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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Ping An Insurance (Group) Company of China, Ltd., you should at once hand this circular 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 the transferee.

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**PING AN**

Insurance · Banking · Investment

**中国平安保险(集团)股份有限公司**

**Ping An Insurance (Group) Company of China, Ltd.**

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2318)**

- (1) PROPOSED APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR**  
**(2) PROPOSED GENERAL MANDATE TO ISSUE H SHARES**  
**(3) PROPOSAL ON ISSUING DEBT FINANCING INSTRUMENTS**  
**(4) PROPOSED SHARE INCENTIVE PLAN OF A SUBSIDIARY**  
**AND**  
**(5) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the AGM to be held at 2:00 p.m. on Friday, June 16, 2017 at Ping An Hall, Ping An School of Financial Management, Guanlan, Shenzhen, Guangdong Province, PRC is reproduced on page 57 to page 61.

A form of proxy for use at the AGM and a reply slip are enclosed and published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.pingan.cn>). Whether or not you intend to attend the AGM, you are requested to complete and return (i) the reply slip in accordance with the instructions printed thereon not later than Friday, May 26, 2017 and (ii) the form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the AGM and voting in person if you so wish.

April 24, 2017

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## CONTENTS

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	<i>Page</i>
<b>Contents</b> .....	i
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	5
<b>Appendix I – The Autohome Share Incentive Plan</b> .....	17
<b>Appendix II – Performance Report of the Directors for the Year 2016</b> ..	39
<b>Appendix III – Performance Report of the Independent Directors for the Year 2016</b> .....	45
<b>Appendix IV – Report on Connected Transactions and Implementation of Management System of Connected Transactions for the Year 2016</b> .....	52
<b>Notice of Annual General Meeting</b> .....	57

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## DEFINITIONS

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

“A Share(s)”	A Share(s) of RMB1.00 each in the capital of the Company which is/are listed and traded on SSE
“A Shareholder(s)”	holder(s) of A Share(s)
“AGM”	the annual general meeting of the Company to be convened at 2:00 p.m. on Friday, June 16, 2017 at Ping An Hall, Ping An School of Financial Management, Guanlan, Shenzhen, Guangdong Province, PRC
“Articles of Association”	the articles of association of the Company as amended from time to time
“Autohome”	Autohome Inc., an exempted company with limited liability incorporated under the laws of the Cayman Islands and listed on the New York Stock Exchange (ticker symbol: ATHM), is a non-wholly subsidiary of the Company
“Autohome Board”	the board of directors of Autohome
“Autohome Committee”	the Autohome Board and/or the compensation committee as delegated by the Autohome Board for the purpose of the management of Autohome Share Incentive Plan
“Autohome Options”	the option(s) to subscribe for Autohome Shares pursuant to the Autohome Share Incentive Plan
“Autohome Shares”	Class A Ordinary Shares of Autohome, par value of US\$0.01 per share, as defined in the fourth amended articles of association of the Autohome adopted by a special resolution of its shareholders on October 28, 2013
“Autohome Share Incentive Plan”	the amended and restated Autohome Inc. 2016 share incentive plan approved and adopted by the Autohome Board on March 21, 2017 (as amended in April 2017) and to be approved, confirmed and ratified by shareholders of Autohome at its extraordinary general meeting, details of which are set out in Appendix I of this circular

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## DEFINITIONS

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“Benchmark Price”	<p>the price which is the higher of:</p> <ul style="list-style-type: none"><li>(a) the closing price of H Share(s) on the date of the relevant placing agreement or other agreement involving the proposed issue of H Share(s) under the General Mandate; and</li><li>(b) the average closing price of H Share(s) in the 5 trading days immediately prior to the earlier of: (i) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of H Share(s) under the General Mandate; (ii) the date of the placing agreement or other agreement involving the proposed issue of H Share(s) under the General Mandate; and (iii) the date on which the price of H Share(s) of placing or subscription is fixed</li></ul>
“Board”	the board of Directors
“CIRC”	China Insurance Regulatory Commission
“Company”	Ping An Insurance (Group) Company of China, Ltd., a joint stock limited company duly incorporated in the PRC with limited liability, the A Shares of which are listed on SSE and the H Shares of which are listed on Hong Kong Stock Exchange
“Company Law”	the Company Law of the PRC
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“Dividend”	proposed final dividend for the year 2016, which is cash dividend of RMB0.55 (tax inclusive) per Share to the A Shareholders and H Shareholders whose names appear on the registers of members of the Company on the respective record dates

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## DEFINITIONS

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“General Mandate”	the proposed general mandate to allot, issue and/or deal with additional H Shares representing up to the limit of 20% of the H Shares in issue, representing up to limit of 8.15% of the total number of shares in issue on the date of the passing of the relevant resolution at a discount (if any) of no more than 10% (rather than 20% as limited under the Listing Rules) to the Benchmark Price
“Group”	the Company and its subsidiaries
“H Share(s)”	H Share(s) of RMB1.00 each in the capital of the Company which is/are listed and traded on Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of H Share(s)
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“LPD”	April 18, 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“PRC”	the People’s Republic of China, which for the purpose of this circular only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of RMB1.00 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SSE”	The Shanghai Stock Exchange

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## DEFINITIONS

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“Supervisors”	the members of the Supervisory Committee of the Company
“Supervisory Committee”	the supervisory committee of the Company established pursuant to the Company Law
“%”	per cent.

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## LETTER FROM THE BOARD

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# PING AN

Insurance · Banking · Investment

## 中国平安保险(集团)股份有限公司

### Ping An Insurance (Group) Company of China, Ltd.

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2318)**

*Executive Directors:*

Ma Mingzhe  
Sun Jianyi  
Ren Huichuan  
Yao Jason Bo  
Lee Yuansiong  
Cai Fangfang

*Registered office:*

15/F, 16/F, 17/F and 18/F  
Galaxy Development Center  
Fu Hua No. 3 Road  
Futian District  
Shenzhen  
Guangdong Province, PRC

*Non-executive Directors:*

Lin Lijun  
Soopakij Chearavanont  
Yang Xiaoping  
Xiong Peijin  
Liu Chong

*Principal place of business in Hong Kong:*

Level 54  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

*Independent Non-executive Directors:*

Woo Ka Biu Jackson  
Stephen Thomas Meldrum  
Yip Dicky Peter  
Wong Oscar Sai Hung  
Sun Dongdong  
Ge Ming

April 24, 2017

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR**  
**(2) PROPOSED GENERAL MANDATE TO ISSUE H SHARES**  
**(3) PROPOSAL ON ISSUING DEBT FINANCING INSTRUMENTS**  
**(4) PROPOSED SHARE INCENTIVE PLAN OF A SUBSIDIARY**  
**AND**  
**(5) NOTICE OF ANNUAL GENERAL MEETING**

### 1. INTRODUCTION

The purpose of this circular is, among other things, to give you notice of the AGM and to provide you with information in relation to certain resolutions to be proposed at the AGM to enable you to make an informed decision on whether to vote for or against those resolutions at the AGM.

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## LETTER FROM THE BOARD

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### 2. PROPOSED APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

As disclosed in the announcements of the Company dated March 22, 2017, the Board has nominated Mr. Ouyang Hui as a candidate for election as an Independent Non-executive Director of the 10th Session of the Board. The appointment of Mr. Ouyang Hui shall become effective upon the approval from the Shareholders at the AGM and the approval of his qualification as Director from CIRC is obtained.

Biographical details of Mr. Ouyang Hui are set out below:

**Mr. Ouyang Hui**, aged 54, is currently the Dean's Distinguished Chair Professor at Cheung Kong Graduate School of Business, the director of Research Center on Internet Finance and the co-director of Research Center on Financial Innovation and Wealth Management. Mr. Ouyang is also an independent non-executive director of AEGON-INDUSTRIAL Fund Management Co., Ltd., Hytera Communications Corporation Limited and Peak Reinsurance Limited. Previously, Mr. Ouyang served as Managing Director of UBS AG, Asia-Pacific, Managing Director of Nomura Securities, Asia-Pacific, Senior Vice President and Managing Director of Lehman Brothers, Asia-Pacific. Mr. Ouyang earned a Ph.D. in Finance from the University of California, Berkeley and a Ph.D. in Chemical Physics from Tulane University.

It is proposed that Mr. Ouyang Hui will be appointed to hold office until the expiry of the 10th Session of the Board. If Mr. Ouyang Hui is appointed as the Independent Non-executive Director, he will enter into a service contract with the Company upon his appointment. Mr. Ouyang Hui has met the independence requirements as set out in Rule 3.13 of the Listing Rules.

It is proposed that Mr. Ouyang Hui will receive an annual fee of RMB600,000 according to the remuneration policy of the Company. In addition, the standard rate of working allowance for the Independent Non-executive Director for attending the meetings in person (excluding the meetings held by way of written communication) is RMB10,000/time, however attending different meetings during the same meeting period shall not be accumulated and shall be calculated as one time. The Independent Non-executive Director attending the meeting by proxy shall not receive the allowance for such meeting.

Save as disclosed above, as at the LPD, Mr. Ouyang Hui (i) had not held any other directorships in any listed public companies, in Hong Kong or overseas, in the last three years or has held any other positions within the Group; (ii) had not had any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company; and (iii) had not had any interests in the Shares of the Company within the meaning of Part XV of the SFO.

According to the Articles of Association, the term of each session of the Board is three years and Directors are eligible for re-election upon completion of their term subject to the stipulations in the Articles of Association.



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## LETTER FROM THE BOARD

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Save as disclosed herein, as at the LPD, there were no other matters relating to the proposed appointment of Mr. Ouyang Hui that need to be brought to the attention of the Shareholders nor was there any information to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

### 3. PROPOSED GRANT OF GENERAL MANDATE TO ISSUE H SHARES

The Company proposes to obtain Shareholders' approval for the grant of the General Mandate to separately or concurrently allot, issue and/or deal with additional H Shares up to the limit of 20% of the H Shares in issue, representing up to limit of 8.15% of the total number of Shares in issue on the date of the passing of the relevant resolution at the AGM, at a discount (if any) of no more than 10% (rather than 20% as limited under the Listing Rules) to the Benchmark Price. Any exercise of the power by the Board under the General Mandate shall comply with the relevant requirements of the Listing Rules, the Articles of Association and the applicable laws and regulations of the PRC.

The Board believe that it is in the best interests of the Company and its Shareholders to have a general authority from Shareholders to enable the Board to issue shares for flexibility in raising capital as and when needed, and has reaffirmed its commitment to use the mandate prudently and in the interest of all our Shareholders.

The General Mandate shall be effective from the date of passing the relevant resolution until whichever is the earliest of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or other applicable laws to be held; or
- (3) the revocation or variation of the authority given to the Board under this resolution by a special resolution of the Company in general meeting.

As at the LPD, the Company had 18,280,241,410 Shares in issue, including 10,832,664,498 A Shares and 7,447,576,912 H Shares. Subject to the passing of the proposed resolution for the approval of the General Mandate and in accordance with the terms therein, the Company would be allowed to allot, issue and deal with up to a maximum of 1,489,515,382 H Shares, representing 20% of the number of H Shares in issue on the basis that no further H Shares will be issued by the Company prior to the AGM.

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## LETTER FROM THE BOARD

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### 4. PROPOSAL ON ISSUING DEBT FINANCING INSTRUMENTS

In order to satisfy the Company's objective of long-term and stable development, optimize capital structure, adjust debt structure and reduce financing costs, the Company proposes to conduct debt financing in the next 12 months. Debt financing instruments in the principal amount of not more than RMB20 billion (inclusive) in aggregate or equivalent in foreign currency will be issued in one or several tranches in domestic or overseas markets, including but not limited to corporate bonds, company bonds, domestic or overseas debt financing instruments denominated in Renminbi or foreign currencies, as permitted by regulatory authorities.

In order to take advantage of favorable market window, it is proposed to the general meeting to grant a general and unconditional mandate to the Board, and the consent to the Board to further authorize Executive Directors to handle all relevant matters in relation to the issuance of the aforementioned debt financing instruments, under the following particulars:

#### I. Issue size and type

It is proposed to the general meeting to grant a general and unconditional mandate to the Board, which will then authorize the Executive Directors, to decide on and deal with the issue of debt financing instruments in the principal amount of not more than RMB20 billion (inclusive) in aggregate (or if issued in foreign currency, equivalent to the middle exchange rate announced by the People's Bank of China on the date of issue) subject to the approval of regulatory authorities and in accordance with market conditions (the "Issue").

Such debt financing instruments include but are not limited to corporate bonds, company bonds, other domestic or overseas debt financing instruments in Renminbi or foreign currencies, as permitted by regulatory authorities.

#### II. Main terms of the Issue

- (1) Issuer: Ping An Insurance (Group) Company of China, Ltd. (the "Company").
- (2) Issue size: Debt financing instruments in the principal amount of not more than RMB20 billion (inclusive) in aggregate or equivalent in foreign currency according to this mandate.
- (3) Placement arrangements: specific placement arrangements (including whether or not to allocate to shareholder, allocation ratio and other arrangements) will be decided by the Board and its delegates according to market conditions and specific matters related to the Issue.

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## LETTER FROM THE BOARD

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- (4) Term and category: maximum term will not exceed ten years, either a single category with fixed term or a portfolio with different maturities specific composition of portfolio and the issue size of each category with different terms will be determined by the Board and its delegates according to relevant regulations and market conditions.
- (5) Use of proceeds: The net proceeds (net of fees, commissions and expenses) from any issuance of the debt financing instruments under the general mandate will be used to replenish capital and/or satisfy operational use and/or repay its debt and/or invest in projects to support business development.

