新華人壽保險股份有限公司

NEW CHINA LIFE INSURANCE COMPANY LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1336)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

MANAGEMENT DISCUSSION AND ANALYSIS

As a major life insurance company in the PRC, New China Life Insurance Company Ltd. (the "**Company**") is primarily engaged in the provision of products and services concerning life insurance to individual and institutional customers via its nationwide distribution network. Meanwhile, the Company also manages and utilizes its insurance assets through its subsidiary New China Asset Management Co., Ltd..

Unless otherwise specified, this management discussion and analysis is based on the condensed consolidated interim financial information of the Company, and all the data is denominated in Renminbi.

I. KEY OPERATIONAL INDICATORS

Unit: RMB in millions

	Jan-June 2012	Jan-June 2011
Gross written premiums and policy fees	**56,114**	50,843
Total investment income(1)	**7,302**	6,808
Net profit attributable to shareholders of the Company	**1,904**	1,775
Value of first half year's new business	**2,338**	2,372
Market share(2)	**9.8%**	9.0%
Persistency ratio		
Individual life insurance business		
13-month persistency ratio(3)	**90.6%**	92.4%
Individual life insurance business		
25-month persistency ratio(4)	**89.4%**	89.1%

	As of 30 June 2012	As of 31 December 2011
Total assets	**469,004**	386,771
Net assets	**34,942**	31,313
Investment assets(5)	**452,910**	373,958
Equity attributable to shareholders of the Company	**34,934**	31,306
Embedded Value	**56,150**	48,991
Number of customers (in thousands)	**25,716**	27,111
individual customers	**25,654**	27,052
institutional customers	**62**	59

Notes:

1. Total investment income = interest income from cash and cash equivalents, term deposits, debt securities and other financial assets + dividend income from equity securities + realized gains/(losses) on investment assets + unrealized gains/(losses) + impairment losses on financial assets.

2. Market share: represent the data published by the China Insurance Regulatory Commission ("CIRC").

3. 13-month persistency ratio: premiums under in-force regular premium life insurance policies 13 months after their issuance as a percentage of premiums under life insurance policies becoming in-force during the issuance.

4. 25-month persistency ratio: premiums under in-force regular premium life insurance policies 25 months after their issuance as a percentage of premiums under life insurance policies becoming in-force during the issuance.

5. The comparative figures have been reclassified in the same way as the disclosures made in the condensed consolidated interim financial information of the reporting period.

II. BUSINESS ANALYSIS

(I) Life insurance business

Since 2012, the Company continued to implement its customer-oriented strategy, enhanced its value-driven concept, proactively innovated its business model, pushed forward the balanced development of value and scale and steadily improved its operation and management efficiency, thus making remarkable achievements. In the first half of the year, the Company's operating revenues grow further, with an improved business structure and stable quality.

In the first half of the year, the Company's gross written premiums amounted to RMB55,950 million with a market share of 9.8%, representing an increase of 0.8 percentage points as compared to the same period of 2011, and ranked the third in the PRC life insurance market.

1. Analysis by distribution channels

Unit: RMB in millions

	Jan-June 2012	Jan-June 2011
Individual life insurance	**55,045**	49,890
Of which:		
Individual insurance agent channel	**23,030**	18,791
First year premiums	**5,851**	5,374
Regular premiums	**5,198**	4,907
Single premiums	**653**	467
Renewal premiums	**17,179**	13,417
Bancassurance channel	**31,393**	30,731
First year premiums	**15,355**	17,624
Regular premiums	**3,236**	4,705
Single premiums	**12,119**	12,920
Renewal premiums	**16,038**	13,107
Wealth management channel	**622**	368
First year premiums	**412**	368
Regular premiums	**219**	267
Single premiums	**193**	100
Renewal premiums	**210**	–
Group insurance	**905**	772
Total	**55,950**	50,662

(1) Individual life insurance business

①Individual insurance agent channel

In the first half of 2012, gross written premiums generated from our Company's individual insurance agent channel were RMB23,030 million, representing an increase of 22.6% as compared to the same period of last year. Among these gross written premiums, the first year premiums amounted to RMB5,851 million, representing an increase of 8.9% as compared to the same period of last year, while the renewal premiums amounted to RMB17,179 million, representing an increase of 28.0% as compared to the same period of last year. Both increases were mainly attributable to the Company's adoption of a balanced "value-oriented" development path, its persistent optimization of business structure and its emphasis on developing long-term regular products with higher value. Meanwhile, the Company continued to strengthen the renewal team's capacity to acquire new policies. The first year premiums generated from our renewal team amounted to RMB1,080 million, representing an increase of 46.2% as compared to the same period of last year.

In the first half of 2012, the Company continued to implement its "catering for customers' insurance needs" sales strategy through its individual insurance agent channel. While maintaining a stable workforce of individual insurance agents, the Company attached great importance to build a high-performing agent team, thus optimizing manpower structure. As at the end of the reporting period, our individual insurance agents amounted to 207,000, representing an increase of 2.5% as compared to the end of 2011. Among them, there were approximately 30,000 high-performing agents, representing an increase of 20.0% as compared to the end of 2011.

②Bancassurance channel

Affected by market conditions and competition from wealth management products provided by commercial banks in the first half of the year, our bancassurance channel continued to experience an industry-wide slowdown during the period. Confronting challenges from the changes in the industry environment, the Company reacted accordingly to implement structural adjustment strategy in our bancassurance channel and push forward strategic transformation of its business model, thereby further strengthening its market position.

In the first half of 2012, gross written premiums generated from our bancassurance channel amounted to RMB31,393 million, representing an increase of 2.2% as compared to the same period of last year. Among these gross written premiums, the first year premiums amounted to RMB15,355 million, representing a decrease of 12.9% as compared to the same period of last year. Driven by the strategy of shifting from short-term regular premium products to long-term regular premium products, during the reporting period, the first year premiums generated from products with a payment period of five years or above accounted for 88.7% of the total first year premiums generated from the bancassurance channel, representing an increase of 9.0 percentage points as compared to the same period of last year. Renewal premiums amounted to RMB16,038 million, representing an increase of 22.4% as compared to the same period of last year, which was attributable to the Company's greater efforts to boost the sales of regular products in recent years.

③ Wealth management channel

The Company established a wealth management department in April 2010, providing insurance products and wealth management services for mid- to high-end customers. The Company continued to explore new operation model for the wealth management channel and laid a solid foundation for acquiring quality customers and building a high-performing insurance agent team.

In the first half of 2012, gross written premiums generated from the Company's wealth management channel amounted to RMB622 million, representing an increase of 69.0% as compared to the same period of last year, among which the first year premiums amounted to RMB412 million, representing an increase of 12.0% as compared to the same period of last year.

(2) Group insurance business

In the first half of 2012, gross written premiums generated from the group insurance business amounted to RMB905 million, representing an increase of 17.2% as compared to the same period of last year.

2. Analysis by types of insurance products

Unit: RMB in millions

	Jan-June 2012	Jan-June 2011
Gross written premiums	**55,950**	50,662
Traditional life insurance	**379**	328
Participating life insurance	**51,883**	47,316
Universal life insurance	**18**	16
Unit-linked insurance	**0**[(1)]	0[(1)]
Health insurance	**3,115**	2,530
Accident insurance	**555**	473

Note:

1. The amount for each period indicated was less than RMB500,000.

In the first half of 2012, the Company realized gross written premiums of RMB55,950 million, representing an increase of 10.4% as compared to the same period of last year. Among these gross written premiums, premiums generated from the participating insurance business amounted to RMB51,883 million, representing an increase of 9.7% as compared to the same period of last year and accounting for 92.7% of the gross written premiums, which indicated that the participating insurance was still the primary source of our revenue. Premiums generated from the health insurance business were RMB3,115 million, representing an increase of 23.1% as compared to the same period of last year and accounting for 5.6% of the gross written premiums. Premiums generated from other types of life insurance amounted to RMB952 million, representing an increase of 16.7% as compared to the same period of last year and accounting for 1.7% of the gross written premiums.

