
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, certified public accountant or other professional adviser.

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 form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or 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) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE
AUTO CO-INSURANCE COOPERATION AGREEMENT;
(2) PROPOSED ISSUE OF OFFSHORE SENIOR BONDS;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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



A notice convening the EGM to be held at Conference Room Xin Pu Zhu Lin, 2/F, 219 Yuanmingyuan Road, Huangpu District, Shanghai, the PRC on Wednesday, December 11, 2024 at 10:00 a.m. is set out on pages S-1 to S-3 of this circular.

A proxy form for use at the EGM is enclosed with this circular. If you intend to appoint a proxy to attend the EGM, 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 EGM (i.e. before 10:00 a.m. on Tuesday, December 10, 2024) or any adjournment thereof (as the case may be).

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".

November 25, 2024

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“associate(s)”	has the meaning ascribed thereto 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
“Chief Executive(s)”	has the meaning ascribed to it under the Listing Rules
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“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”, 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
“Director(s)”	the director(s) of the Company
“Domestic Shares”	ordinary shares of RMB1 each issued by the Company, which are subscribed for in RMB or credited as fully paid up
“EGM”	the extraordinary general meeting of the Company to be held at Conference Room Xin Pu Zhu Lin, 2/F, 219 Yuanmingyuan Road, Huangpu District, Shanghai, the PRC on Wednesday, December 11, 2024 at 10:00 a.m. for the Independent Shareholders to consider and, if thought fit, to approve the resolutions contained in the Notice of EGM, or any adjournment thereof
“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, and “H Shares” means any one of them
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors that has been 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 relation to 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
“Latest Practicable Date”	November 22, 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”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Notice of EGM”	the notice of the EGM of the Company dated November 25, 2024, as set out on pages S-1 to S-3 of this circular
“November Announcement”	the announcement of the Company dated November 8, 2024 in relation to the Auto Co-insurance Cooperation Agreement
“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

DEFINITIONS

“PRC” or “China”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Taiwan and Macau Special Administrative Region
“RMB”	Renminbi, the lawful currency of the PRC
“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 (百仕達控股有限公司), a company incorporated in Bermuda with limited liability whose shares 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
“%”	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
Mr. Stanley Chiu Fai Choi

*Headquarters and principal place of
business in the PRC:*

219 Yuanmingyuan Road
Shanghai
PRC

MFB1, MF102, MF201-1401
108 Beijing East Road
Huangpu District
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

November 25, 2024

To the Shareholders

Dear Sir/Madam,

- (1) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE
AUTO CO-INSURANCE COOPERATION AGREEMENT;
(2) PROPOSED ISSUE OF OFFSHORE SENIOR BONDS;
AND
(3) NOTICE OF EXTRAORDINARY 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

Reference is made to the November Announcement in relation to the Auto Co-insurance Cooperation Agreement.

The purpose of this circular is to set out the Notice of EGM and to provide you with:

- (1) further information in respect of the transactions contemplated under the Auto Co-insurance Cooperation Agreement, the letter from the Independent Board Committee to the Independent Shareholders in respect of the Auto Co-insurance Cooperation Agreement, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Auto Co-insurance Cooperation Agreement;
- (2) further information in respect of the proposed issue of offshore senior bonds by the Company; and
- (3) the Notice of EGM at which relevant resolutions will be proposed to consider and approve the Auto Co-insurance Cooperation Agreement and the issue of offshore senior bonds by the Company.

2. 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 be settled with Ping An P&C within two working days upon the issuance of the insurance policy and the collection of the premiums.

LETTER FROM THE BOARD

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 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 as announced by the China Passenger Car Association (中國汽車流通協會乘用車市場信息聯席分會) in its monthly analysis of the PRC passenger car market for September 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

LETTER FROM THE BOARD

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.

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. 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.

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

LETTER FROM THE BOARD

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.

