

Chairman's Statement

In 2018, faced with complicated internal and external environments, China Taiping united to overcome difficulties, and achieved good results in all work. I am delighted to report that, under the circumstances of an apparent decline in the growth pace across the industry, the main operating indicators of China Taiping such as premium, profit, and assets scale made progress amid stability and surpassed the market. With the social influence of the Taiping brand continuously improving, Taiping Group has made it onto the "Fortune Global 500".

CHINA TAIPING'S DEVELOPMENT STRATEGY OF THE NEW ERA

In 2018, facing new situations and requirements and complicated market environment, China Taiping's new leadership team pursued the fundamental objective to create greater value for shareholders, customers and the society. Taking into account the actual conditions of its development and adopting a long term view, they formed the development concept of "Taiping for your peaceful life", established a development strategy of the new era with the goal of "Building a Globally Competitive Internationalised Modern Financial Insurance Group", which has clarified the directions and paths of China Taiping ahead.

The core content of China Taiping's development strategy of the new era is "One Strategic Vision" and "Six Strategic Initiatives". One strategic vision is "Building a Globally Competitive Internationalised Modern Financial Insurance Group". Six strategic initiatives include enhancing the overall awareness of serving the national strategy, forming the development concept of "Taiping for your peaceful life", setting the international development direction, establishing the information-based development foundation, building the market-oriented development mechanism and giving play to the governance advantages of state-owned enterprises. "One Strategic Vision" and "Six Strategic Initiatives" together constitute the main framework of China Taiping's development strategy of the new era, which are the overall strategy and action plan for the development of China Taiping for the current and future period.

REVIEW OF PERFORMANCE IN 2018

In 2018, the total premiums written and policy fees reached HK\$199.6 billion, increased by 11.7 % over the Last Year. The net profit attributable to shareholders reached HK\$6.884 billion, increased by 12.2 % over the Last Year. The total assets reached HK\$752.1 billion, increased by 12.8% over the last year-end.

In 2018, the PRC insurance business of China Taiping increased steadily, achieving good quality and efficiency. TPL's ranking lifted to 5th in the market; the persistency ratios continued to be industry-leading, in which the persistency ratios of the individual and bancassurance channels at the 13th month ranked 1st for 5 consecutive years; the number of individual agents exceeded 500,000, increased by 33.5%, with the growth rate ranking 1st among major peers. TPI continued to achieve underwriting profit for 7 consecutive years; the combined ratio was better than the industry average. TPP pension assets under management at the end of the reporting period exceeded RMB200 billion for the first time.

董事長致辭



LUO Xi 羅熹
Chairman 董事長

2018年，面對複雜的內外部環境，中國太平團結一心，攻堅克難，各項工作取得了良好成績。本人欣然報告，在全行業增速明顯下降的情況下，中國太平保費收入、利潤、資產規模等主要經營指標穩中向好、跑贏大市。太平品牌的社會影響力持續提升，太平集團成功躋身《財富》世界500強。

中國太平新時代發展戰略

2018年，面對新形勢新要求和紛繁複雜的市場環境，中國太平新一屆領導班子，以為股東、客戶和社會創造更大的價值為根本出發點，立足集團發展實際，著眼長遠，樹立了「共享太平」發展理念，確立了以「建設具有全球競爭力的國際化現代金融保險集團」為目標的新時代發展戰略，明晰了中國太平的前進方向和道路。

中國太平新時代發展戰略的核心內容是「1個戰略願景」、「6項戰略舉措」。1個戰略願景，就是「建設具有全球競爭力的國際化現代金融保險集團」。6項戰略舉措，包括增強服務國家戰略的大局意識，樹立「共享太平」的發展理念，確立國際化的發展方向，建立信息化的發展基礎，構建市場化的發展機制和發揮國有企業的治理優勢。「1個戰略願景」與「6項戰略舉措」，共同構成了中國太平新時代發展戰略的主要框架，是當前和今後一段時期中國太平發展的總體方略和行動綱領。

回顧2018年業績表現

2018年，集團總保費及保單費收入1,996億港元，同比增長11.7%。集團實現股東應佔淨利潤68.84億港元，同比增長12.2%。總資產7,521億港元，較去年末增長12.8%。

