

Chairman's Statement

2016 is the starting year of the “13th Five-Year Plan”, and also a significant year for China Taiping to implement the “Boutique Strategy”. I am delighted to report that in 2016, China Taiping overcame the barriers, challenges, and made innovative progress in the “New Long March” of creating the “Most Unique and High Potential Boutique Insurance Company”. As a result, favorable results have been achieved by the Group at the beginning of the “13th Five-Year Plan” with a momentum of rapid growth in all businesses of the Company, continued enhancements of the quality of business, continuous optimisation of the business structure and the steady promotion of the “Boutique Strategy”.

REVIEW OF PERFORMANCE IN 2016

Another historical high was achieved in the key development indicators of China Taiping in 2016, with the total premiums reaching approximately HK\$150 billion and the total assets exceeding HK\$500 billion for the Year. Benefiting from the continued strong momentum of “Three Year Rebuilding”, we outperformed the market for the fifth consecutive years. The “Boutique Strategy” has launched substantial success, which is evidenced by the dominant position of the quality of our major business in the industry, the synchronous growth between the quality and the efficiency as well as the large increase of the new business value by 37.6% over the Last Year. Our annual budget target for 2016 has been achieved with the profit attributable to the shareholders of the Group amounting to HK\$4.774 billion.

OPERATIONAL HIGHLIGHTS

In 2016, the Group achieved relatively rapid development in its scale strength and our operating qualities recorded steady improvement, with many operational highlights. Our domestic business achieved steady and positive development, which was evidenced by the facts that the core business of life insurance and profitable business comprehensively outperformed their original targets, the proportion of medium and long-term protection type business continually increased, the 13th month persistency ratios for individual and bancassurance channel continually maintained #1 in the industry, among which the persistency ratio of individual insurance achieved a record high, with the Sichuan Branch of TPL becoming the first second-tier branch recording premiums exceeding 10 billion; the property and casualty insurance outperformed the market with the direct premium growth rate 6.4 percentage point above industry average, and consistently achieved underwriting profits for fifth consecutive years with efforts to overcome the adverse impacts posed by the commercial motor insurance premium rate marketisation reform and the reform of replacing business tax with value-added tax. Our overseas operations developed rapidly, with continuous increase in profitability, TP Macau continued to maintain its #1 market position; the Hong Kong life insurance business recorded premiums of HK\$1.132 billion in the first year of operation. Please refer to the “Management Review and Analysis” for details of the operating performance and financial conditions of each operating business.

董事長致辭



WANG Bin 王濱
Chairman 董事長

二零一六年是「十三五」開局之年，是中國太平實施精品戰略的重要一年。本人欣然報告，二零一六年，中國太平在打造「最具特色和潛力的精品保險公司」的「新長征」路上，攻堅克難，創新實幹，實現了「十三五」良好開局，各項業務保持較快增長勢頭，業務品質持續提升，業務結構不斷優化，精品戰略扎實推進。

回顧二零一六年業績表現

二零一六年，中國太平主要發展指標再創新高，年度總保費近1,500億港元，總資產突破5,000億港元。延續了「三年再造」的強勁發展勢頭，實現了連續五年跑贏大市。主要業務品質行業領先，質量效益同步增長，新業務價值大幅增長，同比增長37.6%，精品戰略成效顯著。二零一六年本集團股東應佔溢利47.74億港元，達成年度預算目標。

經營亮點

二零一六年集團規模實力較快增長，經營品質穩中有升，經營亮點紛呈。境內業務穩中向好，壽險核心業務和效益型業務全面超額完成任務，中長期保障型業務佔比繼續提升，個險、銀保13月繼續率連續保持行業第一，其中個險繼續率創歷史新高，太平人壽四川分公司成為集團首家保費收入突破百億的二級機構；產險努力克服商車費改和營改增帶來的不利影響，跑贏大市並連續五年實現承保盈利，原保費收入高於行業平均增幅6.4個百分點。境外業務快速發展，盈利能力持續提升，太平澳門繼續保持市場排名第一；香港壽險經營首年就實現保費收入11.32億港元。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。