3. INTERNAL CONTROL

The Company has implemented the following internal control measures in order to ensure that the transactions under the Auto Co-insurance Cooperation 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**”), which is under the charge of the compliance officer and comprises major persons in charge of the board office, the risk management department, the finance department, and related business department. The Related Party Transaction Management Office evaluates the pricing fairness and reasonableness of, among others, each individual transaction to be entered into between the Group and Ping An P&C under the Auto Co-insurance Cooperation 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 Auto Co-insurance Cooperation Agreement constitute major related party transaction under the CBIRC Measures. Accordingly, the Company will file such transactions with the National Financial Regulatory Administration (國家金融監督管理總局) after approval and execution 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 (including the Auto Co-insurance Cooperation 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

LETTER FROM THE BOARD

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 on 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.

4. 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 Latest Practicable Date, Ping An P&C was controlled by Ping An Insurance, which holds approximately 99.55% of Ping An P&C's share capital.

LETTER FROM THE BOARD

5. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Ping An P&C was 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 had 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.

Ping An Insurance, one of the Company's substantial shareholders interested in an aggregate of 150,000,000 H Shares as at the Latest Practicable Date, representing approximately 10.21% of the total shares of the Company with voting rights, will be required to abstain from voting in respect of the Auto Co-insurance Cooperation Agreement and the transactions contemplated thereunder. Save as disclosed, to the best knowledge of the Company, no other Shareholder will be required to abstain from voting on the relevant resolutions to be proposed at the EGM.

6. PROPOSED ISSUE OF OFFSHORE SENIOR BONDS

According to the needs of strategic development of the Company, the Company intends to fully utilize its resources from offshore capital markets and it is proposed to consider and approve at the EGM the Company's proposal to issue offshore senior bonds equivalent to an aggregate amount of up to USD600 million (excluding bonds with the nature of capital replenishment, such as tier-2 capital bonds and convertible corporate bonds) to qualified investors who meet the requirements of the regulatory authorities in the overseas markets subject to the approval by the regulatory authorities and based on the conditions of international capital markets (hereinafter referred to as the "**Issue of Senior Bonds**"). All proceeds from the Issue of Senior Bonds will be mainly used to repay the existing bonds when due and replenish the liquidity of the Company.

LETTER FROM THE BOARD

To ensure the effective implementation of the Issue of Senior Bonds, it is proposed that the Board and any person duly authorized by the Board be authorized at the EGM to handle with absolute discretion all matters concerning the Issue of Senior Bonds, including but not limited to the following, within 18 months from the date on which the resolution relating to the Issue of Senior Bonds is considered and approved at the EGM:

1. submitting and reporting to, filing and registering with, obtaining approvals and consents from, the relevant domestic or overseas governmental departments and/or regulatory authorities, and undergoing other formalities such as collection of proceeds;
2. executing, implementing, revising, supplementing, completing, delivering and issuing all relevant agreements, contracts and documents (including but not limited to announcements, circulars, underwriting agreements and contracts for intermediary service) in connection with the Issue of Senior Bonds to be submitted to the relevant domestic and overseas regulatory authorities, stock exchanges, organisations and individuals;
3. formulating and implementing a detailed proposal with respect to the Issue of Senior Bonds as well as fund management, including but not limited to determining the type of bonds to be issued, the size of each tranche, the form of the issue, the timing of the issue, the place of the issue, the tranches, the terms of the issue, currency, the term of the debts, the coupon rate, the coupon payments, the registration of the bonds for custody purpose, formulating or revising the measures for the administration of overseas financing with local or foreign currency, formulating the detailed implementation plan for investment and management of the proceeds, and after taking into account the actual circumstances, market conditions, policy changes and opinions from regulatory departments and domestic and overseas stock exchanges, making necessary adjustments to the issuance of offshore senior bonds and determining the timing of the issue; and
4. managing matters such as regular interest accrual and interest payment or dividend distribution and subsequent principal repayment of such offshore senior bonds in accordance with the relevant national regulations and the daily work requirements.

The Company will fulfil its obligation to disclose information related to the Issue of Senior Bonds in accordance with relevant laws and regulations and the listing rules of the place where the Company's securities are listed.