3. Analysis by geographic regions

Unit: RMB in millions

	Jan-June 2012	Jan-June 2011
Gross written premiums	**55,950**	50,662
Beijing	**5,425**	4,941
Guangdong	**5,054**	4,607
Henan	**4,245**	3,711
Shandong	**3,761**	3,225
Shanghai	**3,638**	3,582
Hubei	**3,090**	3,082
Sichuan	**3,082**	2,961
Jiangsu	**2,653**	2,598
Hunan	**2,286**	2,173
Hebei	**1,953**	1,868
Sub-total	**35,187**	32,748
Other regions	**20,763**	17,914
Total	**55,950**	50,662

In the first half of 2012, approximately 62.9% of our Company's premiums were contributed by the regions with relatively developed economy or dense population in the PRC, such as Beijing, Guangdong, Henan, Shandong, Shanghai, Hubei, Sichuan, Jiangsu, Hunan and Hebei, etc.

(II) Asset management business

Insisting on balanced asset-liability management, while taking into account of the security, liquidity and profitability of its managed funds, the Company seeks to maximize the investment returns of its investment portfolio on the basis of sound asset allocation and effective risk control.

In 2012, based on the characteristics of liabilities of insurance business and fluctuation cycles of capital markets, the Company proactively improved its allocation for investment portfolio, properly increased the proportion of fixed-income assets, in order to enhance net investment yield and maintain stable and sustainable investment income. As to the equity investment, the overall income from equity investments in the income statement declined dramatically due to the continued downturn of the domestic capital market in 2012. The Company realised disposal losses during the reporting period and a provision of RMB2,016 million was made for the impairment loss on such financial assets accordingly.

1. *Investment portfolio*

Unit: RMB in millions

	As of 30 June 2012	As of 31 December 2011
Investment assets[1]	**452,910**	373,958
Classified by investment type		
Term deposits[2]	**162,927**	122,949
Debt securities	**212,152**	190,464
Equity securities[3]	**33,396**	29,051
– Funds	**15,735**	12,077
– Stocks	**17,661**	16,974
Cash and cash equivalents[2]	**30,875**	21,095
Other investment assets[4]	**13,560**	10,399
Classified by investment purpose		
Financial assets at fair value through income	**5,911**	5,529
Available-for-sale financial assets	**82,826**	72,876
Held-to-maturity securities	**156,800**	141,090
Loans and other receivables[5]	**207,373**	154,463

Notes:

1. The comparative figures have been reclassified in the same way as the disclosures made in the condensed consolidated interim financial information of the reporting period..

2. Cash and cash equivalents include term deposits with maturity within 3 months, while term deposits exclude those with maturity within 3 months.

3. Equity securities exclude investments in associates.

4. Other investment assets include statutory deposits, policy loans, financial assets purchased under agreements to resell and accrued investment income, etc. The comparative figures have been reclassified in the same way as the disclosures made in the condensed consolidated interim financial information of the reporting period..

5. Loans and other receivables mainly include term deposits, cash and cash equivalents, statutory deposits, policy loans, financial assets purchased under agreements to resell, accrued investment income and investments classified as loans and receivables. The comparative figures have been reclassified in the same way as the disclosures made in the condensed consolidated interim financial information of the reporting period..

As of the end of the reporting period, the Company had investment assets of RMB452,910 million, increased by 21.1% as compared to the end of last year. Such increase was mainly attributable to the cash inflows from the Company's insurance business.

As of the end of the reporting period, term deposits accounted for 36.0% of the total investment assets, representing an increase of 3.1 percentage points as compared to the end of last year, which was mainly due to the Company's increase of the proportion of agreement term deposits, especially those with maturity of 5 years or above.

As of the end of the reporting period, debt securities accounted for 46.8% of the total investment assets, representing a decrease of 4.1 percentage points as compared to the end of last year. Such decrease was mainly due to the Company's decrease of the proportion of financial bonds and corporate bonds.

As of the end of the reporting period, equity securities accounted for 7.4% of the total investment assets, representing a decrease of 0.4 percentage points as compared to the end of last year. Such decrease was mainly due to the control of equity assets positions as the Company promptly adjusted assets allocation strategies based on the prevailing market conditions.

As of the end of the reporting period, cash and cash equivalents accounted for 6.8% of total investment assets, representing an increase of 1.2 percentage points as compared to the end of last year. Such increase was mainly attributable to the requirements for investment assets allocation and liquidity management.

As of the end of the reporting period, other investment assets accounted for 3.0% of total investment assets, representing an increase of 0.2 percentage points as compared to the end of last year, mainly attributable to the increase in accrued investment income and financial assets purchased under agreements to resell.

In terms of investment purposes, as of the end of the reporting period, investment assets of the Company mainly comprised of loans and other receivables and held-to-maturity securities. Investments in loans and other receivables increased by 34.3% as compared to the end of last year, mainly due to the increase in term deposits and cash and cash equivalents.

2. *Investment income*

Unit: RMB in millions

	Jan-June 2012	Jan-June 2011
Interest income from cash and cash equivalents	**55**	73
Interest income from term deposits	**3,882**	2,003
Interest income from debt securities	**4,704**	3,533
Dividend income from equity securities	**386**	751
Interest income from other investment assets[1]	**145**	63
Net investment income[2]	**9,172**	6,423
Realized gains	**(126)**	962
Unrealized gains/(losses)	**272**	(464)
Impairment losses on financial assets	**(2,016)**	(113)
Total investment income[3]	**7,302**	6,808
Net investment yield (%)[4]	**2.2%**	2.0%
Total investment yield (%)[4]	**1.8%**	2.2%

Notes: Investment yield = investment income/(investment assets at the beginning of the period + investment assets at the end of the period)/2.

1. Interest income from other investment assets includes interest income from statutory deposits, policy loans and financial assets purchased under agreements to resell.

2. Net investment income includes interest income from cash and cash equivalents, term deposits, debt securities and other investment assets, and dividend income from equity securities.

3. Total investment income = net investment income + realized gains on investment assets + unrealized gains/(losses) on fair value + impairment losses on financial assets.

4. The investment yield is only for the first half year without annualized.

The Company achieved total investment income of RMB7,302 million for the reporting period, representing an increase of 7.3% as compared to the same period of last year; the total investment yield was 1.8%, representing a decrease of 0.4 percentage points as compared to the same period of last year.

The Company achieved net investment income of RMB9,172 million, representing an increase of 42.8% as compared to the same period of last year; net investment yield was 2.2%, representing an increase of 0.2 percentage points as compared to the same period of last year. Such increase was mainly attributable to the significant increase in interest income from term deposits and debt securities.

The realized gains, unrealized gains and losses on investment assets and impairment losses on financial assets amounted to a loss of RMB1,870 million in aggregate, mainly because the fair value of equity securities held by the Company experienced a continuous decline due to the continued downturn of the domestic capital market in 2012, for which the Company made a provision for impairment loss of financial assets of RMB2,016 million in accordance with its accounting policies.

III. PRINCIPAL CONTENTS AND ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(I) Analysis of principal components of the balance sheet

1. Principal assets

Unit: RMB in millions

Component	**As of 30 June 2012**	As of 31 December 2011
Debt securities	**212,152**	190,464
– Held-to-maturity	**156,800**	141,090
– Available-for-sale	**53,370**	46,866
– At fair value through income	**1,971**	2,488
– Loans and receivables	**11**	20
Equity securities	**33,396**	29,051
– Available-for-sale	**29,456**	26,010
– At fair value through income	**3,940**	3,041
Term deposits	**162,927**	122,949
Statutory deposits	**717**	522
Policy loans	**2,761**	2,055
Financial assets purchased under agreements to resell	**1,000**	79
Accrued investment income(1)	**9,082**	7,743
Premiums receivable	**2,304**	1,395
Deferred tax assets	**962**	14
Cash and cash equivalents	**30,875**	21,095
Other assets not included in the above assets(1)	**12,828**	11,404
Total	**469,004**	386,771

Note:

1. The comparative figures have been reclassified in the same way as the disclosures made in the condensed consolidated interim financial information of the reporting period..

