
THIS DOCUMENT 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 you should take, 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 China Pacific Insurance (Group) Co., Ltd. (the “Company”), you should at once hand this circular and the accompanying proxy form and reply slip 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 transferee.

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中國太平洋保險(集團)股份有限公司

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

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

(Stock Code: 02601)

REPORTS OF THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS FOR THE YEAR 2019
ANNUAL REPORTS OF A SHARES AND H SHARES FOR THE YEAR 2019
FINANCIAL STATEMENTS AND REPORT FOR THE YEAR 2019
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2019
PROPOSAL ON APPOINTMENT OF AUDITORS FOR THE YEAR 2020
DUE DILIGENCE REPORT OF THE DIRECTORS FOR THE YEAR 2019
REPORT ON PERFORMANCE OF INDEPENDENT DIRECTORS FOR THE YEAR 2019
PROPOSAL ON THE GENERAL MANDATE
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR SHAREHOLDERS' GENERAL MEETINGS
THE 2020–2022 DEVELOPMENT PLAN
THE DONATIONS FOR THE YEAR 2020
PROPOSED ELECTION OF DIRECTORS FOR THE NINTH SESSION OF THE BOARD
PROPOSAL ON ROUTINE RELATED PARTY TRANSACTIONS
PROPOSED ELECTION OF SHAREHOLDER REPRESENTATIVE SUPERVISORS FOR THE NINTH SESSION OF THE BOARD OF SUPERVISORS
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting for 2019 of China Pacific Insurance (Group) Co., Ltd. to be held at Xinhualian Sofitel Hotel, Xi'ning, Qinghai, the PRC at 1:30 p.m. on Tuesday, 12 May 2020 is set out on pages 73 to 82 of this circular.

If you intend to appoint a proxy to attend the Annual General Meeting, you are required to complete and return the proxy form in accordance with the instructions printed thereon. For holders of H Shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited, in any event served in hand or by post not less than 24 hours before the time (at 1:30 p.m. on Monday, 11 May 2020) stipulated for convening the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or at any adjourned meeting thereof in person if you so wish.

If you intend to attend the Annual General Meeting in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited on or before Wednesday, 22 April 2020.

27 March 2020

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DEFINITIONS

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

“AGM” or “Annual General Meeting”	the annual general meeting of the Company for the year 2019 to be held at Xinhualian Sofitel, Xi’ning, Qinghai, the PRC on Tuesday, 12 May 2020 at 1:30 p.m.
“Articles of Association”	the articles of association of the Company, as amended from time to time
“A Share(s)”	domestic share(s) of RMB1.00 each in the share capital of the Company which are listed on the SSE and traded in RMB
“Board” or “Board of Directors”	the board of Directors of the Company
“Board of Supervisors”	the board of Supervisors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission
“CIRC”	China Insurance Regulatory Commission
“Company” or “the Company” or “CPIC Group”	or China Pacific Insurance (Group) Co., Ltd., a joint stock company incorporated in the PRC with limited liability
“Company Law”	The Company Law of the People’s Republic of China
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Stock Exchange” or “HKSE”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	overseas listed foreign share(s) of RMB1.00 each in the share capital of the Company which are listed on the Stock Exchange and traded in Hong Kong dollars
“Independent Director(s)” or “Independent Non-executive Director(s)”	independent non-executive Director(s) of the Company
“Non-executive Director(s)”	non-executive Director(s) of the Company
“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this circular only, Hong Kong, Macau Special Administrative Region of the People’s Republic of China, and Taiwan region
“RMB” or “Yuan”	the lawful currency of the PRC
“Share(s)”	A Share(s) and H Share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares of the Company
“Supervisor(s)”	supervisor(s) of the Company
“SSE”	Shanghai Stock Exchange

Note: If there is any inconsistency between the Chinese and English versions of this circular, the Chinese version shall prevail.

LETTER FROM THE BOARD



中國太平洋保險(集團)股份有限公司
CHINA PACIFIC INSURANCE (GROUP) CO., LTD.
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 02601)

Executive Director and Chairman:

Mr. KONG Qingwei

Non-executive Directors:

Mr. WANG Tayu

Mr. KONG Xiangqing

Ms. SUN Xiaoning

Mr. LI Qiqiang

Mr. WU Junhao

Mr. CHEN Xuanmin

Mr. Huang Dinan

Registered Office:

1 South Zhongshan Road

Huangpu District

Shanghai 200010

The PRC

Place of Business in Hong Kong:

Suite 4301, 43/F., Central Plaza

18 Harbour Road, Wanchai, Hong Kong

Independent Non-executive Directors:

Mr. LEE Ka Sze, Carmelo

Mr. CHEN Jizhong,

Ms. LAM Tyng Yih, Elizabeth

Mr. JIANG Xuping

Mr. GAO Shanwen

LETTER FROM THE BOARD

Hong Kong, 27 March 2020

To the Shareholders

Dear Sir or Madam,

REPORTS OF THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS FOR THE YEAR 2019
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AND
NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

On behalf of the Board of Directors, I invite you to attend the AGM to be held at Xinhualian Sofitel Hotel, Xi'ning, Qinghai, the PRC on Tuesday, 12 May 2020 at 1:30 p.m..

The purpose of this circular is to provide you with the notice of the AGM and to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

LETTER FROM THE BOARD

2. BUSINESS TO BE TRANSACTED AT THE AGM

The business to be transacted at the AGM as specified in the notice of the AGM set out on pages 73 to 82 of this circular.

Ordinary resolutions to be proposed at the AGM for the Shareholders to approve include: (a) the report of the Board of Directors for the year 2019; (b) the report of the Board of Supervisors for the year 2019; (c) the main body and the Summary of the annual report of A Shares for the year 2019; (d) the annual report of H Shares for the year 2019; (e) the financial statements and report for the year 2019; (f) the profit distribution plan for the year 2019; (g) the proposal on appointment of auditors for the year 2020; (h) the due diligence report of the Directors for the year 2019; (i) the report on performance of Independent Directors for the year 2019; (j) the 2020–2022 development plan; (k) the donations for the year 2020; (l) the proposed election of Directors of the ninth session of the Board; and (m) the proposed election of Shareholder Representative Supervisors of the ninth session of the Board of Supervisors.

Special resolutions to be proposed at the AGM for the Shareholders to consider and approve include: (a) the grant of general mandate to the Board of Directors to issue new Shares; (b) proposed amendments to the Articles of Association; and (c) proposed amendments to the rules of procedure for Shareholders' general meetings.

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make informed decisions upon obtaining sufficient and necessary information, we have provided detailed information in this circular, including explanatory information on the proposed resolutions to be approved and reviewed at the AGM (see Appendix I), the due diligence report of the Directors for the year 2019 (see Appendix II), the report on performance of Independent Directors for the year 2019 (see Appendix III), the report of the Board of Supervisors for the year 2019 (see Appendix IV), the proposal on granting of the general mandate to the Board of Directors to issue new Shares (see Appendix V), the proposed amendments to the Articles of Association (see Appendix VI), the proposed amendments to the rules of procedure for Shareholders' general meetings (see Appendix VII), the proposal on the routine related party transactions (see Appendix VIII), the 2020–2022 development plan (see Appendix IX) and the biographical details of Director candidates and Supervisor candidates (see Appendix X).

LETTER FROM THE BOARD

3. THE AGM

Along with this circular, the proxy form and the reply slip for the AGM are also enclosed herewith.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the proxy form in accordance with the instructions printed thereon. For holders of H Shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited, in any event served in hand or by post not less than 24 hours before the time (before 1:30 p.m. on Monday, 11 May 2020) stipulated for convening the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or at any adjourned meeting thereof in person if you so wish.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited on or before Wednesday, 22 April 2020.

4. VOTING BY POLL

According to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the AGM will demand a vote by poll in relation to all the proposed resolutions at the AGM in accordance with the requirements of Article 92 of the Articles of Association.

LETTER FROM THE BOARD

5. RECOMMENDATION

The Board of Directors considers that all resolutions to be proposed at the AGM are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board of Directors recommends that the Shareholders vote in favour of all the resolutions to be proposed at the AGM.

By Order of the Board of Directors
China Pacific Insurance (Group) Co., Ltd.
KONG Qingwei
Chairman

1. REPORTS OF THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS FOR THE YEAR 2019

According to the requirements of the Company Law and the Articles of Association, the Shareholders' general meeting has the right to examine and approve the reports of the Board of Directors and the Board of Supervisors. Pursuant to the Rules of Shareholders' Meeting of Listed Companies of the CSRC, the Board of Directors and the Board of Supervisors should issue a report with respect to their work in the preceding year at the AGM. The report of the Board of Directors for the year 2019 is set out in the sections headed "Operation Overview, Letter from Chairman to Shareholders, Review and Analysis of Operating Results, Report of the Board of Directors and Significant Events and Corporate Governance" in the annual report of H Shares for the year 2019. The report of the Board of Supervisors for the year 2019 is set out in Appendix IV to this circular.

2. ANNUAL REPORTS OF A SHARES AND H SHARES FOR THE YEAR 2019

The Board proposes to approve the annual reports of A Shares and H Shares for the year 2019. The annual report of A Shares of the Company for the year 2019 was published on 23 March 2020 on the SSE website (www.sse.com.cn). The annual report of H Shares for the year 2019 will be published on 24 April 2020 on the Stock Exchange website (www.hkexnews.hk).

3. FINANCIAL STATEMENTS AND REPORT FOR THE YEAR 2019

The financial statements and report for the year 2019 is set out in the Company's annual report for the year 2019.

4. PROFIT DISTRIBUTION PLAN FOR THE YEAR 2019

The Company intends to distribute a cash dividend of RMB1.2 per share (inclusive of tax), amounting to approximately RMB10.874 billion in aggregate, based on a total share capital of 9.062 billion shares. The remaining undistributed profits will be carried forward to the year 2020. No capitalization from capital reserve will be implemented for the current year.

5. PROPOSAL ON APPOINTMENT OF AUDITORS FOR THE YEAR 2020

The Board proposed to appoint PricewaterhouseCoopers Zhong Tian LLP as the PRC auditor and the internal control auditor of financial reports under the PRC accounting standards of the Company for the year 2020 and to appoint PricewaterhouseCoopers as the auditor of financial reports under the Hong Kong Financial Reporting Standard of the Company for the year 2020.

The Board will propose to the Shareholders at the AGM to authorize the Board to authorize the management of the Company to determine their actual remunerations.

6. DUE DILIGENCE REPORT OF THE DIRECTORS FOR THE YEAR 2019

In accordance with the regulatory requirements of the relevant regulatory authorities, the Board shall conduct an annual due diligence appraisal of the Directors, and submit the due diligence report of the Directors to the Shareholders' general meeting and the Board of Supervisors. Such report is set out in Appendix II to this circular.

7. REPORT ON PERFORMANCE OF INDEPENDENT DIRECTORS FOR THE YEAR 2019

Pursuant to the regulatory requirements of the relevant regulatory authorities, Independent Directors shall issue a report in respect of the performance of their duties in the year 2019. Such report is set out in Appendix III to this circular.

8. PROPOSAL ON THE GENERAL MANDATE

The purpose of the proposed special resolution number 16 as set out in the notice of AGM dated 27 March 2020 is to seek approval from the Shareholders in the AGM to grant a general mandate to the Board of Directors to allot, issue and deal, with new A Shares and/or H Shares of the Company subject to the applicable laws, rules and regulations. Such proposal is set out in Appendix V to this circular.

9. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE RULES OF PROCEDURE FOR SHAREHOLDERS' GENERAL MEETINGS

The Board thereby submits the proposed amendments to the Articles of Association (as defined and with details of amendments set out in Appendix VI to this circular) and the proposed amendments to the rules of procedure for Shareholders' general meetings (as defined and with details of amendments set out in Appendix VII to this circular) to the annual general meeting for consideration, and for granting an authorization to the chairman or his authorized person to make such revisions to the Articles of Association and the rules of procedure for Shareholders' general meetings as this deems necessary and appropriate in accordance with the requirements for amendments of regulatory authorities during the Company's approval process for the proposed amendments to the Articles of Association and the proposed amendments to the rules of procedure for Shareholders' general meetings.

The proposed amendments to the Articles of Association and the proposed amendments to the rules of procedure for Shareholders' general meetings are subject to the approval from the CBIRC.

10. PROPOSAL ON THE ROUTINE RELATED PARTY TRANSACTIONS

The proposal to sign the routine related party transaction agreement with Shanghai Rural Commercial Bank Co., Ltd. will be submitted to the annual general meeting for approval by shareholders of A shares. Based on the business transactions with related parties in recent years and the actual transaction amount, together with the overall growth of the Company's asset size in 2020, the Company made predictions on the types and amounts of daily connected transactions with Shanghai Rural Commercial Bank Co., Ltd. in 2020. This proposal is not subject to approval of shareholders of H shares. The proposal set out in Appendix VIII to this circular is for reference only.

11. THE 2020–2022 DEVELOPMENT PLAN

In order to plan and promote various work in the new round plan of the Company during the period in a scientific manner, the Company prepared the 2020–2022 Development Plan for China Pacific Insurance (Group) Co., Ltd., its main content set out in Appendix IX to this circular is for reference only.

12. DONATIONS FOR THE YEAR 2020

The national tax and fee reduction policy implemented in 2019 has brought good development opportunities for the Company, in order to better give back to the society, serve the society, and demonstrate corporate social responsibility, and at the same time taking into account the post-epidemic reconstruction and recovery in key areas, the year of tackling poverty nationwide and other special factors, the Company plans to donate to all sectors of society in 2020, and the total amount of donations will not exceed RMB100 million (inclusive) (the “**Total 2020 Donations**”). According to relevant requirements of the Company, matters in which the total amount of external donation expenditure exceeds 5% of the registered capital of the Group shall be subject to consideration and approval at the general meeting.

The Board proposes to approve the aforementioned total donations for 2020 at the general meeting, and proposes to authorize the chairman at the general meeting to approve and implement specific donations within the aforementioned Total 2020 Donations except for external donations that have been authorized to be handled by other persons in accordance with company management documents.

13. PROPOSAL OF THE ELECTION OF DIRECTORS OF THE NINTH SESSION OF THE BOARD

In view of the expiration of the term of office of the eighth session of the Board of the Company, the Board of the Company is proposed to nominate the director candidates for the ninth session of the Board in accordance with the Company Law, the Articles of Association and Hong Kong Listing Rules with a term of three years subject to re-election.

Mr. KONG Xiangqing, Ms. SUN Xiaoning, Mr. LI Qiqiang and Mr. CHEN Xuanmin, the existing non-executive directors of the Company, and Mr. LEE Ka Sze, Carmelo and Mr. GAO Shanwen, the existing independent non-executive directors of the Company (collectively referred to as “**Retiring Directors**”), stated that they will retire at the AGM and will not offer themselves for re-election. There is no disagreement between the above Retiring Directors and the Board. Each of the Company and the above-mentioned Retiring Directors has confirmed that there are no matters involving their retirement that need to be brought to the attention of shareholders.

The Board recommends the election of members of the Board. The ninth session of the Board of the Company hereby nominates two executive directors, five non-executive directors and five independent non-executive directors:

- Mr. KONG Qingwei, the existing executive director, is eligible and offers himself to be nominated for re-election at the AGM;
- Mr. FU Fan is nominated as a candidate for executive director of the ninth session of the Board. His appointment as an executive director shall be approved by shareholders at the AGM and by the CBIRC;
- Mr. WANG Tayu, Mr. WU Junhao and Mr. HUANG Dinan, the existing non-executive directors, are eligible and offer themselves to be nominated for re-election at the AGM;
- Mr. ZHOU Donghui and Ms. LU Qiaoling are nominated as candidates for non-executive directors of the ninth session of the Board. Their appointment as non-executive directors shall be approved by shareholders at the AGM and the CBIRC;
- Mr. CHEN Jizhong, Ms. LAM Tyng Yih, Elizabeth and Mr. JIANG Xuping, the existing independent non-executive directors, are eligible and offer themselves to be nominated for re-election at the AGM;
- Ms. LIU Xiaodan and Mr. WOO Ka Bui, Jackson, are nominated as the candidates for independent non-executive directors of the ninth session of the Board. Their appointment as independent non-executive directors shall be approved by shareholders at the AGM and by the CBIRC.

On the basis of the Company's requirements about Independent Directors, the Nomination and Remuneration Committee identified candidates of Independent Directors in the market through market-oriented employment channels, and collected information about the occupation, academic qualification, professional title, detailed work experience and all concurrent posts. After seeking consent of the nomination by the nominee, the Nomination and Remuneration Committee would convene a meeting to review the qualification of the first-round nominees based on the employment conditions, and submit a proposal and related documents of the Director candidates to the Board. Ms. LIU Xiaodan, Mr. CHEN Jizhong, Ms. LAM Tyng Yih, Elizabeth, Mr. WOO Ka Bui, Jackson and Mr. JIANG Xuping have confirmed in writing that they satisfied the requirements of independence under regulatory rules of the SSE, the Stock Exchange and other authorities. Subsequent to the factors above, the Board considers that Ms. LIU Xiaodan, Mr. CHEN Jizhong, Ms. LAM Tyng Yih, Elizabeth, Mr. WOO Ka Bui, Jackson and Mr. JIANG Xuping are independent persons of the Company.

