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## **PING AN HEALTHCARE AND TECHNOLOGY COMPANY LIMITED**

**平安健康醫療科技有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1833)**

### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

The Board proposes to renew the 2018 Provision of Products and Services Framework Agreement, the 2018 Services Purchasing Framework Agreement, the 2018 Financial Services Framework Agreement and the 2018 Property Leasing Framework Agreement by entering into the 2020 Provision of Products and Services Framework Agreement, the 2020 Services Purchasing Framework Agreement, the 2020 Financial Service Framework Agreement and the 2020 Property Leasing Framework Agreement.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Ping An is the controlling shareholder of the Company and held approximately 41.31% of the total issued share capital of the Company, and thus Ping An and its associates are connected persons of the Company. Therefore, the transactions contemplated under each of (i) the 2020 Provision of Products and Services Framework Agreement, (ii) the 2020 Services Purchasing Framework Agreement, (iii) the 2020 Financial Service Framework Agreement and (iv) the 2020 Property Leasing Framework Agreement constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual caps for each of the (i) the 2020 Provision of Products and Services Framework Agreement, (ii) the 2020 Services Purchasing Framework Agreement, and (iii) the 2020 Financial Service Framework Agreement, on a stand-alone basis, is more than 5%, the transactions contemplated thereunder are therefore subject to reporting, announcement, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual caps for the 2020 Property Leasing Framework Agreement is more than 0.1% but less than 5%, the transactions contemplated thereunder are therefore subject to reporting, announcement and annual review requirements but are exempt from the requirement of independent Shareholders' approval under Chapter 14A of the Listing Rules.

## **DISPATCH OF CIRCULAR**

A circular containing, among others, (i) details of the transactions contemplated under the 2020 Provision of Products and Services Framework Agreement, the 2020 Services Purchasing Framework Agreement, and the 2020 Financial Service Framework Agreement; (ii) a letter of advice from the independent financial adviser to the Independent Board Committee and Independent Shareholders; and (iii) a letter of recommendation from the Independent Board Committee is expected to be dispatched to the Shareholders on or before 21 September 2020 as additional time is required to prepare and finalize the relevant information to be included in the circular.

## **INTRODUCTION**

Reference is made to the Prospectus, the 2018 Circular and the 2019 Circular in relation to, among other things, (i) the 2018 Provision of Products and Services Framework Agreement, (ii) the 2018 Services Purchasing Framework Agreement, (iii) the 2018 Financial Service Framework Agreement and (iv) the 2018 Property Leasing Framework Agreement. The Board proposes to renew the 2018 Provision of Products and Services Framework Agreement, the 2018 Services Purchasing Framework Agreement, the 2018 Financial Services Framework Agreement and the 2018 Property Leasing Framework Agreement by entering into the 2020 Provision of Products and Services Framework Agreement, the 2020 Services Purchasing Framework Agreement, the 2020 Financial Service Framework Agreement and the 2020 Property Leasing Framework Agreement.

## **RENEWAL OF THE CONTINUING CONNECTED TRANSACTIONS**

### **1. 2020 Provision of Products and Services Framework Agreement**

#### ***Principal terms***

The Company entered into the 2020 Provision of Products and Services Framework Agreement with Ping An on 20 August 2020, pursuant to which the Company shall provide various types of products and services to Ping An and/or its associates, including, but not limited to, (1) online medical services comprising online consultation, hospital referral, inpatient arrangement, second opinion services and electronic prescriptions, (2) prepaid cards and health check-up service package (i.e. “Health Life Pass”), (3) products in the Company’s health mall, which is an online platform offering diversified and evolving products offering, mainly including healthcare products such as medicines, health supplements and medical devices and wellness products such as fitness equipment and accessories and personal care products, and (4) advertising services. Fees shall be paid to the Company by Ping An and/or its associates in respect of the provision of such products and services.

