extensive communication and exchange on topics such as risk management, annual summary of internal audit and planning for the next year, annual achievements of consumer rights protection, and the operation and management of the Company, at which I put forward my professional opinions on the Company’s business development.

On the same day, the Company convened the 2023 Communication Meeting of Independent Directors. At the meeting, there were in-depth discussions on topics such as the annual compliance management of the Company, the functioning of the Board and the performance of duties by independent Directors.

(II) Participation in voting and expression of opinions

In 2023, I performed my duties honestly, diligently, prudently and independently. Throughout the year, I considered or reviewed a total of 238 proposals or reports and voted in favor of all resolutions with full understanding of all the matters after thorough discussions and prudent consideration of such matters, without abstention or dissenting vote or abstaining from voting. Moreover, I expressed my independent opinions regarding related party transactions, appointment of senior management, nomination of Directors, and other matters based on my own professional expertise and practical experience, performing my duties as an independent Director. As the chairperson of the Audit and Consumer Rights Protection Committee, I fully leveraged my financial expertise and adhered to the principle of objectivity and fairness when making judgement on the Company’s regular reports and related matters, so as to effectively protect the interests of consumers and Shareholders.

(III) Work done to understand the developments of the Company

I gained a timely understanding of the Company's business development and financial data by attending the discussion at the meetings, reading the Monthly Correspondence of Directors (《董事月訊》) and other means. I also communicated with other Directors, Supervisors, and the management of the Company through various channels such as telephone, WeChat and email, in order to grasp the latest development, internal management and operations of the Company on different levels. Moreover, I also maintained effective communication with external auditors, obtained independent and objective information from third parties, gave full play to my expertise and played an active role as an independent Director, put forward reasonable opinions and suggestions to the Company, and provided constructive advice for the business development of the Company so as to effectively safeguard the legitimate rights and interests of the Company and all Shareholders.

(IV) No obstacles encountered in the performance of duties

I believe that there are no obstacles in performing my duties as an independent Director. I attended every Board meeting and corresponding meeting of the special committees with an adequate and timely access to all of the required materials, data and information. Regarding matters of particular interest, I was also provided with efficient responses from the Company's team to enquiries raised.

(V) Performance self-evaluation for the year

In 2023, I honestly and diligently performed my duties and obligations specified by laws, regulations, and the Articles of Association. I participated in the decision-making of the Board from an independent and objective standpoint, and paid attention to safeguarding the legitimate rights and interests of all Shareholders, especially the minority Shareholders in the decision-making.

In 2023, I have strengthened my learning and in-depth understanding on the development as well as laws and regulations of the insurance industry. In particular, I have attended various training courses for a total of 103.2 hours, covering the organic integration of the Communist Party of China leadership and corporate governance, online public opinion guidance and risk and crisis response in the financial industry, ESG investment strategies and financial performance of insurance institutions, and the operational norms and practices of corporate governance of insurance institutions, etc., which provided a solid basis to better fulfil my obligations and assist in the standardized operation of the Company in the future.

Looking forward to 2024, I will continue to perform my duties independently, faithfully and diligently, actively provide constructive advice for the Company's operation and development, earnestly safeguard the legitimate rights and interests of the Company, the insured, and the minority Shareholders in decision-making, and strengthen communication and collaboration with the Board, the Supervisory Committee, and the management of the Company, so as to contribute to the high-quality development of the Company.

(VI) Evaluation on the performance of the Board and the management

In 2023, the Board of the Company demonstrated a high level of responsibility and efficiency in its operations, proactively pushed forward the development strategy of the Company, and promptly dealt with the difficulties and obstacles encountered during the course of operation. Under the leadership of the Board, the management actively implemented the decisions of the Board and gave timely feedback on the progress of the relevant projects, ensuring a compliant, efficient, pragmatic and transparent operation.

I believe that in 2023 the Board and each special committee of the Company thoroughly implemented the guiding principles of the central government policies and decision-making arrangements, and operated efficiently in a standardized manner based on compliance with national laws and regulations, regulatory rules and the Articles of Association, playing a positive role in corporate governance and decision-making on major issues.

In 2023, members of the Board of the Company demonstrated high standards of integrity, diligence and responsibility, acted in strict accordance with the regulatory provisions and the Articles of Association, and fully performed their duties. The Board of the Company made decisions on major matters by resolutions at meetings and effectively supervised the performance of senior management personnel, thus safeguarding the legitimate rights and interests of the Company, Shareholders, insurance consumers and other stakeholders. The relevant information is reported as follows:

I. Composition of the Board

(I) Composition of the Board

The Directors of the fourth session of the Board of the Company all have profound academic backgrounds in finance, law, corporate management, accounting and social responsibility, and are diversified in terms of gender and professional background, providing strong support for the robust development of the Company. As at December 31, 2023, the composition of the fourth session of the Board of the Company is as follows:

Category	Number	Member
Executive Director	2	Xing Jiang, Gaofeng Li
Non-executive Director	5	Hai Yin (Chairman), Yaping Ou, Liangxun Shi, Shuang Zhang, Hugo Jin Yi Ou
Independent Director	3	Wei Ou, Vena Wei Yan Cheng (Female), Gigi Wing Chee Chan (Female)

Note: Gang Ji, the former non-executive Director, resigned on December 4, 2023.

