
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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) RE-ELECTION AND ELECTION OF DIRECTORS AND SUPERVISORS
(2) PROPOSED GENERAL MANDATE TO ISSUE H SHARES
**(3) PROPOSED DISTRIBUTION OF THE 30TH ANNIVERSARY
SPECIAL DIVIDEND OF THE COMPANY**
**(4) PROPOSED EQUITY INCENTIVE SCHEME OF A SUBSIDIARY
AND**
**(5) NOTICE AND SUPPLEMENTAL NOTICE OF
ANNUAL GENERAL MEETING**

The notice given by the Company on April 4, 2018 and the supplemental notice given by the Company on April 30, 2018 convening the AGM to be held at 2:00 p.m. on Wednesday, May 23, 2018 at Ping An Hall, Ping An School of Financial Management, Guanlan, Shenzhen, Guangdong Province, PRC are reproduced on pages 78 to pages 85. The reply slip for the AGM is published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.pingan.cn>) on April 4, 2018.

A revised form of proxy for use at the AGM is enclosed and published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.pingan.cn>) on April 30, 2018. 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 Thursday, May 3, 2018 and (ii) the revised form of proxy in accordance with the instructions printed thereon at or before 2:00 p.m. on Monday, May 21, 2018. Completion and return of the revised form of proxy will not preclude you from attending the AGM and voting in person if you so wish.

April 30, 2018

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DEFINITIONS

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” or “Annual General Meeting”	the annual general meeting of the Company to be convened at 2:00 p.m. on Wednesday, May 23, 2018 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
“Board”	the board of Directors
“CBIRC”	China Banking and 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
“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 on the date of the passing of the relevant resolution at a discount (if any) of no more than 10% to the Benchmark Price (as defined in the Appendix I)
“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)

DEFINITIONS

“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 16, 2018, 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
“Shanghai Jahwa”	Shanghai Jahwa United Co., Ltd., a company duly incorporated in the PRC and listed the Shanghai Stock Exchange (stock code: 600315)
“Shanghai Jahwa Equity Incentive Scheme”	the proposed 2018 share options incentive scheme (draft) to be approved and adopted by Shanghai Jahwa at its general meeting, details of which are set out in Appendix I of this circular
“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
“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.

LETTER FROM THE BOARD

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:

Stephen Thomas Meldrum
Yip Dicky Peter
Wong Oscar Sai Hung
Sun Dongdong
Ge Ming
Ouyang Hui

April 30, 2018

To the Shareholders

Dear Sir or Madam,

- (1) RE-ELECTION AND ELECTION OF DIRECTORS AND SUPERVISORS**
(2) PROPOSED GENERAL MANDATE TO ISSUE H SHARES
**(3) PROPOSED DISTRIBUTION OF THE 30TH ANNIVERSARY
SPECIAL DIVIDEND OF THE COMPANY**
**(4) PROPOSED EQUITY INCENTIVE SCHEME OF A SUBSIDIARY
AND**
**(5) NOTICE AND SUPPLEMENTAL NOTICE OF
ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is, among other things, to give you notice and supplemental 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.

LETTER FROM THE BOARD

2. RESOLUTIONS TO BE CONSIDERED AT THE AGM

The notice given by the Company on April 4, 2018 and the supplemental notice given by the Company on April 30, 2018 convening the AGM to be held at 2:00 p.m. on Wednesday, May 23, 2018 at Ping An Hall, Ping An School of Financial Management, Guanlan, Shenzhen, Guangdong Province, PRC is set out on pages 78 to 85 of this circular.

The following ordinary resolutions will be proposed at the AGM to consider and approve:

- (1) the Report of the Board of the Company for the year 2017;
- (2) the Report of the Supervisory Committee of the Company for the year 2017;
- (3) the Annual Report of the Company for the year 2017 and its summary;
- (4) the Report of Final Accounts of the Company for the year 2017 including the Audit Report and Audited Financial Statements of the Company for the year 2017;
- (5) the Profit Distribution Plan of the Company for the year 2017 and the proposed distribution of final dividends;
- (6) the Resolution regarding the Appointment of Auditors of the Company for the year 2018;
- (7) the Resolution regarding the Election of Directors of the Company for the 11th Session of the Board; and
- (8) the Resolution regarding the Election of Non-employee Representative Supervisors of the Company for the 9th Session of the Supervisory Committee.

The following special resolution will be proposed at the AGM to consider and approve:

- (9) the Resolution regarding the Proposed Grant of the General Mandate by the General Meeting to the Board to Issue H Shares.

The additional ordinary resolutions will be proposed at the AGM to consider and approve:

- (10) the Resolution regarding the 30th Anniversary Special Dividend of the Company;
- (11) the Resolution regarding the Shanghai Jahwa Equity Incentive Scheme.

LETTER FROM THE BOARD

The following reports will be submitted at the AGM for review:

- (12) the Performance report of the Directors of the Company for the year 2017;
- (13) the Performance report of the Independent Directors of the Company for the year 2017; and
- (14) the Report on related party transactions and implementation of management system of related party transactions of the Company for the year 2017.

The details of the above resolutions and reports have been set out in the appendices of this circular.

3. AGM

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 Monday, April 23, 2018 to Wednesday, May 23, 2018, 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 Wednesday, May 23, 2018 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 Friday, April 20, 2018. 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 Friday, April 20, 2018 are entitled to attend the AGM.

The reply slip for the AGM is published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.pingan.cn>) on April 4, 2018. A revised form of proxy for use at the AGM is 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 Thursday, May 3, 2018 and (ii) the revised form of proxy in accordance with the instructions printed thereon at or before 2:00 p.m. on Monday, May 21, 2018. Completion and return of the revised form of proxy will not preclude you from attending the AGM and voting in person if you so wish.

4. 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.

LETTER FROM THE BOARD

5. 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 favor of the resolutions to be proposed at the AGM as set out in the notice and the supplemental notice of AGM.

6. 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.

7. 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

1. THE REPORT OF THE BOARD OF THE COMPANY FOR THE YEAR 2017

Pursuant to Article 70 and Article 98 of the Articles of Association, the Report of the Board of Directors for the Year 2017 of the Company is hereby submitted to the general meeting for consideration.

For details please refer to pages 127 to 131 of the A Shares Annual Report for the Year 2017 publicly disclosed by the Company on March 21, 2018 at the website of the Shanghai Stock Exchange (www.sse.com.cn) and pages 129 to 133 of the H Shares Annual Report for the Year 2017 publicly disclosed on April 3, 2018 at the website of the Stock Exchange of Hong Kong (www.hkexnews.hk).

2. THE REPORT OF THE SUPERVISORY COMMITTEE OF THE COMPANY FOR THE YEAR 2017

Pursuant to Article 70 and Article 98 of the Articles of Association, the Report of the Supervisory Committee for the Year 2017 of the Company is hereby submitted to the general meeting for consideration.

For details please refer to pages 132 to 133 of the A Shares Annual Report for the Year 2017 publicly disclosed by the Company on March 21, 2018 at the website of the Shanghai Stock Exchange (www.sse.com.cn) and pages 134 to 136 of the H Shares Annual Report for the Year 2017 publicly disclosed on April 3, 2018 at the website of the Stock Exchange of Hong Kong (www.hkexnews.hk).

3. THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR 2017 AND ITS SUMMARY

Pursuant to Article 70 and Article 98 of the Articles of Association, the Annual Report of the Company for the Year 2017 and its summary are hereby submitted to the general meeting for consideration.

The A Shares Annual Report for the Year 2017 and its summary were publicly disclosed on March 21, 2018 at the website of the Shanghai Stock Exchange (www.sse.com.cn) and the H Shares Annual Report for the Year 2017 was publicly disclosed on April 3, 2018 at the website of the Stock Exchange of Hong Kong (www.hkexnews.hk).

4. THE REPORT OF FINAL ACCOUNTS OF THE COMPANY FOR THE YEAR 2017

The Company has prepared the consolidated and parent company statements of financial position as at December 31, 2017, the consolidated and parent company statement of profit or loss, the consolidated and parent company statement of changes in equity and the consolidated and parent company statement of cash flows for 2017 in accordance with the Chinese Accounting Standards. The Company has also prepared the consolidated and parent company

statement of financial position as at December 31, 2017, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for 2017 in accordance with International Financial Reporting Standards. The abovementioned financial statements have each been audited by PricewaterhouseCoopers Zhongtian LLP and PricewaterhouseCoopers, and standard unqualified auditor's reports have been issued.

5. THE PROFIT DISTRIBUTION PLAN OF THE COMPANY FOR THE YEAR 2017

Pursuant to the Shareholders' Return Plan for the Next Three Years (Years 2015-2017) of Ping An Insurance (Group) Company of China, Ltd., and in compliance with the statutory and regulatory requirements on the solvency margin ratio, for each of the profitable years, in principle the amount of cash dividends distributed by the Company shall be equal to 15% – 30% of the audited net profit attributable to shareholders of the parent company for the relevant year. Based on the long-term sustainable development of the Company and comprehensive analysis of the environment for the financial industry, capital requirements of a financial group, requirements of domestic and foreign shareholders, social funding cost, external financing environment, regulatory policies and other factors, the Company has formulated the profit distribution plan for 2017, in consideration of current and future business development, profitability, investment funds required, solvency and capital adequacy of the Group and its subsidiaries, as well as the balance between business development and shareholders' return.

Under the China Accounting Standards and the International Financial Reporting Standards respectively, the Group's consolidated net profit attributable to shareholders of the parent company for 2017 was RMB89,088 million, and the net profit of the parent company was RMB29,238 million.

Pursuant to the Company Law of the People's Republic of China, Articles of Association and other relevant requirements, the Company shall appropriate 10% of net profit of the parent company to the statutory surplus reserve fund. It is also stipulated that the Company no longer needs to make an appropriation to its statutory surplus reserve fund when the cumulative amount of such fund exceeds 50% of its registered capital. As at December 31, 2017, the Company's registered capital was RMB18,280 million and the balance of its statutory surplus reserve fund was RMB9,140 million, which had reached 50% of the registered capital. Therefore, the Company no longer needs to make an appropriation to its statutory surplus reserve fund.

As at December 31, 2017, undistributed profits of the parent company were RMB59,940 million and RMB59,072 million on the financial statements prepared in accordance with the China Accounting Standards and the International Financial Reporting Standards respectively. The profit available for distribution to shareholders shall be the lower of the above figures, i.e. RMB59,072 million.

(1) Distribute the 2017 final cash dividend of RMB1.00 (tax inclusive) per share

The Company proposes to distribute the 2017 final dividend of RMB1.00 (tax inclusive) in cash per share, based on the share capital of 18,280 million shares. The total cash dividend will amount to RMB18,280 million.

The Company had distributed the 2017 interim dividend of RMB0.50 (tax inclusive) in cash per share with a total amount of RMB9,140 million. The sum of the 2017 interim and final dividends is RMB27,420 million, which accounts for 30.8% of consolidated net profit attributable to shareholders of the parent company for 2017. The retained profit will be carried forward to 2018.

(2) Retained profit

After the distribution of the 2017 final dividend, the retained profit of the parent company will be RMB40,792 million. The retained profit is mainly for the purposes of organic capital accumulation to maintain a reasonable solvency ratio as well as funding for subsidiaries so that they can maintain a reasonable solvency ratio or capital adequacy ratio.

(3) Time arrangements for dividend distribution

In respect of the holders of H shares, the Company's register of members of H shares will be closed, in accordance with Article 51 of the Articles of Association and the Listing Rules, from June 9, 2018 (Saturday) to June 14, 2018 (Thursday) (both days inclusive), during which period no transfer of H shares will be registered. Holders of H Shares whose names are recorded in the register of members in Computershare Hong Kong Investor Services Limited on June 14, 2018 (Thursday) ("the Record Date") will be entitled to receive the 2017 final dividend of the Company. The final cash dividend payment date of the Company's H shares is July 13, 2018.

In respect of the holders of A shares, pursuant to the relevant requirements of the Articles of Association and the Listing Rules of Shanghai Stock Exchange, the Company decides June 6, 2018 (Wednesday) as the Record Date of shareholding. Holders of A shares whose names are recorded in the register of members in Shanghai branch of the China Securities Depository and Clearing Corporation Limited at the close date of trading of A shares on June 6, 2018 (Wednesday) will be entitled to receive the 2017 final cash dividend of the Company. The final cash dividend payment date of the Company's A shares is June 7, 2018.

The above resolution is submitted to the general meeting for approval. It also submitted to the general meeting to authorize the Board to transfer the authorization to the Company's Executive Directors to be responsible for the specific implementation of this profit distribution in accordance with relevant domestic and foreign laws and regulations and the requirements of the Listing Rules, including but not limited to the adjustment to the date of the profit distribution.

6. THE RESOLUTION REGARDING THE APPOINTMENT OF AUDITORS OF THE COMPANY FOR THE YEAR 2018

According to the resolutions of the 2016 Annual General Meeting of the Company, the Company reappointed PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers (hereinafter refer to as “PricewaterhouseCoopers”) as the auditors of the Company’s financial statements under the Chinese Accounting Standards and International Financial Reporting Standards, respectively for the year 2017. PricewaterhouseCoopers have audited the annual financial statements of 2017, reviewed the interim financial statements of 2017, and conducted agreed-upon procedures regarding financial information of the first and third quarters in 2017 for the Company.

In last five years, PricewaterhouseCoopers have fulfilled their commitment to provide audit services with their professional team, and proactively assisted us with relative procedures for the issuance of A share convertible bonds and non-public directed issuance of H shares, presenting the rich experience, high professionalism and a spirit of cooperation as an international accounting firm. Besides issuing independent and fair audit report and conducting all the auditing work, they also offered training for our staff in terms of China Accounting Standards and International Financial Reporting Standards. Besides, they have kept the Company informed of the latest information about China Accounting Standards and International Financial Reporting Standards. The Company is satisfied at the services provided by PricewaterhouseCoopers.

As PricewaterhouseCoopers showed their competence in auditing and other tasks, we propose to re-appoint PricewaterhouseCoopers as auditors of financial statements for 2018 in accordance with China Accounting Standards and International Financial Reporting Standards, respectively, and propose that the General Meeting could permit the Board of Directors to authorize the Management of the Company to determine the auditors’ remuneration in 2018.

7. THE RESOLUTION REGARDING THE ELECTION OF DIRECTORS OF THE COMPANY FOR THE 11TH SESSION OF THE BOARD

It has been nearly three years since the 10th session of the Board of Directors of Ping An Insurance (Group) Company of China, Ltd. (the “Company”) was established in June 2015. In a complex business environment, thanks to the Board of Directors’ correct direction, the Company has boosted its earnings to RMB89.088 billion for 2017, up 127% from 2014; at the end of 2017, the total assets reached RMB6,493.075 billion, up 62% from 2014; at the end of 2017, the net earnings per share reached RMB4.99, up 102% from 2014. The 10th session of the Board of Directors takes a broad and long view, focuses on pan financial assets and pan health care, aims to build the financial services ecosystem, the health care ecosystem, the auto services ecosystem, the real estate services ecosystem, and the smart city ecosystem, and steps up efforts to promote technological innovations. The Company’s overall competitiveness has been continuously enhanced.

According to the Company Law and the Articles of Association, each Board of Directors has a tenure of three years, and now the tenure of the 10th session of the Board of Directors will soon end. In accordance with the CBIRC's requirement, the Company has sent the Notice on Re-election of Board of Directors to all the directors and major shareholders; in order to maintain correctness and continuity of the Company's strategy, with written consent of all the incumbent directors and relevant corporate shareholders, under applicable Chinese laws and regulations, the Listing Rules, the Stock Listing Rules of Shanghai Stock Exchange, and the Articles of Association, the Company plans to establish the 11th Board of Directors.

In accordance with Article 133 of the Articles of Association deliberated and approved at the first extraordinary general meeting of the Company in 2018, the number of directors for the 11th session of the Board of Directors will be adjusted from 17 to 15. After the adjustment, there will be 5 independent non-executive directors, 4 non-executive directors and 6 executive directors. Based on the above-mentioned adjustment, the candidates for the 11th Board of Directors are listed as follows:

Independent non-executive directors (5): Mr. Yip Dicky Peter, Mr. Wong Oscar Sai Hung, Mr. Sun Dongdong, Mr. Ge Ming and Mr. Ouyang Hui

Non-executive directors (4): Mr. Soopakij Chearavanont, Mr. Yang Xiaoping, Mr. Wang Yongjian and Mr. Liu Chong

Executive directors (6): Mr. Ma Mingzhe, Mr. Sun Jianyi, Mr. Ren Huichuan, Mr. Yao Jason Bo, Mr. Lee Yuansiong, and Ms. Cai Fangfang

Biographical details of the candidates proposed to be re-elected and elected as Directors at the AGM are set out below:

Candidates of Executive Directors

MA Mingzhe, aged 62, founder of the Company. Mr. Ma founded Ping An Insurance Company in March 1988, and is currently the Chairman and CEO of the Company. Since the establishment of the Company, Mr. Ma has served as President, Director, Chairman and CEO of the Company, and has been fully involved in the operation and management of the Company. Prior to founding the Company, Mr. Ma was the Deputy Manager of China Merchants Shekou Industrial Zone Social Insurance Company. Mr. Ma has a Doctorate degree in Money and Banking from Zhongnan University of Economics and Law (previously Zhongnan University of Economics).

