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 2015

MANAGEMENT DISCUSSION AND ANALYSIS

As a major life insurance company in the PRC, New China Life Insurance Company (the "**Company**") is primarily engaged in the provision of life insurance products and services to individuals and institutions through its national branch network. Meanwhile, the Company also manages and utilizes its insurance assets through its subsidiaries New China Asset Management Co., Ltd. and New China Asset Management (Hong Kong) Limited.

Unless otherwise specified, the management discussion and analysis in this section is based on the condensed consolidated financial information of the Company, and is presented in Renminbi ("**RMB**").

I. KEY OPERATIONAL INDICATORS

Unit: RMB in millions

	January-June 2015	January-June 2014	**Change**
Gross written premiums and policy fees	**72,738**	66,927	8.7%
Total investment income[1]	**31,480**	13,775	128.5%
Net profit attributable to shareholders of the Company	**6,752**	3,748	80.1%
Value of first half year's new business[2]	**3,450**	2,409	43.2%
Market share[3]	**7.7%**	8.7%	decreased by 1.0 percentage point
Persistency ratio			
Individual life insurance business 13-month persistency ratio[4]	**84.8%**	86.9%	decreased by 2.1 percentage points
Individual life insurance business 25-month persistency ratio[5]	**80.3%**	85.1%	decreased by 4.8 percentage points

	As of 30 June 2015	As of 31 December 2014	Change
Total assets	**659,840**	643,709	2.5%
Net assets	**56,935**	48,364	17.7%
Investment assets	**641,138**	625,718	2.5%
Equity attributable to shareholders of the Company	**56,929**	48,359	17.7%
Embedded value	**99,247**	85,260	16.4%
Number of customers *(in thousands)*			
of which: individual customers	**26,565**	26,147	1.6%
of which: institutional customers	**65**	64	1.6%

Notes:

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

2. Value of new business for the first half of 2014 was recalculated based on the assumptions as of 31 December 2014.

3. Market share: based on data published by the China Insurance Regulatory Commission (the "**CIRC**").

4. 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.

5. 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.

II. BUSINESS ANALYSIS

(I) Life insurance business

In 2015, based closely on the two work themes of "sales achievement" and "strategy transformation", the Company focused on the core task of business development and thoroughly promoted strategy transformation. Taken as a whole, in the first half year the Company exceeded every planned target and displayed excellent growth; at the same time, on the foundation of continuous effort in recent years, the Company's strategy transformation has gradually borne results, with excellent trends in team, client and organizational construction, and the Company has entered into a sustainable and healthy development trajectory.

In the first half of 2015, the Company achieved gross life insurance business income of RMB72,661 million, representing an increase of 8.7% as compared to the same period of last year, of which the first year premiums was RMB39,330 million, representing an increase of 31.8% as compared to the same period of last year. The increase in first year premiums and the optimization of business structure brought about an increase of 43.2% to the new business value. The main characteristics of the life insurance business development of the Company in the first half year were mainly as follows:

Firstly, product operation promoted business growth. During the jumpstart period, we have consolidated the sales base of annuity insurance by persistently promoting the sale of "Jincaiyisheng" (金彩一生), an annuity insurance product. The product structure was optimized and sales of main products reached the expected goals. In April and May, while continuing to promote the sales of the two main health insurance products "Jiankangfuxing" (健康福星) and "Kangjianjishun" (康健吉順), the Company launched a series of products for the elderly ahead of the market, including anti-cancer insurance, annuity insurance and accident insurance, which met the needs of the elderly customer demographic, further improved the product system of the Company and demonstrated the products' renewed focus on safeguarding and serving customers. In June, the launch of the new product "Shengshiyingjia" (盛世贏家) rapidly enlarged business scale and optimized customer structure.

Secondly, the business structure was continuously optimized. On the one hand, the Company emphasized the growth of regular premium business with long payment period, and continuously optimized the structure of premium payment periods; on the other hand, the Company continued to promote the transformation of products and coordinated the development of annuity insurance products and health insurance products. In the first half of 2015, the percentage of annuity insurance with respect to the individual insurance agent channel increased significantly and the health insurance business maintained stable growth.

Thirdly, sales team building achieved remarkable results. Based on the foundation of previous organization and development, the team size continuously grew and personnel activity rate steadily increased. Team structure was optimized and the high performing individual insurance agent platform was greatly enhanced, which boosted per capita productivity and the income of the sales team.

1. Analysis by distribution channels

Unit: RMB in millions

	January-June 2015	January-June 2014	**Change**
Individual life insurance	**71,803**	65,920	8.9%
Individual insurance agent channel	**28,150**	25,835	9.0%
First year premiums	**7,495**	5,261	42.5%
Regular premiums	**5,894**	4,187	40.8%
Single premiums	**1,601**	1,074	49.0%
Renewal premiums	**20,655**	20,574	0.4%
Bancassurance channel	**37,934**	35,726	6.2%
First year premiums	**28,790**	22,369	28.7%
Regular premiums	**1,642**	1,575	4.3%
Single premiums	**27,148**	20,794	30.6%
Renewal premiums	**9,144**	13,357	-31.5%
Service and business development channel	**5,719**	4,359	31.2%
First year premiums	**2,211**	1,335	65.6%
Regular premiums	**1,773**	1,116	58.9%
Single premiums	**438**	219	99.8%
Renewal premiums	**3,508**	3,024	16.0%
Group insurance	**858**	897	-4.4%
Total	**72,661**	66,817	8.7%

(1) *Individual life insurance business*

① Individual insurance agent channel

In the first half of 2015, the individual insurance agent channel of the Company achieved rapid growth. Gross written premiums ("**GWP**") amounted to RMB28,150 million, representing an increase of 9.0% as compared to the same period of last year, of which first year premiums amounted to RMB7,495 million, representing an increase of 42.5% as compared to the same period of last year, and renewal premiums amounted to RMB20,655 million, representing an increase of 0.4% as compared to the same period of last year.

In the first half of 2015, the business structure of the individual insurance agent channel was optimized continuously. With the promotion of annuity insurance products, which was the result of the traditional premium rate transformation, the first year premiums of traditional insurance amounted to RMB3,542 million, of which the first year premiums of annuity insurance amounted to RMB3,262 million. The first year premiums of traditional insurance accounted for 47.3% of the first year premiums of the individual insurance agent channel, representing an increase of 40.2 percentage points as compared to the same period of last year. The first year premiums of health insurance amounted to RMB2,458 million, representing an increase of 32.9% as compared to the same period of last year. The first year premiums of regular products with payment periods of ten years or more amounted to RMB4,767 million, accounting for 63.6% of the first year premiums of the individual insurance agent channel.

In 2015, the Company persists with "A Robust Sales Force Development Strategy Focusing on both Quality and Quantity", and continued to optimize and upgrade the team structure and promote the development of qualified individual insurance agents[1] and high performing individual insurance agents[2] under the precondition of steadily enlarging team size. As of 30 June 2015, the total number of individual insurance agents reached 192,000, representing an increase of approximately 16,000 as compared to the same period of last year. The number of qualified individual insurance agents was 83,000, representing an increase of 7.5% as compared to the same period of last year. The number of high performing individual insurance agents was 42,000, representing an increase of 15.5% as compared to the same period of last year. Personnel activity rate reached 49.5%, representing an increase of 4 percentage points as compared to the same period of last year. At the same time, the sales of annuity insurance products greatly improved the per capita productivity of insurance agents, and the per capita productivity of the total qualified individual insurance agents amounted to RMB14,000, representing a growth of 28.3% as compared to the same period of last year.

