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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)

CONTINUING CONNECTED TRANSACTIONS

(1) PROVISION OF INSURANCE TO EMPLOYEES AND SENIOR MANAGEMENT PERSONNEL OF WEBANK

AND

(2) REVISION OF 2020 ANNUAL CAP AND 2021 ANNUAL CAP OF CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF THE PROVISION OF INSURANCE PRODUCTS TO ASSOCIATES OF TENCENT

On August 21, 2020, the Company entered into the New WeBank Insurance Agreements, comprising:

- (i) the New WeBank Employee Insurance Agreement, pursuant to which the Company agreed to provide medical healthcare, disease and accident insurance services to employees of WeBank and their immediate family members; and
- (ii) the New WeBank Senior Management Insurance Agreement, pursuant to which the Company agreed to provide medical healthcare, disease and accident insurance services to senior management personnel of WeBank and their immediate family members.

LISTING RULES IMPLICATIONS

By virtue of it controlling the exercise of 10.21% of the voting power of the Company through Tencent Computer System, Tencent is a connected person and a substantial shareholder of the Company. WeBank is an associate of Tencent and is therefore a connected person of the Company. Accordingly, the entering into of the New WeBank Insurance Agreements constitutes a continuing connected transaction for the Company.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions under the New WeBank Insurance Agreements are required to be aggregated with other transactions between the Company and the associates of Tencent under the Renewed Tencent Technology Employee Insurance Agreement, the Expired WeBank Insurance Agreements, and the Expired Tencent Technology Employee Insurance Agreement.

As a result of the entry into the New WeBank Insurance Agreements, revision of the 2020 Annual Cap and the 2021 Annual Cap is required as the premium payable from associates of Tencent to the Company for the provision of insurance products for the year ending December 31, 2020 and for the year ending December 31, 2021 is expected to exceed the 2020 Annual Cap and the 2021 Annual Cap as disclosed in the June 2020 Announcement. Accordingly, the 2020 Annual Cap will be increased from RMB17 million to RMB20 million (being the Aggregated Annual Cap for the year ending December 31, 2020), and the 2021 Annual Cap will be increased from RMB11 million to RMB25 million (being the Aggregated Annual Cap for the year ending December 31, 2021).

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the Aggregated Annual Cap for the Employee Insurance Agreements and the 2021 Annual Cap on an annual aggregated basis exceeds 0.1% but all of the applicable percentage ratios are less than 5%, the entering into of the New WeBank Employee Insurance Agreement and the New WeBank Senior Management Insurance Agreement is subject to reporting, announcement and annual review requirements but is exempt from Shareholders' approval requirements under Chapter 14A of the Listing Rules.

On August 21, 2020 (after trading hours), the Company entered into the New WeBank Insurance Agreements, comprising:

- (i) an employee insurance agreement with WeBank (the “**New WeBank Employee Insurance Agreement**”); and
- (ii) a senior management personnel insurance agreement with WeBank (the “**New WeBank Senior Management Insurance Agreement**”).

Details of the New WeBank Employee Insurance Agreement and the New WeBank Senior Management Insurance Agreement are set out below:

NEW WEBANK EMPLOYEE INSURANCE AGREEMENT

Date:

August 21, 2020

Parties:

- (i) the Company; and
- (ii) WeBank.

Duration:

One year from August 22, 2020 to August 21, 2021.

Payment term:

The premium payment consists of a one-time initial premium payment. After the end of the policy year, the insurance premium will be adjusted and settled accordingly.

Subject matter:

Pursuant to the New WeBank Employee Insurance Agreement, WeBank will purchase, and the Company will provide, medical healthcare, disease and accident insurance policy for employees of WeBank and their immediate family members (collectively, the “**New WeBank Employee Insurance Agreement Insured Persons**”).