The Board holds the opinion that candidates of Independent Non-executive Directors, Ms. LIU Xiaodan, Mr. CHEN Jizhong, Ms. LAM Tyng Yih, Elizabeth, Mr. WOO Ka Bui, Jackson and Mr. JIANG Xuping, have professional qualifications and extensive experience respectively in investment, human resource management, accounting, audit, law and the internet, and will provide the Board with professional advice in relevant fields. Ms. LIU Xiaodan is a professional and senior expert in investment. Mr. CHEN Jizhong has professional experience in fields of finance, risk management and remuneration management, and a great influence in the industry. Ms. LAM Tyng Yih, Elizabeth is a member of Hong Kong Institute of Certified Public accountants and a senior professional with years of experience in fields of finance, accounting and audit. Mr. WOO Ka Bui, Jackson has professional qualification in law and has high influence in the industry. Mr. JIANG Xuping focuses on study of e-commerce, big data analysis and new media marketing, and has a high authority in the field of internet marketing.

As such, the educational background, experience and practices of Ms. LIU Xiaodan and Ms. LIU Xiaodan, Mr. CHEN Jizhong, Ms. LAM Tyng Yih, Elizabeth, Mr. WOO Ka Biu, Jackson and Mr. JIANG Xuping make each of them capable of providing valuable opinions in terms of investment, merger and acquisition, corporate governance, accounting, finance and law. Considering their age, gender, cultural and educational background, professional experience, skills and knowledge, it is believed that they are suitable candidates and will make contribution to the diversity of the Board.

The biographical details of the above Director candidates are set out in Appendix X to this circular for the Shareholders to make an informed decision on the relevant resolutions at the AGM in accordance with the requirements of Rule 13.51(2) under the Hong Kong Listing Rules.

14. PROPOSAL OF THE ELECTION OF SUPERVISORS OF THE NINTH SESSION OF THE BOARD OF SUPERVISORS

In view of the expiration of the term of office of the eighth session of the Board of Supervisors the Company, the Board of Supervisors is proposed to re-elect the shareholder representative supervisors for the ninth session of the Board of Supervisors. The ninth session of the Board of Supervisors of the Company consists of five supervisors, including three shareholder representative supervisors and two employee representative supervisors.

Ms. ZHANG Xinmei, the existing shareholder representative supervisor of the Company, stated that she will retire at the AGM and will not offer herself for re-election. There is no disagreement between Ms. ZHANG Xinmei and the Board or the Board of Supervisors. Each of the Company and Ms. ZHANG Xinmei has confirmed that there are no matters involving their retirement that need to be brought to the attention of shareholders.

Mr. LU Ning, the existing shareholder representative supervisor of the Company, is eligible and offers himself for re-election. Mr. LU Guofeng is nominated as a candidate for the shareholder representative supervisor for the ninth session of the Board of Supervisions. The appointment of Mr. LU Guofeng as a shareholder representative supervisor shall be approved by shareholders at the AGM and by the CBIRC.

The biographical details of the above candidates for shareholder representative supervisors are set out in Appendix X to this circular for the Shareholders to make an informed decision on the relevant resolutions at the AGM in accordance with the requirements of Rule 13.51(2) under the Hong Kong Listing Rules.

APPENDIX II DUE DILIGENCE REPORT OF THE DIRECTORS FOR THE YEAR 2019

In accordance with Guidelines for the Operation of Board of Directors of Insurance Companies (Bao Jian Fa (2008) No. 58) and relevant requirements of Measures for Appraisal of Due Diligence of Directors of China Pacific Insurance (Group) Co., Ltd., the Board of Company shall conduct a due diligence report on its Directors annually, and such report shall be submitted to the Board of Supervisors and Shareholders' general meeting. In 2019, all the Directors of China Pacific Insurance (Group) Co., Ltd. (the "Company") performed their duties and responsibilities as stipulated under relevant laws and regulations and the Articles of Association in an honest, diligent, loyal and conscientious manner. Upon conducting appraisal of due diligence on Directors in 2019, the appraisal results of all Directors (including Independent Directors) were all "competent". The due diligence report of the Directors for the year 2019 is set out below.

The eighth session of the Board has 13 Directors, among which there are 1 Executive Director, 7 Non-executive Directors and 5 Independent Directors. The Board has strictly followed the regulatory rules and Articles of Association with its size, composition, qualification of appointment and the procedure of appointment and dismissal.

I. PERFORMING DUTIES WITH DUE DILIGENCE, THE DIRECTORS CARRIED OUT A VARIETY OF DUTIES IN FULL

1. Directors' Attendance of Board Meetings

In 2019, the Board held a total of 9 Board meetings. The Directors of the Company performed their duties with due diligence, proactively participated in review and decision-making and mostly attended the meetings in person. For individual cases where some Directors were not able to attend due to other business reasons, they all appointed another Director in writing as their proxy to attend and vote at the meeting on their behalves. Details are as follows:

Name of Directors	No. of Board meetings requiring attendance	Attendance in person	Attendance by proxy	Absence	Remarks
	Current Directors				
KONG Qingwei	9	8	1	0	Absent from the 17th meeting of the eighth session of the Board of Directors due to business reasons and HE Qing, a Director, was appointed as his proxy to attend and vote at the meeting on his behalf.

APPENDIX II DUE DILIGENCE REPORT OF THE DIRECTORS FOR THE YEAR 2019

Name of Directors	No. of Board meetings requiring attendance	Attendance in person	Attendance by proxy	Absence	Remarks
WANG Tayu	9	8	1	0	Absent from the 15th meeting of the eighth session of the Board of Directors due to business reasons and KONG Qingwei, a Director, was appointed as his proxy to attend and vote at the meeting on his behalf.
KONG Xiangqing	9	8	1	0	Absent from the 20th meeting of the eighth session of the Board of Directors due to business reasons and KONG Qingwei, a Director, was appointed as his proxy to attend and vote at the meeting on his behalf.
SUN Xiaoning	9	9	0	0	
WU Junhao	9	9	0	0	
LI Qiqiang	4	3	1	0	Absent from the 20th meeting of the eighth session of the Board of Directors due to business reasons and KONG Qingwei, a Director, was appointed as his proxy to attend and vote at the meeting on his behalf.
CHEN Xuanmin	9	8	1	0	Absent from the 20th meeting of the eighth session of the Board of Directors due to business reasons and GAO Shanwen, a Director, was appointed as his proxy to attend and vote at the meeting on his behalf.
HUANG Dinan	6	5	1	0	Absent from the 20th meeting of the eighth session of the Board of Directors due to business reasons and WU Junhao, a Director, was appointed as his proxy to attend and vote at the meeting on his behalf.
LEE Ka Sze, Carmelo	9	9	0	0	
CHEN Jizhong	6	6	0	0	
LAM Tyng Yih, Elizabeth	6	6	0	0	
GAO Shanwen	9	9	0	0	
JIANG Xuping	4	4	0	0	

APPENDIX II DUE DILIGENCE REPORT OF THE DIRECTORS FOR THE YEAR 2019

Name of Directors	No. of Board meetings requiring attendance	Attendance in person	Attendance by proxy	Absence	Remarks
Resigned Directors					
HE Qing	5	4	1	0	Absent from the 16th meeting of the eighth session of the Board of Directors due to business reasons and KONG Qingwei, a Director, was appointed as his proxy to attend and vote at the meeting on his behalf.
BAI Wei	5	4	1	0	Absent from the 15th meeting of the eighth session of the Board of Directors due to business reasons and GAO Shanwen, a Director, was appointed as his proxy to attend and vote at the meeting on his behalf.
LAM Chi Kuen	3	2	1	0	Absent from the 17th meeting of the eighth session of the Board of Directors due to business reasons and LEE Ka Sze, Carmelo, a Director, was appointed as his proxy to attend and vote at the meeting on his behalf.
ZHOU Zhonghui	3	3	0	0	

Notes:

1. Due to the expiry of the tenure of six years, LAM Chi Kuen and ZHOU Zhonghui, Independent Non-executive Directors, retired in July 2019 and BAI Wei, an Independent Non-executive Director, retired in August 2019.
2. On 23 September 2019, Mr. HE Qing resigned from his position as an Executive Director of the Company and a member of the risk management committee of the Board due to work arrangement.
3. On 5 June 2019, Ms. LAM Tyng Yih, Elizabeth, Mr. CHEN Jizhong and Mr. JIANG Xuping were elected as Independent Non-executive Directors of the eighth session of the Board and Mr. LI Qiqiang was elected as a Non-executive Director of the eighth session of the Board at the 2018 annual general meeting of the Company. In June 2019, the appointment qualification of Mr. HUANG Dinan was approved by the CBIRC. In July 2019, the appointment qualifications of Ms. LAM Tyng Yih, Elizabeth and Mr. CHEN Jizhong were approved by the CBIRC. In August 2019, the appointment qualifications of Mr. LI Qiqiang and Mr. JIANG Xuping were approved by the CBIRC.

2. Voting and Expression of Opinions by Directors at the Board Meetings

In 2019, all Directors of the Company diligently performed the power conferred by the Articles of Association, kept updated about the important business information of the Company, paid full attention to the Company's development and actively participated in the Board meetings during the reporting period. All Directors made appropriate decisions after having fully understood the situation and having expressed their opinions. All resolutions of the Board meetings were passed by unanimous votes, without dissenting votes and abstention votes.

3. Work of Special Committees of the Board

The Board has established four Special Committees, namely the Strategic and Investment Decision-Making Committee, the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee. Apart from the chairman of Strategic and Investment Decision-Making Committee which is served by the chairman of the Board, the chairmen of the three Special Committees are all Independent Directors, and Independent Directors are in the majority among the committee members. The Board and the Board committees performed their respective duties properly by leveraging their respective expertise to ensure that the Board can make informed and appropriate decisions after considering various advice and suggestions.

In 2019, the Strategic and Investment Decision-Making Committee held 6 meetings, the Audit Committee held 7 meetings, the Nomination and Remuneration Committee held 6 meetings, and the Risk Management Committee held 5 meetings. In the meeting, the Director performed their duties with due diligence, conducted in-depth study and held active discussions on the strategic planning, material capital operation, financial reports and internal auditing, performance assessment and appointment and dismissal of senior management and risk control and related party transactions of the Company, efficiently participated in decision-making and provided professional advices for the decision-making of the Board.

4. Directors' Discussion and Studies

In 2019, the Directors took a tour visit to Ningbo branch of CPIC P/C and CPIC Life, considered reports in relation to life insurance team upgrading, product + service, technology empowerment and pilot areas on life insurance innovation as well as the professional vehicle insurance, improvement of customers' operation capability and rapid breakthroughs in non-vehicle insurance businesses by the branch and strengthened the understanding of the operating results and risk management of the Company. The Directors also paid a special visit to LIN Ping Studio in Ningbo and met with LIN Ping, known as the "most beautiful insurance staff". They recognized the Company's active performance of social responsibilities and the consistent progress in charity.

Certain Independent Directors also participated in the appointment of suppliers for significant capital operation programmes and strengthened the understanding of and guidance on the operation of the Company through symposiums on consulting experts, annual meeting on audit work and inspections on functional departments held by the Company.

5. Directors' Participations in Training

During the reporting period, the Directors of the Company paid attention to the improvement of performance ability and the mastery of relevant professional knowledge, such as insurance policies and regulations. They participated in the training and lectures held by SSE, CBIRC and the Company to expand knowledge and skills and ensure the improvement in their own abilities and contribute to the Board of Directors.

In 2019, WU Junhao, a Director, attended the "First Training Programme for Directors and Supervisors of Listed Companies in 2019 in Shanghai" sponsored by CSRC Shanghai branch. GAO Shanwen and LEE Ka Sze, Carmelo, both being Directors, participated in the "Third Subsequent Training Programme for Independent Directors of Listed Companies in 2019" held by SSE. LAM Tyng Yih, Elizabeth, CHEN Jizhong and JIANG Xuping, all being Directors, attended the "66th Training on Qualification of Independent Directors" held by SSE. KONG Qingwei, HE Qing, HUANG Dinan, LAM Tyng Yih, Elizabeth, CHEN Jizhong and JIANG Xuping, all being Directors, attended online trainings on "corporate governance" in the Chinese insurance industry. In addition, all Directors attended the trainings on the measures on GDR issuance and related party transactions of insurance companies held by the Company. They learnt about code of behaviors of directors, supervisors and senior management of listed companies, new regulations on asset management and other videos through E classes and participated in online trainings on directors and supervisors held by the Stock Exchange. They also learnt about new regulatory measures in a timely manner and studied the latest laws, regulations and regulatory rules through various means.

II. UNLEASH THE CORE POTENTIAL OF THE BOARD WITH CONCERN TOWARD THE SIGNIFICANT STRATEGIC MATTERS

In 2019, the Board centered on strategic transformation 2.0 of the Company, focused on two principal lines of high-quality development and technology innovation, determined ten key tasks and promoted the effective implementation of programs under “transformation 2.0”. It listened to and discussed the operating results of the Company and key concerns of the Board through quarterly and half-year Board meetings and symposiums, strengthened the role of transformation to guide and drive operation and sped up in transformation of drivers to business development to improve service capability.

For life insurance business, the Board required the management continuing to “focus on value, team and empowerment” and achieving breakthroughs in capacity and revenue. It introduced measures on improving the operation and capacity of customers, core manpower for insurance and stable growth in manpower with high performance and developing new drivers to value growth based on the “product + service” model on elderly care investment and health management. For property and casualty insurance business, the Board urged the management to “catch up with leaders, transform drivers and achieve regional breakthroughs” and introduced measures to expand the market share of agricultural insurance and online business for vehicle owners to facilitate the Company to realise breakthroughs in capacity, technology and operation systems. For asset management business, the Board required the management continuing to intensify the market orientation, listening to special reports on analysis on investment results and promoting the continuous improvement in investment capability. For the integration of insurance with technology, the Board determined the planning on the new-generation information technology of the Group and advanced innovation in top design on “technology empowerment”. The Board promoted the management to initiate the establishment of the “CPIC service” brand to consistently improve the operation capability of customers. In addition, the Board also seized the opportunity of advancing the reform of state-owned assets and enterprises in Shanghai and successfully initiated the GDR issuance of the Company and the listing on the London Stock Exchange, driving further enhancement of the corporate governance capability.

III. IMPROVING THE RISK MANAGEMENT SYSTEM TO GUARANTEE THE STABLE AND HEALTHY DEVELOPMENT OF THE COMPANY

In 2019, facing the complicated and changing internal and external economic situation and under the background with further stricter regulatory policies, members of the Board practically performed duties on risk management, enhanced forward-looking and initiative risk management, consistently improved the overall risk management system and innovated the risk governance system of the Board.

During the reporting period, the Company maintained sufficient solvency, stable profitability and sound liquidity and no outstanding issues and risks particularly concerned by regulatory authorities were found. It held on to the bottom line of preventing systematic risks and its major compliance indicators maintained a sound level.

IV. WIN MANY AWARDS FOR CORPORATE GOVERNANCE BY VIRTUE OF ITS COMPREHENSIVE STRENGTH

In 2019, the regulatory authorities and the capital market highly recognized the positive results achieved by the Company in terms of corporate governance, such as the operation of the Board of Directors. With good corporate governance practices, the company obtained a series of awards both at home and abroad: CPIC has been on the list of the U.S. Fortune Global 500 for nine consecutive years and it ranked 199th, 21 places higher from the previous year. CPIC P/C and CPIC Life were awarded the highest A level on operation appraisal for four consecutive year and were awarded the highest AA level of the year on service appraisal for three consecutive years. The Company won the “Class A Evaluation of Information Disclosure of Listed Companies” of the SSE in 2018. This is the sixth consecutive year of winning class A evaluation since the launch of the annual evaluation mechanism by the SSE. The above achievements reflect the identification and recognition of the regulatory authorities, capital markets and professional institutions at home and abroad on the Company’s adherence to high-level corporate governance and high-quality development.

In 2019, all Independent Directors of the Company performed their duties faithfully, diligently, independently, strictly in accordance with the requirements of relevant laws, regulations, provisions, including the Company Law, the Measures for the Administration of Independent Directors of Insurance Institutions promulgated by the CBIRC, the Guiding Opinions on Establishing Independent Director System for Listed Companies promulgated by the China Securities Regulatory Commission, the Rules Governing the Listing of the SSE and the Hong Kong Listing Rules, and internal regulations, including the Articles of Association, and the Terms of Reference for Independent Directors of the Company, and through attending the periodic and extraordinary Board meetings and the meetings of Board committees and Shareholders' general meetings on time in the year and carefully considering and objectively expressing independent opinions on resolutions of the Board to protect the interests of the Company, insureds and minority Shareholders. The report on the performance in 2019 by the Independent Directors is set out below:

I. BASIC INFORMATION OF INDEPENDENT DIRECTORS

The eighth session of the Board of Directors of the Company now consists of thirteen Directors, including five Independent Directors with expertise in finance, auditing, law and technology, as well as required expertise and capability to perform duties. In 2019, while maintaining the professional and diversified basis of Directors, the Company actively responded to the demands in the transformation towards technology empowerment and specially introduced authoritative experts and scholars in Internet-based marketing and management to act as Independent Directors of the Company to provide professional support to the decision-making by the Board of Directors.