The proposed Issue of Senior Bonds is subject to Shareholders' approval as a special resolution at the EGM and necessary approvals from relevant regulatory authorities. A special resolution will be proposed at the EGM to consider and approve the proposed Issue of Senior Bonds.

7. EGM

The EGM of the Company will be held at 10:00 a.m. on Wednesday, December 11, 2024 at Conference Room Xin Pu Zhu Lin, 2/F, 219 Yuanmingyuan Road, Huangpu District, Shanghai, the PRC. The Notice of EGM is set out on pages S-1 to S-3 of this circular.

LETTER FROM THE BOARD

In order to determine the list of Shareholders who are entitled to attend the EGM, the register of members of the Company will be closed from Monday, December 9, 2024 to Wednesday, December 11, 2024, both days inclusive, during which period no transfer of Shares will be registered. Unregistered holders of Shares of the Company who wish to attend the EGM must lodge the share certificates accompanied by transfer documents must be lodged 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 Company's office of the Board of Directors at 4-5/F, Associate Mission Building, 169 Yuanmingyuan Road, Shanghai, the PRC (for holders of Domestic Shares) no later than 4:30 p.m. on Friday, December 6, 2024 for registration. Shareholders whose names appear on the register of members of the Company on Wednesday, December 11, 2024 shall be entitled to attend and vote at the EGM.

The proxy form for use at the EGM is enclosed to this circular and 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 EGM 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 Company's office of the Board of Directors 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 EGM (i.e. before 10:00 a.m. on Tuesday, December 10, 2024). Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof if he/she so wishes.

All voting at the EGM will be conducted by poll.

8. RECOMMENDATION

Based on the relevant information disclosed herein, the Board (including the independent non-executive Directors having taking into consideration the advice of the Independent Financial Adviser in respect of the Auto Co-insurance Cooperation Agreement) considers that the resolutions set out in the Notice of EGM 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 favour of the resolutions in connection with the Auto Co-insurance Cooperation Agreement and the issue of offshore senior bonds to be proposed at the EGM.

For the purpose of the EGM, the Board has established the Independent Board Committee comprising all the independent non-executive Directors to advise the Independent Shareholders in relation to the Auto Co-insurance Cooperation 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.

LETTER FROM THE BOARD

The letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 27 of this circular.

9. ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the Appendix to this circular.

Yours faithfully,
By and 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)

November 25, 2024

To the Independent Shareholders of the Company

Dear Sir or Madam,

**(1) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE
AUTO CO-INSURANCE COOPERATION AGREEMENT;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

We refer to the November Announcement and the circular of the Company dated November 25, 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 Auto Co-insurance Cooperation Agreement. Details of the Auto Co-insurance Cooperation Agreement are set out in the Letter from the Board contained in the Circular.

We wish to draw your attention to the letter from the Independent Financial Adviser as set out on pages 16 to 27 of the Circular.

Having considered the information set out in the Letter from the Board, the terms of the Auto Co-insurance Cooperation Agreement and the advice of the Independent Financial Adviser in relation thereto in the Circular, we are of the view that:

- (i) the terms of the transactions contemplated under the Auto Co-insurance Cooperation Agreement are fair and reasonable so far as the Independent Shareholders are concerned, on normal commercial terms and conducted in the ordinary and usual course of business of the Group; and
- (ii) the Auto Co-insurance Cooperation Agreement is in the interests of the Company and the Shareholders as a whole.

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

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 in relation to the Auto Co-insurance Cooperation Agreement and the transactions contemplated thereunder (including the proposed annual cap).



November 25, 2024

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS AUTO CO-INSURANCE COOPERATION AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee in relation to the Auto Co-insurance Cooperation Agreement and the transactions contemplated thereunder (including the annual cap for the transactions contemplated thereunder for the year ending December 31, 2025 (the “**Auto Annual Cap**”)), details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular dated November 25, 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.

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.