The premiums to be received by the Company will be determined based on the number of the New WeBank Employee Insurance Agreement Insured Persons and the premium rate of the corresponding insurance products offered, which is payable based on a one-time initial premium payment with the remaining being settled at the end of the policy year after adjustment. The premiums received by the Company are comparable to those paid by independent third parties for similar types of insurance products or to the prevailing market prices. For pricing of the premiums, the Company takes into account the risk portfolio of the product itself, the product expense ratio and market competitive prices. The total premium under the policies is also based on the cover period and the number of employees covered during the period, and is adjusted in accordance with the employment period of the insured company’s employees. They are determined after careful examination and verification by the business management committee of the department. Members of the committee conduct market analysis and various other procedures to determine all aspects of the product including the pricing. These prices must conform with the

terms and regulations set by the Company and be approved by other relevant departments such as the actuary department and the operations management centre. Premium rates of these products are either approved by or filed with the China Banking and Insurance Regulatory Commission.

NEW WEBANK SENIOR MANAGEMENT INSURANCE AGREEMENT

Date:

August 21, 2020

Parties:

(iii) the Company; and

(iv) WeBank.

Duration:

One year from August 22, 2020 to August 21, 2021.

Payment term:

The premium payment consists of a one-time initial premium payment. After the end of the policy year, the insurance premium will be adjusted and settled accordingly.

Subject matter:

Pursuant to the New WeBank Senior Management Insurance Agreement, WeBank will purchase, and the Company will provide, medical healthcare, disease and accident insurance policy for senior management personnel of WeBank and their immediate family members (collectively, the “**New WeBank Senior Management Insurance Agreement Insured Persons**”).

The premiums to be received by the Company will be determined based on the number of the New WeBank Senior Management Insurance Agreement Insured Persons and the premium rate of the corresponding insurance products offered, which is payable based on a one-time initial premium payment with the remaining being settled at the end of the policy year after adjustment. The premiums received by the Company are comparable to those paid by independent third parties for similar types of insurance products or to the prevailing market prices. For pricing of the premiums, the Company takes into account the risk portfolio of the product itself, the product expense ratio and market competitive prices. The total premium under the policies is also based on the cover period and the number of senior management personnel covered during the period, and is adjusted in accordance with the employment period

of the insured company's senior management personnel. They are determined after careful examination and verification by the business management committee of the department. Members of the committee conduct market analysis and various other procedures to determine all aspects of the product including the pricing. These prices must conform with the terms and regulations set by the Company and be approved by other relevant departments such as the actuary department and the operations management centre. Premium rates of these products are either approved by or filed with the China Banking and Insurance Regulatory Commission.

PREVIOUS INSURANCE AGREEMENTS WITH ASSOCIATES OF TENCENT

Previous Employee Insurance Agreements with Tencent Technology

On May 21, 2019, the Company and Tencent Technology entered into the Expired Tencent Technology Employee Insurance Agreement, pursuant to which the Company agreed to provide comprehensive insurance services to employees of Tencent Technology with a term from June 1, 2019 to May 31, 2020. For further details on the Expired Tencent Technology Employee Insurance Agreement, please refer to the August 2019 Announcement.

On June 1, 2020, the Company entered into the Renewed Tencent Technology Employee Insurance Agreement for a term from June 1, 2020 to May 31, 2021. The Renewed Tencent Technology Employee Insurance Agreement is a renewal of the Expired Tencent Technology Employee Insurance Agreement. Details of the Renewed Tencent Technology Employee Insurance Agreement are set out in the June 2020 Announcement.

Previous Insurance Agreements with WeBank

On August 6, 2019, the Company and WeBank entered into the Expired WeBank Insurance Agreements, pursuant to which the Company agreed to provide disease, death and disability insurance services to employees of WeBank with a term from August 22, 2019 to August 21, 2020, which has been terminated with effect from August 21, 2020. For further details on the Expired WeBank Insurance Agreements, please refer to the August 2019 Announcement.

HISTORICAL FIGURES

Historical figures had been calculated on the basis of an aggregate of the total premium paid to the Company by associates of Tencent in respect of the provision of insurance products by the Company. For the years ended December 31, 2017, 2018 and 2019, the total premium paid by associates of Tencent to the Company for the provision of insurance products by the Company was approximately RMB6.62 million and RMB4.22 million and RMB12.79 million respectively.