As at the LPD, Mr. Ma was personally interested in 893,966 A Shares and was deemed to be interested in 20,000 H Shares through interests of his spouse within the meaning of Part XV of the SFO.

SUN Jianyi, aged 65, has been an Executive Director of the Company since March 1995, and is currently the Senior Vice Chairman and the Executive Vice President of the Company. Mr. Sun is the Director of Ping An Life, Ping An Property & Casualty, Ping An Annuity and Ping An Asset Management, and is also a Non-executive Director of China Insurance Security Fund Co., Ltd., and an Independent Non-executive Director of Haichang Ocean Park Holdings Ltd. Mr. Sun was a Non-executive Director of China Vanke Co., Ltd. as well. Since joining the Company in July 1990, Mr. Sun has been the General Manager of the Management Department, Senior Vice President, Executive Vice President and Deputy Chief Executive Officer and the Chairman of the board of directors of Ping An Bank. Prior to joining the Company, Mr. Sun was the Head of the Wuhan Branch of the PBOC, the Deputy General Manager of the Wuhan Branch Office of the People's Insurance Company of China and the General Manager of Wuhan Securities Company. Mr. Sun has a Diploma in Finance from Zhongnan University of Economics and Law (previously Zhongnan University of Economics).

As at the LPD, Mr. Sun was personally interested in 4,007,565 A Shares within the meaning of Part XV of the SFO.

REN Huichuan, aged 48, has been an Executive Director of the Company since July 2012, and is currently the President of the Company, the Chairman of the board of directors of Ping An Trust, the Director of a number of controlled subsidiaries of the Company including Ping An Property & Casualty, Ping An Life and Ping An Asset Management. Mr. Ren is also a member of Council of the Shenzhen Finance Institute. Mr. Ren joined the Company in 1992, and served as the Senior Vice President of the Company between June 2010 and March 2011, Chief Insurance Business Officer between June 2010 and December 2010, the Chairman and CEO of Ping An Property & Casualty between April 2007 and May 2011, and was appointed as an Employee Representative Supervisor of the Company from March 2009 to March 2010, and has been the Chairman and CEO of WanLiTong between February 2015 and December 2015. Before that, Mr. Ren had been the assistant to the President and Financial Officer of the Company, the Assistant Director of the Development and Reform Centre, Senior Vice President of Ping An Property & Casualty and the Assistant Manager of the property & casualty insurance business of the Company. Mr. Ren holds an MBA degree from Peking University.

As at the LPD, Mr. Ren was personally interested in 371,372 A Shares within the meaning of Part XV of the SFO.

YAO Jason Bo, aged 47, has been an Executive Director of the Company since June 2009, and is the Executive Vice President, Chief Financial Officer and Chief Actuary of the Company, the director of a number of controlled subsidiaries of the Company including Ping An Bank, Ping An Life, Ping An Property & Casualty and Ping An Asset Management. Mr. Yao joined the Company in May 2001 and served as the Senior Vice President of the Company from October 2009 to January 2016. Prior to that, Mr. Yao has successively held different positions of the Company including the Deputy General Manager of the Product Centre, the Deputy Chief Actuary, the General Manager of the Corporate Planning Department, the Deputy Financial Officer and Financial Director of the Company. Mr. Yao is the Non-executive Director of Lufax. Prior to joining the Company, Mr. Yao served in Deloitte Touche Tohmatsu as a senior manager and consulting actuary. Mr. Yao is a Fellow of the Society of Actuaries (FSA), and holds an MBA degree from New York University.

As at the LPD, Mr. Yao was personally interested in 60,144 A Shares and 24,000 H Shares and was deemed to be interested in an additional 44,000 H Shares through interests of his spouse within the meaning of Part XV of the SFO.

LEE Yuansiong, aged 52, has been an Executive Director of the Company since June 2013, and is currently the Executive Vice President, Deputy Chief Executive Officer and Chief Insurance Business Officer of the Company, and is also the Director of a number of controlled subsidiaries of the Company including Ping An Property & Casualty, Ping An Life, Ping An Annuity and Ping An Health. Mr. Lee joined the Company in 2004 and served as the Special Assistant to the Chairman of Ping An Life from February 2004 to March 2005, President of Ping An Life from March 2005 to January 2010 and Chairman of Ping An Life from January 2007 to February 2012. Prior to that, Mr. Lee was a Senior Vice President of Prudential Taiwan Branch and the General Manager of Citi-Prudential. Mr. Lee holds a Master's degree in Finance from the University of Cambridge.

As at the LPD, Mr. Lee was personally interested in 40,601 A Shares within the meaning of Part XV of the SFO.

CAI Fangfang, aged 44, has been an Executive Director of the Company since July 2014. Ms. Cai is the Chief Human Resources Officer of the Company and the Executive Vice President of Ping An School of Financial Management. Ms. Cai joined the Company in July 2007. She was the Vice Chief Financial Officer and General Manager of the Corporate Planning Department of the Company from February 2012 to September 2013 and successively held the positions of Deputy General Manager and General Manager of the Remuneration Planning and Management Department of the Human Resources Centre of the Company from October 2009 to February 2012. Ms. Cai is currently the Director of a number of controlled subsidiaries of the Company including Ping An Bank, Ping An Life, Ping An Property & Casualty and Ping An Asset Management, and is also the Non-executive Director of Lufax. Prior to joining the Company, Ms. Cai served as the consulting director of Watson Wyatt Consultancy (Shanghai) Ltd. and the audit director on financial industry of British Standards Institution Management Systems Certification Co. Ltd.. Ms. Cai holds a Master's degree in Accounting from the University of New South Wales.

As at the LPD, Ms. Cai was personally interested in 24,687 A Shares within the meaning of Part XV of the SFO.

It is proposed that the aforementioned Executive Directors will be re-appointed to hold office until the expiry of the term of the 11th Session of the Board. It is proposed that each of aforementioned Executive Directors except the Chairman and CEO will not receive any director's fee but will receive salary based on his executive position, the exact amount of which is determined by the remuneration committee as recommended by the Chairman and Chief Executive Officer of the Company, with reference to market conditions, his position and duties as well as remuneration policy. The remuneration of the Chairman and CEO shall consist of three parts, namely fixed salary, annual bonus and long-term bonus, among which the fixed salary remains unchanged, the annual bonus and the long-term bonus are linked to the fulfillment of the operation targets of the Company and to be determined by the Board.

Candidates of Non-Executive Directors

Soopakij CHEARAVANONT, aged 54, has been a Non-executive Director of the Company since June 2013. Mr. Chearavanont is the Chairman of the CP Group, and at the same time has been an Executive Director and the Chairman of CP Lotus Corporation, a Non-executive Director and the Chairman of Chia Tai Enterprises International Limited, an Executive Director and Vice Chairman of C.P. Pokphand Co. Ltd., as well as the Chairman of CP Bright Holdings Limited. Mr. Chearavanont is also a Director of True Corporation Public Company Limited and CP ALL Public Company Limited (both companies are listed in Thailand) and the Chairman of True Visions Public Company Limited based in Thailand. Mr. Chearavanont holds a Bachelor's degree in Science from the College of Business and Public Administration of New York University, USA.

YANG Xiaoping, aged 54, has been a Non-executive Director of the Company since June 2013, and is currently the Senior Vice Chairman of the CP Group, an Executive Director and Vice Chairman of CP Lotus Corporation, CEO of CT Bright Holdings Limited, the Chairman of Jilin Deda Co., Ltd., a Non-executive Director of Tianjin Binhai Teda Logistics (Group) Corporation Limited and a Non-executive Director of CITIC Limited. Previously, Mr. Yang acted as the Manager of Nichiyo Co., Ltd for China Division and the Chief Representative of Nichiyo Co., Ltd Beijing Office. Mr. Yang is also a Member of The Twelfth National Committee of Chinese People's Political Consultative Conference, the Vice President of the China Institute for Rural Studies of Tsinghua University, the Associate Dean of Institute of Global Development of Tsinghua University, a Director of China NGO Network for International Exchanges, the President of Beijing Association of Enterprises with Foreign Investment and an Adviser of Foreign Investment to Beijing Municipal Government. Mr. Yang holds a Bachelor's degree from Jiangxi Institute of Technology and has experience of studying in Japan.

WANG Yongjian, aged 53, is a candidate for Non-executive Director of the Company. He is currently the Chairman of the Board and Secretary of Party Committee of Shenzhen Investment Holdings Co., Ltd., a Director of Guosen Securities Co., Ltd. and Guotai Junan Securities Co., Ltd., an Executive Director, General Manager and Legal Representative of Shenzhen Investment Holding Capital Co., Ltd., a Representative of Managing Partner of Shenzhen Investment Holdings Shenzhen Bay Equity Investment Fund Partnership. Mr. Wang served as the Deputy Chairman of the Board of Shenzhen Nanyou (Holdings) Co., Ltd. from August 2009 to October 2017, the Deputy Chairman of the Board of Shenzhen San Xing Media Shi Jie Co. Ltd. from December 2011 to October 2017; a Director of Shenzhen Textile (Holdings) Co., Ltd from January 2010 to June 2017; the Chairman of the Board of Shenzhen TopoScend Capital Co. Ltd. from December 2014 to December 2016; an Executive Director of Shenzhen Angel Investment Guidance Fund Management Co., Ltd. from November 2017 to March 2018. Mr. Wang also served as a Director, General Manager and Deputy Secretary of Party Committee of Shenzhen Investment Holdings Co., Ltd. from May 2016 to July 2017 and the Deputy General Manager of Shenzhen Investment Holdings Co., Ltd. from July 2009 to May 2016. Previously, Mr. Wang served as the Deputy General Manager of Shahe Industrial

Co., Ltd., the Board Secretary of Shenzhen Shahe Industrial (Group) Co., Ltd., the Deputy General Manager of the administrative headquarters of the research institute of China Southern Securities Co., Ltd. and other positions. Mr. Wang obtained a master's degree in system engineering at the management college of Shanghai Jiao Tong University.

LIU Chong, aged 58, has been a Non-executive Director of the Company since January 2016, and is currently the Vice President of Shum Yip Group Limited and Shum Yip Holdings Company Limited, the Vice President and Executive Director of Shenzhen Investment Limited. Prior to that, Mr. Liu served successively as Deputy General Manager and Financial Controller of Shenzhen Tefa Group Co., Ltd., a Director and Financial Controller of Shenzhen Petrochemical Group Co., Ltd., a Director and Financial Controller of Shenzhen Health Mineral Water Co., Ltd., a Director of Shenzhen Tellus Holding Co., Ltd. from June 2009 to June 2010, and was an Independent Non-executive Director of Shenzhen Shenxin Taifeng Group Co., Ltd. from May 2009 to February 2014. Mr. Liu holds a Bachelor's degree in Accounting from Jiangxi University of Finance and Economics and a senior accountant qualification.

It is proposed that each of the candidates for the Non-executive Directors will be appointed or re-appointed to hold office until the expiry of the term of the 11th Session of the Board. It is proposed that each of the candidates for the Non-executive Directors will receive an annual fee of RMB600,000. In addition, the standard rate of working allowance for the 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 Director attending the meeting by proxy shall not receive the allowance for such meeting.

Candidates of Independent Non-Executive Directors

YIP Dicky Peter, aged 70, has been an Independent Non-executive Director of the Company since June 2013, and is currently the Independent Non-executive Director of Sun Hung Kai Properties Limited, South China Holdings Company Limited (formerly known as South China (China) Limited) and S.F. Holding Co., Ltd. respectively. Mr. Yip joined The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) in 1965, and served as a Chief Executive of China Business at HSBC's Area Office China from January 2003 to May 2005, General Manager of HSBC from April 2005 to June 2012, and served as an Executive Vice President of Bank of Communications Co., Ltd. from May 2005 to June 2012. Mr. Yip also served as the Director of the Company and the Original Ping An Bank from November 2002 to May 2005. Besides, Mr. Yip served in many consultative boards including the Aviation Advisory Board, Arts Development Council and the Urban Renewal Authority, and is currently an Honorary Member of Hong Kong Committee of UNICEF. Mr. Yip holds an MBA degree from University of Hong Kong. Mr. Yip is an elected associated member of Chartered Institute of Bankers, London, and has a Certified Financial Planner certificate issued by the Institute of Financial Planners of Hong Kong and a Certified Financial Management Planner certificate issued by Hong Kong Institute of Bankers.

WONG Oscar Sai Hung, aged 62, has been an Independent Non-executive Director of the Company since June 2013, currently serves as an Independent Non-executive Director of JPMorgan Chinese Investment Trust plc (listed in London), a Non-executive Director of PAN Securities Group Limited and a Director of One Asset Management Limited (registered in Thailand). Mr. Wong was a Director and Chief Executive Officer of ICBC (Asia) Investment Management Company Limited from September 2008 to December 2011, and was the Non-executive Director of Chong Sing Holdings FinTech Group Limited, the Vice Chairman of China Regenerative Medicine International Limited, the Chairman of LW Asset Management Advisors Limited, an Independent Non-executive Director of ARN Investment SICAV (listed on the Luxembourg Stock Exchange) and the Hong Kong Exchanges and Clearing Limited, the Director and Chief Executive of BOCI-Prudential Asset Management Limited and Prudential Portfolio Managers Asia Limited, and the Non-executive Director of the ARN Asian Enterprise Fund Limited (formerly listed on the Irish Stock Exchange). Mr. Wong holds a Higher Diploma in Business Studies (Marketing) from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University).

SUN Dongdong, aged 58, has been an Independent Non-executive Director of the Company since June 2013, and currently serves as a professor of Law School of Peking University and the director of Peking University Health Law Research Centre. Mr. Sun is also a Deputy Director of the Social Legal Work Committee of Chinese Peasants and Workers Democratic Party, Standing Director of Chinese Health Law Society and China Law Society Research Centre of the Law on the Protection of Consumer Rights and Interests, and an expert of the Health Insurance Experts Committee under the Insurance Association of China and the Chinese Medical Doctor Association. Mr. Sun was an Independent Non-executive Director of Zhejiang Dian Diagnostics Co. Ltd.. Mr. Sun graduated with a degree of Medical Science from Beijing Medical College (now known as Peking University Health Science Center).

GE Ming, aged 66, has been an Independent Non-executive Director of the Company since June 2015, and is currently the Independent Non-executive Director of Chong Sing Holdings FinTech Group Limited, Focus Media Information Technology Co., Ltd. and Asia Investment Finance Group Limited, Supervisor of the Bank of Shanghai Co., Ltd., Executive Director of the Chinese Institute of Certified Public Accountants, a member of the Certified Public Accountants Testing Committee of the Ministry of Finance of PRC, a Deputy Director of the Industry Development Committee of the Beijing Institute of Certified Public Accountants and a member of the third session of the Listed Companies Mergers and Acquisitions Expert Consultation Committee of CSRC. Mr. Ge served as Chairman of Ernst & Young Hua Ming, Partner and Chief Accountant of Ernst & Young Hua Ming LLP, the Independent Non-executive Director of Shunfeng International Clean Energy Limited and Shanghai Zhenhua Heavy Industry Co., Ltd. Mr. Ge obtained his Master's Degree in Western Accounting from the Research Institute for Fiscal Science, Ministry of Finance of PRC. Mr. Ge obtained his certified accountant qualification in China in 1983 and has obtained the senior accountant qualification from the Ministry of Finance.

OUYANG Hui, aged 55, has been an Independent Non-executive Director of the Company since August 2017, and is currently the Dean's Distinguished Chair Professor, the director of Research Center on Internet Finance and the co-director of Research Center on Financial Innovation and Wealth Management at Cheung Kong Graduate School of Business. 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 obtained 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 each of the candidates for the Independent Non-executive Directors will be re-appointed to hold office until the expiry of the term of the 11th Session of the Board. It is proposed that each of the candidates for the Independent Non-executive Directors will receive an annual fee of RMB600,000. In addition, the standard rate of working allowance for the 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 Director attending the meeting by proxy shall not receive the allowance for such meeting.