The basic information of Independent Directors of the Company are set out as follows:

Mr. LEE Ka Sze, Carmelo is currently an Independent Non-executive Director of the Company, a partner of Messrs. Woo, Kwan, Lee and Lo of Hong Kong, an alternative chairman of the Listing Review Committee of the Stock Exchange, member of the InnoHK Steering Committee of the Innovation and Technology Commission of the Hong Kong Government, the chairman of Hong Kong Appeal Tribunal Panel (Buildings Ordinance), convenor and member of the Financial Reporting Review Panel of the Financial Reporting Council in Hong Kong, member of the Campaign Committee of the Community Chest of Hong Kong and the co-chairman of the Community Chest Corporate Challenge Half Marathon. Currently, Mr. LEE also serves as independent non-executive director of the following companies listed on the Stock Exchange: Esprit Holdings Limited (stock code: 00330) and KWG Property Holding Limited (stock code: 01813), and as non-executive director of the following companies listed on the Stock Exchange: CSPC Pharmaceutical Group Limited (stock code: 01093), Playmates Holdings Limited (stock code: 00635) and Safety Godown Company Limited (stock code: 00237). Mr. LEE previously served as deputy chairman and chairman of the Listing Committee of the Stock Exchange, member of the Hong Kong Securities and Futures Commission (the Hong Kong Stock Exchange Listing), non-executive director of the following companies listed on the Stock Exchange: Y. T. Realty

Group Limited (stock code: 00075), Hopewell Holdings Limited (stock code: 00054), Yugang International Limited (stock code: 00613) and Trembray Industries International (Holdings) Limited (stock code: 00093) and independent non-executive director of Ping An Insurance (Group) Company of China, Ltd., a company listed on the SSE (stock code: 601318) and the Stock Exchange (stock code: 02318). Mr. LEE holds a bachelor's degree in laws and is a solicitor qualified in Hong Kong, England and Wales, Singapore and Australian Capital Territory, Australia.

Mr. CHEN Jizhong currently serves as an Independent Non-executive Director of the Company and previously served as the head of Division of Cadres of Directly Affiliated Units of Personnel Department of the State Development Planning Commission of the People's Republic of China, deputy director of Personnel Bureau, director of the Office, and president of Xi'an Branch, Shaanxi Branch and Shanghai Branch of China Development Bank, and the chief auditor of China Development Bank. Mr. CHEN holds a postgraduate diploma and master's degree, and the title of senior economist.

Ms. LAM Tyng Yih, Elizabeth currently serves as an Independent Non-executive Director of the Company and the director and honorary treasurer of the Agency for Volunteer Service of Hong Kong. Ms. LAM once served as the advisor and partner of Ernst & Young. Ms. LAM holds the Bachelor of Business Administration and the Master of Accounting, and is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. JIANG Xuping currently serves as an Independent Non-executive Director of the Company, the professor of the Department of Marketing of Tsinghua University School of Economics and Management, the researcher of the Research Center for Contemporary Management, Tsinghua University and the researcher of the Research Center for Business Management, Tsinghua University. Currently, Mr. JIANG also serves as the president (volunteer) of School of Internet Marketing and Management of Guizhou Forerunner College. Mr. JIANG once served as the lecturer, associate professor and professor of Tsinghua University School of Economics and Management and he director of Internet Marketing and Management of College of Software, Beihang University. Mr. JIANG holds a postgraduate diploma, master's degree and the title of professor.

Mr. GAO Shanwen currently serves as an Independent Non-executive Director of the Company and chief economist of Essence Securities Co., Ltd. Mr. GAO served as chief economist of Everbright Securities Research Institute. Prior to this, Mr. GAO also worked at Financial Research Institute of the Development Research Centre of the State Council and the Headquarter of the People's Bank of China. Mr. GAO also served as independent non-executive director of Sunshine Insurance Group Co., Ltd. Mr. GAO has a master's degree and a doctorate degree.

II. PERFORMANCE OF INDEPENDENT DIRECTORS FOR THE YEAR 2019

(I) Attendance of Meetings

1. *The General Meetings*

In 2019, the Company held a total of 2 general meetings. Independent Directors' attendance of meetings are as follows:

Name of Independent Directors	General meetings requiring attendance	Meetings attended in person	Percentage of attendance (%)	Absence
LEE Ka Sze, Carmelo	2	2	100	0
CHEN Jizhong	1	1	100	0
LAM Tyng Yih, Elizabeth	1	1	100	0
GAO Shanwen	2	1	50	1
JIANG Xuping	1	1	100	0

Notes:

1. Due to the expiry of the tenure of six years, LAM Chi Kuen and ZHOU Zhonghui, Independent Non-executive Directors, retired in July 2019 and BAI Wei, an Independent Non-executive Director, retired in August 2019.
2. On 5 June 2019, Ms. LAM Tyng Yih, Elizabeth, Mr. CHEN Jizhong and Mr. JIANG Xuping were elected as Independent Non-executive Director of the eighth session of the Board of Directors at the 2018 annual general meeting of the Company;

2. *The Board Meetings*

In 2019, the Company held a total of 9 Board meetings. The Independent Directors all attended in person basically. Details are as follows:

Name of Independent Director	Meetings requiring attendance	Meetings attended in person	Meetings attended by proxy	Absence	Remarks
LEE Ka Sze, Carmelo	9	9	0	0	
CHEN Jizhong	6	6	0	0	
LAM Tyng Yih, Elizabeth	6	6	0	0	
GAO Shanwen	9	9	0	0	
JIANG Xuping	4	4	0	0	

3. *The Board Committees*

The Board has established four committees, among which, members of the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee are all Independent Directors. In 2019, the Strategic and Investment Decision-Making Committee held 6 meetings, the Audit Committee held 7 meetings, the Nomination and Remuneration Committee held 6 meetings, and the Risk Management Committee held 5 meetings. All Independent Directors attended such Board committee meetings in person and details are as follows:

Name of Independent Director	Strategic and Investment Decision-Making Committee (meetings held/meetings attended)	Audit Committee (meetings held/meetings attended)	Nomination and Remuneration Committee (meetings held/meetings attended)	Risk Management Committee (meetings held/meetings attended)
LEE Ka Sze, Carmelo	/	/	6/6	5/5
CHEN Jizhong	/	3/3	/	3/3
LAM Tyng Yih, Elizabeth	/	3/3	/	3/3
GAO Shanwen	6/6	/	6/6	/
JIANG Xuping	/	2/2	3/3	/

(II) Expression of Opinions

The Board meetings and general meetings of the Company in 2019 were held in conformity with legal procedures. Material operational decisions were made in accordance with the required procedures and in compliance with the laws and regulations, and the Articles of Association. All of the Independent Directors voted for the resolutions with full understanding of all the matters considered by the Board of Directors in 2019 after thorough discussions and prudent consideration of such matters. The Independent Directors did not raise any objection to the resolutions of the Board of Directors and relevant matters. Meanwhile, all of the Independent Directors, who possess professional knowledge and experience, put forward various constructive opinions and recommendations regarding the strategic transformation, technology empowerment, corporate governance, business operation, financial management, Directors nomination, appointment of senior management, internal control and risk compliance of the Company based on their own professional expertise and practical experience on the Board meetings and meetings of the Board committees in 2019. In the meetings, all independent Directors participated in decision making of significant matters of the Company from their independent and objective position, prudently performed duties and obligations, actively participated in discussion in meetings, and proactively proposed guiding opinions in respect of resolutions considered in the meetings to leverage substantive effects, thereby maintaining the interests of the Company as a whole, while the decision-making process particularly concerned the legitimate equity interests of minority Shareholders. The management of the Company was able to provide responses and to implement relevant opinions, proposals and questions of the Independent Directors. No Independent Director was prevented from expressing his opinion and no opinion raised was rejected by the Company.

(III) Participation in the Work on Annual Report

In accordance with the regulatory requirements and requirements on annual reports as set out in the terms of reference for Independent Directors, the Independent Directors of the Company participated in the work related to the preparation of the annual report of the Company and duly performed their duties for the auditing of the annual report for 2019. In particular, they attended annual report discussion meetings, considered the proposal for the annual report of the Company, maintained timely and thorough communication on audit progress and arrangements, audit results and audit opinion regarding the annual financial report with the accounting firm for the annual financial report, supervised the progress of the audit, received the reporting by the management of the Company on its results of operation for the year and the progress of significant events, which facilitated the progress of annual report audit in compliance with laws and relevant rules and regulations.

(IV) Performance of Duties with Due Diligence and Better Understanding of the Operation of the Company through Various Channels

In 2019, Independent Directors performed their duties with due diligence and proactively kept abreast of the operations and management of the Company through various channels:

1. Independent Directors attended Board meetings and Board committee meetings in person to listen to and discuss issues relating to the operations and management of the Company. Independent Directors paid attention to the impact of new insurance rules on the Company, and required the Company to practically implement regulatory provisions, pay attention to financial risk prevention, adhere to the general principle of pursuing progress while ensuring stability and strictly maintain risk tolerance. They required the Company further adhering to the orientation of targets, intensifying market benchmarking, deepening customer operation, creating coordination value, deeply advancing transformation 2.0, focusing on two principal lines of high-quality development and technology innovation, speeding up in the transformation of drivers to business development with more resources and paying more attention to key areas and sectors to achieve breakthroughs in ten key tasks highly concerned by the Board.
2. Independent Directors took a tour visit to Ningbo branch of CPIC P/C and CPIC Life, listened to reports in relation to life insurance team upgrading, product + service, technology empowerment and pilot areas on life insurance innovation as well as the professional vehicle insurance, improvement of customers' operation capability and rapid breakthroughs in non-vehicle insurance businesses by the branch and strengthened the understanding of the operating results and risk management of the Company.
3. All Independent Directors conducted separate communications with the Chairman and they deeply communicated on increasing input in the digitalized construction, appraisal and performance management and the diversification of the Board.
4. Independent Directors also paid a special visit to LIN Ping Studio in Ningbo and met with LIN Ping, known as the "most beautiful insurance staff". They recognized the Company's active performance of social responsibilities and the consistent progress in charity.

5. Independent Directors got a full picture of the operation and management of the Company through reviewing the monthly financial statements, directors' and supervisors' monthly briefs, monthly audit reports, capital market newsletters, and internal press and information published by the Company and other information and data about operations and management released from time to time, and communicated with the management on operating issues concerned if they deemed necessary.
6. In addition, certain Independent Directors also participated in the appointment of suppliers for significant capital operation programmes and strengthened the understanding of and guidance on the operation of the Company through symposiums on consulting experts, annual meeting on audit work and inspections on functional departments held by the Company.

Independent Directors were of the view that Independent Directors were able to thoroughly understand the operation and management of the Company through timely and effective communication with the Company through various channels.

III. MAJOR ISSUES REGARDING THE DUTY PERFORMANCE OF INDEPENDENT DIRECTORS FOR THE YEAR

On the basis of full understanding of the Company, the Independent Directors performed their duties with due diligence in an objective and prudent manner. They focused on the following major issues regarding the duty performance and expressed independent opinions on certain major issues of their concerns in accordance with relevant requirements:

In 2019, all Independent Directors attended Board meetings on time, and understood the operations and management of the Company. The Independent Directors conducted investigation and obtained information and data necessary for making decisions and made independent and clear judgment on and expressed independent opinions in favor of matters including changes in significant accounting estimate, connected transactions, profit distribution, appointment and dismissal of the senior management and remuneration and performance assessment of the senior management of the Company.

In 2019, there is no external guarantee or misappropriation of funds of the Company. The use of proceeds was consistent with the intended use as resolved and approved at the Shareholders' general meetings and the Board meetings. All proceeds were used to replenish the working capital of the Company to support the sustainable development of business.

In 2019, an announcement on estimated increase in results was issued by the Company. Prior to the announcement was made, the Company reported to the Board and Independent Directors the financial results of the Company and the proposed announcement. All Independent Directors expressed their opinion in favor of the issuance of the announcement.

In 2019, there were no undertakings that the Company was required to disclose. The information disclosure of the Company was true, accurate and complete and made in a timely manner. The Company has not failed to disclose any discloseable information.

In 2019, the Company reappointed PricewaterhouseCoopers Zhong Tian LLP as the auditor of the Company for 2019 and PricewaterhouseCoopers as the auditor for financial statements under Hong Kong Financial Reporting Standards of the Company for 2019. The Independent Directors are of the view that the appointment of the aforesaid accounting firms met the Company's requirements for auditing work. The decision-making procedures for such appointments were in compliance with the requirements of the relevant laws, regulations and the Articles of Association, without prejudicing the interests of the Company and its Shareholders. The Independent Directors expressed independent opinions in favour of such appointments.

In 2019, the Company was committed to establishing a sound internal control system in order to provide reasonable assurance of the achievement of internal control objectives, including the legal compliance of our operation and management, assets security and reliability, truthfulness and completeness of financial reports and related information, improvement of operation efficiency and implementation of development strategies for the sustainable development of the Company. The Company has conducted self-assessment of internal control as of 31 December 2019 and an audit report was issued by the auditor. The Independent Directors are of the view that the Company has established a sound, scientific, standardized and effective internal control system. The acts of the Company regarding corporate governance, business operations, financial management, decision making on significant events and other aspects were conducted in compliance with the internal control requirements of the Company. The internal control system of the Company was effectively implemented.

In 2019, the Board of the Company has duly performed their functions and duties under the laws and regulations and the Articles of Association. The Board played the core role in decision making of the Company by effective and standardized operation. Assembling, convening and resolutions of the Board and Board committees of the Company were in compliance with the statutory procedures, while material decision making performed necessary procedures in compliance with the requirements of laws and regulations and the Articles of Association. The Board and Board committees operated prudently and effectively. Under the leadership of the Board, the management of the Company completed the annual major operational targets and business goals set by the Board.

IV. OVERALL EVALUATION AND RECOMMENDATION

All of the Independent Directors are of the view that they have duly performed their functions and duties, and fulfilled their obligations to acting with integrity and diligence pursuant to the laws and regulations and the provisions under the Articles of Association in 2019. They actively attended Board meetings and meetings of the Board committees and participated independently and objectively in the decision-making of the Company on significant issues. In particular, they were concerned about the legal rights of the minority Shareholders. All of the Independent Directors made objective and impartial judgments on the issues to be resolved by the Board. They also performed due diligence reviews on the appointment, removal, and performance appraisal of Directors and senior management, and any other issues which might significantly affect the interests of insured parties and the minority Shareholders. This helped promote the scientificity and objectivity of the Board's decisions, and helped maintain the sustainable, healthy and stable growth of the Company.

In 2020, the Independent Directors will continue to perform their duties faithfully and diligently to play an active role as Independent Directors in safeguarding the interests of the Company as a whole and the legitimate interests of all Shareholders and promoting the healthy and sustainable development of the Company.

In 2019, under the leadership of the general meeting and with the great support of the Board and the management, the Board of Supervisors prudently performed their duties and adequately exercised the functions based on the operation of the Company and regulatory requirements with financial supervision, risk supervision, supervision on performance of Directors and senior management and operation as priorities in accordance with relevant laws and regulations and the Articles of Association, effectively displaying the independent role of the Board of Supervisors in corporate governance. The major work report of the Board of Supervisors and the performance of duties of the Supervisors in 2019 are as follows:

I. WORK OF THE BOARD OF SUPERVISORS IN 2019

(I) Effective Regulation of Operation of the Board of Supervisors

The Board of Supervisors convened six meetings in 2019, including four on-site meetings and two correspondence meetings, at which, 28 resolutions have been considered and approved and 21 reports have been listened to. On the basis of fully understanding key businesses and operation of the Company, the Board of Supervisors carefully considered or listened to the annual report on the implementation of annual development plans, the annual report on overall risk appraisal and management and compliance, the annual report on internal audit, the annual report on related party transactions, the annual report on corporate governance and other various annual reports and resolutions to have a general knowledge on the operation of the Company. It conducted supervision and guidance with the focus on compliance, risks and audit to ensure the scientific decision-making of the Company.

Assembling, convening and decision making of the meetings of the Board of Supervisors were in compliance with the statutory procedures. All Supervisors punctually attended meetings of the Board of Supervisors, fully expressed their opinions and performed duties of Supervisors. Various resolutions considered were approved and implemented. The operation of the Board of Supervisors was in compliance with rules and the decision-making was effective.

Name	Meetings requiring attendance	Meetings attended in person	Meetings attended by proxy	Absence
ZHU Yonghong	6	5	1	0
JI Zhengrong	4	4	0	0
ZHANG Xinmei	6	6	0	0
JIN Zaiming	6	6	0	0
LU Ning	6	6	0	0
YUAN Songwen	0	0	0	0

Notes:

1. On 28 February 2019, Mr. YUAN Songwen resigned from his position as an employee representative supervisor. On 26 April 2019, Mr. JI Zhengrong was elected as an employee representative supervisor of the eighth session of the Board of Supervisors at the employee representatives meeting of the Company.
2. Mr. ZHU Yonghong was absent from the 15th meeting of the eighth session of the Board of Supervisors due to business reasons and Mr. JI Zhengrong was appointed as his proxy to attend and vote at the meeting on his behalf.

(II) Performance of Duties of Supervisors with Due Diligence

1. **Listening to special reports and following material matters of implementation of strategies.** In 2019, Supervisors kept track of the ten key tasks and the 15 transformation projects launched by the management, listened to special reports, and strengthened the role of transformation to guide and drive operation. They facilitated the Company to achieve transformation towards high-quality development in life insurance business based on the “product + service” model on elderly care investment and health management. They focused on measures to expand the market share of agricultural insurance and online business for vehicle owners, promoted the property and casualty insurance business to “catch up with leaders, transform drivers and achieve regional breakthroughs” and achieved breakthroughs in capacity, technology and operation systems. They paid attention to the planning on the new-generation information technology of the Group and advanced innovation in top design on technology empowerment.
2. **Attending on-site investigation and understanding the operation and management of the Company.** In 2019, Supervisors took a tour visit to Ningbo branch of CPIC P/C and CPIC Life, listened to reports in relation to team upgrading, product + service, technology empowerment and pilot areas on life insurance innovation by the branch of CPIC Life and the professional vehicle insurance, improvement of customers’ operation capability and rapid breakthroughs in non-vehicle insurance businesses by the branch of CPIC P/C. They also discussed thoroughly about key issues and difficulties in the transformation at the primary level. In addition, certain Supervisors deepened their understanding of the operating conditions and risk management of the Company through attending the annual audit meetings and other means.

