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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)**

## **UPDATE ON CONNECTED TRANSACTION AMENDMENTS TO THE JOINT VENTURE AGREEMENT**

Reference is made to the Previous Announcement regarding the Joint Venture Agreement and the Investment.

### **COMPLETION OF SUBSCRIPTION OF JVCO ORDINARY SHARES**

On December 14, 2017, the JV Parties completed the subscription of the JVCo Ordinary Shares in accordance with the Joint Venture Agreement. As of the date of this announcement, ZhongAn Technology and Sinolink are interested in 51% and 49% of the JVCo Ordinary Shares, respectively.

### **THE AMENDMENT AGREEMENT**

After further negotiations between the JV Parties, on March 28, 2018, the JV Parties entered into the Amendment Agreement pursuant to which the JV Parties agreed to amend certain terms of the Joint Venture Agreement.

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

The principal amendments to the Joint Venture Agreement as contemplated in the Amendment Agreement relate to the Redeemable Preference Shares and are summarized as follows:

	<b>Original term</b>	<b>Amended term</b>
<b>Dividend right of Redeemable Preference Shares</b>	Unless otherwise unanimously agreed by the shareholders of JVCo, holder(s) of Redeemable Preference Shares shall have the right to receive seventy per cent (70%) (such percentage shall be subject to downward adjustment proportional to the percentage of the total number of Redeemable Preference Shares held by the holder(s) of Redeemable Preference Shares as at the date of Completion that may have been redeemed by JVCo in accordance with the terms of Redeemable Preference Shares and/or acquired by ZhongAn Technology in accordance with the Call Option as at each relevant dividend payment date of JVCo) of the distributable profit of JVCo for each accounting period in priority to any payment to holders of any other class of shares of JVCo, out of the funds of JVCo available for distribution and resolved to be distributed as dividend.	Holder(s) of Redeemable Preference Shares shall <u>not</u> have the right to receive <u>any dividend from the JVCo.</u>
<b>Redemption of Redeemable Preference Shares</b>	Subject to the requirements under the Listing Rules and relevant laws applicable to JVCo, the Company, Sinolink and their respective Affiliates, JVCo shall have the right to, within five (5) years from the date of issuance of the Redeemable Preference Shares (which term shall be renewed automatically every five (5) years, subject to the veto by any of ZhongAn Technology or Sinolink), require the redemption from any holder of the Redeemable Preference Shares, all or any portion of its Redeemable Preference Shares, at the price equal to (a) the amount of Sinolink Contribution attributable to the Redeemable Preference Shares being redeemed; plus (b) such amount equivalent to a yield of a simple interest of five per cent (5%) per annum to such amount of Sinolink Contribution since the date of the relevant Sinolink Contribution on a pro-rated basis.	Subject to the requirements under the Listing Rules and relevant laws applicable to JVCo, the Company, Sinolink and their respective Affiliates, JVCo shall have the right to, within five (5) years from the date of issuance of the Redeemable Preference Shares (which term shall be renewed automatically every five (5) years, subject to the veto by any of ZhongAn Technology or Sinolink), require the redemption from any holder of the Redeemable Preference Shares, all or any portion of its Redeemable Preference Shares, at the price equal to (a) the amount of Sinolink Contribution attributable to the Redeemable Preference Shares being redeemed; plus (b) such amount equivalent to a yield of a simple interest of <u>5.5%</u> per annum to such amount of Sinolink Contribution since the date of the relevant Sinolink Contribution on a pro-rated basis.