Chairman's Statement

BUSINESS MEASURES AND RESULTS

In 2016, China Taiping continued to implement the Boutique Strategy. Through “Adjusting Structure, Boosting Development, Reinforcing Management, Stabilising Efficiency, Obtaining Innovation, Achieving Breakthroughs, Focusing on Reform and Controlling Risks”, we strived to enhance our featured operations and achieve innovative development, so as to continuously strengthen, optimise and expand our business. We integrated “Headquarter to Headquarter” resources to secure additional 16 large clients during the year, cumulatively reaching 68 large clients, which boosted our premium income to a record high; continued to deepen the innovation in Sinopec gas station project; actively promoted worksite marketing pilot project, creating a brand new business model combining on-line and off-line patterns. We embraced the internet from various aspects including products, technologies and models, with total premium written reaching the RMB2.0 billion mark for the first time, and innovative products becoming popular in the market. As a state-owned enterprise, we stick to our mission and seriously implement the national supply-side structural reform. The introduction of the equity scheme based on Qinghai supply-side reform and other projects with industry demonstration significance shows our strong support to the policy of “cutting overcapacity, destocking, deleveraging, reducing corporate costs, and shoring up weak spots”. Leveraging our cross-border operation strength, we took the lead to provide insurance services in respect of “The Belt and Road”, with premium from oversee projects exceeding the sum of premium from oversee projects over the past years. We continued to innovate and explore in the insurance sector, and jointly promoted and established a company to engage in internet health insurance related operations with certain enterprises including Alibaba, so as to keep enhancing the “universal health” and “pan-pension” industrial chain. We also co-established a joint venture enterprise named Taiping Watermark (Shanghai) Pension Management Company Limited (太平水印(上海)養老企業管理有限公司) with an internationally renowned retirement community operator, and set up the first domestic technology insurance company Taiping Technology Insurance Company Limited (太平科技保險股份有限公司).

COMPANY'S HONOR

In 2016, China Taiping's brand value and comprehensive strengths have been significantly increased. China Taiping was listed among the World's 500 Most Influential Brands for the first time and once again listed among the Top 100 Most Valuable Chinese Brands by BrandZ. With its 70% brand value growth rate, China Taiping was ranked among the top 3 in the Top 20 Brand Value Growth List. Furthermore, it was awarded the “Top 10 Most Influential Asian Brand in 2016” and the “Global Chinese 1000 Award – Outstanding Performance Awards” by Yazhou Zhoukan, etc.

OPPORTUNITIES AND CHALLENGES

Currently, the China's economy developed stably at a slower pace and trended positively in general. Along with the positive effect of the measures focusing on structural reform of the supply side, economic benefit and quality have been increasingly improved with the continual optimisation of economic structure and further recovery of real economy, which will provide strong support for the sustainable development of the insurance industry. Meanwhile, with the increasing needs for risk protection of countrymen and the enhancing support on the development of insurance industry from the country in recent years, there will be substantial development potential for the industry. However, we also clearly see that, the domestic economy improved stably and the effect of international outbreak intensified. Amid the complicated and changeable operating situation, it is expected that the growth of annual premiums written within the whole industry will slow down, putting more pressures on profitability. Besides, the industry has accelerated its shift back to risk protection business and the competition was still intensified, all of which will bring great challenges to us. Nevertheless, we will take precautions to ride on the momentum and actively deal with the situation.