3. **Following corporate governance and strengthening the supervision on the Board of Directors and the management of the Company.** In 2019, Supervisors attended the general meetings and Board meetings, and played an active role in supervising the decision-making by the Board of Directors and the performance of duties by Directors. Meanwhile, the Board of Supervisors supervised and assessed the annual performance of Directors and senior management members through material review, site visit, inspections, rating and other ways.
4. **Strengthening financial supervision and safeguarding Shareholders' interests.** In 2019, the Board of Supervisors reviewed resolutions including those concerning periodic reports and profit distribution, and paid special attention to activities that had major cash flow consequences, changes in accounting, accounting items which had a significant impact on the results of operations as well as matters which had a significant impact on owner's equity. Moreover, the Board of Supervisors supervised the preparation and review procedures as well as content and format of reports in respect of their truthfulness, accuracy and completeness, while keeping track of the Company's financial conditions in a timely manner through regular review of its financial reports such as monthly operation indicators. The Board of Supervisors duly performed its duties of financial supervision.

The Board of Supervisors had also expressed its opinions on the Company's appointment of auditors. It commented favorably on the overall performance of the auditors and agreed to continue to appoint PricewaterhouseCoopers Zhong Tian LLP as the auditor of the Company for 2019 and PricewaterhouseCoopers as the auditor of financial statements under Hong Kong Financial Reporting Standards of the Company for 2019.

5. **Strengthening internal control supervision and optimising risk management system.** The Board of Supervisors regularly reviews the report of the Company on works of strengthening internal control and risk management, and continuously supervises the Board and the management to build and implement the internal control and risk management mechanism.

In 2019, under the keynote of "strengthening audit supervision on the one hand and enhancing audit services on the other hand", the audit work of the Company focused on regulatory requirements, strategic emphasis and operation and management needs of the Company with issues as the orientation and advanced penetrating audit supervision with full coverage. Meanwhile, it actively planned audit transformation and development and strived to make new achievements in audit and facilitate achieving the objectives of the Group.

Under the supervision of the Board of Supervisors, the Company conducted risk management firmly focusing on the target of “building the strongest risk control capability”. With the fully advancing of projects with “integrated risk management and control” as the driver, the Board of Supervisors paid close attention to changes in the macro environment and regulatory policies to safeguard the building of a coordinated and value-based headquarters of the Group. It emphasized scientific risk prevention, standard control, coordinated supervisory systems, intelligent risk control platforms and matriculated risk appraisal, vigorously developed an agile, efficient and intelligent risk control systems, strengthened key risks control and strictly maintained risk tolerance.

(III) Active Participation in Training of Supervisors

In 2019, the Supervisors attended trainings and lectures held by SSE, CBIRC, Shanghai SASAC and the Company to consistently enhance their performance capability. JIN Zaiming, a Supervisor, attended the “First Training Programme for Directors and Supervisors of Listed Companies in 2019 in Shanghai” sponsored by CSRC Shanghai branch. ZHU Yonghong and JI Zhengrong, both being Supervisors, attended online trainings on “corporate governance” in the Chinese insurance industry. ZHANG Xinmei, a Supervisor, attended the training on performance of supervisors of enterprises under the supervision of Shanghai SASAC. In addition, all Supervisors attended the trainings on the measures on GDR issuance and related party transactions of insurance companies held by the Company. They learnt about code of behaviors of directors, supervisors and senior management of listed companies, new regulations on asset management and other videos through E classes and participated in online trainings on directors and supervisors held by the Stock Exchange. They also learnt about new regulatory measures in a timely manner and studied the latest laws, regulations and regulatory rules through various means.

(IV) Independent Opinions of the Board of Supervisors

In 2019, the Board of Supervisors focused on the key performance of their duties and provided their independent opinions:

1. **The Company’s operational compliance.** The Board of Supervisors is of the opinion that during the reporting period, the Company maintained legally compliant operations and the Company’s operational activities complied with regulatory requirements including those of the Company Law and the Articles of Association. The corporate governance structure was further improved. The decision-making procedures of the Board of Directors and the management were legal and valid, and the Directors and senior management were faithful and diligent in the process of operating and managing the Company. No conduct was found to have breached any laws or regulations or damaged the interests of Shareholders.

2. **Truthfulness and accuracy of the financial statements.** The financial statements of the Company for the year were audited by PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers, based on their respective independent auditing standards, who have issued audit reports with standard unqualified opinions. The Board of Supervisors is of the view that the financial acts of the Company were in strict compliance with the relevant requirements of the national relevant laws and regulations and the financial management system of the Company as well as internal control system; the procedures of preparing the financial reports of the Company were in compliance with the requirements of laws and regulations; the 2019 audit report with standard unqualified opinion as audited and issued by the auditing firms was objective and fair, truly reflecting the financial conditions and operating results of the Company.
3. **Consistent use of proceeds from the fund raising according to the grant.** The Board of Supervisors is of the view that during the reporting period, the proceeds of the fund raising had been used by the Company to enrich the capital base to support sustainable business development, which was consistent with the use granted by the resolutions of the general meetings and the Board of Directors of the Company.
4. **During the reporting period, the Company made no major asset acquisition or major disposal of assets.**
5. **Fair and reasonable related party transactions.** The Board of Supervisors is of the view that during the reporting period, the Company's related party transactions were fair and reasonable. The consideration, voting and disclosure procedures of related party transactions are legitimate. No conduct was found to have damaged the interests of the Company and Shareholders.
6. **No objection to the report on internal control.** During the reporting period, the Company established a reasonable and effective internal control system. The Board of Supervisors reviewed the Company's Assessment Report on Internal Control and raised no objection.
7. **Effective implementation of resolutions approved by shareholders at the general meeting.** During the reporting period, the Board of Supervisors raised no objections to any of the reports and resolutions submitted by the Board of Directors for Shareholders' consideration at the general meetings and supervised the implementation of the resolutions approved by Shareholders at the general meetings. The Board of Supervisors is of the opinion that both the Board of Directors and the Board of Supervisors are able to effectively implement the resolutions approved by Shareholders at the general meetings.

II. WORK PLAN OF THE BOARD OF SUPERVISORS IN 2020

The macroeconomic and market environment will become increasingly complicated in 2020. The Board of Supervisors will continue to follow the Company Law and the Articles of Association as well as relevant national laws and regulations, firmly focus on the strategic development targets and key work of the Company and actively and practically conduct supervision in accordance with laws and regulations. It will prioritize the following aspects:

(I) Performing supervisory duties in accordance with laws

In 2020, the Board of Supervisors will conduct strict supervision on the decision-making procedures of the Company and the performance of duties by the Directors and senior management strictly in accordance with relevant laws and regulations. They will hold meetings of the Board of Supervisors according to laws and pay more attention to finance, compliance, internal control, investment and other areas. They will attend the general meetings, Board meetings and meetings of Board committees and focus on matters considered at the meetings, the rules of procedures as well as whether the exercising of duties and the performing of obligations in operation and management and significant decision-makings are conducted according to laws.

(II) Enhancing supervision and inspection on compliance and internal control

They will listen to reports on the implementation of rectification on issues found in tour inspections and audit, the establishment of the internal control system and the phased completion of key work based on the progress. They will adopt modern information technology means, integrate internal and external audit and highlight the supervision on legitimacy and compliance of key contents, significant decision-making and significant matters.

(III) Organizing and conducting special inspections

They will conduct inspections on grass-roots institutions to learn about the operation, system establishment, financial conditions and risk control of the Company through on-site inspections, symposiums, interviews and looking up materials to facilitate the Board of Supervisors better displaying the supervisory function.

(IV) Advancing the self-construction of the Board of Supervisors

Members of the Board of Supervisors will strengthen learning about regulatory policies, systems and requirements, actively attend various trainings organized by CBIRC, SASAC, SSE, the Stock Exchange and other authorities to consistently enhance supervision and the performance capability and further conduct supervision according to laws and standard operation.

The Company proposes to obtain Shareholders' approval for granting a general mandate to authorize the Board of Directors to determine if the Company shall allot, issue and deal with A Shares and H Shares, separately or concurrently, according to market conditions and the needs of the Company, provided that the respective number of shares shall not exceed 20% of each of the A Shares and H Shares of the Company in issue on the date of the passing of this special resolution. However, notwithstanding the granting of the general mandate to the Board of Directors, any issue of new A Shares would require another Shareholders' approval at a Shareholders' meeting in accordance with the relevant PRC laws and regulations.

- (1) Subject to paragraphs (3) and (4) below and pursuant to the Company Law and the relevant regulatory stipulations (as amended from time to time) of the places where the shares of the Company are listed, the Board of Directors shall be granted a general and unconditional mandate to exercise all the powers of the Company to allot, issue and deal with new shares during the Relevant Period (as hereinafter defined) and to determine the terms and conditions for the allotment and issue of new shares which include, without limitation, the following terms:
 - (a) the class and number of new shares to be issued;
 - (b) the method of determining the issue price of new shares and/or the issue price (including the price range);
 - (c) the starting and closing dates for the issue;
 - (d) the class and number of the new shares to be issued to existing shareholders; and
 - (e) the making or granting of offers, agreements and options which might be necessary for the exercise of such powers.
- (2) The approval in paragraph (1) shall authorize the Board of Directors to make or grant offers, agreements and options during the Relevant Period, which would or might be necessary for the exercise of such powers after the end of the Relevant Period.
- (3) The aggregate nominal amount of the new A Shares and new H Shares allotted, issued and dealt with conditionally or unconditionally (whether pursuant to an option or otherwise) by the Board of Directors pursuant to the approval in paragraph (1), other than the shares issued pursuant to a Rights Issue (as hereinafter defined) or any option scheme to purchase rights attached to the shares of the Company or similar arrangement, shall not exceed 20% of each of the A Shares and H Shares of the Company in issue as at the date of passing this resolution.

(4) In exercising the powers granted in paragraph (1), the Board of Directors must (a) comply with the Company Law and the relevant regulatory stipulations (as amended from time to time) of the places where the shares of the Company are listed; and (b) obtain approval from the CSRC and other relevant PRC government departments.

(5) For the purpose of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the 12-month period following the passing of this resolution; and
- (c) the revocation or variation of the mandate granted under this resolution by a special resolution of the Shareholders at a Shareholders’ general meeting.

“**Rights Issue**” means the allotment or issue of shares in the Company or other securities which would or might require shares to be allotted and issued pursuant to an offer made to all the shareholders of the Company (excluding for such purpose any shareholder who is resident in a place where such offer is not permitted under the law of that place) and, where appropriate, the holders of other equity securities of the Company entitled to such offer, pro rata (apart from fractional entitlements) to their existing holdings of shares or such other equity securities.

(6) The Board of Directors, subject to the approval of the relevant authorities of the PRC and in accordance with the Company Law, shall be authorized to increase the registered capital of the Company to the required amount upon the exercise of the powers pursuant to paragraph (1) above.

(7) The Board of Directors shall be authorized to sign the necessary documents, complete the necessary formalities and take other necessary steps to complete the allotment, issue and listing of new shares, provided that the same do not violate the relevant laws, administrative regulations and regulatory stipulations (as amended from time to time) of the places where the shares of the Company are listed, and the Articles of Association.

(8) Subject to the approval of the relevant PRC authorities, the Board of Directors shall be authorized to make amendments to the Articles of Association as appropriate and necessary after the completion of the allotment and issue of new shares according to the method of the allotment and issue of new shares by the Company, the type and number of new shares to be allotted and issued by the Company, and the actual shareholding structure of the Company at the time of completion of the allotment and issue of new shares, in order to reflect the changes in the share capital structure and the registered capital of the Company pursuant to the exercise of this mandate.

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The proposed amendments to the Articles of Association (the “**Proposed Amendments**”) are as follow:

Existing article					Amended article				
Record of Preparation of and Amendments to the Articles of Association					Record of Preparation of and Amendments to the Articles of Association				
No.	Issues	Date of Decision	Meeting	Ref No. of Approval Document	No.	Issues	Date of Decision	Meeting	Ref No. of Approval Document
1	Preparation of the Articles	25 April 1991	The first meeting of the first session of the board of directors of China Pacific Insurance Company	Approval of the Establishment of China Pacific Insurance Company (Yin Fu [1991] No. 149)	1	Preparation of the Articles	25 April 1991	The first meeting of the first session of the board of directors of China Pacific Insurance Company	Approval of the Establishment of China Pacific Insurance Company (Yin Fu [1991] No. 149)
.....								
18	The 17th amendment	27 December 2017	The first extraordinary general meeting of China Pacific Insurance (Group) Co., Ltd. for 2017	Approval of the Amendments to the Articles of China Pacific Insurance (Group) Co., Ltd. (Bao Jian Xu Ke [2018] No. 109)	18	The 17th amendment	27 December 2017	The first extraordinary general meeting of China Pacific Insurance (Group) Co., Ltd. for 2017	Approval of the Amendments to the Articles of China Pacific Insurance (Group) Co., Ltd. (Bao Jian Xu Ke [2018] No. 109)
					19	<u>The 18th amendment</u>	<u>5 June 2019</u>	<u>2018 Annual General Meeting of China Pacific Insurance (Group) Co., Ltd.</u>	<u>Approval of the Amendments to the Articles of China Pacific Insurance (Group) Co., Ltd. (Yin Bao Jian Fu (2019)No. 681)</u>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing article	Amended article
<p>Article 34 Upon the approval by relevant competent authorities of the PRC, the Company may purchase its shares in any of the following manners:</p> <p>(1) by making an offer to all shareholders to repurchase their shares on a pro rata basis;</p> <p>(2) by repurchasing shares through open transactions on a stock exchange;</p> <p>(3) by repurchasing shares through an off-market agreement;</p> <p>(4) in any other manner permitted by laws and administrative regulations and as authorized by a regulatory authority.</p>	<p>Article 34 Upon the approval by relevant competent authorities of the PRC, the Company may purchase its shares <u>by way of public collective transaction or otherwise permitted by laws and rules and regulatory authority.</u> in any of the following manners:</p> <p>(1) by making an offer to all shareholders to repurchase their shares on a pro rata basis;</p> <p>(2) by repurchasing shares through open transactions on a stock exchange;</p> <p>(3) by repurchasing shares through an off-market agreement;</p> <p>(4) in any other manner permitted by laws and administrative regulations and as authorized by a regulatory authority.</p>
<p>Article 49 No change may be made to the register of shareholders as a result of a transfer of shares during the 30 days prior to the date of a shareholders' general meeting or during the 5 days prior to the record date set by the Company for the purpose of distribution of dividends.</p>	<p>Article 49 No change may be made to the register of shareholders as a result of a transfer of shares during the 30 days prior to the date of a shareholders' general meeting or during the 5 days prior to the record date set by the Company for the purpose of distribution of dividends.</p> <p><u>Where PRC laws and regulations and the Listing Rules stipulate on the period of closure of the register of shareholders prior to a shareholders' general meeting or the record date set by the Company for the purpose of distribution of dividends, such provision shall prevail.</u></p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing article	Amended article
<p>Article 68 The shareholders' general meeting shall exercise the following functions and powers:</p> <p>.....</p> <p>(24) to consider and approve the following related party transactions:</p> <p>.....</p> <p>A material related party transaction refers to (1) a single transaction conducted between the Company and a related party with a transaction amount representing more than 1% of the net asset of the Company as at the end of the previous year or more than RMB30 million, or (2) transactions conducted between the Company with a related party within an accounting year with a cumulative transaction amount representing more than 5% of the net asset of the Company as at the end of the previous year;</p> <p>.....</p>	<p>Article 68 The shareholders' general meeting shall exercise the following functions and powers:</p> <p>.....</p> <p>(24) to consider and approve the following related party transactions:</p> <p>.....</p> <p>A material related party transaction refers to <u>transaction between the Company or its subsidiary and a related party with an amount or a cumulative annual amount exceeding RMB30 million, and accounting for more than 1% of unaudited net assets of the Company for preceding year;</u> (1) a single transaction conducted between the Company and a related party with a transaction amount representing more than 1% of the net asset of the Company as at the end of the previous year or more than RMB30 million, or (2) transactions conducted between the Company with a related party within an accounting year with a cumulative transaction amount representing more than 5% of the net asset of the Company as at the end of the previous year;</p> <p>.....</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing article	Amended article
<p>Article 72 When the Company convenes a Shareholders’ general meeting, written notice of the meeting shall be given 45 days before the date of meeting to notify the Shareholders whose names appear in the share register of the matters to be considered at, and the date and place of, the meeting. A Shareholder who intends to attend the meeting shall deliver to the Company his written reply concerning his attendance at such meeting 20 days before the date of meeting.</p> <p>The Company shall report the notice of meeting to CBIRC in writing and by email ten days prior to the convening of the Shareholders’ general meeting.</p>	<p>Article 72 When the Company convenes a <u>an annual</u> Shareholders’ general meeting, written notice of the meeting shall be given 45<u>20</u> days before the date of meeting; <u>when the Company convenes an extraordinary Shareholders’ general meeting, written notice of the meeting shall be given 10 business days or 15 days (whichever is longer) before the date of meeting,</u> to notify the Shareholders whose names appear in the share register of the matters to be considered at, and the date and place of, the meeting. A Shareholder who intends to attend the meeting shall deliver to the Company his written reply concerning his attendance at such meeting 20 days before the date of meeting.</p> <p>The Company shall report the notice of meeting to CBIRC in writing and by email ten days prior to the convening of the Shareholders’ general meeting.</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing article	Amended article
<p>Article 74 The Company shall, based on the written replies that it receives from the shareholders 20 days before the date of the shareholders’ general meeting, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting amounts to one-half or more of the total number of voting shares of the Company, the Company may convene a shareholders’ general meeting; if not, then the Company shall, within 5 days, notify the shareholders by way of a public announcement the matters to be considered at, and the place and date of, the meeting. The Company may then hold the meeting after publication of such announcement.</p> <p>A shareholders’ extraordinary general meeting shall not decide on any matter not stated in the notice of meeting.</p>	<p>Article 74 <u>Shareholders’ general meetings shall not decide on matters which are not specified in the notice.</u> The Company shall, based on the written replies that it receives from the shareholders 20 days before the date of the shareholders’ general meeting, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting amounts to one-half or more of the total number of voting shares of the Company, the Company may convene a shareholders’ general meeting; if not, then the Company shall, within 5 days, notify the shareholders by way of a public announcement the matters to be considered at, and the place and date of, the meeting. The Company may then hold the meeting after publication of such announcement.</p> <p>A shareholders’ extraordinary general meeting shall not decide on any matter not stated in the notice of meeting.</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing article	Amended article
<p>Article 76 A notice of a shareholders’ general meeting shall be served on each shareholder (regardless of whether such shareholder is entitled to vote at the meeting),by hand or prepaid mail to the address of the shareholder as shown in the register of shareholders.</p> <p>For the holders of domestic shares, the notice of meeting may also be issued byway of public announcement. Such public announcements shall be published in one or more than one newspapers or periodicals designated by the securities regulatory authority of the State Council during a period between 45 and 50 days prior to the convening of the meeting. Once the announcement is made, all holders of domestic shares shall be deemed to have received the notice of the relevant shareholders’ general meeting.</p> <p>For the holders of overseas-listed foreign investment shares, the notice of meeting may also be issued during a period between 45 and 50 days prior to the convening of the meeting pursuant to Article 237 of these Articles of Association, including the issue by way of a public announcement published on the websites of the Company and the stock exchange located in the place where the shares are listed. Once a notice of meeting is made by way of public announcement or is issued by any other means as permitted under Article 237 of these Articles of Association, all holders of overseas-listed foreign investment shares shall be deemed to have received the notice of the relevant shareholders’ general meeting.</p>	<p>Article 76 A notice of a shareholders’ general meeting shall be served on each shareholder (regardless of whether such shareholder is entitled to vote at the meeting),by hand or prepaid mail to the address of the shareholder as shown in the register of shareholders.</p> <p>For the holders of domestic shares, the notice of meeting may also be issued byway of public announcement. Such public announcements shall be published <u>on the website of stock exchange and a media meeting</u> in one or more than one newspapers or periodicals designated <u>by the securities regulatory authority of the State Council</u> during a period between 45 and 50 days prior to the convening of the meeting. Once the announcement is made, all holders of domestic shares shall be deemed to have received the notice of the relevant shareholders’ general meeting.</p> <p>For the holders of overseas-listed foreign investment shares, the notice of meeting may also be issued during a period <u>set out in Article 72 hereof</u>between 45 and 50 days prior to the convening of the meeting pursuant to Article 237 of these Articles of Association, including the issue by way of a public announcement published on the websites of the Company and the stock exchange located in the place where the shares are listed. Once a notice of meeting is made by way of public announcement or is issued by any other means as permitted under Article 237 of these Articles of Association, all holders of overseas-listed foreign investment shares shall be deemed to have received the notice of the relevant shareholders’ general meeting.</p>