(II) Composition of special committees under the Board

The Company continuously optimizes the structure and operation of special committees under the Board to support the scientific decision-making of the Board. After due decision, the Board improved the rules and regulations governing certain special committees and clarified the responsibilities and operating mechanism of each special committee in 2023. As at December 31, 2023, there were 4 special committees under the Board, and their details are as follows:

Special Committee	Number	Member	Position	Notes
Strategy and Investment Decision Committee	6	Hai Yin	Chairperson, Non-executive Director	All of them have experiences in one or more fields such as corporate management, investment, and social responsibility
		Xing Jiang	Member, Executive Director	
		Gaofeng Li	Member, Executive Director	
		Yaping Ou	Member, Non-executive Director	
		Liangxun Shi	Member, Non-executive Director	
		Shuang Zhang	Member, Non-executive Director	
Nomination and Remuneration Management Committee	3	Wei Ou	Chairperson, Independent Director	1. Independent Directors account for 2/3 and the chairperson is an independent Director 2. All of them have experiences in management, law or other fields. The chairperson, Wei Ou, has excellent abilities in identifying and making good use of talents and remuneration management, with working experience as leaders in private enterprises and public institutions
		Hugo Jin Yi Ou	Member, Non-executive Director	
		Vena Wei Yan Cheng	Member, Independent Director	

Special Committee	Number	Member	Position	Notes
Audit and Consumer Rights Protection Committee	3	Gigi Wing Chee Chan	Chairperson, Independent Director	1. Independent Directors account for 3/3 and the chairperson is an independent Director 2. All of them have required expertise and experiences in finance, audit, accounting, law or other fields. The chairperson, Gigi Wing Chee Chan, has the certified public accountant certificate. Vena Wei Yan Cheng is a lawyer. Wei Ou has industry regulatory experience.
		Wei Ou	Member, Independent Director	
		Vena Wei Yan Cheng	Member, Independent Director	
Risk Management and Related Transaction Control Committee	3	Vena Wei Yan Cheng	Chairperson, Independent Director	1. Independent Directors account for 3/3 and the chairperson is an independent Director 2. All of them have experiences in accounting, law or other fields in relation to risk management and related party transaction
		Wei Ou	Member, Independent Director	
		Gigi Wing Chee Chan	Member, Independent Director	

II. Attendance and performance of duties of Directors at Board meetings

In 2023, the Board of the Company actively implemented the resolutions of the general meetings, adhered to the strategic positioning of compliant and sound operations, maintained the strategic focus on the core insurance business, improved the professional capabilities in insurance, upheld the prudent and compliant business philosophy, actively performed its duties to drive the management to continuously optimize the business structure and innovate products and services, and required the senior management to align their business practices with the development strategy and risk appetite of the organization. Consequently, the Company's scale and revenue continued to increase, and its overall strength has been further enhanced. Meanwhile, the Board strengthened the supervision of senior management to ensure that they perform duties in compliance with laws, regulations, and the Articles of Association.

In 2023, the Board of the Company held a total of 8 meetings. All Directors actively attended Board meetings, and there was only one attendance by proxy, that is, Director Gang Ji appointed Director Gaofeng Li to attend and vote at the sixth extraordinary meeting of the fourth session of the Board, which was in compliance with the regulatory requirements. At the meetings, all Directors performed their duties diligently, taking the initiative to express their opinions by raising questions on issues related to the proposals, providing professional guidance on related matters, actively participating in discussions, and other means. Based on the principles of independence and prudence, the Directors made judgements on proposals relying on their professional experience, without any interference. Matters were deliberated and voted on by the Board on a case-by-case basis, thus effectively forming resolutions and setting the direction for various tasks.

During the course of performing their duties, the independent Directors expressed independent opinions in an objective and fair manner on the selection and appointment of senior executives, major related party transactions, the appointment of accounting firm, remuneration and performance assessment, and other major matters.

III. Attendance and performance of duties of Directors at meetings of special committees under the Board

In 2023, the Directors of the Company actively attended the meetings of special committees under the Board, thoroughly discussed and analyzed the proposals submitted for deliberation and provided professional opinions to the Board. Details are as follows:

The Strategy and Investment Decision Committee held a total of 5 meetings throughout the year to thoroughly discuss the Company's strategic allocation of assets, management of assets and liabilities, ESG report, and other related matters, and provided professional opinions to the Board.

The Nomination and Remuneration Management Committee held a total of 6 meetings throughout the year to carefully analyze the selection and appointment of the Company's senior executives, the performance assessment and performance bonuses of the senior management personnel, and other related matters, and provided professional opinions to the Board.

The Audit and Consumer Rights Protection Committee held a total of 8 meetings throughout the year to carefully analyze the Company's financial audit reports, annual and interim reports, engagement of external audit agencies, the Company's internal control and consumer rights protection, and other related matters, and provided professional opinions to the Board.

The Risk Management and Related Transaction Control Committee held a total of 8 meetings throughout the year to thoroughly discuss the Company's overall risk management objectives, risk appetite, basic policies, solvency, major related party transactions and other related matters, and provided professional opinions to the Board.

IV. Performance of other duties by Directors

In 2023, in addition to attending meetings of the Board and special committees, the Directors also flexibly and efficiently learned about the Company's operation and management including corporate governance, strategic planning, operation and investment, risk management, internal control and compliance, and finance and accounting through various channels to support their scientific and prudent decision-making:

- (I) On-site office work and research at the Company. The independent Directors of the Company actively carried out on-site office work at the Company. All Directors learned about the operation of the Company through diversified channels such as Company departments and research at exhibition halls, and reviewed specific reports from the risk management department, consumer rights protection department, internal audit department and other departments, then proposed guiding opinions on related matters for implementation by relevant departments.

- (II) Timely communications with the management. The Directors regularly reviewed the report from the management on the operation of the Company. Moreover, the Directors read the Monthly Correspondence of Directors (《董事月訊》) every month to keep abreast of the updates on the operation and management of the Company such as regulatory developments, monthly financial conditions, major events and operating performance, and exchanged opinions with the management of the Company on those issues of concern from time to time through telephone, the Internet, etc.
- (III) Reports from the Company's accountant. The Directors reviewed the specific reports on the financial information, solvency and other issues provided by the accounting firm engaged by the Company twice a year.
- (IV) Convening communication meetings with the independent Directors. At the communication meetings, the independent Directors reviewed the annual work, reviewed the reports on the Company's legal compliance management, gained an in-depth understanding of potential legal risks in the operations and management of the Company, and provided guiding opinions on the legal compliance approach of the Company. The communication meetings enabled the independent Directors of the Company to better understand the opinions and positions of each other, establish a closer cooperation relationship, and participate more closely in decision-making and management of the Company, thereby conducive to the performance of their supervisory responsibilities.