### ***Reasons for the transaction***

The Directors consider that the provision of products and services to Ping An and/or its associates would benefit the Company for the following reasons:

- since the core business of the Company and Ping An Group's insurance business are inextricably linked together in multiple aspects, the Company's businesses and those of Ping An Group are highly complementary and beneficial to each other. In particular, the Company's provision of healthcare services and products and the nature of the Company's principal business is closely associated with the life insurance industry, in which Ping An Group has a leading industry position;
- in light of the leading position that Ping An enjoys in the PRC insurance industry, it is commercially reasonable and in the best interests of the Company to cooperate with Ping An. In addition, given Ping An has accumulated a relatively large user base during its years of operation in the insurance industry, the Company could further increase its user base through provision of products and services to Ping An and/or its associates, which may further refer the Group's products and services to their clients;
- as both parties enjoy respective advantages in different business fields, the collaboration may bring synergy between online and offline medical services portals, together with different insurance services and products into full play and share development achievements. For instance, the Company's online medical services and *Private Doctor Membership* will be able to complement the premium life and health insurance products offered by Ping An such that Ping An would be able to customize such products to meet the differentiating needs of its insurance customers, generating additional revenue for the Company and increasing customer reach of the Group. The Group will then be able to leverage on such online reach to customers and advertise its offline medical service and create synergy between its online and offline medical services portals; and
- the transactions, which will be conducted based on the commercial terms and pricing basis determined based on market rates, could enable the Company to access stable and reliable sales channels and promote the Company's financial performance.

### ***Pricing policies***

- With respect to the online medical services provided to Ping An and/or its associates, the service fee shall be determined on a cost-plus basis taking into consideration various commercial factors such as the historical profit margin of such services, the nature, market competitiveness and profitability of the services, substitutability of the services in the market, the frequency for the Group to provide such services, the estimated transaction amount and the commercial potential for such services, and shall not be lower than the prices at which the Group provides similar services to Independent Third Parties. For the two years ended 31 December 2019 and the six months ended 30 June 2020, the gross margin of the Group's online medical services provided to Ping An and/or its associates was 40.1%, 44.2% and 54.6%, respectively;
- With respect to the prepaid cards provided to Ping An and/or its associates, the price shall be the par value of the relevant cards with the purchase volume taken into consideration;

- With respect to the products in the health mall provided to Ping An and/or its associates, the price shall be based on the Group's purchasing expense taking into consideration the Group's expected rate of return; and
- With respect to the advertising services provided to Ping An and/or its associates, the service fee shall be based on, among others, the position of the advertisement with the purchase volume taken into consideration.

The products and services fees the Group charged to Ping An and/or its associates were determined on the basis of arm's length negotiations between the relevant parties, which are in line with market rates and are in the best interests of the Company and the Shareholders as a whole. Reference is also made to the applicable historical prices of products and services to ensure that the terms of supplying products and services to Ping An and/or its associates are fair and reasonable.

### ***Historical amounts***

The historical amounts for the provision of the above products and services by the Group to Ping An and/or its associates were approximately RMB1,381,300 thousand, RMB2,448,210 thousand and RMB1,159,109 thousand for the two years ended 31 December 2019 and the six months ended 30 June 2020, respectively.

### ***Proposed Annual Caps***

In respect of the 2020 Provision of Products and Services Framework Agreement, proposed annual caps for the transaction amount to be paid by Ping An and/or its associates to the Group for the three years ending 31 December 2023 are set out in the table below:

	<b>Proposed annual caps for the year ending</b>		
	<b>31 December</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<i>(RMB in thousands)</i>		
Transaction amount to be paid by Ping An and/or its associates to the Company	5,000,000	6,400,000	8,700,000

### ***Basis of caps***

The Board determines the above proposed annual caps based on the following reasons:

- (i) the historical transaction amounts and the growth trend for the two years ended 31 December 2019 and the six months ended 30 June 2020 existing products and services provision arrangements between the Company and Ping An and/or its associates;
- (ii) due to the business development of the Group and the diversification of products and services offered by the Group, purchase from Ping An and/or its associates is estimated to increase significantly;