The specific use of proceeds will be determined by the Board and its delegates according to the Company's capital requirements.

- (6) Valid period of authorization: Up to 12 months since the date of the passing of the resolution at the general meeting.

If the Company determined to carry out the Issue within the valid period of the authorization and the Company has obtained the required approval, permission and registration from the regulatory authorities within the valid period of authorization, the Company is allowed to complete the issue so far as such approvals, permissions and registrations remains valid.

### **III. Scope of authorization**

It is proposed to the general meeting to grant a general and unconditional mandate to the Board, which will then authorize the Executive Directors to handle all relevant matters related to the Issue according to the specific requirements of the Company and other market conditions within the valid period, including but not limited to:

- (1) Carry out all necessary and stipulated actions and procedures related to the Issue, including but not limited to engaging intermediaries, apply for approval, filing, confirmation, consent, reporting, registration and settlement with relevant domestic and/or foreign government departments and/or regulatory authorities on behalf of the Company;
- (2) Sign, execute, amend, supplement, complete, submit and deliver agreements, contracts and documents related to the Issue (including but not limited to announcements, circulars, sponsor/underwriting agreements, intermediary service contracts, etc.) to domestic or foreign regulatory authorities, exchanges, organizations and persons;

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## LETTER FROM THE BOARD

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- (3) Formulate and implement specific proposals for the issue of domestic or overseas debt financing instruments and capital management, including but not limited to determining the specific issue category; denominated currency; issue size; issue price; whether or not to issue in multiple tranches and the number of tranches; amount of each tranche; method of issuance; distribution; timing of issuance; place of issuance; terms of issuance; term of debt; coupon rate; payment of coupon; registration custodian; formulating relevant management measures for domestic and overseas debt financing instruments; formulating specific implementation plans for the use of proceeds; choosing investment managers and formulating investment guidelines; according to implementation status, market conditions, policy adjustment and the opinion of regulatory authorities and domestic and foreign exchanges performing required adjustments to the Issue, including deciding the timing of the Issuance; whether or not to set repurchase or redemption terms; whether or not set coupon step-up terms; rating arrangements; guarantee; principal and interests repayment terms; determining the specific arrangement of proceeds within the scope approved by the general meeting; specific placement arrangements; underwriting arrangements; measures for protection of repayment (if applicable), and other matters related to the Issue;
- (4) Approve, confirm and ratify any of the aforesaid actions or procedures relating to the issue of debt financing instruments already taken by the Company;
- (5) Execute and publish/dispatch relevant announcements in relation to the Issue, and to comply with (if necessary) any information disclosure and approval procedures pursuant to the requirements of relevant regulatory authorities;
- (6) Make relevant adjustments to the relevant matters of the Issue and to determine whether to proceed with the Issue with reference to the opinion of relevant domestic regulatory authorities and the changes in policies and market conditions, provided that such adjustments and decision shall be within the scope of the authorization of the general meeting and shall be subject to re-voting at the general meeting of the Company if otherwise required by the relevant laws and regulations and the Articles of Association;
- (7) Determine and deal with all relevant matters in relation to the listing of debt financing instruments after the completion of the Issue (if required);
- (8) Deal with other specific matters in relation to the Issue of debt financing instruments and to execute all the required documents.

The Board and the delegated Executive Directors shall exercise the aforesaid mandate prudently. Exercise of power according to this general mandate must comply with the Listing Rules, the Articles of Association, and the applicable laws and regulations of the PRC.

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## LETTER FROM THE BOARD

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### 5. PROPOSED AUTOHOME SHARE INCENTIVE PLAN

Autohome is a majority-owned subsidiary of the Company, and the American depository shares of which are listed on the New York Stock Exchange. Currently, each American depository share represents one Class A ordinary share of Autohome. The Company, as at the LPD, held 53.2% of the total issued shares thereof. Autohome will convene an extraordinary general meeting to approve the Autohome Share Incentive Plan involving the grant of Autohome Options over new Autohome shares to, or for the benefit of, specified participants. In accordance with Rule 17.02(1)(a) of the Listing Rules, the Autohome Share Incentive Plan is also subject to the approval by the Shareholders of the Company at the AGM. The Autohome Share Incentive Plan will expire on the tenth anniversary of March 21, 2017, being the date on which the Autohome Board approved the Autohome Share Incentive Plan.

#### **Summary of the Autohome Share Incentive Plan regarding the Autohome Options**

The purpose of the Autohome Share Incentive Plan is intended to provide such participants with an incentive for outstanding performance to generate superior returns to the Autohome's shareholders. The Autohome Share Incentive Plan is further intended to provide flexibility to Autohome in its ability to motivate, attract, and retain the services of directors, employees, and consultants upon whose judgment, interest, and special effort the successful conduct of the Autohome's operation is largely dependent.

Pursuant to the terms of the Autohome Share Incentive Plan, the Autohome Committee, may grant options to eligible participant, including employees, consultants and all directors of the Autohome Board, with reference to their past, present and expected commitment and contribution to Autohome and/or the related entities, to subscribe for such number of Autohome Shares as the Autohome Committee may determine.

The total number of Autohome Shares which may be issued upon exercise of all Autohome Options to be granted under the Autohome Share Incentive Plan and any other share option schemes of Autohome must not in aggregate exceed 10% of the issued and outstanding Autohome Shares as of the date of AGM of the Company. Unless approved by the shareholders of Autohome and the Shareholders of the Company in the manner set out in the Autohome Share Incentive Plan, the total number of Autohome Shares issued and to be issued upon the exercise of the Autohome Options granted and to be granted to any participant (including both exercised and outstanding Autohome Options) in any 12-month period up to and including the date of grant shall not exceed 1% of the issued and outstanding Autohome Shares as at the date of grant.

The Autohome Committee shall determine the time or times at which an Autohome Option may be exercised in whole or in part. The Autohome Committee has the discretion to fix any minimum period(s) for which an Autohome Option or any part thereof has to be held before the exercise of the subscription rights attaching thereto. The Autohome Committee shall also determine any conditions, including performance conditions, if any, that must be satisfied before all or part of an Autohome Option may be exercised. The Autohome Committee shall

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## LETTER FROM THE BOARD

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determine the term of the Autohome Option, provided that the term of any Autohome Option granted under the Autohome Share Incentive Plan shall not exceed ten (10) years from the date of grant of such Autohome Options.

The exercise price per Autohome Share of an Autohome Option shall be determined by the Autohome Committee which may be a fixed or variable price related to the fair market value of the Autohome Shares, to the extent not prohibited by the applicable laws. The adjustment of the exercise price or the number of Autohome Shares subject to Autohome Options already granted in the event of the capital structure changes has been included to the Article 9.1 of Autohome Share Incentive Plan.

The Autohome Shares issued upon the exercise of Autohome Options shall not carry voting rights until details of such Autohome Shares (and their holder) are entered in the register of members of Autohome. The Autohome Shares to be allotted and issued upon the exercise of an Autohome Option will rank *pari passu* with the fully paid issued and outstanding Autohome Shares and accordingly will entitle the participant to participate in all dividend or other distributions.

Any Autohome Options granted but not exercised may be cancelled if the participant agrees in writing. Issuance of new Autohome Options to the same participant may only be made if there are unissued Autohome Options available under the Autohome Share Incentive Plan (excluding the cancelled Autohome Options) and in compliance with the terms of the Autohome Share Incentive Plan in force from time to time.

With the approval of the Autohome Board, at any time and from time to time, the Autohome Committee may terminate the Autohome Share Incentive Plan. Upon the termination of the Autohome Share Incentive Plan, no further Autohome Options will be made but Autohome Options granted prior to such termination shall continue to be valid and exercisable in accordance with the rules of the Autohome Share Incentive Plan. In addition, no Autohome Option granted under the Autohome Share Incentive Plan can be transferred.

As at the LPD, there were aggregate of 116,162,300 Autohome Shares in issue, and the initial maximum number of Autohome Shares that may be issued upon exercise of all options to be granted under the Autohome Share Incentive Plan is 4,890,000 Autohome Shares, representing approximately 4.2% of the Autohome Shares in issue as at the LPD.

### **Automatic lapse of Options**

An Autohome Option shall lapse (to the extent not already exercised) automatically on the earliest of:

- (a) expiry of the term of any Autohome Option;
- (b) the date of termination of employment by the participant's employing company for the cause events as defined in the Autohome Share Incentive Plan;

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## LETTER FROM THE BOARD

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- (c) expiry of the 60-day period from the date of voluntary resignation of the participant other than by reason of the circumstances set out in sub-paragraph (d) hereof;
- (d) the date of termination of such other contract or agreement constituting a participant for his breach of the terms thereof or in accordance with the termination provisions of such contract or agreement by any contracting party;
- (e) expiry of the three-month period following the occurrence of an event which causes the participant to cease to be an eligible person, including ill-health, injury, disability, death or retirement;
- (f) the date on which the resolution to voluntarily wind up Autohome is passed; and
- (g) the date of the commencement of winding up of Autohome.

### **Restrictions on the authority of the Autohome Committee**

The Autohome Committee may from time to time in its absolute discretion waive or amend the rules of the Autohome Share Incentive Plan as it deems desirable, provided that, except with the prior approval of the shareholders of Autohome and the Shareholders of the Company (for so long as Autohome remains a subsidiary of the Company) in general meetings:

- (a) no alteration to any of the matters set out in Rule 17.03 of the Listing Rules shall be made to the advantage of participants; and
- (b) no alteration to the terms and conditions of the Autohome Share Incentive Plan which are of a material nature or any change to the terms of Autohome Options granted may be made, except where the alterations take effect automatically under the existing terms of the Autohome Share Incentive Plan,

provided that for so long as Autohome remains a subsidiary of the Company, the amended terms must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

Any change to the authority of the Autohome Committee in relation to any alteration to the terms of the Autohome Share Incentive Plan must be approved by the shareholders of Autohome and the shareholders of the Company (for so long as Autohome remains a subsidiary of the Company) in general meetings.

### **Value of Autohome Options**

The Directors consider that it is not appropriate at this stage to state the value of the Autohome Options that can be granted pursuant to the Autohome Share Incentive Plan as if they had been granted on the LPD as a number of variables which are crucial for the calculation of the option value have not been determined yet. Such variables include but are not limited to, the exercise price, exercise period, and pre-determined performance target (if any), which

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## LETTER FROM THE BOARD

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can only be determined at the time of grant by the Autohome Committee. The Directors believe that any calculation of the value of the Autohome Options as at the LPD based on a number of speculative assumptions would not be meaningful and would be misleading to Shareholders. Autohome, as a company listed on the New York Stock Exchange will, for the purposes of calculation of the value of all Autohome Options, use a generally accepted methodology in accordance with the relevant laws and regulations.

In addition, the Autohome Share Incentive Plan is also involving the grant of restricted shares and restricted share units to the specified participants.

A full context of the Autohome Share Incentive Plan is set out in the Appendix I to this circular. A copy of the Autohome Share Incentive Plan is available for inspection at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong during the normal business hours from the date of this circular up to and including the date of the AGM.

### **6. PROPOSED DISTRIBUTION OF DIVIDEND FOR THE YEAR 2016**

On March 22, 2017, the Board has proposed to distribute a cash Dividend of RMB0.55 (tax inclusive) per Share, in a total amount of RMB10,054,132,775.50 based on its total share capital of 18,280,241,410 Shares. According to the Articles of Association, Dividend will be denominated and declared in Renminbi. Dividend on A shares will be paid in Renminbi and dividend on H shares will be paid in Hong Kong dollars. Payment of the Dividend is subject to the approval of the Shareholders at the AGM.

In order to determine the list of H Shareholders who are entitled to the proposed Dividend, the Company's register of members will be closed from Thursday, July 13, 2017 to Tuesday, July 18, 2017, both days inclusive, during which period no transfer of Shares will be effected. H Shareholders whose names appear on the Company's register of members on Tuesday, July 18, 2017 are entitled to receive the Dividend. In order to receive the Dividend, H Shareholders whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (the "**H Share Registrar**") at or before 4:30 p.m. on Wednesday, July 12, 2017. The address of the transfer office of the H Share Registrar is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

A Shareholders whose names appear on the Company's register of members on Monday, July 10, 2017 are entitled to receive the Dividend.

It is proposed that the Board be authorized to delegate the authority to the Executive Directors to deal with the implementation of the profit distribution plan according to the relevant laws, regulations and listing rules, including but not limited to adjusting the date arrangement of the profit distribution.



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## LETTER FROM THE BOARD

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### 7. AGM

A notice convening the AGM to be held at 2:00 p.m. on Friday, June 16, 2017 at Ping An Hall, Ping An School of Financial Management, Guanlan, Shenzhen, Guangdong Province, PRC is set out on pages 57 to 61 of this circular.

In order to determine the list of H Shareholders who are entitled to attend the AGM, the Company's register of members will be closed from Wednesday, May 17, 2017 to Friday, June 16, 2017, both days inclusive, during which period no transfer of Shares will be effected. H Shareholders whose names appear on the Company's register of members on Friday, June 16, 2017 are entitled to attend the AGM. In order to attend and vote at the meeting, H Shareholders whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the H Share Registrar at or before 4:30 p.m. on Tuesday, May 16, 2017. The address of the transfer office of the H Share Registrar is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

A Shareholders whose names appear on the Company's register of members on Tuesday, May 16, 2017 are entitled to attend the AGM.