As at the Latest Practicable Date, 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the Auto Co-insurance Cooperation Agreement and the transactions contemplated thereunder, as well as to advise the Independent Shareholders as to whether to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Auto Co-insurance Cooperation Agreement and the transactions contemplated thereunder (including the Auto Annual Cap). 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 Ping An P&C or relationships with 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 Ping An P&C 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 engagement in October 2022, May 2023, September 2023 and March 2024 as the independent financial adviser to the independent board committee and independent shareholders in relation to (i) the entering into of the 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); (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); and (iv) the entering into of the online platform cooperation framework supplemental agreement (details of which are set out in the circular of the Company dated May 21, 2024), 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 Ping An P&C. Accordingly, we are qualified to give independent advice in respect of the Auto Co-insurance Cooperation Agreement and the transactions contemplated thereunder (including the Auto Annual Cap).

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

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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.

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 Ping An P&C, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group or Ping An P&C 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 of the Company and Ping An P&C

The Company

The Company is an online Insuretech company in the PRC and is principally engaged in the provision of insurance products and solutions in the context of four major ecosystems, namely health, digital lifestyle, consumer finance and auto ecosystems.

Ping An P&C

Ping An P&C is a subsidiary of Ping An Insurance, which is the Company's 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.

2. The Auto Co-insurance Cooperation Agreement

2.1 Principal terms

As disclosed in the Letter from the Board, the principal terms of the Auto Co-insurance Cooperation Agreement are as follows:

Date

November 8, 2024

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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 be settled with Ping An P&C within two working days upon the issuance of the insurance policy and the collection of the premiums.

We have reviewed the Auto Co-insurance Cooperation Agreement and did not note any abnormal terms or material difference between the terms of the existing auto co-insurance cooperation agreement and the terms of the Auto Co-insurance Cooperation Agreement, save for the duration changed from two years to one year.

2.2 Pricing policies

We have discussed with the Management and were given to understand that 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, formerly known as China Banking and Insurance Regulatory Commission (“CBIRC”). 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.

Pursuant to the Auto Co-insurance Cooperation Agreement, the premiums, claims and all fees and expenses incurred in the provision of auto co-insurance products 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. The aforesaid fee and cost sharing ratio between the Company and Ping An P&C were agreed by the 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.

As advised by the Management, the auto insurance products offered by the Group were all under the existing auto co-insurance cooperation agreement and the Group does not have any other auto

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co-insurance cooperation arrangement with other independent third parties. The Group also does not offer any auto insurance services on its own. We have reviewed all 37 agreements entered into between the Company and Ping An P&C for the provision of auto insurance products under the existing auto co-insurance cooperation agreement, and noted that the premiums, claims and all fees and expenses incurred in the provision of auto co-insurance products were agreed to be shared between the parties at 50:50 ratio, which were consistent with the aforesaid fee and cost sharing policy.

As advised by the Management, 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**”) issued by the CBIRC, the Group has established an inter-departmental related party transaction management office (the “**Related Party Transaction Management Office**”), which is under the charge of compliance officer and comprises major persons in charge of the board office, the risk management department, the finance department, and related business department. 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 Ping An P&C under the Auto Co-insurance Cooperation 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 Auto Co-insurance Cooperation Agreement constitute major related party transactions under the CBIRC Measures. Accordingly, the Company will file such transactions with the National Financial Regulatory Administration after approval and execution 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 National Financial Regulatory Administration, including those set out above, are sufficient in ensuring that the terms of the transactions under the Auto Co-insurance Cooperation Agreement will be on normal commercial terms, fair and reasonable and in the interests of the Shareholders.

We have reviewed (a) the documents submitted to the CBIRC by the Group in 2022, including the existing auto co-insurance cooperation agreement and the approval of the Board on the existing auto co-insurance cooperation agreement; and (b) the resolutions of the Related Party Transaction Management Office in relation to the transactions under the existing auto co-insurance cooperation agreement for the two years ending December 31, 2024, and noted that the Group’s internal control procedures are in place pursuant to the requirements of the National Financial Regulatory Administration to ensure that the terms of such transactions were and will be on normal commercial terms, fair and reasonable and in the interests of the Shareholders.