**Original term****Amended term****Liquidation Preference of Redeemable Preference Shares**

In the event of (a) a return of capital, liquidation, dissolution or winding-up of JVCo (or other similar events), either voluntary or involuntary; or (b) a sale of all or substantially all of JVCo's assets (each a "Liquidation Event"), holder(s) of Redeemable Preference Shares shall rank in priority to any other class of shares in JVCo and shall be entitled to receive in cash, (a) the proportional amount of Sinolink Contribution attributable to the then issued and outstanding Redeemable Preference Shares; plus (b) such amount equivalent to a yield of a simple interest of five per cent (5%) per annum to such amount of Sinolink Contribution since the date of the relevant Sinolink Contribution on a pro-rated basis as at the date of the Liquidation Event (the "Preference Amount"). Following the distribution of the Preference Amount in full, any remaining assets of JVCo legally available for distribution shall be distributed pro rata among the holder(s) of the JVCo Ordinary Shares. If upon any Liquidation Event, the assets lawfully available for distribution among the holder(s) of the Redeemable Preference Shares shall be insufficient to permit the payment in full of the Preference Amount, the entire assets of JVCo shall be distributed ratably to the holder(s) of Redeemable Preference Shares in proportion to the Preference Amount that each such holder would otherwise be entitled to receive.

In the event of (a) a return of capital, liquidation, dissolution or winding-up of JVCo (or other similar events), either voluntary or involuntary; or (b) a sale of all or substantially all of JVCo's assets (each a "Liquidation Event"), holder(s) of Redeemable Preference Shares shall rank in priority to any other class of shares in JVCo and shall be entitled to receive in cash, (a) the proportional amount of Sinolink Contribution attributable to the then issued and outstanding Redeemable Preference Shares; plus (b) such amount equivalent to a yield of a simple interest of 5.5% per annum to such amount of Sinolink Contribution since the date of the relevant Sinolink Contribution on a pro-rated basis as at the date of the Liquidation Event (the "Preference Amount"). Following the distribution of the Preference Amount in full, any remaining assets of JVCo legally available for distribution shall be distributed pro rata among the holder(s) of the JVCo Ordinary Shares. If upon any Liquidation Event, the assets lawfully available for distribution among the holder(s) of the Redeemable Preference Shares shall be insufficient to permit the payment in full of the Preference Amount, the entire assets of JVCo shall be distributed ratably to the holder(s) of Redeemable Preference Shares in proportion to the Preference Amount that each such holder would otherwise be entitled to receive.

**Call Option Price in respect of Redeemable Preference Shares**

The exercise price of the Call Option shall equal to (a) the amount of Sinolink Contribution attributable to the Redeemable Preference Shares subject to the Call Option; plus (b) such amount equivalent to a yield of a simple interest of five per cent (5%) per annum on the Sinolink Contribution since the date of the relevant Sinolink Contribution on a pro-rated basis.

The exercise price of the Call Option shall equal to (a) the amount of Sinolink Contribution attributable to the Redeemable Preference Shares subject to the Call Option; plus (b) such amount equivalent to a yield of a simple interest of 5.5% per annum on the Sinolink Contribution since the date of the relevant Sinolink Contribution on a pro-rated basis.

In addition to the above amendments, the JV Parties have also agreed to amend the list of reserved matters which shall be approved by simple majority of the directors of JVCo with the approval from at least one director of JVCo designated by ZhongAn Technology and one director of JVCo designated by Sinolink. The amended reserved matters include, amongst other things, change of the dividend policy of JVCo and declaration of dividend, alteration of articles of association of JVCo and change of auditor, accounting reference date and accounting policies of JVCo.

The Amendment Agreement was effective from March 28, 2018. Save for the amendments as contemplated in the Amendment Agreement, the other terms of the Joint Venture Agreement shall remain in full force and effect.

## **REASONS FOR THE AMENDMENTS**

The terms of the Amendment Agreement were arrived at after arm's length negotiation between the JV Parties. The amendments contemplated in the Amendment Agreement will enable ZhongAn Technology to further align its investment returns with the growth and development of JVCo.

The Directors (including the independent non-executive Directors) are of the view that the Amendment Agreement has been entered into on normal commercial terms or better, and the terms of the Amendment Agreement and the transactions thereunder are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

Mr. Yaping Ou, being the chairman and executive Director of the Company and a controlling shareholder of Sinolink, and Mr. Hugo Jin Yi Ou, being an executive Director of the Company and a non-executive director of Sinolink, have abstained from voting on the relevant Board resolutions in relation to the Amendment Agreement and matters contemplated therein.