- (iii) as the business of Ping An and/or its associates continues to develop, their business needs of online medical service, prepaid card, consultation and pharmacies services, health check-up service package, *Private Doctor Membership* (a product which provides premium healthcare services and targets high-end customers), *Healthy Workplace Program*, healthcare products related to the fund of the annuity insurance, products in the Company's health mall and advertising services recorded substantial increase;
- (iv) due to the large customer base of Ping An and/or its associates, the purchase from Ping An and its associates targeted to complement its product offerings is estimated to increase accordingly. The Board has taken into account the potential market size and cooperation opportunities with Ping An comprising the potential customers of the following products and services:
- a. Consultation and pharmacies services  
The Board expects that Ping An's retail life insurance customers, retail auto insurance customers and retail banking customers may purchase the consultation and pharmacies services of the Group, whose unit price ranges from RMB30 to RMB100. As disclosed in the 2019 annual report of Ping An, Ping An had approximately 63.00 million retail life insurance customers, 50.23 million retail auto insurance customers, and 69.25 million retail banking customers as of 31 December 2019. It is also expected that the respective numbers of the above customers of Ping An would continue to grow for the three years ending 31 December 2023 under the average growth rate of the past two years ended 31 December 2019 and the six months ended 30 June 2020.
  - b. *Healthy Workplace Program*  
The Group launched a new product under the *Private Doctor Membership*, namely *Healthy Workplace Program*, and the Board expects that Ping An may purchase *Healthy Workplace Program* for its employees which amounted to 372,194 as of 31 December 2019 as disclosed in Ping An's 2019 annual report, as part of their welfare packages offered by Ping An. The unit prices of *Healthy Workplace Program* package that suits the needs of Ping An's employees range from RMB300 to RMB400.
  - c. Healthcare products related to the fund of the annuity insurance  
The fund of Ping An's annuity insurance comprising the corporate customers' funds, which is primarily used by the corporate customers for the procurement of healthcare products for their respective employees, might make procurement of healthcare products from the Group.

- d. Outpatient products      The Board expects that Ping An's retail life insurance customers may purchase the outpatient products of the Group, whose unit price ranges from RMB120 to RMB200. As disclosed in the 2019 annual report of Ping An, Ping An had approximately 63.00 million retail life insurance customers. It is also expected that the base of Ping An's retail life insurance customers would continue to grow at the average growth rates in the past two years ended 31 December 2019 and the six months ended 30 June 2020.
- (v) the potential increase of the unit prices of certain products of the Group in the three years ending 31 December 2023; and
- (vi) the transaction amount to be paid by Ping An and/or its associates to the Company is expected to grow in line with the business development of the Company, and in line with the growth of demand generated by Ping An's continually expanding customer base, which has been demonstrated by the high utilization rates of annual caps for the two years ended 31 December 2019 and the six months ended 30 June 2020.

## **2. 2020 Services Purchasing Framework Agreement**

### ***Principal terms***

The Company entered into the 2020 Services Purchasing Framework Agreement with Ping An on 20 August 2020, pursuant to which Ping An and/or its associates shall provide a wide spectrum of services to the Group, including but not limited to consulting services, business promotion services, outsourcing services relating to finance, human resources and administration matters, insurance services, online traffic re-directing services and customer referral services. The Group shall, in return, pay service fees to Ping An and/or its associates. The precise scope of service, service fee calculation, method of payment and other details of the service arrangement will be agreed between the relevant parties separately.

### ***Reasons for the transaction***

Since its establishment, the Company has been purchasing a variety of services from Ping An and/or its associates to satisfy its business and operational needs. Owing to the strategic business relationship, Ping An and/or its associates has acquired a comprehensive understanding of the Group's business and operational requirements and established a foundation for mutual trust. Taking into consideration the Group's previous purchasing experience with Ping An and/or its associates, the Group believes that Ping An and/or its associates is capable of fulfilling the Group's demands efficiently and reliably with a stable and high-quality supply of services, and entering into the 2020 Services Purchasing Framework Agreement would minimize disruption to the Company's operation and internal procedures. In addition, it would be more cost-effective for the Company to outsource procedural and commoditized work to Ping An and/or its associates rather than maintain its own headcounts for processing such work.

### ***Pricing policies***

Taking into consideration the estimated transaction amount, the services fees to be paid by the Group to Ping An and/or its associates under the Services Purchasing Framework Agreement will be determined (1) through bidding procedures according to the internal rules and procedures of the Company. The Company will compare the fees rates offered by other Independent Third Parties as well as accessing its business needs and the relevant qualifications/experience of the bidders in providing such services before determining the service fee rate for the transactions under the Services Purchasing Framework Agreement; and (2) if no tendering and bidding process is required under the Group's internal rules, through arm's length negotiations between the parties based on the historical fees of such services, the nature of the services, the frequency for providing such services by Ping An and/or its associates and comparable market rates. The pricing terms under the Service Purchasing Framework Agreement will be no less favorable to the Company than terms of services available to Independent Third Parties (if applicable), and the services fees are in line with or lower than market rates and is in the best interests of the Company and the Shareholders as a whole.

### ***Historical amounts***

The transaction amounts paid by the Group to Ping An and/or its associates in respect of the above services were approximately RMB104,700 thousand, RMB251,460 thousand and RMB315,323 thousand for the two years ended 31 December 2019 and the six months ended 30 June 2020, respectively.