Save as disclosed above, as at the LPD, none of the above Director candidates (i) had held any other directorships in any listed public companies, in Hong Kong or overseas, in the last three years or had held any other positions within the Group; (ii) had any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company; and (iii) had any interests in the shares of the Company or its associated corporation 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.

If the above candidates are re-elected and elected as the Directors, each of them will enter into a service contract with the Company upon the appointment. Each of the candidates for Independent Non-executive Directors has met the independence requirements as set out in Rule 3.13 of the Listing Rules.

Save as disclosed herein, as at the LPD, there were no other matters relating to the re-election and election of the above Director candidates that need to be brought to the attention of the Shareholders nor was there any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

8. THE RESOLUTION REGARDING THE ELECTION OF NON-EMPLOYEE REPRESENTATIVE SUPERVISORS OF THE COMPANY FOR THE 9TH SESSION OF THE SUPERVISORY COMMITTEE

It has been almost three years since the establishment of the 8th session of the Supervisory Committee of the Company in June 2015 and the Supervisory Committee, under the leadership of its chairman and with the efforts of all Supervisors, actively safeguarded the interests of the Company, its shareholders and employees. The Supervisory Committee has also effectively supervised and examined the operation, financial position and the functioning of the Board and management team of the Company, which guaranteed the healthy and stable development of the Company. Pursuant to the requirements of the Company Law and the Articles of Association, the term of the Supervisory Committee shall be three years and the term of the 8th session of the Supervisory Committee is about to expire.

To maintain the continuity of the work of the Supervisory Committee of the Company, subject to the relevant provisions of the Listing Rules, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association, the Company intends to establish the 9th session of the Supervisor Committee in accordance to its development needs.

The 9th session of the Supervisory Committee of the Company consists of 5 Supervisors, including 2 Independent Supervisors, 1 Shareholder Representative Supervisor and 2 Employee Representative Supervisors, of which Employee Representative Supervisors were elected by the employee representatives' meeting of the Company.

The candidates of Non-employee Representative Supervisor for the 9th session of the Supervisory Committee of the Company are as follows:

- (1) Independent Supervisor: Mr. Gu Liji and Mr. Huang Baokui
- (2) Shareholder Representative Supervisor: Ms. Zhang Wangjin

The employee representatives' meeting was held by the Company on March 19, 2018 and Mr. Pan Zhongwu and Mr. Wang Zhiliang were elected as the Employee Representative Supervisors of the 9th session of the Supervisor Committee. They will form the new session of the Supervisory Committee with the abovementioned 3 Non-employee Representative Supervisors. Please refer to below for the biographies of the candidates of Supervisors and Employee Representative Supervisors.

Candidates of Independent Supervisors

GU Liji, aged 70, has been an Independent Supervisor and Chairman of the Supervisory Committee of the Company since June 2009, and is currently an Independent Non-executive Director of Maxphotonics Co., Ltd., an Independent Non-executive Director of Shenzhen Changhong Technology Co., Ltd., a Non-executive Director of Xiangtan Electric Manufacturing Group Co., Ltd (XEMC), an Independent Non-executive Director of Bosera

Asset Management Co., Limited and Professor of Graduate School at Shenzhen, Tsinghua University. Mr. Gu was a Director of ERGO China Life Insurance Co., Ltd. from May 2013 to August 2014, and was an Executive Director of China Merchants Technology Holdings Co., Ltd. and China Merchants Technology Investment Co., Ltd. (Shenzhen) from November 2008 to October 2010. Before retirement in October 2008, Mr. Gu had served as the Managing Director of China International Marine Containers Co., Ltd., the Chairman and President of China Merchants Shekou Port Services Co., Ltd., the Vice Chairman of the Company, a Director of China Merchants Bank and China Merchants Group Ltd., the Managing Director of China Merchants Shekou Industrial Zone Co., Ltd., Hoi Tung Marine Machinery Suppliers Limited (Hong Kong) and China Merchants Technology Group, respectively, and the Chairman of China Merchants Technology Holdings Co., Ltd.. Mr. Gu is also an expert on Applied Electronics of Shenzhen Expert Association. Mr. Gu has obtained the Advanced Management Program AMP (151) certificate from Harvard Business School. Mr. Gu also holds a Master's degree in Engineering from Management Science Department of University of Science and Technology of China and a Bachelor's degree in Engineering from Tsinghua University.

HUANG Baokui, aged 75, has been an Independent Supervisor of the Company since June 2016. Prior to his retirement in January 2003, Mr. Huang was the Deputy Secretary of the Party Committee and the Secretary of the Disciplinary Committee of China Merchants Shekou Industrial Zone Co., Ltd. Mr. Huang was the Deputy General Manager of Shenzhen Huada Electronic Co., Ltd. and held the position of supervisor in various companies including China Merchants Shekou Industrial Zone Co., Ltd., Shenzhen Shekou Anda Industry Co., Ltd., Shenzhen Shekou Telecom Co., Ltd., China Merchants Petrochemical Co., Ltd. (Shenzhen) and China Merchants Logistics Co., Ltd. Mr. Huang obtained his graduation certificate in Physics from Jilin University and is a senior political engineer.

Candidates of Shareholder Representative Supervisor

ZHANG Wangjin, aged 38, has been a Shareholder Representative Supervisor of the Company since June 2013, and is currently the Managing Director of CPG Overseas Company Limited (Hong Kong). Before joining CPG Overseas Company Limited (Hong Kong), Ms. Zhang worked in the Audit Department of PricewaterhouseCoopers CPA and the M&A and Restructuring Department of Deloitte & Touche Financial Advisory Services Limited. Ms. Zhang is a member of CPA Australia. Ms. Zhang holds a Bachelor's degree in Economics from University of International Business and Economics and has obtained an EMBA degree from Guanghua School of Management of Peking University.

It is proposed that the aforementioned Independent Supervisors and the Shareholder Representative Supervisor will be re-appointed to hold office until expiry of the term of the 9th Session of the Supervisory Committee.

It is proposed that each of the Independent Supervisors and the Shareholder Representative Supervisor 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 Supervisor 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 Supervisor attending the meeting by proxy shall not receive the allowance for such meeting.

Employee Representative Supervisors

PAN Zhongwu, aged 48, has been an Employee Representative Supervisor of the Company since July 2012, and is currently the Deputy Director of the Group Office of the Company. Mr. Pan joined the Group in July 1995 and served in the Office of Comprehensive Management Department of Ping An Property & Casualty and the Group Office of the Company successively. Mr. Pan holds a Master's degree in Finance and Insurance from Wuhan University.

WANG Zhiliang, aged 38, has been an Employee Representative Supervisor of the Company since August 2017, is currently the Deputy General Manager of the Group Head Office in Shanghai of the Company. Mr. Wang joined the Group in July 2002 and successively worked in the Administration Department of Ping An Life Insurance Company of China, Ltd., Tianjin Branch and the Group Office of the Company. Mr. Wang graduated from the Tianjin University of Finance and Economics (previously known as Tianjin Institute of Finance and Economics) with a Bachelor's degree in Economic Information Management.

Employee Representative Supervisors will not receive any supervisors' fees but will only receive remuneration for their respective positions held in the Company, the amounts of which are determined by the management of the Company.

As at the LPD, Mr. Pan and Mr. Wang were personally interested in 8,378 A Shares and 15,536 A Shares respectively within the meaning of Part XV of the SFO.

Save as disclosed above, as at the LPD, none of the above Supervisor candidates (i) had 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 with the Group; (ii) had any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company; and (iii) had any interests in the Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed herein, as at the LPD, there were no other matters relating to the re-election of the above Supervisor candidates 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.

9. THE RESOLUTION REGARDING THE PROPOSED GRANT OF THE GENERAL MANDATE BY THE GENERAL MEETING TO THE BOARD TO ISSUE H SHARES

With the business of the Company maintaining a healthy and steady growth, the Board intends to propose to the Shareholders, in accordance with Rule 13.36 of Listing Rules, to grant to the Board a general mandate to allot, issue and deal with additional H Shares not exceeding 20% of the total nominal value of the H Shares of the Company in issue, so as to enhance the Company's operational flexibility and efficiency, the details of which are as follows:

- (1) Subject to Clause (3) below and in accordance with the relevant requirements of the Listing Rules, the Articles of Association, the applicable laws and regulations of the 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, the additional H Shares of the Company, and to make or grant offers, agreements, options and rights of Share exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (2) The approval referred to in Clause (1) shall authorize the Board during the Relevant Period to make or grant offers, agreements, options and rights of Share exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (3) 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 under Clause (1) shall not exceed 20% of the aggregate nominal amount of the H Shares of the Company in issue, representing up to a limit of 8.15% of the total number of Shares of the Company in issue on the date of passing this resolution at the general meeting, at a discount (if any) of no more than 10% (rather than 20% as limited under the Listing Rules) to the Benchmark Price, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); or (b) any scrip dividend or similar arrangement providing for allotment of Shares in lieu of the whole or part of a dividend on the Shares in accordance with the Articles of Association. 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;

the abovementioned “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 agreements involving the proposed issue of H Share(s) under the General Mandate; or
 - (b) the average closing price of H Share(s) for the 5 trading days immediately prior to the earliest 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; or
 - (iii) the date on which the price of H Share(s) of placing or subscription is fixed.
- (4) For the purposes of this resolution,
- (a) “Relevant Period” means the period from the date of passing this resolution at the general meeting until the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) 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
 - (iii) the revocation or variation of the authority given under this resolution by a special resolution of the Company in general meeting.
 - (b) “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.
- (5) The Board be authorized to make corresponding amendments to the Articles of Association as it thinks fit so as to reflect the new share capital structure upon the allotment or issuance of H Shares.

The Board should use this Mandate in a prudent manner. The exercise of powers under the General Mandate must comply with the relevant provisions of the Listing Rules, the Articles of Association and the applicable laws and regulations of the PRC. It is in the best interests of the Company and the Shareholders as a whole that the Board be authorized by the Shareholders to issue Shares for flexibility in raising capital as and when needed.

10. THE RESOLUTION REGARDING THE 30TH ANNIVERSARY SPECIAL DIVIDEND OF THE COMPANY

In 2018, Ping An will celebrate its 30th anniversary. Over the past 30 years, the Company have achieved leapfrog development thanks to the great support of all shareholders. To reward them with more returns, the Company plans to pay a 30th Anniversary Special Dividend. The profit distribution plan takes into full account current and future business development, profitability, investment funds required, and solvency and capital adequacy of the Group and subsidiaries. The plan also complies with the guidance of CSRC on encouraging cash dividend distribution of listed companies.

As at March 31, 2018, the Company's registered capital was RMB18,280 million and the balance of its statutory surplus reserve fund was RMB9,140 million, which had reached 50% of the registered capital. Therefore, the Company no longer needs to make an appropriation to its statutory surplus reserve fund. As at March 31, 2018, retained profits of the parent company were RMB59,772 million and RMB58,904 million in the financial statements prepared in accordance with the China Accounting Standards and the International Financial Reporting Standards respectively. Net of the announced 2017 final dividend of RMB18,280 million pending the general meeting's approval, retained profits of the parent company were RMB41,492 million and RMB40,624 million respectively. Pursuant to the Articles of Association and other regulations, the profit available for distribution to shareholders for the first quarter of 2018 shall be the lower of the two foregoing figures, i.e. RMB40,624 million.

(1) Distribute the 30th Anniversary Special Dividend of RMB0.20 (tax inclusive) per share

The Company proposes to distribute the 30th Anniversary Special Dividend of RMB0.20 (tax inclusive) in cash per share, based on the share capital of 18,280,241,410 shares. The total cash dividend will amount to RMB3,656,048,282. The Company will withhold the enterprise income tax and the individual income tax for shareholders pursuant to laws and regulations.

(2) Retained profits

After the distribution of the 30th Anniversary Special Dividend, retained profits of the parent company will be RMB36,968 million. The retained profits are mainly for the purposes of organic capital accumulation to maintain a reasonable solvency ratio as well as funding for subsidiaries so that they can maintain a reasonable solvency ratio or capital adequacy ratio.

(3) Time arrangements for dividend distribution

In respect of H shareholders, the Company's register of members of H shares will be closed, in accordance with Article 51 of the Articles of Association and the Listing Rules, from June 9, 2018 (Saturday) to June 14, 2018 (Thursday) (both days inclusive), during which period no transfer of H shares will be registered. H shareholders whose names are recorded in the register of members in Computershare Hong Kong Investor Services Limited on June 14, 2018 (Thursday) ("the Record Date") will be entitled to receive the 30th Anniversary Special Dividend. The dividend payment date of the Company's H shares is July 13, 2018.

In respect of the A shareholders, pursuant to the relevant requirements of the Articles of Association and the Listing Rules of Shanghai Stock Exchange, the Company decides June 6, 2018 (Wednesday) as the Record Date of shareholding. A shareholders whose names are recorded in the register of members in Shanghai branch of the China Securities Depository and Clearing Corporation Limited at the close date of trading of A shares on June 6, 2018 (Wednesday) will be entitled to receive the 30th Anniversary Special Dividend. The dividend payment date of the Company's A shares is June 7, 2018.

The above resolution is hereby submitted to the general meeting for consideration. It is also proposed that the general meeting authorizes the Board to authorize the Company's Executive Director to implement the profit distribution in accordance with applicable domestic and overseas laws, regulations and listing rules, including but not limited to the adjustment of the date arrangements for the profit distribution.

11. THE RESOLUTION REGARDING THE SHANGHAI JAHWA EQUITY INCENTIVE SCHEME

Pursuant to the relevant provisions of Chapter 17 (Share Option Schemes) of the Listing Rules, the schemes involving the grant by the subsidiary of the Company, which is listed on the main board of the Hong Kong Stock Exchange, of options to purchase new shares or other new securities to, or for the benefit of, specified scheme participants shall be subject to the approval of the Shareholders of the Company at the general meeting.

Shanghai Jahwa is a majority-owned subsidiary of the Company and its shares are listed on the Shanghai Stock Exchange with stock code of 600315. As at the LPD, the Company holds 52.17% of the total number of shares issued by Shanghai Jahwa. Shanghai Jahwa proposes to implement the Shanghai Jahwa Equity Incentive Scheme, which involves the grant of Shanghai

Jahwa options to purchase Shanghai Jahwa shares to, or for the benefit of, specified incentive participants. In accordance with Rule 17.02(1)(a) of the Listing Rules, the Shanghai Jahwa Equity Incentive Scheme is also subject to the approval by the Shareholders of the Company at the general meeting. The major terms of the Shanghai Jahwa Equity Incentive Scheme are as follows:

Summary of the Shanghai Jahwa Equity Incentive Scheme

The purpose of Shanghai Jahwa Equity Incentive Scheme is to further improve Shanghai Jahwa's corporate governance structure, promote the establishment and improvement of its incentive and disciplinary mechanism, encourage the initiative and commitment of its directors, senior management and key employees, so as to effectively align the shareholders' interests, Shanghai Jahwa interests, and operators' individual interests, and make all parties stay focused on and strive for the long-term development of Shanghai Jahwa.

The underlying shares

The way of equity incentive by Shanghai Jahwa is through share options and the source of the shares is the issuance of RMB ordinary shares to the incentive participants.

Shanghai Jahwa intends to grant 4.25 million share options to the incentive participants, where the shares involved represent approximately 0.6327% of Shanghai Jahwa's total share capital of 671,713,547 shares as at the date of announcement of the Shanghai Jahwa Equity Incentive Scheme, among which 3,400,000 share options will be granted initially, representing approximately 0.5062% of Shanghai Jahwa's total share capital as at the date of announcement of the Shanghai Jahwa Equity Incentive Scheme and representing approximately 80% of the total share options to be granted under the Shanghai Jahwa Equity Incentive Scheme; and 850,000 share options will be reserved, representing approximately 0.1265% of Shanghai Jahwa's total share capital as at the date of announcement of the Shanghai Jahwa Equity Incentive Scheme and representing approximately 20% of the total share options to be granted under the Shanghai Jahwa Equity Incentive Scheme. Both the initial grant (representing approximately 80% of the total share options to be granted under the Shanghai Jahwa Equity Incentive Scheme) and the grant of reserved share options (representing approximately 20% of the total share options to be granted under the Shanghai Jahwa Equity Incentive Scheme) are one-off, with the initial grant having three exercise periods. Each share option granted to an incentive participant may, upon fulfilment of the exercise conditions, be exercised to purchase one share at the exercise price during the validity period. The cumulative total number of underlying shares of Shanghai Jahwa involved under all the fully effective equity incentive schemes shall not exceed 10% of the total share capital of Shanghai Jahwa. Unless otherwise approved by a special resolution at the general meeting of Shanghai Jahwa, the cumulative total number of shares of Shanghai Jahwa to be granted to any of the incentive participants under the fully effective Equity Incentive Scheme shall not exceed 1% of the total share capital of Shanghai Jahwa. Shanghai Jahwa confirmed that the total number of share options to be granted to each incentive participant in any 12-month period shall not exceed 1% of the total share capital of Shanghai Jahwa. There is no other equity incentive scheme in place for Shanghai Jahwa other than the Shanghai Jahwa Equity Incentive Scheme as at the LPD.