A form of proxy for use at the AGM and a reply slip are enclosed and published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.pingan.cn>). Whether or not you intend to attend the AGM, you are requested to complete and return (i) the reply slip in accordance with the instructions printed thereon not later than Friday, May 26, 2017 and (ii) the form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the AGM and voting in person if you so wish.

### 8. VOTING BY POLL AT THE AGM

According to the Article 105 of the Articles of Association, resolutions at the AGM shall be determined by poll.

### 9. RECOMMENDATION

The Directors believe that all the resolutions proposed for consideration and approval by the Shareholders at the AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders should vote in favour of the resolutions to be proposed at the AGM as set out in the notice of AGM.

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## LETTER FROM THE BOARD

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### 10. 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 enquiries, 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.

### 11. FURTHER INFORMATION

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

Yours faithfully,

For and on behalf of the Board

**PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.**

**Ma Mingzhe**

*Chairman and Chief Executive Officer*

**ARTICLE 1 PURPOSE**

The purpose of the Autohome Inc. 2016 Share Incentive Plan (the “Plan”) is to promote the success and enhance the value of Autohome Inc., a company incorporated under the laws of the Cayman Islands (the “Company”), by linking the personal interests of the Directors, Employees, and Consultants to those of the Company’s shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Company’s shareholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Directors, Employees, and Consultants upon whose judgment, interest, and special effort the successful conduct of the Company’s operation is largely dependent.

**ARTICLE 2 DEFINITIONS AND CONSTRUCTION**

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

- 2.1 “Applicable Laws” means the legal requirements relating to the Plan and the Awards under applicable provisions of the corporate, securities, tax and other laws, rules, regulations and government orders, and the rules of any applicable stock exchange or national market system, of any jurisdiction applicable to Awards granted to residents therein.
- 2.2 “Award” means an Option, Restricted Share or Restricted Share Unit award and share appreciation rights granted to a Participant pursuant to the Plan.
- 2.3 “Award Agreement” means any written agreement, contract, or other instrument or document evidencing an Award, including through electronic medium.
- 2.4 “Board” means the Board of Directors of the Company.
- 2.5 “Cause” shall mean (i) performing an act or failing to perform any act in bad faith and to the detriment of the Company or any other Service Recipient; (ii) engaging in dishonesty, intentional misconduct or material breach of any agreement with the Company or any other Service Recipient; or (iii) conviction of, or plea of guilty or no contest to, a felony or any other crime involving dishonesty, breach of trust, or physical or emotional harm to any person.
- 2.6 “Code” means the Internal Revenue Code of 1986 of the United States, as amended.
- 2.7 “Committee” has the meaning described in Article 10.
- 2.8 “Consultant” means any consultant or adviser if: (a) the consultant or adviser renders bona fide services to a Service Recipient; (b) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising

transaction and do not directly or indirectly promote or maintain a market for the Company's securities; and (c) the consultant or adviser is a natural person who has contracted directly with the Service Recipient to render such services.

2.9 "Corporate Transaction", unless otherwise defined in an Award Agreement, means any of the following transactions, provided, however, that the Committee shall determine under (d) and (e) whether multiple transactions are related, and its determination shall be final, binding and conclusive and, provided further, that the occurrence of a Trading Date shall not constitute a Corporate Transaction:

- (a) an amalgamation, arrangement, merger or consolidation or scheme of arrangement (i) in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated, or (ii) the holders of the voting securities of the Company immediately prior to the transaction or their respective affiliates do not continue to hold more than 50% of the combined voting power of the voting securities of the surviving entity (or, as applicable, any Parent of such surviving entity) immediately following the transaction;
- (b) the sale, transfer or other disposition of all or substantially all of the assets of the Company;
- (c) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company;
- (d) any reverse takeover or series of related transactions culminating in a reverse takeover (including, but not limited to, a tender offer followed by a reverse takeover) in which the Company is the surviving entity but (A) the Company's equity securities outstanding immediately prior to such takeover are converted or exchanged by virtue of the takeover into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons (other than to an affiliate) different from those who held such securities immediately prior to such takeover or the initial transaction culminating in such takeover, but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction; or
- (e) acquisition in a single or series of related transactions by any person or related group of persons of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction; provided, however, that any of the following acquisitions shall not be deemed to be a Corporate Transaction: (1) by the Company,

any Parent, Subsidiary or Related Entity, (2) by any employee benefit plan (or related trust) sponsored or maintained by the Company, any Parent, Subsidiary or Related Entity, or (3) by any underwriter temporarily holding securities pursuant to an offering of such securities.

- 2.10 “Date of Grant” means, with respect to an Award, the date that the Award is granted and its exercise price is set (if applicable), consistent with Applicable Laws and applicable financial accounting rules.
- 2.11 “Director” means a member of the Board.
- 2.12 “Disability”, unless otherwise defined in an Award Agreement, means that the Participant qualifies to receive long-term disability payments under the Service Recipient’s long-term disability insurance program, as it may be amended from time to time, to which the Participant provides services regardless of whether the Participant is covered by such policy. If the Service Recipient to which the Participant provides service does not have a long-term disability plan in place, “Disability” means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Participant will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Committee in its discretion.
- 2.13 “Effective Date” shall have the meaning set forth in Section 11.1.
- 2.14 “Employee” means any person employed by the Company or any Parent or Subsidiary of the Company.
- 2.15 “Exchange Act” means the Securities Exchange Act of 1934 of the United States, as amended.
- 2.16 “Fair Market Value” means, as of any date, the value of Shares determined as follows:
- (a) If the Shares are listed on one or more established stock exchanges or national market systems, including without limitation, The New York Stock Exchange or The Nasdaq Stock Market, the Fair Market Value shall be the closing sales price for such shares (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Shares are listed (as determined by the Committee) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable;
  - (b) If the Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, the Fair Market Value shall be the closing sales price for such shares as quoted on such system or by such

securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a Share shall be the mean between the high bid and low asked prices for the Shares on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

- (c) In the absence of an established market for the Shares of the type described in (a) and (b), above, the Fair Market Value thereof shall be determined by the Committee in good faith and in its discretion.

2.17 “Fiscal Year” means a fiscal year of the Company.

2.18 “Incentive Share Option” means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

2.19 “Independent Director” means a Director who meets the independence standards under the applicable corporate governance rules of the stock exchange and any other Applicable Laws.

2.20 “Non-Qualified Share Option” means an Option that is not intended to be an Incentive Share Option.

2.21 “Option” means a right granted to a Participant pursuant to Article 5 of the Plan to purchase a specified number of Shares at a specified price during specified time periods. An Option may be either an Incentive Share Option or a Non-Qualified Share Option.

2.22 “Participant” means a person who, as a Director, a Consultant, an Employee, has been granted an Award pursuant to the Plan.

2.23 “Parent” means any entity which accounts and consolidates in its audited consolidated accounts another entity as its subsidiary pursuant to applicable Hong Kong Financial Reporting Standards or International Financial Reporting Standards or any entity which will, as a result of acquisition of equity interest of another entity, account and consolidate in its next audited consolidated accounts the entity as a subsidiary pursuant to applicable Hong Kong Financial Reporting Standards or International Financial Reporting Standards.

2.24 “Parent Approval Date” shall have the meaning set forth in Section 11.1.

2.25 “Parent Corporation” means a parent corporation under Section 424(e) of the Code.

2.26 “Plan” means this Autohome Inc. 2016 Share Incentive Plan, as it may be amended from time to time.

- 2.27 “Related Entity” means any business, corporation, partnership, limited liability company or other entity in which the Company or a Parent or Subsidiary of the Company holds a substantial ownership interest, directly or indirectly, but which is not a Subsidiary and which the Board designates as a Related Entity for purposes of the Plan.
- 2.28 “Restricted Share” means a Share awarded to a Participant pursuant to Article 6 that is subject to certain restrictions and may be subject to risk of forfeiture.
- 2.29 “Restricted Share Unit” means the right granted to a Participant pursuant to Article 7 to receive a Share at a future date.
- 2.30 “Restriction Period” means the period during which the transfer of Restricted Shares are subject to restrictions, which restrictions may be based on the passage of time, the achievement of certain performance objectives, or the occurrence of other events as determined by the Committee, in its discretion.
- 2.31 “Securities Act” means the Securities Act of 1933 of the United States, as amended.
- 2.32 “Service Recipient” means the Company or any Parent or Subsidiary of the Company and any Related Entity to which a Participant provides services as an Employee, a Consultant or a Director.
- 2.33 “Share” means a Class A Ordinary Share, as defined in the fourth amended articles of association of the Company adopted by a special resolution of shareholders on October 28, 2013, and such other securities of the Company that may be substituted for Shares pursuant to Article 9.
- 2.34 “Subsidiary” means any corporation or other entity of which a majority of the outstanding voting shares or voting power is beneficially owned or controlled through contractual arrangements directly or indirectly by the Company.
- 2.35 “Substantial Shareholder” means a person who is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the company.
- 2.36 “Trading Date” means the closing of the first sale to the general public of the Shares pursuant to a registration statement filed with and declared effective by the U.S. Securities and Exchange Commission under the Securities Act.
- 2.37 “Trading Window Days” means the days which the Participant is not prohibited by the Company’s policy from trading.

**ARTICLE 3 SHARES SUBJECT TO THE PLAN**

## 3.1 Number of Shares.

- (a) Subject to the provisions of Article 9 and Section 3.1(b), the maximum aggregate number of Shares which may be issued pursuant to all Awards (including Incentive Share Options) shall be 4,890,000 Shares, representing approximately 4.2% of the issued shares as of the Parent Approval Date.
- (b) To the extent that an Award terminates, expires, or lapses for any reason, any Shares subject to the Award shall again be available for the grant of an Award pursuant to the Plan. To the extent permitted by Applicable Laws, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form or combination by the Company or any Parent or Subsidiary of the Company shall not be counted against Shares available for grant pursuant to the Plan. Shares delivered by the Participant or withheld by the Company upon the exercise of any Award under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). If any Restricted Shares are forfeited by the Participant or repurchased by the Company, such Shares may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Share Option to fail to qualify under Section 422 of the Code.

- 3.2 Shares Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury shares (subject to Applicable Laws) or Shares purchased on the open market. Additionally, in the discretion of the Committee, American Depository Shares in an amount equivalent to the number of Shares which otherwise would be distributed pursuant to an Award may be distributed in lieu of Shares in settlement of any Award. If the number of Shares represented by an American Depository Share is other than on a one-to-one basis, the limitations of Section 3.1 shall be adjusted to reflect the distribution of American Depository Shares in lieu of Shares.

**ARTICLE 4 ELIGIBILITY AND PARTICIPATION**

- 4.1 Eligibility. Persons eligible to participate in this Plan include Employees, Consultants, and all Directors, as determined by the Committee (the “Eligible Persons”).
- 4.2 Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all Eligible Persons with reference to their past, present and expected commitment and contribution to the Company and/or the Related Entities, those to whom Awards shall be granted and shall determine the nature and amount of each Award. Except as provided in one or more written contracts between the Company and a Participant, no Participant shall have any right to be granted an Award pursuant to this



Plan. If the Participant is a director, officer or Substantial Shareholder of the Company and the Parent, the grant of Options shall be subject to the relevant rules of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”).

#### ARTICLE 5 OPTIONS

5.1 General. The Committee is authorized to grant Options to Participants on the following terms and conditions:

- (a) Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to Employees, Consultants or Directors at any time and from time to time as determined by the Committee. The Committee, in its sole discretion, shall determine the number of Shares subject to each Option. The Committee may grant Incentive Share Options, Non-Qualified Share Options, or a combination thereof.
- (b) Exercise Price. The exercise price per Share subject to an Option shall be determined by the Committee and set forth in the Award Agreement which may be a fixed or variable price related to the Fair Market Value of the Shares, to the extent not prohibited by the Applicable Laws. The exercise price per Share subject to an Option may be amended or adjusted in the absolute discretion of the Committee, the determination of which shall be final, binding and conclusive. For so long as the Company remains a subsidiary of a Parent who is listed on the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), the determination of the exercise price shall comply with the Hong Kong Listing Rules.
- (c) Time and Conditions of Exercise; Term. The Committee shall determine the time or times at which an Option may be exercised in whole or in part. The Committee has the discretion to fix any minimum period(s) for which an Option or any part thereof has to be held before the exercise of the subscription rights attaching thereto. The Committee shall also determine any conditions, including performance conditions, if any, that must be satisfied before all or part of an Option may be exercised. The Committee shall determine the term of the Option, provided that the term of any Option granted under the Plan shall not exceed ten (10) years from the Date of Grant and, provided further, that in the case of an Incentive Share Option granted to an Employee who, immediately prior to the time the Incentive Share Option is granted, owns Shares representing more than ten percent (10%) of the voting power of all classes of Shares of the Company or any Parent or Subsidiary of the Company, the term of the Incentive Share Option shall be no longer than five (5) years from the Date of Grant.
- (d) Payment. No payment is required on application or acceptance of an Option. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, including, without limitation (i) cash or check denominated in U.S. Dollars, (ii) to the extent permissible under the Applicable

Laws, cash or check in Chinese Renminbi, (iii) cash or check denominated in any other local currency as approved by the Committee, (iv) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof, (v) after the Trading Date the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; provided that payment of such proceeds is then made to the Company upon settlement of such sale, (vi) other property acceptable to the Committee with a Fair Market Value equal to the exercise price, or (vii) any combination of the foregoing. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a Director or an “executive officer” of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the exercise price of an Option in any method which would violate Section 13(k) of the Exchange Act.

