

Chairman's Statement

2011 RESULTS

In 2011, net profit attributable to shareholders amounted to HK\$495.30 million, representing a decrease of 77.9% compared to Last Year, and a decrease of 53.4% compared to Last Year if the extraordinary gain on the sale of MAC in the Last Year is excluded. Premiums amounted to HK\$49,889.70 million, representing a slight increase of 2.7% compared to Last Year. Net assets attributable to shareholders amounted to HK\$11,434.70 million, representing a decrease of 10.1% compared to Last Year. Details of the operating results and performance of each business segment are set out in the Management Review and Analysis.

ECONOMIC SITUATION DOMESTICALLY AND OVERSEAS

The international financial crisis is far from over. The European sovereign debt crisis continues to worsen, and the domestic political and economic struggles of heavily indebted countries have become increasingly interlinked. The debt problems now threaten to spread and impact other regions and countries. With unemployment rates in major economies remaining high amidst tepid economic recoveries, the ongoing economic downturn could turn into a prolonged period of stagnation. Emerging economies now face the double pressures of a slowdown in economic growth and a rapid rise in inflation and prices. In the short term, the impact of the international financial crisis will be difficult to ameliorate, and the downside risk to the world economy has clearly increased. The protracted nature, difficulty and complexity of the economic recovery have become increasingly apparent.

All of these current trends, such as the interconnections between domestic markets and international markets, the slowdown of world economic growth, rising inflation, and limited new industries and markets, could through various channels impact the development of China.

OPERATIONS AND ACHIEVEMENTS

Under the current market environment of slowing PRC life insurance premium growth, TPL continues to forge ahead, and is intensifying efforts to reform and innovate, and to strengthen the expansion of high-quality lines of business. The productivity of TPL's individual agents has yielded encouraging improvements and has overcome the negative effects from the slowdown in bancassurance sales. This accomplishment has allowed the life insurance operations to maintain its rapid growth in overall new business value.

TPI's restructuring of its sales system represents an opportunity for us, and the comprehensive reforms of the domestic general insurance industry have proceeded in a stable fashion in accordance with plan. TPI has been able to achieve its goals of underwriting profitability and overall positive net income, with a sustainable profit model now gradually taking shape.

CTPI (HK), through its effort to eliminate inefficiencies, has maintained stable premium and net income growth.

With its healthy reserves and financial strength, TPRE carried through the worst year of its operating history. During the year, facing many extraordinarily large natural disasters, such as the unprecedented earthquake and tsunami in Japan, the extraordinary flood in Thailand and the earthquake in New Zealand, together with difficulties in investment markets, TPRE experienced its first annual loss since its founding.

We are now building a uniform e-commerce platform within the entire Group. Also, Taiping Finance Tower in Shanghai has been successfully completed and will now be put into occupancy. The construction of Taiping Finance Tower in Shenzhen is also proceeding well according to schedule.

董事長報告

Lin Fan 林帆
Chairman 董事長

二零一一年業績

二零一一年，股東應佔溢利淨額為4.9530億港元，較去年下跌77.9%，若撇除去年出售民安中國的特殊收益則較去年下跌53.4%。保費收入為498.8970億港元，較二零一零年輕微增加2.7%。股東應佔資產淨值為114.3470億港元，較去年減少10.1%。各業務單位狀況及表現詳情請見管理層回顧和分析部分內容。

國內外經濟形勢

國際金融危機遠未結束，歐洲主權債務危機日趨惡化，重債國國內政治、經濟矛盾交織，債務問題有蔓延擴大之勢；主要經濟體失業率居高不下，經濟復蘇乏力，經濟低迷可能是一個長期趨勢；新興經濟體面臨經濟增速放緩和物價上漲較快的雙重壓力。國際金融危機的影響短時間內難以消除，世界經濟下行風險明顯加大，經濟復蘇的長期性、艱巨性和複雜性日趨凸顯。

國內市場與國際市場已互聯互通，世界經濟增長下滑、通脹指數抬升、新產業市場有限等態勢，都會通過多種渠道對中國發展產生影響。

工作進展及成效

在全國壽險保費增長放緩的市場環境下，太平人壽銳意進取，加大改革創新力度，強化優質業務拓展力度，個險代理人人均產能獲得可喜的提升，克服了銀行保險下滑帶來的負面影響，保持公司整體新業務價值持續較快增長。

太平財險以銷售體制改革為契機，境內財險綜合改革按既定計劃穩步推進，順利實現了承保盈利和整體盈利等階段性目標，可持續盈利模式日漸成形。

中國太平香港力爭開源節支，保持穩定保費增長和盈利貢獻。

有賴其穩健的儲備和財政實力，太平再保險安然度過了歷來經營最惡劣的一年。年內，面對前所未見的日本地震及海嘯、泰國水災和紐西蘭地震等多個特大自然災害，加上投資市場不景，出現開業以來首個虧損年度。

我們正著力打造全集團統一的電子商務平台。同時，上海太平金融大廈順利竣工，並陸續投入使用，深圳太平金融大廈建設順利。

Chairman's Statement

PRC INSURANCE INDUSTRIES WILL CONTINUE TO DEVELOP RAPIDLY

China's insurance industries have developed rapidly over many years. Now, the insurance industries appear to be slowing down, while business structures are changing. With the stable and rapid development of China's economy, the continuous growth of per capita disposable income and social wealth, the acceleration of urbanization and an aging population, along with continuous improvements in education and a heightened awareness of insurance, the demand for insurance will continue to be strong. There is still very large room for development, and China's insurance industries will be able to continue their rapid expansion into the future for quite some time.

In the days ahead, the Company will continue to follow its value creation principles, with all operations and management activities focused on creating value. All of our operations will constantly strengthen and expand in high-quality business lines and will pursue sustainable, high-value growth based on the highest standards of profitability and quality. We will promote reform and innovation with more determination and with more feasible measures, and look to break through any impasses and to advance our development. In addition, we will facilitate the dual growth objectives of business expansion and profitability, with a goal of sustaining our development for the long term without significant performance fluctuations.

ACKNOWLEDGMENTS

I hereby express my appreciation on behalf of the directors and senior management of CTIH to our shareholders and partners for their trust and support over the years. Moreover, I hereby express my sincere appreciation to the management team and staff for all of the great efforts they have made on our various strategies.

Lin Fan
Chairman

Hong Kong, 19 March 2012

董事長報告

中國保險業仍將保持較快發展速度

中國保險業經過多年快速發展，目前已呈現增速減緩，業務結構轉型。隨著中國經濟保持平穩較快發展，人均可支配收入和人均社會財富持續增長，隨著中國城鎮化和人口老齡化進程提速，以及全民受教育水平和保險意識不斷提高，保險需求依然強勁，保險市場仍有很大發展空間，中國保險業在未來的一段時間內仍將保持持續較快發展。

在未來的日子裡，本公司將堅持價值導向的方針，所有經營管理活動都必須圍繞實現價值增長來開展。各業務條線都要在堅持盈利標準和業務質量標準的基礎上，不斷增強優質業務拓展能力，追求有價值業務的持續增長。以更大的決心和更實的舉措推進改革創新，扎扎實實突破發展瓶頸，努力在發展方式上取得新進展。此外，要切實促進業務發展和盈利的雙增長，並提升可持續發展能力，防止出現大的波動起伏。

致謝

本人謹此代表中國太平控股董事及高級管理層，對多年來給予我們信任及支持的各位股東及夥伴，致以衷心的感謝。我也代表董事會衷心感謝管理團隊及上下員工竭誠盡責執行各項策略。

董事長

林帆

香港，二零一二年三月十九日