1 Qualified individual insurance agents refers to those who sold at least one insurance policy calculated on a monthly basis on an individual basis, of which the payment term is more than one year.

2 High performing individual insurance agents refers to those who sold at least one insurance policy calculated on a monthly basis on an individual basis, of which the payment term is more than one year and individual insurance first year commission is not less than RMB2,000.

② Bancassurance channel

In the first half of 2015, the GWP from the bancassurance channel were RMB37,934 million, representing an increase of 6.2% as compared to the same period of last year, of which the wealth management business targeting secondary development of customers and whole life-cycle service for customers saw rapid development and achieved cumulative GWP of RMB1,510 million.

In the first half of 2015, the bancassurance channel had excellent development momentum, the market ranking of the Company was stable and rising, and the Company maintained its pre-emptive advantages in business. First year premiums of the bancassurance channel amounted to RMB28,790 million, representing an increase of 28.7% as compared to the same period of last year, first year regular premiums amounted to RMB1,642 million, representing an increase of 4.3% as compared to the same period of last year and renewal premiums amounted to RMB9,144 million, representing a decrease of 31.5% as compared to the same period of last year.

In the first half of 2015, the activity of the sales team retained its advantages, and the cultivation of high performing agents achieved preliminary success. The number of active individual insurance agents was 7,388, and the activity rate of the individual insurance agents was above 55%; the number of high performing individual insurance agents[1] was approximately 815, representing an increase of 34.0% as compared to the same period of last year.

③ Service and business development channel

In the first half of 2015, the GWP from the service and business development channel of the Company was RMB5,719 million, representing an increase of 31.2% as compared to the same period of last year, of which first year premiums amounted to RMB2,211 million, representing an increase of 65.6% as compared to the same period of last year, and renewal premiums amounted to RMB3,508 million, representing an increase of 16.0% as compared to the same period of last year. First year premiums of regular products with payment periods of ten years or more amounted to RMB1,311 million, representing an increase of 68.4% as compared to the same period of last year and an increase of 1 percentage point in its percentage with respect to the total.

1 High performing individual insurance agents refers to financial managers who were in-service during the statistical period and sold at least one insurance policy with regular premiums not less than RMB100,000.

Since its establishment, the service and business development channel has placed its focus on customer management and achieved stable growth in its business platform by means of transforming operation philosophy, investment modes and performance assessment method, and driven by the strategy of continuously optimizing the customer management system and promoting the growth of individual insurance agents. As of 30 June 2015, the number of individual insurance agents of the service and business development channel reached 33,000, representing an increase of 22.8% as compared to the same period of last year. The number of monthly actual active individual insurance agents was 22,671, representing an increase of 21.0% as compared to the same period of last year, and the monthly average actual turnover rate[1] reached 81%.

(2) Group insurance business

In the first half of 2015, the GWP from the group insurance business of the Company was RMB858 million, representing a decrease of 4.4% as compared to the same period of last year.

2. *Analysis by types of insurance products*

Unit: RMB in millions

	January-June 2015	January-June 2014	**Change**
GWP	**72,661**	66,817	8.7%
Traditional insurance	**34,631**	21,336	62.3%
First year premiums	**33,325**	21,014	58.6%
Renewal premiums	**1,306**	322	305.5%
Participating insurance(1)	**29,262**	39,357	-25.7%
First year premiums	**1,871**	5,304	-64.7%
Renewal premiums	**27,391**	34,053	-19.6%
Universal insurance	**19**	20	-4.8%
First year premiums	**–(2)**	–(2)	–
Renewal premiums	**19**	20	-4.8%
Unit-linked insurance	**–(2)**	–(2)	–
First year premiums	**–(2)**	–(2)	–
Renewal premiums	**–(2)**	–(2)	–
Health insurance	**8,181**	5,391	51.8%
First year premiums	**3,599**	2,834	27.0%
Renewal premiums	**4,582**	2,557	79.2%
Accident insurance	**568**	713	-20.2%
First year premiums	**535**	693	-22.8%
Renewal premiums	**33**	20	67.3%

1 Actual turnover rate = actual active individual insurance agents in statistical period/the average number of agents in service*100%, actual active individual insurance agents refers to those who were in-service in statistical period and sold at least one insurance policy with first year commission of not less than RMB210.

Notes:

1. Participating health insurance is included in the participating insurance.

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

3. Numbers may not be additive due to rounding.

In the first half of 2015, the GWP from the life insurance business of the Company amounted to RMB72,661 million, representing an increase of 8.7% as compared to the same period of last year. In accordance with the reform of insurance premium rate of the industry, the Company adjusted its product strategy and reinforced the sales of traditional annuity insurance products. Premiums from the traditional insurance business amounted to RMB34,631 million, representing an increase of 62.3% as compared to the same period of last year, and an increase of 15.7 percentage points in its percentage with respect to the total GWP. Premiums from the participating insurance business amounted to RMB29,262 million, representing a decrease of 25.7% as compared to the same period of last year, and a decrease of 18.6 percentage points in its percentage with respect to the total GWP. Premiums from the health insurance business amounted to RMB8,181 million, representing an increase of 51.8% as compared to the same period of last year, and an increase of 3.2 percentage points in its percentage with respect to the total GWP. Premiums from other insurance businesses amounted to RMB587 million, accounting for 0.8% of the total GWP.

3. *Analysis by geographic regions*

Unit: RMB in millions

	January-June 2015	January-June 2014	**Change**
GWP	**72,661**	66,817	8.7%
Eastern China	**15,879**	15,008	5.8%
Central China	**14,392**	13,525	6.4%
Northern China	**13,508**	11,841	14.1%
Southern China	**11,669**	9,613	21.4%
Other regions	**17,213**	16,830	2.3%

Note: The Company established seven regional management centers in 2013, and the details are as follows: Northern China covers branches of Beijing, Tianjin, Hebei, Inner Mongolia and Shanxi; Eastern China covers branches of Shanghai, Jiangsu, Zhejiang, Shandong, Ningbo and Qingdao; Southern China covers branches of Guangdong, Shenzhen, Fujian, Xiamen, Hainan and Guangxi; Central China covers branches of Henan, Hunan, Hubei, Anhui and Jiangxi; Northwestern China covers branches of Xinjiang, Shaanxi, Gansu, Ningxia and Qinghai; Southwestern China covers branches of Yunnan, Guizhou, Sichuan and Chongqing; Northeastern China covers branches of Heilongjiang, Jilin, Liaoning and Dalian.

In the first half of 2015, approximately 76.3% of the GWP of the Company were contributed by the four regions with relatively developed economy or larger population, namely, Eastern China, Central China, Northern China and Southern China.

(II) Asset management business

Committed to setting balanced asset-liability management as the foundation, while taking into account the security, liquidity and profitability of the funds under management, the Company's asset management business seeks to maximize the returns of its investment portfolio on the basis of sound asset allocation and effective risk control.

In the first half of 2015, the Company persisted with the investment strategy of keeping an overall positive attitude towards equity investment, limiting the scale of fixed income investment, investing selectively in projects with high yield, and reducing the scale of non-standard assets. The Company also increased equity positions and achieved effective layout in advance. During the upturn stage of the market, the Company adhered to the philosophy of receiving absolute gains in relation to the equity investment and focused on avoiding market risks. Considerable returns have been achieved with our gradual reduction of holdings following the market upturn.