Existing article	Amended article
<p>Article 112 When convening a class shareholders’ meeting, the Company shall issue a written notice to all class shareholders whose names appear on the register of shareholders 45 days before the class shareholders’ meeting is convened, and notify them of the matters to be considered at such meeting and the date and place of the meeting. Shareholders who intend to attend the meeting shall deliver a written reply to the Company 20 days before the meeting is convened.</p> <p>If the number of shares carrying the right to vote at the meeting represented by the shareholders intending to attend the meeting is at least one-half of the total number of shares of that class carrying the right to vote at the meeting, the Company may convene a class shareholders’ meeting. If not, the Company shall within 5 days inform the shareholders once again of the matters to be considered at the meeting and the place, date and time of the meeting in the form of a public announcement. Upon notification by public announcement, the Company may convene the class shareholders’ meeting.</p> <p>The quorum for convening any of the above class shareholders’ meetings (other than the adjournment of meeting) for the purpose of considering the alteration of any class of shares shall be at least one-third of the holders of the issued shares of such class.</p>	<p>Article 112 When convening a class shareholders’ meeting, the Company shall <u>issue a written notice in accordance with the time limit for notice specified under Article 72 hereof</u>issue a written notice to all class shareholders whose names appear on the register of shareholders 45 days before the class shareholders’ meeting is convened, and notify them of the matters to be considered at such meeting and the date and place of the meeting. Shareholders who intend to attend the meeting shall deliver a written reply to the Company 20 days before the meeting is convened.</p> <p>If the number of shares carrying the right to vote at the meeting represented by the shareholders intending to attend the meeting is at least one-half of the total number of shares of that class carrying the right to vote at the meeting, the Company may convene a class shareholders’ meeting. If not, the Company shall within 5 days inform the shareholders once again of the matters to be considered at the meeting and the place, date and time of the meeting in the form of a public announcement. Upon notification by public announcement, the Company may convene the class shareholders’ meeting.</p> <p>The quorum for convening any of the above class shareholders’ meetings (other than the adjournment of meeting) for the purpose of considering the alteration of any class of shares shall be at least one-third of the holders of the issued shares of such class.</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing article	Amended article
<p>Article 123 The Company shall have a board of directors, which shall be accountable and report its work to the shareholders' general meeting. The Board shall consist of fourteen directors, the number of independent directors shall be five, and the number of executive directors shall be two, and the number of non-executive directors shall be seven. The Board shall have one chairman and one vice-chairman. The chairman and vice-chairman shall be elected by more than half of all directors.</p>	<p>Article 123 The Company shall have a board of directors, which shall be accountable and report its work to the shareholders' general meeting. The Board shall consist of fourteenfifteen directors, the number of independent directors shall be five, and the number of executive directors shall be two, and the number of non-executive directors shall be seveneight. The Board shall have one chairman and one vice-chairman. The chairman and vice-chairman shall be elected by more than half of all directors.</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing article	Amended article
<p>Article 124 The Board shall be accountable to the shareholders’ general meeting and shall exercise the following functions and powers:</p> <p>.....</p> <p>(14) to report the status of related party transactions and the implementation of management system for related party transactions to the Shareholders’ general meeting on an annual basis;</p> <p>(15) to consider and approve the following material related party transactions:</p> <ol style="list-style-type: none"> 1. a single transaction between the Company and a related party amounting to not less than 1% of the net assets of the Company as at the end of the previous year or exceeding RMB30 million but less than 5% of the net assets of the Company as at the end of the previous year; 2. material related party transactions between the Company and its subsidiaries; 3. other related party transactions to be approved by the Board as required by relevant regulatory requirements or the policies of the Company; <p>For the definition of “material related party transaction”, please refer to the definition set out in Article 68 of these Articles of Association;</p>	<p>Article 124 The Board shall be accountable to the shareholders’ general meeting and shall exercise the following functions and powers:</p> <p>.....</p> <p>(14) to report the status of related party transactions and the implementation of management system for related party transactions to the Shareholders’ general meeting on an annual basis;</p> <p>(15) to consider and approve the following material related party transactions:</p> <ol style="list-style-type: none"> 1. a single transaction <u>or cumulative annual transactions</u> between the Company <u>or its subsidiary</u> and a related party amounting to <u>not less than 1%</u> of the net assets of the Company as at the end of the previous year or exceeding <u>RMB30 million</u> but less than 5% of the net assets of the Company as at the end of the previous year; 2. material related party transactions between the Company and its subsidiaries; 3. other related party transactions to be approved by the Board as required by relevant regulatory requirements or the policies of the Company; <p>For the definition of “material related party transaction”, please refer to the definition set out in Article 68 of these Articles of Association;</p> <p><u>(Please reorder the below)</u></p> <p>.....</p>

Existing article	Amended article
<p>Article 126 The Board shall set up a strategic and investment decision-making committee, an audit committee, a nomination and remuneration committee, a risk management committee and other special committees where necessary. The special committees shall carry out its work as authorized by the Board, and shall be accountable to the Board. The rules of procedure and the duties and responsibilities of each committee shall be formulated by the Board.</p> <p>The strategic and investment decision-making committee is composed of at least three directors, which shall be chaired by the chairman of Board of the Company.</p> <p>The audit committee is composed of at least three directors who hold no positions in the management, and the independent directors shall account for above one-half of its members. The members shall possess the professional knowledge as to finance and laws appropriate to their duties and the committee shall have at least one independent director who is a professional in finance, accounting or audit, or has over five years of experience in finance, accounting or auditing.</p> <p>The nomination and remuneration committee is composed of at least three nonexecutive directors and shall comprise a majority of independent directors.</p> <p>The risk management committee is composed of at least three directors and independent directors.</p>	<p>Article 126 The Board shall set up a strategic and investment decision-making committee, an audit committee, a nomination and remuneration committee, a risk management <u>and related party transaction control</u> committee, <u>a technical innovation and consumer protection committee</u> and other special committees where necessary. The special committees <u>shall comprise directors only and</u> shall carry out its work as authorized by the Board, and shall be accountable to the Board. The rules of procedure and the duties and responsibilities of each committee shall be formulated by the Board.</p> <p>The audit committee is composed of at least three directors who hold no positions in the management, and the independent directors shall account for above one-half of its members. The members shall possess the professional knowledge as to finance and laws appropriate to their duties and the committee shall have at least one independent director who is a professional in finance, accounting or audit, or has over five years of experience in finance, accounting or auditing.</p> <p>The nomination and remuneration committee is composed of at least three nonexecutive directors and shall comprise a majority of independent directors.</p> <p>The risk management <u>and related party transaction control</u> committee is composed of at least three directors and independent directors. <u>Independent director shall serve as chairman of the committee.</u></p> <p><u>Technical innovation and consumer protection committee of the Board shall comprise more than three directors.</u></p>

Existing article	Amended article
<p>Article 134 A director who has a related party relationship with an enterprise involved in a matter to be resolved at the Board meeting shall not exercise the voting right of his own or on behalf of other directors in respect of the resolution when considering the material related party transactions. The Board meeting may be held if it is attended by a majority of directors who do not have such related party relationship. A resolution at the Board meeting shall be adopted if above two-thirds of directors who do not have such related party relationship vote in favour of it. If the number of directors who do not have such related party relationship and is present at the Board meeting is less than three, the matter shall be submitted to the Shareholders’ general meeting of the Company for consideration. The related party relationship mentioned above shall be handled in accordance with the provisions of the relevant laws and regulations and the rules of regulatory authorities.</p>	<p>Article 134 A director who has a related party relationship with an enterprise involved in a matter to be resolved at the Board meeting shall not exercise the voting right of his own or on behalf of other directors in respect of the resolution when considering the material related party transactions. The Board meeting may be held if it is attended by a majority of directors who do not have such related party relationship. A resolution at the Board meeting shall be adopted if above two-thirds of directors who do not have such related party relationship vote in favour of it. If the number of directors who do not have such related party relationship and is present at the Board meeting is less than three, the matter shall be submitted to the Shareholders’ general meeting of the Company for consideration. The related party relationship mentioned above shall be handled in accordance with the provisions of the relevant laws and regulations and the rules of regulatory authorities.</p> <p><u>Where the ratio of voting power at a general meeting is less than the requirement of the Articles of Association or statutory ratio due to abstention, it shall still be subject to consideration at the Board meeting, and the requirement on abstention set out in Paragraph 1 hereof shall not apply, but related party shall make representation as to no improper transfer of benefits.</u></p>

Existing article	Amended article
<p>Article 147 In order to bring the role of the independent directors into full play, in addition to the functions and powers conferred on them by the Company Law, these Articles of Association and the relevant laws and regulations, the Company confers the following special functions and powers on the independent directors:</p> <p>(1) independent directors shall examine and give views on the fairness of material related party transactions, the execution of internal review procedures for material related party transactions and their impacts on the insurance consumers’ interests; Material related party transactions shall be subject to the approval of above one-half of the independent directors before they are submitted to the Board for consideration; Before making any judgment, above two independent directors may engage an intermediary institution as they deem necessary to issue an independent financial advisor report as the basis of their judgment; Independent directors shall give written views on problematic related party transactions;</p> <p>.....</p>	<p>Article 147 In order to bring the role of the independent directors into full play, in addition to the functions and powers conferred on them by the Company Law, these Articles of Association and the relevant laws and regulations, the Company confers the following special functions and powers on the independent directors:</p> <p>(1) independent directors shall examine and give views on the fairness and compliance of material related party transactions, the execution of internal review procedures for material related party transactions and their impacts on the insurance consumers’ interests; Material related party transactions shall be subject to the approval of above one-half of the independent directors before they are submitted to the Board for consideration; Before making any judgment, above two independent directors may engage an intermediary institution as they deem necessary to issue an independent financial advisor report as the basis of their judgment; Independent directors shall give written views on problematic related party transactions;</p> <p>.....</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing article	Amended article
<p>Article 243 The Company shall publish announcements and information disclosure documents of the listed Company via the media designated by the CSRC, and publish the same relating to the Company via the media designated by the CBIRC, pursuant to relevant laws, regulations and regulatory requirements.</p>	<p>Article 243 The Company shall publish announcements and information disclosure documents of the listed Company <u>on the website of stock exchange and a media meeting the requirement specified by the securities regulatory authority of the State Council.</u>via the media designated by the CSRC, and publish the same relating to the Company via the media designated by the CBIRC, pursuant to relevant laws, regulations and regulatory requirements. <u>The Company shall designate a national media with great influence as the media to publish its announcements and information disclosure documents as required by the China Banking and Insurance Regulatory Commission.</u></p>

Note: The Articles of Association are written in Chinese without an official English version. Therefore, any English translation is for reference only. In case of inconsistency between Chinese and English version, the Chinese version shall prevail.

**APPENDIX VII PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE
FOR SHAREHOLDERS’ GENERAL MEETINGS**

Pursuant to the latest regulatory rules issued by the regulatory authorities, the Company has made necessary amendments to the existing rules of procedure for Shareholders’ general meetings (“**Proposed Amendments to the Rules of Procedure for Shareholders’ General Meetings**”) as follows:

Existing article	Amended article
<p>Article 17 After notice of shareholders’ meeting is sent out, except for putting forward temporary proposal according to the regulations of the Rule, the board of directors shall not put forward proposals not listed in the notice of meeting, and make amendments to proposals.</p> <p>If the board of directors is informed of any important data about transactions to be approved by shareholders after the notice of shareholders’ meeting is sent out, the board of directors shall send out amended or supplemented notice of meeting and provide such important data to shareholders by means of announcement at least fourteen days ahead of the holding of shareholders’ meeting. Or the holding date of the meeting shall be postponed to ensure an interval period of at least fourteen days.</p> <p>If shareholders put forward temporary proposal about director candidate after the notice of shareholders’ meeting is sent out, the board of directors shall make an announcement or send out supplementary notice of meeting. The information disclosed in the announcement or supplementary notice of meeting shall include the information about the director candidates (including persons reelected and re-appointed, or new comers participating in election). In such case, the board of directors shall evaluate whether it is necessary to postpone shareholders’ meeting, so that shareholders have at least 14 days to consider related information to be disclosed in announcement or supplementary notice of meeting.</p>	<p>Article 17 After notice of shareholders’ meeting is sent out, except for putting forward temporary proposal according to the regulations of the Rule, the board of directors shall not put forward proposals not listed in the notice of meeting, and make amendments to proposals.</p> <p>If the board of directors is informed of any important data about transactions to be approved by shareholders after the notice of shareholders’ meeting is sent out, the board of directors shall send out amended or supplemented notice of meeting and provide such important data to shareholders by means of announcement at least fourteen business days ahead of the holding of shareholders’ meeting. Or the holding date of the meeting shall be postponed to ensure an interval period of at least fourteen business days.</p> <p>If shareholders put forward temporary proposal about director candidate after the notice of shareholders’ meeting is sent out, the board of directors shall make an announcement or send out supplementary notice of meeting. The information disclosed in the announcement or supplementary notice of meeting shall include the information about the director candidates (including persons reelected and re-appointed, or new comers participating in election). In such case, the board of directors shall evaluate whether it is necessary to postpone shareholders’ meeting, so that shareholders have at least 14ten business days to consider related information to be disclosed in announcement or supplementary notice of meeting.</p>

**APPENDIX VII PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE
FOR SHAREHOLDERS’ GENERAL MEETINGS**

Existing article	Amended article
<p>Article 19 In case of holding shareholders’ meeting, the Company shall send out written notice forty-five days ahead of the holding of meeting, and notify the proposals to be deliberated at the meeting as well as the date and place of meeting to all the shareholders recorded in stock ledger on the very date when the notice is sent out. The shareholders planning to attend shareholders’ meeting shall send the written reply of attending the meeting to the Company twenty days ahead of the holding of meeting.</p> <p>The beginning and ending limit of forty-five days shall exclude the very date when the meeting is held, but include the date of notice.</p>	<p>Article 19 In case of holding shareholders’ meeting, the Company shall send out written notice forty-fivetwenty business days ahead of the holding of meeting; <u>when the Company convenes an extraordinary Shareholders’ general meeting, written notice of the meeting shall be given 10 business days or 15 days (whichever is longer) before the date of meeting,</u> and notify the proposals to be deliberated at the meeting as well as the date and place of meeting to all the shareholders recorded in stock ledger on the very date when the notice is sent out. The shareholders planning to attend shareholders’ meeting shall send the written reply of attending the meeting to the Company twenty days ahead of the holding of meeting.</p> <p>The beginning and ending limit of forty-five dayssaforementioned notice period shall exclude the very date when the meeting is held, but includeand the date of notice.</p>