- (e) Evidence of Grant. All Options shall be evidenced by an Award Agreement between the Company and the Participant. The Award Agreement shall include such additional provisions as may be specified by the Committee.
- (f) Expiration of Option. Except as otherwise provided in an Award Agreement or in Section 5.2 of the Plan with respect to Incentive Share Options, Options may not be exercised to any extent by anyone after the first to occur of the following events:
  - (i) Ten years from the Date of Grant, unless an earlier time is set in the Award Agreement;
  - (ii) Sixty (60) Trading Window Days after the Participant’s termination of employment and service for any reason other than Cause, death or Disability;
  - (iii) Upon the Participant’s termination of employment for Cause; and
  - (iv) Three (3) months after the date of the Participant’s termination of employment and service on account of Disability or death. Upon the Participant’s Disability or death, any Options exercisable as of the Participant’s Disability or death may be exercised by the Participant’s legal representative or representatives, by the person or persons entitled to do so pursuant to the Participant’s last will and testament, or, if the Participant fails to make testamentary disposition of such Option or dies intestate, by the person or persons entitled to receive the Option pursuant to the applicable laws of descent and distribution.

Any Options not exercised within the period of time required pursuant to the earliest to occur of the events described in (i) – (iv) above shall terminate and the Shares covered by such Option shall revert to the Plan. In addition, except as otherwise provided in an Award Agreement, if, on the date of termination, the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall be forfeited by the Participant and shall immediately revert to the Plan. If the Participant's employment is terminated for Cause, the Company has the right to cancel, forfeit and revoke the Shares underlying the exercised Options, or seek damages or compensation.

5.2 Incentive Share Options. Incentive Share Options, which shall be no greater than 20% of the size of the total pool, may be granted to Employees of the Company or a Parent Corporation or Subsidiary of the Company.

- (a) Individual Dollar Limitation. The aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Share Options are first exercisable by a Participant in any calendar year may not exceed US\$100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that Incentive Share Options are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Share Options.
- (b) Exercise Price. The exercise price of an Incentive Share Option shall be equal to the Fair Market Value on the date of grant. However, the exercise price of any Incentive Share Option granted to any individual who, at the date of grant, owns Shares possessing more than ten percent of the total combined voting power of all classes of shares of the Company may not be less than 110% of Fair Market Value on the date of grant and such Option may not be exercisable for more than five years from the date of grant.
- (c) Notice of Disposition. The Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Share Option within (i) two years from the date of grant of such Incentive Share Option or (ii) one year after the transfer of such Shares to the Participant.
- (d) Expiration of Incentive Share Options. No Award of an Incentive Share Option may be made pursuant to this Plan after the tenth anniversary of the Effective Date.
- (e) Right to Exercise. During a Participant's lifetime, an Incentive Share Option may be exercised only by the Participant.

### 5.3 Maximum number of Shares in respect of which Options may be granted

Subject to the provisions of Article 3, for so long as the Company remains a subsidiary of a Parent who is listed on the Hong Kong Stock Exchange, the Company shall comply with the Hong Kong Listing Rules in respect of Options, including:

- (a) The total number of Shares which may be issued upon exercise of all Options to be granted under the Plan and any other share option schemes of the Company must not in aggregate exceed 10% of the issued and outstanding Shares as of the Parent Approval Date (the “Limit”), unless further shareholders’ approval from the shareholders of the Company and the Parent have been obtained pursuant to sub-paragraph (b) or (c) below, provided that Options lapsed in accordance with the terms of the Plan will not be counted for the purpose of calculating the Limit.
- (b) The Company may seek approval of the shareholders of the Company and the Parent in general meetings to increase the Limit provided that the Limit as increased shall not exceed 10% of the issued and outstanding Shares in issue as at the date of approval from the shareholders of the Company and the shareholders of the Parent of the increased Limit. Options previously granted (including those outstanding, cancelled, lapsed or exercised in accordance with the Plan and any other share option schemes of the Company) will not be counted for the purpose of calculating the increased Limit.
- (c) The Company may seek separate approval of the shareholders of the Company and the shareholders of the Parent in general meetings to grant Options beyond the Limit or the increased Limit provided that the Options in excess of the Limit or increased Limit are granted only to such Eligible Persons specifically identified by the Committee before such approval is sought.
- (d) The total number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Plan and any other share option schemes of the Company shall not in any event exceed 30% of the issued and outstanding Shares from time to time.
- (e) Unless approved by the shareholders of the Company and the Parent in the manner set out in the rest of this paragraph, the total number of Shares issued and to be issued upon the exercise of the Options granted and to be granted to any Participant (including both exercised and outstanding Options) in any 12-month period up to and including the Date of Grant shall not exceed 1% of the issued and outstanding Shares as at the Date of Grant. Where any further grant of Options to a Participant would result in this limit being exceeded, such further grant must be separately approved by the shareholders of the Company and the Parent in general meetings with such Participant and his/her associates abstaining from voting. The number and terms (including the exercise price) of Options to be granted must be fixed before the approval of the shareholders of the Company and the Parent and the date of the meeting of the Board for proposing such further grant should be taken as the Date of Grant for the purpose of calculating the exercise price.

#### 5.4 Voting and dividend rights

The Shares issued upon the exercise of an Option shall not carry voting rights until details of such Shares (and their holder) are entered in the register of members of the Company. The Shares to be allotted and issued upon the exercise of an Option will rank pari passu with the fully paid issued and outstanding Shares and accordingly will entitle the Participant to participate in all dividend or other distributions paid or made on or after the date when details of such Shares (and their holder) are entered in the register of members of the Company other than any dividend or other distributions previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date when details of such Shares (and their holder) are entered in the register of members of the Company, provided always that when the date of exercise of the Option falls on a date upon which the register of members of the Company is closed then the exercise of the Option shall become effective on the first trading day on which the register of members of the Company is re-opened.

#### 5.5 Lapse of Options

An Option shall lapse (to the extent not already exercised) automatically on the earliest of:

- (a) expiry of the term of any Option;
- (b) the date of termination of employment by the Participant's employing company for the Cause;
- (c) expiry of the 60-day period from the date of voluntary resignation of the Participant other than by reason of the circumstances set out in sub-paragraph (d) hereof;
- (d) the date of termination of such other contract or agreement constituting a Participant for his breach of the terms thereof or in accordance with the termination provisions of such contract or agreement by any contracting party;
- (e) expiry of the three-month period following the occurrence of an event which causes the Participant to cease to be an Eligible Person, including ill-health, injury, disability, death or retirement;
- (f) the date on which the resolution to voluntarily wind up the Company is passed; and
- (g) the date of the commencement of winding up of the Company.

#### 5.6 Cancellation of Options

Any Options granted but not exercised may be cancelled if the Participant agrees in writing. Issuance of new Options to the same Participant may only be made if there are unissued Options available under the Plan (excluding the cancelled Options) and in compliance with the terms of the Plan in force from time to time.

## ARTICLE 6 RESTRICTED SHARES

- 6.1 Grant of Restricted Shares. The Committee, at any time and from time to time, may grant Restricted Shares to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Shares to be granted to each Participant.
- 6.2 Restricted Shares Award Agreement. Each Award of Restricted Shares shall be evidenced by an Award Agreement that shall specify the Restriction Period, the number of Restricted Shares granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine. Unless the Committee determines otherwise, Restricted Shares shall be held by the Company as escrow agent until the restrictions on such Restricted Shares have lapsed.
- 6.3 Issuance and Restrictions. Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the management may impose (including, without limitation, limitations on the right to vote on the Restricted Shares or the right to receive dividends on the Restricted Share). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.
- 6.4 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable Restriction Period, Restricted Shares that are at that time subject to restrictions shall be forfeited or repurchased in accordance with the Award Agreement; provided, however, the management may (a) provide in any Restricted Share Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Shares.
- 6.5 Certificates for Restricted Shares. Restricted Shares granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Shares are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Shares, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.
- 6.6 Removal of Restrictions. Except as otherwise provided in this Article 6, Restricted Shares granted under the Plan shall be released from escrow as soon as practicable after the last day of the Restriction Period. The Committee, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed. After the restrictions have lapsed, the Participant shall be entitled to have any legend or legends under Section 6.5 removed from his or her Share certificate, and the Shares shall be freely transferable by the Participant, subject to applicable legal restrictions. The Committee (in its discretion) may establish procedures regarding the release of Shares from escrow and the removal of legends, as necessary or appropriate to minimize administrative burdens on the Company.

**ARTICLE 7 RESTRICTED SHARE UNITS**

- 7.1 Grant of Restricted Share Units. The Committee, at any time and from time to time, may grant Restricted Share Units to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Share Units to be granted to each Participant.
- 7.2 Restricted Share Units Award Agreement. Each Award of Restricted Share Units shall be evidenced by an Award Agreement that shall specify any vesting conditions, the number of Restricted Share Units granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine.
- 7.3 Performance Objectives and Other Terms. The Committee, in its discretion, may set performance objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of Restricted Share Units that will be paid out to the Participants.
- 7.4 Form and Timing of Payment of Restricted Share Units. At the time of grant, the Committee shall specify the date or dates and/or event or events upon which the Restricted Share Units shall become fully vested and nonforfeitable. Upon vesting, the Committee, in its sole discretion, may pay Restricted Share Units in the form of cash, in Shares or in a combination thereof.
- 7.5 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment and service during the applicable restriction period, Restricted Share Units that are at that time unvested shall be forfeited or repurchased in accordance with the Award Agreement; provided, however, the Committee may (a) provide in any Restricted Share Unit Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Share Units will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Share Units.

**ARTICLE 8 PROVISIONS APPLICABLE TO AWARDS**

- 8.1 Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award, which may include the term of an Award, the provisions applicable in the event the Participant's employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.
- 8.2 Limits on Transfer. No right or interest of a Participant in any Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or a Subsidiary, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or a Subsidiary. Except as otherwise provided by

the Committee, no Award shall be assigned, transferred, or otherwise disposed of by a Participant other than by will or the laws of descent and distribution. Nevertheless, an Award (other than an Option granted under the Plan) can be transferred to the immediate family members of a Participant, the holding companies controlled by a Participant or his immediate family members, or trusts established for the benefit of a Participant or his family members, provided that the costs and expenses arising from or in connection with such transfer will be assumed by the Participant.

- 8.3 **Beneficiaries.** Notwithstanding Section 8.2, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If the Participant is married and resides in a community property state, a designation of a person other than the Participant's spouse as his or her beneficiary with respect to more than 50% of the Participant's interest in the Award shall not be effective without the prior written consent of the Participant's spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.
- 8.4 **Share Certificates.** Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing the Shares pursuant to the exercise of any Award, unless and until the Committee has determined, with advice of counsel, that the issuance and delivery of such certificates is in compliance with all Applicable Laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the Shares are listed or traded. All Share certificates delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with all Applicable Laws, and the rules of any national securities exchange or automated quotation system on which the Shares are listed, quoted, or traded. The Committee may place legends on any Share certificate to reference restrictions applicable to the Shares. In addition to the terms and conditions provided herein, the Committee may require that a Participant make such reasonable covenants, agreements, and representations as the Committee, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements. The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Committee.



- 8.5 Paperless Administration. Subject to Applicable Laws, the Committee may make Awards, provide applicable disclosure and procedures for exercise of Awards by an internet website or interactive voice response system for the paperless administration of Awards.
- 8.6 Foreign Currency. A Participant may be required to provide evidence that any currency used to pay the exercise price of any Award were acquired and taken out of the jurisdiction in which the Participant resides in accordance with Applicable Laws, including foreign exchange control laws and regulations. In the event the exercise price for an Award is paid in Chinese Renminbi or other foreign currency, as permitted by the Committee, the amount payable will be determined by conversion from U.S. dollars at the official rate promulgated by the People's Bank of China for Chinese Renminbi, or for jurisdictions other than PRC, the exchange rate as selected by the Committee on the date of exercise.

### **ARTICLE 9 CHANGES IN CAPITAL STRUCTURE**

- 9.1 Adjustments. In the event of any dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (not including normal cash dividends after the Trading Date) of Company assets to its shareholders, or any other change affecting the Shares or the price or value of a Share, the Committee, shall consider whether there is any diminution or enlargement of the benefits intended to be made available under the Award, and then may in its sole discretion make such proportionate adjustments (if any) as it considers to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1); (b) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); (c) the grant or exercise price per share for any outstanding Awards under the Plan and (d) in the case of a spin-off, the additional number and type of shares (including shares in the entities being spun-off) that shall be issued or an appropriate decrease of exercise price in connection with the spin-off.