As of the end of June 2015, the Company's investment in non-standard assets amounted to RMB120,092 million, representing a decrease of RMB1,341 million as compared to the end of 2014, and accounted for 18.7% of the total investment assets, representing a decrease of 0.7 percentage points as compared to the end of last year. Among this, the amount matured and redeemed in advance in the first half of 2015 was RMB21,217 million, and the amount purchased was RMB18,076 million.

In terms of the type of investment products, the Company's investment in non-standard assets included such asset categories as assembled fund trust plans, infrastructure and real estate investment plans, asset funding plans, special asset management plans and insurance assets management products. Assembled fund trust plans accounted for the largest part as 41.0% of the total investment in non-standard assets, representing a decrease of 8.0 percentage points as compared to the end of 2014. Categorized by types of the underlying assets, the Company's non-standard asset investments cover various areas such as financial institutions, infrastructure and real estate, among which financial institutions and infrastructure facilities jointly accounted for 74.4%.

To strengthen the risk management measures for investment in non-standard assets, the Company has established a comprehensive set of investment risk management procedures covering pre-investment assessment, counterparty assessment, post-investment management and credit granting control. Through regular scenario analysis and stress testing, the Company fully assesses risk exposures and extreme expected losses. Non-standard assets invested by the Company generally possess high credit ratings, of which AAA rating accounted for 95.60%.

1. *Investment portfolio*

Unit: RMB in millions

	As of 30 June 2015	As of 31 December 2014	**Change**
Investment assets	**641,138**	625,718	2.5%
Classified by investment type			
Term deposits[1]	**143,748**	167,297	-14.1%
Debt securities	**327,523**	345,518	-5.2%
– Bonds	**229,205**	237,403	-3.5%
– Trust Plan	**49,282**	59,475	-17.1%
– Debt Plan[2]	**26,356**	24,823	6.2%
– Project Asset Support Plan	**20,000**	20,000	0.0%
– Others[3]	**2,680**	3,817	-29.8%
Equity securities	**120,685**	70,553	71.1%
– Funds	**49,074**	22,309	120.0%
– Stocks[4]	**49,067**	34,141	43.7%
– Investments in associates	**9,636**	10,150	-5.1%
– Others[5]	**12,908**	3,953	226.5%
Cash and cash equivalents[1]	**19,920**	14,503	37.4%
Other investment assets[6]	**29,262**	27,847	5.1%
Classified by investment purpose			
Securities at fair value through profit or loss	**10,102**	8,677	16.4%
Available-for-sale securities	**205,262**	175,502	17.0%
Held-to-maturity securities	**175,430**	175,997	-0.3%
Loans and other receivables[7]	**240,708**	255,392	-5.7%
Investments in associates	**9,636**	10,150	-5.1%

Notes:

1. Cash and cash equivalents include term deposits with maturity of three months or less, while term deposits exclude those with maturity of three months or less.

2. Debt plan mainly consists of infrastructure and real estate funding projects.

3. Others include debt asset management products and wealth management products.

4. Stocks include common stocks and preferred stocks.

5. Others include equity asset management products, private equity, other unlisted equity securities, trust plans and wealth management products.

6. Other investment assets mainly include statutory deposits, policy loans, financial assets purchased under agreements to resell and accrued investment income, etc.

7. 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 loans and receivables, etc.

As of the end of the reporting period, the Company had investment assets of RMB641,138 million, representing an increase of 2.5% as compared to the end of last year, which was mainly attributable to the increase of investment income and the net cash inflows from the Company's insurance business.

As of the end of the reporting period, term deposits amounted to RMB143,748 million, accounting for 22.4% of total investment assets and representing a decrease of 4.3 percentage points as compared to the end of last year, which was mainly due to the increase of investments in stocks and funds by the Company in view of the capital market trend.

As of the end of the reporting period, debt securities amounted to RMB327,523 million, accounting for 51.1% of total investment assets and representing a decrease of 4.1 percentage points as compared to the end of last year, which was mainly due to the increase of investments in stocks and funds by the Company in view of the market trend.

As of the end of the reporting period, equity securities amounted to RMB120,685 million, accounting for 18.8% of total investment assets, representing an increase of 7.5 percentage points as compared to the end of last year, which was mainly due to the increase of investments in stocks and funds by the Company in view of the capital market trend. The percentage of stocks and funds with respect to the total investment assets increased by 6.3 percentage points as compared to the end of last year.

As of the end of the reporting period, cash and cash equivalents accounted for 3.1% of total investment assets, representing an increase of 0.8 percentage point as compared to the end of last year, which was mainly due to the allocation of investment assets and the requirements for liquidity management.

As of the end of the reporting period, other investment assets accounted for 4.6% of total investment assets, representing an increase of 0.1 percentage point as compared to the end of last year, which was mainly due to the increase in policy loans.

In terms of investment purposes, as of the end of the reporting period, the percentage of available-for-sale securities increased by 4.0 percentage points as compared to the end of last year, mainly due to the increase of investments in stocks and funds.

2. *Investment income*

Unit: RMB in millions

	January-June 2015	January-June 2014	**Change**
Interest income from cash and cash equivalents	**66**	176	-62.5%
Interest income from term deposits	**4,250**	4,220	0.7%
Interest income from debt securities	**9,062**	8,343	8.6%
Dividend income from equity securities(1)	**1,032**	550	87.6%
Interest income from other investment assets (2)	**496**	357	38.9%
Net investment income (3)	**14,906**	13,646	9.2%
Realized gains on investment assets	**16,479**	493	3242.6%
Unrealized gains/(losses)	**(122)**	121	N/A
Impairment losses on investment assets	**(21)**	(754)	-97.2%
Share of results of associates(1)	**238**	269	-11.5%
Total investment income (4)	**31,480**	13,775	128.5%
Annualized net investment yield(5)	**4.8%**	5.1%	Decreased by 0.3 percentage point
Annualized total investment yield(5)	**10.5%**	5.1%	Increased by 5.4 percentage points

Notes:

1. Cash dividend received from associates is included in dividend and interest income from equity securities.

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

3. 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.

4. Total investment income = net investment income + realized gains + unrealized gains/(losses) + impairment losses on investment assets + share of results of associates.

5. Annualized investment yield = (Investment income – Interest expense of items sold under agreements to repurchase)/(monthly average investment assets – monthly financial assets sold under agreements to repurchase – monthly interest receivables)*2.

The Company achieved a total investment income of RMB31,480 million during the reporting period, representing an increase of 128.5% as compared to the same period of last year. The annualized total investment yield was 10.5%, representing an increase of 5.4 percentage points as compared to the same period of last year, which was mainly due to the increase of realized gains on investment assets.

The Company achieved a net investment income of RMB14,906 million during the reporting period, representing an increase of 9.2% as compared to the same period of last year. The annualized net investment yield was 4.8%, representing a decrease of 0.3 percentage point as compared to the same period of last year.

The realized gains, unrealized gains and losses on investment assets and impairment losses on investment assets amounted to a gain of RMB16,336 million in aggregate, an obvious improvement compared to the loss of RMB140 million in aggregate for the same period of last year. This was mainly because the Company had proper position control in the capital market upturn with fluctuation from January to May and achieved relatively high realized gains on investment assets.