### ***Proposed Annual Caps***

In respect of the 2020 Services Purchasing Framework Agreement, proposed annual caps for the transaction amounts to be paid by the Group to Ping An and/or its associates for the three years ending 31 December 2023 are set out in the table below:

	<b>Proposed annual caps for the year ending 31 December</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<i>(RMB in thousands)</i>		
Transaction amount to be paid by the Group to Ping An and/or its associates	890,000	1,260,000	1,638,000

### ***Basis of caps***

The Board determines the above proposed annual caps based on the following reasons:

- (i) the historical transaction amount and the growth trend for the two years ended 31 December 2019 and the six months ended 30 June 2020 under the existing service purchase arrangement between the Company and Ping An and/or its associates;
- (ii) due to the expected significant growth in the Group's operational scale in the three years ending 31 December 2023, the Group's needs for services such as consulting service, insurance service and business promotion services to be provided by Ping An and/or its associates in supporting the Group's business operation are expected to grow, taking into account the Group's sales target of the Group's existing products; and

- (iii) the expected increase of service fee to be charged by Ping An and/or its associates due to the estimated increase of cost of labor for the provision of services by Ping An and/or its associates.

### **3. 2020 Financial Service Framework Agreement**

#### ***Principal terms***

The Company entered into the 2020 Financial Service Framework Agreement with Ping An on 20 August 2020, pursuant to which Ping An Bank shall provide deposit service, and Ping An and/or its associates shall provide wealth management service to the Group. For the deposit service provided, the Group deposits cash into the bank accounts of the Group at Ping An Bank, including cash generated from the Group's daily business operations, the proceeds generated from the financing activities of the Group and the net proceeds received from the global offering of the Company. In return, Ping An Bank shall pay deposit interests to the Group. In respect of the wealth management service, the Group purchases wealth management products from Ping An and/or its associates and receive investment income in return.

#### ***Reasons for the transaction***

As Ping An and/or its associates have been providing deposit service and wealth management service to the Group during the Track Record Period, it has developed a deep understanding of the Group's capital structure, business operations, funding needs and cash flow patterns, which facilitates the provision of expedient and efficient services. Therefore, Ping An and/or its associates are well-positioned to provide the Group with customized financial services.

#### ***Pricing policies***

##### ***Deposit service***

Interest rates for the deposits placed by the Group with Ping An Bank will not be lower than: (i) the interest rate published by the PBOC for deposits of a similar type for the same period, (ii) the interest rate for deposits of a similar type for the same period placed by Independent Third Parties, or (iii) the interest rate for deposits of a similar type for the same period offered by independent commercial banks to the Group and its subsidiaries. Such interest rates are in line with market rates and are in the best interests of the Company and its Shareholders as a whole.

##### ***Wealth management service***

The investment income to be received by the Group from the purchase of wealth management products from Ping An Bank will be: (i) subject to the benchmark fee (if applicable) for similar types of wealth management products published by PBOC or CBIRC from time to time, (ii) comparable to, or no less favorable to the Group than the average investment income rates (if applicable) offered by independent commercial banks or financial institutions for similar types of wealth management products, and (iii) based on the investment income rates for the wealth management products offered by Ping An Bank, which will apply to all purchasers of such wealth management products, including the Company and any Independent Third Parties.



### ***Historical amounts***

In respect of the deposit service provided by Ping An Bank to the Group, the maximum daily balance of deposit placed by the Group with Ping An Bank were approximately RMB8,496,040 thousand, RMB5,935,280 thousand and RMB2,383,727 thousand, and the interest income received by the Group from Ping An Bank was RMB100,530 thousand, RMB92,440 thousand and RMB24,438 thousand for the two years ended 31 December 2019 and the six months ended 30 June 2020, respectively.

In respect of the wealth management service provided by Ping An and/or its associates to the Group, the maximum daily balance of the wealth management products purchased by the Group from Ping An and/or its associates were approximately RMB536,780 thousand, RMB3,324,220 thousand and RMB3,256,382 thousand, respectively, and the investment income received by the Group from Ping An and/or its associates was RMB7,720 thousand, RMB17,900 thousand and RMB58,115 thousand, respectively, for the two years ended 31 December 2019 and the six months ended 30 June 2020.

