

Opening Remarks at the 2017 Investor Day

(by MA Xin, December 15th, 2017)

Ladies and gentlemen,

Good morning!

I am MA Xin, Board Secretary of CPIC Group.

It is a great pleasure to have you for this event, and welcome!

2017 is a special year for us. About ten years ago, or to be more precise, on December 25th, 2007, CPIC Group was successfully listed on the A-share market. As the first listed insurance group, our debut not only injected vitality into China's capital market, but also boosted the development of China's insurance industry. The listing marked a milestone in the history of CPIC, since it provided us with access to a sustainable platform of capital-raising, and marked a key step in the improvement of the company's governance.

In the past decade, the successive Board of Directors of the Company persisted in the focus on insurance, upheld the central value proposition of insurance, adhered to customer-orientation, and delivered sustainable value growth. Over the past 10 years, thanks to the leadership of the Board and hard work of all our employees, the Company has grown into an integrated insurance group with a strong capital position, solid value-creating and risk management capabilities and a high level of

professionalism.

In the past decade, the Company maintained rapid growth, with continued improvement of overall strength. Group gross written premium (GWP) increased from 74.2bn yuan in 2007 to 234bn yuan as at the end of Q3 in 2017, with CAGR of 14%. Group profitability continued to improve. Total profits in the past 5 years (2012-2016) reached 55.2bn yuan, 1.6 times that of the previous 5 years (2007-2011). Group GWP and profits for the first 10 months of 2017 exceeded those of the entire year of 2016. Group total assets increased from 309bn yuan at the time of our IPO to 1.17tn yuan as at the end of Q3, 2017, a growth of nearly 3 times. As of the end of 1H, 2017, Group EV amounted to 271.5bn, a growth of around 200bn yuan from 10 years ago. We also pushed forward the customer-centric transformation, with continued enhancement of capabilities in “customer operation”. Over the past 10 years, Group customers grew from 25.14mn at the end of 2007 to 116mn, an increase of 90mn. The Company has been committed to providing and upgrading diversified risk solutions. Sum assured per customer for critical illness cover increased from 38,000 yuan 10 years ago to 122,000 yuan. We used multiple means to enhance the satisfaction of our customers. CIRC recently released results for its 2017 Customer Service Ranking, and both our Life and Property and Casualty operations were rated AA, a top-notch ranking.

The Company is committed to investor returns, and has made sure that investors could share in its value growth through pay-out of cash dividend. In the past 10 years, the Company's dividend level increased steadily, with dividend per share rising from 0.3 yuan in 2007 to 0.7 yuan in 2016. The average pay-out ratio reached 45%, leading among our peers.

Ten years on, the Company has embarked on a new journey. With the smooth succession of the Board in the first half of 2017, the Company has mapped out the blueprint for the future, known as Transformation 2.0, seeking to improve capabilities in 5 key areas, namely, talent, digitalization, collaboration, strategic control and insurance-based business portfolio, which will also help to enhance governance in an all-around way. We will also implement the "New Development Philosophies", focus on quality and profitability, persist in customer-centricity and protection as the key insurance value proposition, while pursuing a new path of transformation driven by even better quality, higher efficiency and on an even more sustainable footing. We are confident that the next ten years of CPIC will be even better.

What we have achieved would not have been possible without the unstinting support of the capital market. I would also like to take this opportunity to express thanks to all of you. We look forward to your continued support. Your suggestions and comments will be most

welcome, as they will help with the Company's performance and healthy development, which, in turn, will generate even better returns for our shareholders.

As an important part of our business portfolio, CPIC Life has been vigorously pushing forward the customer-centric transformation, and has achieved lots of success. In particular, the agency channel, giving first priority to quality, has become the key driver of our value growth. We know that at this time of the year, the latest developments of our agency channel, and especially the preparation of the *Kaimenhong* of 2018 have been topics of great interest. Therefore, we've arranged for Mr. QIAN Zhonghua, General Manager of CPIC Life, and Mr. ZHANG Yuanhan, Chief Actuary of CPIC Group, to deliver 2 separate speeches on "The Development Strategy of Agency Channel" and "Interpretation of and Outlook for Life Embedded Value" respectively to share with you our thinking and plan in this regard, followed by a Q & A session.

Before I wrap up, to ensure compliance, I would like to give you 2 reminders. First, the Company strictly abides by all applicable rules and regulations on information disclosure of listed companies. The materials we are about to touch on have been disclosed as per such rules. This investor day will not involve any information that should have been made public. Second, no tape recording throughout the whole event. Thanks for your co-operation.