V. Continuous improvement of Directors' capabilities to perform duties

In 2023, the Directors of the Company actively participated in the training courses centrally procured by the Company to learn professional knowledge including the spirit of the 20th National Congress of the Communist Party of China (CPC), the organic integration of CPC leadership and corporate governance, financial accounting, investment practices, C-ROSS, related party transactions, and compliance. All Directors completed more than 100 hours of external professional training. In December 2023, the Company also invited lawyers and ESG experts to provide on-site training on compliant performance of duties by Directors and Supervisors and ESG regulatory updates, with the attendance of all Directors of the Company. Furthermore, the Directors of the Company maintained sensitivity to the industry and market by keeping an eye on industry development trends and the impact of domestic and international new policies and technologies on the Company, analyzing new regulations dispatched by the Company, and exchanging views, thereby enhancing their professional capabilities to perform duties.

VI. Performance evaluation of Directors

The Company regards the performance evaluation as an important means to strengthen the Directors' performance of duties and accountability. Through the effective application of the evaluation results, the Company aims to guide the Directors to better perform their duties and promote the compliant operation of the Board.

In 2023, the Company had a total of 11 Directors who have performed their duties for more than half a year, all of whom were included in the performance evaluation of Directors for the year.

The performance evaluation was organized by the Supervisory Committee and was conducted based on duty performance in five aspects including loyalty, diligence, professionalism, independence and moral standards, and compliance, so as to comprehensively evaluate the performance of the Directors. The evaluation methods included self-assessment of the Directors, mutual evaluation between the independent Directors and the non-independent Directors, and evaluation of the Directors by the Supervisors, etc. After performance appraisal, the performance evaluation results of all the Directors of the Company for the year 2023 were “competent”.

In 2023, all Supervisors of the Company strictly complied with laws, regulations, regulatory requirements and the Articles of Association, and faithfully, diligently and responsibly made independent, professional and objective judgements on matters within the scope of authority of the Supervisory Committee by resolutions at meetings of the Supervisory Committee and other means, effectively performed their supervisory functions, urged the Company to carry out its work in accordance with laws and regulations, and safeguarded the legitimate rights and interests of Shareholders, the Company, employees, consumers, and other stakeholders. The specific report is as follows:

I. Composition of the Supervisory Committee

The composition of the fourth session of the Supervisory Committee of the Company as of December 31, 2023 is set out below:

Name	Position
Yuping Wen	Shareholder Representative Supervisor (Chairperson of the Supervisory Committee)
Limin Guo	External Supervisor
Yao Wang	Employee Representative Supervisor

Note: Haijiao Liu, the former Employee Representative Supervisor, resigned on September 13, 2023.

II. Attendance of Supervisors at meetings

In 2023, the Supervisory Committee held a total of 8 meetings to consider and approve resolutions on the Report of the Supervisory Committee, the Financial Report, and the Annual Overall Risk Management Plan. All Supervisors of the Company actively attended the meetings and there were no cases of attendance by proxy. At the meetings of the Supervisory Committee, all Supervisors made speeches, inquired about matters such as consumer protection, and provided professional guidance on issues of concern, requesting the relevant departments to thoroughly implement such issues.

In 2023, the Company held a total of 3 general meetings and 4 on-site Board meetings. Certain Supervisors attended the general meetings and all the Supervisors were present at all the on-site Board meetings, and supervised the convening of the meetings were in compliance with the relevant laws and regulations, voting procedures, the Directors' attendance of, opinions expressed at and voting results of the general meetings and Board meetings. During the Reporting Period, all Supervisors had no objection to various supervisory matters.

III. Supervision of key issues by Supervisors

In 2023, with a focus on the Company's operations and alignment with the regulatory requirements, the Supervisory Committee of the Company identified financial supervision, risk supervision, internal audit supervision, the supervision of the performance of duties by Directors and senior management, and operating conditions supervision as key issues, conscientiously fulfilled its responsibilities, fully exercised its authority, and played an independent role in the Company's governance.

During the year, the Supervisory Committee of the Company expressed its opinions on the Company's lawful operation, authenticity of the financial statements, use of proceeds, related party transactions, internal control system, internal audit, risk management, the supervision of the implementation of supervisory opinions and rectification of problems, the evaluation on the performance of duties by Directors, and the implementation of the resolutions passed at general meetings, Board meetings and Supervisory Committee meetings.

IV. Performance of other duties by Supervisors

In 2023, in addition to participating in or attending general meetings, Board meetings and Supervisory Committee meetings, the Supervisors of the Company also flexibly and efficiently learned about the Company's operation and management including corporate governance, strategic planning, operation and investment, risk management, internal audit, internal control and compliance, and finance and accounting through various channels to support their scientific and prudent decision-making:

- (I) On-site office work and research at the Company. External Supervisor of the Company actively carried out on-site office work at the Company. All Supervisors learned about the operation of the Company through diversified channels such as Company departments and research at exhibition halls, and reviewed specific reports from the risk management department, consumer rights protection department, internal audit department and other departments, then proposed guiding opinions on related matters for implementation by relevant departments.
- (II) Timely communication with the management. The Supervisors regularly reviewed the report from the management on the operation of the Company. In addition, all Supervisors exchanged opinions with the management of the Company on issues of concern from time to time through telephone, the Internet, etc. The Employee Representative Supervisor extensively solicited opinions from employees in his daily work and communicated with the management promptly.
- (III) Timely communication with the Directors. The Supervisors of the Company communicated with the Directors in a timely manner to keep track of the Directors' performance of duties and their views on material matters.

V. Continuous improvement of Supervisors' capabilities to perform duties

The Supervisors of the Company attached importance to the continuous improvement of their capabilities to perform duties and ensuring professionalism. In 2023, all Supervisors of the Company actively participated in the training courses centrally procured by the Company to learn professional knowledge including the spirit of the 20th National Congress of the Communist Party of China (CPC), the organic integration of CPC leadership and corporate governance, financial accounting, investment practices, C-ROSS, related party transactions, and compliance. All Supervisors completed more than 100 hours of external professional training. In December 2023, the Company also invited lawyers and ESG experts to provide on-site training on compliant performance of duties by Directors and Supervisors and ESG regulatory updates, with the attendance of all Supervisors. Furthermore, the Supervisors of the Company maintained sensitivity to the industry and market by keeping an eye on industry development trends and the impact of domestic and international new policies and technologies on the Company, and exchanging views, thereby enhancing their professional capabilities to perform duties.