Debt securities

As of the end of the reporting period, debt securities increased by 11.4% as compared to the end of 2011, primarily due to the expanding scale of held-to-maturity securities.

Equity securities

As of the end of the reporting period, equity securities increased by 15.0% as compared to the end of 2011, primarily due to the growth of total investment assets, of which the proportion of equity securities remained relatively stable.

Term deposits

As of the end of the reporting period, term deposits increased by 32.5% as compared to the end of 2011, primarily because the Company increased the proportion of agreement term deposits, especially those with maturity of 5 years or above.

Statutory deposits

As of the end of the reporting period, statutory deposits increased by RMB195 million as compared to the end of 2011, primarily because the share capital of the Company increased to RMB3,120 million after the initial public offering, and according to related regulatory requirements, the Company increased statutory deposits by RMB195 million during the reporting period.

Policy loans

As of the end of the reporting period, policy loans increased by 34.4% as compared to the end of 2011, primarily due to an increase in demand for policy loans.

Financial assets purchased under agreements to resell

As of the end of the reporting period, financial assets purchased under agreements to resell increased by 1165.8% or RMB921 million as compared to the end of 2011, which was primarily due to the requirements for liquidity management.

Accrued investment income

As of the end of the reporting period, accrued investment income increased by 17.3% as compared to the end of 2011, which was mainly due to the growth of total interest-earning investment assets.

Premiums receivable

As of the end of the reporting period, premiums receivable increased by 65.2% as compared to the end of 2011, which was primarily due to the cumulative growth of our insurance business.

Deferred tax assets

As of the end of the reporting period, deferred tax assets increased by 6771.4% or RMB948 million as compared to the end of 2011, which was mainly because, during the reporting period, the Company determined that there would be sufficient taxable profits in the future to utilize deductible temporary differences, unused losses and unused tax credits, and therefore recognized the resultant deferred tax assets of RMB950 million during the reporting period.

Cash and cash equivalents

As of the end of the reporting period, cash and cash equivalents increased by 46.4% as compared to the end of 2011, mainly attributable to the requirements for investment assets allocation and liquidity management.

2. *Principal liabilities*

Unit: RMB in millions

Component	As of 30 June 2012	As of 31 December 2011
Insurance contracts	**336,057**	293,814
Long-term insurance contracts liabilities	**334,817**	292,818
Short-term insurance contracts liabilities		
– Outstanding claims liabilities	**385**	392
– Unearned premiums liabilities	**855**	604
Investment contracts	**19,575**	19,001
Financial assets sold under agreements to repurchase	**68,536**	32,481
Premiums received in advance	**127**	504
Reinsurance liabilities	**98**	31
Current income tax liabilities	**120**	192
Other liabilities not included in the above liabilities	**9,549**	9,435
Total	**434,062**	355,458

Insurance contracts liabilities

As of the end of the reporting period, insurance contracts liabilities increased by 14.4% as compared to the end of 2011, primarily due to the growth of insurance business and the accumulation of insurance obligations. As of the balance sheet date, all types of reserves for insurance contract liabilities of the Company had passed the adequacy tests.

Investment contracts liabilities

As of the end of the reporting period, investment contracts liabilities increased by 3.0% as compared to the end of 2011, mainly as a result of the cumulative growth of the in-force investment contracts business.

Financial assets sold under agreements to repurchase

As of the end of the reporting period, financial assets sold under agreements to repurchase increased by 111% as compared to the end of 2011, primarily due to the requirements for investment assets allocation and liquidity management.

Premiums received in advance

As of the end of the reporting period, premiums received in advance decreased by 74.8% as compared to the end of 2011, primarily due to the fact that such premiums received in advance as of the end of 2011 were transferred to received premiums.

Reinsurance liabilities

As of the end of the reporting period, reinsurance liabilities increased by 216.1% or RMB67 million as compared to the end of 2011, primarily due to an increase in the reinsurance liabilities payable to Swiss Reinsurance Company Ltd., Beijing Branch and China Life Reinsurance Company Ltd..

Current income tax liabilities

As of the end of the reporting period, current income tax liabilities decreased by 37.5% as compared to the end of 2011, primarily due to a decrease in current income tax for the first half of 2012 as compared to the whole year of 2011.

3. Shareholders' equity

As of the end of the reporting period, shareholders' equity attributable to the Company amounted to RMB34,934 million, representing an increase of 11.6% as compared to the end of 2011, primarily due to the business growth of the Company.

(II) Analysis of principal components of the income statement

1. Revenues

Unit: RMB in millions

Component	**Jan – June 2012**	Jan – June 2011
Gross written premiums and policy fees	**56,114**	50,843
Less: premiums ceded out	**40**	238
Net written premiums and policy fees	**56,154**	51,081
Net change in unearned premiums liabilities	**(227)**	(193)
Net premiums earned and policy fees	**55,927**	50,888
Investment income	**7,303**	6,813
Other income	**83**	101
Total	**63,313**	57,802

Gross written premiums and policy fees

During the reporting period, gross written premiums and policy fees grew by 10.4% as compared to the same period of last year, representing a more rapid growth, primarily because the downward trend of first-year premiums generated from the bancassurance channel has gradually slowed down and the renewal premiums generated from the optimization of the business structure of the Company has increased.

Premiums ceded out

During the reporting period, premiums ceded out decreased by 83.2% as compared to the same period of last year and remained negative, primarily due to a decrease in surrenders from certain reinsurance business which resulted in a corresponding decrease in policy surrenders recovered from reinsurers.

Net change in unearned premiums liabilities

During the reporting period, net change in unearned premiums liabilities increased by 17.6% as compared to the same period of last year, primarily due to an increase in net change in unearned premiums liabilities for health insurance during the reporting period.

Investment income

During the reporting period, investment income increased by 7.2% as compared to the same period of last year. On one hand, such increase was due to the fact that interest income from term deposits and debt securities increased, with the increasing proportion of fixed-income products in our investment portfolio. On the other hand, with the continuous decrease in fair value of the equity securities held by the Company as a result of the continued downturn of the domestic capital market in 2012, the Company recorded certain impairment loss on financial assets.

2. *Benefits, claims and other expenses*

Unit: RMB in millions

Component	**Jan – June 2012**	Jan – June 2011
Insurance benefits and claims	**(52,176)**	(47,516)
Claims and net change in outstanding claims liabilities	**(462)**	(368)
Life insurance death and other benefits	**(11,584)**	(9,528)
Increase in long-term insurance contracts liabilities	**(40,130)**	(37,620)
Investment contracts benefits	**(364)**	(346)
Commission and brokerage expenses	**(3,825)**	(3,689)
Administrative expenses	**(4,517)**	(3,998)
Other (expenses)/income	**(135)**	108
Total	**(61,017)**	(55,441)

Claims and net change in outstanding claims liabilities

During the reporting period, claims and net change in outstanding claims liabilities increased by 25.5% as compared to the same period of last year, primarily due to business growth and the increase in accumulated volume of policies of the Company.

Life insurance death and other benefits

During the reporting period, life insurance death and other benefits increased by 21.6% as compared to the same period of last year, primarily due to business growth and the increase in accumulated volume of policies of the Company.

Increase in long-term insurance contracts liabilities

During the reporting period, increase in long-term insurance contracts liabilities increased by 6.7% as compared to the same period of last year, primarily due to the growth of insurance business and the accumulation of insurance obligations.

Commission and brokerage expenses

During the reporting period, commission and brokerage expenses increased by 3.7% as compared to the same period of last year, primarily due to business growth and business structure adjustment.

Administrative expenses

During the reporting period, administrative expenses increased by 13.0% as compared to the same period of last year, primarily due to business growth and the increase in salary and welfare expenses.