Save as disclosed above, none of the Directors has any material interest in the Amendment Agreement and matters contemplated therein nor is any of them required to abstain from voting on the relevant Board resolutions.

## **DEFINITIONS**

“%”	per cent;
“Affiliate”	with respect to any person, any person directly or indirectly controlling, controlled by or under common control with, such person;
“Amendment Agreement”	the amendment agreement dated March 28, 2018 entered into by the JV Parties to amend certain terms of the Joint Venture Agreement;

“Board”	the board of Directors of the Company;
“Call Option”	the call option granted by Sinolink under the Joint Venture Agreement pursuant to which ZhongAn Technology and its Affiliates are entitled to require Sinolink to sell to ZhongAn Technology up to all of the Redeemable Preference Shares issued to Sinolink pursuant to the Joint Venture Agreement;
“Completion”	the completion of the Investment in accordance with the terms and conditions of the Joint Venture Agreement;
“Company”	ZhongAn Online P & C Insurance Co., Ltd. (眾安在綫財產保險股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and carrying on business in Hong Kong as “ZA Online Fintech P & C” whose H shares are listed on the Main Board of the Stock Exchange (stock code: 6060);
“connected person”	has the meaning given to it in the Listing Rules;
“controlling shareholder”	has the meaning given to it in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Investment”	the capital contribution to JVCo (a) in the amount of RMB50 million and RMB60 million by ZhongAn Technology and Sinolink, respectively, in consideration for JVCo Ordinary Shares; and (b) the Sinolink Contribution;
“Joint Venture Agreement”	the joint venture formation agreement entered into among ZhongAn Technology and Sinolink, dated December 8, 2017;
“JVCo”	a Hong Kong limited liability company jointly invested by the JV Parties pursuant to the Joint Venture Agreement;
“JVCo Ordinary Shares”	the ordinary shares in the share capital of JVCo;
“JV Parties”	ZhongAn Technology and Sinolink, and each a “JV Party”;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended and supplemented from time to time);
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excludes Hong Kong, Taiwan and Macau Special Administrative Region;

“Previous Announcement”	means the Company’s announcement dated December 8, 2017 in relation to the entering into the Joint Venture Agreement among ZhongAn Technology and Sinolink;
“Redeemable Preference Share(s)”	the redeemable preference shares in the share capital of JVCo that may be issued according to the terms and conditions of the Joint Venture Agreement and the articles of association of JVCo (as amended and restated from time to time), which do not confer voting rights on the holders thereof, except under certain circumstances where the rights of such holders are affected;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sinolink”	Sinolink Worldwide Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1168) and a connected person of the Company;
“Sinolink Contribution”	the additional capital contribution of RMB620 million in cash to JVCo to be made by Sinolink in consideration for Redeemable Preference Shares pursuant to the Joint Venture Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“ZhongAn Technology”	ZhongAn Information and Technology Services Co., Ltd. (眾安信息技術服務有限公司), a wholly-owned subsidiary of the Company, incorporated in the PRC on July 7, 2016.

By Order of the Board  
**ZhongAn Online P & C Insurance Co., Ltd.**  
**Jin Chen**  
*Chief Executive Officer*

Hong Kong, March 28, 2018

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Yaping Ou (chairman), Mr. Jin Chen (chief executive officer) and Mr. Hugo Jin Yi Ou, five non-executive Directors, namely Mr. Xinyi Han, Mr. Jimmy Chi Ming Lai, Mr. Guoping Wang, Mr. Xiaoming Hu, and Mr. Fang Zheng, and five independent non-executive Directors, namely Mr. Shuang Zhang, Ms. Hui Chen, Mr. Li Du, Mr. Yifan Li and Mr. Ying Wu.*