2018年，中國太平境內保險業務平穩增長，品質效益優良。太平人壽市場排名提升至第5位；繼續率指標持續保持行業領先，其中個險、銀保13月繼續率連續5年保持行業第1；個險代理人突破50萬人，增長33.5%，增速位居主要同業第1名。太平財險連續7年保持承保盈利，綜合成本率優於行業平均水平。太平養老養老金期末管理資產餘額首次突破2,000億元人民幣。

Chairman's Statement

In 2018, the overseas insurance business of China Taiping developed rapidly. CTPI (HK) maintaining one of the top 3 in the Hong Kong market for 4 consecutive years; TPRe maintaining healthy development with premium income increased by 22.6% over the Last Year; the first year standard premium equivalent of TPL (HK) increased by 49.8% over the Last Year with market influence continued increasing; TP Macau ranked 1st in the market for consecutive years; TP Singapore successfully obtained life insurance business license and became a comprehensive insurance company.

The business operations and financial performance of each business unit are detailed in the "Management Review and Analysis".

BUSINESS MEASURES AND RESULTS

In 2018, China Taiping endeavoured to seek progress while ensuring stability, adhered to new development concept and high-quality development requirements, strived to strengthen and expand the insurance and investment business, contribute to the supply-side structural reform, serve and protect the livelihood, and prevent and dissolve risks, and greatly enhanced the Group's comprehensive strength, service capability for economic society, core competitiveness and capability to prevent and dissolve risks.

In 2018, China Taiping greatly fulfilled its responsibilities as a state-owned enterprise, actively supported the implementation of the national strategy and the development of the real economy, and contributed to ensure people's livelihood and social governance, which gave full play to its professional advantages of insurance and cross-border business advantages, and actively demonstrated its role as a state-owned enterprise in serving and supporting the reform of state-owned enterprises, the bail-out policy for private enterprises, the "The Belt and Road", and the construction of Guangdong-Hong Kong-Macau Greater Bay Area.

In 2018, China Taiping focused on the innovative development and achieved breakthroughs in reform and innovation. The top-level design of the Group's informatisation construction was completed, and formulate the Group's informatisation blueprint. The overseas integrated core business system was successfully launched. The innovation and application of financial technology has been comprehensively accelerated, life insurance "Claim Settlement in Seconds", motor insurance remote survey, intelligent loss assessment, voice customer service intelligent robot and other applications have repeatedly won service innovation awards. New achievements were made in product innovation, and innovative products continued to spring up. The efforts of institutional reforms have paid off, and TPFs has successfully introduced high-quality strategic investors.

In 2018, the large clients strategic cooperation was continuously deepened and has newly signed Strategic Cooperation Agreements with 14 strategic clients, the number of strategic clients of the Group increased to 91, generating premium income of HK\$37.429 billion.

In 2018, China Taiping improved the internal control and compliance system, built the risk prevention and control system, strengthened risk screening and disposal by conducting inspection and supervision in key institutions and key areas, and holding the bottom line of risk.

董事長致辭

2018年，中國太平境外保險業務快速發展。太平香港連續4年保持香港市場前3名；太平再保險保持良好發展態勢，保費收入同比增長22.6%；太平人壽香港新單標準保費同比增長49.8%，市場影響力不斷擴大；太平澳門連續多年保持市場第1位；太平新加坡成功取得壽險業務牌照，成為綜合性保險公司。

關於各業務單位的經營情況及財務表現，在「管理層回顧和分析」有詳細介紹。

工作措施及成效

2018年，中國太平堅持穩中求進工作總基調，堅持新發展理念，堅持高質量發展要求，努力做強做優做大保險和投資主業，努力服務供給側結構性改革，努力服務和保障民生，努力防範和化解風險，推動集團綜合實力、服務經濟社會能力、核心競爭力、防範化解風險能力穩步提升。

2018年，中國太平大力抓好央企責任落實，積極支持國家戰略實施，支持實體經濟發展，助力民生保障和社會治理，充分發揮保險專業優勢和跨境經營優勢，在服務和支持國有企業改革、民營企業紓困、「一帶一路」、粵港澳大灣區建設等領域積極展現了央企擔當。