Other expenses/income

During the reporting period, other expenses amounted to RMB135 million as compared to other income of RMB108 million for the same period of last year, primarily due to the increase in interest expenses for securities sold under agreements to repurchase and interest expenses for subordinated debts.

3. Income Tax

During the reporting period, income tax credit amounted to RMB397 million as compared to income tax expenses of RMB275 million for the same period of last year, mainly because the Company determined that, in the reporting period, there would be sufficient taxable profits in the future to utilize deductible temporary differences, unused losses and unused tax credits, therefore, the Company recognized deferred income tax credit of RMB631 million during the reporting period.

4. Net profit

During the reporting period, the Company achieved net profit attributable to the Company amounting to RMB1,904 million, representing an increase of 7.3% as compared to the same period of last year. The net profit growth slowed down primarily due to the continued decline in fair value of the equity securities held by the Company caused by the continued downturn of the domestic capital market in 2012.

5. *Other comprehensive income*

During the reporting period, other comprehensive income was RMB1,946 million, changed from a loss for the same period of last year, primarily because the loss on investment assets (shown as other comprehensive income in the previous period) was partly transferred to impairment loss on assets in the current period.

(III) Analysis of cash flows

Unit: RMB in millions

Items	**Jan-June 2012**	Jan-June 2011
Net cash flows from operating activities	**33,046**	30,837
Net cash flows from investing activities	**(59,115)**	(48,042)
Net cash flows from financing activities	**35,843**	9,412

1. *Net Cash flows from operating activities*

Net cash flows from operating activities of the Company for the first half of 2012 and 2011 amounted to RMB33,046 million and RMB30,837 million respectively. Cash inflows from operating activities of the Company were primarily comprised of cash premiums received. Cash premiums received from our existing insurance contracts for the first half of 2012 and 2011 amounted to RMB54,566 million and RMB49,304 million respectively. Increase in cash premiums was primarily due to continuous growth in premiums income as a result of the continuing expansion of the scale of the Company's insurance business.

Net cash outflows from operating activities of the Company for the first half of 2012 and 2011 amounted to RMB22,179 million and RMB18,896 million respectively. Cash outflows from operating activities of the Company were primarily comprised of claims and benefits expenses, commission and brokerage expenses paid in cash, cash paid to or for employees, and other cash payments related to operating activities. Claims expenses from existing insurance contracts for the first half of 2012 and 2011 amounted to RMB12,348 million and RMB9,880 million respectively. The above changes were primarily due to the Company's business growth and payment of insurance.

2. *Net Cash flows from investing activities*

Net cash flows from investing activities of the Company for the first half of 2012 and 2011 amounted to minus RMB59,115 million and minus RMB48,042 million respectively. Net cash inflows from investing activities of the Company for the first half of 2012 and 2011 amounted to RMB45,128 million and RMB78,470 million respectively. Cash inflows from investing activities of the Company were primarily comprised of cash received from recovery of investments, cash received from investment returns and cash received from financial assets purchased under agreement to resell, etc.

Net cash outflows from investing activities of the Company for the first half of 2012 and 2011 amounted to RMB104,243 million and RMB126,512 million respectively. Cash outflows from investing activities of the Company were primarily comprised of cash paid for investments, net increase in policy loans, cash paid for purchase of properties, plants and equipments, intangible assets and other assets, and cash paid for financial assets purchased under agreements to resell, etc.

3. Net cash flows from financing activities

Net cash flows from financing activities of the Company for the first half of 2012 and 2011 amounted to RMB35,843 million and RMB9,412 million respectively. Net cash inflows from financing activities of the Company for the first half of 2012 and 2011 amounted to RMB2,241,340 million and RMB330,385 million respectively. Cash inflows from financing activities of the Company were primarily comprised of cash proceeds from share issuance and cash received from sale of financial assets under agreements to repurchase, etc.

Net cash outflows from financing activities of the Company for the first half of 2012 and 2011 amounted to RMB2,205,497 million and RMB320,973 million respectively. Cash outflows from financing activities of the Company were primarily comprised of cash paid for financial assets sold under agreements to repurchase.

IV. ANALYSIS BY COMPONENT

(I) Solvency

The Company calculated and disclosed actual capital, minimum capital and solvency margin ratio according to relevant requirements of the CIRC. As required by the CIRC, solvency margin ratio of a domestic insurance company in the PRC must reach a required level.

Unit: RMB in millions

	As of 30 June 2012	As of 31 December 2011	**Reason of change**
Actual capital	**27,304**	23,866	Earnings for the current period and changes in fair value of financial assets
Minimum capital	**17,199**	15,304	Growth in insurance business
Surplus	**10,105**	8,562	
Solvency margin ratio (%)	**158.76%**	155.95%	

(II) Gearing ratio

	As of 30 June 2012	As of 31 December 2011
Gearing ratio (%)	**92.5%**	91.9%

Note: Gearing ratio = Total liabilities/Total assets.

(III) Reinsurance business

The Company's reinsurance business currently includes business ceded through quota share, surplus and catastrophe reinsurance contracts. The reinsurance contracts cover almost all products. Reinsurers of the Company are mainly China Life Reinsurance Company Ltd. and Swiss Reinsurance Company Ltd., Beijing Branch, etc.

During the reporting period, premiums ceded out of the Company were set out as follows:

Unit: RMB in millions

	Jan-June 2012	Jan-June 2011
China Life Reinsurance Company Ltd.[1]	**(105)**	(289)
Swiss Reinsurance Company Ltd., Beijing Branch	**62**	48
Others[2]	**3**	3
Total	**(40)**	(238)

Notes:

1. Premiums ceded out were negative primarily because policy surrenders recovered from the reinsurer exceeded the premiums ceded out during the year.

2. Others primarily included Hannover Ruckversicherung AG, Shanghai Branch, SCOR Global Life SE, Singapore Branch, Munich Reinsurance Company, Beijing Branch, and General Reinsurance Corporation, Shanghai Branch, etc.

V. Future prospects

In 2012, the life insurance industry in the PRC faced many complicated changes and tremendous challenges in various fields, e.g. the macroeconomic environment, the regulatory policies and the development cycle of the life insurance industry. At the same time, the nation's rapidly aging population, accelerated urbanization process and other factors also render ample room for the booming life insurance industry. In such a complicated situation full of uncertainties, China's life insurance industry is now exploring new approaches of development and new profit-generating modes, which ushers in a comprehensive transformation of development across the industry.

In 2012, the Company continued to refine and promote its "customer-oriented" initiatives, disseminated the concept of "growth in value" and raised awareness of operation in compliance, thereby preliminarily paving a balanced development path for the Company. Meanwhile, the Company is proactively exploring new business modes and has made substantial progress in developing senior care business and health care business. In the second half of the year, the Company will further optimize the approach to value growth and improve the value-oriented budget system and evaluation system, thus to enhance business performance and push forward to achieve annual targets. Furthermore, the Company will proceed with the development of its innovative businesses, i.e. the senior care business and health care business, so as to establish a leading edge in the market.