Upon the occurrence of the above events, the number or nominal amount of the Shares comprised in each Option and/or the exercise price thereunder and/or the Limit (as increased from time to time) may be adjusted in any manner as the Committee (having received a confirmation in writing from the auditors for the time being of the Company or the independent financial adviser appointed by the Company, acting as experts and not as arbitrators, that in their opinion the proposed adjustments satisfy the requirements set out in Rule 17.03(13) of the Hong Kong Listing Rules and the note thereto so long as the Company remains a subsidiary of the Parent) may deem appropriate provided always that:

- (a) any adjustments should give a Participant the same proportion of the share capital of the Company as that to which he was previously entitled prior to such adjustments;
- (b) no adjustments shall be made which will enable a Share to be issued at less than its nominal value;

- (c) where the above events arise from an issue of Shares, references to Options shall include references to Options that have been exercised prior to the date of the adjustment in respect of Shares which otherwise do not rank and are not entitled to participate in the issue by reason of the Participant not having been then registered as the holder of the relevant Shares; and
  - (d) the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment.
- 9.2 Corporate Transactions. Except as may otherwise be provided in any Award Agreement or any other written agreement entered into by and between the Company and a Participant, if the Committee anticipates the occurrence, or upon the occurrence, of a Corporate Transaction, the Committee may, in its sole discretion, provide for one or more of the following: (i) any and all Awards outstanding hereunder to terminate at a specific time in the future and shall give each Participant the right to exercise the vested portion of such Awards during a period of time as the Committee shall determine, or (ii) the termination of any Award in exchange for an amount of cash equal to the amount that could have been attained upon the exercise of such Award (and, for the avoidance of doubt, if as of such date the Committee determines in good faith that no amount would have been attained upon the exercise of such Award, then such Award may be terminated by the Company without payment), or (iii) the replacement of such Award with other rights or property selected by the Committee in its sole discretion or the assumption of or substitution of such Award by the successor or surviving corporation, or a Parent or Subsidiary thereof, with appropriate adjustments as to the number and kind of Shares and prices, or (iv) payment of Award in cash based on the value of Shares on the date of the Corporate Transaction plus reasonable interest on the Award through the date when such Award would otherwise be vested or have been paid in accordance with its original terms, if necessary to comply with Section 409A of the Code.
- 9.3 Outstanding Awards – Other Changes. In the event of any other change in the capitalization of the Company or corporate change other than those specifically referred to in this Article 9, subject to Applicable Laws and the terms of the Plan, the Committee may, in its sole discretion, make such adjustments in the number and class of shares subject to Awards outstanding on the date on which such change occurs and in the per share grant or exercise price of each Award as the Committee may consider appropriate to prevent dilution or enlargement of rights.
- 9.4 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of Shares of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares subject to an Award or the grant or exercise price of any Award.

## ARTICLE 10 ADMINISTRATION

- 10.1 Committee. The Plan shall be administered by the Board having regard to any recommendations made to the Board by the compensation committee or if the Board has delegated the authority to the Committee members in accordance with the terms of such delegation (provided that in such case the Committee shall not grant or amend Awards to any Committee members). The term “Committee” in this Plan shall refer to the Board unless a delegation has been made by the Board to the compensation committee and in which case only to the extent of such delegation.
- 10.2 Section 162(m). To the extent Section 162(m) of the Code is applicable to the Company and the Committee determines it to be desirable to qualify Awards granted hereunder as “performance-based compensation” within the meaning of Section 162(m) of the Code, the Plan shall be administered by a Committee of two or more “outside directors” within the meaning of Section 162(m) of the Code.
- 10.3 Action by the Committee. A majority of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present, or acts approved in writing by all the Committee members in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Subsidiary or Parent of the Company, the Company’s independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.
- 10.4 Authority of the Committee. Subject to any specific designation in the Plan, the Committee has the exclusive power, authority and discretion to:
- (a) Designate Participants to receive Awards;
  - (b) Determine the type or types of Awards to be granted to each Participant;
  - (c) Determine the number of Awards to be granted and the number of Shares to which an Award will relate;
  - (d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;
  - (e) Determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

- (f) Prescribe the form of each Award Agreement, which need not be identical for each Participant;
- (g) Decide all other matters that must be determined in connection with an Award;
- (h) Determine the Fair Market Value, consistent with the terms of the Plan;
- (i) Establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;
- (j) Interpret the terms of, and any matter arising pursuant to, the Plan, any Award Agreement and any Award granted thereunder; and
- (k) Make all other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan.

#### 10.5 Restrictions on the Authority of the Committee.

Subject to the above, the Committee may from time to time in its absolute discretion waive or amend the rules of the Plan as it deems desirable, provided that, except with the prior approval of the shareholders of the Company and the Parent (for so long as the Company remains a subsidiary of a Parent who is listed on the Hong Kong Stock Exchange) in general meetings:

- (a) no alteration to any of the matters set out in Rule 17.03 of the Hong Kong Listing Rules shall be made to the advantage of Participants; and
- (b) no alteration to the terms and conditions of the Plan which are of a material nature or any change to the terms of Options granted may be made, except where the alterations take effect automatically under the existing terms of the Plan,

provided that for so long as the Company remains a subsidiary of the Parent, the amended terms must still comply with the relevant requirements of Chapter 17 of the Hong Kong Listing Rules.

Any change to the authority of the Committee in relation to any alteration to the terms of the Plan must be approved by the shareholders of the Company and the shareholders of the Parent (for so long as the Company remains a subsidiary of a Parent who is listed on the Hong Kong Stock Exchange) in general meetings.

10.6 Decisions Binding. The Committee's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties.

**ARTICLE 11 EFFECTIVE AND EXPIRATION DATE**

- 11.1 **Effective Date.** The Plan is effective as of the date the Plan is adopted and approved by the Board (the “Effective Date”). The Plan shall be ratified by the shareholders of the Company by written resolutions at a general meeting duly held in accordance with the Company’s then effective memorandum and articles of association within twenty-four (24) months of the Effective Date. For so long as the Company remains a subsidiary of a Parent who is listed on the Hong Kong Stock Exchange, the Plan is conditional on the approval from the shareholders of the Parent in relation to the adoption of the Plan at the general meeting of the Parent (the “Parent Approval Date”). No new Shares shall be issued pursuant to Awards granted under the Plan prior to such ratification of the Plan by the shareholders of the Company. In the event that the Plan is not ratified by the shareholders of the Company, all new Awards shall be null and void.
- 11.2 **Expiration Date.** The Plan will expire on, and no Award may be granted pursuant to the Plan after, the tenth anniversary of the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

**ARTICLE 12 AMENDMENT, MODIFICATION, AND TERMINATION**

- 12.1 **Amendment, Modification, And Termination.** With the approval of the Board, at any time and from time to time, the Committee may terminate, amend or modify the Plan; provided, however, that (a) to the extent necessary to comply with Applicable Laws, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required, unless the Company decides to follow home country practice, and (b) unless the Company is permitted to and decides to follow home country practice, shareholder approval is required for any amendment to the Plan that (i) increases the number of Shares available under the Plan (other than any adjustment as provided by Article 9) or (ii) permits the Committee to extend the term of the Plan.
- 12.2 **Awards Previously Granted.** Except with respect to amendments made pursuant to Section 12.1, no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted pursuant to the Plan without the prior written consent of the Participant. Upon the termination of the Plan no further Awards will be made but Options granted prior to such termination shall continue to be valid and exercisable in accordance with the rules of the Plan.

**ARTICLE 13 GENERAL PROVISIONS**

- 13.1 **No Rights to Awards.** No Participant, employee, or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Participants, employees, and other persons uniformly.
- 13.2 **No Shareholders Rights.** Except as otherwise determined by the Committee at the time of the grant of an Award or thereafter, no Award gives the Participant any of the rights of a Shareholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

- 13.3 Taxes. No Shares shall be delivered under the Plan to any Participant until such Participant has made arrangements acceptable to the Committee for the satisfaction of any income and employment tax withholding obligations under Applicable Laws. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy all applicable taxes (including the Participant's payroll tax obligations) required or permitted by Applicable Laws to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan. The Committee may in its discretion and in satisfaction of the foregoing requirement allow a Participant to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan, the number of Shares which may be withheld with respect to the issuance, vesting, exercise or payment of any Award (or which may be repurchased from the Participant of such Award after such Shares were acquired by the Participant from the Company) in order to satisfy any income and payroll tax liabilities applicable to the Participant with respect to the issuance, vesting, exercise or payment of the Award shall, unless specifically approved by the Committee, be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for the applicable income and payroll tax purposes that are applicable to such supplemental taxable income.
- 13.4 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Service Recipient to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employment or services of any Service Recipient.
- 13.5 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary.
- 13.6 Indemnification. To the extent allowable pursuant to Applicable Laws, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; provided he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Memorandum of Association and Articles of Association, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

- 13.7 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary or Parent of the Company except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.
- 13.8 Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.
- 13.9 Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.
- 13.10 Fractional Shares. No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down as appropriate.
- 13.11 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any Participant who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by the Applicable Laws, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.
- 13.12 Government and Other Regulations. The obligation of the Company to make payment of awards in Shares or otherwise shall be subject to all Applicable Laws, and to such approvals by government agencies as may be required. The Company shall be under no obligation to register any of the Shares paid pursuant to the Plan under the Securities Act or any other similar law in any applicable jurisdiction. If the Shares paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act or other Applicable Laws, the Company may restrict the transfer of such Shares in such manner as it deems advisable to ensure the availability of any such exemption.
- 13.13 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the State of New York.
- 13.14 Section 409A. It is the intent of the Company that payments and benefits under the Plan comply with Section 409A of the Code to the extent subject thereto, and, accordingly, to the maximum extent permitted, the Plan shall be interpreted and be administered to be in compliance therewith. To the extent that the Committee determines that any Award granted under the Plan is or may become subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and the Award Agreements

shall be interpreted in accordance with Section 409A of the Code and the U.S. Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulation or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Committee determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Effective Date), the Committee may adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance.

13.15 Appendices. The Committee may approve such supplements, amendments or appendices to the Plan as it may consider necessary or appropriate for purposes of compliance with Applicable Laws or otherwise and such supplements, amendments or appendices shall be considered a part of the Plan; provided, however, that no such supplements shall increase the share limitation contained in Section 3.1 of the Plan without the approval of the Board and shareholder approval to the extent required by Applicable Laws.

13.16 Language. The Plan is written in English, and any Chinese translation is for convenience purposes only. In the event of any discrepancy between the English portion of the Plan and the Chinese translation, the English portion shall govern.



**Ping An Insurance (Group) Company of China, Ltd.**  
**Performance Report of the Directors for the Year 2016**

Pursuant to the requirements in the Guidelines on the Operation of the Board of Directors of Insurance Companies (Bao Jian Fa [2008] No. 58) issued by China Insurance Regulatory Commission (“CIRC”), the board of directors of all insurance companies shall conduct due diligence evaluation on the directors on an annual basis, and present a performance report of the directors at the general meeting and the Supervisory Committee. In 2016, all the Directors of the Company in a sincere, diligent, loyal and conscientious manner, performed their duties and responsibilities as stipulated under the relevant laws and regulations and the Articles of Association. The particulars of the performance of duties by the Directors of the Company for the year 2016 are as follows.

The 10th Session of the Board of the Company comprised of 17 members, i.e. 6 Executive Directors, 5 Non-executive Directors and 6 Independent Directors. The number, composition, qualification and the procedure of appointment and dismissal of the Directors are strictly in compliance with the Company Law of the PRC, relevant CIRC regulations, The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association.

#### I. ATTENDANCE OF MEETINGS OF DIRECTOR

In 2016, 6 meetings were held by the Board of the Company, 5 of which were on-site meetings and 1 of which was meeting voted by correspondence. The attendance of meetings of the Directors for the year is as follows.

*Unit: Number*

Name	Meetings required to attend	Attended in person	Attended by proxy	Absent	Remark
<b>Executive Directors</b>					
Ma Mingzhe	6	6	0	0	/
Sun Jianyi	6	6	0	0	/
Ren Huichuan	6	5	1	0	did not attend the 7th meeting of the 10th Session of the Board due to other business engagements and appointed Mr. Yao Jason Bo, the Executive Director, to vote on his behalf.
Yao Jason Bo	6	6	0	0	/

Name	Meetings required to attend	Attended in person	Attended by proxy	Absent	Remark
Lee Yuansiong	6	6	0	0	/
Cai Fangfang	6	5	1	0	did not attend the 9th meeting of the 10th Session of the Board due to other business engagements and appointed Mr. Yao Jason Bo, the Executive Director, to vote on his behalf.
<b>Non-executive Directors</b>					
Lin Lijun	6	6	0	0	/
Soopakij Chearavanont	6	5	1	0	did not attend the 7th meeting of the 10th Session of the Board due to other business engagements and appointed Mr. Yang Xiaoping, the Non-executive Director, to vote on his behalf.
Yang Xiaoping	6	6	0	0	/
Xiong Peijin (appointed in January 2016)	6	6	0	0	/
Liu Chong (appointed in January 2016)	6	6	0	0	/
<b>Independent Directors</b>					
Woo Ka Biu Jackson	6	6	0	0	/
Stephen Thomas Meldrum	6	6	0	0	/
Yip Dicky Peter	6	6	0	0	/
Wong Oscar Sai Hung	6	5	1	0	did not attend the 7th meeting of the 10th Session of the Board due to other business engagements and appointed Mr. Woo Ka Biu Jackson, the Independent Director, to vote on his behalf.
Sun Dongdong	6	6	0	0	/
Ge Ming	6	6	0	0	/

## II. PARTICULARS OF OPINIONS EXPRESSED

Save as the abstentions from voting of some Directors due to conflict of interest as stated below, all the Directors who attended the meetings adequately expressed their opinions on all the resolutions that were proposed at the Board meetings in 2016 and, after thorough consideration, voted in favor of such resolutions without any abstentions or dissenting votes.