董事長致辭

工作措施及成效

二零一六年中國太平以精品戰略為主線，按照「調結構、促發展，強管理、穩效益，善創新、抓突破，重整改、嚴風控」的經營工作思路，大力抓好特色經營和創新發展，不斷做強做優做大。我們整合「總對總」資源，全年新簽大客戶16家，累計達到68家，帶動保費收入再創歷史新高；繼續推動中石化加油站項目深化創新；積極推動職域行銷項目試點，創造了線上線下結合的全新商業模式。我們從產品、技術、模式等方面深度擁抱互聯網，總保費首次站上20億元人民幣平台，創新產品熱銷市場。我們堅守央企使命擔當，認真貫徹落實國家供給側結構性改革，推出青海供給側改革股權計劃等多個具有行業示範意義的項目，有力支持「三去一降一補」。我們發揮跨境經營優勢，勇當「一帶一路」保險服務先行者，保費收入超過歷年海外項目保費收入之和。我們在保險領域持續創新探索，與阿里巴巴等公司共同發起設立互聯網健康保險公司，不斷完善「大健康」、「大養老」產業鏈，與國際知名養老社區運營商合資成立太平水印（上海）養老企業管理有限公司，籌建國內首家科技保險公司——太平科技保險股份有限公司。

公司榮譽

二零一六年，中國太平品牌價值和綜合實力顯著提升。中國太平首次入選「世界品牌500強」，再度入選BrandZ最具價值中國品牌100強，並憑藉70%的品牌價值增長率，躋身「品牌價值增長20強」榜單三甲。同時，還榮獲二零一六年亞洲十大最具影響力品牌、《亞洲週刊》「全球華商1000—最績優企業大獎」等多項大獎。

機遇與挑戰

當前中國經濟總體上緩中趨穩、穩中向好，以供給側結構性改革為主線的各项措施逐步發揮出積極作用，經濟效益和品質不斷提高，經濟結構持續優化，實體經濟進一步向好，將為保險業持續發展提供有力支撐。同時，近年來我國居民風險保障需求在持續上升，國家支持保險業發展的力度也在不斷加強，行業發展潛力巨大。但我們也清晰的看到，國內經濟穩中求進與國際突發事件影響加大並存，經營形勢複雜多變，預計全年全行業保費收入增速放緩，盈利繼續承壓，行業加速回歸保障，業內競爭依然激烈，都將給我們帶來很大的挑戰。對此，我們將順勢而為，提前謀劃，積極應對。

Chairman's Statement

DEVELOPMENT PROSPECTS

2017 marks a crucial year for implementing the Boutique Strategy. In line with the main theme of advancing work by seeking improvement in stability, China Taiping will firmly stick to the supply-side reform, risk control and the promotion of Boutique Strategy, so as to balance various works. Adhering to the working policy of "Steady Growth, Innovation-driven, Lower Cost and Higher Efficiency, Strictly Controlling Risks", we will ensure the steady and rapid development of our businesses and prevent from systematic financial risks through sound operation, ensure generally stable returns from investments by facilitating the balanced development between insurance and investment, promote new breakthroughs in business innovation, new layout for featured operation, new improvement for management level and better responsibility assumption of state-owned enterprises, and stimulate a significant progress of the Boutique Strategy, and thereby create more values for shareholders, clients and communities.

ACKNOWLEDGEMENTS

On behalf of the Board of CTIH, I would like to express my heartfelt gratitude to all our shareholders 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 all the staff for their commitment and dedication to their work.

WANG Bin
Chairman

Hong Kong, 23 March 2017

董事長致辭

發展展望

二零一七年是集團推進精品戰略的關鍵之年，中國太平將按照穩中求進工作總基調，堅持服務供給側結構性改革不偏離，堅持防範風險不懈怠，堅持推進精品戰略不鬆勁，全面統籌做好各項工作。我們將堅持「穩中求進、創新發展、降本增效、嚴控風險」的工作思路，堅持穩健經營，確保業務平穩較快發展，確保不發生系統性金融風險，推動保險和投資均衡協調發展，確保投資收益總體穩定，推動創新業務有新突破、特色經營有新佈局、管理水平有新提升、央企擔當有新作為，推進精品戰略取得新的重大進展，為股東、客戶和社會創造更大的價值。

致謝

本人謹此代表中國太平控股董事會，對多年來給予我們信任及支持的各位股東，致以衷心的感謝。我也代表董事會衷心感謝全體員工竭誠盡責執行各項任務。

董事長
王濱

香港，二零一七年三月二十三日