INTERIM RESULTS[1]

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

Unit: RMB million

	Notes	**For the six months ended 30 June 2012 (Unaudited)**	2011
REVENUES			
Gross written premiums and policy fees	*1*	**56,114**	50,843
Less: premiums ceded out		**40**	238
Net written premiums and policy fees		**56,154**	51,081
Net change in unearned premiums liabilities		**(227)**	(193)
Net premiums earned and policy fees		**55,927**	50,888
Investment income	*2*	**7,303**	6,813
Other income		**83**	101
Total revenues		**63,313**	57,802
BENEFITS, CLAIMS AND EXPENSES			
Insurance benefits and claims			
Claims and net change in outstanding claims liabilities		**(462)**	(368)
Life insurance death and other benefits		**(11,584)**	(9,528)
Increase in long-term insurance contracts liabilities		**(40,130)**	(37,620)
Investment contracts benefits		**(364)**	(346)
Commission and brokerage expenses		**(3,825)**	(3,689)
Administrative expenses	*3*	**(4,517)**	(3,998)
Other (expenses)/income		**(135)**	108
Total benefits, claims and expenses		**(61,017)**	(55,441)
Share of results of associates		**(1)**	–
Finance cost		**(787)**	(311)

Note:

1. The Group in the section refers to New China Life Insurance Company Ltd. and its subsidiaries.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2012

Unit: RMB million

	Notes	**For the six months ended 30 June 2012 (Unaudited)**	2011
Net profit before income tax		**1,508**	2,050
Income tax	*4*	**397**	(275)
Net profit for the period		**1,905**	1,775
Net profit for the period attributable to:			
– Shareholders of the Company		**1,904**	1,775
– Non-controlling interests		**1**	–
Earnings per share *(RMB)*			
Basic and diluted	*5*	**0.61**	0.93
Other comprehensive income/(losses)			
Available-for-sale financial assets			
Gains/(losses) arising from fair value changes		**1,618**	(4,705)
Reclassification adjustments for losses/(gains) included in profit or loss		**372**	(946)
Impairment charges reclassified to the statement of comprehensive income		**2,016**	113
Changes in liabilities for insurance and investment contracts arising from net unrealised gains/(losses)		**(2,377)**	3,420
Income tax relating to components of other comprehensive income		**317**	265
Total other comprehensive income/(losses)		**1,946**	(1,871)
Total comprehensive income/(losses)		**3,851**	(96)
Total comprehensive income/(losses) for the period attributable to:			
– Shareholders of the Company		**3,850**	(96)
– Non-controlling interests		**1**	–

NOTES:

1 GROSS WRITTEN PREMIUMS AND POLICY FEES

	For the six months ended 30 June 2012 (Unaudited)	2011
Gross written premiums		
Long-term insurance contracts	**54,715**	49,624
Short-term insurance contracts	**1,235**	1,038
Subtotal	**55,950**	50,662
Policy fees		
Investment contracts	**164**	181
Gross written premiums and policy fees	**56,114**	50,843

2 INVESTMENT INCOME

	For the six months ended 30 June 2012 (Unaudited)	2011
Held-to-maturity financial assets		
– Interest income	**3,356**	2,685
Available-for-sale financial assets		
– Interest income	**1,320**	823
– Dividend income	**330**	714
– Net realised gains	**21**	807
– Impairment losses on equity securities	**(2,016)**	(113)
Financial assets at fair value through income		
– Interest income	**28**	25
– Dividend income	**56**	37
– Net fair value gains/(losses)	**125**	(309)
Interest income from bank deposits	**3,951**	2,083
Interest income from policy loans	**125**	22
Interest income from financial assets purchased under agreements to resell	**6**	34
Others	**1**	5
Total	**7,303**	6,813

3 ADMINISTRATIVE EXPENSES

	For the six months ended 30 June 2012 (Unaudited)	2011
Employee benefit expenses (including directors' emoluments)	**3,062**	2,594
Operating lease expense	**279**	238
Travel and conference fees	**241**	262
Entertainment fees	**159**	105
Depreciation and amortization	**139**	125
Official fees	**131**	152
Insurance guarantee fund	**94**	89
Promotional printing cost	**79**	100
Advertising fees	**65**	96
Postal fees	**54**	44
Vehicle use fees	**32**	36
Electronic equipment operating costs	**17**	24
Auditors' remuneration	**9**	6
Others	**156**	127
Total	**4,517**	3,998

4 TAXATION

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relate to the same fiscal authority. All of income taxes shown below are taxes in the PRC and no provision for Hong Kong profits tax has been made for the period:

(1) The amount of income tax charged to the net profit represents:

	For the six months ended 30 June 2012 (Unaudited)	2011
Current tax	**234**	7
Deferred tax	**(631)**	268
Total income tax	**(397)**	275

(2) The reconciliation between the Group's effective tax rate and the statutory tax rate of 25% in the PRC is as follows:

	For the six months ended 30 June 2012 (Unaudited)	2011
Profit before income tax	**1,508**	2,050
Tax computed at the statutory tax rate	**377**	513
Non-taxable income *(i)*	**(255)**	(406)
Expenses not deductible for tax purpose *(i)*	**48**	21
Cumulative tax losses utilized	**–**	(130)
Effect on unrealized deferred tax assets arising from deductible temporary differences	**(575)**	275
Past due income tax paid	**8**	2
Income taxes at effective tax rate	**(397)**	275

(i) Non-taxable income mainly includes government bond interest income and dividend income. Expenses not deductible for tax purposes mainly include those expenses such as penalty, donation and hospitality expenses that do not meet the criteria for deduction set by relevant tax regulations.

(3) The movements in deferred tax assets and deferred tax liabilities during the period are as follows:

	Financial assets	**Insurance and others**	**Total**
As of 1 January 2011	(1,142)	1,156	14
Charged to net profit	112	(380)	(268)
Charged to other comprehensive income	1,196	(931)	265
As of 30 June 2011	166	(155)	11
As of 1 January 2012	**1,019**	**(1,005)**	**14**
Charged to net profit	**443**	**188**	**631**
Charged to other comprehensive income	**(275)**	**592**	**317**
As of 30 June 2012 (Unaudited)	**1,187**	**(225)**	**962**

As of 30 June 2012, the Company's management anticipates that the Group will have sufficient taxable profits to utilize deductible temporary differences, unused losses and unused tax credits in the future, therefore, the Group recognized deferred income tax assets to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

5 EARNINGS PER SHARE

(1) Basic

Basic earnings per share are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares issued during the period.

	For the six months ended 30 June	
	2012 (Unaudited)	2011
Net profit attributable to shareholders of the Company *(RMB in millions)*	**1,904**	1,775
Weighted average number of ordinary shares issued *(in millions)*	**3,119**	1,900
Basic earnings per share *(RMB)*	**0.61**	0.93

(2) Diluted

The Company has no diluted potential ordinary shares. Diluted earnings per share is the same as basic earnings per share for the six months ended 30 June 2012 (2011: same).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2012

Unit: RMB million

	As of 30 June 2012 (Unaudited)	As of 31 December 2011
ASSETS		
Property, plant and equipment	**5,089**	4,284
Investment properties	**504**	451
Intangible assets	**67**	65
Investments in associates	**708**	709
Financial assets		
Debt securities	**212,152**	190,464
– Held-to-maturity	**156,800**	141,090
– Available-for-sale	**53,370**	46,866
– At fair value through income	**1,971**	2,488
– Loans and receivables	**11**	20
Equity securities	**33,396**	29,051
– Available-for-sale	**29,456**	26,010
– At fair value through income	**3,940**	3,041
Term deposits	**162,927**	122,949
Statutory deposits	**717**	522
Policy loans	**2,761**	2,055
Financial assets purchased under agreements to resell	**1,000**	79
Accrued investment income	**9,082**	7,743
Premiums receivable	**2,304**	1,395
Deferred tax assets	**962**	14
Reinsurance assets	**4,075**	4,202
Other assets	**2,385**	1,693
Cash and cash equivalents	**30,875**	21,095
Total assets	**469,004**	386,771

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As of 30 June 2012

Unit: RMB million

	As of 30 June 2012 (Unaudited)	As of 31 December 2011
LIABILITIES AND EQUITY		
Liabilities		
Insurance contracts		
Long-term insurance contracts liabilities	**334,817**	292,818
Short-term insurance contracts liabilities		
– Outstanding claims liabilities	**385**	392
– Unearned premiums liabilities	**855**	604
Financial liabilities		
Investment contracts	**19,575**	19,001
Borrowings	**5,214**	5,073
Financial assets sold under agreements to repurchase	**68,536**	32,481
Benefits, claims and surrenders payable	**645**	499
Premiums received in advance	**127**	504
Reinsurance liabilities	**98**	31
Provisions	**458**	458
Other liabilities	**3,232**	3,405
Current income tax liabilities	**120**	192
Total liabilities	**434,062**	355,458
Shareholders' equity		
Share capital	**3,120**	3,117
Reserves	**24,470**	22,468
Retained earnings	**7,344**	5,721
Total shareholders' equity	**34,934**	31,306
Non-controlling interests	**8**	7
Total equity	**34,942**	31,313
Total liabilities and equity	**469,004**	386,771

