

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



眾安在綫財產保險股份有限公司

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

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

(Stock Code: 6060)

CONTINUING CONNECTED TRANSACTIONS AUTO CO-INSURANCE COOPERATION AGREEMENT

On November 8, 2024 (after trading hours), the Company entered into the Auto Co-insurance Cooperation Agreement with Ping An P&C for the provision of auto co-insurance products to the public.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Ping An P&C is a subsidiary of Ping An Insurance, which is a substantial shareholder of the Company. Ping An P&C is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

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

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the continuing connected transactions under the Auto Co-insurance Cooperation Agreement is more than 5%, such transactions are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL INFORMATION AND EGM

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

The Independent Board Committee comprising all of the independent non-executive Directors will be formed to advise the Independent Shareholders in relation to the Auto Co-insurance Cooperation Agreement and the transactions contemplated thereunder. 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.

DESPATCH OF CIRCULAR

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

On November 8, 2024 (after trading hours), the Company entered into the Auto Co-insurance Cooperation Agreement with Ping An P&C for the provision of auto co-insurance products to the public. Details of the Auto Co-insurance Cooperation Agreement are set out below:

AUTO CO-INSURANCE COOPERATION AGREEMENT

Date

November 8, 2024

Parties

- (i) the Company; and
- (ii) Ping An P&C.

Duration

One year commencing from January 1, 2025 to December 31, 2025.

Subject matter

The Company will enter into agreements for the provision of auto insurance products to the public, and Ping An P&C will be responsible for performing the duties (including co-insuring and making payments pursuant to claims) under such auto insurance agreements. Payments under such auto insurance agreements will be made to the Company which will then be settled with Ping An P&C.

Historical transaction amounts

The total premiums which have been shared by the Company under the previous and existing auto co-insurance cooperation agreements entered into between the Company and Ping An P&C for the two years ended December 31, 2022 and 2023 and nine months ended September 30, 2024 were approximately RMB1,219,856,000, RMB1,580,343,000 and RMB1,537,574,456, respectively.

Annual cap

The annual cap for the Auto Co-insurance Cooperation Agreement for the year ending December 31, 2025 is RMB2,550,000,000, which was determined principally with reference to:

- (i) the total premiums of approximately RMB1,537,574,456 which have been shared by the Company for the nine months ended September 30, 2024, which represents approximately 71.5% of the annual cap for the year ending December 31, 2024 under the existing auto co-insurance cooperation agreement;
- (ii) the total premiums expected to be shared by the Company of approximately RMB492,425,544 for the three months ending December 31, 2024;
- (iii) the steady growth of the retail sales of the domestic passenger car market in the PRC with a 2.2% year-on-year growth in sales volume for the nine months ended September 30, 2024;
- (iv) the favourable government policies in the new energy vehicle industry, which are expected to encourage young consumers to purchase new energy vehicles in the PRC and thereby drive up the consumption demand for new energy vehicle insurance; and
- (v) the expected increase in demand for auto insurance which is expected to be driven by the prosperity of the electric vehicle industry; insurance costs and premiums are higher for electric vehicles, thereby further increasing the premiums expected to be received by the Company for the year ending December 31, 2025. The PRC automobile industry had officially accelerated the pace of reform driven by the constant promotion of a new energy security strategy and the establishment of the “dual carbon” goals. In early 2022, the State Council of the PRC promulgated the 14th Five-Year Plan for the Comprehensive Work Plan for Energy Conservation and Emission Reduction (「十四五」節能減排綜合工作方案) in respect of the transportation and logistics energy saving and emission reduction project, which aims to boost the sales of new energy vehicles to around 20% of the total sales of new vehicles by 2025. Moreover, certain divisions, including the National Development and Reform Commission, promulgated the Implementation Plan for Promoting Green

Consumption (促進綠色消費實施方案), proposing to develop green transportation consumption vigorously, such as implementing the lifting of traffic restrictions, road rights and other support policies, lifting the restrictions on the purchase of new energy vehicles gradually, and facilitating the construction of infrastructure and hardware including hydrogen refueling, battery swapping stations and new energy storage. Taking into account that the Group is one of the few online Insurtech companies in the PRC to provide online auto insurance, we consider the Group is well-positioned to seize the opportunities and benefit from the growth of the electric vehicles industry.

On the basis of the above, the Company anticipates a year-on-year growth rate of approximately 25.6% for the premiums it will receive for its auto insurance business under the Auto Co-insurance Cooperation Agreement for the year ending December 31, 2025.