3. *External Equity Securities*

(1) Securities investment

No.	Type of securities	Security code	Abbreviated security name	Initial Investment amount *(RMB in millions)*	Number of Securities held *(in millions)*	Carrying amount at the end of the period *(RMB in millions)*	As a percentage of total investments in securities at the end of the period *(%)*	Profits/ losses for the reporting period *(RMB in millions)*
1	Stock	601318	PING AN OF CHINA	405.33	5.10	417.89	29.28	19.37
2	Stock	03366X	OCT (Asia) (Limited)	128.84	40.00	133.75	9.37	12.34
3	Stock	600686	KLM	61.86	4.63	119.14	8.35	60.39
4	Stock	601166	INDUSTRIAL BANK	51.65	3.00	51.75	3.63	0.09
5	Stock	601988	BANK OF CHINA	44.00	10.00	48.90	3.43	4.89
6	Stock	002236	DAHUA INC	42.09	1.50	47.88	3.35	14.28
7	Stock	600016	CMBC	39.62	4.00	39.76	2.79	2.32
8	Stock	601998	CNCB	37.32	5.00	38.55	2.70	1.23
9	Stock	600158	CSI	27.89	1.20	34.38	2.41	6.54
10	Stock	600261	ZHEJIANG YANKON	38.48	4.11	33.45	2.34	0.95
			Investments in other securities held at the end of the reporting period	449.30	N/A	461.76	32.35	18.06
			Profits/losses of investments in securities sold during the reporting period	N/A	N/A	N/A	N/A	234.86
			Total	1,326.38	N/A	1,427.21	100.00	375.32

Notes:

1. Securities investments stated in this table represent investments such as stock, options and convertible bonds, etc., ordered in accordance with the carrying amount at the end of the period. Among this, investments in stock and convertible bonds only include the accounting parts of financial assets calculated at fair value and recorded as unrealized gains/(losses) of the reporting period.

2. Investments in other securities represent investments in other securities apart from the top ten securities.

3. Profits/losses during the reporting period in this table are comprised of interest income, dividend income, realized gains/(losses) and unrealized gains/(losses).

(2) Shareholding in other listed companies

Security code	Abbreviated security name	Initial investment amount *(RMB in millions)*	As a percentage of equity interests in that company at the beginning of the period *(%)*	As a percentage of equity interests in that company at the end of the period *(%)*	Carrying amount at the end of the period *(RMB in millions)*	Profits/ losses during the reporting period *(RMB in millions)*	Changes of Equity Ownership during the reporting period *(RMB in millions)*	Accounting classification	Source of securities
00817X	FRANSHION PROPERTIES (Limited)	2,194.56	0.00	9.50	2,214.51	–	19.95	Available for sale	Purchase
002415	HIKVISION	507.33	0.86	0.65	1,191.04	89.48	569.29	Available for sale	Purchase
601288	AGRICULTURAL BANK OF CHINA	1,135.00	0.00	0.09	1,113.00	20.85	-38.29	Available for sale	Purchase
601166	INDUSTRIAL BANK	984.75	0.11	0.30	975.44	447.89	-69.68	Available for sale	Purchase
600085	TRT	567.63	1.18	1.88	926.77	–	335.27	Available for sale	Purchase
600061	SDIC ESSENCE	430.65	0.00	0.63	875.66	–	445.01	Available for sale	Purchase
601318	PING AN OF CHINA	801.19	0.18	0.11	852.17	479.34	-402.28	Available for sale	Purchase
002466	TIANQI LITHIUM	380.80	5.26	5.26	840.48	–	291.18	Available for sale	Purchase
600587	SHINVA	511.65	3.30	3.59	791.36	–	325.80	Available for sale	Purchase
600153	C&D INC.	341.69	1.95	1.54	765.30	117.56	238.37	Available for sale	Purchase
Other securities held at the end of the reporting period		30,481.95	N/A	N/A	37,108.96	11,602.30	1,297.77	N/A	N/A
Total		38,337.20	N/A	N/A	47,654.69	12,757.42	3,012.39	N/A	N/A

Notes:

1. The table presents the shareholding in other listed companies by the Company as classified under available-for-sale securities ordered in accordance with the carrying amount at the end of the reporting period.

2. All carrying amount of Franshion Properties (Limited) is with selling restrictions.

3. Profits/losses during the reporting period in this table are comprised of dividend income, realized gains/(losses) and impairment losses on equity securities.

(3) Shareholdings in unlisted financial enterprises

During the reporting period, other than the subsidiaries of the Company, the Company did not have any shareholdings in unlisted financial enterprises.

(4) Trading of shares in other listed companies

	Shares purchased/ sold during the reporting period *(in millions)*	**Amount of capital utilized** *(RMB in millions)*	**Investment gains incurred** *(RMB in millions)*
Purchase	4,743.08	46,022.53	N/A
Sale	3,070.45	N/A	12,821.55

III. PRINCIPAL CONTENTS AND ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS

(I) Analysis of principal components of balance sheet

1. Principal assets

Unit: RMB in millions

Component	30 June 2015	31 December 2014	Change
Debt securities	**327,523**	345,518	-5.2%
– Held-to-maturity	**175,430**	175,997	-0.3%
– Available-for-sale	**100,942**	117,490	-14.1%
– At fair value through profit or loss	**3,373**	6,286	-46.3%
– Loans and receivables	**47,778**	45,745	4.4%
Equity securities	**111,049**	60,403	83.8%
– Available-for-sale	**104,320**	58,012	79.8%
– At fair value through profit or loss	**6,729**	2,391	181.4%
Term deposits	**143,748**	167,297	-14.1%
Financial assets purchased under agreements to resell	**654**	1,584	-58.7%
Premiums receivable	**2,543**	1,543	64.8%
Deferred tax assets	**–**	36	N/A
Cash and cash equivalents	**19,920**	14,503	37.4%
Other assets not included in the above assets	**54,403**	52,825	3.0%
Total	**659,840**	643,709	2.5%

Debt securities

As of the end of the reporting period, debt securities decreased by 5.2% as compared to the end of 2014, mainly due to the decrease in trust plans under available-for-sale securities.

Equity securities

As of the end of the reporting period, equity securities increased by 83.8% as compared to the end of 2014, mainly due to the upturn of the capital market with fluctuation from January to May and the Company's increase of investment in stocks and funds.

Term deposits

As of the end of the reporting period, term deposits decreased by 14.1% as compared to the end of 2014, mainly due to the maturity of certain term deposits of the Company and requirements for allocation of investment assets.

Financial assets purchased under agreements to resell

As of the end of the reporting period, financial assets purchased under agreements to resell decreased by 58.7% as compared to the end of 2014, mainly due to the requirements for daily liquidity management.

Premiums receivable

As of the end of the reporting period, premiums receivable increased by 64.8% as compared to the end of 2014, mainly due to the uneven distribution of insurance business in various quarters and the cumulative growth of insurance business.

Deferred tax assets

As of the end of the reporting period, deferred tax assets was 0, mainly due to the capital market upturn with fluctuation from January to May, and that despite the obvious fall in June, the Shanghai Stock Index at the end of June was still higher than that at the beginning of the year, which resulted in the excess of taxable temporary differences over deductible temporary differences as a result of the increase in carrying amount of available-for-sale financial assets of Company. Net amount of deferred tax is stated as deferred tax liabilities accordingly.

Cash and cash equivalents

As of the end of the reporting period, cash and cash equivalents increased by 37.4% as compared to the end of 2014, mainly due to the allocation of investment assets and the requirements for daily liquidity management.