Taking into consideration that (i) the premiums charged under the Auto Co-insurance Cooperation Agreement are determined based on the analysis of current market conditions, guidance from regulatory institutions and various procedures; (ii) the auto insurance products under the Auto Co-insurance Cooperation Agreement are sold to the public at a implemented and approved insurance rate in strict accordance with the requirements of the insurance laws of the PRC; (iii) the fees and

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costs sharing ratio of 50:50 has been adopted and approved by the then Shareholders since 2018; and (iv) the Group's internal control procedures are in place, we are of the view that the pricing policy and the terms of the Auto Co-insurance Cooperation Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned.

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

As disclosed in the Letter from the Board, 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 products 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.

The payments of premium by the end-customers under the auto insurance agreements entered into among the Company, Ping An P&C and the end-customers will be made to the Company which will then be settled with Ping An P&C. The Management are of the view that the Company has sufficient resources on handling the administrative work for the receipt of premium and experience in monitoring the compliance of relevant regulatory requirement. The Company would benefit from this arrangement in terms of cashflow management since the premium will be made to the Company directly. Also, the co-insurance cooperation arrangement under the Auto Co-insurance Cooperation Agreement provides a recurring and growing source of revenue to the Group, which is beneficial to the Group's business.

The auto co-insurance collaboration follows a unique business model that requires the two parties to perform two distinct roles. The Company performs the front-line sales function while Ping An P&C performs the claim settlement function. As discussed with the Management, we understand that for the auto co-insurance products under the Auto Co-insurance Cooperation Agreement, Ping An P&C is primarily responsible for claim settlement under the agreement, whereas the Group is mainly responsible for the sales and distribution and provision of the sales channels, such as through its own proprietary platforms and cooperate with the Group's business partners who can provide their customers access to the Group's online insurance products. The continuous collaboration between the parties to the Auto Co-insurance Cooperation Agreement further demonstrates Ping An P&C's confidence in its business relations with the Company and its enhanced effort to continue business collaboration with the Company.

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Further, the transformation of the means and habits of auto insurance from offline to online and the simplification of insuring processes for automobiles create market opportunities for both Ping An P&C and the Group. Particularly, having considered that the Group is the one of the only few online Insuretech companies, i.e. use of technology innovations designed to achieve savings and efficiency from the traditional insurance industry model, in the PRC to provide online auto insurance, whereas Ping An P&C, being a subsidiary of Ping An Insurance, is a solid and established insurance company which the insured would be confident with, the Directors consider, and we concur that the business cooperation under the Auto Co-insurance Cooperation Agreement are mutually beneficial to Ping An P&C and the Group. In addition, the Group has powerful internet technologies and extensive connections to its ecosystem partners' platforms, while Ping An P&C will be able to reach such large extent of potential customers through online platforms under the cooperation with the Group, and hence, may be able to capture the potential growth in the Insuretech industry.

Based on the aforesaid and considering that the entering into of the Auto Co-insurance Cooperation Agreement with Ping An P&C allows the Group to (i) offer auto co-insurance products so as to reach a wider base of customers and expand its product offerings and revenue source; and (ii) achieve higher revenue by a proportion of 50% of premiums to be received, we are of the opinion that the terms of the Auto Co-insurance Cooperation Agreement are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole.

2.4 The annual caps

2.4.1 Historical transaction amount

The table below sets out the annual caps and the historical amount of premiums shared by the Group for each of the three years ended December 31, 2023, the nine months ended September 30, 2024 and the annualised amount for the year ending December 31, 2024:

	For the year ended December 31, 2021 <i>in RMB million</i>	For the year ended December 31, 2022 <i>in RMB million</i>	For the year ended December 31, 2023 <i>in RMB million</i>	For the nine months ended September 30, 2024 <i>in RMB million</i>	For the year ending December 31, 2024 <i>in RMB million</i>
Actual amount of premiums shared by the Group	941.9	1,219.9	1,580.3	1,537.6	2,050.1 <i>(Note)</i>
Annual caps	2,137.9	2,779.2	1,600.0	N/A	2,150.0

Note: Annualised based on the amount for the nine months ended September 30, 2024.