VI. Performance evaluation of Supervisors

The Company attaches great importance to the performance evaluation of Supervisors and regards the performance evaluation as an important means to strengthen the Supervisors' performance of duties and accountability. Through the effective application of the evaluation results, the Company aims to guide the Supervisors to better perform their duties and promote the compliant operation of the Supervisory Committee.

In 2023, the Company had a total of 3 Supervisors who have performed their duties for more than half a year, all of whom were included in the performance evaluation of Supervisors organized by the Supervisory Committee during the year.

The performance evaluation was conducted based on duty performance in five aspects including loyalty, diligence, professionalism, independence and moral standards, and compliance, so as to comprehensively evaluate the performance of the Supervisors. The evaluation methods included self-assessment of the Supervisors, mutual evaluation among the Supervisors, and final evaluation of the Supervisory Committee, etc. During the process of the performance evaluation, the Company provided a full guarantee for evaluating the duty performance of the Supervisors, and due convenience for the communication between the Supervisors and the Company's corresponding department, and among the Supervisors, which secured the smoothness of the multilateral communication mechanism.

After performance appraisal, the performance evaluation results of all the Supervisors of the Company for the year 2023 were "competent".

In 2023, the Company continuously and diligently adhered to the industry regulatory standards and the Company's management system for related party transactions, and continued to strengthen the management of related party transactions, so as to ensure the effective operation of the management system and mechanism for related party transactions. In accordance with the requirements of the NAFR, information on the overall status of related party transactions of the Company for 2023 is reported as follows:

I. Basic information on related parties and related party transactions of the Company**(I) Basic information on related parties**

In accordance with the criteria for determining related parties defined by the NAFR, The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Stock Exchange") and other bodies, the Company collects, summarizes and reports the information on related parties of all categories and performs systematic management on the related party list. The Company has established a management system based on regular collection, supplemented by ad hoc reporting and timely tracking and updating from relevant persons responsible for related party reporting, such as Shareholders, Directors, Supervisors and Senior Management, and personnel in other key positions. In addition to actively checking the information on key related parties through public information channels, the Company also uses the industrial and commercial database of external authoritative institutions through China Insurance Asset Registration Trading System Co., Ltd. (CIARTS) to cross-check and verify related party data, thereby ensuring the accuracy and integrity of the data.

(II) Basic information on related party transactions

In 2023, the types of related party transactions that the Company had entered into mainly involved the use of funds, services, interest transfer, insurance business and others between the Company and related parties. Among them, the ratios of related party transactions between the Company and related parties involving the use of funds are in compliance with the relevant requirements of the NAFR and there has been no case of exceeding the regulatory ratios. In accordance with the requirements of the NAFR, the Company has established a management system for related party transactions including identification, reporting, verification and management of information, as well as policies and procedures for monitoring, reporting, controlling and processing internal transactions.

II. Information on the management of related party transactions of the Company**(I) Revision of the management system for related party transactions**

In accordance with the requirements of the Rules on Related-Party Transactions of Banking and Insurance Institutions (《銀行保險機構關聯交易管理辦法》) (CBIRC Order [2022] No.1), the Notice on Strengthening the Governance of Data on Equity and Related-Party Transactions of Banking and Insurance Institutions (《關於加強銀行保險機構股權和關聯交易數據治理的通知》) (Yin Bao Jian Ban Fa [2022] No.101) and other regulations, and taking into account the actual situation of the Company, the previous Measures on the Administration of Related Party Transactions of ZhongAn Insurance (《眾安保險關聯交易管理辦法》) [ZA2022-034] were revised in 2023 to form the Measures on the Administration of Related Party Transactions of ZhongAn Insurance [ZA2023-024]. The newly revised policy was approved at the 4th meeting of the fourth session of the Board of Directors of the Company and published for implementation, and filed for regulation on May 19, 2023 (ZhongAn Fa [2023] No.239). As a programmatic document for the management of related party transactions of the Company, the newly revised policy introduce new contents regarding prohibitive provisions on related party transactions and data governance of related party transactions, clarify management requirements for external equity investment, employees' part-time employment outside, and related party transactions of controlled subsidiaries, and further elaborate certain provisions including accountability for any violations.

(II) Information on the implementation of internal decision-making process of related party transactions

The Board of Directors of the Company is the authority for the approval and decision-making of the Company's related party transactions which is responsible for reviewing major related party transactions and other related party transactions that are required to be reviewed by the Board of Directors, and assumes ultimate responsibility for the management of related party transactions. The Company has established the Risk Management and Related Transaction Control Committee under the Board, composed of three Directors and chaired by an independent Director, to take charge of management, examination and risk control for related party transactions, focusing on the compliance, fairness and necessity of related party transactions. Meanwhile, the Company has established a cross-functional Related Party Transaction Management Office to take charge of the coordination of daily management of related party transactions, and improve the management system and management mechanism of related party transactions. The Office is chaired by the compliance officer of the Company, and its members include the persons in charge of the director's office, risk management department, finance department and relevant business departments.

The Company embedded the related party information records upfront into the contract approval system to ensure automatic identification of the related parties involved in the contracts and trigger the subsequent approval process for related party transactions. In terms of general related party transactions, the Company strictly follows regulatory requirements and the Company's internal decision-making procedures. The transaction handling department identifies and submits the review process for related party transactions, while the person in charge of the transaction department should review the material such as transaction content, transaction amount, transaction background, pricing method and pricing basis, with the finance department, the director's office conducting assessment

and review on the fairness and compliance of the related party transactions respectively, which will then be reviewed and approved by the Related Transaction Management Office and submitted to the Risk Management and Related Transaction Control Committee for record on a regular basis. In terms of major related party transactions and unified transaction agreements, to ensure compliance with the consideration and approval procedures for related party transactions, after being reviewed by the Related Party Transaction Management Office and the Risk Management and Related Transaction Control Committee, the Company stringently follows regulatory requirements and corporate governance procedures and submitted the same to the Board meetings or Shareholders' general meetings for approval. The connected Directors and shareholder representatives abstained from voting as required during the review process.