2. *Principal liabilities*

Unit: RMB in millions

Component	30 June 2015	31 December 2014	Change
Insurance contracts	**515,098**	480,100	7.3%
Long-term insurance contract liabilities	**513,291**	478,406	7.3%
Short-term insurance contract liabilities			
– Outstanding claims liabilities	**503**	562	-10.5%
– Unearned premiums liabilities	**1,304**	1,132	15.2%
Investment contracts	**26,889**	28,213	-4.7%
Financial assets sold under agreements to repurchase	**30,745**	59,234	-48.1%
Premiums received in advance	**129**	2,246	-94.3%
Reinsurance liabilities	**165**	67	146.3%
Other liabilities	**7,844**	5,090	54.1%
Current income tax liabilities	**652**	48	1258.3%
Deferred tax liabilities	**1,000**	17	5782.4%
Other liabilities not included in the above liabilities	**20,383**	20,330	0.3%
Total	**602,905**	595,345	1.3%

Insurance contracts

As of the end of the reporting period, insurance contracts liabilities increased by 7.3% as compared to the end of 2014, mainly due to the growth of the Company's insurance business and the accumulation of insurance obligations. As at the balance sheet date, liabilities for all insurance contracts of the company had passed adequacy tests.

Financial assets sold under agreements to repurchase

As of the end of the reporting period, financial assets sold under agreements to repurchase decreased by 48.1% as compared to the end of 2014, mainly due to the allocation of investment assets and the requirements for liquidity management of the Company.

Premiums received in advance

As of the end of the reporting period, premiums received in advance decreased by 94.3% as compared to the end of 2014, mainly due to the difference in the timing of underwriting policies of insurance business.

Reinsurance liabilities

As of the end of the reporting period, the reinsurance liabilities increased by 146.3% as compared to the end of 2014, mainly due to the impact of the delay of the settlement of the reinsurance payables of reinsurance companies and the increase of reinsurance business.

Other liabilities

As of the end of the reporting period, other liabilities increased by 54.1% as compared to the end of 2014, mainly due to the increase of interests payable of subordinated debt of the Company.

Current income tax liabilities

As of the end of the reporting period, the current income tax liabilities increased by 1258.3% as compared to the end of 2014, mainly due to the increase in the taxable enterprise income.

Deferred tax liabilities

As of the end of the reporting period, deferred tax liabilities increased by 5782.4% as compared to the end of 2014, mainly due to capital market upturn with fluctuation from January to May, and that despite the obvious fall in June, the Shanghai Stock Index at the end of June was still higher than that at the beginning of the year, which resulted in the excess of taxable temporary differences over deductible temporary differences as a result of the increase in carrying amount of available-for-sale financial assets of Company. Net amount of deferred tax is stated as deferred tax liabilities accordingly.

3. *Shareholders' equity*

As of the end of the reporting period, equity attributable to shareholders of the Company amounted to RMB56,929 million, representing an increase of 17.7% as compared to the end of 2014, mainly due to the cumulative growth of investment income and insurance business.

(II) Analysis of Principal Components of the Income Statement

1. *Revenues*

Unit: RMB in millions

Component	**January-June 2015**	January-June 2014	**Change**
Gross written premiums and policy fees	**72,738**	66,927	8.7%
Less: premiums ceded out	**(333)**	(213)	56.3%
Net written premiums and policy fees	**72,405**	66,714	8.5%
Net change in unearned premiums liabilities	**(151)**	(195)	-22.6%
Net premiums earned and policy fees	**72,254**	66,519	8.6%
Investment income	**31,226**	13,506	131.2%
Other income	**244**	179	36.3%
Total	**103,724**	80,204	29.3%

Gross written premiums and policy fees

During the reporting period, gross written premiums and policy fees amounted to RMB72,738 million, representing an increase of 8.7% as compared to the same period of last year, mainly due to the increase in premium income from individual insurance agent channel and bancassurance channel.

Premiums ceded out

During the reporting period, premiums ceded out represented an increase of 56.3% as compared to the same period of last year, mainly due to the growth of the reinsurance business and the decrease in policy surrenders recovered from reinsurers.

Investment income

During the reporting period, investment income represented an increase of 131.2% as compared to the same period of last year, mainly due to the increase in realized gains on investment assets and interest income of debt investments.

Other income

During the reporting period, other income increased by 36.3% as compared to the same period of last year, mainly due to the increase in income of asset management business and health management business of subsidiaries.

2. *Insurance business expenditures and other expenses*

Unit: RMB in millions

Component	**January-June 2015**	January-June 2014	**Change**
Insurance benefits and claims	**(81,070)**	(65,155)	24.4%
Claims and net change in outstanding claims liabilities	**(484)**	(508)	-4.7%
Life insurance death and other benefits	**(51,797)**	(26,421)	96.0%
Increase in long-term insurance contract liabilities	**(28,789)**	(38,226)	-24.7%
Investment contract benefits	**(706)**	(510)	38.4%
Commission and brokerage expenses	**(5,170)**	(4,140)	24.9%
Administrative expenses	**(5,750)**	(5,181)	11.0%
Other expenses	**(1,140)**	(92)	1139.1%
Total	**(93,836)**	(75,078)	25.0%

Insurance benefits and claims

During the reporting period, insurance benefits and claims increased by 24.4% as compared to the same period of last year, mainly due to an increase in surrenders, maturities and annuities and the increase in long-term insurance contracts liabilities accrued according to the accounting policy of the Company.

Life insurance death and other benefits

During the reporting period, life insurance death and other benefits increased by 96% as compared to the same period of last year, mainly due to the increase in surrenders, maturities and annuities.

Increase in long-term insurance contract liabilities

During the reporting period, increase in long-term insurance contract liabilities decreased by 24.7% as compared to the same period of last year, mainly due to the growth of surrenders and change in business structure.

Investment contract benefits

During the reporting period, investment contract benefits increased by 38.4% as compared to the same period of last year, mainly due to the increase in the balance of investment account.

Other expenses

During the reporting period, other expenses increased by 1139.1% as compared to the same period of last year, mainly due to the increase in business tax and surcharges from investment business.

3. Income tax

During the reporting period, income tax expenses were RMB2,090 million, representing an increase of 170.0% as compared to the same period of last year, mainly due to the increase in taxable income.

4. Net profit

During the reporting period, the Company achieved RMB6,752 million of the net profit attributable to the shareholders of the Company, representing an increase of 80.1% as compared to the same period of last year, mainly due to the increase in investment income and the cumulative growth in insurance business.

5. Other comprehensive income

During the reporting period, other comprehensive income was RMB2,473 million, representing an increase of 254.8% as compared to the same period of last year, mainly due to the increase of other comprehensive income as a result of the increase in carrying amount of available-for-sale securities in the reporting period.

(III) Analysis of consolidated statement of cash flows

Unit: RMB in millions

Component	**January-June 2015**	January-June 2014	**Change**
Net cash flows from operating activities	**3,433**	29,226	-88.3%
Net cash flows from investing activities	**33,164**	(16,131)	N/A
Net cash flows from financing activities	**(31,162)**	(211)	14,668.7%

1. Net cash flows from operating activities

Net cash flows from operating activities of the Company for the first half of 2015 and 2014 amounted to RMB3,433 million and RMB29,226 million, respectively. Cash inflows from operating activities of the Company were primarily comprised of cash premiums received. Cash premiums of existing insurance contracts received during the first half of 2015 and 2014 amounted to RMB69,578 million and RMB65,734 million, respectively.

Cash outflows from operating activities of the Company for the first half of 2015 and 2014 amounted to RMB67,405 million and RMB37,732 million, respectively. Cash outflows from operating activities of the Company were primarily comprised of claim payments in cash, commission and brokerage expenses in cash, cash paid to or for employees, tax payments and other cash payments related to operating activities. Claims expenses in cash of existing insurance contracts for the first half of 2015 and 2014 amounted to RMB52,463 million and RMB26,896 million, respectively. The above changes were mainly due to the Company's business growth and the increase of benefits and claims paid.