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The amount of premiums shared by the Group increased from approximately RMB941.9 million for the year ended December 31, 2021 to approximately RMB1,219.9 million for the year ended December 31, 2022, mainly attributable to the more refined business strategy which the Company has formulated based on the market conditions after the comprehensive reform of auto insurance implemented by the National Financial Regulatory Administration, which enabled the Company to quickly adapt to the new market environment and lay out the foundation for the development of its new energy vehicle (“NEV”) insurance business. In particular, this encouraged customers to purchase more comprehensive auto insurance products and products with greater coverage, which resulted in an increase in premiums received from auto insurance policies. In addition, the Company continuously improved customer service capabilities and optimised customer management tools to enhance customer service satisfaction and loyalty, thereby improving the insurance renewal rate. Together, these factors allowed the Company to achieve steady growth in its auto insurance business.

The amount of premiums shared by the Group further increased to approximately RMB1,580.3 million for the year ended December 31, 2023, mainly attributable to (i) the cooperation with more online insurance agency platforms to reach out to more users on auto insurance through online activities; (ii) the strategies, including but not limited to the usage of various operational activities on self-operated online platforms and renewal text messages, to reach and remind existing customers for renewal, thereby driving the significant increase in the renewal rate of auto insurance; and (iii) the favourable government policies in the NEV industry, which encouraged young consumers to purchase NEVs in the PRC and thereby driving up the consumption demand for NEV insurance.

The amount of premiums shared by the Group increased from approximately RMB1,193.0 million for the nine months ended September 30, 2023 to approximately RMB1,537.6 million for the nine months ended September 30, 2024, mainly attributable to the prosperity of the NEV industry and the Group’s own online channel capabilities. By seizing the opportunities of the NEV insurance and embracing policy support while continuously enriching the Group’s database, risk rules and algorithms and improving pricing and risk control models, the Group provided vehicle owners of over 100 NEV brands with auto insurance products and services, bringing new momentum to the overall growth of auto insurance.

2.4.2 Basis and assessment of the Auto Annual Cap

Set out below are the Auto Annual Cap for the year ending December 31, 2025:

	For the year ending December 31, 2025 <i>in RMB million</i>
Auto Annual Cap	2,550.0

In order to assess the fairness and reasonableness of the Auto Annual Cap, we have discussed with the Management on the bases and assumptions underlying the determination of the Auto Annual Cap as below.

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We noted that the total premiums of approximately RMB1,537.6 million that have been shared by the Group for the nine months ended September 30, 2024 already represents approximately 71.5% of the existing annual cap for the year ending December 31, 2024. The annualised amount of the total premiums receivable by the Group for the year ending December 31, 2024 (which is calculated based on the Group's actual total premiums of approximately RMB1,537.6 million for the nine months ended September 30, 2024) amounts to approximately RMB2,050.1 million (the “**Annualised Premiums**”). Taking into consideration that (i) the historical annual cap for the year ended December 31, 2023 was close to full utilisation as set out in the table in the paragraph headed “2.4.1 Historical transaction amount” above and the Annualised Premiums represents approximately 95.4% of the existing annual cap for the year ending December 31, 2024, which implied that the Company had taken a prudent approach in estimating the transaction amounts; and (ii) the Annualised Premiums represents approximately 80.4% of the Auto Annual Cap for the year ending December 31, 2025, we are of the view that the Auto Annual Cap is justifiable.

We have discussed with the Management and were given to understand that the demand for the auto insurance is expected to be driven by the prosperity of the NEV industry, and the insurance cost and premiums are higher for NEVs, thereby further increasing the premiums expected to be received by the Group 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. According to the State Council meeting in June 2023, vehicle purchase tax is exempted during the period between January 1, 2024 and December 31, 2025, and will be halved from January 1, 2026 to December 31, 2027. On May 23, 2024, the State Council of the PRC issued the 2024-2025 Energy Conservation and Carbon Reduction Action Plan* (2024—2025年節能降碳行動方案), proposing to gradually cancel restrictions on the purchase of NEVs in various regions and implement support policies such as facilitating the construction of infrastructure and hardware.