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

Unit: RMB million

	Attributable to shareholders of the Company					
	Share capital	Reserves	Retained earnings	Total	Non-controlling Interests	Total Equity
For the six months ended 30 June 2011						
As of 1 January 2011	1,200	1,889	3,478	6,567	6	6,573
Net profit for the period	–	–	1,775	1,775	–	1,775
Other comprehensive income	–	(1,871)	–	(1,871)	–	(1,871)
Total comprehensive income	–	(1,871)	1,775	(96)	–	(96)
Capital injection	1,400	12,600	–	14,000	–	14,000
Total transactions with owners	1,400	12,600	–	14,000	–	14,000
As of 30 June 2011	2,600	12,618	5,253	20,471	6	20,477
For the six months ended 30 June 2012 (Unaudited)						
As of 1 January 2012	**3,117**	**22,468**	**5,721**	**31,306**	**7**	**31,313**
Net profit for the period	**–**	**–**	**1,904**	**1,904**	**1**	**1,905**
Other comprehensive income	**–**	**1,946**	**–**	**1,946**	**–**	**1,946**
Total comprehensive income	**–**	**1,946**	**1,904**	**3,850**	**1**	**3,851**
New shares issued	**3**	**56**	**–**	**59**	**–**	**59**
Dividends paid	**–**	**–**	**(281)**	**(281)**	**–**	**(281)**
Total transactions with owners	**3**	**56**	**(281)**	**(222)**	**–**	**(222)**
As of 30 June 2012	**3,120**	**24,470**	**7,344**	**34,934**	**8**	**34,942**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012

Unit: RMB million

	For the six months ended 30 June	
	2012	2011
	(Unaudited)	
Net cash flows from operating activities	**33,046**	30,837
Net cash flows from investing activities	**(59,115)**	(48,042)
Net cash flows from financing activities	**35,843**	9,412
Effect of foreign exchange rate changes	**6**	(32)
Net increase/(decrease) in cash and cash equivalents	**9,780**	(7,825)
Cash and cash equivalents		
Beginning of the period	**21,095**	27,368
End of the period	**30,875**	19,543
Analysis of balance of cash and cash equivalents		
Cash at bank and in hand	**29,692**	17,871
Short-term bank deposits	**1,183**	1,672

SEGMENT INFORMATION

The Group's operating segments for the six months ended 30 June 2012 are the same with the segments of the Group for the six months ended 30 June 2011 and the year ended 31 December 2011.

Unit: RMB million

	For the six months ended 30 June 2012 (Unaudited)				
	Insurance		Others	Elimination	Total
	Individual	Group			
Revenues					
Gross written premiums and policy fees	**55,203**	**911**	**–**	**–**	**56,114**
Less: premiums ceded out	**101**	**(61)**	**–**	**–**	**40**
Net written premiums and policy fees	**55,304**	**850**	**–**	**–**	**56,154**
Net change in unearned premiums liabilities	**(49)**	**(178)**	**–**	**–**	**(227)**
Net premiums earned and policy fees	**55,255**	**672**	**–**	**–**	**55,927**
Investment income	**7,102**	**193**	**8**	**–**	**7,303**
Other income	**74**	**7**	**107**	**(105)**	**83**
Including: inter-segment revenue	**3**	**–**	**102**	**(105)**	**–**
Total revenues	**62,431**	**872**	**115**	**(105)**	**63,313**
Benefits, claims and expenses					
Insurance benefits and claims					
Claims and net change in outstanding claims liabilities	**(186)**	**(276)**	**–**	**–**	**(462)**
Life insurance death and other benefits	**(11,511)**	**(73)**	**–**	**–**	**(11,584)**
Increase in long-term insurance contracts liabilities	**(40,025)**	**(105)**	**–**	**–**	**(40,130)**
Investment contracts benefits	**(354)**	**(10)**	**–**	**–**	**(364)**
Commission and brokerage expenses	**(3,720)**	**(106)**	**–**	**1**	**(3,825)**
Including: inter-segment expenses	**(1)**	**–**	**–**	**1**	**–**
Administrative expenses	**(4,097)**	**(436)**	**(88)**	**104**	**(4,517)**
Including: inter-segment expenses	**(92)**	**(10)**	**(2)**	**104**	**–**
Other expenses	**(43)**	**(24)**	**(68)**	**–**	**(135)**
Total benefits, claims and expenses	**(59,936)**	**(1,030)**	**(156)**	**105**	**(61,017)**
Share of results of associates	**–**	**–**	**(1)**	**–**	**(1)**
Finance cost	**(766)**	**(21)**	**–**	**–**	**(787)**
Net profit before income tax	**1,729**	**(179)**	**(42)**	**–**	**1,508**
Income tax	**–**	**–**	**397**	**–**	**397**
Net profit for the period	**1,729**	**(179)**	**355**	**–**	**1,905**

Other segment information for the six months ended 30 June 2012:

Unit: RMB million

	Insurance		Others	Elimination	Total
	Individual	Group			
Depreciation and amortisation	**123**	**13**	**3**	**–**	**139**
Interest income	**8,557**	**222**	**7**	**–**	**8,786**
Impairment	**(1,975)**	**(41)**	**–**	**–**	**(2,016)**
Share of profit of associates under equity method	**–**	**–**	**(1)**	**–**	**(1)**

Unit: RMB million

	For the six months ended 30 June 2011				
	Insurance		Others	Elimination	Total
	Individual	Group			
Revenues					
Gross written premiums and policy fees	50,068	775	–	–	50,843
Less: premiums ceded out	289	(51)	–	–	238
Net written premiums and policy fees	50,357	724	–	–	51,081
Net change in unearned premiums liabilities	(35)	(158)	–	–	(193)
Net premiums earned and policy fees	50,322	566	–	–	50,888
Investment income	6,672	136	5	–	6,813
Other income	64	8	140	(111)	101
Including: inter-segment revenue	3	–	108	(111)	–
Total revenues	57,058	710	145	(111)	57,802
Benefits, claims and expenses					
Insurance benefits and claims					
Claims and net change in outstanding claims liabilities	(161)	(207)	–	–	(368)
Life insurance death and other benefits	(9,464)	(64)	–	–	(9,528)
Increase in long-term insurance contracts liabilities	(37,521)	(99)	–	–	(37,620)
Investment contracts benefits	(323)	(23)	–	–	(346)
Commission and brokerage expenses	(3,648)	(42)	–	1	(3,689)
Including: inter-segment expenses	(1)	–	–	1	–
Administrative expenses	(3,524)	(494)	(90)	110	(3,998)
Including: inter-segment expenses	(97)	(13)	–	110	–
Other expenses	185	(16)	(61)	–	108
Total benefits, claims and expenses	(54,456)	(945)	(151)	111	(55,441)
Finance cost	(291)	(20)	–	–	(311)
Net profit before income tax	2,311	(255)	(6)	–	2,050
Income tax	–	–	(275)	–	(275)
Net profit for the period	2,311	(255)	(281)	–	1,775

Other segment information for the six months ended 30 June 2011:

Unit: RMB million

	Insurance		Others	Elimination	Total
	Individual	Group			
Depreciation and amortisation	107	15	3	–	125
Interest income	5,552	115	4	–	5,671
Impairment	224	17	–	–	241

Segment assets and liabilities as of 30 June 2012 and 31 December 2011:

Unit: RMB million

As of 30 June 2012	**Insurance**		**Others**	**Elimination**	**Total**
(Unaudited)	**Individual**	**Group**			
Segment assets	**449,797**	**8,093**	**11,132**	**(18)**	**469,004**
Segment liabilities	**418,821**	**7,616**	**7,643**	**(18)**	**434,062**

	Insurance		Others	Elimination	Total
As of 31 December 2011	Individual	Group			
Segment assets	371,193	7,244	8,342	(8)	386,771
Segment liabilities	341,220	6,701	7,545	(8)	355,458

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standard Board. The condensed consolidated interim financial information should be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

Except as described below, the accounting policies applied are consistent with those of the consolidated annual financial statements for the year ended 31 December 2011, as described in those annual financial statements.