<b>Date</b>	<b>Meeting</b>	<b>Proposals to be voted on</b>	<b>Directors abstained from voting</b>
March 15, 2016	5th meeting of the 10th Session of the Board	Proposal on Reviewing Matters Relating to the Key Employee Share Purchase Scheme for Senior Management	Ma Mingzhe, Sun Jianyi, Ren Huichuan, Yao Jason Bo, Lee Yuansiong, Cai Fangfang and Lin Lijun abstained from voting
		Proposal on Reviewing the Remuneration of the Group's Senior Management	Ma Mingzhe, Sun Jianyi, Ren Huichuan, Yao Jason Bo, Lee Yuansiong and Cai Fangfang abstained from voting
April 26, 2016	6th meeting of the 10th Session of the Board	Proposal on Reviewing Term-of-office Audit Reports of Mr. Ma Mingzhe and Ms. Ip So Lan	Ma Mingzhe abstained from voting on his own Term-of-office Audit Report
		Proposal No. 1: Term-of-office Audit Report of Mr. Ma Mingzhe	
June 15, 2016	7th meeting of the 10th Session of the Board	Proposal on Adjustment of the Remuneration of Non-executive Directors	Woo Ka Biu Jackson, Stephen Thomas Meldrum, Yip Dicky Peter, Wong Oscar Sai Hung, Sun Dongdong and Ge Ming abstained from voting on Proposal No. 1: Proposal on Adjustment of the Remuneration of Independent Non-executive Directors
			Lin Lijun, Soopakij Chearavanont, Yang Xiaoping, Xiong Peijin, Liu Chong abstained from voting on Proposal No. 2: Proposal on Adjustment of the Remuneration of Non-executive Directors Recommended to Shareholders
October 28-31, 2016	10th meeting of the 10th Session of the Board	Proposal on Reviewing Term-of-office Audit Report of Mr. Lee Yuansiong	Lee Yuansiong abstained from voting on his own Term-of-office Audit Report

In 2016, the Directors of the Company conscientiously exercised their authorities conferred by the Articles of Association, promptly learnt the important information about operation of the Company, paid high attention to the development of the Company and actively attended the Board meetings during the reporting period. After a due review on the external guarantees of the Company in 2015, the Independent Directors of the Company believed that the Company had exerted stringent control on risks associated with external guarantees and the external guarantees were in compliance with relevant laws and regulations and the Articles of Association. The Independent Directors have conscientiously considered and made independent advice severally to agree with the following resolutions that were considered by the 10th Session of the Board in 2016: the 2015 Profit Distribution Proposal of the Company, the Proposal on Reviewing the Remuneration of the Group's Senior Management, the Resolution on Review of the Provision of Assured Entitlement Only to H Shareholders of the Company in respect of Overseas Listing of Ping An Securities, the proposed adjustment to the remuneration of Non-executive Director as recommended to shareholders in the Resolution on Adjustment of the Remuneration of Non-executive Director, the Proposal on Distribution of the 2016 Interim Dividend of the Company, the Proposal on Appointment of Mr. XIE Yonglin as Senior Vice President of the Company, as well as the adjustment of the accounting estimates involved in 2015 Annual Report, 2016 Interim Report and 2016 Third Quarterly Report of the Company.

### **III. MULTIPLE WAYS OF UNDERSTANDING THE OPERATION AND MANAGEMENT OF THE COMPANY**

The Directors of the Company actively attended the Board meetings held in 2016, where the Directors conscientiously reviewed the documents and materials presented, listened to the briefing of the management of the Company regarding the operation and management of the Company, actively participated in discussions and sought information that was required for an informed decision for voting. The Directors can also be updated with the latest information about the Company's operation and management and relevant external information timely through "Correspondence of Directors and Supervisors" on a monthly basis which are sent by the Company, internal newspapers and analysts' report. Besides, the Directors also kept in touch with the Company by email or phone, raised relevant questions and asked for relevant materials in a timely manner.

In September 2016, certain Independent Directors and all Supervisors of the Company formed a basic unit inspection team and conducted on-site inspection at Zhejiang branch. The inspection team discussed with certain cadres and staff representatives of the branches of Ping An Property & Casualty, Ping An Life, Ping An Annuity, Ping An Bank and Ping An Real Estate in Zhejiang Province by way of forum, listening to the first line of business cadres and staff representatives on the implementation of Company's policies, as well as the Company's business development advice and suggestions.

In addition, upon request of the Directors, the management of the Company also reported on the concerns or new businesses that attracted Directors' attention at the Board meetings. The above-mentioned measures not only enhanced the transparency of the operation and

management of the Company and helped foster a sound communication mechanism between the management and the Board, but also enabled the Board to make scientific decisions.

All the Directors believe that they can flexibly learn the operation and management of the Company in multiple ways and through smooth channels with timely feedbacks, and no obstacles exist.

#### **IV. OPERATION OF SPECIALIZED COMMITTEES UNDER THE BOARD**

The Board has established four specialized committees, i.e. the Strategy and Investment Committee, the Audit and Risk Management Committee, the Nomination Committee and the Remuneration Committee. Independent Directors account for the majority of the committee members in each specialized committee. Other than the Strategy and Investment Committee which is chaired by the Chairman of the Board, the other three specialized committees are chaired by Independent Directors.

In 2016, the Strategy and Investment Committee held 1 meeting, the Audit and Risk Management Committee held 6 meetings, the Nomination Committee held 2 meetings and the Remuneration Committee held 3 meetings. Each committee conducted research on the Company's strategic plan, the external and internal audit of the Company, the nomination of Directors and Senior Managements, the review on remuneration and audit of performance of senior management, internal control and connected transactions, and provided professional recommendations to the Board for reference.

#### **V. PARTICULARS OF DIRECTORS PARTICIPATING IN TRAINING SESSION**

Multiple forms of training sessions are offered to the Directors of the Company. All Directors of the Company have received Service Manual for the Performance of Duties upon their initial appointment, so as to ensure their understanding of the business and operations of the Group and their responsibilities and obligations under the Listing Rules and relevant regulatory requirements. The Service Manual for the Performance of Duties will be updated regularly.

The Company also provided information such as updated statutory and regulatory regime and the business and market changes to all Directors to facilitate the performance of their responsibilities and obligations under the Listing Rules and relevant statutory requirements.

In 2016, under the arrangement of the Company, all Directors of the Company actively participated in continuous professional development, by attending external training or seminars, attending in-house training or reading materials on various topics, to develop and refresh their knowledge and skills, which ensure that their contribution to the Board remains informed and relevant.

On December 31, 2016, all Directors of the Company attended the professional trainings with the topics covering “the State Council’s Opinions about Accelerating the Development of Modern Insurance Industry”, “China’s Economy and Financial Trend under the New Normal Phase and Challenges for Ping An”, “Experiences and Inspiration from Japanese Annuity System”, corporate governance, regulations and the Company’s business; in addition, Mr. Stephen Thomas Meldrum attended the professional training related to actuary, Mr. Woo Ka Biu Jackson attended the professional trainings related to laws, regulations and information security, Mr. Wong Oscar Sai Hung attended professional training related to audit, Mr. Ge Ming attended the professional training with the topics covering C-ROSS.

## **VI. SELF-ASSESSMENT AND ASSESSMENT OF THE PERFORMANCE OF THE MANAGEMENT FOR THE YEAR**

In 2016, all the Directors diligently and conscientiously exercised and performed their rights and duties as stipulated under the laws and regulations and the Articles of Association. The specialized committees under the Board fully performed their duties and provided professional advices and suggestions for the decision-making of the Board. The Board made objective and fair judgments, expressed professional opinions or provided special explanations on the Company’s regular reports, connected transactions and other relevant issues. The Board also conducted supervisions and verification on information disclosure.

In 2016, the management of the Company prudently implemented the resolutions passed by the Board. The Company was committed to driving and implementing its business plans, enhancing the operation of individual customers and improving the value of individual business. The four pillar businesses – insurance, banking, asset management and internet finance maintained sound operation and sustainable growth. The profitability of the Company steadily improved, and the performance targets of all business plans set out last year were achieved.

## **VII. OUTLOOK FOR THE COMING YEAR**

In the coming year, all Directors will continue to carry out their duties with honesty and diligence, faithfully exercise such rights and obligations as required by laws and regulations and the Articles of Association, deeply understand the business and operation of the Company, enhance the communication and cooperation among the Board, the Supervisory Committee and the management, protect the interests of the Company and all shareholders, so as to ensure a stable development of the Company.

The Board of  
**Ping An Insurance (Group) Company of China, Ltd.**

The report set out in this appendix was originally drafted in Chinese and the English translation is for your reference only. In case of any inconsistencies between the Chinese and the English versions, the Chinese version shall prevail.

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**APPENDIX III      PERFORMANCE REPORT OF THE INDEPENDENT  
DIRECTORS FOR THE YEAR 2016**

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**Ping An Insurance (Group) Company of China, Ltd.  
Performance Report of the Independent Directors for the Year 2016**

In 2016, we, the independent directors (the “Independent Directors”) of the 10th Session of the Board of Directors (the “Board”) of Ping An Insurance (Group) Company of China, Ltd. (the “Company”), have actively participated in the Board meetings and meetings of the specialized committees under the Board, seriously considered the resolutions submitted to the Board, performed the duties of Independent Directors in a sincere and diligent, loyal and conscientious manner, and expressed objective, fair and independent opinions on the matters concerning the Company in strict accordance with the Company Law of PRC, the Provisional Administrative Measures for Independent Directors of Insurance Companies promulgated by China Insurance Regulatory Commission, the Opinions Guiding the Establishment of Independent Directors’ System in Listed Companies promulgated by China Securities Regulatory Commission, the Guidelines on the System of Independent Directors established by the Company, as well as the provisions of other relevant laws, regulations and rules. The particulars of the performance of duties by the Independent Directors of the Company are as follows:

**I. PARTICULARS OF ATTENDANCE OF MEETINGS**

**1. Particulars of attendance of Board meetings**

In 2016, 6 meetings were held by the Board of the Company, 5 of which were on-site meeting and 1 was meeting voted by correspondence. Particulars of attendance of Independent Directors at the meetings are as follows.

Name	Meetings			Absent	Remark
	required to attend	Attended in person	Attended by proxy		
Woo Ka Biu Jackson	6	6	0	0	/
Stephen Thomas Meldrum	6	6	0	0	/
Dicky Peter Yip	6	6	0	0	/
Wong Oscar Sai Hung	6	5	1	0	did not attend the 7th meeting of the 10th Session of the Board due to other business engagements and appointed Mr. Woo Ka Biu Jackson, the Independent Director, to vote on his behalf
Sun Dongdong	6	6	0	0	/
Ge Ming	6	6	0	0	/

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**APPENDIX III      PERFORMANCE REPORT OF THE INDEPENDENT  
DIRECTORS FOR THE YEAR 2016**

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The Independent Directors conscientiously reviewed the resolutions submitted to the Board before each Board meeting, requested for the background information from the Company and the supplementary materials as necessary. During the Board meetings, the Independent Directors listened attentively to the reports of the senior management on the operation and management of the Company, seriously considered every subject matter on the agenda, actively participated in the discussions and made suggestions for improvement based on their own professional perspectives, which further enhanced the reasonability of the decision-making process of the Board.

**2. Particulars of attendance of specialized committees under the Board**

The Board has established four specialized committees, i.e. the Strategy and Investment Committee, the Audit and Risk Management Committee, the Remuneration Committee, and the Nomination Committee. The Independent Directors formed the majority of each specialized committee, playing an important role to enhance the reasonability and professionalism of the decision-making of the Board.

**(1) Strategy and Investment Committee**

As of December 31, 2016, the Strategy and Investment Committee comprises 5 Directors, which includes 3 Independent Directors, the ratio of Independent Directors is 60%. In 2016, the Strategy and Investment Committee held 1 meeting in total, in which the particulars of attendance of each Independent Director are as follows:

Name	Meetings required to attend	Attended in person	Attended by proxy
Wong Oscar Sai Hung	1	1	0
Dicky Peter Yip	1	1	0
Ge Ming	1	1	0

**(2) Audit and Risk Management Committee**

As of December 31, 2016, the Audit and Risk Management Committee comprises 5 Directors, which includes 4 Independent Directors, the ratio of Independent Directors is 80%. None of the members is involved in the day-to-day management of the Company. 1 Independent Director acted as the Chairman of the Audit and Risk Management Committee. In 2016, the Audit and Risk Management Committee held 6 meetings in total, in which the particulars of attendance of each Independent Director are as follows:

Name	Meetings required to attend	Attended in person	Attended by proxy
Ge Ming ( <i>Chairman</i> )	6	6	0
Stephen Thomas Meldrum	6	6	0
Yip Dicky Peter	6	6	0
Sun Dongdong	6	6	0



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**APPENDIX III      PERFORMANCE REPORT OF THE INDEPENDENT  
DIRECTORS FOR THE YEAR 2016**

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**(3) Remuneration Committee**

As of December 31, 2016, the Remuneration Committee comprises 5 Directors, which includes 4 Independent Directors, and the ratio of Independent Directors is 80%. 1 Independent Director acted as the Chairman of Remuneration Committee. In 2016, the Remuneration Committee held 3 meetings in total, in which the particulars of attendance of each Independent Director are as follows:

<b>Name</b>	<b>Meetings required to attend</b>	<b>Attended in person</b>	<b>Attended by proxy</b>
Yip Dicky Peter ( <i>Chairman</i> )	3	3	0
Woo Ka Biu Jackson	3	3	0
Sun Dongdong	3	3	0
Ge Ming	3	3	0

**(4) Nomination Committee**

As of December 31, 2016, the Nomination Committee comprises 5 Directors, which includes 3 Independent Directors, and the ratio of Independent Directors is 60%. 1 Independent Director acted as Chairman of the Nomination Committee. In 2016, the Nomination Committee held 2 meetings in total, in which the particulars of attendance of each Independent Director are as follows:

<b>Name</b>	<b>Meetings required to attend</b>	<b>Attended in person</b>	<b>Attended by proxy</b>
Sun Dongdong ( <i>Chairman</i> )	2	2	0
Wong Oscar Sai Hung	2	2	0
Woo Ka Biu Jackson	2	2	0

In 2016, all the major decisions concerning the operation of the Company were adopted in strict accordance with the relevant procedures. The Board meetings and meetings of the specialized committees under the Board were all legal and valid. All the resolutions had been unanimously approved by all of the Independent Directors attending the Board meeting without any abstentions or dissenting votes, and no Independent Director had been unable to express his opinions.