**APPENDIX VII PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE
FOR SHAREHOLDERS' GENERAL MEETINGS**

Existing article	Amended article
<p>Article 20 The Company shall calculate the number of voting shares represented by the shareholders planning to attend the meeting according to the written reply received twenty days ahead of the holding of shareholders' meeting. If the voting shares represented by the shareholders planning to attend the meeting account for over 1/2 of the total voting shares of the Company, the Company may hold the shareholders' meeting; and if not, the Company shall notify to the shareholders once again the matters to be deliberated at the meeting as well as the date and place of meeting in the form of announcement, and after notification by announcement, the Company may hold the shareholders' meeting.</p> <p>Extraordinary shareholders' general meeting shall not determine the matters not listed in the notice.</p>	<p>Article 20 The Company shall calculate the number of voting shares represented by the shareholders planning to attend the meeting according to the written reply received twenty days ahead of the holding of shareholders' meeting. If the voting shares represented by the shareholders planning to attend the meeting account for over 1/2 of the total voting shares of the Company, the Company may hold the shareholders' meeting; and if not, the Company shall notify to the shareholders once again the matters to be deliberated at the meeting as well as the date and place of meeting in the form of announcement, and after notification by announcement, the Company may hold the shareholders' meeting.</p> <p>Extraordinary shareholders' general meeting shall not determine the matters not listed in the notice.</p> <p><u>Shareholders' general meetings shall not decide on matters which are not specified in the notice.</u></p>

**APPENDIX VII PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE
FOR SHAREHOLDERS’ GENERAL MEETINGS**

Existing article	Amended article
<p>Article 21 The notice of shareholders’ meeting shall be sent out to shareholders (no matter whether they have voting power or not at shareholders’ meeting) through delivery by special personnel or post-free mail, and receiver’s address shall give priority to the address registered in stock ledger. As for domestic share holders, the notice of shareholders’ meeting may be sent out in the form of announcement. Such announcement shall be published on one or more newspapers and periodicals designated by securities regulatory authority under the State Council during the period of forty-five to fifty days ahead of the holding of meeting. Once the announcement is published, all domestic share holders shall be deemed as having received the notice about shareholders’ meeting.</p> <p>As for holders of foreign shares listed abroad, the notice of shareholders’ meeting may be sent out within the period of forty-five to fifty days ahead of the holding of meeting according to the regulations on delivery forms in the Articles of Association, including announcement at the websites of the Company and the securities exchange of the listing place. Once the notice of shareholders’ meeting is announced or sent out by other means allowed by the Articles of Association, the holders of foreign shares listed abroad shall be deemed as having received the notice about shareholders’ meeting.</p>	<p>Article 21 The notice of shareholders’ meeting shall be sent out to shareholders (no matter whether they have voting power or not at shareholders’ meeting) through delivery by special personnel or post-free mail, and receiver’s address shall give priority to the address registered in stock ledger. As for domestic share holders, the notice of shareholders’ meeting may be sent out in the form of announcement. Such announcement shall be published on <u>the website of stock exchange and a media meeting the requirement specified</u> one or more newspapers and periodicals designated by securities regulatory authority under the State Council during the period of forty-five to fifty days ahead of the holding of meeting. Once the announcement is published, all domestic share holders shall be deemed as having received the notice about shareholders’ meeting.</p> <p>As for holders of foreign shares listed abroad, the notice of shareholders’ meeting may be sent out within the period <u>set out in Article 19 hereof</u> of forty-five to fifty days ahead of the holding of meeting according to the regulations on delivery forms in the Articles of Association, including announcement at the websites of the Company and the securities exchange of the listing place. Once the notice of shareholders’ meeting is announced or sent out by other means allowed by the Articles of Association, the holders of foreign shares listed abroad shall be deemed as having received the notice about shareholders’ meeting.</p>

**APPENDIX VII PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE
FOR SHAREHOLDERS' GENERAL MEETINGS**

Existing article	Amended article
Article 73 After the shareholders' meeting is over, board secretary shall report to regulatory authority the minutes, and resolution documents, etc., and handle the announcement on designated media.	Article 73 After the shareholders' meeting is over, board secretary shall report to regulatory authority the minutes, and resolution documents, etc., and handle the announcement on <u>the website of stock exchange and a designated media meeting the requirement specified by securities regulatory authority under the State Council.</u>

Note: The Rules of Procedure for Shareholders' General Meetings are written in Chinese without an official English version. Therefore, any English translation is for reference only. In case of inconsistency between Chinese and English version, the Chinese version shall prevail.

Routine transactions between the Company and its controlled subsidiaries and Shanghai Rural Commercial Bank Co., Ltd. (“**SRCB**”) in relation to capital utilisation, asset management and pension security business in accordance with the fair market price in the usual course of business constituted routine related party transactions between the Company and SRCB.

In accordance with relevant provisions of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (the “**SSE Listing Rules**”) and the Interim Measures for the Administration of Related Party Transactions of Insurance Companies (Bao Jian Fa [2007] No. 24), aforementioned transactions constituted material related party transactions between the Company and SRCB, and shall be subject to submission to and approval by the general meeting of the Company. It is hereby proposed to consider matters in relation to entering into the Routine Related Party Transaction Agreement between the Company and SRCB:

I. INTRODUCTION TO THE RELATED PARTY

As WANG Tayu, the director of the Company, also currently serves as the director of Shanghai Rural Commercial Bank, Shanghai Rural Commercial Bank is a related legal person of the Company under Rule 10.1.3 of the SSE Listing Rules.

II. IMPLEMENTATION OF ROUTINE RELATED PARTY TRANSACTIONS IN 2019

The transactions between the Company and its controlled subsidiaries and Shanghai Rural Commercial Bank in 2019 are as follows:

Unit: RMB100 million

Type of transaction	Content of transaction	Estimated caps of routine related party transaction in 2019	Transaction amount as of 31 December 2019
Capital utilisation	Pledge-style repurchase transaction	2,130	943.10
	Bond trading transaction		6.17
	Bank deposits		1.35
Financial product business	Pension products transaction	102	0.17

III. ESTIMATION OF ROUTINE RELATED PARTY TRANSACTIONS IN 2020

In order to realize normal improvement of business scale, the Company takes into account the actual needs of the capital utilisation and financial product sales business and summarises and illustrates the routine related party transactions between the Company and its controlled subsidiaries and Shanghai Rural Commercial Bank as follows:

(I) Scope of the routine related party transactions

1. Capital utilisation business: including bond trading, pledge-style repurchase of bonds, bank deposits (including certificate of deposit), tradable financial products (including but not limited to other financial products recognised by the China Banking and Insurance Regulatory Commission (“CBIRC”), such as securities investment funds, trust plan, insurance asset management products, commercial bank wealth management plan, special asset management plans by securities companies) and other capital utilisation business permitted by CBIRC.
2. Financial product sales business: including sales of asset management products and sales of pension security products, of which:
 - (1) Sales of asset management products include the asset management products recognised by the CBIRC, such as trading of insurance asset management product with the related party or insurance asset management products created with related party’s assets, infrastructure investment plan, property investment plan, project asset support plan, equity or property investment fund;
 - (2) Sales of pension security products include the pension security business permitted by CBIRC such as collectively trading type pension security products.

(II) Estimation of routine related party transactions

Unit: RMB100 million

Type of transactions	Estimated cap of the routine related party transactions in 2020
Capital utilisation and financial product sales business	2,100

IV. PRICING POLICIES AND BASIS OF ROUTINE RELATED PARTY TRANSACTIONS

The above-mentioned estimated routine related party transactions shall be conducted in the ordinary and usual course of business on normal commercial terms and terms no less favourable to the terms offered by or provided to independent third parties and take into account the prevailing market prices at the time of signing of specific contracts or execution of transactions, with considerations of transaction arrived at after arm's length negotiation.

V. BASIS OF SUBMISSION TO THE SHAREHOLDERS' GENERAL MEETING

According to the relevant requirements of the SSE Listing Rules and the Guidelines of the Shanghai Stock Exchange on Related Party Transactions, as estimated by the Company, the maximum amount of the abovementioned routine related party transactions in 2020 conducted by the Company and its controlled subsidiaries and Shanghai Rural Commercial Bank has reached the standards of submitting to the shareholders' general meeting of the Company for consideration and approval, the transactions shall be submitted to the shareholders' general meeting for consideration and approval after being considered by the Board.

The above matters have been considered and approved at the 23rd meeting of the 8th session of the Board of Directors of the Company.

VI. MATTERS TO BE CONSIDERED

It is proposed to consider the following matters at the shareholders' general meeting:

- (I) To approve the estimated cap of the abovementioned routine related party transactions between the Company and its controlled subsidiaries and Shanghai Rural Commercial Bank in 2020. For the routine related party transactions within the estimated cap, each transaction will not be separately submitted to the Board of Directors or the shareholders' general meeting for consideration and approval. If the abovementioned estimated cap is exceeded in the actual implementation, the Company will re-submit to the Board of Directors or shareholders' general meeting for consideration and approval in accordance with the exceeded amount.
- (II) To authorize the operating management to sign corresponding continuing connected transaction framework agreements or specific business agreements within the estimated cap with relevant related parties based on the actual business, and to deal with all matters at its full discretion in relation to the signing of the agreement, including but not limited to signing, revision, execution of the framework agreement and other relevant documents.

In order to plan and promote various work in the new round plan of the Company during the period in a scientific manner, the Company prepared the 2020–2022 Development Plan for China Pacific Insurance (Group) Co., Ltd., the main content includes:

I. MARKET TREND FORECAST

Next three years will be a historical period during which China will build a moderately prosperous society comprehensively and achieve the two Centenary Goals. It is also a critical period for Shanghai to build “Five Centers” and the modern socialist metropolis substantially. With the development of insurance industry still at its important strategic period, the domestic insurance market will continue to be the most dynamic and fastest growing large market in the long run.

China’s economy continues to shift towards high-quality development. Under complex international economic situation, the pattern featuring low interest rates and low growth will continue due to insufficient economic growth. As China is at a critical stage of economic structural transformation and new endogenous economic divers are in the cultivation period, and combined with factors such as the negative impact of Sino-U.S. trade frictions, the economy is facing greater downward pressure. By persistently seeking progress amidst stability as its general keynote, adhering to the main topic of supply-side structural reform, strengthening counter-cyclical regulation with macroeconomic policies, implementing proactive fiscal policies and sound monetary policies continuously, and leveraging the role of consumption in leading growth, the GDP growth will remain in a reasonable range.

Innovation spawns new economic models and new service formats. The systems and mechanisms for scientific and technological innovation will be improved to strengthen national strategic scientific and technological capabilities and promote the deep integration of science and technology and the economy. With the synergy created by city clusters and driven by radiation from central cities, urbanization will continue to improve. People will pay more and more attention to health issues due to the acceleration of population aging, and therefor the demand for pension and medical security services will soar. The Guangdong-Hong Kong-Macao Greater Bay Area strives to build first-class bay areas and world-class city clusters with a view to support and lead the country’s economic development and opening up. The Yangtze River Delta has become an important source of high-quality development, promoting and deepening the reform and opening up.

Policy keynotes including strong and strict supervision will be implemented continuously.

The establishment of the modern central bank system and the basic system of the capital market has profoundly affected the development and supervision of the industry. There are new changes in industry supervision, namely the supervision of the legal person at the headquarters has been delegated from the CBIRC to provincial agencies, and the supervision of branch offices has been extended from the provincial agencies to agencies of city and county level. The supervision model and thinking of banking industry and insurance industry are converging. In general, the supervision has been strengthened continuously and the supervision methods and measures have been improved gradually. By leveraging the functions of insurance, we will serve the modernization of national governance system and governance capacity and meet the increasing demand for diversified insurance services of the society, so as to better serve the real economy. Efforts will be made to prevent and resolve financial risks, and market chaos will be rectified continuously to strengthen the protection of consumer rights and interests, and hence holding the bottom line of non-occurring of systemic risk.

Long-term stable development of the insurance industry will be consolidated. China's insurance density and insurance depth are US\$406 and 4.22%, representing only 59% and 69% of those of the global respectively. Therefore, there is still huge growth potential. With per capita GDP surpassing US\$10,000, the trend of consumption upgrade driven by increased consumption power is increasingly obvious, creating huge space for the insurance market. The per capita GDP of some cities in eastern coastal and central regions has exceeded US\$20,000, which is comparable to that of developed countries. The demand of customers for insurance coverage is strong, pushing the industry to a higher level with higher quality. Policy benefits such as tax cut and fee reduction will continue to be announced, pushing insurance companies to invest more resources and strengthening insurance supply capabilities.

II. STRATEGIC TARGETS AND IMPLEMENTATION PATHS OF THE COMPANY

Guided by Xi Jinping's thoughts on socialism with Chinese characteristics in the new era, the Company fully implements the spirit of the Nineteenth National Congress of the Communist Party of China, adheres to the leadership of the Communist Party of China, upholds to development philosophy of customer-centered, and adheres to the concept of high-quality development, with the targets of "being the best in customer experience, business mix and risk control capabilities" and a vision of "achieving leadership in healthy and stable development of the insurance industry", while focusing on five key areas, namely talent development, digitization, synergy, governance and business expansion, building the "CPIC Service" brand, and steadily promoting internationalization, so as to build a world-class comprehensive insurance group with stable operation, outstanding brand and continuous value growth.

The implementation paths are:

Optimizing the supply of products and services and building the “CPIC Service” brand

Effective insurance supply will be expanded to enhance the ability to develop personalized, differentiated, and customized products, therefore meeting the growing demand for diversified insurance. The formation of a new technology-led development model for insurance will be accelerated to deepen the management of customers and promote the integration of online and offline services, so as to create synergy, actively exploring new paths for deep development of the Group’s full range customer resources. The protection of consumer’s legitimate rights and interests will be strengthened to establish and improve work mechanisms, assessment mechanisms, and supervision mechanisms for protecting consumer’s rights and interests. We will build the “CPIC Service” brand, and integrate products and services to provide customers with better insurance coverage through proactive services and understanding customer’s needs, so as to fully enhance service levels, accelerate and improve smart services, lead the market in terms of customer experience, and increase service value continuously, demonstrating the “responsibility, wisdom, and temperature” of the “CPIC Service” and hence promoting it to be synonymous with high-quality services in the insurance industry.

Focusing on building long-term capabilities and long-term incentive and restraint mechanisms to maintain high-quality growth

By adhering to high-quality development and focusing on the key areas including serving the national strategy, the real economy and people’s good life, the Company will continue to cultivate its core competence in insurance and step up efforts in accelerating the upgrading of the life insurance marketing team, the layout of the entire health care field and online operations. We will continue to improve the management system for insurance assets and liabilities in a bid to enhance investment capabilities. In respect of technology applications, we are committed to becoming an enabler of high-quality business development and a pioneer of new technology applications in the industry, realizing three breakthroughs in technology efficiency, data services and innovation mechanism. We will actively lay out new development space, cultivate new development momentum, improve the construction of the insurance ecosystem, and accelerate the internationalization. Within the framework of industry supervision and corporate governance, we will explore the formation of a long-term incentive and constraint mechanism that complies with the insurance business rules and fits the actual operations of CPIC to guide the formation a performance concept of high-quality development, forming a benign circle of talent cohesion, long-term capabilities and long-term performance. We will maintain the continuous growth of embedded value, steadily increase operating profit, optimize business structure continuously to improve international influence and competitiveness comprehensively, thus realizing a development speed, business scale and profitability that are in line with the industry position.

Building an integrated risk management and control system to strengthen risk management and control capabilities

Paying attention to the macro-environment and the development trend of the insurance industry and based on its operating characteristics, the Company will strengthen risk prevention in key areas such as investment, credit, market behavior, operations, and major cases, and strictly adhere to the bottom line of risk and improve the effectiveness of the three lines of defense, so as to create a smart risk control platform and build an integrated risk management and control system. We will implement financial sharing services, promote the integration of business and finance, and create a standardized, intensive, efficient and risk-proof financial operation. We will introduce high-quality strategic investors, further optimize equity structure, and improve corporate governance continuously.

1. EXECUTIVE DIRECTORS

Biographical details of the proposed executive Directors are as follows:

Mr. KONG Qingwei

Mr. KONG Qingwei, born in June 1960, currently serves as Chairman, an executive director of the Company and chairman of CPIC Life.

Previously, Mr. KONG served as deputy general manager of Shanghai Bund House Exchange Co., Ltd., general manager of the Housing Exchange Headquarter of Shanghai Jiushi Corporation, executive deputy director of Shanghai Provident Fund Management Center, vice general manager of Shanghai Urban Construction Investment Development Corporation, Vice Chairman of Shanghai Minhong (Group) Co., Ltd., director of Shanghai World Expo Land Reserve Center, president of Shanghai World Expo Land Holding Co., Ltd., general manager of Shanghai Urban Construction Investment and Development Corporation, Party Secretary of the Financial Working Committee of the CPC of the city of Shanghai, and chairman of Shanghai Guosheng (Group) Co., Ltd.