### ***Proposed Annual Caps***

In respect of the 2020 Financial Service Framework Agreement, the maximum daily balance of deposits to be placed by the Group with Ping An Bank, the deposit interest income received by the Group from Ping An Bank, the maximum daily balance of the wealth management products purchased by the Group from Ping An and/or its associates and the investment income to be received by the Group from Ping An and/or its associates for the three years ending 31 December 2023 shall not exceed the respective proposed annual caps as set out in the table below:

	<b>Proposed annual caps for the year ending 31 December</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<i>(RMB in thousands)</i>		
<b>Deposit Service</b>			
Maximum daily balance of deposits to be placed by the Group with Ping An Bank	10,000,000	10,000,000	10,000,000
Interest income to be received by the Group from Ping An Bank	320,000	320,000	320,000
<b>Wealth Management Service</b>			
Maximum daily balance of the wealth management products purchased by the Group from Ping An and/or its associates	10,000,000	10,000,000	10,000,000
Investment income to be received by the Group from Ping An and/or its associates	450,000	450,000	450,000

### ***Basis of caps***

#### *Deposit Service – Maximum daily balance of deposits to be placed by the Group with Ping An Bank*

The above proposed annual caps for the maximum daily balance of deposits to be placed by the Group with Ping An Bank are determined with reference to the following basis:

- (i) the historical amounts for the two years ended 31 December 2019 and the six months ended 30 June 2020 under the existing deposit services arrangements;
- (ii) the current and expected future cash flow position of the Company in light of the Group's estimated scale of business operation and demand for deposit services in the future.

#### *Deposit Service – Interest income to be received by the Group from Ping An Bank*

In respect of the deposit service to be provided by Ping An Bank to the Group, the above proposed annual caps for the interest income to be received by the Group from Ping An Bank are determined based on the expected interest rates of approximately 3.2% of the Group's outstanding deposit amount, which is in line with prevailing market rates.

#### *Wealth Management Service – Maximum daily balance of the wealth management products purchased by the Group from Ping An and/or its associates*

In respect of the wealth management products to be purchased by the Group from Ping An and/or its associates, the above proposed annual caps for the maximum daily balance of the wealth management products are determined with reference to the following:

- (i) the historical transaction amounts for the two years ended 31 December 2019 and the six months ended 30 June 2020 under the existing wealth management services arrangements; and
- (ii) the expected volume of deposit to be placed with Ping An and/or its associates with certain reserve for liquidity purposes. Taking into consideration the Company's future treasury policy, which balances the Company's working capital and liquidity needs as well as its investment in wealth management products to increase its investment income, it is currently expected that the Company may purchase wealth management products from Ping An and/or its associates with up to 100% of its deposit with Ping An Bank.

#### *Wealth Management Service – Investment income to be received by the Group from Ping An and/or its associates*

The above proposed annual caps for the investment income to be received by the Group from Ping An and/or its associates are determined based on the expected return rate of approximately 4.5% for the wealth management service provided by Ping An and/or its associates, which is in line with prevailing market rates. The Group's decisions on the investment products of Ping An Bank are based on risk and return analysis under the Group's treasury policy, as well as an analysis of suitable and comparable products available in the market.

#### **4. 2020 Property Leasing Framework Agreement**

##### ***Principal terms***

The Company entered into the 2020 Property Leasing Framework Agreement with Ping An on 20 August 2020, pursuant to which the Group shall lease properties from Ping An and/or its associates for office use, including but not limited to the properties of Ping An in Beijing, Shanghai and Guangzhou. The principal terms of the 2020 Property Leasing Framework Agreement are as follows:

- the Group are entitled to lease additional gross floor area from and among the available properties owned by Ping An and/or its associates during the term of the 2020 Property Leasing Framework Agreement; and
- the parties will enter into separate agreements setting out the specific terms and conditions (including property rents, payment methods and other usage fees) in respect of the relevant leased property based on the principles, and within the parameters provided, under the 2020 Property Leasing Framework Agreement.

##### ***Reasons for the transaction***

The Group has historically leased certain properties from Ping An and/or its associates as offices. Compared with Independent Third Parties, Ping An and/or its associates have a better understanding of the Group's property requirements in relation to office premises, and leasing properties from Ping An and/or its associates also facilitates the Group's business corporation with Ping An and/or its associates geographically. In addition, relocating offices to other premises will cause unnecessary disruptions to the Group's normal business operation and incur unnecessary costs. The terms of the 2020 Property Leasing Framework Agreement are consistent with normal commercial terms which can safeguard the Group's entitlement to long-term property rights, therefore enabling the Group to achieve long-term development and continuity of the Group's business operations.