2. Net cash flows from investing activities

Net cash flows from investing activities of the Company for the first half of 2015 and 2014 amounted to RMB33,164 million and negative RMB16,131 million, respectively. Cash inflows from investing activities of the Company for the first half of 2015 and 2014 amounted to RMB277,153 million and RMB130,096 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 the sale of financial assets purchased under agreement to resell, etc..

Cash outflows from investing activities of the Company for the first half of 2015 and 2014 amounted to RMB243,989 million and RMB146,227 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 the purchase of fixed assets, intangible assets and other long-term 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 2015 and 2014 amounted to negative RMB31,162 million and negative RMB211 million, respectively. Cash inflows from financing activities of the Company for the first half of 2015 and 2014 amounted to RMB2,314,548 million and RMB2,160,718 million, respectively. Cash inflows from financing activities of the Company were primarily comprised of cash received from the sale of financial assets under agreements to repurchase, etc.

Cash outflows from financing activities of the Company for the first half of 2015 and 2014 amounted to RMB2,345,710 million and RMB2,160,929 million, respectively. Cash outflows from financing activities of the Company were primarily comprised of cash paid for the sale of financial assets under agreements to repurchase.

4. Source and use of liquidity

The principal cash inflows of the Company were comprised of insurance premiums, investment contracts, proceeds from sales and maturity of investment assets and investment income. The liquidity risks with respect to these cash inflows primarily arose from surrenders of contract holders and policyholders, and also included the risks of default by debtors, as well as risks arising from fluctuation of interest rate and other market risks. The Company closely monitors and manages these risks.

The cash and bank deposits of the Company provide us with liquidity resources to satisfy the requirements of cash outflows. As of the end of the reporting period, cash and cash equivalents amounted to RMB19,920 million. In addition, substantially all of the Company's term deposits were available for utilization, subject to penalty interest. As of the end of the reporting period, the term deposits of the Company amounted to RMB143,748 million. The investment portfolio of the Company also provides us with liquidity resources to satisfy the requirements of unexpected cash outflows. As of the end of the reporting period, the fair value of debt securities amounted to RMB332,003 million, and the fair value of equity securities amounted to RMB111,049 million.

The principal cash outflows of the Company were comprised of the liabilities associated with various life insurance, annuity, accident and health insurance products, the dividends and interest payments of insurance policies and annuity contracts, operating expenses, income taxes and the dividends declared and payable to shareholders. Cash outflows arising from the insurance activities were primarily comprised of benefit payments of these insurance products, as well as payments for policy surrenders, withdrawals and loans.

The Company believes that its sources of liquidity are sufficient to meet its current cash requirements.

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 2015	As of 31 December 2014	**Reason(s) of Change**
Actual capital	**58,147**	51,541	Gains for the current period, changes in fair value of investment assets and investment structure
Minimum capital	**23,661**	22,753	Growth in insurance business
Surplus	**34,486**	28,788	
Solvency margin ratio	**245.75%**	226.53%	

(II) Gearing Ratio

	As of 30 June 2015	As of 31 December 2014
Gearing ratio	**91.4%**	92.5%

Note: Gearing ratio = Total liabilities/Total assets.

(III) Reinsurance Business

The Company's reinsurance business currently mainly includes business cession through quota share, surplus and catastrophe excess of loss reinsurance contracts. The current reinsurance contracts cover almost all products with risk liabilities. Reinsurers of the Company mainly include Swiss Reinsurance Company Ltd., Beijing Branch and China Life Reinsurance Company Ltd., etc..

During the first half of 2015, premiums ceded out of the Company were set out as follows:

Unit: RMB in millions

	January-June 2015	January-June 2014
Swiss Reinsurance Company Ltd., Beijing Branch	**236**	170
China Life Reinsurance Company Ltd.	**91**	37
Others[1]	**6**	6
Total	**333**	213

Notes:

1. Others primarily included Hannover Rueckversicherung 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 2015, China's life insurance industry had excellent development momentum. As we look to the future, the life insurance market will continue to have tremendous development potential, mainly driven by three factors. Firstly, in the context of "New Normal" domestic economic, reduction of interest rates and fluctuating investment yield, the distinct advantages of the life insurance become fully apparent, and insurance products gain more and more popularity. Secondly, favorable policies of the industry continue to provide support. With the successive implementation of the "New Ten Measures" of insurance industry, the individual income tax deferred pension insurance policy and favorable policies for promoting commercial health insurance, the area of people's livelihood insurance will witness new developing space and the market demands will also grow. Thirdly, the industry's focus on marketing modes for the past few years has born fruit, with the total number of insurance agents reaching its historic high, high performing individual insurance agents maintaining high quantity and product operation being strengthened continually.

From the perspective of macroeconomic policy effect, the insurance industry faces many favorable conditions as well as fiercer competition. With the further deepening of the premium rate marketization reform, market competition will become fiercer and mainly focused on product and service innovation. The top priority will be enhancing response and refined management capabilities.

In the face of future opportunities and challenges, the Company will continue to implement its “customer-centric” strategy transformation and gradually optimize the construction of whole life-cycle system for customers centering on business development. The Company will pursue healthy and sustainable business development through the enhancement of individual insurance agents, products operation, operation and management and risk control.

Firstly, the Company will continue to promote the construction of the sales team based on the development of the present sales team, and promote both sales team development and productivity enhancement by sticking to “A Robust Sales Force Development Strategy Focusing on both Quality and Quantity” and the principle of “Organization Development”. Meanwhile, the Company will accelerate internal organization development through the construction of a basic management platform, and realize significant increase in the number of individual insurance agents.

Secondly, in order to improve the competitiveness and structure of products, the Company will strengthen product operation by consolidating the sales of annuity insurance products and timely launching new health insurance products.

Thirdly, the Company will further improve the construction of a basic system for operation and service based on promotion of business development. The Company will also improve service efficiency through the implement of quantization index management, and gradually establish the best service system of the industry and build the NCI service brand.

Fourthly, the Company will further strengthen comprehensive risk inspection work by carrying out strict inspection and process control on all aspects from products to sales, frontline to back-office, headquarter to subsidiaries and evaluation to management, centering on regulating misguided sales. We will extract and analyze suspicious business data and strengthen quality management and risk control.

INTERIM RESULTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

Unit: RMB in millions

	Notes	For the six months ended 30 June 2015 Unaudited	2014 Unaudited
REVENUES			
Gross written premiums and policy fees	*1*	**72,738**	66,927
Less: premiums ceded out		**(333)**	(213)
Net written premiums and policy fees		**72,405**	66,714
Net change in unearned premiums liabilities		**(151)**	(195)
Net premiums earned and policy fees		**72,254**	66,519
Investment income	*2*	**31,226**	13,506
Other income		**244**	179
Total revenues		**103,724**	80,204
BENEFITS, CLAIMS AND EXPENSES			
Insurance benefits and claims			
Claims and net change in outstanding claims liabilities		**(484)**	(508)
Life insurance death and other benefits		**(51,797)**	(26,421)
Increase in long-term insurance contract liabilities		**(28,789)**	(38,226)
Investment contract benefits		**(706)**	(510)
Commission and brokerage expenses		**(5,170)**	(4,140)
Administrative expenses	*3*	**(5,750)**	(5,181)
Other expenses		**(1,140)**	(92)
Total benefits, claims and expenses		**(93,836)**	(75,078)
Share of results of associates		**255**	269
Finance costs		**(1,300)**	(872)
Profit before income tax		**8,843**	4,523
Income tax expense	*4*	**(2,090)**	(774)
Net profit for the period		**6,753**	3,749
Net profit for the period attributable to:			
– Owners of the parent		**6,752**	3,748
– Non-controlling interests		**1**	1
Earnings per share (RMB)			
Basic and diluted	*5*	**2.16**	1.20