Scope of incentive participants

The incentive participants of the Shanghai Jahwa Equity Incentive Scheme comprise the following persons, and shall exclude independent directors and supervisors, as well as shareholders individually or in aggregate holding 5% or more of the shares of Shanghai Jahwa or the de facto controllers and their spouses, parents or children:

- (I) directors and senior management of Shanghai Jahwa;
- (II) the core management personnel and core technical personnel who have direct influence on the overall results and sustainable development of Shanghai Jahwa. Such personnel refer to those who report directly to the chief executive officer and those who are independently responsible for different units and businesses of Shanghai Jahwa, including that of branding, research and development, supply chain, financing, human resources and strategic investment.

Exercise period and exercise price

The validity period of the Shanghai Jahwa Equity Incentive Scheme shall be 68 months.

The exercise price of the share options under the initial grant of the Shanghai Jahwa Equity Incentive Scheme shall be RMB35.75 per share, i.e., each incentive participant may, upon fulfilment of the exercise conditions, purchase shares of Shanghai Jahwa issued by Shanghai Jahwa to the incentive participant at the price of RMB35.75 per share.

Exercise conditions

Performance indicators of Shanghai Jahwa's share options include two levels, namely, company-level assessment and individual-level assessment. At the company level, financial performance indicators of Shanghai Jahwa will be assessed annually, and achieving such assessing financial performance targets of the year is an exercise condition by the incentive participant of the corresponding year. At the individual level, individual performance assessment is required to decide if such individual's share options have reached exercise condition. Otherwise, such options shall be voided and cancelled by Shanghai Jahwa.

In addition to the above summary of the Shanghai Jahwa Equity Incentive Scheme, after confirmation with Shanghai Jahwa, and in order to comply with the relevant requirements of Chapter 17 (Share Option Schemes) of the Listing Rules, the other contents confirmed by Shanghai Jahwa in relation to the Shanghai Jahwa Equity Incentive Scheme are set out as below:

1. Automatic lapse of the share options

The share options which have been granted to the incentive participants under the Shanghai Jahwa Equity Incentive Scheme but not yet exercised shall not be exercised anymore and shall be cancelled by Shanghai Jahwa if any of the following events occur to Shanghai Jahwa:

- (I) issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the accounting financial report of Shanghai Jahwa for its latest accounting year;
- (II) issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of Shanghai Jahwa for its latest accounting year;
- (III) failure to conduct profit distribution in accordance with laws and regulations, the articles of association of Shanghai Jahwa and public undertakings during the most recent 36 months after listing;
- (IV) prohibition from implementation of a share incentive scheme by laws and regulations;
- (V) other circumstances as determined by the CSRC.

2. *Rights attaching to the share options*

The share options before its exercise do not carry any right to vote at general meetings of Shanghai Jahwa, or any dividend, transfer or other rights (including those arising on the winding-up of Shanghai Jahwa).

3. *Rights attaching to the underlying shares*

No dividend or distribution shall be payable in respect of any shares underlying the unexercised share options under the Shanghai Jahwa Equity Incentive Scheme. Subject to the foregoing, the shares which are allotted and issued upon the exercise of share options shall be subject to all the provisions of the articles of association of Shanghai Jahwa for the time being in force and shall rank *pari passu* in all respects with, and shall have the same voting, dividend, transfer and other rights (including those rights arising on the winding-up of Shanghai Jawah) as the existing fully paid shares in issue on the date on which those shares are allotted and issued upon the exercise of the share options and, without prejudice to the generality of the foregoing, shall entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which the shares are allotted and issued, other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof is before the date on which the shares are allotted and issued.

4. *Termination of the Shanghai Jahwa Equity Incentive Scheme*

If early termination of the Shanghai Jahwa Equity Incentive Scheme is approved at the general meeting of Shanghai Jahwa, Shanghai Jahwa shall cease to grant any share option pursuant to the Shanghai Jahwa Equity Incentive Scheme. The share options granted prior to the termination of the Shanghai Jahwa Equity Incentive Scheme shall not be exercisable and shall be cancelled by Shanghai Jahwa.

5. *Calculation of the Fair Value of the Share Options*

According to the relevant requirements on determination of fair value in the Accounting Standards for Enterprises No. 22 – Recognition and Measurement of Financial Instruments, Shanghai Jahwa is required to select an appropriate pricing model to calculate the fair value of the share options. Shanghai Jahwa has selected the Black-Scholes model to calculate the fair value of the share options, and calculated the fair value of the share options to be granted under the initial grant on the LPD using this model (the fair value will be calculated again on the grant date for the initial grant). For the avoidance of doubt, there is no share option granted under the Shanghai Jahwa Equity Incentive Scheme as at the LPD. Relevant factors for calculating the fair value are set out below:

- (I) Price of the underlying shares: The closing price of Shanghai Jahwa's secondary market on the grant date of the share options, assuming at RMB42.26;

Note: the closing price of Shanghai Jahwa's secondary market on the LPD.

- (II) Exercise price: RMB35.75;

Note: the higher of (i) the average trading prices of the shares of Shanghai Jahwa on the trading day immediately preceding the date of the announcement of the draft of the equity incentive scheme and (ii) the average trading prices of the shares of Shanghai Jahwa for 20 trading days immediately preceding the date of the announcement of the draft of the equity incentive scheme.

- (III) Validity period: the validity period of the share options granted under the initial grant is 1.17 years, 1.17 years, and 2.33 years respectively;

Note: the period from the date of lifting the restriction on the options to the date of expiration of the options.

- (IV) Volatility rate: the historical 3-year volatility rate against the validity period is 23.57%, 32.88% and 34.47%, respectively;

Note: estimation by matching Shanghai Jahwa's historical share price daily average rate of return with predicted exercise period.

- (V) Risk-free interest rate: the corresponding maturity rates of China government bond are 3.27%, 3.37%, and 3.54%, respectively;

Note: using return rate of China government bond with the same exercise period as risk-free interest rate.

- (VI) Dividend rate: the corresponding dividend yield is 2.1%, 1.9% and 1.6% respectively.

Note: estimation by matching Shanghai Jahwa's historical dividend rate with predicated exercise period.

Fair value of share options: the fair value of the share options under the initial grant corresponding to the first, second and third exercise period was RMB9.27, RMB12.74 and RMB16.04 respectively.

Share options cost: RMB45.97 million.

Note: the corresponding costs of the options under initial grant.

Remark: the calculation results of the fair value of the share options are subject to a number of assumptions of the parameters used herein and the limitation of the model adopted, therefore the estimated value of the share options under the initial grant may be subjective and uncertain.

Shareholders' Approval

The Shanghai Jahwa Equity Incentive Scheme is subject to the approval of Shareholders of the Company pursuant to Rule 17.04 of the Listing Rules. The resolution to be proposed as an ordinary resolution will be voted on by way of poll. To the extent that the Company is aware, having made all reasonable enquiries, none of the Shareholders of the Company is required to abstain from the voting on the resolution relating to the Shanghai Jahwa Equity Incentive Scheme at the AGM.

CSRC's Approval

No approval from the CSRC is required for the Shanghai Jahwa Equity Incentive Scheme.

For details of the Shanghai Jahwa Equity Incentive Scheme, please refer to pages 30 to 58 of this circular. Pursuant to the requirements of the Listing Rules, the Shanghai Jahwa Equity Incentive Scheme is submitted to the general meeting for consideration.

THE SHANGHAI JAHWA 2018 EQUITY INCENTIVE SCHEME (DRAFT)**DECLARATION**

Shanghai Jahwa United Co., Ltd. (“Shanghai Jahwa”, “Company”) and all its directors and supervisors warrant that no false statements, misleading representations or material omissions are contained in the Scheme and its draft summary, and severally and jointly accept legal liability for the truthfulness, accuracy and completeness of the contents thereof.

SPECIAL NOTICE

1. The Scheme has been formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Administrative Measures on Share Incentives of Listed Companies and other applicable laws, regulations and regulatory documents as well as the Articles of Association of Shanghai Jahwa United Co., Ltd..
2. The incentive instruments adopted in the Scheme are Share Options, and the source of the underlying shares of the Scheme is the ordinary A shares to be issued by the Company to the Incentive Participants.
3. The Company intends to grant 4,250,000 Share Options to the Incentive Participants under the Scheme, where the Shares involved represent approximately 0.6327% of the Company’s total share capital of 671,713,547 Shares as at the date of announcement of the Scheme, among which, 3,400,000 Share Options will be granted initially (the “**First Grant**”), representing approximately 0.5062% of the Company’s total share capital as at the date of announcement of the Scheme, and representing approximately 80% of the total Share Options to be granted under the Scheme; and 850,000 Share Options will be reserved, representing approximately 0.1265% of the Company’s total share capital as at the date of announcement of the Scheme, and representing approximately 20% of the total Share Options to be granted under the Scheme. Each Share Option granted to an Incentive Participant may, upon fulfilment of the Exercise Conditions, be exercised to purchase one Share at the Exercise Price during the Validity Period. The cumulative total number of underlying shares of the Company involved under the fully effective equity incentive scheme(s) shall not exceed 10% of the total share capital of the Company. Unless otherwise approved by a special resolution at the general meeting of the Company, the total number of Shares to be granted to any of the Incentive Participants under the fully effective Scheme shall not exceed 1% of the total share capital of the Company.
4. The Incentive Participants under the Scheme comprise a total of 10 persons who are the directors, senior management, core management staff and core technical staff of the Company, excluding independent directors and supervisors.

The reserved Incentive Participants refer to the Incentive Participants who were not determined when the Scheme was approved at the general meeting but have been included in the Scheme during the period of existence of the Scheme and who are determined within 12 months since the date the Scheme was considered and approved at the general meeting. The standard for determination of the reserved Incentive Participants shall be fixed with reference to that of the First Grant.

5. The Exercise Price of the Share Options to be granted to the Incentive Participants under the First Grant of the Scheme shall be RMB35.75 per Share. In the event of any conversion of capital reserve, bonus issue, share sub-division, share consolidation, rights issue, dividend distribution or other events occurring during the period from the date of the announcement of the Scheme to the date on which the Incentive Participants complete the Exercise of the Share Options, the Exercise Price of the Share Options shall be adjusted accordingly.
6. The Validity Period of the Scheme shall commence from the Grant Date of the Share Options and end on the date on which all the Share Options granted to the Incentive Participants have been exercised or otherwise cancelled, which shall not be longer than 68 months.
7. In the event of any conversion of capital reserve, bonus issue, share sub-division, share consolidation, rights issue or other events occurring during the period from the date of the announcement of the Scheme to the date on which the Incentive Participants complete the Exercise of the Share Options, the number of Share Options and the total number of Shares so involved shall be adjusted accordingly.
8. The Company undertakes that it shall not provide loans, and any other forms of financial assistance to the Incentive Participants for acquiring relevant entitlement under the Scheme, including the provision of guarantees for their loans.
9. The Scheme is drawn up by the remuneration and assessment committee of the Company and reviewed and approved by the Board of the Company. The Scheme shall become effective from the date of approval at the general meeting of the Company. In addition to on site voting, internet voting shall be also provided upon voting by poll with respect to the Scheme at the general meeting of the Company.
10. The Grant Date shall be determined by the Board upon fulfilment of the grant conditions under the Scheme, subject to consideration and approval at the general meeting of the Company. The Company shall complete the grant of entitlement, registration, announcement and other relevant procedures within 60 days upon fulfilment of the grant conditions under the Scheme.
11. The implementation of the Scheme will not cause the shareholding structure of the Company to fail to meet listing requirements.

I DEFINITION

The following expressions have the following meanings unless there is defined specifically:

“Shanghai Jahwa”, “Company”	Shanghai Jahwa United Co., Ltd.
“Scheme”	2018 Equity Incentive Scheme (draft) of Shanghai Jahwa United Co., Ltd. and its summary
“Share Options”	the right to be granted to an Incentive Participant to acquire certain amount of Shares of the Company at a pre-determined price and under certain conditions in a particular period of time in the future
“Share(s)”	the A shares of Shanghai Jahwa
“Incentive Participant(s)”	the personnel to be granted the Share Options pursuant to the Scheme
“Grant Date”	the date on which the Incentive Participant(s) to be granted the Share Option by the Company, which must be a trading day
“Vesting Period”	the period between the Grant Date of the Share Options and the Exercise Date of the Share Options
“Exercise”	the behaviour of an incentive participant exercising his/her share options pursuant to a share options incentive scheme. Under the Scheme, the Exercise means the behaviour of an Incentive Participant acquiring the Share(s) in accordance with the price and conditions stipulated under the Scheme
“Exercise Date”	the date starting from which an Incentive Participant is entitled to Exercise, which must be a trading day
“Exercise Price”	the price determined under the Scheme for an Incentive Participant to acquire the Shares of the Company

“Exercise Conditions”	the conditions to be fulfilled for an Incentive Participant to Exercise the Share Options under the Scheme
“Validity Period”	the period commencing from the date on which the Incentive Participant(s) is granted the Share Option to the date when the Share Option lapses
“Company Law”	the Company Law of the People’s Republic of China
“Securities Law”	the Securities Law of the People’s Republic of China
“Administrative Measures”	the Administrative Measures on Share Incentives of Listed Companies (上市公司股權激勵管理辦法)
“Articles of Association”	the Articles of Association Shanghai Jahwa United Co., Ltd.
“CSRC”	China Securities Regulatory Commission
“SSE”	The Shanghai Stock Exchange
“Depository and Clearing Company”	Shanghai Branch of China Securities Depository and Clearing Corporation Limited
“RMB”	Renminbi

Notes:

- (1) Unless otherwise stated, the financial indicators referenced herein shall mean the financial indicators prepared on a consolidated basis.
- (2) Some figures shown as totals herein may not be an arithmetic aggregation of the figures preceding them due to rounding adjustments.

II PURPOSES OF THE SCHEME

The Equity Incentive Scheme has been formulated to further optimize the corporate governance structure, establish and improve the incentive and disciplinary mechanism of the Company, encourage the initiative and commitment of its directors, senior management and key employees of the Company and effectively align the shareholders' interests, the company's interests, and operator's individual interests, and make all parties stay focused on and strive for the long-term development of the Company in accordance with provisions of the relevant laws, regulations and regulatory documents including the Company Law, the Securities Law and the Administrative Measures, as well as the Articles of Association.

III ADMINISTRATIVE BODY OF THE SCHEME

- I. The general meeting, as the ultimate authority of the Company, shall be responsible for considering and approving the implementation, modification and termination of the Scheme. The general meeting may, within its powers and authority, authorise the Board to handle certain matters relating to the Scheme.
- II. The Board shall act as the executive and administrative body for the Scheme and be responsible for the implementation of the Scheme. The remuneration and assessment committee under the Board shall be responsible for drafting and revising the Scheme. Upon approval by the Board, the Scheme shall be further submitted to the general meeting for consideration and approval. The Board may handle other matters relating to the Scheme within its scope of authority as delegated by the general meeting.
- III. The supervisory committee shall act as the supervisory authority for the Scheme, and shall be responsible for verifying the list of Incentive Participants, and shall supervise the implementation of the Scheme as to whether it is in compliance with the relevant laws, regulations, regulatory documents and operational rules of the SSE.
- IV. The independent directors shall issue independent opinions as to whether the Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the shareholders as a whole, and shall solicit voting rights by proxy from all shareholders in respect of the Scheme.

IV BASIS FOR DETERMINING THE INCENTIVE PARTICIPANTS AND THE SCOPE OF THE INCENTIVE PARTICIPANTS**I. Basis for Determining the Incentive Participants***(I) Legal basis for determining the Incentive Participants*

The Incentive Participants of the Scheme are determined after taking into account the circumstances of the Company and in accordance with the requirements of the relevant laws, regulations and regulatory documents including the Company Law, the Securities Law and the Administrative Measures, as well as the Articles of Association.

(II) Functional basis for determining the Incentive Participants

The Incentive Participants of the Scheme shall include existing directors, senior management and core personnel of the Company, and relevant staff who, in the opinion of the Board, are entitled to incentives.