According to data from the China Association of Automobile Manufacturers, in the first half of 2024, China's automobile sales reached 14,047 thousand units, representing a year-on-year growth of approximately 6.1%. In particular, the NEV industry maintained rapid growth and recorded sales of 4,944 thousand units, representing a year-on-year increase of approximately 32.0%, with steady growth in market share. Taking into account that the Group is one of the few online Insuretech companies in the PRC to provide online auto insurance products, we consider the Group is well-positioned to seize the opportunities and benefit from the growth of the NEV industry.

Moreover, the Management advised that the Auto Annual Cap represents the sales targets of the Group's auto co-insurance business during the corresponding period. We would like to emphasise that taking into account that the premiums to be received by the Group under the Auto Co-insurance Cooperation Agreement is a stable and recurring source of income of the Group, we are of the view that it is fair and reasonable to set the Auto Annual Cap 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.

The Auto Annual Cap amount to approximately RMB2,550 million for the year ending December 31, 2025, representing a growth rate of approximately 24.4% as compared to the Annualised Premiums for the year ending December 31, 2024. Having considered that the total premiums shared by the Group of approximately RMB941.9 million, RMB1,219.9 million, RMB1,580.3 million for the three years ended December 31, 2023, respectively, and the Annualised Premiums of approximately

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RMB2,050.1 million for the year ending December 31, 2024, represent year-on-year growth rates of approximately 29.5% 29.5% and 29.7% for the three years ending December 31, 2024, we are of the view that the growth rate of the Auto Annual Cap for the year ending December 31, 2025 of approximately 24.4% is reasonable.

Based on the aforesaid, we consider the bases of determination of the Auto Annual Cap under the Auto Co-insurance Cooperation Agreements (including the assumptions and projections of the premiums to be received by the Group) are fair and reasonable. In addition, having considered that (i) the entering into of the Auto Co-insurance Cooperation Agreement allows the Group to achieve higher revenue by a proportion of 50% of premiums to be received; (ii) the expected increase in premiums from the Group's auto co-insurance business is estimated in accordance with the assumptions made by the Directors which have been made with due care and consideration and made on an objective and a reasonable basis; and (iii) the provision of auto co-insurance products falls within the ordinary course of business of the Group, we consider that the proposed Auto Annual Cap is reasonable.

The Auto Annual Cap is determined by the Management based on assumptions, among others, 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 Auto Annual Cap.

ANNUAL REVIEW OF THE CONTINUING CONNECTED TRANSACTIONS

Pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the continuing connected transactions under the Auto Co-insurance Cooperation Agreement and the transactions contemplated thereunder (including the Auto Annual Cap) 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;

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- were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
- have exceeded the Auto Annual Cap.

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 CBIRC, the Group has established an inter-departmental Related Party Transaction Management Office, which is under the charge of the compliance officer and comprises major persons in charge of the board office, the risk management department, the finance department, and related business department. The Related Party Transaction Management Office evaluates the pricing fairness and reasonableness of, among others, each individual transaction to be entered into between the Group and Ping An P&C under the Auto Co-insurance Cooperation 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 Auto Co-insurance Cooperation Agreement constitute a major related party transaction under the CBIRC Measures. Accordingly, the Company will file such transactions to the National Financial Regulatory Administration after approval of the same by the Board;
- (b) the Supervisory Committee of the Company operates independently of the Board and performs supervisory duties over the Board and the senior management of the Company. It is responsible for supervising the establishment and implementation of internal control and conducts review over the Group's connected transactions annually and monitor whether such transactions would damage the interests of the Shareholders. The Risk Management and Related Transaction Control Committee is responsible for reviewing and monitoring 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 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; and
- (c) the Company has engaged an external auditor to conducts annual audits and issues 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.