(III) Management of pricing fairness of related party transactions

In accordance with the requirements of the NAFR, the Company continuously manages the pricing fairness of related party transactions, identifies and determines related parties based on the management principles of “substance over form” and penetration, and requires that related party transactions must follow the principles of independent transaction and fairness, comply with laws and regulations, the national unified accounting standards and industry supervision and management regulations, and be conducted in accordance with commercial principles and on terms no more favorable than those for similar transactions with non-related parties. The agreements involved in related party transactions of the Company have completed strict internal approval procedures, and the pricing principles of related party transactions are fair and the terms are fair and reasonable. With respect to major related party transactions and unified transaction agreements, independent Directors of the Company issued written opinions on the fairness, compliance and the completion of internal approval procedures for each transaction. In addition, according to the requirements of the Listing Rules, the Company engaged an external independent financial adviser to issue a letter from the independent financial adviser in respect of the capital contribution to ZhongAn Technologies International Group Limited by Sinolink Worldwide Holdings Limited and the Company's revision of the annual cap amounts for continuing connected transactions with Ping An Property and Casualty Insurance Company of China and Ant Group Co., Ltd. (螞蟻科技集團股份有限公司) respectively, so as to ensure the compliance and fairness of the above transactions.

(IV) Information disclosure, filing and reporting of related party transactions

The Company strictly follows regulatory requirements, implements and strengthens the reporting and disclosure requirements from internal management systems, responsible departments and personnel, establishes and improves reporting and disclosure mechanisms for both general and major related party transactions, aiming to ensure comprehensive, accurate and timely reporting and disclosure of information. In 2023, the Company (together with its controlled subsidiaries) filed each

of the following major related party transactions/unified transaction agreements (signing or material changes) to the NAFR within 15 working days after signing of the transactions and agreements, and disclosed each transaction on the official website of the Company and the website of Insurance Association of China. The details are as follows:

1. The Company signed the Reinsurance Cooperation Unified Transaction Agreement with FuSure Reinsurance Company Limited (“FuSure”). During the term of the agreement, it is estimated that in 2023, the cumulative amount of premiums ceded to FuSure by the Company would not exceed RMB1 billion, and the cumulative amount of reinsurance handling charges paid by FuSure to the Company would not exceed RMB700 million.
2. The shareholders of ZhongAn Technologies International Group Limited (“ZhongAn International”), a controlled subsidiary of the Company, signed the Share Purchase Agreement, pursuant to which Sinolink Worldwide Holdings Limited, a related party of the Company, has contributed US\$63,695,889.84 for the subscription of 96,508,924 newly issued ordinary shares of ZhongAn International, and other shareholders did not participate in the capital increase. Upon completion of the transaction, ZhongAn International will no longer be consolidated into the accounts of the Company.
3. The shareholders of ZhongAn International signed the Share Purchase Agreement, pursuant to which ZhongAn Information and Technology Services Co., Ltd. (“ZhongAn Technology”), a controlled subsidiary of the Company, has contributed US\$63,695,889.84 for the subscription of 96,508,924 newly issued ordinary shares of ZhongAn International, and other shareholders did not participate in the capital increase. Upon completion of the transaction, ZhongAn Technology holds 45.04% equity interest in ZhongAn International.
4. The Company signed the Supplemental Agreement to Joint Auto Co-insurance Framework Agreement with Ping An Property and Casualty Insurance Company of China, Ltd. to revise the maximum premium amount of each party for 2023 and 2024 under the original framework agreement from RMB1,488 million and RMB1,786 million to RMB1,600 million and RMB2,150 million, respectively, while other terms and conditions remain unchanged.
5. The Company signed the Supplemental Agreement to Platform Services Unified Transaction Agreement with Ant Group Co., Ltd. to revise the maximum amount of platform service fees from 2023 to 2025 under the original unified transaction agreement from RMB937.3 million, RMB984.17 million and RMB1,033.38 million to RMB1,291.54 million, RMB1,354.63 million and RMB1,561.85 million, respectively, while other terms and conditions remain unchanged.
6. The Company successively signed multiple Marketing & Promotion Technology Services Agreements and related supplemental agreements with Hangzhou Huanyue Network Technology Co., Ltd. (杭州煥悅網絡技術有限公司) (“Huanyue”). During the term of the agreements, the cumulative amounts of related party transactions between the Company and Huanyue exceeded 1% of the Company’s audited net assets as of the end of 2022, and therefore such transactions constituted major related party transactions.

7. The Company signed a new Reinsurance Cooperation Unified Transaction Agreement (2024-2026) with FuSure. Pursuant to the agreement, the parties estimated that from 2024 to 2026, the amount of premiums ceded to FuSure by the Company will not exceed RMB500 million, RMB500 million and RMB500 million, respectively, and the amount of reinsurance handling charges paid by FuSure to the Company will not exceed RMB300 million, RMB300 million and RMB300 million, respectively.

(V) Cultivation of a related party transaction culture

In 2023, the Company organized special trainings on related party transactions through online and offline means. These trainings, tailored to the Company's actual situation, provided detailed explanations of regulatory requirements and compliance operations of related party transactions for every stage throughout the entire process of such transactions. The Company also invited a Hong Kong lawyer team to interpret the relevant rules on related party transactions of companies listed on the Stock Exchange. With extensive and detailed content, the trainings enabled participants to gain a deeper understanding of related party transactions and enhance their awareness of compliant operations and risk prevention. In addition, the Company organized examinations on related party transactions for all employees, which enabled them to have a clearer understanding of the importance of related party transactions and the relevance of related party transactions to their own work, thereby further enhancing the compliance awareness of related party transactions across the Company.

(VI) Special audit on related party transactions

In accordance with the requirements of the NAFR, the internal audit department of the Company conducted an audit on its related party transactions management from January 15, 2024 to March 14, 2024. Relevant departments have carried out comprehensive self-inspection and rectification for issues found in the audit, such as the failure to promptly update the names of related-party transaction parties and failure to maintain records of spot checks on the quality of related-party transaction data. In view of the increasing number and complexity of related parties and related party transactions, the Company is committed to continuing to regulate its related party transaction management, elevate the intelligent level and enhance data management capacity.