2018年，中國太平大力抓好創新發展，改革創新取得突破。完成集團信息化建設頂層設計，制定集團信息化規劃藍圖。海外一體化核心業務系統成功上線。金融科技創新應用全面提速，壽險「秒賠」、車險遠程查勘、智能定損，語音客服智能機器人等應用屢獲服務創新獎項。產品創新取得新成果，創新產品不斷湧現。機構改革成效顯現，太平金服成功引入優質戰略投資者。

2018年，中國太平深入推進大客戶戰略合作，全年新簽戰略客戶14家，戰略客戶增加至91家，帶動保費收入374.29億港元。

2018年，中國太平健全內控合規制度，築牢風險防控體系，加強風險排查處置，對重點機構、重點領域開展檢查督導，牢牢守住風險的底線。

Chairman's Statement

OPPORTUNITIES AND CHALLENGES

Currently, the internal and external environments are intricate and complicated. With global growth momentum weakening and economic globalisation experiencing twists and turns, the volatility of financial markets may pick up. Although the international environment and domestic conditions China's economic development is facing are undergoing profound and complicated changes, China's economic situation is generally good, and China's development is still and will be in an important period of strategic opportunities in the long-term. Against this backdrop, macroeconomic policies will create a favorable environment for the stable growth of the insurance industry, the implementation of the national strategy will provide many new development opportunities for the insurance industry, and the comprehensively deepening reform will further expand the development space of the insurance industry. However, we should be soberly aware that the insurance industry is also facing many new changes and challenges. In view of the global market, the rapid development of financial technology, the profound changes in consumer behavior, and the influx of new market players have put considerable pressure on the operation of insurance companies; as for the domestic market, many new features are emerging from demand to supply, from market to regulation, and from insurance to investment. In general, the insurance industry is at the crossroads of transformation and upgrading. We will grasp opportunities to make active adaptation and response.

DEVELOPMENT PROSPECTS

2019 marks the 90th anniversary of Taiping's entrepreneurship and the beginning of the Group's development strategy of the new era. China Taiping will seize the important period of strategic opportunities, emphasise the orientation of major national strategy, serve the real economy, uphold high-quality development, and prevent financial risks. It will promote the transformation and upgrading of insurance business, the international strategy layout, the improvement of information technology and the deepening of market-oriented reforms, in order to maintain a benign interaction and steady development of insurance, investment and industry. It will also improve the overall quality and professional capabilities of cadres and employees, maintain strategic concentration, and promote hard work, thereby embracing the 90th anniversary of China Taiping's entrepreneurship with outstanding results and celebrating the 70th anniversary of the founding of New China.

In 2019, we will firmly uphold the guidance by the development strategy of the new era, lead the operation strategy with the development strategy, and implement the development strategy with the operation strategy. We will focus on raising capabilities, fully implement the "Empowerment Plan", in-depth implementation of management empowerment, technology empowerment, resource empowerment and mechanism empowerment, and solidly facilitate the growth of the overall capabilities of the Group. We will pay equal attention to our strengths and characteristics, push forward the coordinated development of the Mainland China, Hong Kong, Macau and overseas, build up our strengths through domestic development and promote excellent characteristics through overseas development.

We will firmly promote high-quality development and achieve stable growth and high-quality coordinated development. We will put profitability as top priority, optimise the business structure, strengthen cost management and control, effectively reduce cost and increase efficiency, improve profitability, and achieve simultaneous improvement of scale and profitability. We will improve the quality, win the market, advantages and the future with high-quality products and services, strive to raise operational quality and service efficiency, and enhance customer experience. We will strengthen risk prevention and control, focus on major risks such as market risk, credit risk, operational risk, compliance risk, new business risk and liquidity risk, and prevent abnormal fluctuation and resonance of the financial market.