II. Scope of the Incentive Participates

The Incentive Participants of the Scheme comprise the following persons, and shall exclude independent directors and supervisors, as well as shareholders individually or in aggregate holding 5% or more of the shares of the Company or the de facto controllers and their spouses, parents or children:

- (I) Directors and senior management of the Company;
- (II) The core management personnel and core technical personnel who have direct influence on the overall results and sustainable development of the Company.

The Incentive Participants of the Scheme for the First Grant comprise a total of 10 persons. Among the above Incentive Participants, directors and senior management of the Company must be elected by general meeting or appointed by the Board of the Company. All Incentive Participants must establish employment or service relationship with the Company or its subsidiaries and enter into employment contracts or labor contracts during the Validity Period of the Scheme.

Incentive Participants for the reserved grant shall be determined within 12 months from the date on which the Scheme is considered and passed at the general meeting. Following the proposals from the Board, issue of clear opinions by the independent directors and the supervisory committee as well as issue of professional opinions and legal opinions by the legal adviser, the Company shall promptly and accurately disclose the relevant information in relation to such Incentive Participants on the designated website pursuant to the relevant requirements. The reserved entitlements shall lapse where the Incentive Participants for the reserved grant are not determined after 12 months from the aforesaid date. Reference shall be made to the criteria for the First Grant to determine the Incentive Participants for the reserved grant.

III. Verification of the Incentive Participants

After the Scheme is considered and approved by the Board, the Company shall internally publish the names and the positions of the Incentive Participants for a period of no less than 10 days. The supervisory committee of the Company shall verify the list of the Incentive Participants and thoroughly consider opinions from the public. The Company shall publish the opinions of the supervisory committee on the verification and the public opinions in relation to the list of the Incentive Participants 5 days before the Scheme is considered at the general meeting.

V SOURCE AND NUMBER OF SHARES UNDER THE SCHEME**I. Source of Shares under the Scheme**

The source of Shares under the Scheme shall be A shares of the Company to be issued by the Company to the Incentive Participants.

II. Number of Shares under the Scheme

The Company intends to grant 4,250,000 Share Options to the Incentive Participants under the Scheme, where the Shares involved represent approximately 0.6327% of the Company's total share capital of 671,713,547 Shares as at the date of announcement of the Scheme, among which, 3,400,000 Share Options will be granted at the First Grant, representing approximately 0.5062% of the Company's total share capital as at the date of announcement of the Scheme, and representing approximately 80% of the total Share Options to be granted under the Scheme; and 850,000 Share Options will be reserved, representing approximately 0.1265% of the Company's total share capital as at the date of announcement of the Scheme, and representing approximately 20% of the total Share Options to be granted under the Scheme. Each Share Option granted to an Incentive Participant may, upon fulfilment of the Exercise Conditions, be exercised to purchase one Share at the Exercise Price during the Validity Period.

VI ALLOCATION OF THE SHARE OPTIONS GRANTED TO THE INCENTIVE PARTICIPANTS UNDER THE SCHEME

Details of the allocation of the Share Options among the Incentive Participants under the Scheme are as follows:

Number	Name	Position	Number of Share Options to be granted (0'000)	Percentage to the total amount of Share Options to be granted (%)	Percentage to the total share capital of the Company as at the date of this announcement (%)
1	Zhang Dongfang	Chairman, Chief Executive Officer and General Manager	152	35.76	0.2263
2	Han Min	Chief Financial Officer and Secretary of the Board	32	7.53	0.0476
3	Ye Weimin	Deputy General Manager	38	8.94	0.0566
4	Huang Jian	Deputy General Manager	8	1.88	0.0119
4	directors and senior management members of the Company		230	54.12	0.3424
6	core management personnel and core technical personnel of the Company		110	25.88	0.1638
	Reserved		85	20	0.1265
	Total		425	100	0.6327

Note: The number of Shares granted to any of the above Incentive Participants through the Scheme does not exceed 1% of total share capital of the Company. The total number of underlying shares in relation to all equity incentive schemes of the Company in force shall not exceed 10% of total share capital of the Company at the time of submission of relevant proposal to the general meeting.

**VII VALIDITY PERIOD, GRANT DATE, VESTING PERIOD, EXERCISE DATE AND
RELEVANT LOCK-UP RESTRICTIONS OF THE SCHEME****I. Validity Period**

The Validity Period of the Scheme shall be from the date of First Grant to the day when all the Share Options granted to Incentive Participants are exercised or cancelled, which shall not be longer than 68 months.

II. Grant Date

The Grant Date under the First Grant of the Scheme shall be determined by the Board of the Company after being approved by the general meeting of the Company, and the Grant Date must be a trading day. The Company shall conduct the First Grant of the Share Options to the Incentive Participants and complete the announcement within 60 days from the date on which the Scheme is considered and passed at the general meeting. If the Company fails to complete the above procedures within 60 days, the Scheme will be terminated and the Share Options which have not been granted will lapse. The portion of Share Options reserved shall be granted within 12 months from the date on which the Scheme is considered and passed at the general meeting.

III. Vesting Period

The Vesting Period commences from the Grant Date to the Exercise Date. The Share Options granted to the Incentive Participant have different applicable Vesting Period of 12 months, 26 months and 40 months respectively from the Grant Date.

IV. Exercise Date

The Share Options granted to the Incentive Participants may be exercised after the Vesting Period. The Exercise Date must be a trading day and shall fall within the “other periods” as stipulated by the CSRC and the SSE.

On the Exercise Date, if the Exercise Conditions under the Scheme are fulfilled, the Incentive Participants may exercise their Share Options in accordance with the following arrangements.

The following table sets forth the exercise period and the exercise schedule for each tranche of the Share Options under the First Grant:

Exercise period	Exercise schedule	Percentage of Share Options exercisable in the total number of Share Options granted
The first exercise period	Commencing on the first trading day after expiry of the 12-month period from the Grant Date and ending on the last trading day of the 26-month period from the Grant Date	25%
The second exercise period	Commencing on the first trading day after expiry of the 26-month period from the Grant Date and ending on the last trading day of the 40-month period from the Grant Date	25%
The third exercise period	Commencing on the first trading day after expiry of the 40-month period from the Grant Date and ending on the last trading day of the 68-month period from the Grant Date	50%

The following table sets forth the exercise period and the exercise schedule for each tranche of the reserved Share Options:

Reserved exercise period	Exercise schedule	Percentage of Share Options exercisable in the total number of Share Options granted
The first exercise period	Commencing on the first trading day after expiry of the 12-month period from the Grant Date and ending on the last trading day of the 26-month period from the Grant Date	50%

Reserved exercise period	Exercise schedule	Percentage of Share Options exercisable in the total number of Share Options granted
The second exercise period	Commencing on the first trading day after expiry of the 26-month period from the Grant Date and ending on the last trading day of the 54-month period from the Grant Date	50%

The Share Options have not been exercised during the prescribed periods above due to unfulfilled Exercise Conditions, shall not be exercised or deferred to exercise in the next exercise period, and the corresponding Share Options granted to the Incentive Participants shall be cancelled by the Company in accordance with the principles stipulated under the Scheme. Upon the end of each exercise period of the Share Options, the exercise of outstanding Share Options of the current period shall be terminated and such Share Options shall be cancelled by the Company.

V. Relevant Lock-up Restrictions

The lock-up provisions of the Scheme shall be implemented in accordance with the Company Law, the Securities Law, and other relevant laws, regulations and regulatory documents and the Articles of Association. Details are as follows:

- (I) if an Incentive Participant is a director or a member of senior management of the Company, the number of shares that may be transferred each year during his term of office and during the regulated period must not exceed 25% of the total number of shares of the Company held by him. No share of the Company held by him can be transferred within half year after his termination of office.
- (II) if an Incentive Participant is a director or a member of senior management of the Company and he disposes any shares of the Company within six months after the acquisition of the same, or buys back within six months after disposition of the same, all gains arising therefrom shall be vested with the the Company. The Board shall recover all such gains.
- (III) if, during the Validity Period of the Scheme, there is any change to the requirements regarding the transfer of shares by a director and senior management under the Company Law, the Securities Law, the other relevant laws, regulations and regulatory documents and the Articles of Association, an Incentive Participant shall comply with the amended Company Law, the Securities Law, the other relevant laws, regulations and regulatory documents and the Articles of Association, upon transfer of shares held by him.

**VIII EXERCISE PRICE OF THE SHARE OPTIONS UNDER THE SCHEME AND
BASIS FOR DETERMINATION****I. Exercise Price of the Share Options under the First Grant**

The Exercise Price of the Share Options under the First Grant of the Scheme shall be RMB35.75 per share, i.e., each Incentive Participant may, upon fulfilment of the Exercise Conditions, purchase one Share of the Company issued by the Company to the Incentive Participant at the price of RMB35.75 per share.

II. Basis for Determining the Exercise Price of the Share Options under the First Grant

The Exercise Price of the Share Options under the First Grant of the Scheme shall not be lower than the par value of the shares, and shall not be lower than the highest amongst the following:

- (I) the average trading price of the Shares of the Company for the last trading day preceding the date of announcement of this draft Scheme, being RMB35.75 per share;
- (II) the average trading price for the last 20 trading days preceding the date of announcement of this draft Scheme, being RMB34.85 per share.

III. Basis for Determining the Exercise Price of the reserved Share Options

Before the grant of the reserved Share Options, the Company shall hold a board meeting to pass the relevant resolution, and shall disclose a summary of such grant. The Exercise Price of the reserved Share Options shall not be lower than the par value of the shares, and shall not be lower than the highest amongst the following:

- (I) the average trading price of the Shares of the Company for the last trading day preceding the date of announcement of the board resolution on the grant of the reserved Share Options;
- (II) the average trading price of the Shares of the Company for the last 20, 60 or 120 trading days preceding the date of announcement of the board resolution on the grant of the reserved Share Options.

IX GRANT AND EXERCISE CONDITIONS OF THE SHARE OPTIONS UNDER THE SCHEME**I. Grant Conditions of the Share Options**

Share Options may be granted to the Incentive Participants upon satisfaction of all of the following conditions:

- (I) There is no occurrence of any of the following events on the part of the Company:
 - 1. issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the accounting financial report of the Company for its most recent accounting year;
 - 2. issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
 - 3. failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the 36 months after listing;
 - 4. prohibition from implementation of a share incentive scheme by laws and regulations;
 - 5. any other circumstances as determined by the CSRC.

- (II) There is no occurrence of any of the following events on the part of the Incentive Participants:
 - 1. being subject to any identification as an ineligible personnel by SSE in the last 12 months;
 - 2. being subject to any identification as an ineligible personnel by the CSRC and its resident agencies in the last 12 months;
 - 3. imposition of administrative penalties or measures prohibiting the Incentive Participants from entering into the market by the CSRC and its resident agencies in the last 12 months due to material non-compliance of laws or regulations;
 - 4. circumstances under which the Incentive Participant is prohibited from acting as a director and a member of the senior management of the Company pursuant to the Company Law;

5. circumstances under which the Incentive Participant is not allowed by the laws and regulations to participate in share incentive schemes of a listed company;
6. any other circumstances as determined by the CSRC.

II. Exercise Conditions of the Share Options

During the exercise period, the Share Options granted to the Incentive Participants can only be exercised upon satisfaction of all of the following conditions:

- (I) There is no occurrence of any of the following events on the part of the Company:
 1. issue of an auditors' report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the accounting financial report of the Company for its most recent accounting year;
 2. issue of an auditors' report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
 3. failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the 36 months after listing;
 4. prohibition from implementation of a share incentive scheme by laws and regulations;
 5. any other circumstances as determined by the CSRC.

In the event any of the above events occurs, the Share Options granted to all the Incentive Participants under the Scheme but not exercised shall be cancelled by the Company.

- (II) There is no occurrence of any of the following events on the part of the Incentive Participants:
 1. being subject to any identification as an ineligible personnel by SSE in the last 12 months;
 2. being subject to any identification as an ineligible personnel by the CSRC and its resident agencies in the last 12 months;
 3. imposition of administrative penalties or measures prohibiting the Incentive Participants from entering into the market by the CSRC and its resident agencies in the last 12 months due to material non-compliance of laws or regulations;

4. circumstances under which the Incentive Participant is prohibited from acting as a director and a member of the senior management of the Company pursuant to the Company Law;
5. circumstances under which the Incentive Participant is not allowed by the laws and regulations to participate in share incentive schemes of a listed company;
6. any other circumstances as determined by the CSRC.

In the event any of the above events occurs on an Incentive Participant, the Share Options granted to that Incentive Participant under the Scheme but not exercised shall be cancelled by the Company.

(III) Performance targets at the Company level:

The financial performance indicators of the Company will be assessed annually and achieving such assessing financial performance targets of the year is an Exercise Condition by the Incentive Participant of the corresponding year.

The accessing performance targets for each year are as follows:

Exercise period	Performance target 1 Exercise proportion when targets met is 30%	Performance target 2 Exercise proportion when targets met is 70%
The first exercise period	Based on the operating income in 2017, the growth rate of operating income in 2018 shall not be lower than 23%, or based on the operating income in 2017, the growth rate of operating income in 2019 shall not be lower than 54%	Based on the net profit in 2017, the growth rate of net profit in 2018 shall not be lower than 41%, or based on the net profit in 2017, the growth rate of net profit in 2019 shall not be lower than 92%
The second exercise period	Based on the operating income in 2017, the growth rate of operating income in 2019 shall not be lower than 54%, or based on the operating income in 2017, the growth rate of operating income in 2020 shall not be lower than 92%	Based on the net profit in 2017, the growth rate of net profit in 2019 shall not be lower than 92%, or based on the net profit in 2017, the growth rate of net profit in 2020 shall not be lower than 156%
The third exercise period	Based on the operating income in 2017, the growth rate of operating income in 2020 shall not be lower than 92%	Based on the net profit in 2017, the growth rate of net profit in 2020 shall not be lower than 156%

Notes:

- (1) Net profit refers to the net profit attributable to the shareholders of a listed company;
- (2) After reaching performance target 1, the actual amount of Share Options which are exercisable by the Incentive Participants in the respective exercise period shall be 30% of its aggregate amount. After reaching performance target 2, the actual amount of Share Options which are exercisable by the Incentive Participants in the respective exercise period shall be 70% of its aggregate amount. After reaching both of performance target 1 and performance target 2, the actual amount of Share Options which are exercisable by the Incentive Participants in the respective exercise period shall be 100% of its aggregate amount.

The exercise periods of the reserved Share Options and the annual assessing performance targets are as follows:

Exercise period	Performance target 1 Exercise proportion when targets met is 30%	Performance target 2 Exercise proportion when targets met is 70%
The first exercise period	Based on the operating income in 2017, the growth rate of operating income in 2019 shall not be lower than 54%, or based on the operating income in 2017, the growth rate of operating income in 2020 shall not be lower than 92%	Based on the net profit in 2017, the growth rate of net profit in 2019 shall not be lower than 92%, or based on the net profit in 2017, the growth rate of net profit in 2020 shall not be lower than 156%
The second exercise period	Based on the operating income in 2017, the growth rate of operating income in 2020 shall not be lower than 92%	Based on the net profit in 2017, the growth rate of net profit in 2020 shall not be lower than 156%

Notes:

- (1) Net profit refers to the net profit attributable to the shareholders of a listed company;
- (2) After reaching performance target 1, the actual amount of Share Options which are exercisable by the Incentive Participants in the respective exercise period shall be 30% of its aggregate amount. After reaching performance target 2, the actual amount of Share Options which are exercisable by the Incentive Participants in the respective exercise period shall be 70% of its aggregate amount. After reaching both of performance target 1 and performance target 2, the actual amount of Share Options which are exercisable by the Incentive Participants in the respective exercise period shall be 100% of its aggregate amount.

(IV) Performance targets at individual level:

According to the performance targets of the Scheme, the assessment of the Incentive Participants shall be conducted during the three years of 2018-2020 within the Validity Period of the Scheme, and the appraisal results of the Incentive Participants for each corresponding year shall be graded at C and above, before the Incentive Participants can have the right to apply for an exercise of the exercisable Share Options within the corresponding exercise period in accordance with the relevant provisions of the Scheme. Otherwise, their corresponding Share Options shall be voided and cancelled by the Company. The details are as follows:

Exercise period	Corresponding assessment year	Performance targets
The first exercise period	2018	The appraisal results of the Incentive Participants for the year shall be graded at C and above
The second exercise period	2019	The appraisal results of the Incentive Participants for the year shall be graded at C and above
The third exercise period	2020	The appraisal results of the Incentive Participants for the year shall be graded at C and above

The performance targets at individual level under the for the reserved Share Options are as follows:

Exercise period	Corresponding assessment year	Performance targets
The first exercise period	2019	The appraisal results of the Incentive Participants for the year shall be graded at C and above
The second exercise period	2020	The appraisal results of the Incentive Participants for the year shall be graded at C and above

The science and reasonableness of the performance targets

The Share Option performance targets are categorised into two levels, i.e. performance targets at the Company level and performance targets at the individual level.