III. Conclusion

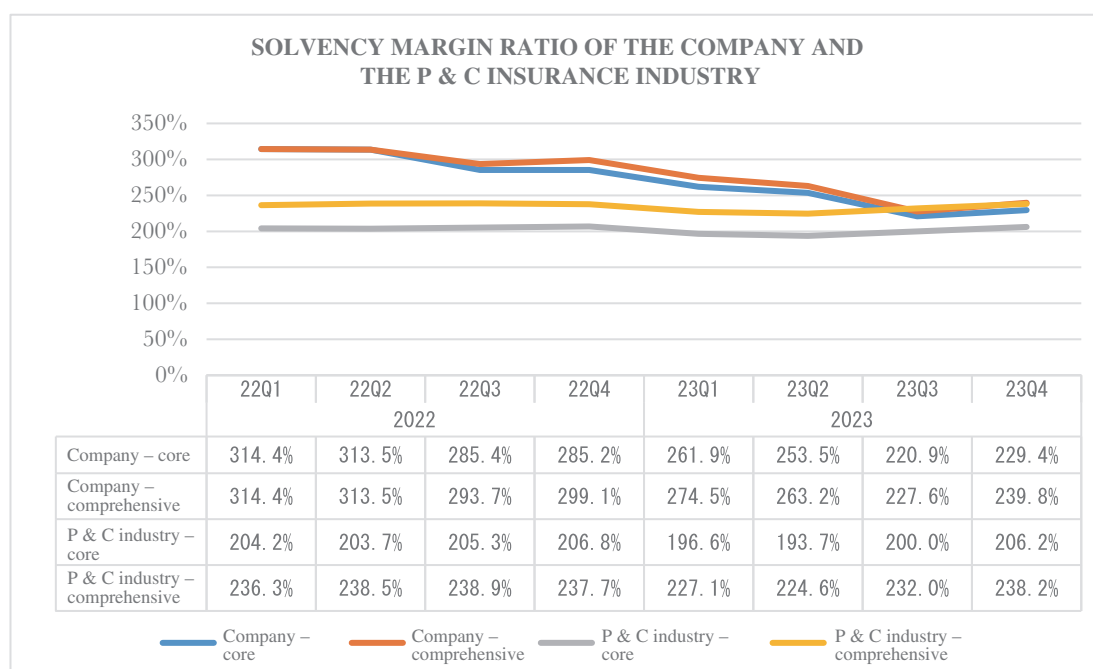
In 2023, the Company strictly complied with the laws and regulations as well as the requirements of industrial regulators on management of related party transactions, constantly improved the related party transaction management system, refined governance structure, optimised the operation mechanism, and focused on the necessity, pricing fairness and process compliance of related party transactions. The Risk Management and Related Transactions Control Committee under the Board and the Related Party Transaction Management Office operated effectively. The Company has continuously improved the management of related party transactions.

In 2024, the Company will continue to fully implement industry regulations, establish and optimize the long-term mechanism for the management of related party transactions, and improve internal control and risk management, so as to actively promote the construction of the related party transaction management system, keep driving the information transformation and intelligence advancement of the management of related parties and related party transactions, improve its management efficiency and uphold the interests of the Shareholders of the Company and consumers.

I. Summary of solvency status for 2023

As of the end of 2023, the audited comprehensive solvency margin ratio and core solvency margin ratio of ZhongAn Online P & C Insurance Co., Ltd. were 239.8% and 229.4% respectively, which were at the average level of the industry and above regulatory requirements and the Company's risk tolerance, reflecting its sufficient solvency.

Compared with the end of 2022, the Company's solvency margin ratio decreased significantly, mainly due to the significant increase in the recognized value of its subsidiary, ZhongAn Technology, where the effect of the increase in minimum capital was greater than the effect of the increase in actual capital, resulting in a significant decrease in the solvency margin ratio.



II. Analysis of solvency status for 2023

In terms of actual capital, the main contributor was the increase in the recognized value of its subsidiary, ZhongAn Technology. In terms of daily operation, with great efforts in continuously optimizing the product portfolio, reducing costs and enhancing efficiency, the annual combined ratio of the underwriting side was effectively controlled below 100%, achieving underwriting profits. Through continuous optimization in asset allocation, with a focus on maintaining a balance between the allocation of long-term stable income assets and short-term capital market trading opportunities, the comprehensive investment return rate of the investment side reached 1.14%. The appreciation of United States dollars against the Renminbi in 2023 resulted in a recognition of exchange rate losses relating to the USD-denominated bonds payable. The combined effect of the above factors resulted in an increase in the final actual capital of approximately 26% to RMB18.4 billion as compared with the end of the previous year.

In terms of the minimum capital for insurance risks, in 2023, the Company proactively developed its businesses, resulting in a year-on-year increase of approximately 25% in gross written premiums, with the minimum capital for insurance risks increased correspondingly by approximately 22% as compared with the end of the previous year. The Company continued to rationally plan and control the capital requirement of its liability business by controlling the combined ratio of each insurance product and optimizing the structure of insurance products.

In terms of the minimum capital for market risks, in 2023, the Company insisted on investing under the framework of strategic asset allocation and annual investment guidelines. The minimum capital for market risks increased significantly by approximately 96% as compared with the end of the previous year, mainly due to the significant increase in the recognized value of its subsidiary, ZhongAn Technology.

In terms of the minimum capital for credit risks, due to the increased credit risk exposures on the investment side and the underwriting side, the minimum capital for credit risks increased by approximately 35% as compared with the end of the previous year, but still remained at a relatively low level overall.