董事長致辭

機遇與挑戰

從當前形勢看，內外部環境錯綜複雜。全球增長動能正在減弱，經濟全球化遭遇波折，金融市場可能震盪加劇。雖然我國經濟發展面臨的國際環境和國內條件都在發生深刻而複雜的變化，但是我國經濟形勢總體是好的，我國發展仍處於並將長期處於重要戰略機遇期。在重要戰略機遇期大背景下，宏觀經濟政策將為保險業穩定增長創造有利環境，國家戰略實施將為保險業提供許多新的發展機遇，全面深化改革將進一步拓寬保險業的發展空間。但同時也應該清醒地看到，當前保險業也面臨著許多新的變化和挑戰。縱觀全球市場，金融科技的快速發展、消費者行為的深刻變化、新市場主體的大量湧入，對保險企業經營帶來不小的壓力；看國內市場，從需求到供給，從市場到監管，從保險到投資，都呈現出許多新特點。總的看，保險行業站在了轉型升級的十字路口。對此，我們將準確把握、主動適應、積極應對。

發展展望

2019年是太平創業90周年，也是集團新時代發展戰略的開局之年，中國太平將抓住重要戰略機遇期，堅持國家重大戰略導向，堅持服務實體經濟本職，堅持推動高質量發展要求，堅持防範金融風險原則，推動保險業務轉型升級，推動國際化戰略佈局，推動信息化持續提升，推動市場化改革深化，保持保險、投資和產業的良性互動和穩健發展，提高骨幹員工的綜合素質和專業能力，保持戰略定力，提倡真抓實幹，以優異成績迎接中國太平創業90周年，慶祝新中國成立70周年。

2019年，我們將毫不動搖秉持新時代發展戰略引領，以發展戰略統領經營策略，以經營策略來落實發展戰略。我們將以能力提升為重點，全面實施「賦能計劃」，深入開展管理賦能、科技賦能、資源賦能、機制賦能，扎扎實實促進集團整體能力躍升。我們將堅持實力與特色並重，全力推進內地、港澳和海外三地協同發展，通過境內發展做強實力、通過境外發展做優特色。

我們將毫不動搖推動高質量發展，實現穩增長與高質量協調發展。我們要效益優先。要努力優化業務結構，加強成本管控，切實抓好降本增效，提升盈利水平，實現規模效益同步提升。我們要提升品質。以優質的產品和服務贏得市場、贏得優勢、贏得未來，著力提升運營品質和服務效率，提升客戶體驗。我們要強化風險防控。重點關注市場風險、信用風險、操作風險、合規風險、新業務風險和流動性風險等重大風險點，防範金融市場異常波動和共振。

Chairman's Statement

We will continue to focus on our primary business and to build a triangular business support system of insurance, investment and industrial operations. We will strive to enhance the development capacity of the main industry, the insurance, and increase the allocation of resources, with the joint promotion of life insurance, property and casualty insurance, pension insurance and reinsurance businesses, so as to speed up the pace of becoming stronger, better and bigger. Efforts will be made to enhance investment capabilities, enhance asset allocation capabilities and core research capabilities, optimise investment strategies and strive to enhance investment returns. We will carry out industrial investment around the main business, shift to “Protection + Service” and accelerate the industrial planning.

China Taiping will always adhere to high-quality development and pursue value growth with the pioneering and hard-working spirit, so as to advance the Group's development strategy of the new era and create greater value for shareholders, customers and the society!

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express my heartfelt gratitude to all our shareholders, customers and business partners who have trusted and supported us for so many years. On behalf of the Board, I would also like to extend my sincere gratitude to the staff for their dedication and hard work.

LUO Xi
Chairman

Hong Kong, 29 March 2019

董事長致辭

我們將毫不動搖聚焦主業，著力構建保險、投資和產業經營三角形業務支撐體系。我們要著力提升保險主業發展能力，加大資源投入，推動壽險、產險、養老險和再保險業務齊頭並進，加快做強做優做大的步伐。要著力提升投資能力，提升大類資產配置能力、核心投研能力，優化投資策略，努力提高投資收益水平。要圍繞主業開展產業投資，向「保障+服務」轉變，加大產業佈局力度。

中國太平將始終堅持高質量發展，追求價值成長，開拓進取、頑強拼搏，扎實推進集團新時代發展戰略，為股東、客戶和社會創造更大的價值！

致謝

本人謹此代表董事會，衷心感謝全體股東、客戶和業務夥伴多年來給予我們信任及支持！我也代表董事會向全體員工無私奉獻及辛勤勞動表示贊許及感謝！

董事長
羅熹

香港，2019年3月29日