The Company level performance targets are the growth rate of operating income and the net profit. The growth rate of operating income and net profit reflect the profitability and potential growth of the Company, thus manifesting the operating results of the Company. In order to establish a better image in the capital market, the Company has set the above assessing performance targets after reasonably predicting and taking into account the incentivizing purposes of the Scheme.

Besides performance targets at the Company level, the Company has established a performance appraisal system at individual level for the Incentive Participants, which evaluates comprehensively the performance of Incentive Participants in an accurate and all-round manner. The Company will determine whether the Incentive Participants meet the conditions for Exercise based on their performance appraisal results for the corresponding year.

Given the above, the appraisal system for the Scheme of the Company is all-round, comprehensive and operable, and the appraisal indicators are scientific and reasonable, which are binding on the Incentive Participants and can serve the appraisal goal of the Scheme.

X METHOD AND PROCEDURES FOR ADJUSTING THE SCHEME

I. Method for Adjusting the Number of the Share Options

After the announcement of the Scheme and before Share Options being exercised by an Incentive Participant, in the event of any conversion of capital reserve, bonus issue, sub-division, rights issue or consolidation in relation to the shares of the Company, adjustment to the number of Share Options to be granted shall be made by the Company accordingly. The method of adjustment is set out below:

(I) Conversion of capital reserve, bonus issue and sub-division of shares

$$Q = Q_0 \times (1 + n)$$

Where: Q_0 represents the number of Share Options before the adjustment; n represents the ratio of increase per share resulting from the issue of shares by conversion of capital reserve, bonus issue or sub-division of shares (i.e. the number of shares increased per share upon issue of shares by conversion of capital reserve, bonus issue or sub-division of shares); Q represents the adjusted number of Share Options.

(II) Rights issue

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: Q_0 represents the number of Share Options before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of Share Options.

(III) Consolidation of shares

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of Share Options before the adjustment; n represents the ratio of consolidation of shares (i.e. one share of the Company shall be consolidated into n shares); Q represents the adjusted number of Share Options.

(IV) Dividend distribution and issue of additional shares

Where the Company distributes dividends or issues additional shares, the number of Share Options shall not be subject to any adjustment.

II. Method for Adjusting the Exercise Price of the Share Options

During the period from the date of this announcement to completion of the registration of the Share Options exercised by the Incentive Participants, in the event of any dividend distribution, conversion of capital reserve, bonus issue, sub-division, consolidation or rights issue of shares of the Company, adjustment to the Exercise Price of Share Options shall be made by the Company accordingly. The method of adjustment is set out below:

(I) Conversion of capital reserve, bonus issue and sub-division of shares

$$P = P_0 \div (1 + n)$$

Where: P_0 represents the Exercise Price of Share Options before the adjustment; n represents the ratio of increase per share resulting from the issue of shares by conversion of capital reserve, bonus issue and sub-division of shares to each share; P represents the adjusted Exercise Price.

(II) Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where: P_0 represents the Exercise Price of Share Options before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (the ratio of the number of rights issue to the total share capital of the Company before the rights issue); P represents the adjusted Exercise Price of Share Options.

(III) Consolidation of shares

$$P = P_0 \div n$$

Where: P_0 represents the Exercise Price of Share Options before the adjustment; n represents the ratio of consolidation of shares; P represents the adjusted Exercise Price of Share Options.

(IV) Dividend distribution

$$P = P_0 - V$$

Where: P_0 represents the Exercise Price of Share Options before the adjustment; V represents the dividend per share; P represents the adjusted Exercise Price of Share Options. After adjustment, P shall be greater than 0.

(V) Issue of additional shares

Where the Company issues additional shares, the Exercise Price of Share Options of the Shares shall not be subject to any adjustment.

III. Adjustment Procedures

The general meeting of the Company shall authorise the Board of the Company to adjust the Exercise Price of Share Options and the number of the Share Options based on the actual circumstances at the time when the above situation occurs. The Board of the Company shall make timely announcement after making adjustment to the number of the Share Options and the Exercise Price of Share Options in accordance with the above provisions. Lawyers shall provide professional advice on whether such adjustment is in compliance with the provisions of the Administrative Measures, Articles of Association and the Scheme.

XI ACCOUNTING TREATMENT OF THE SHARE OPTIONS UNDER THE SCHEME**I. Accounting Treatment**

According to the requirements of the “Accounting Standards for Business Enterprises No. 11 – Share-based Payments”, the Company will measure and audit the expense of the Scheme in accordance with the following accounting method:

(I) Grant Date

Since the Share Options can not be exercised on the Grant Date, no relevant accounting treatment is required. The Company shall determine the fair value of the Share Options on the Grant Date.

(II) Vesting Period

On each balance sheet date during the Vesting Period, the services obtained in the current period shall, based on the best estimate of the number of the Share Options, be included in cost of the relevant assets or expenses and the other capital reserves in capital reserves at the fair value of the Share Options on the Grant Date.

(III) Exercise period

No adjustment shall be made to the relevant costs or expense, and the total amount of the owner’s equities, which have been recognized.

(IV) Exercise Date

Share capital and share premium shall be recognized with reference to the actual exercise of the Share Options, and upon which, the amount recognized as “Capital Reserves – Other capital reserves” during the Vesting Period shall be transferred to “Capital Reserves – Capital premium”.

II. Calculation of the Fair Value of the Share Options

According to the relevant requirements on determination of fair value in the “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments”, the Company is required to select an appropriate pricing model to calculate the fair value of the Share Options. The Company has selected the Black-Scholes model (“BS Model”) to calculate the fair value of the Share Options, and predict the Share Options granted under the First Grant on 19 March 2018 using this model (the fair value will be measured on the Grant Date). Relevant parameters are set out below:

- (I) Price of the Shares: The closing price of the Company’s secondary market on the Grant Date of the Share Options, which is assumed to be RMB35.96;

- (II) Exercise Price: RMB35.96;
- (III) Validity Period: The Validity Period of the Share Options granted under the First Grant is 1.17 years, 1.17 years, and 2.33 years respectively;
- (IV) Volatility rate: The historical 3-year volatility against the Validity Period is 23.56%, 30.93% and 29.10%, respectively;
- (V) Risk-free interest rate: The corresponding maturity interest rates of ChinaBond Government Bond are 3.45%, 3.57%, and 3.73%, respectively;
- (VI) Dividend rate: The corresponding dividend rate is 2.1%, 1.9% and 1.6% respectively;

Fair value of Share Options: The fair value of the Share Options under the First Grant corresponding to the first, second and third exercise period is RMB4.65, RMB7.82 and RMB10.60 respectively.

Share Options cost: RMB28.62 million.

III. Estimated Impacts on the Operating Performance of Each of the Period due to Implementation of the Share Options

The fair value of the Share Options on the Grant Date which is determined in accordance with the relevant valuation method, and the costs of payment of Shares under the Scheme which is determined finally, will be amortized in accordance with the percentage of Share Options exercised during the implementation of the Scheme. The incentive costs incurred from the Scheme will be charged to the recurring profit and loss.

According to the accounting standards of the PRC, the effects of the costs of Share Options under the First Grant of the Scheme on each accounting period are as follows:

Year	2018	2019	2020	2021	Total
Costs to be amortized (RMB'000)	664	1,130	767	301	2,862

According to the preliminary evaluation by the Company based on the information available, without taking into account the stimulus effects of the Scheme on the results of the Company, the amortization of the costs of Share Options shall affect the net profit of each year during the Validity Period, although the extent of such impact would not be substantial. Taking into consideration the positive impact of the Scheme on the development of the Company, such as motivating the management team, increasing the operational efficiency, and reducing agent costs, the benefits generated from the improvement in the Company's results due to the Scheme shall far exceed the increase in expenses.

XII PROCEDURES OF IMPLEMENTATION OF THE SCHEME**I. The Procedures for the Scheme to take effect**

- (I) The remuneration and assessment committee of the Board shall draft the Scheme, and submit to the Board for consideration;
- (II) The Board shall review and approve the draft of the Scheme for which the directors who are proposed to be the Incentive Participants or related to any of them shall abstain from voting. The independent directors and the supervisory committee shall issue independent opinions as to whether the Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the shareholders as a whole;
- (III) The Board makes announcements of its resolution, the draft Scheme and opinions from the independent directors within 2 trading days after the approval of this draft Scheme;
- (IV) The Company engages a lawyer to issue legal opinions on this Scheme and makes announcement;
- (V) The Company issues the notice for convening the general meeting;
- (VI) Before convening the general meeting, the Company announces the name and position of the Incentive Participants internally via company website or other channels for not less than 10 days; the supervisory committee shall verify the list of Incentive Participants and thoroughly consider opinions from the public. The Company shall publish the opinions of the supervisory committee on the verification and the public opinions in relation to the list of the Incentive Participants 5 days before the scheme is considered at the general meeting;
- (VII) The Company should carry out self-investigation on the trading of Shares and derivatives of the Company by insiders during the six months' period prior to the announcement of the draft Equity Incentive Scheme to examine whether the behavior of insider trading exists;
- (VIII) The independent directors shall solicit voting rights from all shareholders in respect of the Scheme;
- (IX) A general meeting shall be convened for the voting of the Scheme, the way of online voting should be permitted in addition to on-site voting. The terms of the Equity Incentive Scheme shall be voted in the general meeting, and be approved by more than 2/3 of the attending shareholders with voting rights. Except for the directors, supervisors and senior management of the Company, as well as the shareholders

individually or collectively holding more than 5% of the Company's Shares, the voting by other shareholders shall be separately counted and disclosed. The shareholders who are proposed Incentive Participants or related to any of them shall abstain from voting;

- (X) The Company shall grant the Share Options to the Incentive Participants within the prescribed time upon approval of the Scheme at the general meeting of the Company and the fulfilment of grant conditions stipulated under the Scheme. The Board shall be responsible to handle matters in relation to the grant, exercise and cancellation of the Share Options in accordance with the mandate granted at the general meeting.

II. Procedures of Granting the Share Options

- (I) Upon the Scheme has been approved at the general meeting and all grant conditions are fulfilled, the Board will confirm the Grant Date and make an announcement. The Board shall consider whether the conditions for granting the Share Options to the Incentive Participants under the Scheme are fulfilled or not. The independent directors and the supervisory committee shall express their clear views simultaneously. A law firm shall issue a legal opinion on whether the conditions for granting the Share Options to the Incentive Participants are fulfilled or not. The supervisory committee shall verify the list of the Incentive Participants who are granted the Share Options on the Grant Date and express their opinions;
- (II) The Company shall, within 60 days upon the fulfilment of the grant conditions, complete the relevant procedures of granting the entitlement and announcement. The Grant Date shall be a trading day;
- (III) Once the Scheme is considered and approved at the general meeting, the Scheme will be put into effect. The Board of the Company will enter into the "Share Options Agreement" with each of the Incentive Participants according to the Scheme. The Board of the Company shall manage the specific matters regarding granting the Share Options pursuant to the mandate at the general meeting;
- (IV) Upon determination of the reserved Incentive Participants, the Board shall obtain an approval of the list from the supervisory committee before granting the Share Options to them. The Board shall publish the names and positions of such Incentive Participants, Grant Date and number of the Share Options to be granted within 2 trading days. A law firm shall issue a legal opinion on whether the conditions for granting the Share Options to the reserved Incentive Participants are fulfilled or not.

III. Exercise Procedures of the Incentive Participants

- (I) The Company's Board determines the Exercise method of the Scheme prior to the Exercise Date and informs the Incentive Participants of the specific operating procedures;
- (II) The Board shall consider whether the conditions for exercising the Share Options under the Scheme are fulfilled or not. The independent directors and the supervisory committee shall express clear views simultaneously. A law firm shall issue a legal opinion on whether the conditions for exercising the Share Options are fulfilled or not;
- (III) Upon verification of each Exercise application made by the holders of the Share Options, the Company will issue the Shares to the Incentive Participants based on the number exercisable Share Options they have applied for, and the registration and clearing institution will handle the relevant registration and clearing matter.

IV. Amendment Procedures of the Scheme

- (I) In the event that the Company intends to amend the Scheme before it is considered and approved at the general meeting, such amendment shall be considered and approved by the Board.
- (II) In the event that the Company intends to amend the Scheme after it is considered and approved at the general meeting, such amendment shall be considered and determined at the general meeting given that such amendment shall not result in the following:
 - 1. accelerating the Exercise of the Share Options;
 - 2. reducing the Exercise Price.

V. Termination procedures of the Scheme

- (I) In the event that the Company intends to terminate the Scheme before it is considered and approved at the general meeting, such termination shall be considered and approved by the Board;
- (II) In the event that the Company intends to terminate the Scheme after it is considered and approved at the general meeting, such termination shall be considered and approved at the general meeting.

XIII RIGHTS AND OBLIGATIONS OF THE COMPANY AND THE INCENTIVE PARTICIPANTS**I. The Rights and Obligations of the Company**

- (I) The Company shall have the right to construe and execute the Scheme and shall appraise the performance of the Incentive Participants as required under the Scheme. If an Incentive Participant fails to fulfil the Exercise Conditions required under the Scheme, the Company will cancel the Share Options which have not been exercised by the Incentive Participants in accordance with the principle under the Scheme.
- (II) The Company undertakes that it shall not provide loans, and any other forms of financial assistance to the Incentive Participants for acquiring relevant entitlement under the Scheme, including the provision of guarantees for their loans.
- (III) The Company will withhold and pay on behalf of the Incentive Participants any individual income taxes and any other taxes and fees pursuant to the taxation laws and regulations of the PRC.
- (IV) The Company shall discharge its obligations in a timely manner in relation to reporting and information disclosure under the Scheme in accordance with the relevant requirements and undertake the contents of the relevant information disclosure documents regarding the Scheme do not contain any false statement, misleading representation or material omission.
- (V) The Company shall actively support the Incentive Participants who have fulfilled the Exercise Conditions to exercise their Share Options in accordance with the relevant requirements including those of the Scheme, CSRC, SSE, China Securities Depository and Clearing Corporation Limited. However, the Company disclaims any liability for any loss suffered by an Incentive Participant arising from the incapability to Exercise as he/she desires due to reasons relating to CSRC, SSE or China Securities Depository and Clearing Corporation Limited.
- (VI) Other relevant rights and obligations prescribed by laws and regulations.

II. Rights and Obligations of the Incentive Participants

- (I) An Incentive Participant shall comply with the requirements of his position as stipulated by the Company, and shall work diligently and responsibly, strictly observe professional ethics, and make contribution to the development of the Company.
- (II) Source of funds shall be self-financed by the Incentive Participants.
- (III) The Share Options granted to the Incentive Participants shall not be transferred or assigned or used as guarantee or for repayment of debts.

- (IV) Any gains received by the Incentive Participants from the Scheme are subject to individual income tax and other taxes according to the taxation laws of the PRC.
- (V) The Incentive Participants undertake, where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with condition of grant or arrangements for Exercise of the Share Options, the Incentive Participants concerned shall return to the Company all interests gained through the Scheme calculated from the date when it's confirmed that the relevant information disclosure documents of the Company contain false statements or misleading statements or material omissions.
- (VI) Other relevant rights and obligations prescribed by laws and regulations.

XIV HANDLING UNUSUAL CHANGES TO THE COMPANY OR THE INCENTIVE PARTICIPANTS

- I. The Scheme shall be terminated immediately if any of the following events occur to the Company. The Share Options which have been granted to the Incentive Participants but not yet exercised shall not be exercised any more and shall be cancelled by the Company:
 - (I) issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the accounting financial report of the Company for its the latest accounting year;
 - (II) issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the Company for its latest accounting year;
 - (III) failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the 36 months after listing;
 - (IV) prohibition from implementation of a share incentive scheme by laws and regulations;
 - (V) other circumstances as determined by the CSRC.
- II. The Scheme shall be continued to implement if any of the following events occur to the Company:
 - (I) change in control of the Company;
 - (II) merger and spin-off of the Company.