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## APPENDIX III PERFORMANCE REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR 2016

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### II. EXPRESSION OF INDEPENDENT OPINIONS

In 2016, in accordance with relevant rules like the Opinions Guiding the Establishment of Independent Directors' System in Listed Companies and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Independent Directors made independent and objective judgments and expressed independent opinions to the Board regarding matters including: external guarantees of the Company, the Profit Distribution Proposal of the Company, the remuneration of Directors, the appointment of senior management and change of major accounting estimates, etc., the particulars of which are as follows:

1. After a due review on the external guarantees of the Company in 2015, the Independent Directors of the Company issued the Explanations and Independent Opinions regarding the External Guarantees. They believed that the Company had exerted stringent control on risks associated with external guarantees and the external guarantees were in compliance with relevant laws and regulations and the Articles of Association.
2. After reviewing the 2015 Profit Distribution Proposal of the Company and the Proposal on Distribution of 2016 Interim Dividend of the Company, the Independent Directors of the Company were of the opinion that the 2015 Profit Distribution Proposal and the Proposal on Distribution of 2016 Interim Dividend had taken full account of the current and future business development, revenue size, fund demand, and solvency or capital adequacy ratio of the Group and subsidiaries. Also, it had struck a balance between the sustainable development of business and returns to shareholders. The decision-making procedure and mechanism of the above profit distribution proposals were complete, and the dividend payout standard and proportion were clear. The above profit distribution proposals were in line with the Articles of Association and relevant deliberation procedures and had fully protected the legitimate interests of minority shareholders.
3. After reviewing the adjustments of the accounting estimates regarding insurance contracts reserves involved in the 2015 annual report, 2016 interim report and 2016 third quarterly report of the Company due to the implementation of the No. 2 Interpretation of Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC, the Independent Directors were of the opinion that such adjustment of accounting estimates made by the Company were reasonable according to the No. 2 Interpretation of Accounting Standards for Business Enterprises, as well as based on the information available on the date of balance sheet. The Independent Directors agreed with the accounting treatment on the adjustment of the accounting estimates.

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## **APPENDIX III PERFORMANCE REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR 2016**

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4. After reviewing the Proposal on Reviewing the Remuneration of the Group's Senior Management and the Recommendation on Adjustment of Remuneration of the Senior Management of Ping An 2016 by Willis Towers Watson, an independent remuneration consultant engaged by the Company, the Independent Directors believed the benchmark companies selected and basis for comparisons used by Willis Towers Watson in the Recommendation on Adjustment of Remuneration of the Senior Management of Ping An 2016 were in line with the remuneration package for senior management of the Company. The Independent Directors agreed with the remuneration adjustments of the senior management of the Company.
5. After reviewing the Resolution on Review of the Provision of Assured Entitlement Only to H Shareholders of the Company in respect of Overseas Listing of Ping An Securities, the Independent Directors believed that the provision of those assured entitlement only to H Shareholders was due to the restrictions under relevant PRC laws and regulations, which was based on objective criteria and without prejudice to the interests of the Company and the shareholders as a whole.
6. After reviewing the proposal for adjustment of remuneration of Non-executive Directors as recommended to shareholders of the Company under the Resolution on Adjustment of the Remuneration of Non-executive Directors, the Independent Directors believed the proposed adjustment was reasonable and could help to attract and retain experienced professionals and reputable talents with international exposure in the industry to act as Directors.
7. After reviewing the Proposal on Appointment of Mr. Xie Yonglin as Senior Vice President of the Company, the Independent Directors believed that Mr. Xie Yonglin possessed the skills and competencies needed for senior management, the nomination, review and decision-making procedures in relation to the appointment of Mr. Xie Yonglin as senior vice president complied with relevant laws, administrative rules and the Articles of Association of the Company.

### **III. MULTIPLE WAYS OF UNDERSTANDING THE DAILY OPERATION AND MANAGEMENT OF THE COMPANY**

The Independent Directors of the Company actively attended the Board meetings and meetings of the specialized committees under the Board held in 2016, so as to learn about the Company's operation and management. The Company also, on a monthly basis, sends the Directors such documents as "the Correspondence of Directors and Supervisors", internal newspapers and analysts' reports, with the aim of ensuring that the Directors can be updated with the latest information about the Company's operation and management and relevant external information. Besides, the Independent Directors also kept in touch with the Company by email or phone, raised relevant questions and asked for relevant materials in a timely manner.

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## **APPENDIX III PERFORMANCE REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR 2016**

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In September 2016, certain Independent Directors and Supervisors of the Company formed a basic unit inspection team which went to the branches in Zhejiang Province to conduct inspection. The inspection team by way of forum discussed with certain cadres and staff representatives of the branches of Ping An Property & Casualty, Ping An Life, Ping An Annuity, Ping An Bank and Ping An Real Estate, in Zhejiang Province, listened to the first line of business cadres and staff representatives on the implementation of policies of the Company, as well as their advice and suggestions on the business development of the Company.

In addition, upon request of the Independent Directors of the Company, the management of the Company also reported on the issues or new businesses that attracted the Directors' attention at the Board meetings. The above-mentioned measures not only enhanced the transparency of the operation and management of the Company and helped foster a sound communication mechanism between the management and the Board, but also enabled the Independent Directors to make scientific decisions.

All the Independent Directors of the Company believe that they could flexibly learn the operation and management of the Company in multiple ways and through smooth channels with timely feedbacks, and no obstacles exist.

### **IV. THE IMPORTANT ROLE OF THE INDEPENDENT DIRECTORS IN THE PREPARATION OF ANNUAL REPORT**

The Independent Directors faithfully fulfilled their duties and obligations in the preparation of the Company's annual report for 2016, in accordance with the Notice on the Preparation of 2016 Annual Report by Listed Companies by the Shanghai Stock Exchange. Before the certified public accountants engaged in the annual audit, all the Independent Directors listened to the briefing made by the person in charge of finance of the Company on the arrangements for the annual audit work and the audit plan of the accounting firm for the 2016 financial report. In addition, all the Independent Directors reviewed the business operating Report presented by the management of the Company and examined the audit materials submitted by the person in charge of finance of the Company and the certified public accountants. In the absence of any representative of the Company, the members of the Audit and Risk Management Committee under the Board communicated face-to-face with the certified public accountants engaged for the annual audit work, in order to get access to true and accurate information regarding the audit of the Company, as well as possible problems identified in the audit process. The Independent Directors played an important role in the supervision and verification during the preparation of annual report.

### **V. PROTECTION OF THE RIGHTS AND INTERESTS OF INVESTORS**

All Independent Directors made active efforts on the improvement and enhancement of corporate governance in the Company, and fully exerted their function of check and balance in the corporate governance, thereby protecting the legal rights and interests of the Company and the minority shareholders. In 2016, the Independent Directors seriously reviewed the proposals

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## **APPENDIX III PERFORMANCE REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR 2016**

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that needed to be considered by the Board and the specialized committees under the Board, acquired detailed information concerning the drafting of the resolutions, actively contributed to the sustained and sound development of the Company, and provided strong protection for the interests of all investors. For the matters concerning the operation and management of the Company, the Independent Directors listened attentively to the relevant briefings and obtained timely information about the daily operation and potential operation risks of the Company. In addition, all the Independent Directors further improved their understanding and knowledge of relevant regulations, especially those concerning the regulations of corporate governance and protection of shareholders' interests, so as to better protect the interests of the Company and investors, and strengthen the sense of consciously protecting the rights and interests of all shareholders.

All the Independent Directors paid close attention to the information disclosure of the Company and external media reports about the Company, and provide relevant information to the Company in a timely manner to allow the senior management to fully understand the requests of minority investors, and improve the transparency of information disclosure of the Company.

### **VI. OUTLOOK FOR THE COMING YEAR**

In 2017, all the Independent Directors will, in strict accordance with the requirements of laws and regulations on the Independent Directors, continue to strengthen the communication and cooperation with the Board, the Supervisory Committee and the management, fulfill their duties with faithfulness, diligence and responsibility, and earnestly uphold the interests of the Company and all shareholders, especially those of the minority shareholders.

Independent Directors: Woo Ka Biu Jackson, Stephen Thomas Meldrum, Yip Dicky Peter, Wong Oscar Sai Hung, Sun Dongdong and Ge Ming

The report set out in this appendix was originally drafted in Chinese and the English translation is for your reference only. In case of any inconsistencies between the Chinese and the English versions, the Chinese version shall prevail.

**Ping An Insurance (Group) Company of China, Ltd.**  
**Reports on Connected Transactions and Implementation of**  
**Management System of Connected Transactions for the Year 2016**

In 2016, Ping An Insurance (Group) Company of China, Ltd. (hereinafter referred to as “**Ping An Group**” or the “**Company**”) continued to attach great importance to management of connected transactions (Connected Transactions), strictly followed laws and regulations and monitoring requirements, and improved the Connected Transactions management systems and mechanisms on the basis of cementing achievements made in the previous years, with the goal of setting a good example of Connected Transactions compliance as an integrated financial group and keeping improving the Connected Transactions management systems and mechanisms to refine the procedure-based and systematic management of Connected Transactions. According to the requirements of the China Insurance Regulatory Commission (“**CIRC**”), Connected Transactions and Connected Transactions Management System implementation status for 2016 are hereby reported as follows:

**I. BASIC INFORMATION CONCERNING RELATED PARTIES AND CONNECTED TRANSACTIONS OF PING AN GROUP (INCL. INTERNAL TRANSACTIONS)**

**(I) Basic Information concerning Related Parties**

According to the definitions of related parties regulated by CIRC, Shanghai Stock Exchange (“**SSE**”), Hong Kong Stock Exchange (“**HKEX**”), the Ministry of Finance and other regulators, we achieved the systematic management of collection, reporting, summarization and listing related parties information.

**(II) Basic Information concerning Connected Transactions (including internal transactions)**

In 2016, Connected Transactions of the Company broadly fell under the following categories: profit distribution, share subscription, deposits, providing guarantees, purchase of asset management products between Ping An Group and its related parties, etc.

In 2016, internal transactions among subsidiaries of the Group fell under the following categories: investments, entrusted loan, provision or receiving services within the Group and guarantee between group members. In accordance with the *Guidelines on Supervision of Consolidation for Insurance Groups*, the Company developed policies and procedures on monitoring, reporting, controlling and dealing with internal transactions. The Board of Directors (the “**BoD**”) reviews the Group’s internal transactions on a regular basis and report to the CIRC in a timely manner.

**II. IMPLEMENTATION OF THE PA'S RULES CONCERNING CONNECTED TRANSACTIONS****(I) The Connected Transactions Management System and the System Optimization Status**

Guided by the Company's strategic goal of "becoming a world-leading personal financial services provider", the Company has been adhering to the compliance culture of "laws and regulations +1"<sup>1</sup>, strictly following regulatory requirements, continuously improving the management of Connected Transactions and developing sound operation mechanisms. The BoD and the management of the Company have been attaching great importance to the compliance of Connected Transactions and conducting regular reviews to ensure that Connected Transactions of the Company strictly comply with regulatory requirements. In 2016, the Connected Transactions management structure operated efficiently and the Connected Transactions were legal and valid, thus pushing forward the systematic development of the management system and initial systematization was realized, which further improved management of Connected Transactions.

**1. The Management System**

The Company established the Connected Transactions Management Committee under the Executive Committee. The Connected Transaction Management Office was established under the Connected Transaction Management Committee for coordinating management of Connected Transactions within the Company. Under the guidance of the Company's sound Connected Transactions governance structure, the Company's subsidiaries have established Connected Transactions governance structures with unified standards, wide coverage, independent governance and standardized operation, on the basis of corporate governance principles, so as to realize the hierarchical management to ensure the efficient operations of the governance structures via dynamic monitoring and evaluation mechanisms.

**2. The Management Mechanism**

The Company has kept improving Connected Transactions management and control mechanism: actively implemented the Notice of the CIRC on the Issues concerning Further Strengthening Information Disclosure on Related Transactions of Insurance Companies, familiarized with the latest requirements and alert management of the Company and its subsidiaries in a timely manner, disseminated work notice, reviewed and amended relevant administrative rules, clearly defined the disclosure requirements and

<sup>1</sup> The term "laws and regulations +1" refers to: (a) We should strictly follow provisions prescribed in laws and regulations, and (b) for issues that are not clearly prescribed in laws and regulations, we should implement standards that are strict than laws and regulations.

procedures for separate or aggregate disclosure, strictly complied with the information disclosure and reporting requirements for Connected Transactions, and continually monitored the proportion requirements of capital use of Connected Transactions, thus ensuring the Connected Transactions did not exceed the prescribed proportion. The Company has strengthened identification, review, fair pricing control of Connected Transactions, so as to ensure that the Connected Transactions were conducted on a fair basis and without improper transfer of benefits; reinforced on-site training and developed mobile courses, promoted the culture of “everyone is responsible for Connected Transactions” to improve compliance awareness. The Company continued to improve its supervision over Connected Transactions of subsidiaries and refine management mechanism for Connected Transactions, so as to facilitate the efficient running of our group-wide Connected Transactions management mechanism and system.