##### ***Pricing policies***

The monthly rents payable by the Group during the leasing term are determined on normal commercial terms after arm's length negotiations between the relevant parties, and the rents shall be in line with or no more than the prevailing market rates of properties of comparable size and quality situated in the same locality available to Independent Third Parties, which are in the best interests of the Company and the Shareholders as a whole.

##### ***Historical amounts***

The total property rents paid by the Group to Ping An and/or its associates for the two years ended 31 December 2019 and the six months ended 30 June 2020 were approximately RMB29,810 thousand, RMB34,650 thousand, and RMB12,564 thousand, respectively.

### ***Proposed Annual Caps***

The aggregate amounts of the rents to be paid by the Group to Ping An and/or its associates under the 2020 Property Leasing Framework Agreement for the three years ending 31 December 2023 are not expected to exceed RMB72,000 thousand, RMB83,000 thousand and RMB95,000 thousand, respectively.

Pursuant to IFRS 16, the lease of properties by the Group as lessee under the 2020 Property Leasing Framework Agreement will be recognised as right-of-use assets. In respect of the 2020 Property Leasing Framework Agreement, proposed annual caps for the three years ending 31 December 2021, 2022 and 2023 for the lease of properties are set out in the table below:

	<b>Proposed annual caps for the year ending</b>		
	<b>31 December</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<i>(RMB in thousands)</i>		
Total value of right-of-use asset relating to the leases	117,000	136,000	157,000

### ***Basis of caps***

The Board determines the above proposed annual caps based on the following reasons:

- (i) the historical transaction amounts and growth trend for the two years ended 31 December 2019 and the six months ended 30 June 2020 under the existing properties leasing arrangements; and
- (ii) the estimated increase in the annual rent for the properties leased from Ping An and/or its associates for the three years ending 31 December 2023, including: (1) the estimated increase in the monthly rent per sq.m. for the properties leased from Ping An and/or its associates considering the trend of increase in the historical rental expenses, which is in line with market rates; and (2) the expected expansion of the leasing area of the properties leased from Ping An and/or its associates. Due to the rapid increase in the Group's business scale, the Company proposes to lease additional properties from Ping An and/or its associates for office use for the three years ending 31 December 2023.

## **OPINION FROM THE BOARD**

The Directors (excluding the independent non-executive Directors whose view will be disclosed in the circular) are of the view that the terms of (i) the 2020 Provision of Products and Services Framework Agreement, (ii) the 2020 Services Purchasing Framework Agreement, and (iii) the 2020 Financial Service Framework Agreement were determined after arm's length negotiations and the transactions contemplated thereunder (including the annual caps for the three years ending 31 December 2023) are conducted in the ordinary and usual course of business of the Group and are on normal commercial terms and, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) are of the view that the terms of 2020 Property Leasing Framework Agreement was determined after arm's length negotiations, and the transactions contemplated thereunder (including the annual caps for the three years ending 31 December 2023) are conducted in the ordinary and usual course of business of the Group and are on normal commercial terms and, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The independent non-executive Directors have formed the Independent Board Committee for the purpose of advising the Independent Shareholders in respect of the proposed renewal of continuing connected transactions contemplated under: (i) the 2020 Provision of Products and Services Framework Agreement, (ii) the 2020 Services Purchasing Framework Agreement, and (iii) the 2020 Financial Service Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps thereunder for the three years ending 31 December 2023).

As Ms. Tan Sin Yin, Mr. Yao Jason Bo and Ms. Cai Fangfang, all being Directors, hold directorships in Ping An, they have therefore abstained from voting on the relevant Board resolutions approving each of the renewal of continuing connected transactions contemplated under: (i) the 2020 Provision of Products and Services Framework Agreement, (ii) the 2020 Services Purchasing Framework Agreement, (iii) the 2020 Financial Service Framework Agreement and the transactions contemplated thereunder, and (iv) the 2020 Property Leasing Framework Agreement (including the proposed annual caps thereunder for the three years ending 31 December 2023). Save as disclosed above, none of the other Directors has material interests in the transactions contemplated above.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Ping An is the controlling shareholder of the Company and held approximately 41.31% of the total issued share capital of the Company, and thus Ping An and its associates are connected persons of the Company. Therefore, the transactions contemplated under each of (i) the 2020 Provision of Products and Services Framework Agreement, (ii) the 2020 Services Purchasing Framework Agreement, (iii) the 2020 Financial Service Framework Agreement and (iv) the 2020 Property Leasing Framework Agreement constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the proposed annual caps for each of the (i) the 2020 Provision of Products and Services Framework Agreement, (ii) the 2020 Services Purchasing Framework Agreement, and (iii) the 2020 Financial Service Framework Agreement, on a stand-alone basis, is more than 5%, the transactions contemplated thereunder are therefore subject to reporting, announcement, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual caps for the 2020 Property Leasing Framework Agreement is more than 0.1% but less than 5%, the transactions contemplated thereunder are therefore subject to reporting, announcement and annual review requirements but are exempt from the requirement of independent Shareholders' approval under Chapter 14A of the Listing Rules.