AGGREGATION OF ANNUAL CAPS, REVISION OF 2020 ANNUAL CAP AND 2021 ANNUAL CAP

Since the Employee Insurance Agreements are of similar nature and have been entered into by the Company with associates of Tencent, the transactions contemplated under the Employee Insurance Agreements shall be aggregated pursuant to Rule 14A.81 of the Listing Rules. Accordingly, the annual caps in respect of the transactions under each of the Employee Insurance Agreements shall be aggregated, and such aggregate amount is used when calculating the relevant percentage ratios under Chapter 14A of the Listing Rules.

As a result of the entry into the New WeBank Insurance Agreements, revision of the 2020 Annual Cap is required as the premium payable from associates of Tencent to the Company for the provision of insurance products for the year ending December 31, 2020 is expected to exceed the 2020 Annual Cap as disclosed in the June 2020 Announcement. Accordingly, taking into account the aggregation of annual caps for the transactions between the Company and associates of Tencent under the Employee Insurance Agreements as required pursuant to Rule 14A.81 of the Listing Rules, the 2020 Annual Cap will be increased from RMB17 million to RMB20 million (being the Aggregated Annual Cap for the year ending December 31, 2020).

The Aggregated Annual Cap for the year ending December 31, 2020 is RMB20 million, which has been determined principally with reference to (i) the aggregate premium that has been paid to the Company during the year ending December 31, 2020 pursuant to the Expired Tencent Technology Employee Insurance Agreement, the Expired WeBank Insurance Agreements and the Renewed Tencent Technology Employee Insurance Agreement, and (ii) the premium expected to be payable to the Company for the year ending December 31, 2020 by (a) Tencent Technology for the remaining term of the Renewed Tencent Technology Employee Insurance Agreement, and (b) by WeBank under the New WeBank Insurance Agreements.

As a result of the entry into the New WeBank Insurance Agreements, revision of the 2021 Annual Cap is required as the premium payable from associates of Tencent to the Company for the provision of insurance products for the year ending December 31, 2021 is expected to exceed the 2021 Annual Cap as disclosed in the June 2020 Announcement. Accordingly, the 2021 Annual Cap will be increased from RMB11 million to RMB25 million (being the Aggregated Annual Cap for the year ending December 31, 2021).

The Aggregated Annual Cap for the year ending December 31, 2021 is RMB25 million, which has been determined principally with reference the premium expected to be payable to the Company for the year ending December 31, 2021 by (i) Tencent Technology under the Renewed Tencent Technology Employee Insurance Agreement, and (ii) WeBank under the New WeBank Insurance Agreements.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS WITH WEBANK

The Company is one of only four companies with an online insurance license in China and it is in the ordinary course of the Company's business to provide different types of insurance products to a wide range of clients. This includes corporate clients that purchase insurance plans for their employees. It is beneficial to the Company to provide these insurance products to large corporations that have a large number of employees, such as Tencent and its associates.

Having taken into account the above reasons and benefits, the Directors (including the independent non-executive Directors) consider that the terms of each of the New WeBank Insurance Agreements are fair and reasonable, and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group, on normal commercial terms, and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES

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 five major ecosystems, namely lifestyle consumption, consumer finance, health, auto and travel ecosystems.

WeBank is a company established under the laws of the PRC, and an associate of Tencent, a connected person of the Company. It is principally engaged in online banking business.

LISTING RULES IMPLICATIONS

By virtue of it controlling the exercise of 10.21% of the voting power of the Company through Tencent Computer System, Tencent is a connected person and a substantial shareholder of the Company. WeBank is an associate of Tencent and is therefore a connected person of the Company. Accordingly, the entering into of each of the New WeBank Employee Insurance Agreement and the New WeBank Senior Management Insurance Agreement constitutes a continuing connected transaction for the Company.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions under the New Employee Insurance Agreements are required to be aggregated with other transactions between the Company and the associates of Tencent under the Renewed Tencent Technology Employee Insurance Agreement, the Expired WeBank Insurance Agreements, and the Expired Tencent Technology Employee Insurance Agreement.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the Aggregated Annual Cap for the Employee Insurance Agreements on an annual aggregated basis and the 2021 Annual Cap exceeds 0.1% but all of the applicable percentage ratios are less than 5%, the entering into of the New WeBank Insurance Agreements is subject to reporting, announcement and annual review requirements but is exempt from Shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the matters contemplated therein nor is any of them required to abstain from voting on the relevant Board resolutions approving the New WeBank Employee Insurance Agreement, the New WeBank Senior Management Insurance Agreement and the transactions contemplated thereunder.