Meanwhile, the Company attached great importance to the construction and utilization of Connected Transactions management system. In 2016, to tie in line with the launch of system optimization project, the Company hired external consultant to optimize the functions of the management platform of Connected Transactions, promote connection with other business systems, refine functions on related-party management, management and reporting of Connected Transactions, strengthen the system controls, and improve the management efficiency.

In addition, Internal Audit Department puts Connected Transactions into the scope of remote, routine and special audits, assesses Connected Transactions management of subsidiaries on a regular basis and further optimizes the 3-in-1 Connected Transactions management mechanism “ex-ante, ongoing, ex-post”.

## **(II) Review of Connected Transactions**

In 2016, all the Connected Transactions that needed to be approved by the Shareholders’ Meeting, the Board or Executive Directors authorized by the Board were all reviewed at the Shareholders’ Meeting or the Board meeting or Executive Directors authorized by the Board as per rules. Independent Directors reviewed the fairness and implementation of the internal review/approval procedures for Connected Transactions. The review/approval procedures were effective and complied with laws.

## **(III) Information Disclosure, Filing and Reporting of Connected Transactions**

Ping An Group stringently fulfilled its obligations of disclosing, filing and regular reporting the Connected Transactions it conducted according to regulations, including the *Tentative Measures for the Administration of Related Party Transactions of Insurance Companies*, the *Shanghai Stock Exchange Implementing Guidelines for Related Party Transactions of Listed Companies*, *Administrative Measures for Information Disclosure by Listed Companies* and the *Listing Rules* of the Hong Kong Stock Exchange.



In 2016, the Company had reported the following significant Connected Transactions to the CIRC timely as required:

- (1) Ping An Health Insurance Co., Ltd., received capital injection from the Company with RMB184 million.
- (2) Shenzhen Ping An Financial Technology Consulting Co., Ltd. received capital injection twice from the Company with RMB5 billion and RMB2 billion respectively.

Besides, the Company submitted quarterly reports on Connected Transactions on a regular basis as per the CIRC's *Circular on Further Regularizing Issues Concerning Related Party Transactions for Insurance Companies*. The Company also disclosed and reported each Connected Transaction under the categories of use of insurance fund transaction, asset transaction or transfer of interests transaction pursuant to the *Notice on the Issues concerning Further Strengthening Information Disclosure on Related Transactions of Insurance Companies* within the prescribed timeframe, and disclosed particulars of classified and combined connected transactions on the websites of the Company and The Insurance Association of China on a quarterly basis.

#### **(IV) Management of Pricing Fairness in Connected Transactions**

The Company always attaches great importance to Connected Transactions pricing fairness management, and requires that Connected Transactions must comply with the principles of compliance and fairness. In 2016, the Company continued to align its Connected Transactions fair pricing management with *Ping An Group's Guidelines on Related Party Transaction Pricing (Tentative)*, further regulated its Connected Transactions pricing fairness management, in order to ensure that its Connected Transactions follow the principle of independent trading and Connected Transactions prices are fair, which effectively protect the interests of the Company and all shareholders. In addition, according to the *Bulletin on Issues Relating to the Enhancement of the Declaration of Related Party Transactions and Administration of Contemporaneous Documentation, State Administration of Taxation Bulletin [2016] No. 42 (Guo Shui Fa (2016) No. 42)*, the Company continued to engage Ernst & Young (China) Advisory Limited to issue report concerning analysis of annual transfer pricing, which introduced transfer pricing measures of various Connected Transactions of the Company, and conducted comparability analysis of transfer pricing measures. The transfer pricing measures of various Connected Transactions comply with the independent trading principle.

**(V) Special Audit on Connected Transactions**

As per the requirements of CIRC, the Company conducted a special audit on Connected Transactions and on the implementation of Connected Transactions management rules in 2016. The audit results show that the Company seriously implemented laws and regulations and regulatory requirements, actively communicated with CIRC and other regulatory authorities, kept abreast of the latest regulatory development, seriously implemented new requirements under CIRC No. 52 Document, kept optimizing the Connected Transactions management systems and mechanisms, pressed ahead with building of the systematic platform of Connected Transactions and ensured the regularized and efficient operations of the Connected Transactions management mechanism.

Meanwhile, it is raised in the special audit that the Connected Transactions management tends to be increasingly complicated with changes of the external regulatory environment and the development of Ping An Group's integrated financial services and innovative business. We need to further improve the Connected Transactions management system, and realize the systematic management of the Connected Transactions and further improve the Connected Transactions management standard by continuously promoting the construction and utilization of Connected Transactions management platform. For this, the Company has developed specific measures and plans.

**III. CONCLUSION**

In 2016, the Company strictly complied with external laws, regulations and internal policies in terms of Connected Transactions management and execution. Further to good track record of Connected Transactions management in the past, we kept optimizing the Connected Transactions systems and mechanisms, strengthened process controls, further regulated the fair pricing management, strictly approved Connected Transactions and disclosed Connected Transactions as required by laws, regulations and managerial rules. Besides, we strengthened our supervision on subsidiaries as well as management reporting, innovated in training and promotions to build the compliance culture, continuously pushed forward the building of Connected Transactions system, improved managerial efficiency to ensure the sound and effective operations of the Connected Transactions management system across the Group.

The Company will continue to improve its Connected Transactions management, set up a compliance example as an integrated financial services group, boost the trust of regulators, investors and the public on Ping An and provide an effective guarantee to fulfill the Company's strategic goal of "becoming a world-leading personal financial services provider".

**Ping An Insurance (Group) Company of China, Ltd.**

The report set out in this appendix was originally drafted in Chinese and the English translation is for your reference only. In case of any inconsistencies between the Chinese and the English versions, the Chinese version shall prevail.

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## NOTICE OF ANNUAL GENERAL MEETING

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# PING AN

Insurance · Banking · Investment

## 中国平安保险(集团)股份有限公司

### Ping An Insurance (Group) Company of China, Ltd.

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2318)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “AGM”) of Ping An Insurance (Group) Company of China, Ltd. (the “Company”) will be held at 2:00 p.m. on Friday, June 16, 2017 at Ping An Hall, Ping An School of Financial Management, Guanlan, Shenzhen, Guangdong Province, PRC for the purposes of considering and, if thought fit, passing the following resolutions:

#### AS ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors of the Company (the “Board”) for the year ended December 31, 2016.
2. To consider and approve the report of the supervisory committee of the Company (the “Supervisory Committee”) for the year ended December 31, 2016.
3. To consider and approve the annual report and its summary of the Company for the year ended December 31, 2016.
4. To consider and approve the report of the auditors and the audited financial statements of the Company for the year ended December 31, 2016.
5. To consider and approve the profit distribution plan for the year ended December 31, 2016 and the proposed distribution of final dividends.
6. To consider and approve the re-appointment of PricewaterhouseCoopers Zhong Tian LLP as the PRC auditor and PricewaterhouseCoopers as the international auditor of the Company to hold office until the conclusion of the next annual general meeting and to authorize the Board to re-authorize the management of the Company to fix their remuneration.
7. To consider and approve the election of Mr. Ouyang Hui as an Independent Non-executive Director of the Company to hold office until the expiry of the term of the 10th Session of the Board.
8. To consider and approve the Autohome Inc. Share Incentive Plan.

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## NOTICE OF ANNUAL GENERAL MEETING

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### AS SPECIAL RESOLUTIONS

9. To consider and approve the grant of a general mandate to the Board to issue, allot and deal with additional H shares not exceeding 20% of the H shares of the Company in issue, representing up to limit of 8.15% of the total number of shares of the Company in issue, at a discount (if any) of no more than 10% (rather than 20% as limited under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited) to the Benchmark Price and authorize the Board to make corresponding amendments to the Articles of Association of the Company as it thinks fit so as to reflect the new capital structure upon the allotment or issuance of shares, the details are as follows:

**“That**

- (A) (a) subject to paragraph (c) and in accordance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of the Company and the applicable laws and regulations of PRC, the exercise by the Board during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with, either separately or concurrently, additional H shares of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorize the Board during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of H shares allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Board pursuant to the approval granted in paragraph (a) shall not exceed 20% of the aggregate nominal amount of H shares of the Company in issue, representing up to limit of 8.15% of the shares of the Company in issue on the date of passing this resolution, at a discount (if any) of no more than 10% (rather than 20% as limited under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited) to the Benchmark Price, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(d) For the purpose of this special resolution:

(i) “Benchmark Price” means the price which is the higher of:

- a. the closing price of H Share(s) on the date of the relevant placing agreement or other agreement involving the proposed issue of H Share(s) under the General Mandate; and
- b. the average closing price of H Share(s) in the 5 trading days immediately prior to the earlier of: (aa) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of H Share(s) under the General Mandate; (bb) the date of the placing agreement or other agreement involving the proposed issue of H Share(s) under the General Mandate; and (cc) the date on which the price of H Share(s) of placing or subscription is fixed.

(ii) “Relevant Period” means the period from the date of passing of this resolution until the earliest of:

- a. the conclusion of the next annual general meeting of the Company;
- b. the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or other applicable laws to be held; and
- c. the revocation or variation of the authority given under this resolution by a special resolution of the Company in general meeting.

(iii) “Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong) and an offer, allotment or issue of shares by way of rights shall be construed accordingly.

(B) The Board be authorized to make corresponding amendments to the Articles of Association of the Company as it thinks fit so as to reflect the new capital structure upon the allotment or issuance of shares as provided in sub-paragraph (a) of paragraph (A) of this resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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10. To consider and approve the proposal on issuing the debt financing instruments.

### AS REPORTING DOCUMENTS

11. To consider and review the Performance Report of the Directors for the Year 2016 of the Company.
12. To consider and review the Performance Report of the Independent Directors for the Year 2016 of the Company.
13. To consider and review the Report on Connected Transactions and Implementation of Management System of Connected Transactions for the Year 2016 of the Company.

By order of the Board

**Ma Mingzhe**

*Chairman and Chief Executive Officer*

Shenzhen, PRC

April 24, 2017

*As at the date of this notice, the Executive Directors of the Company are Ma Mingzhe, Sun Jianyi, Ren Huichuan, Yao Jason Bo, Lee Yuansiong and Cai Fangfang; the Non-executive Directors are Lin Lijun, Soopakij Chearavanont, Yang Xiaoping, Xiong Peijin and Liu Chong; the Independent Non-executive Directors are Woo Ka Biu Jackson, Stephen Thomas Meldrum, Yip Dicky Peter, Wong Oscar Sai Hung, Sun Dongdong and Ge Ming.*

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. In order to determine the list of holders of H shares who are entitled to attend the AGM, the H share register of members will be closed from Wednesday, May 17, 2017 to Friday, June 16, 2017, both days inclusive, during which period no transfer of shares will be effected. Holders of the Company's H shares whose names appear on the register of members on Friday, June 16, 2017 are entitled to attend the meeting. In order to attend and vote at the meeting, holders of H shares of the Company whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (the "H Share Registrar") at or before 4:30 p.m. on Tuesday, May 16, 2017. The address of the transfer office of H Share Registrar is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Holders of the Company's A shares whose names appear on the register of members on Tuesday, May 16, 2017 are entitled to attend the meeting.
2. A shareholder entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
3. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorized in writing. If the shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorized attorney(s). If that instrument is signed by an attorney of the shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized. If no direction is given, your proxy may vote or abstain at his discretion. Your proxy will also be entitled to vote or abstain at his discretion on any resolution properly put to the meeting other than those referred to in the notice of the meeting.
4. In order to be valid, the form of proxy together with the power of attorney or other authorization document (if any) must be deposited at the H Share Registrar, at the address of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for holders of H shares not less than 24 hours before the time fixed for holding the meeting or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a shareholder from attending and voting in person at the meeting if he so wishes.
5. Shareholders who intend to attend the meeting in person or by proxy should return the reply slip to the Company's principal place of business in the PRC or Hong Kong on or before Friday, May 26, 2017 by hand, by post or by fax. The Company's principal place of business in the PRC is at 47th, 48th, 109th, 110th, 111th and 112th Floors, Ping An Finance Center, No. 5033 Yitian Road, Futian District, Shenzhen, Guangdong Province, PRC (Tel: (86 755) 400 8866 338, Fax: (86 755) 8243 1019/8243 1029). The contact persons are Mr. Luo Xi (羅曦先生) (Tel: (86 755) 2262 1998), Mr. Zhou Suyang (周蘇洋先生) (Tel: (86 755) 2262 6240) and Ms. Luo Jin (羅璉女士) (Tel: (86 755) 2262 6160). The Company's principal place of business in Hong Kong is at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (Tel: (852) 2980 1888, Fax: (852) 2956 2192).
6. The meeting is expected to be concluded within a day. Shareholders (in person or by proxy) attending the meeting are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the meeting shall produce the identity documents.