## **INFORMATION ON THE PARTIES**

The Group is principally engaged in the provision of online medical and wellness services, such as family doctor services, consumer healthcare services, healthmall as well as health management and wellness interaction.

Ping An is an insurance and financial services group in the PRC with the ability to provide multiple insurance and financial services and products to corporate and retail customers.

## **DISPATCH OF CIRCULAR**

A circular containing, among others, (i) details of the transactions contemplated under the 2020 Provision of Products and Services Framework Agreement, the 2020 Services Purchasing Framework Agreement, and the 2020 Financial Service Framework Agreement; (ii) a letter of advice from the independent financial adviser to the Independent Board Committee and Independent Shareholders; and (iii) a letter of recommendation from the Independent Board Committee is expected to be dispatched to the Shareholders on or before 21 September 2020 as additional time is required to prepare and finalize the relevant information to be included in the circular.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings.

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“China” or “PRC”	the People's Republic of China, excluding, for the purposes of this announcement only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	Ping An Healthcare and Technology Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Hong Kong Stock Exchange: 1833)
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company

“Group”	the Company and its subsidiaries and its Operating Entities
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely, Mr. Tang Yunwei, Mr. Guo Tianyong, Mr. Liu Xin and Dr. Chow Wing Kin Anthony, to advise the Independent Shareholders in respect of the proposed renewal of continuing connected transactions contemplated under: (i) the 2020 Provision of Products and Services Framework Agreement, (ii) the 2020 Services Purchasing Framework Agreement, and (iii) the 2020 Financial Service Framework Agreement (including the proposed annual caps for each of the three years ending 31 December 2023)
“Independent Financial Adviser”	Amasse Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the proposed renewal of continuing connected transactions contemplated under: (i) the 2020 Provision of Products and Services Framework Agreement, (ii) the 2020 Services Purchasing Framework Agreement, and (iii) the 2020 Financial Service Framework Agreement (including the proposed annual caps for each of the three years ending 31 December 2023), and a licensed corporation registered under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Independent Shareholders”	in respect of the resolutions related to the proposed renewal of continuing connected transactions contemplated under: (i) the 2020 Provision of Products and Services Framework Agreement, (ii) the 2020 Services Purchasing Framework Agreement, and (iii) the 2020 Financial Service Framework Agreement, means Shareholders other than Glorious Peace Limited
“Independent Third Party(ies)”	any entity or person who, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Operating Entity(ies)”	<p>Collectively, Ping An Health Cloud Company Limited (平安健康互聯網股份有限公司), Hefei Kuaiyijie Medical Electronic Commerce Company Limited (合肥快易捷醫藥電子商務有限公司), Jiangxi Ping An Good Doctor Chainstore Company Limited (江西平安好醫生大藥房有限公司), Jiangsu Nabaite Pharmacy Company Limited (江蘇納百特大藥房有限公司), Pingan (Nantong) Internet Hospital Company Limited (平安(南通)互聯網醫院有限公司), Qingdao Pingan Good Doctor Internet Hospital Co., Ltd. (青島平安好醫生互聯網醫院有限公司), Hefei Pingan Kangjian Internet Hospital Company Limited (合肥平安康健互聯網醫院有限公司), Yinchuan Pingan Internet Hospital Company Limited (銀川平安互聯網醫院有限公司), Shanghai Hao Yi Smart Technology Company Limited (上海濶醫智能科技有限公司), Ping An Wanjia Healthcare Investment Management Co., Ltd. (平安萬家醫療投資管理有限責任公司), Guangdong Ye Cheng Insurance Agent Company Limited (廣東業誠保險代理有限公司), Hebei Nabaite Pharmacy Co., Ltd. (河北納百特大藥房有限公司), Guangzhou Jifan Biotechnology Co., Ltd. (廣州市濟帆生物科技有限公司), Hainan Pingan Health Technology Co., Ltd. (海南平安健康醫療科技有限公司), Fuzhou Kangjian Medical Technology Co., Ltd. (福州康健醫療科技有限公司), Chengdu Ping An Kangjian Internet Hospital Management Co., Ltd. (成都平安康健互聯網醫院管理有限公司), Shanghai Ping An Good Doctor Eighth Hospital Internet Hospital Co., Ltd. (上海平安好醫生八院互聯網醫院有限公司), Shenyang Kangjian Smart Internet Hospital Co., Ltd. (瀋陽康鍵智慧互聯網醫院有限公司), Ping An Good Doctor Nanjing Medical Technology Co., Ltd. (平安好醫生南京醫療科技有限公司), Taiyuan Pingan Internet Hospital Company Limited (太原平安互聯網醫院有限公司), Guangxi Ping An Good Doctor Internet Hospital Company Limited (廣西平安好醫生互聯網醫院有限公司), Hangzhou Kangyijian Medical Technology Co., Ltd. (杭州康醫鍵醫療科技有限公司), Weihai Kangjian Internet Hospital Company Limited (威海康健互聯網醫院有限公司), and Ping An Yingjian Medical Management (Shanghai) Company Limited (平安盈健醫療管理(上海)有限公司), the financial results of which have been consolidated and accounted for as subsidiaries of the Company by virtue of the contractual arrangements</p>
“PBOC”	the People’s Bank of China (中國人民銀行)
“Ping An”	Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), a company incorporated under the laws of PRC whose shares are dually listed on the Shanghai Stock Exchange and the Stock Exchange (Shanghai Stock Exchange: 601318; Hong Kong Stock Exchange: 2318), the controlling shareholder and a connected person of the Company
“Ping An Group”	Ping An and its subsidiaries