Item ¹	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	2023 vs 2022 year-on-year change
Actual capital (1)	146.18	148.62	144.59	180.76	184.14	25.96%
Core capital (2)	139.39	141.83	139.27	175.43	176.17	26.38%
Insurance risk (3)	26.63	30.14	31.76	33.48	32.47	21.91%
Market risk (4)	32.72	36.43	35.99	67.20	64.27	96.45%
Credit risk (5)	9.49	10.10	10.19	12.01	12.76	34.50%
Diversification effect of risk (6)	21.01	23.31	23.79	30.30	29.92	42.43%
Quantitative risk (before taking into account the characteristic coefficient) (7)=(3)+(4)+(5)-(6)	47.83	53.36	54.14	82.39	79.58	66.39%
Quantitative risk (after taking into account the characteristic coefficient) (8)=(7)*(1 + the characteristic coefficient ²)	47.83	53.36	54.14	78.27	75.60	58.07%
Control risk (9)	1.04	0.79	0.80	1.16	1.20	14.71%
Minimum capital (10)=(8)+(9)	48.87	54.15	54.95	79.43	76.79	57.14%
Comprehensive solvency margin ratio (11)=(1)/(10)	299.1%	274.4%	263.2%	227.6%	239.8%	Decreased by approximately 59%
Core solvency margin ratio (12)=(2)/(10)	285.2%	261.9%	253.5%	220.9%	229.4%	Decreased by approximately 56%

¹ Figures of the fourth quarter have been audited and those of the second quarter have been reviewed. Other quarterly figures have not been audited or reviewed.

² In September 2023, the NAFR issued the Notice on Optimizing the Solvency Regulatory Standards for Insurance Companies (《關於優化保險公司償付能力監管標準的通知》), which introduced differentiated capital regulation. “For P & C insurance companies and reinsurance companies with total assets of more than RMB10 billion but less than RMB200 billion, the solvency margin ratio is calculated at 95% of the minimum capital, that is, the characteristic coefficient is -0.05; for such companies with total assets of less than RMB10 billion, the solvency margin ratio is calculated at 90% of the minimum capital, that is, the characteristic coefficient is -0.1.”

III. Conclusion

The Company's solvency margin ratio at the end of 2023 declined slightly as compared to that at the end of 2022, but still remained sufficient.

The Company will continue to focus on regulatory actions, step up efforts in the monitoring of its solvency margin ratio and make timely analysis on the impact of major business decisions or investment decisions on its solvency margin ratio by adopting stress tests for dynamic solvency and other measures, so as to effectively manage and balance business development and capital planning.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(a) Directors and Chief Executive

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

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

Notes:

- (1) The shareholding percentages are calculated on the basis of 50,000,000 Domestic Shares and 1,419,812,900 H Shares as at the Latest Practicable Date.
- (2) Cnhooray Internet Technology Co. Ltd. (深圳日訊網絡科技股份有限公司) is a subsidiary of Timeway Holdings Limited (中宇集團有限公司). The entire interest of Timeway Holdings Limited (中宇集團有限公司) is held by Sinolink Worldwide which is listed on the Stock Exchange (stock code: 1168) and is owned by Asia Pacific Promotion Limited, a company wholly owned by Mr. Yaping Ou and his associate, as to approximately 51.54%. As such, Timeway Holdings Limited (中宇集團有限公司), Sinolink Worldwide, Asia Pacific Promotion Limited and Mr. Yaping Ou are deemed to be interested in the Shares held by Cnhooray Internet Technology Co. Ltd. (深圳日訊網絡科技股份有限公司).

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

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

- (a) Mr. Yaping Ou is a non-executive director of Sinolink Worldwide and the chairman of Cnhooray Internet Technology Co. Ltd.. Sinolink Worldwide is deemed to be interested in, for the purpose of the SFO, 81,000,000 H Shares, representing approximately 5.51% of the total number of issued shares of the Company. All of such 81,000,000 H Shares are held by Cnhooray Internet Technology Co. Ltd., a subsidiary of Timeway Holdings Limited, which in turn is entirely owned by Sinolink Worldwide; and
- (b) Mr. Hugo Jin Yi Ou is a non-executive director of Sinolink Worldwide. Sinolink Worldwide is deemed to be interested in, for the purpose of the SFO, 81,000,000 H Shares, representing approximately 5.51% of the total number of issued shares of the Company. All of such 81,000,000 H Shares are held by Cnhooray Internet Technology Co. Ltd., a subsidiary of Timeway Holdings Limited, which in turn is entirely owned by Sinolink Worldwide.

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

(b) Substantial Shareholders

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

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

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

Notes:

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

- (5) Tencent Computer System is a consolidated affiliated entity (through contractual arrangements) of Tencent, a company listed on the Stock Exchange (stock code: 0700), and is one of its principal PRC domestic operating entities. Tencent Computer System is a leading provider of Internet value-added services in the PRC and a clear holder of the Company's Shares. As such, Tencent is deemed to be interested in the Shares held by Tencent Computer System. Mr. Huateng Ma (馬化騰) holds 54.29% shares in Tencent Computer System.
- (6) Unifront Holding Limited (優孚控股有限公司) is owned by Shanghai Songlu Investment Management Co., Ltd. (上海松鹿投資管理有限公司) as to 25.00%, Shanghai Jiangu Investment Management Co., Ltd. (上海江鹿投資管理有限公司) as to 16.88% and Shanghai Xinlu Investment Management Co., Ltd. (上海鑫鹿投資管理有限公司) as to 13.12%. The entire interest of Shanghai Songlu Investment Management Co., Ltd., Shanghai Jiangu Investment Management Co., Ltd. and Shanghai Xinlu Investment Management Co., Ltd. are held by Shanghai Youlu Investment Management Co., Ltd. (上海游鹿投資管理有限公司), which in turn is controlled by Zhen Zhang (張真). As such, Shanghai Youlu Investment Management Co., Ltd., Shanghai Songlu Investment Management Co., Ltd., Shanghai Jiangu Investment Management Co., Ltd. and Shanghai Xinlu Investment Management Co., Ltd. are deemed to be interested in the Shares held by Unifront Holding Limited. As such, Zhen Zhang (張真) is deemed to be interested in the Shares held by Unifront Holding Limited.
- (7) Cnhooray Internet Technology Co. Ltd. (深圳日訊網絡科技股份有限公司) is a subsidiary of Timeway Holdings Limited (中宇集團有限公司). The entire interest of Timeway Holdings Limited (中宇集團有限公司) is held by Sinolink Worldwide. Sinolink Worldwide is held by Asia Pacific Promotion Limited (a company wholly owned by Mr. Yaping Ou and his associate) as to approximately 51.54%. As such, Timeway Holdings Limited (中宇集團有限公司), Sinolink Worldwide, Asia Pacific Promotion Limited and Mr. Yaping Ou are deemed to be interested in the Shares held by Cnhooray Internet Technology Co. Ltd. (深圳日訊網絡科技股份有限公司).
- (8) Shanghai Yuanqiang Investment Company Limited (上海遠強投資有限公司) is owned by Mr. Song Zou (鄒松) as to 80.00%. As such, Mr. Song Zou (鄒松) is deemed to be interested in the Shares held by Shanghai Yuanqiang Investment Company Limited (上海遠強投資有限公司).

