

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

To the Members of
China Taiping Insurance Holdings Company Limited
(incorporated in Hong Kong with limited liability)

致中國太平保險控股有限公司成員
(於香港註冊成立的有限公司)

OPINION

意見

What we have audited

我們已審計的內容

The consolidated financial statements of China Taiping Insurance Holdings Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 128 to 329, which comprise:

中國太平保險控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第128至329頁的綜合財務報表,包括:

- the consolidated statement of financial position as at 31 December 2018;
 - the consolidated statement of profit or loss for the year then ended;
 - the consolidated statement of profit or loss and other comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於2018年12月31日的綜合財務狀況表;
 - 截至該日止年度的綜合損益表;
 - 截至該日止年度的綜合損益及其他全面收益表;
 - 截至該日止年度的綜合權益變動表;
 - 截至該日止年度的綜合現金流量表;及
 - 綜合財務報表附註,包括主要會計政策概要。

Our opinion

我們的意見

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

我們認為,該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於2018年12月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》妥為擬備。

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BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Valuation of life insurance contract liabilities
- Valuation of provision for outstanding claims for general insurance businesses
- Valuation of unlisted securities

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒布的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 壽險合約負債的計量
- 財產保險未決賠款準備的計量
- 非上市證券投資的估值

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Key Audit Matter 關鍵審計事項

Valuation of life insurance contract liabilities 壽險合約負債的計量

Refer to Note 1(d) Significant Accounting Policies – Recognition and measurement of contracts (ii) Life insurance contract liabilities, and Note 27 Life insurance contract liabilities.

參見附註1(d) 主要會計政策－合約確認及計量(ii) 壽險合約負債和附註27壽險合約負債。

Refer to Note 52(d) Accounting Estimates and Judgements – Determination of insurance liabilities.

參見附註52(d) 會計估計及判斷－釐定保險負債。

The Group had life insurance contract liabilities of HK\$433,102 million as at 31 December 2018, representing 64.5% of the Group's total liabilities. 貴集團於2018年12月31日之壽險合約負債為4,331.02億港元，相當於 貴集團總負債的64.5%。

The valuation of life insurance contract liabilities requires the use of appropriate actuarial methodologies, and also various economic and operational assumptions that are subject to a high degree of management's judgement. Therefore, this is identified as a key audit matter in our audit. There are inherent uncertainties in the estimation of future policyholder benefits as at the balance sheet date. The key assumptions used in measuring the life insurance contract liabilities include discount rates, mortality and morbidity rates, lapse rates, expenses, and policy dividend. 壽險合約負債的計量需使用適當的精算方法以及各種有關經濟和運營的假設，涉及高程度的管理層判斷。因此，壽險合約負債的計量被定為關鍵審計事項。在資產負債表日，保單持有人未來給付的估計存在根本的不確定性。計量壽險合約負債的關鍵假設包括折現率、死亡率和發病率、退保率、費用和保單紅利。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

We evaluated the internal controls over the actuarial process of the valuation of life insurance contract liabilities.

我們評估了壽險合約負債計量中的精算過程中的內部控制。

We involved our actuarial experts in performing all of the following audit procedures.

我們的精算專家參與了以下所有審計程序的執行工作。

We checked the appropriateness of the methodologies adopted against market actuarial practices. We assessed the reasonableness of the key assumptions used including discount rates, mortality and morbidity rates, lapse rates, expenses, and policy dividend, and management's rationale for the judgements applied. We considered the Group's historical data and applicable industry experiences.

我們根據市場一般精算做法，檢查 貴集團所採用的精算方法的適用性。我們評估了關鍵假設的合理性，包括折現率、死亡率和發病率、退保率、費用和保單紅利，以及管理層作出判斷的基礎理論。我們考慮了 貴集團的歷史資料和適用的行業經驗。

We evaluated the overall reasonableness of the life insurance contract liabilities through trend and movement analysis, analysis of actual experiences against expected results, and analysis of impacts of key assumption changes.

我們通過進行壽險合約負債趨勢及變動分析、對實際經驗與預期的結果進行比較分析、並分析關鍵假設變動的影響，從而評估壽險合約負債的整體合理性。

Based on the work performed, we considered the key assumptions and methodologies applied to be appropriate for the valuation of life insurance contract liabilities.

根據已完成的工作，我們認為用於計量壽險合約負債時的關鍵假設及計量方法均為合適。

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Key Audit Matter 關鍵審計事項

Valuation of provision for outstanding claims for general insurance businesses 財產保險未決賠款準備的計量

Refer to Note 1(d) Significant Accounting Policies – Recognition and measurement of contracts (iv) Provision for outstanding claims, and Note 29 Provision for outstanding claims in respect of general insurance.

參見附註1(d) 主要會計政策—合約確認及計量(iv) 未決賠款準備和附註29財產保險相關的未決賠款準備。

Refer to Note 52(d) Accounting Estimates and Judgements – Determination of insurance liabilities.