“Prospectus”	the prospectus of the Company dated 23 April 2018
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s) of the Company
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning as ascribed to it under the Listing Rules
“2018 Circular”	the circular of the Company dated 10 October 2018 in relation to, among other things, the revision of the annual caps of the 2018 Provision of Products and Services Framework Agreement, the 2018 Services Purchasing Framework Agreement, and the Property Leasing Framework Agreement
“2018 Financial Service Framework Agreement”	a financial service framework agreement entered into between the Company and Ping An on 18 April 2018
“2018 Property Leasing Framework Agreement”	a property leasing framework agreement entered into between the Company and Ping An on 18 April 2018
“2018 Provision of Products and Services Framework Agreement”	a provision of products and services framework agreement entered into between the Company and Ping An on 18 April 2018
“2018 Services Purchasing Framework Agreement”	a services purchasing framework agreement entered into between the Company and Ping An on 18 April 2018
“2019 Circular”	the circular of the Company dated 23 September 2019 in relation to, among other things, the revision of the annual caps of the 2018 Provision of Products and Services Framework Agreement and the 2018 Services Purchasing Framework Agreement
“2020 Financial Service Framework Agreement”	an agreement entered into between the Company and Ping An on 20 August 2020, pursuant to which the parties agreed to renew 2018 Financial Service Framework Agreement for a term of three years commencing from 1 January 2021
“2020 Property Leasing Framework Agreement”	an agreement entered into between the Company and Ping An on 20 August 2020, pursuant to which the parties agreed to renew 2018 Property Leasing Framework Agreement for a term of three years commencing from 1 January 2021

“2020 Provision of Products and Services Framework Agreement”	an agreement entered into between the Company and Ping An on 20 August 2020, pursuant to which the parties agreed to renew 2018 Provision of Products and Services Framework Agreement for a term of three years commencing from 1 January 2021
“2020 Services Purchasing Framework Agreement”	an agreement entered into between the Company and Ping An on 20 August 2020, pursuant to which the parties agreed to renew 2018 Services Purchasing Framework Agreement for a term of three years commencing from 1 January 2021
%	per cent

By order of the Board  
**PING AN HEALTHCARE AND TECHNOLOGY COMPANY LIMITED**  
**Fang Weihao**  
*Acting chairman*

Shanghai, the PRC  
20 August 2020

*As at the date of this announcement, the Board comprises Mr. Fang Weihao as acting chairman and executive Director; Ms. Tan Sin Yin, Mr. Yao Jason Bo, Ms. Cai Fangfang, Ms. Lin Lijun and Mr. Pan Zhongwu as non-executive Directors; and Mr. Tang Yunwei, Mr. Guo Tianyong, Mr. Liu Xin and Dr. Chow Wing Kin Anthony as independent non-executive Directors.*