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

3. FURTHER INFORMATION CONCERNING DIRECTORS

(a) Directors' service contracts

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

(b) Directors' interest in competing business

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

(c) Directors' interest in assets

None of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of or leased to any member of the Group or proposed to be so acquired, disposed of or leased since December 31, 2023, being the date to which the latest published audited accounts of the Company were made up, and up to the Latest Practicable Date.

(d) Directors' interest in contracts

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

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial position or trading prospects of the Group since December 31, 2023, the date to which the latest published audited financial statements of the Company were made up.

5. QUALIFICATION AND CONSENT OF EXPERT

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

Name	Qualification
Lego Corporate Finance Limited	A licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO

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

6. INTERESTS OF EXPERT

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

- (a) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (b) was not interested, directly or indirectly, in any assets which have been or are proposed to be acquired or disposed of by or leased to any member of the Group since December 31, 2023, being the date to which the latest published audited accounts of the Company were made up.

NOTICE OF THE ANNUAL GENERAL MEETING



眾安在綫財產保險股份有限公司
ZHONGAN ONLINE P & C INSURANCE CO., LTD.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability and carrying on business in Hong Kong as "ZA Online Fintech P & C")
(Stock Code: 6060)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the "AGM") of ZhongAn Online P & C Insurance Co., Ltd. (the "**Company**") will be held at Conference Room Xin Pu Zhu Lin, 2/F, 219 Yuanmingyuan Road, Huangpu District, Shanghai, the PRC at 10:00 a.m. on Thursday, June 20, 2024 for the purposes of considering, and if thought fit, approving the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors of the Company for the year ended December 31, 2023.
2. To consider and approve the report of the supervisory committee of the Company for the year ended December 31, 2023.
3. To consider and approve the report of the auditors and audited financial statements of the Company for the year ended December 31, 2023.
4. To consider and approve the re-appointment of auditors for the year ending December 31, 2024.
5. To consider and approve the Company's 2024-2026 three-year capital planning report.
6. (a) To approve, confirm and ratify the revised annual caps of RMB3,185,470,000 and RMB3,728,750,000 for the years ending December 31, 2024 and 2025 (the "**Revised Annual Caps**") under the Online Platform Cooperation Framework Agreement; and
(b) To authorize generally and unconditionally any one director of the Company to do all such further acts and things and to sign and execute all such other or further documents and to take all such steps as he/she may consider necessary, desirable, appropriate or expedient to implement and/or give effect to or otherwise in connection with the Revised Annual Caps.

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

NOTICE OF THE ANNUAL GENERAL MEETING

AS REPORTING DOCUMENTS

1. To review the Company's performance report of the independent directors for the year 2023.
2. To review the Company's performance and evaluation report of the directors for the year 2023.
3. To review the Company's performance and evaluation report of the supervisors for the year 2023.
4. To review the Company's special report on related party transactions for the year 2023.
5. To review the Company's report on review and analysis of solvency for the year 2023.

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

Shanghai, the PRC, May 21, 2024

Notes:

- (1) In order to determine the list of shareholders of the Company who are entitled to attend the AGM, the register of members of the Company will be closed from Monday, June 17, 2024 to Thursday, June 20, 2024, both days inclusive, during which period no transfer of shares of the Company (the "Shares") will be registered. Unregistered holders of Shares who wish to attend the AGM must lodge the share certificates accompanied by transfer documents with the Company's H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares of the Company) or the director's office of the Company at 4-5/F, Associate Mission Building, 169 Yuanmingyuan Road, Shanghai, the PRC (for holders of domestic Shares of the Company) no later than 4:30 p.m. on Friday, June 14, 2024 for registration. Shareholders whose names appear on the register of members of the Company on Thursday, June 20, 2024 shall be entitled to attend and vote at the AGM.
- (2) A shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company but must attend the AGM in person to represent the relevant Shareholder.

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

NOTICE OF THE ANNUAL GENERAL MEETING

In order to be valid, the proxy form together with the notarised power of attorney or other authorisation document (if any) must be deposited at the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares of the Company) or the director's office of the Company at 4-5/F, Associate Mission Building, 169 Yuanmingyuan Road, Shanghai, the PRC (for holders of domestic Shares of the Company) not less than 24 hours before the time fixed for the holding of the AGM (i.e. before 10:00 a.m. on Wednesday, June 19, 2024) or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a shareholder from attending and voting in person at the AGM or any adjournment thereof if he/she so wishes.

- (3) According to the provisions of the Articles of Association of the Company, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolutions set out in this notice of the AGM will be voted on by way of poll.
- (4) The AGM is expected to last for half a day. Shareholders or their proxies attending the AGM (or any adjournment thereof) shall produce their identity documents. Shareholders or their proxies attending the AGM shall be responsible for their own travelling and accommodation expenses.
- (5) For details of these ordinary resolutions, please refer to the circular of the Company dated May 21, 2024.
- (6) If the attending shareholder is a corporation, its legal representative shall present his/her own identity card, valid certificates and valid documents evidencing his/her capacity as legal representative, whereas the proxy authorised by the legal representative shall present his/her identity card and written proxy form legally issued by the relevant shareholder.
- (7) References to time and dates in this notice are to Hong Kong time and dates.
- (8) Capitalized terms in this notice of the AGM shall have the same meanings as defined in the circular of the Company dated May 21, 2024 unless the context otherwise specified.