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
For the six months ended 30 June 2015

Unit: RMB in millions

	For the six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
Net profit for the period	**6,753**	3,749
Other comprehensive income to be reclassified into profit or loss in subsequent periods		
Available-for-sale securities		
Gains arising from fair value changes	**25,419**	1,955
Gains transferred to profit or loss from other comprehensive income	**(16,123)**	(522)
Impairment transferred to profit or loss from other comprehensive income	**21**	754
Changes in liabilities for insurance and investment contracts arising from net unrealized gains	**(6,019)**	(1,266)
Currency translation differences	**–**	1
Share of other comprehensive income of associates under the equity method	**–**	5
Income tax relating to components of other comprehensive income	**(825)**	(230)
Total other comprehensive income, net of tax	**2,473**	697
Total comprehensive income	**9,226**	4,446
Total comprehensive income for the period attributable to:		
– Owners of the parent	**9,225**	4,445
– Non-controlling interests	**1**	1

NOTES:

1、 GROSS WRITTEN PREMIUMS AND POLICY FEES

Unit: RMB in millions

	For the six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
Gross written premiums		
– Long-term insurance contracts	**71,074**	65,305
– Short-term insurance contracts	**1,587**	1,512
Subtotal	**72,661**	66,817
Policy fees		
– Investment contracts	**77**	110
Gross written premiums and policy fees	**72,738**	66,927

2、 INVESTMENT INCOME

Unit: RMB in millions

	For the six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
Interest income from bank deposits	**4,329**	4,409
Held-to-maturity securities		
– Interest income	**4,108**	4,189
Available-for-sale securities		
– Interest income	**3,276**	3,051
– Dividend income	**739**	538
– Net realized gains	**16,112**	522
– Impairment losses on equity securities	**(21)**	(754)
Interest income from loans and receivables	**1,531**	958
Interest income from policy loans	**459**	317
Securities at fair value through profit or loss		
– Interest income	**147**	145
– Fair value (losses)/gains	**(122)**	121
– Dividend income	**276**	12
– Net realised gains/(losses)	**367**	(29)
Interest income from financial assets purchased under agreements to resell	**24**	27
Others	**1**	–
Total	**31,226**	13,506

3、 ADMINISTRATIVE EXPENSES

Unit: RMB in millions

	For the six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
Employee benefit expenses (including directors' emoluments)	**4,069**	3,591
Operating lease expense	**387**	331
Depreciation and amortization	**217**	197
Travel and conference fees	**214**	202
Entertainment expense	**202**	201
Insurance guarantee fund	**120**	111
Office miscellaneous expense	**106**	107
Promotional printing costs	**64**	69
Postal fees	**57**	51
Advertising fees	**44**	59
Supervision fees	**30**	41
Vehicle usage fees	**25**	31
Electronic equipment operating costs	**22**	23
Auditors' remuneration	**8**	5
Others	**185**	162
Total	**5,750**	5,181

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 tax authority. Most of income taxes shown below are taxes in the PRC.

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

Unit: RMB in millions

	For the six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
Current tax	**1,896**	759
Deferred tax	**194**	15
Total income tax	**2,090**	774

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

Unit: RMB in millions

	For the six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
Profit before income tax	**8,843**	4,523
Tax computed at the statutory tax rate in China	**2,211**	1,131
Non-taxable income (i)	**(519)**	(392)
Expenses not deductible for tax purpose (i)	**383**	25
Effect of unrealized deferred tax assets arising from deductible losses and deductible temporary differences	**19**	11
Adjustment to the current tax of prior years	**(1)**	–
Effect on different tax rate used by a subsidiary	**(3)**	(1)
Income taxes at effective tax rate	**2,090**	774

(i) Non-taxable income mainly includes government bond interest income and stock dividend income. Expenses not deductible for tax purposes mainly include those expenses such as commission and brokerage expenses, penalties, donations and entertainment expenses that do not meet the criteria for deduction under relevant tax regulations issued by the tax authority.

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

Unit: RMB in millions

	Financial assets	**Insurance liability and others**	**Total**
Net deferred tax assets			
As at 1 January 2014	546	494	1,040
(Charged)/credited to net profit	(31)	16	(15)
Charged to other comprehensive income	(547)	317	(230)
As at 30 June 2014 (Unaudited)	(32)	827	795
Net deferred tax assets			
As at 1 January 2015	**(2)**	**38**	**36**
(Charged)/credited to net profit	**–**	**(38)**	**(38)**
Charged to other comprehensive income	**2**	**–**	**2**
As at 30 June 2015 (Unaudited)	**–**	**–**	**–**
Net deferred tax liabilities			
As at 1 January 2015	**(2,305)**	**2,288**	**(17)**
(Charged)/credited to net profit	**30**	**(186)**	**(156)**
Charged to other comprehensive income	**(2,332)**	**1,505**	**(827)**
As at 30 June 2015 (Unaudited)	**(4,607)**	**3,607**	**(1,000)**

As at 30 June 2015, the Group recognized deferred income tax assets to the extent that it was probable that future taxable profits would be available against which the temporary differences could be utilized.

(4) Deferred income tax assets are recognized for tax losses carry-forwards to the extent that the realization of the related tax benefit through future taxable income is probable. The amount of deductible temporary differences and unused tax losses for which no deferred tax asset is recognized is as follows:

Unit: RMB in millions

	As at 30 June 2015 Unaudited	As at 31 December 2014
Deductible losses	**381**	305
Deductible temporary differences	**475**	475
Total	**856**	780

5、 EARNINGS PER SHARE

(1) Basic

Basic earnings per share is 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	
	2015 Unaudited	2014 Unaudited
Net profit attributable to owners of the parent (RMB in millions)	**6,752**	3,748
Weighted average number of ordinary shares issued (in millions)	**3,120**	3,120
Basic earnings per share (RMB)	**2.16**	1.20

(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 2015 (for the six months ended 30 June 2014 (unaudited): same).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

Unit: RMB in millions

	As at 30 June 2015 Unaudited	As at 31 December 2014
ASSETS		
Property, plant and equipment	**5,952**	5,917
Investment properties	**1,815**	1,665
Intangible assets	**1,579**	1,559
Investments in associates	**9,636**	10,150
Debt securities	**327,523**	345,518
– Held-to-maturity	**175,430**	175,997
– Available-for-sale	**100,942**	117,490
– At fair value through profit or loss	**3,373**	6,286
– Loans and receivables	**47,778**	45,745
Equity securities	**111,049**	60,403
– Available-for-sale	**104,320**	58,012
– At fair value through profit or loss	**6,729**	2,391
Term deposits	**143,748**	167,297
Statutory deposits	**716**	716
Policy loans	**18,174**	14,903
Financial assets purchased under agreements to resell	**654**	1,584
Accrued investment income	**9,718**	10,644
Premiums receivable	**2,543**	1,543
Deferred tax assets	**–**	36
Reinsurance assets	**3,217**	3,020
Other assets	**3,596**	4,251
Cash and cash equivalents	**19,920**	14,503
Total assets	**659,840**	643,709