Pricing policies

Auto insurance premiums are heavily regulated in the PRC. The insurance regulatory institution issues uniform terms of service for auto insurance products and provides uniform guidance for product rates. The business department of the Company determines the rates of auto insurance products of the Company based on the analysis of current market conditions, guidance from regulatory institutions and various procedures. The rate is signed and confirmed by the chief actuary after being reviewed by the actuarial department of the Company, and filed with the National Financial Regulatory Administration (國家金融監督管理總局). Pursuant to the Auto Co-insurance Cooperation Agreement, the Company sells auto insurance products to the public at rates which are implemented and approved in strict accordance with the requirements of PRC insurance laws. The premium and claim payment sharing ratio between the Company and Ping An P&C is agreed by both parties after arm's length negotiations having regard to the fact that Ping An P&C will be responsible for the daily operations of the agreements, including receiving reports of claims, investigating the claims and maintaining customer records.

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

Reasons for and benefits of entering into the Auto Co-insurance Cooperation Agreement

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

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.

Ping An P&C

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

LISTING RULES IMPLICATIONS

As at the date of this announcement, Ping An P&C is a subsidiary of Ping An Insurance, which is a substantial shareholder of the Company. Ping An P&C is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

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

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the continuing connected transactions under the Auto Co-insurance Cooperation Agreement is more than 5%, such transactions are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

Save as disclosed above, none of the Directors has any material interest in the Auto Co-insurance Cooperation Agreement and the transactions contemplated thereunder, and none of them was required to abstain from voting on the relevant Board resolutions.

GENERAL INFORMATION AND EGM

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

The Independent Board Committee comprising all of the independent non-executive Directors will be formed to advise the Independent Shareholders in relation to the Auto Co-insurance Cooperation Agreement and the transactions contemplated thereunder. 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.

DESPATCH OF CIRCULAR

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

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Auto Co-insurance Cooperation Agreement”	the co-insurance agreement dated November 8, 2024 entered into between the Company and Ping An P&C for the provision of auto co-insurance products to the public
“Board”	the board of Directors of the Company
“Company”	ZhongAn Online P & C Insurance Co., Ltd.* (眾安在綫財產保險股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and carrying on business in Hong Kong as “ZA Online Fintech P & C” whose shares are listed on the Main Board of the Stock Exchange (stock code: 6060)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be held for the Shareholders to consider, and if thought fit, approve the Auto Co-insurance Cooperation Agreement and the transactions contemplated thereunder, respectively, or any adjournment thereof
“Group”	the Company and its subsidiaries
“H Shares”	the overseas listed foreign invested ordinary shares in the ordinary share capital of the Company, with a nominal value of RMB1 each, which are subscribed for and traded in Hong Kong dollars, and a “H Share” means any one of them
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors that will be formed for the purpose of giving a recommendation to the Independent Shareholders in relation to the Auto Co-insurance Cooperation Agreement
“Independent Financial Adviser”	Lego Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Auto Co-insurance Cooperation Agreement
“Independent Shareholders”	Shareholders other than Ping An P&C and its associates
“Insurtech”	use of technology innovations designed to achieve savings and efficiency from the traditional insurance industry model
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended and supplemented from time to time)

“Ping An Group”	Ping An Insurance and its subsidiaries
“Ping An Insurance”	Ping An Insurance (Group) Co. of China, Ltd. (中國平安保險(集團)股份有限公司), a joint stock limited company incorporated in the PRC on March 21, 1988 listed on Main Board of the Stock Exchange (stock code: 02318) and the Shanghai Stock Exchange (stock code: 601318), and one of our substantial shareholders
“Ping An P&C”	Ping An Property and Casualty Insurance Company of China, Ltd. (中國平安財產保險股份有限公司), a subsidiary of Ping An Insurance
“PRC” or “China”	People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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

Shanghai, the PRC, November 8, 2024

As at the date of this announcement, the board of directors of the Company comprises two executive directors, namely Mr. Xing Jiang and Mr. Gaofeng Li, five non-executive directors, namely Mr. Yaping Ou, Mr. Liangxun Shi, Mr. Shuang Zhang, Mr. Hugo Jin Yi Ou and Mr. Hai Yin, and four independent non-executive directors, namely Mr. Wei Ou, Ms. Vena Wei Yan Cheng, Ms. Gigi Wing Chee Chan and Mr. Stanley Chiu Fai Choi.

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