參見附註52(d) 會計估計及判斷—釐定保險負債。

The Group had provision for outstanding claims for general insurance businesses of HK\$20,427 million as at 31 December 2018, representing 3.0% of the Group's total liabilities.

貴集團於2018年12月31日之財產保險未決賠款準備為204.27億港元，相當於 貴集團總負債的3.0%。

The valuation of provision for outstanding claims for general insurance businesses involves a high degree of management's judgement and therefore is our audit focus. The key assumption in measuring provision for outstanding claims for general insurance businesses is the ultimate claims expenses, which is estimated based on the Group's past claims development experiences. Actuarial methods are used to extrapolate the expected loss ratios based on the historical data such as development of paid and incurred losses, and average costs per claim.

財產保險未決賠款準備的計量涉及高程度的管理層判斷，因此成為我們的關注事項。計量財產保險未決賠款準備的關鍵假設是根據 貴集團過去的賠付發展經驗估計的最終賠付成本。 貴集團根據歷史資料例如已支付和已發生損失的發展以及賠付的平均成本，使用精算方法來推斷預期賠付率。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

We evaluated the internal controls over the actuarial process, including data collection and analysis, in estimating the valuation of provision for outstanding claims for general businesses. We involved our actuarial experts in performing all of the following audit procedures.

我們評估了財產保險未決賠款準備計量中精算過程中的內部控制，包括資料收集和分析。我們的精算專家參與了以下所有審計程序的執行工作。

We developed our independent view of a range of best estimates of the provision for outstanding claims for general insurance businesses and compared with management's estimates. We further assessed the reasonableness of management's key assumption, being the ultimate claims expenses, by considering the Group's historical data and applicable industry experiences.

我們就財產保險未決賠款準備獨立推算了最佳估計範圍，並与管理層的估計做出比較。我們亦根據 貴集團財產保險合約的歷史資料和適用的行業經驗，評估了管理層的關鍵假設的合理性，即最終賠付成本。

We evaluated the overall reasonableness of the provision for outstanding claims for general insurance businesses by performing retrospective analysis and assessed whether there is any indication that the estimated liability may be inadequate.

我們通過進行回溯性分析評估財產保險未決賠款準備的整體合理性，並評估是否有任何跡象表明預計負債可能不足。

Based on the work performed, we considered the valuation of outstanding claims liabilities for general insurance businesses to be appropriate. 根據已完成的工作，我們認為財產保險未決賠款準備的計量為合適。

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Key Audit Matter 關鍵審計事項

Valuation of unlisted securities 非上市證券投資的估值

Refer to Note 1(h) Significant Accounting Policies – Investments in debt and equity securities, Note 19 Investments in debt and equity securities and Note 45 Fair value of financial instruments.

參見附註1(h)主要會計政策－債務及股本證券投資，附註19債務及股本證券投資和附註45金融工具的公允價值。

The Group held unlisted securities that were classified under available-for-sale and designated at fair value through profit or loss and were classified as level 3 for fair value measurement purposes. These unlisted level 3 securities represented 2.7% of the Group's total assets as at the balance sheet date. The valuation of these securities involves a high degree of management's judgements as they are valued based on assumptions which are not observable from the market. The valuation of unlisted securities is identified as an area of our focus.

貴集團持有被分類為可供出售和指定為通過損益以反映公允價值，以及公允價值計量被分類為第三級的非上市證券投資。在資產負債表日，這些第三級的非上市證券投資佔 貴集團總資產的2.7%。由於這類證券投資的估值基於在市場上不可觀察的假設，其估值涉及高程度的管理層判斷。因此非上市證券投資的估值是我們關注的事項。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

We evaluated the internal controls over the investment valuation process.
我們評估了投資評估過程中的內部控制。

We involved our internal valuation experts in assessing the methodologies and key assumptions in the valuation of these financial assets. We also assessed the reasonableness of the key unobservable inputs used in the valuation such as discount rates, comparable company valuation multiples, liquidity spreads, and recent transaction prices of similar securities.

我們的內部估值專家參與了對這些投資估值用的方法和關鍵假設的評估。我們也評估了採用於估值那些不可觀察的關鍵投入的合理性，比如折現率、可比公司估值倍數、流動性價差、相似的金融工具的近期交易價格等。

Based on the work performed, we considered the assumptions and methodologies applied to be appropriate for the valuation of these unlisted securities.

根據已完成的工作，我們認為用於計量非上市證券投資的估值時被採用的方法和假設均為合適。

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審計委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審計委員會須負責監督 貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照香港《公司條例》第405條向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水準的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Kin Lap.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 March 2019

- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審計委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是黃健立。

羅兵咸永道會計師事務所
執業會計師

香港，2019年3月29日