Mr. KONG received postgraduate education and has a master's degree with the designation of Economist.

Mr. FU Fan

Mr. FU Fan, born in October 1964, is the President of the Company.

Mr. FU was the deputy general manager of Shanghai Investment Corporation, the deputy general manager of China International Fund Management Co., Ltd., the general manager and deputy Chairman of Shanghai International Trust Co., Ltd., chairman of Shanghai State-owned Assets Management Co., Ltd., director and general manager of Shanghai International Group Co., Ltd.

Mr. FU holds postgraduate education and has a master's degree with the designation of economist.

Mr. KONG Qingwei and Mr. FU Fan did not enter into a service contract with the Company. Their emolument will be determined according to relevant emolument policies of the Company.

Save as disclosed above, Mr. KONG Qingwei and Mr. FU Fan have not held any directorship in other listed public companies in the past three years or any position within the Company or any of its subsidiaries, is not connected with any Directors, Supervisors, senior management officers or substantial or controlling Shareholders, and does not hold any interest in shares of the Company under Part XV of the Hong Kong Securities and Futures Ordinance.

Furthermore, there is no information in respect of Mr. KONG Qingwei and Mr. FU Fan which needs to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules; nor is there any other matter which needs to be brought to the attention of the Shareholders.

2. NON-EXECUTIVE DIRECTORS

Biographical details of the proposed executive Directors are as follows:

Mr. WANG Tayu

Mr. WANG Tayu, born in October 1970, currently serves as non-executive director of the Company, general manager of the Investment Management Department No. 1 of Shanghai International Group Co., Ltd., director and general manager of Shanghai Xieyi Asset Management Co., Ltd and director of Shanghai Rural Commercial Bank Co., Ltd, and director of AVIC Investment Holding Ltd.

Mr. WANG previously served as investment supervisor of the Enterprise Planning Department of Shenzhen Shekou Industrial Zone, assistant manager of the Investment Management Department of Shenzhen China Merchants Petrochemical Co., Ltd., manager of Yueyang Merchants Petrochemical Co., Ltd., vice general manager of the Enterprise Planning Department of China Merchants Logistics Group Co., Ltd., general manager of Liaoning Branch, senior manager of the Investment Management Headquarters of Shanghai International Group Co., Ltd., assistant to president and vice president of Shanghai State-owned Assets Management Co., Ltd., chairman of Shanghai Guoxin Investment and Development Co., Ltd., executive director of Shanghai Chenggao Assets Management Co., Ltd., executive director and general manager of Shanghai Guozhi Properties Development Co., Ltd., and vice chairman and director of Shanghai Guotai Junan Investment Management Co., Ltd.

Mr. WANG received postgraduate education and has a master's degree with the designation of Economist.

Mr. WU Junhao

Mr. WU Junhao, born in June 1965, currently serves as non-executive director of the Company, director of CPIC Life, director of CPIC P/C and manager of the Financial Management Department of Shenergy (Group) Co., Ltd. Mr. WU is also director of Orient Securities Co., Ltd. (SSE stock code: 600958, HKSE stock code: 03958), a company listed on SSE and the Stock Exchange, director of Shanghai Chengyi New Energy Venture Capital Co., Ltd., director of Chengdu Xinshen Venture Capital Co., Ltd., supervisor of Shanghai ICY Capital Co., Ltd., supervisor of Everbright Banking Co., Ltd. (SSE stock code: 601818, HKSE stock code: 06818), a company listed on both SSE and HKSE and chairman of the Supervisory Board of Shanghai Shenergy Leasing Co., Ltd., chairman of the Supervisory Board of Shanghai Shenergy Chengyi Equity Investment Co., Ltd.

Mr. WU formerly worked as head of the Teaching & Research Center of the Business Management Department of Changzhou University, executive deputy general manager of Shanghai New Resources Investment Consulting Company, deputy general manager of Shanghai Bailitong Investment Company, deputy chief of Shanghai Shenergy Assets Management Co., Ltd., deputy chief, chief and senior chief of the Assets Management Department, and deputy manager of the Financial Management Department of Shenergy (Group) Co., Ltd and director of Shanghai Jiulian (Group) Co., Ltd.. Mr. WU was also a supervisor of Shanghai Pharmaceuticals Holding Co., Ltd. (SSE stock code: 601607, HKSE stock code: 02607), a company listed on SSE and the Stock Exchange.

Mr. WU received postgraduate education and has a master's degree with the designation of economist.

Mr. ZHOU Donghui

Mr. ZHOU Donghui, born in April 1969, is currently the general manager of Shanghai Haiyan Investment Management Co., Ltd. and non-executive director of Orient Securities Company Limited listed on both SSE and the Stock Exchange (SSE stock code: 600958, HKSE stock code: 03958), non-executive director of Haitong Securities Co., Ltd. (SSE stock code: 600837, HKSE stock code: 06837) listed on both SSE and the Stock Exchange.

Mr. ZHOU was deputy manager and manager of the financial department of Shanghai Import and Export of China Tobacco Co., Ltd., deputy director of investment management department of Shanghai Tobacco Group Co., Ltd., deputy director of the finance department, deputy head of the fund management center, deputy director and director of investment department of Shanghai Tobacco Group Co., Ltd., and deputy general manager and executive deputy general manager of Shanghai Haiyan Investment Management Co., Ltd..

Mr. ZHOU holds a graduate education and has a bachelor's degree and designation of senior accountant.

Mr. HUANG Dinan

Mr. HUANG Dinan, born in December 1966, is currently vice president and non-executive director of the Company, chairman of board of directors of Shenergy Group Co., Ltd and director of Shanghai Society for Electrical Engineering.

Mr. HUANG has served as a researcher, deputy head of the third research team, director assistant and deputy director of Shanghai Turbine Plant Research Institute, general manager assistant, deputy general manager and general manager of Shanghai Turbine Plant Co., Ltd., president assistant, director of president office, vice president and president of Shanghai Turbine Co., Ltd., vice president, president and vice chairman of Shanghai Electric (Group) Corporation, and president, vice chairman and chairman of Shanghai Electric Group Company Limited which is listed on both SSE and the Stock Exchange (SSE stock code: 601727, HKSE stock code: 02727) and chairman of China Society for Power Engineering.

Mr. HUANG Dinan is a postgraduate with a master's degree and a professorial level senior engineer.

Ms. LU Qiaoling

Ms. LU Qiaoling, born in May 1966, is currently the general manager of the Financial Department of China Baowu Iron and Steel Group Co., Ltd. (中國寶武鋼鐵集團有限公司), the chairman of the board of supervisors of Baowu Group Guangdong Shaoguan Iron and Steel Co., Ltd. (寶武集團廣東韶關鋼鐵有限公司), Ouye Yunshang Co., Ltd. (歐冶雲商股份有限公司), Baowu Equipment Intelligent Technology Co., Ltd. (寶武裝備智能科技有限公司) and Huabao Investment Co., Ltd. (華寶投資有限公司監事會主席), a director of Baosteel Group Finance Co., Ltd. (寶鋼集團財務有限責任公司董事), and a supervisor of Magang (Group) Holding Co., Ltd. (馬鋼(集團)控股有限公司). Ms. LU also serves as an expert of the qualification review committee of the Shanghai auditing series for senior professional and technical posts, a member of the Eleventh Council of the Shanghai Accounting Association, and a member of its Internal Control Standards Committee.

Ms. LU was the chief accountant of Hebei Petrochemical Supply and Marketing Corporation (河北省石油化工供銷總公司), the deputy director of the industry guidance department and deputy director of the office of the Audit Bureau of the Ministry of Chemical Industry, the assistant to the inspector of the State Council's Audit Commissioner, and the full-time supervisor of the State-owned Medium and Large-sized Enterprise Working Committee, deputy director and director of the audit department of Baosteel Group Co., Ltd. (寶鋼集團有限公司), director of the audit department of Baoshan Iron and Steel Co., Ltd. (寶山鋼鐵股份有限公司), and deputy general manager of Baosteel Engineering Technology Group Co., Ltd. (寶鋼工程技術集團有限公司).

Ms. LU holds a master's degree, and has the designation of senior accountant, certified public accountant, and auditor.

None of Mr. WANG Tayu, Mr. WU Junhao, Mr. ZHOU Donghui, Mr. HUANG Dinan and Ms. LU Qiaoling have entered into a service contract with the Company, and their emoluments will be determined according to the "Remuneration Management System of Directors and Supervisors" approved by the Shareholders at the 2018 annual general meeting.

Save as disclosed above, none of Mr. WANG Tayu, Mr. WU Junhao, Mr. ZHOU Donghui, Mr. HUANG Dinan and Ms. LU Qiaoling have held any directorship in other listed public companies in the past three years or any position within the Company or any of its subsidiaries, are connected with any Directors, Supervisors, senior management officers or substantial or controlling Shareholders, or hold any interest in shares of the Company under Part XV of the Hong Kong Securities and Futures Ordinance.

Furthermore, there is no information in respect of Mr. WANG Tayu, Mr. WU Junhao, Mr. ZHOU Donghui, Mr. HUANG Dinan and Ms. LU Qiaoling which needs to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules; nor is there any other matter which needs to be brought to the attention of the Shareholders of the Company.

3. INDEPENDENT NON-EXECUTIVE DIRECTORS

Biographical details of the proposed independent executive Directors are as follows:

Ms. LIU Xiaodan

Ms. LIU Xiaodan, born in June 1972, is currently the General Manager of Chenyi Investment (Beijing) Co., Ltd. and the General Manager of Chenyi Fund Management (Beijing) Co., Ltd.

Ms. LIU was the president and chairman of Huatai United Securities Co., Ltd. and the chairman of AssetMark Financial Holdings, Inc. (stock code: AMK), a company listed on the New York Stock Exchange. Previously, Ms. LIU worked in Peking University. Ms. LIU also served as a member of the 4th and 5th Committees for Mergers, Acquisitions, and Restructuring of the China Securities Regulatory Commission.

Ms. LIU holds postgraduate education and has a master's degree.

Mr. CHEN Jizhong

Mr. CHEN Jizhong, born in April 1956, is currently the independent non-executive director of the Company.

Mr. CHEN served as the head of Division of Cadres of Directly Affiliated Units of Personnel Department of the State Development Planning Commission of the People's Republic of China, deputy director of Personnel Bureau, director of the Office, and president of Xi'an Branch, Shaanxi Branch and Shanghai Branch of China Development Bank, and the chief auditor of China Development Bank.

Mr. CHEN holds a postgraduate diploma and master's degree, and the title of senior economist.

Ms. LAM Tyng Yih, Elizabeth

Ms. LAM Tyng Yih, Elizabeth, born in October 1964, is currently the independent non-executive director of the Company and the director and honorary treasurer of the Agency for Volunteer Service of Hong Kong.

Ms. LAM once served as the advisor and partner of Ernst & Young.

Ms. LAM holds the Bachelor of Business Administration and the Master of Accounting, and is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. WOO Ka Biu, Jackson

Mr. WOO Ka Biu, Jackson, born in September 1962, is currently the CEO of Challenge Capital Management Limited, a consultant of Guantao Law Firm (Hong Kong), a director of Gao Li Enterprise and Fangfen Group Co., Ltd., and the independent non-executive director of Henderson Land listed on the Stock Exchange (stock code: 00012), honorary manager of Tsinghua University, notary public entrusted by the Ministry of Justice of the People's Republic of China, member of the Lawyers Disciplinary Tribunal of the Hong Kong Court of Final Appeal (Practising Lawyer), member of the Public Shareholders' Rights Group of Hong Kong Securities and Futures Commission, member of the Takeovers and Mergers Committee and Takeover Appeals Committee, member of the Main Board of the Stock Exchange and GEM Listing Review Committee, honorary advisor of the Hong Kong Financial Reporting Council and member of the Investigation Committee.

Mr. WOO was the chairman of Beijing Guantao Zhongmao Law Firm (International), a partner of Astor Law Firm, Woo Ka Biu Law Firm (Founding Partner), director of N.M. Rothschild & Sons (Hong Kong) Limited and co-head of investment bank ministry of Great China, partner of Messrs. Woo, Kwan, Lee and Lo of Hong Kong, independent non-executive director of Ping An Insurance (Group) Co., Ltd. listed on both SSE and the Stock Exchange (SSE stock code: 601318, HKSE stock code: 02318), alternative director of Sir Hu Baoxing, non-executive director of Sun Hung Kai Properties Limited (stock code: 00016) and Henderson Investment Limited (stock code: 00097), listed on the Stock Exchange, non-executive director of Henderson Digital Technology Co., Ltd. (former stock code: 08023).

Mr. WOO holds a master of Law degree of the University of Oxford, and is a qualified lawyer in the Supreme Courts of Hong Kong, England and Wales and the Australian Capital, and a licensee of the Securities and Futures Commission of Hong Kong.

Mr. JIANG Xuping

Mr. JIANG Xuping, born in May 1955, is currently the independent non-executive director of the Company, professor of the Department of Marketing of Tsinghua University School of Economics and Management, the researcher of the Research Center for Contemporary Management, Tsinghua University and the researcher of the Research Center for Business Management, Tsinghua University. Currently, Mr. JIANG also serves as the president (volunteer) of School of Internet Marketing and Management of Guizhou Forerunner College.

Mr. JIANG once served as the lecturer, associate professor and professor of Tsinghua University School of Economics and Management and the director of Internet Marketing and Management of College of Software, Beihang University.

Mr. JIANG holds a postgraduate diploma, master's degree and the title of professor.

None of Ms. LIU Xiaodan, Mr. CHEN Jizhong, Ms. LAM Tyng Yih, Elizabeth, Mr. WOO Ka Biu, Jackson and Mr. JIANG Xuping have entered into a service contract with the Company, and their emoluments will be determined according to the "Remuneration Management System of Directors and Supervisors" approved by the Shareholders at the 2018 annual general meeting.

Save as disclosed above, none of Ms. LIU Xiaodan, Mr. CHEN Jizhong, Ms. LAM Tyng Yih, Elizabeth, Mr. WOO Ka Biu, Jackson and Mr. JIANG Xuping have held any directorship in other listed public companies in the past three years or any position within the Company or any of its subsidiaries, are connected with any Directors, Supervisors, senior management officers or substantial or controlling Shareholders, or hold any interest in shares of the Company under Part XV of the Hong Kong Securities and Futures Ordinance.

Furthermore, there is no information in respect of Ms. LIU Xiaodan, Mr. CHEN Jizhong, Ms. LAM Tyng Yih, Elizabeth, Mr. WOO Ka Biu, Jackson and Mr. JIANG Xuping which needs to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules; nor is there any other matter which needs to be brought to the attention of the Shareholders of the Company.

4. SHAREHOLDER REPRESENTATIVE SUPERVISORS

Biographical details of the proposed shareholder representative supervisors are as follows:

Mr. LU Ning

Mr. LU Ning, born in September 1968, is currently the supervisor of the Company, the supervisor of CPIC Property Insurance, and the director of the financial assets department of Yunnan Hehe (Group) Co., Ltd. Currently Mr. LU is also a director of Hongta Innovation Investment Co., Ltd., a director of Yunnan Flower Industrial Investment Management Co., Ltd. and a director of Yunnan Tourism Co., Ltd.

Mr. LU worked as the chairman of Shanghai Hongta Hotel Co., Ltd., chairman of Yunnan Hongta Hotel Co., Ltd., chairman of Yunnan Honghe Investment Co., Ltd., chairman of Kunming Hongta Building Co., Ltd., chairman of Kunming Hongta Building Property Management Co., Ltd., and director of Yunnan Hongta Sports Center Co., Ltd., director of Yunnan Zhongwei Hotel Management Co., Ltd., director of Kunming Wanxing Real Estate Development Co., Ltd., deputy General Manager of Yunnan Tobacco Group Xingyun Co., Ltd., General Manager of Kunming Wanxing Real Estate Development Co., Ltd., director of hotel property department of Yunnan Hehe (Group) Co., Ltd., director of Yunnan Tobacco Xingyun Investment Co., Ltd., Chairman of Yunnan Hongta Real Estate Development Company, and Chairman of Zhongshan Hongta Property Development Co., Ltd.

Mr. LU holds a college education and has a bachelor degree in economics, and a title of real estate economist.

Mr. LU Guofeng

Mr. LU Guofeng, born in February 1969, is currently the chief economist and general manager of the financial management department of Shanghai Jiushi (Group) Co., Ltd. Currently Mr. LU is also the chairman of Shanghai Jiushi Gimpo Equity Investment Fund Management Co., Ltd., deputy chairman of Shanghai Oriental Newspaper Co., Ltd., director of Shanghai Shangguo Investment and Assets Co., Ltd., director of Shanghai Jiushi Roosevelt Investment Management Co., Ltd. and chairman of Shanghai Jiuhai Industry Co., Ltd.

Mr. LU was the secretary of the Party and General Manager of Shanghai Jiushi Investment Management Co., Ltd., General Manager of Shanghai Zhihui Investment Management Co., Ltd., manager of asset operation department, manager of comprehensive development department, manager of investment development department, and comprehensive planning department of Shanghai Jiushi Company, Secretary of the Party Committee and General Manager of Shanghai Communications Investment (Group) Co., Ltd., the General Manager assistant of Shanghai Shentong Metro Co., Ltd., and Secretary of the Board of Shanghai Jiu Shi Company.

Mr. LU holds a graduate degree, a PhD in economics, and a title of senior accountant.