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In view of the above and in particular that the continuing connection transactions under the Auto Co-insurance Cooperation 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 Auto Co-insurance Cooperation 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 existing auto co-insurance cooperation 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 two years ending December 31, 2024, 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 annual caps of the existing auto co-insurance cooperation agreement. Therefore, we are of the view that the relevant internal control measures were in place and effective.

RECOMMENDATION

Having considered the principal factors and reasons as discussed above, we are of the opinion that the transactions contemplated under the Auto Co-insurance Cooperation Agreement are entered into in the ordinary and usual course of business of the Group and on normal commercial terms. The terms of the Auto Co-insurance Cooperation Agreement and the transactions contemplated thereunder (including the Auto Annual Cap) are 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. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolutions at the EGM to approve the adoption of the terms of the Auto Co-insurance Cooperation Agreement and the Auto Annual Cap.

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.

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 of 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 the chairman of Cnhooray Internet Technology Co. Ltd., which beneficially owned 81,000,000 H Shares, representing approximately 5.51% of the total number of issued shares of the Company; 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	Approximate
				percentage in Shares of the same class ⁽²⁾	percentage of the Company's total issued share capital ⁽²⁾
Ant Group	H Shares	Beneficial interest	152,462,937	10.74%	10.37%

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⁾
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 Hong Kong 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 was 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.

7. DOCUMENTS ON DISPLAY

A copy of the Auto Co-insurance Cooperation Agreement will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.zhongan.com) from the date of this circular up to and including the date of the EGM.

NOTICE OF EXTRAORDINARY 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 EXTRAORDINARY GENERAL MEETING

Capitalised terms in this notice of the extraordinary general meeting (the "EGM") shall have the same meanings as defined in the circular of ZhongAn Online P & C Insurance Co., Ltd. (the "Company") dated November 25, 2024 unless the context otherwise specified.

NOTICE IS HEREBY GIVEN that the EGM of the Company will be held at Conference Room Xin Pu Zhu Lin, 2/F, 219 Yuanmingyuan Road, Huangpu District, Shanghai, the PRC on Wednesday, December 11, 2024 at 10:00 a.m. for the purpose of considering, and if thought fit, approving the following resolutions:

ORDINARY RESOLUTIONS

"THAT

- 1.(a) the Auto Co-insurance Cooperation Agreement (as defined in the Circular) and the transactions contemplated thereunder (including the annual caps), be and are hereby approved, confirmed and ratified; and
- 1.(b) any one director of the Company be and are hereby generally and unconditionally authorized 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 Auto Co-insurance Cooperation Agreement and the transactions contemplated thereunder."

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

SPECIAL RESOLUTION

“**THAT**

2. the proposed issue of offshore senior bonds by the Company be considered and approved.”

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

Shanghai, the PRC
November 25, 2024

Notes:

- (1) In order to determine the list of shareholders of the Company (the “**Shareholders**”) who are entitled to attend the EGM, the register of members of the Company will be closed from Monday, December 9, 2024 to Wednesday, December 11, 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 EGM 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 Company’s office of the board of directors 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, December 6, 2024 for registration. Shareholders whose names appear on the register of members of the Company on Wednesday, December 11, 2024 shall be entitled to attend and vote at the EGM.
- (2) A Shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote in his stead. A proxy need not be a Shareholder but must attend the EGM 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 authorised by the shareholder, the power of attorney authorising the signature or other authorisation document must be notarised.
- (3) 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 Company’s office of the board of directors 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 EGM (i.e. before 10:00 a.m. on Tuesday, December 10, 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 EGM or any adjournment thereof if he so wishes.
- (4) 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 EGM will be voted on by way of poll.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (5) The EGM is expected to last for half a day. Shareholders or their proxies attending the EGM (or any adjournment thereof) shall produce their identity documents. Shareholders or their proxies attending the EGM shall be responsible for their own travelling and accommodation expenses.
- (6) For details of the resolutions, please refer to the circular of the Company dated November 25, 2024.
- (7) 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.
- (8) References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, 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.