- III. Where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with condition of grant or arrangements for Exercise of the Share Options, all outstanding Share Options shall be cancelled by the Company. In respect of the Share Options already exercised by the Incentive Participants, the Incentive Participants concerned shall return to the Company all interests gained.
- IV. Change in Personal Particulars of the Incentive Participants:
- (I) In case an Incentive Participant has a change in job positions but still works in the Company or a branch or a subsidiary of the Company or is assigned by the Company, the Share Options granted to him/her will be fully regulated by the procedures as specified in the Scheme before the change of his job positions. In case an Incentive Participant becomes an independent director, supervisor, or other personnel who cannot hold the Share Options of the Company, the Share Options that have been granted but not yet exercised shall not be exercised and cancelled by the Company.
- (II) In case an Incentive Participant leaves the Company due to resignation, redundancy, retirement or leaves upon expiration of the working contract, the Share Options granted to him/her exercisable but not yet exercised which satisfy the restriction on time of Exercise and performance target can still be exercised within six months from the date of his/her leaving the Company, and the remaining which is not exercisable will be cancelled by the Company.
- (III) In case an Incentive Participant leaves the Company due to civil incapacitation, the Share Options granted to him/her exercisable but not yet exercised which satisfy the restriction on time of Exercise and performance target can still be exercised within 6 months from the date of his/her leaving the Company, and the remaining which is not exercisable will be cancelled by the Company.
- (IV) In case an Incentive Participant is dead, the Share Options granted to him/her exercisable but not yet exercised which satisfy the restriction on time of Exercise and performance target can still be exercised by his/her lawful successor within 6 months from the date of his/her death, and the remaining which is not exercisable will be cancelled by the Company.
- (V) In case the following events occurred to an Incentive Participant, the Share Options granted to him/her but not yet exercised shall be cancelled by the Company. For an Incentive Participant who is at fault and or the situation is serious, the Board may request the Incentive Participant to return to the Company all interests gained and make corresponding compensation for the damage suffered by the Company:
1. such Incentive Participant is subject to any identification as an ineligible personnel by SSE in the last 12 months;

2. such Incentive Participant is subject to any identification as an ineligible personnel by the CSRC and its resident agencies in the last 12 months;
3. such Incentive Participant is subject to imposition of administrative penalties or measures prohibiting the Incentive Participants from entering into the market by the CSRC and its resident agencies in the last 12 months due to material non-compliance of laws or regulations;
4. occurrence of circumstances under which such Incentive Participant is prohibited from acting as a director or member of the senior management of a company, as stipulated in the Company Law;
5. such Incentive Participant is subject to criminal penalties by judicial authorities or punishment by the Company due to serious disciplinary violations;
6. such Incentive Participant is not allowed to participate in any share incentive scheme of a listed company under laws and regulations;
7. other circumstances as determined by the CSRC.

(VI) Other circumstances not stated above and the handling method thereof shall be determined by the remuneration and assessment committee of the Board.

XV RESOLUTION OF DISPUTES BETWEEN THE COMPANY AND THE INCENTIVE PARTICIPANTS

Any disputes between the Company and the Incentive Participants due to the implementation of the Scheme and or in relation to the Scheme shall be resolved after amicable negotiation. If such negotiation fails, either party may lodge a lawsuit to the People's court where the Company is operating and resolve the disputes through judicial procedures.

XVI MISCELLANEOUS

- I. The Scheme shall become effective upon obtaining approval at the general meeting of the Company;
- II. The Scheme is subject to interpretation of the Board of the Company.

The Shanghai Jahwa Equity Incentive Scheme (draft) 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.
Performance Report of the Directors for the Year 2017**

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 former 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 to the Supervisory Committee. In 2017, 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 for the year 2017 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 CBIRC 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 2017, 5 meetings were held by the Board of the Company, 4 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				Absent	Remarks
	required to attend	Attended in person	Attended by proxy			
Executive Directors						
Ma Mingzhe	5	5	0	0	/	
Sun Jianyi	5	5	0	0	/	
Ren Huichuan	5	5	0	0	/	
Yao Jason Bo	5	5	0	0	/	
Lee Yuansiong	5	5	0	0	/	
Cai Fangfang	5	5	0	0	/	
Non-executive Directors						
Lin Lijun	5	5	0	0	/	

APPENDIX II PERFORMANCE REPORT OF THE DIRECTORS FOR THE YEAR 2017

Name	Meetings			Absent	Remarks
	required to attend	Attended in person	Attended by proxy		
Soopakij Chearavanont	5	3	2	0	did not attend the 12th meeting and the 15th 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	5	5	0	0	/
Xiong Peijin	5	4	1	0	did not attend the 12th meeting of the 10th Session of the Board due to other business engagements and appointed Mr. Ma Mingzhe, the Chairman, to vote on his behalf.
Liu Chong	5	5	0	0	/
Independent Directors					
Woo Ka Biu Jackson (retired in August 2017)	3	3	0	0	/
Stephen Thomas Meldrum	5	5	0	0	/
Yip Dicky Peter	5	5	0	0	/
Wong Oscar Sai Hung	5	5	0	0	/
Sun Dongdong	5	5	0	0	/
Ge Ming	5	5	0	0	/
Ouyang Hui (appointed in August 2017)	2	2	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 2017 and, after thorough consideration, voted in favor of such resolutions without any abstentions or dissenting votes.

Date	Meeting	Proposals to be voted on	Directors abstained from voting
March 22, 2017	11th meeting of the 10th Session of the Board	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
August 17, 2017	14th meeting of the 10th Session of the Board	Proposal on Reviewing Term-of-office Audit Reports of Certain Directors and Senior Management – Proposal No. 1: Term-of-office Audit Reports of Mr. Sun Jianyi	Sun Jianyi abstained from voting
		Proposal on Reviewing Term-of-office Audit Reports of Certain Directors and Senior Management – Proposal No. 2: Term-of-office Audit Reports of Mr. Yao Jason Bo	Yao Jason Bo abstained from voting
		Proposal on Reviewing Term-of-office Audit Reports of Certain Directors and Senior Management – Proposal No. 5: Term-of-office Audit Reports of Ms. Cai Fangfang	Cai Fangfang abstained from voting
October 27, 2017	15th meeting of the 10th Session of the Board	Proposal on Reviewing Term-of-office Audit Reports of Mr. Ren Huichuan	Ren Huichuan abstained from voting

APPENDIX II PERFORMANCE REPORT OF THE DIRECTORS FOR THE YEAR 2017

In 2017, 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 2016, 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 2017: the 2016 Profit Distribution Proposal of the Company, the Proposal on Recommendation of Candidates for Independent Non-executive Directors of the Company, the Proposal on Distribution of the 2017 Interim Dividend of the Company, the Proposal on Accepting the Resignation of Mr. Jin Shaoliang as the Secretary to the Board of the Company and Appointing Mr. Sheng Ruisheng as the Secretary to the Board of the Company, the Proposal on Reviewing the Remuneration of the Group's Senior Management, as well as the adjustment of the accounting estimates involved in 2016 Annual Report, 2017 Interim Report and 2017 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 2017, 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 2017, certain Independent Directors and certain Supervisors of the Company formed a basic unit inspection team and conducted on-site inspection at Hebei 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 Health, Ping An Bank and Ping An Securities in Hebei Province by way of forum, listening to the frontline 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 2017, the Strategy and Investment Committee held 1 meeting, the Audit and Risk Management Committee held 5 meetings, the Nomination Committee held 1 meeting and the Remuneration Committee held 2 meetings. Each committee conducted research on the Company's work plan, the nomination of Directors and Senior Management, the review on remuneration and audit of performance of senior management, the external and internal audit of the Company, internal control and connected transactions of the Company, 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 2017, 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.

As of December 31, 2017, all Directors of the Company attended the professional trainings with the topics covering the corporate governance, regulations and the Company's business; in addition, certain Directors and all Supervisors of the Company attended the "Distance Training on Compliance Practice of Insurance Companies" and "Distance Training on C-ROSS" held by Insurance Association of China, and Mr. Ge Ming attended the the Fourth Session Training Class for Directors and Supervisors of Listed Companies in Shanghai in 2017, being hosted by CSRC Shanghai Office and organized by the Listed Companies Association of Shanghai.

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

In 2017, 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 2017, 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 dual growth strategies of "Financial+ Technology" were successfully launched with an aim of technology-driven business transformation. The four pillar businesses – insurance, banking, asset management and fintech 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.

Ping An Insurance (Group) Company of China, Ltd.
Performance Report of the Independent Directors for the Year 2017

In 2017, 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 former CIRC, 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 2017, 5 meetings were held by the Board of the Company, 4 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 (retired in August 2017)	3	3	0	0	/
Stephen Thomas Meldrum	5	5	0	0	/
Yip Dicky Peter	5	5	0	0	/
Wong Oscar Sai Hung	5	5	0	0	/
Sun Dongdong	5	5	0	0	/
Ge Ming	5	5	0	0	/
Ouyang Hui (appointed in August 2017)	2	2	0	0	/

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, 2017, the Strategy and Investment Committee comprises 5 Directors, which includes 3 Independent Directors, the ratio of Independent Directors is 60%. In 2017, 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
Yip Dicky Peter	1	1	0
Ge Ming	1	1	0

(2) Audit and Risk Management Committee

As of December 31, 2017, 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 2017, the Audit and Risk Management Committee held 5 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>)	5	5	0
Stephen Thomas Meldrum	5	5	0
Yip Dicky Peter	5	5	0
Sun Dongdong	5	5	0

(3) Remuneration Committee

As of December 31, 2017, 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 2017, the Remuneration Committee held 2 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
Yip Dicky Peter (<i>Chairman</i>)	2	2	0
Woo Ka Biu Jackson ⁽¹⁾	1	1	0
Sun Dongdong	2	2	0
Ge Ming	2	2	0
Ouyang Hui ⁽²⁾	N/A	N/A	N/A

- (1) Mr. Woo Ka Biu Jackson no longer served as the member of the Remuneration Committee from August 2017.
- (2) As approved at the 14th Meeting of the 10th Session of the Board, Mr. Ouyang Hui was elected as the member of the Remuneration Committee.

(4) Nomination Committee

As of December 31, 2017, 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 2017, the Nomination 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
Sun Dongdong (<i>Chairman</i>)	1	1	0
Wong Oscar Sai Hung	1	1	0
Woo Ka Biu Jackson ⁽¹⁾	1	1	0
Ouyang Hui ⁽²⁾	N/A	N/A	N/A

- (1) Mr. Woo Ka Biu Jackson no longer served as the member of the Nomination Committee from August 2017.
- (2) As approved at the 14th Meeting of the 10th Session of the Board, Mr. Ouyang Hui was elected as the member of the Nomination Committee.

In 2017, 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.

II. EXPRESSION OF INDEPENDENT OPINIONS

In 2017, 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 recommendation of candidates for Independent 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 2016, 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 2016 Profit Distribution Proposal of the Company and the Proposal on Distribution of 2017 Interim Dividend of the Company, the Independent Directors of the Company were of the opinion that the 2016 Profit Distribution Proposal and the Proposal on Distribution of 2017 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 2016 annual report, 2017 interim report and 2017 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 of the Company 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.

4. After reviewing the Proposal on Recommendation of Candidates for Independent Non-executive Directors of the Company, the Independent Directors were of the opinion that Mr. Ouyang Hui possessed the skills and competencies needed for serving as an Independent Director of the Company, the nomination, review and voting procedures in relation to the appointment of Mr. Ouyang Hui as Independent Director of the Company complied with the relevant laws, administrative rules and the Articles of Association of the Company, and have agreed to submit the proposal to the Board and the general meeting of the Company for consideration.
5. After reviewing the Proposal on Accepting the Resignation of Mr. Jin Shaoliang as the Secretary to the Board of the Company and Appointing Mr. Sheng Ruisheng as the Secretary to the Board of the Company, the Independent Directors were of the opinion that Mr. Sheng Ruisheng possessed the skills and competencies needed for serving as senior management of the Company, the nomination, review and voting procedures in relation to the appointment of Mr. Sheng Ruisheng as secretary to the Board of the Company complied with the relevant laws, administrative rules and the Articles of Association of the Company, and have agreed to submit the proposal to the Board of the Company for consideration.
6. After reviewing documents including 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 2017 by Willis Towers Watson, an independent remuneration consultant engaged by the Company, the Independent Directors unanimously 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 2017 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.
7. After reviewing the Proposal on Authorizing Executive Directors to Consider Major Connected Transactions between Ping An Group and Its Controlled Subsidiaries, the Independent Directors of the Company were of the opinion that the consideration and voting procedures complied with the relevant requirements of laws and administrative regulations, and have agreed to submit the proposal to the Board for consideration.

**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 2017, 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.

In September 2017, certain Independent Directors and certain Supervisors of the Company formed a basic unit inspection team and conducted on-site inspection at Hebei 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 Health, Ping An Bank and Ping An Securities in Hebei Province by way of forum, listening to the frontline 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 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 Independent Directors communicated with the certified public accountants engaged for the annual audit work independently, 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 2017, the Independent Directors seriously reviewed the proposals 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 2018, 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: Stephen Thomas Meldrum · Yip Dicky Peter, Wong Oscar Sai Hung, Sun Dongdong, Ge Ming and Ouyang Hui.

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.
Report on Related Party Transactions and Implementation of
Management System of Related Party Transactions for the Year 2017

In 2017, with the goal of setting a good related party transaction (“RPT”) compliance example as an integrated financial services group, Ping An Insurance (Group) Company of China, Ltd. (hereinafter referred to as “**Ping An Group**” or the “**Company**”) kept paying high attention to RPTs management, strictly followed laws and regulations. Based on previous achievements with overall planning, the Company continued to enhance RPT management system and mechanism with improving RPT management process and IT system. In accordance with the requirements of the CBIRC, RPTs and RPT Rule Implementation Status Report for 2017 is hereby reported as following:

I. BASIC INFORMATION OF RELATED PARTIES AND RPTS (INCLUDING INTERNAL TRANSACTIONS OF THE COMPANY)

(I) Related parties

According to the standard definition of related parties given by CBIRC, the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Ministry of Finance, and other regulators, the Company achieved systematic management of information collecting, reporting, consolidating, and listing on related parties.

(II) RPTs (including internal transactions)

The main types of RPTs of the Company in 2017 include: deposits, equity investments, RMB bond repurchase, lending, and providing or receiving products (services) between Ping An Group and its related parties.

The main types of internal transactions in 2017 among subsidiaries of Ping An Group include: loans within the Group, equity investments, providing or receiving products (services), and asset management investments. In accordance with the Guidelines on Supervision of Consolidation for Insurance Groups, the Company established policies and procedures on monitoring, reporting, controlling and dealing with internal transactions. The Board of Directors reviewed the Group’s internal transactions on a regular basis and reported to the CBIRC in a timely manner.

II. IMPLEMENTATION OF THE COMPANY'S RPT MANAGEMENT RULES

(I) Improvement of the RPT Management System and Mechanism

Ping An Group has been always stick to the compliance culture of “laws and regulations+1”, strictly following regulatory requirements, continuously optimize its management system of RPTs, and developing sound operation mechanisms. The Board of Directors and management of the Company always paid high attention to RPT management and compliant operation, and conduct regular reviews to ensure that RPTs of the Company strictly comply with regulatory requirements. In 2017, the Company maintained a sound and effective RPT management system and mechanism, conducted RPTs in compliance with laws and regulations, and further enhanced its RPT management and automatic level.

1. *The Management System*

Ping An Group established the Related Party Transaction Management Committee under the Executive Committee. The RPT Management Office was established under the Related Party Management Committee for coordinating management of RPTs within Ping An Group. Ping An Group's all subsidiaries have established RPT governance structures with uniform standard, wide coverage, independent governance, and standardized operation based on corporate governance principles, so as to achieve the hierarchical management, to ensure efficient operation of the governance structures by dynamic monitoring and evaluating mechanisms.

2. *The Management Mechanism*

The Company kept optimizing its RPT management mechanism: by initiatively practicing the Notice of CBIRC regarding Further Strengthening Related Party Transactions management of Insurance Companies, the Company immediately interpreted the new regulation and clarified look-through requirements to relevant departments, disclosed and reported RPTs information strictly in accordance with the requirements, and kept monitoring the ratio of RPTs in the form of fund utilization to ensure it within required range. It strengthened the identification, review, and fair pricing management of RPTs to ensure fair RPTs and no improper transfer of interests. The Company enhanced training and education in the form of on-site sessions and mobile courses to build a management culture of “Everyone is responsible for compliance” and heighten the awareness of compliance. It continued to strengthen the supervision of the RPTs of its subsidiaries, and urged them to improve their RPT management mechanisms. In doing so, Ping An' RPT management mechanism was further improved and operated effectively.

Meanwhile, Ping An Group paid high attention to the establishment and implementation of its RPT management system. The Company engaged external consulting agency to assist with RPT system optimizing project which optimized the functions of RPT management platform like related party management, RPT management, and statement reporting, in order to improve its automatic level and management efficiency.