New accounting standards, amendments and interpretations pronouncements

(a) New amendment adopted by the Group

The following revised amendment is mandatory for the first time for the financial year beginning 1 January 2012.

Amendment/Interpretation	Content	Applicable for financial years beginning on/after
IAS 12 (Amendment)	Deferred tax: Recovery of underlying assets	1 January 2012

The adoption of the amendment did not have any material impacts on the Group's condensed consolidated interim financial information.

(b) There are no new amendments and interpretations mandatory for the first time for the financial year beginning 1 January 2012 but not currently relevant to the Group.

(c) New standards and amendments have been issued but are not effective for the financial year beginning 1 January 2012:

Standard/Amendment	Content	Applicable for financial years beginning on/after
IFRS 9 & IFRS 9 (Amendment)	Financial Instruments	1 January 2015
IFRS 10	Consolidated financial statements	1 January 2013
IFRS 11	Joint arrangements	1 January 2013
IFRS 12	Disclosure of interests in other entities	1 January 2013
IFRS 13	Fair value measurements	1 January 2013
IAS 1 (Amendment)	Presentation of financial statements	1 July 2012
IAS 19 (Amendment)	Employee benefits	1 January 2013
IAS 27	Separate Financial Statements	1 January 2013
IAS 28	Investments in Associates and Joint Ventures	1 January 2013
IFRS 7 (Amendment)	Financial instruments:Disclosure-offsetting financial assets and financial liabilities	1 January 2013
IAS 32 (Amendment)	Financial instruments: Presentation-offsetting financial assets and financial liabilities	1 January 2014
IFRS 9	Financial Instruments	1 January 2015
IFRS 7 and IFRS 9 (Amendment)	Mandatory effective date and transition disclosures	1 January 2015

The Group is in the process of making an assessment of these impacts of the standards and amendments and is considering the timing of the adoption.

In addition, Annual Improvements 2011 were issued in May 2012. This annual improvements process provides a vehicle for making non-urgent but necessary amendments to IFRSs. The above amendments are effective for annual periods beginning on or after 1 January 2013. No amendment was early adopted by the Group and no material changes to accounting policies are expected as a result of these improvements.

EMBEDDED VALUE

1. Background

In order to provide investors with an additional tool to understand our economic value and business results, we have prepared the Company's Embedded Value as at 30 June 2012 and have disclosed the relevant information.

Embedded Value (EV) is an actuarially determined estimate of the economic value of the life insurance business of an insurance company based on a series of assumptions about future experience. But it does not incorporate the contribution of economic value from future new business. Value of New Business (VNB) represents an actuarially determined estimate of the economic value arising from new life insurance business issued during a certain period of time. Hence, the embedded value method can provide an alternative measure of the value and profitability of a life insurance company.

The reporting of embedded value and value of new business provides useful information to investors in two respects. First, Value of In-Force business (VIF) represents the total amount of distributable profits in present value terms, which can be expected to emerge over time, based on the assumptions used. Second, Value of New Business provides a metric to measure the value created for investors from new business activities and hence the potential growth of the company. However, the information on embedded value and value of new business should not be viewed as a substitute of financial measures under other relevant financial bases. Investors should not make investment decisions based solely on embedded value and value of new business information.

As standards for the disclosure of embedded value continue to develop internationally and in the PRC, the form and content of our presentation of embedded value may change. Hence, differences in definition, methodology, assumptions, accounting basis and disclosures may cause inconsistency when the results of different companies are compared. Also, embedded value calculations involve substantial technical complexity and estimates of value can vary materially as key assumptions are changed.

The embedded value and value of new business are prepared by us in accordance with the "Life Insurance Embedded Value Reporting Guidelines" (EV Guidelines) issued by the CIRC in September 2005. Towers Watson, an international firm of consultants, performed a review of our embedded value.

2. Definitions of Embedded Value

Our embedded value is the sum of the adjusted net worth and the value of in-force business allowing for the cost of capital supporting the Company's solvency margin.

"Adjusted Net Worth" (ANW) is equal to the sum of:

Net assets, defined as assets less PRC solvency reserves and other liabilities; and

Net-of-tax adjustments for relevant differences between the market value and the book value of assets, together with relevant net-of-tax adjustments to certain liabilities.

The market value of assets can fluctuate significantly over time due to the impact of the prevailing market environment. Hence, the adjusted net worth can fluctuate significantly between valuation dates.

The "value of in-force business" is the discounted value of the projected stream of future after-tax distributable profits for existing in-force business at the valuation date. The "value of new business" includes the "value of one year's new business" and the "value of half year's new business", which are the discounted values of the projected stream of future after-tax distributable profits for sales in the 12 months and 6 months immediately preceding the valuation date respectively. Distributable profits are the profits after reflecting PRC solvency reserves and cost of capital supporting the Company's solvency margin.

The value of in-force business and the value of new business have been determined using a traditional deterministic discounted cash flow methodology. This methodology is consistent with EV Guidelines and is also commonly-used in determining EVs of life insurance companies in China at the current time. This methodology makes implicit allowance for all sources of risks, including the cost of investment guarantees and policyholder options, asset/liability mismatch risk, credit risk, the deviation of the actual experience from the projected and the economic cost of capital, through the use of a risk-adjusted discount rate.

3. Key Assumptions

In determining the embedded value and the value of new business as at 30 June 2012, we have assumed that the Company continues to operate on a going concern basis under the current economic and regulatory environment, and the current method for determining solvency reserves and statutory minimum solvency margin levels remain unchanged. The operational assumptions are mainly based on the results of experience analyses, together with reference to the overall experience of the Chinese life insurance industry, as well as with regard to expected future operating experience. As such, these assumptions represent our best estimates of the future based on information currently available at the valuation date.

I. Risk Discount Rate

The risk discount rate used to calculate the value of in-force business and value of new business is 11.5%.

II. Investment Returns

The investment return assumptions as at 30 June 2012 are shown below for the different funds respectively.

Investment Return Assumptions for VIF and VNB as at 30 June 2012

	2012	**2013**	**2014**	**2015+**
Non-participating	5.00%	5.10%	5.20%	5.20%
Participating	5.00%	5.10%	5.30%	5.50%
Universal life	5.00%	5.20%	5.50%	5.60%
Unit-linked	7.60%	7.60%	7.80%	7.90%

Note: Investment return assumptions are applied to calendar year.

III. Mortality

Mortality assumptions are expressed as a percentage of the standard industry mortality tables: "China Life Tables (2000 to 2003)". Assumed ultimate mortality rates are:

Individual Life and Annuity Products (accumulation phase):	Male: 65%, Female: 60%
Individual Annuity Products (payout phase):	75% of Individual Life
Group Life and Annuity Products (accumulation phase):	Male: 75%, Female: 70%
Group Annuity Products (payout phase):	75% of Group Life

Selection factors are applied to Individual Life and Annuity Products (accumulation phase) and Group Life and Annuity Products (accumulation phase) mentioned above in the first and second policy year. Ultimate rates are applicable thereafter.

IV. Morbidity

Morbidity assumptions are expressed as a percentage of base morbidity tables used in pricing. Assumed ultimate morbidity rates are:

Individual Dread Disease Products:	Male: 65%, Female: 95%
Group Dread Disease Products:	Male: 75%, Female: 105%

Selection factors are applied for these products in the first and second policy year. Ultimate rates are applicable thereafter.

V. Discontinuance Rates

Assumptions have been developed based on our past discontinuance experience, expectations of current and future experience, and overall knowledge of the Chinese life insurance market. Assumptions vary by product type and premium payment mode.

VI. Expenses

Unit cost assumptions have been developed based on our actual experience in 2011. Future inflation of 2.0% p.a. has been assumed in respect of per policy expenses.