None of Mr. LU Ning and Mr. LU Guofeng have entered into a service contract with the Company, and their emoluments will be determined according to the “Remuneration Management System of Directors and Supervisors” approved by the Shareholders at the 2018 annual general meeting.

Save as disclosed above, none of Mr. LU Ning and Mr. LU Guofeng have held any directorship in other listed public companies in the past three years or any position within the Company or any of its subsidiaries, are connected with any Directors, Supervisors, senior management officers or substantial or controlling Shareholders, or hold any interest in shares of the Company under Part XV of the Hong Kong Securities and Futures Ordinance.

Furthermore, there is no information in respect of Mr. LU Ning and Mr. LU Guofeng which needs to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules; nor is there any other matter which needs to be brought to the attention of the Shareholders of the Company.

NOTICE OF THE ANNUAL GENERAL MEETING



中國太平洋保險(集團)股份有限公司
CHINA PACIFIC INSURANCE (GROUP) CO., LTD.
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 02601)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“AGM” or “**Annual General Meeting**”) of China Pacific Insurance (Group) Co., Ltd. (the “**Company**”) will be held at Xinhualian Sofitel Hotel, Xi’ning, Qinghai, the PRC, on Tuesday, 12 May 2020 at 1:30 p.m., for the purpose of considering, and if thought fit, passing the following resolutions. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meaning as defined in the circular of the Company dated 27 March 2020.

AS ORDINARY RESOLUTIONS:

1. To consider and approve the report of the Board of Directors of the Company for the year 2019
2. To consider and approve the report of the Board of Supervisors of the Company for the year 2019
3. To consider and approve the main body and the summary of the annual report of A Shares of the Company for the year 2019
4. To consider and approve the annual report of H Shares of the Company for the year 2019
5. To consider and approve the financial statements and report of the Company for the year 2019
6. To consider and approve the profit distribution plan of the Company for the year 2019
7. To consider and approve the proposal on the appointment of auditors of the Company for the year 2020

NOTICE OF THE ANNUAL GENERAL MEETING

8. To consider and approve the due diligence report of the Directors of the Company for the year 2019
9. To consider and approve the report on performance of Independent Directors of the Company for the year 2019
10. To consider and approve the 2020–2022 development plan of the Company
11. To consider and approve the donations for the year 2020 of the Company
12. To consider and approve the election of Directors of the 9th session of the Board
 - 12.1 To consider and approve the election of Mr. KONG Qingwei as Executive Director of the 9th session of the Board of the Company
 - 12.2 To consider and approve the election of Mr. FU Fan as Executive Director of the 9th session of the Board of the Company
 - 12.3 To consider and approve the election of Mr. WANG Tayu as Non-Executive Director of the 9th session of the Board of the Company
 - 12.4 To consider and approve the election of Mr. WU Junhao as Non-Executive Director of the 9th session of the Board of the Company
 - 12.5 To consider and approve the election of Mr. ZHOU Donghui as Non-Executive Director of the 9th session of the Board of the Company
 - 12.6 To consider and approve the election of Mr. HUANG Dinan as Non-Executive Director of the 9th session of the Board of the Company
 - 12.7 To consider and approve the election of Ms. LU Qiaoling as Non-Executive Director of the 9th session of the Board of the Company
 - 12.8 To consider and approve the election of Ms. LIU Xiaodan as Independent Non-Executive Director of the 9th session of the Board of the Company
 - 12.9 To consider and approve the election of Mr. CHEN Jizhong as Independent Non-Executive Director of the 9th session of the Board of the Company

NOTICE OF THE ANNUAL GENERAL MEETING

- 12.10 To consider and approve the election of Ms. LAM Tyng Yih, Elizabeth as Independent Non-Executive Director of the 9th session of the Board of the Company
- 12.11 To consider and approve the election of Mr. WOO Ka Biu, Jackson as Independent Non-Executive Director of the 9th session of the Board of the Company
- 12.12 To consider and approve the election of Mr. JIANG Xuping as Independent Non-Executive Director of the 9th session of the Board of the Company
- 13. To consider and approve the election of shareholder representative Supervisors of the 9th session of the Board of Supervisors
 - 13.1 To consider and approve the election of Mr. LU Ning as shareholder representative Supervisor of the 9th session of the Board of Supervisors of the Company
 - 13.2 To consider and approve the election of Mr. LU Guofeng as shareholder representative Supervisor of the 9th session of the Board of Supervisors of the Company

AS SPECIAL RESOLUTIONS:

- 14. To consider and approve the proposed amendments to the Articles of Association of the Company in the manner stipulated in the section entitled “9. Proposed Amendments to the Articles of Association and the Rules of Procedure for Shareholders’ General Meetings” as set out in the circular of the Company dated 27 March 2020 and to authorize the chairman or his authorized person to make such revisions to the proposed amendments to the Articles of Association as he deems necessary and appropriate in accordance with the requirements of regulatory authorities during the Company’s approval process for the amended Articles of Association.
- 15. To consider and approve the proposed amendments to the rules of procedure for Shareholders’ general meetings in the manner stipulated in the section entitled “9. Proposed Amendments to the Articles of Association and the Rules of Procedure for Shareholders’ General Meetings” as set out in the circular of the Company dated 27 March 2020 and to authorize the chairman or his authorized person to make such revisions to the proposed amendments to the rules of procedure for Shareholders’ general meetings as he deems necessary and appropriate in accordance with the requirements of regulatory authorities during the Company’s approval process for the amended rules of procedure for Shareholders’ general meetings.

NOTICE OF THE ANNUAL GENERAL MEETING

16. As special business, to authorize the Board of Directors of the Company to determine if the Company shall allot, issue and deal with, A Shares and H Shares, separately or concurrently, according to market conditions and the needs of the Company, provided that the respective number of shares shall not exceed 20% of each of the A Shares or H Shares of the Company in issue on the date of the passing of this special resolution. However, notwithstanding the granting of the general mandate to the Board of Directors, any issue of new A Shares would require another shareholders' approval at a Shareholders' meeting in accordance with the relevant PRC laws and regulations.
- (1) Subject to paragraphs (3) and (4) below and pursuant to the Company Law of the People's Republic of China (the "**Company Law**") and the relevant regulatory stipulations (as amended from time to time) of the places where the shares of the Company are listed, the Board of Directors shall be granted a general and unconditional mandate to exercise all the powers of the Company to allot, issue and deal with new shares during the Relevant Period (as hereinafter defined) and to determine the terms and conditions for the allotment and issue of new shares which include, without limitation, the following terms:
- (a) the class and number of new shares to be issued;
 - (b) the method of determining the issue price and/or the issue price (including the price range of new Shares);
 - (c) the starting and closing dates for the issue;
 - (d) class and number of the new shares to be issued to existing shareholders; and
 - (e) the making or granting of offers, agreements and options which might require the exercise of such powers.
- (2) The approval in paragraph (1) shall authorize the Board of Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period.

NOTICE OF THE ANNUAL GENERAL MEETING

- (3) The aggregate nominal amount of the new A Shares and new H Shares allotted, issued and dealt with conditionally or unconditionally (whether pursuant to an option or otherwise) by the Board of Directors pursuant to the approval in paragraph (1), other than the shares issued pursuant to a Rights Issue (as hereinafter defined) or the rights to purchase the shares of the Company under any option scheme or similar arrangement, shall not exceed 20% of each of the A Shares and H Shares of the Company in issue as at the date of passing this resolution.
- (4) In exercising the powers granted in paragraph (1), the Board of Directors must (a) comply with the Company Law and the relevant regulatory stipulations (as amended from time to time) of the places where the shares of the Company are listed; and (b) obtain approval from China Securities Regulatory Commission and other relevant PRC government departments.
- (5) For the purpose of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the 12-month period following the passing of this resolution; and
- (c) the revocation or variation of the mandate granted under this resolution by a special resolution of the Company’s shareholders in a general meeting.

“**Rights Issue**” means the allotment or issue of shares in the Company or other securities which would or might require shares to be allotted and issued pursuant to an offer made to all the shareholders of the Company (excluding for such purpose any shareholder who is resident in a place where such offer is not permitted under the law of that place) and, where appropriate, the holders of other equity securities of the Company entitled to such offer, pro rata (apart from fractional entitlements) to their existing holdings of shares or such other equity securities.

NOTICE OF THE ANNUAL GENERAL MEETING

- (6) The Board of Directors, subject to the approval of the relevant authorities of the PRC and in accordance with the Company Law, shall be authorized to increase the registered capital of the Company to the required amount upon the exercise of the powers pursuant to paragraph (1) above.
- (7) The Board of Directors shall be authorized to sign the necessary documents, complete the necessary formalities and take other necessary steps to complete the allotment, issue and listing of new shares, provided that the same do not violate the relevant laws, administrative regulations, and regulatory stipulations (as amended from time to time) of the places where the shares of the Company are listed, and the Articles of Association.
- (8) Subject to the approval of the relevant PRC authorities, the Board of Directors shall be authorized to make amendments to the Articles of Association as appropriate and necessary after the completion of the allotment and issue of new shares according to the method of the allotment and issue of new shares by the Company, the type and number of new shares to be allotted and issued by the Company, and the actual shareholding structure of the Company at the time of completion of the allotment and issue of new shares, in order to reflect the changes in the share capital structure and the registered capital of the Company pursuant to the exercise of this mandate.

Proposal for Approval by Holders of A Shares of the Company (For Information Purposes Only and Not Subject to Approval by Holders of H Shares of the Company):

17. Proposal on entering into the Routine Related Party Transaction Agreement with Shanghai Rural Commercial Bank Co., Ltd.

Note: The English version of this notice is an unofficial translation and is for reference only. In case of any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

By Order of the Board of Directors
China Pacific Insurance (Group) Co., Ltd.
KONG Qingwei
Chairman

Hong Kong, 27 March 2020

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. ELIGIBILITY FOR ATTENDING THE ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS FOR H SHARES

The Annual General Meeting of the Company will be held on Tuesday, 12 May 2020. The H Share Register of Members of the Company will be closed for the purpose of determining H Share shareholders' entitlement to attend the AGM, from Friday, 10 April 2020 to Tuesday, 12 May 2020 (both days inclusive), during which no transfer of H Shares will be registered. In order to attend the AGM, H Share shareholders should ensure that all transfer documents, accompanied with the relevant share certificates, are lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on Thursday, 9 April 2020.

2. PROPOSED FINAL DIVIDEND

On 20 March 2020, the Board recommended a final dividend of RMB1.2 per share (including tax) for the year ended 31 December 2019, amounting to approximately RMB10.874 billion in aggregate. The proposed final dividend is subject to the approval of Shareholders at the Annual General Meeting. If approved, it is expected that the payment of the final dividend will be made on or before Tuesday, 16 June 2020 to the Shareholders whose names appear on the H Share Register of Members of the Company on Thursday, 21 May 2020.

3. WITHHOLDING OF DIVIDEND INCOME TAX

Pursuant to the applicable provisions of the Enterprise Income Tax Law of the PRC and its implementation rules enacted in 2008, the Company is required to withhold 10% of corporate income tax when it distributes the final dividend to its non-resident enterprise H Share shareholders of the Company who is entitled to receive the proposed final dividend.

Pursuant to the applicable provisions of the Individual Income Tax Law of the PRC and its implementation rules and confirmed by the relevant tax authorities in the PRC after consulting with them by the Company, the Company will withhold individual income tax at the tax rate of 10% when it distributes the final dividend for 2019 to individual holders of H Shares of the Company who is entitled to receive the proposed final dividend. However, if it is otherwise stated in the tax regulations and relevant tax treaty, the Company will withhold individual income tax based on their dividend at the required tax rate and in accordance with the relevant procedures. If the applicable dividend tax rate is less than 10%, the individual H Share shareholders are entitled to apply for refund of the over-deducted amount on their own or appoint an agent to act on their behalf according to the tax treaty entered into between their countries of domicile and the PRC and the regulations of the relevant PRC tax authorities.

The Company will withhold the relevant enterprise income tax as well as the individual income tax as required by law. The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual H Share Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual H Share Shareholders or any disputes over the withholding mechanism or arrangements.

NOTICE OF THE ANNUAL GENERAL MEETING

Withholding of Income Tax for Holders of H Shares via the Hong Kong Stock Connect

Pursuant to the Notice on Relevant Taxation Policies Concerning the Pilot Inter-connected Mechanism for Trading on the Shanghai Stock Market and the Hong Kong Stock Market (Cai Shui [2014] No. 81) 《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) promulgated on 17 November 2014:

- In respect of the dividends received by Mainland individual investors who invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect Program, the Company will withhold individual income tax at the rate of 20%. Individual investors may, by producing valid tax payment proofs, apply to the competent tax authority of China Securities Depository and Clearing Company Limited for tax credit relating to the withholding tax already paid abroad. In respect of the dividends received by Mainland securities investment funds that invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect Program, the Company will withhold individual income tax in the same way as the foregoing requirements;
- In respect of the dividends received by Mainland corporate investors that invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect Program, the Company will not withhold any income tax from the dividend and the Mainland corporate investors shall file the tax returns on their own.

In accordance with the Notification on Relevant Tax Policies for Pilot Operation of Transaction Interconnection Mechanism of Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) 《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) put into force on 5 December 2016:

- In respect of the dividends received by Mainland individual investors who invest in the H shares of the Company via the HK-Shenzhen Stock Connect, the Company will withhold individual income tax at the rate of 20%. Individual investors may, by producing valid tax payment proofs, apply to the competent tax authority of China Securities Depository and Clearing Company Limited for tax credit relating to the withholding tax already paid abroad. In respect of the dividends received by Mainland securities investment funds that invest in the H shares of the Company via the HK-Shenzhen Stock Connect, the Company will withhold individual income tax in the same way as the foregoing requirements;
- In respect of the dividends received by Mainland corporate investors that invest in the H shares of the Company via the HK-Shenzhen Stock Connect, the Company will not withhold any income tax from the dividend and the Mainland corporate investors shall file the tax returns on their own.

NOTICE OF THE ANNUAL GENERAL MEETING

Withholding of Income Tax for Holders of A Shares via the Shanghai Stock Connect

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A shares of the Company listed on the SSE (the “**Shanghai Stock Connect**”), the dividends received by them will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited as the nominee account holding such A shares. Pursuant to the Notice on Relevant Taxation Policies Concerning the Pilot Inter-connected Mechanism for Trading on the Shanghai Stock Market and the Hong Kong Stock Market (Cai Shui [2014] No. 81) 《(財政部、國家稅務總局、證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), the Company will withhold income tax at the rate of 10% on behalf of those investors and will undertake the reporting procedures on the tax withholding and payment with the tax authorities, and the after-tax cash dividend will be RMB1.08 per share. For investors of Shanghai Stock Connect who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, taxes shall be refunded based on the discrepancy between the levied taxes and the taxes payable pursuant to the tax rate of the tax treaty.

All investors should read this notice carefully. Shareholders are recommended to consult their tax advisors on the PRC, Hong Kong and other tax effects regarding their holding and disposing of H shares of the Company.

4. ELIGIBILITY FOR PROPOSED FINAL DIVIDEND AND CLOSURE OF H SHARE REGISTER OF MEMBERS

The H Share Register of Members of the Company will be closed from Saturday, 16 May 2020 to Thursday, 21 May 2020 (both days inclusive), during which period no transfer of H Shares will be registered. In order to be eligible for the entitlement of the final dividend, H Share shareholders should ensure that all transfer documents, accompanied with the relevant share certificates, are lodged with the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on Friday, 15 May 2020.

5. PROXY

- (1) Each shareholder entitled to attend and vote at the Annual General Meeting may appoint one or more proxies in writing to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
- (2) The instrument appointing a proxy must be in writing by the appointor or his attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorized attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign or other document of authorization must be notarized. To be valid, for holders of H Shares, the form of proxy and notarized power of attorney or other document of authorization must be delivered to Computershare Hong Kong Investor Services Limited, not less than 24 hours before the time appointed for the Annual General Meeting (i.e. no later than 1:30 p.m. on Monday, 11 May 2020) (Form of proxy for use at the Annual General Meeting is attached herewith).
- (3) If a shareholder appoints more than one proxy, such proxies shall only exercise the right to vote by poll.

NOTICE OF THE ANNUAL GENERAL MEETING

6. REGISTRATION PROCEDURES FOR ATTENDING THE ANNUAL GENERAL MEETING

- (1) A shareholder or his proxy should produce proof of identity when attending the Annual General Meeting. If a shareholder is a legal person, its legal representative or other person authorized by the board of directors or other governing body of such shareholder may attend the Annual General Meeting by producing a copy of the resolution of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.
- (2) Shareholders of the Company intending to attend the Annual General Meeting in person or by their proxies should complete and return the reply slip for attending the Annual General Meeting to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong on or before Wednesday, 22 April 2020.

7. VOTING BY POLL

According to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the Annual General Meeting will demand a poll in relation to all the proposed resolutions at the Annual General Meeting in accordance with Article 92 of the Articles of Association.

8. MISCELLANEOUS

- (1) The Annual General Meeting is expected to be held for no more than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
- (2) The address of Computershare Hong Kong Investor Services Limited is: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (3) The address of China Securities Depository and Clearing Corporation Limited Shanghai Branch is: Level 36, China Insurance Building, 166 East Lujiazui Road, Pudong New District, Shanghai, the People's Republic of China.
- (4) The registered office of the Company is at:

1 South Zhongshan Road, Huangpu District, Shanghai, the People's Republic of China
Postal Code: 200010
Contact office: Office of the Board of Directors
Contact Person: JIANG Zhenxiang
Telephone No.: 86 (21)3396 8598
Facsimile No.: 86 (21)6887 0791