In addition, the Internal Audit Department puts RPTs into the scope of remote, routine and special audits to evaluate RPT management of subsidiaries on a regular basis, and further optimized the 3-in-1 RPT management mechanism (ex-ante, ongoing, ex-post).

(II) Deliberation of RPTs

In 2017, all the RPTs that need to be approved by the General Meeting, the Board of Directors or executive directors authorized by the Board of Directors were reviewed by the General Meeting, the Board of Directors or executive directors authorized by the Board of Directors in accordance with rules. Independent directors reviewed the fairness and implementation of internal review procedures for RPTs that need to be reviewed and approved. The review procedures were effective and comply with laws.

(III) Management of Pricing Fairness of RPTs

The Company always attaches great importance to RPT pricing fairness management, and requires that RPTs must be compliant and fair. In 2017, the Company continuously managed the pricing fairness of RPTs following Ping An Group's Guidelines for Fair Pricing of Related Party Transactions (Trial) to ensure that its RPTs follow the principle of independent transaction along with fair pricing and effective protection of the interests of the Company and its shareholders. In addition, according to the Notice Regarding Refining the Reporting of Related-Party Transactions and the Administration of Transfer Pricing Documentation (Guo Shui Fa (2017) No. 42), the Company continued to engage Ernst & Young (China) Advisory Limited to issue the annual transfer pricing report, which described transfer pricing measures of all types of RPTs of Ping An Group and provided a comparability analysis of transfer pricing measures. The transfer pricing measures of all types of RPTs complied with the principle of independent transaction.

(IV) RPT Information Disclosure, Filing and Reporting

Ping An Group fulfilled its obligations of disclosing, regulatory filing and regular reporting of RPTs conducted in accordance with 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, and the Listing Rules.

In 2017, the Company filed the following significant RPTs to the CBIRC as required:

- (1) The Company acquired 3.48% stock shares of Shenzhen Ping An Financial Technology Consulting Co., Ltd. held by Shenzhen Ping An Innovation Capital Investment Co., Ltd. for RMB892 million.
- (2) The Company signed the Insurance Asset Management Product Investment Uniform Agreement with Ping An Asset Management Co., Ltd.. The agreement stipulates that, from January 1st to December 31st each year, the fixed management fees incurred from the newly increased investments in insurance asset management products issued by Ping An Asset Management shall not accumulate over RMB500 million.
- (3) A capital injection of RMB450 million by the Company into Ping An Health Insurance Company of China, Ltd.
- (4) The Company signed the Uniform Agreement for RMB Bond Repo and Lending Business with its 9 controlled subsidiaries including Ping An Life Insurance Company of China, Ltd., Ping An Property & Casualty Insurance Company of China, Ltd., Ping An Annuity Insurance Co., Ltd., Ping An Health Insurance Company of China, Ltd., Ping An Asset Management Co., Ltd., Ping An Bank Co., Ltd., Ping An Securities Co., Ltd., Ping An Trust Co., Ltd., and Ping An UOB Fund Management Co., Ltd.. The agreement stipulates that in any accounting year within the term of the Agreement, the daily transaction amount of RMB bond or treasury bond, repurchase, and lending business between the Company and its subsidiaries shall not exceed the quota prescribed in the Agreement.
- (5) The Company signed the Uniform Deposit Agreement with Ping An Bank Co., Ltd.. The Agreement stipulates that the day-end deposit balance of the Company at Ping An Bank shall be capped at RMB50 billion or equivalent amount in other currencies within any effective day of the agreement.
- (6) A capital injection of RMB5 billion by the Company into Shenzhen Ping An Financial Technology Consulting Co., Ltd.
- (7) A capital injection of RMB1.36 billion by the Company into Ping An International Financial Leasing Co., Ltd.

Besides, the Company submitted quarterly reports on RPTs in accordance with the Notice of former CIRC regarding Further Regulating Related Party Transactions of Insurance Companies, and disclosed and reported RPTs in the form of insurance fund utilization, transfer of assets and transfer of interests within the specified timeframe as required by the Notice of CIRC regarding Further Strengthening the Information Disclosure of Related Party Transactions of Insurance Companies.

(V) Special Audit on RPTs

As per the requirements of the CBIRC, the Company conducted a special audit on its RPTs and implementation of RPT management rules in 2017. The audit results showed that the Company fully complied with the provisions of laws, regulations and regulatory requirements, proactively communicated with the CBIRC and other regulators, promptly learned the latest regulatory dynamics, seriously implemented the former CIRC No. 52 Regulation and other new regulations in 2017, attached great importance to and proactively promoted the remediation of the issues identified in internal and external inspections, continued to optimize the system and procedure mechanism for RPTs management, pressed ahead with the establishment and optimization of the RPT management system, and ensured that the management mechanism for RPTs will operate continuously and effectively in a disciplined manner.

The special audit also notes that Ping An Group should strengthen the supervision of RPTs of its subsidiaries and continue to work on managing related parties, recognizing and deliberating related-party transactions, and management of the whole process of RPTs including RPT reporting, disclosure, and filing.

III. CONCLUSION

In terms of RPT management and implementation, the Company strictly followed external laws and regulations, and internal rules in 2017. On the basis of established sound RPT management system and rule implementation, the Company kept optimizing its RPT systems and mechanisms, strengthened process control, updated the profiles of its related parties, strictly deliberated RPTs, and disclosed RPTs in accordance with laws, regulations, and management rules. Besides, the Company strengthened its supervision of subsidiaries, innovated in training and promotion to build the compliance culture, continuously promoted development and optimization of the RPT system, and improved management efficiency to ensure the sound and effective operations of the RPT management system across the Group.

The Company will continue to improve its RPT management and overall management capacity, set a good compliance example as an integrated financial services group, strengthen the trust of regulators, investors and the public on Ping An, and provide an effective guarantee to fulfill the Company's strategic goals.

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

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NOTICE OF ANNUAL GENERAL MEETING

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 Wednesday, May 23, 2018 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 2017.
2. To consider and approve the Report of the Supervisory Committee of the Company (the “**Supervisory Committee**”) for the year 2017.
3. To consider and approve the Annual Report of the Company for the year 2017 and its summary.
4. To consider and approve the Report of Final Accounts of the Company for the year 2017 including the Audit Report and Audited Financial Statements of the Company for the year 2017.
5. To consider and approve the Profit Distribution Plan of the Company for the year 2017 and the proposed distribution of final dividends.
6. To consider and approve the Resolution regarding the Appointment of Auditors of the Company for the year 2018, re-appointing 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 authorizing the Board to re-authorize the management of the Company to fix their remuneration.
7. To consider and approve the Resolution regarding the Election of Directors of the Company (the “**Directors**”) for the 11th Session of the Board.
 - 7.1 To consider and approve the re-election of Mr. Ma Mingzhe as an Executive Director of the Company to hold office until the expiry of the term of the 11th Session of the Board.

NOTICE OF ANNUAL GENERAL MEETING

- 7.2 To consider and approve the re-election of Mr. Sun Jianyi as an Executive Director of the Company to hold office until the expiry of the term of the 11th Session of the Board.
- 7.3 To consider and approve the re-election of Mr. Ren Huichuan as an Executive Director of the Company to hold office until the expiry of the term of the 11th Session of the Board.
- 7.4 To consider and approve the re-election of Mr. Yao Jason Bo as an Executive Director of the Company to hold office until the expiry of the term of the 11th Session of the Board.
- 7.5 To consider and approve the re-election of Mr. Lee Yuansiong as an Executive Director of the Company to hold office until the expiry of the term of the 11th Session of the Board.
- 7.6 To consider and approve the re-election of Ms. Cai Fangfang as an Executive Director of the Company to hold office until the expiry of the term of the 11th Session of the Board.
- 7.7 To consider and approve the re-election of Mr. Soopakij Chearavanont as a Non-executive Director of the Company to hold office until the expiry of the term of the 11th Session of the Board.
- 7.8 To consider and approve the re-election of Mr. Yang Xiaoping as a Non-executive Director of the Company to hold office until the expiry of the term of the 11th Session of the Board.
- 7.9 To consider and approve the election of Mr. Wang Yongjian as a Non-executive Director of the Company to hold office until the expiry of the term of the 11th Session of the Board.
- 7.10 To consider and approve the re-election of Mr. Liu Chong as a Non-executive Director of the Company to hold office until the expiry of the term of the 11th Session of the Board.
- 7.11 To consider and approve the re-election of Mr. Yip Dicky Peter as an Independent Non-executive Director of the Company to hold office until the expiry of the term of the 11th Session of the Board.
- 7.12 To consider and approve the re-election of Mr. Wong Oscar Sai Hung as an Independent Non-executive Director of the Company to hold office until the expiry of the term of the 11th Session of the Board.
- 7.13 To consider and approve the re-election of Mr. Sun Dongdong as an Independent Non-executive Director of the Company to hold office until the expiry of the term of the 11th Session of the Board.

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- 7.14 To consider and approve the re-election of Mr. Ge Ming as an Independent Non-executive Director of the Company to hold office until the expiry of the term of the 11th Session of the Board.
- 7.15 To consider and approve the re-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 11th Session of the Board.
8. To consider and approve the Resolution regarding the Election of Non-employee Representative Supervisors of the Company (the “Supervisors”) for the 9th Session of the Supervisory Committee.
- 8.1 To consider and approve the re-election of Mr. Gu Liji as an Independent Supervisor of the Company to hold office until the expiry of the term of the 9th Session of the Supervisory Committee.
- 8.2 To consider and approve the re-election of Mr. Huang Baokui as an Independent Supervisor of the Company to hold office until the expiry of the term of the 9th Session of the Supervisory Committee.
- 8.3 To consider and approve the re-election of Ms. Zhang Wangjin as a Shareholder Representative Supervisor of the Company to hold office until the expiry of the term of the 9th Session of the Supervisory Committee.

AS SPECIAL RESOLUTION

9. To consider and approve the Resolution regarding the Proposed Grant of the General Mandate by the General Meeting to the Board to Issue H Shares, i.e. the grant of a general mandate to the Board to allot, issue and deal with additional H shares not exceeding 20% of the aggregate nominal amount 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 (as defined in the Materials for the Company’s 2017 Annual General Meeting) 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 H 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 the PRC, the exercise by the Board

NOTICE OF ANNUAL GENERAL MEETING

during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with, either separately or concurrently, the additional H shares of the Company and to make or grant offers, agreements, options and rights of share exchange or conversion which might require the exercise of such powers be and is 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 share 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 the H shares of the Company in issue, representing up to a limit of 8.15% of total number of shares of the Company in issue on the date of passing this resolution at the general meeting, 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 the shares of the Company in accordance with the Articles of Association of the Company; and
- (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 agreements involving the proposed issue of H Share(s) under the General Mandate; or
 - b. the average closing price of H Share(s) in the 5 trading days immediately prior to the earliest 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; or (cc) the date on which the price of H Share(s) of placing or subscription is fixed.

NOTICE OF ANNUAL GENERAL MEETING

- (ii) “Relevant Period” means the period from the date of passing of this resolution at the general meeting 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; or
 - 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 H shares as provided in subparagraph (a) of paragraph (A) of this resolution.”

AS REPORTING DOCUMENTS

10. To consider and review the Performance Report of the Directors for the Year 2017 of the Company.
11. To consider and review the Performance Report of the Independent Directors for the Year 2017 of the Company.
12. To consider and review the Report on Related Party Transactions and Implementation of Management System of Related Party Transactions for the Year 2017 of the Company.

By order of the Board
Ma Mingzhe
Chairman and Chief Executive Officer

Shenzhen, PRC
April 4, 2018

NOTICE OF ANNUAL GENERAL MEETING

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 Stephen Thomas Meldrum, Yip Dicky Peter, Wong Oscar Sai Hung, Sun Dongdong, Ge Ming and Ouyang Hui.

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 Monday, April 23, 2018 to Wednesday, May 23, 2018, 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 Wednesday, May 23, 2018 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 Friday, April 20, 2018. 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 Friday, April 20, 2018 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 Thursday, May 3, 2018 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 1029). The contact persons are Mr. Lu Cheng (陸澄先生) (Tel: (86 755) 8867 4686) and Mr. Luo Xi (羅曦先生) (Tel: (86 755) 2262 1998). 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.

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

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)

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

Reference is made to the Notice of Annual General Meeting dated April 4, 2018. The board of directors (the “**Board**”) of Ping An Insurance (Group) Company of China, Ltd. (the “**Company**”) received the motion made by Business Fortune Holdings Limited and New Orient Ventures Limited, collectively holding approximately 7.89% interest in the Company, pursuant to the recommendation of the Board, for additional resolutions (specified as ordinary resolutions 10, 11 below) to be submitted to the forthcoming annual general meeting of the Company (the “**AGM**”) for approval by the shareholders of the Company. The additional resolutions with clear topic and specific matters satisfied the terms of reference of the AGM, and were in compliance with the provisions of laws, administrative regulations and the Articles of Association of Ping An Insurance (Group) Company of China, Ltd.. The Board of the Company approved the additional resolutions to be submitted to the AGM for review.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the AGM of the Company will be held at 2:00 p.m. on Wednesday, May 23, 2018 at Ping An Hall, Ping An School of Financial Management, Guanlan, Shenzhen, Guangdong Province, PRC for the purposes of considering and approving the following resolutions in addition to the resolutions set out in the previous Notice of Annual General Meeting dated April 4, 2018 of the same meeting:

AS ORDINARY RESOLUTIONS

10. To consider and approve the Resolution regarding the 30th Anniversary Special Dividend of the Company.
11. To consider and approve the Resolution regarding the Shanghai Jahwa Equity Incentive Scheme.

By order of the Board

Ma Mingzhe

Chairman and Chief Executive Officer

Shenzhen, PRC

April 30, 2018

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 Stephen Thomas Meldrum, Yip Dicky Peter, Wong Oscar Sai Hung, Sun Dongdong, Ge Ming and Ouyang Hui.

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. According to the Articles of Association of the Company, the resolutions will be determined by poll. Save for the inclusion of the newly proposed resolution, there are no other changes to the resolutions set out in the Notice of Annual General Meeting dated April 4, 2018. Please refer to the Notice of Annual General Meeting dated April 4, 2018 for the other resolutions to be passed at the AGM and other relevant matters.
2. Since the proxy form sent together with the Notice of Annual General Meeting (the “**First Proxy Form**”) does not contain the proposed additional ordinary resolution as set out in this supplemental notice of AGM, a new proxy form (the “**Second Proxy Form**”) has been prepared and is enclosed with this supplemental notice of AGM.
3. The Second Proxy Form for use at AGM is enclosed and is also 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 the enclosed Second Proxy Form in accordance with the instructions printed thereon at or before 2:00 p.m. on Monday, May 21, 2018.
4. A shareholder who has not yet lodged the First Proxy Form with the Company’s H Share registrar-Computershare Hong Kong Investor Services Limited is requested to lodge the Second Proxy Form if he or she wishes to appoint proxies to attend the AGM on his or her behalf. The Company’s H Share registrar-Computershare Hong Kong Investor Services Limited is at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. In this case, the First Proxy Form should not be lodged with the Company’s H Share registrar.
5. A shareholder who has already lodged the First Proxy Form with the Company’s H Share registrar should note that:
 - (i) If no Second Proxy Form is lodged with the Company’s H Share registrar, the First Proxy Form will be treated as a valid proxy form lodged by him or her if correctly completed. The proxy so appointed by the shareholder will be entitled to vote at his or her discretion or to abstain from voting on any resolutions properly put to the AGM other than those referred to in the Notice of Annual General Meeting and the First Proxy Form, including the additional proposed resolution as set out in this supplemental notice AGM.
 - (ii) If the Second Proxy Form is lodged with the Company’s H Share registrar at or before 2:00 p.m. on Monday, May 21, 2018, the Second Proxy Form will revoke and supersede the First Proxy Form previously lodged by him or her. The Second Proxy Form will be treated as a valid proxy form lodged by the shareholder if correctly completed.
 - (iii) If the Second Proxy Form is lodged with the Company’s H share registrar after 2:00 p.m. on Monday, May 21, 2018, the Second Proxy Form will be invalid. It will not revoke the First Proxy Form previously lodged by the shareholder. The First Proxy Form will be treated as a valid proxy form lodged by him or her if correctly completed. The proxy so appointed by the shareholder will be entitled to vote at his or her discretion or to abstain from voting on any resolutions properly put to the AGM other than those referred to in the Notice of Annual General Meeting and the First Proxy Form, including the additional proposed resolution as set out in this supplemental notice of AGM.
6. Shareholders are reminded that completion and delivery of the First Proxy Form and/or the Second Proxy Form will not preclude shareholders from attending and voting in person at the AGM or at any adjourned meeting should they so wish.