VII. Commission and Handling Fees

The assumed level of commission and commission override has been set based on the levels currently being paid for individual business. For group products and bancassurance products, allowance has been made for handling fees as part of our overall expenses.

VIII. Policyholder Bonuses and Dividends

The assumptions regarding policyholder dividends have been derived in accordance with our current policyholder bonus and dividend policy, whereby 70% of surplus arising from participating business is paid to policyholders.

IX. Tax

Tax has been assumed to be payable at 25% of profits with allowance for the exemption of certain investment income, including Chinese government bonds, and dividend income from equities and equity investment funds. Tax is assumed to be calculated on taxable income using reserves calculated on the PRC solvency basis.

In addition, a 5.0% business tax has been applied to the gross premium of short-term accident business.

X. Cost of Holding Required Capital

The level of required capital assumed to be held by us in the calculation of VIF and VNB is 100% of the minimum solvency margin required by the CIRC, i.e. sufficient to be classified as Adequate Solvency I.

The current basis for calculating the required statutory minimum solvency margin has been assumed unaltered throughout the course of projection.

XI. Other Assumptions

The current methods for calculating our policy reserves under the PRC solvency basis and surrender values have been assumed unaltered throughout the course of projection.

Our current reinsurance arrangements have been assumed to remain unaltered.

4. Embedded Value Results

The table below shows our embedded value and value of new business as at 30 June 2012 and their corresponding results as at prior valuation dates.

Unit: RMB in millions

Valuation Date	**30 June 2012**	31 December 2011
Adjusted Net Worth	**26,348**	21,966
Value of In-Force Business Before Cost of Capital	**40,257**	36,818
Cost of Capital	**(10,456)**	(9,793)
Value of In-Force Business After Cost of Capital	**29,802**	27,025
Embedded Value	**56,150**	48,991
Value of One Year's New Business		
Value of One Year's New Business Before Cost of Capital	**5,889**	6,054
Cost of Capital	**(1,588)**	(1,694)
Value of One Year's New Business After Cost of Capital	**4,302**	4,360

Valuation Date	**30 June 2012**	30 June 2011
Value of the First Half Year's New Business		
Value of the First Half Year's New Business Before Cost of Capital	**3,191**	3,317
Cost of Capital	**(853)**	(945)
Value of the First Half Year's New Business After Cost of Capital	**2,338**	2,372

Note: Numbers may not be additive due to rounding.

5. Analysis of Change

The analysis of change in Embedded Value from 31 December 2011 to 30 June 2012, calculated at a risk discount rate of 11.5%, is shown below.

Unit: RMB in millions

Analysis of Change in EV from 31 December 2011 to 30 June 2012 at a Risk Discount Rate of 11.5%

1.	EV at the beginning of period	48,991
2.	Impact of Value of the First Half Year's New Business	2,419
3.	Expected Return	2,430
4.	Operating Experience Variances	67
5.	Economic Experience Variances	2,539
6.	Operating Assumption Changes	0
7.	Economic Assumption Changes	0
8.	Capital Injection/Shareholder Dividend Payment	(221)
9.	Others	(87)
10.	Value Change Other Than Life Insurance Business	12
11.	EV at the end of period	56,150

Note: Numbers may not be additive due to rounding.

Items (2) to (10) are explained below:

2. Value of the First Half Year's New Business as measured as at the valuation date instead of as at the point of issuing.
3. Expected Return on ANW and value of in-force business during the relevant period.
4. Reflects the difference between the actual operating experience in the period (including mortality, morbidity, discontinuance rates and expenses) and the assumed.
5. Reflects the difference between actual and expected investment returns in the period.
6. Reflects the change in operating assumptions between valuation dates.
7. Reflects the change in economic assumptions between valuation dates.
8. Capital Injection and other dividend payment to shareholders.
9. Other miscellaneous items.
10. Value change other than those arising from the life insurance business.

6. Sensitivity Tests

Sensitivity tests are performed under a range of alternative assumptions. In each of the sensitivity tests, only the assumption referred to is changed, with all other assumptions unchanged. The results are summarised below.

Unit: RMB in millions

VIF and Value of One Year's New Business Sensitivity Results as at 30 June 2012

Scenarios	**VIF after CoC**	**VNB after CoC**
Base Scenario	29,802	4,302
Risk Discount Rate at 12.0%	28,200	4,022
Risk Discount Rate at 11.0%	31,508	4,601
Investment Return 0.5% higher	35,001	5,014
Investment Return 0.5% lower	24,592	3,588
Expenses 10% higher (110% of Base)	28,878	3,932
Expenses 10% lower (90% of Base)	30,725	4,671
Discontinuance rates 10% higher (110% of Base)	29,429	4,169
Discontinuance rates 10% lower (90% of Base)	30,185	4,438
Mortality 10% higher (110% of Base)	29,652	4,273
Mortality 10% lower (90% of Base)	29,952	4,330
Morbidity and Loss Ratio 10% higher (110% of Base)	29,169	4,168
Morbidity and Loss Ratio 10% lower (90% of Base)	30,436	4,436
Profit Sharing between Participating Policyholders and Shareholders is assumed to be 75%/25% instead of 70%/30%	25,454	3,725
Statutory Minimum Solvency Margin 50% higher (150% of Base)	26,339	3,508
Taxable Income Based on China Accounting Standards	29,119	4,030

CORPORATE GOVERNANCE

During the reporting period, except that five non-executive directors (including two independent non-executive directors) did not attend the shareholders' annual general meeting of 2011 of the Company held on 20 June 2012 in person because of other work, the Company observed all the other principles and code provisions in the Code on Corporate Governance Practices (expired on 31 March 2012) during the period from 1 January 2012 to 31 March 2012 and the Corporate Governance Code (effective from 1 April 2012) during the period from 1 April 2012 to 30 June 2012 contained in Appendix 14 to the Hong Kong Listing Rules, and adopted most of the best practices set out therein.

PROFIT DISTRIBUTION

The Company will neither distribute profit nor convert reserve into share capital during the mid-term of 2012.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

1. Declaration of a Special Dividend

The Company held the 47th meeting of the fourth session of the Board on 26 July 2012, during which, the Company considered and approved the "Resolution on Specific Matters Relating to the Special Dividend Distribution and Public Investor Protection Mechanism of New China Life Insurance Company Ltd." and declared a special dividend. For details of the declaration of the special dividend, please refer to the "Announcement on the Declaration of Special Dividend" published by the Company on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) on 26 July 2012.

2. Issuance of Subordinated Term Debts

As resolved at the first shareholders' extraordinary general meeting of 2012 of the Company and approved by the CIRC, the Company completed the issuance of subordinated term debts with total principal amount of RMB10.0 billion in July 2012. For details of the approval and the issuance of subordinated term debts, please refer to the "Announcement on the Approval of Issue of Subordinated Term Debts" and the "Announcement of the Completion of Issuance of Subordinated Term Debts" published by the Company on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) on 5 July 2012 and 31 July 2012 respectively.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the reporting period, the Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company.

REVIEW OF ACCOUNTS

The Audit Committee of the Board of the Company together with the external auditors engaged by the Company have reviewed the unaudited condensed consolidated financial information of the Company for the six months ended 30 June 2012.

PUBLICATION OF INTERIM REPORT

The Company's 2012 interim report will be published on the Company's website (www.newchinalife.com) and the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) in due course.

By order of the Board
New China Life Insurance Company Ltd.
KANG Dian
Chairman

Beijing, China, 29 August 2012

As at the date of this announcement, the executive directors of the Company are KANG Dian and HE Zhiguang; the non-executive directors of the Company are ZHAO Haiying, MENG Xingguo, LIU Xiangdong, CHEN Johnny, CHEONG Chee Meng and WANG Chengran; and the independent non-executive directors of the Company are CAMPBELL Robert David, CHEN Xianping, WANG Yuzhong, ZHANG Hongxin, ZHAO Hua and FONG Chung Mark.