DEFINITIONS

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

“Aggregated Annual Cap”	the aggregated annual caps for the transactions between the Company and associates of Tencent under the Employee Insurance Agreements for years ending on December 31 2020 and 2021.
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“August 2019 Announcement”	Company’s announcement dated August 6, 2019 relating to the Expired WeBank Insurance Agreements
“Board”	the board of Directors of the Company
“Company”	ZhongAn Online P & C Insurance Co., Ltd.* (眾安在綫財產保險股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and carrying on business in Hong Kong as “ZA Online Fintech P & C” whose shares are listed on the Main Board of the Stock Exchange (stock code: 6060)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	the director(s) of the Company
“Employee Insurance Agreements”	the New WeBank Employee Insurance Agreement, the New WeBank Senior Management Insurance Agreement, the Expired WeBank Insurance Agreements, the Expired Tencent Technology Employee Insurance Agreement and the Renewed Tencent Technology Employee Insurance Agreement
“Expired Tencent Technology Employee Insurance Agreement”	an employee insurance agreement entered into between the Company and Tencent Technology dated May 21, 2019
“Expired WeBank Insurance Agreements”	insurance agreements entered into between the Company and WeBank dated August 6, 2019, further details of which are set out in the August 2019 Announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“June 2020 Announcement”	Company’s announcement dated June 1, 2020 relating to, among other matters, the Renewed Tencent Technology Employee Insurance Agreement
“Insuretech”	use of technology innovations designed to achieve savings and efficiency from the traditional insurance industry model
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended and supplemented from time to time)
“New WeBank Insurance Agreements”	the New WeBank Employee Insurance Agreement and the New WeBank Senior Management Insurance Agreement
“PRC” or “China”	People’s Republic of China

“Renewed Tencent Technology Employee Insurance Agreement”	an employee insurance agreement with Tencent Technology dated June 1, 2020, details of which are set out in the June 2020 Announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Tencent”	Tencent Holdings Limited, a company incorporated in the Cayman Islands and listed on the Main Board of the Stock Exchange and a substantial shareholder of the Company
“Tencent Computer System”	Shenzhen Tencent Computer Systems Company Limited (深圳市騰訊計算機系統有限公司) is a limited liability company incorporated in the PRC on November 11, 1998, one of the Company’s substantial shareholders and a subsidiary of Tencent
“Tencent Technology”	Tencent Technology (Shenzhen) Company Limited (騰訊科技(深圳)有限公司), a company incorporated in the PRC on February 24, 2000 and a wholly-owned subsidiary of Tencent
“WeBank”	WeBank Co., Ltd [#] (深圳前海微眾銀行股份有限公司), a company established under the laws of the PRC, an associate of Tencent and a connected person of the Company
“%”	per cent
“2020 Annual Cap”	the annual cap of RMB17 million for the continuing connected transactions in respect of the provision of insurance products to associates of Tencent by the Company for the year ending December 31, 2020 as disclosed in the June 2020 Announcement

“2021 Annual Cap”

the annual cap of RMB11 million for the continuing connected transactions in respect of the provision of insurance products to associates of Tencent by the Company for the year ending December 31, 2021 as disclosed in the June 2020 Announcement

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

Shanghai, the PRC, August 21, 2020

*As at the date of this announcement, the board of directors of the Company comprises three executive directors, namely Mr. Yaping Ou (chairman), Mr. Jin Chen and Mr. Hugo Jin Yi Ou, five non-executive directors, namely Mr. Xinyi Han, Mr. Xiaoming Hu, Mr. Liangxun Shi, Mr. Ming Yin and Mr. Weibiao Zhan**, and five independent non-executive directors, namely Mr. Shuang Zhang, Ms. Hui Chen, Mr. Yifan Li, Mr. Ying Wu and Mr. Wei Ou.*

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

** *Mr. Weibiao Zhan shall be a non-executive director of the Company upon his qualification as a director of the Company being approved by the China Banking and Insurance Regulatory Commission.*

For identification purposes only