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 30 June 2015

Unit: RMB in millions

	As at 30 June 2015 Unaudited	As at 31 December 2014
LIABILITIES AND EQUITY		
Liabilities		
Insurance contracts		
Long-term insurance contract liabilities	**513,291**	478,406
Short-term insurance contract liabilities		
– Outstanding claims liabilities	**503**	562
– Unearned premiums liabilities	**1,304**	1,132
Investment contracts	**26,889**	28,213
Borrowings	**19,000**	19,000
Financial liabilities at fair value through profit or loss	**53**	–
Financial assets sold under agreements to repurchase	**30,745**	59,234
Benefits, claims and surrenders payable	**1,301**	1,301
Premiums received in advance	**129**	2,246
Reinsurance liabilities	**165**	67
Provisions	**29**	29
Other liabilities	**7,844**	5,090
Current income tax liabilities	**652**	48
Deferred tax liabilities	**1,000**	17
Total liabilities	**602,905**	595,345
Shareholders' equity		
Share capital	**3,120**	3,120
Reserves	**32,773**	30,300
Retained earnings	**21,036**	14,939
Equity attributable to owners of the parent	**56,929**	48,359
Non-controlling interests	**6**	5
Total equity	**56,935**	48,364
Total liabilities and equity	**659,840**	643,709

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

Unit: RMB in millions

	For the six months ended 30 June 2014 (Unaudited)					
	Attributable to owners of the parent					
	Share capital	Reserves	Retained earnings	Total	Non-controlling Interests	Total equity
As at 1 January 2014	3,120	25,903	10,289	39,312	6	39,318
Net profit for the period	–	–	3,748	3,748	1	3,749
Other comprehensive income	–	697	–	697	–	697
Total comprehensive income	–	697	3,748	4,445	1	4,446
Effect on capital injection to subsidiary	–	2	–	2	(2)	–
Dividends paid	–	–	(468)	(468)	–	(468)
Total transactions with owners	–	–	(468)	(468)	–	(468)
As at 30 June 2014	3,120	26,602	13,569	43,291	5	43,296

	For the six months ended 30 June 2015 (Unaudited)					
	Attributable to owners of the parent					
	Share capital	**Reserves**	**Retained earnings**	**Total**	**Non-controlling Interests**	**Total equity**
As at 1 January 2015	**3,120**	**30,300**	**14,939**	**48,359**	**5**	**48,364**
Net profit for the period	**–**	**–**	**6,752**	**6,752**	**1**	**6,753**
Other comprehensive income	**–**	**2,473**	**–**	**2,473**	**–**	**2,473**
Total comprehensive income	**–**	**2,473**	**6,752**	**9,225**	**1**	**9,226**
Dividends paid	**–**	**–**	**(655)**	**(655)**	**–**	**(655)**
Total transactions with owners	**–**	**–**	**(655)**	**(655)**	**–**	**(655)**
As at 30 June 2015	**3,120**	**32,773**	**21,036**	**56,929**	**6**	**56,935**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

Unit: RMB in millions

	For the six months ended 30 June 2015 Unaudited	2014 Unaudited
Operating activities		
Cash generated from operating activities	**5,626**	30,723
Tax paid	**(2,193)**	(1,497)
Net cash inflow from operating activities	**3,433**	29,226
Investing activities		
Cash received/(paid) for investing activities, net	**16,529**	(30,288)
Proceeds from disposal of property, plant and equipment, intangible assets and other assets	**2**	2
Purchases of property, plant and equipment, intangible assets and other assets	**(591)**	(520)
Interest received	**15,257**	13,154
Dividends received	**945**	457
Financial assets purchased under agreements to resell, net	**1,022**	1,064
Net cash inflow/(outflow) from investing activities	**33,164**	(16,131)
Financing activities		
Dividends paid	**–**	(4)
Financial assets sold under agreements to repurchase, net	**(31,162)**	(207)
Net cash outflow from financing activities	**(31,162)**	(211)
Effects of exchange rate changes on cash and cash equivalents	**(18)**	46
Cash and cash equivalents at beginning of period	**14,503**	18,570
Cash and cash equivalents at end of period	**19,920**	31,500
Analysis of balances of cash and cash equivalents		
Cash at banks and in hand	**19,681**	26,204
Short-term bank deposits	**239**	5,296
Cash and cash equivalents at end of period	**19,920**	31,500

SEGMENT INFORMATION

The Group's operating segments for the six months ended 30 June 2015 are the same with the segments of the Group for the six months ended 30 June 2014 and the year ended 31 December 2014.

Unit: RMB in millions

	For the six months ended 30 June 2015 (Unaudited)				
	Insurance		Others	Elimination	Total
	Individual	Group			
Revenues					
Gross written premiums and policy fees	71,841	897	–	–	72,738
Less: premiums ceded out	(223)	(110)	–	–	(333)
Net written premiums and policy fees	71,618	787	–	–	72,405
Net change in unearned premiums liabilities	(66)	(85)	–	–	(151)
Net premiums earned and policy fees	71,552	702	–	–	72,254
Investment income	30,700	407	119	–	31,226
Other income	99	5	319	(179)	244
Including: inter-segment revenue	3	–	176	(179)	–
Total revenues	102,351	1,114	438	(179)	103,724
Benefits, claims and expenses					
Insurance benefits and claims					
Claims and net change in outstanding claims liabilities	(220)	(264)	–	–	(484)
Life insurance death and other benefits	(51,711)	(86)	–	–	(51,797)
Increase in long-term insurance contracts liabilities	(28,672)	(117)	–	–	(28,789)
Investment contract benefits	(654)	(52)	–	–	(706)
Commission and brokerage expenses	(5,027)	(143)	–	–	(5,170)
Administrative expenses	(5,205)	(493)	(231)	179	(5,750)
Including: inter-segment expenses	(160)	(15)	(4)	179	–
Other expenses	(971)	(43)	(126)	–	(1,140)
Total benefits, claims and expenses	(92,460)	(1,198)	(357)	179	(93,836)
Share of results of associates	265	4	(14)	–	255
Finance costs	(1,203)	(97)	–	–	(1,300)
Net profit before income tax	8,953	(177)	67	–	8,843
Income tax	–	–	(2,090)	–	(2,090)
Net profit for the period	8,953	(177)	(2,023)	–	6,753
Other segment information:					
Depreciation and amortization	(217)	(20)	(10)	–	(247)
Interest income	13,650	180	44	–	13,874
Impairment	(23)	(1)	–	–	(24)
Share of profit of associates under the equity method	265	4	(14)	–	255
Capital expenditure	–	–	444	–	444

SEGMENT INFORMATION (CONTINUED)

Unit: RMB in millions

	For the six months ended 30 June 2014 (Unaudited)				
	Insurance		Others	Elimination	Total
	Individual	Group			
Revenues					
Gross written premiums and policy fees	65,993	934	–	–	66,927
Less: premiums ceded out	(123)	(90)	–	–	(213)
Net written premiums and policy fees	65,870	844	–	–	66,714
Net change in unearned premiums liabilities	(54)	(141)	–	–	(195)
Net premiums earned and policy fees	65,816	703	–	–	66,519
Investment income	13,245	231	30	–	13,506
Other income	91	7	230	(149)	179
Including: inter-segment revenue	2	–	147	(149)	–
Total revenues	79,152	941	260	(149)	80,204
Benefits, claims and expenses					
Insurance benefits and claims					
Claims and net change in outstanding claims liabilities	(231)	(277)	–	–	(508)
Life insurance death and other benefits	(26,355)	(66)	–	–	(26,421)
Increase in long-term insurance contracts liabilities	(38,156)	(70)	–	–	(38,226)
Investment contract benefits	(486)	(24)	–	–	(510)
Commission and brokerage expenses	(3,976)	(164)	–	–	(4,140)
Administrative expenses	(4,703)	(459)	(168)	149	(5,181)
Including: inter-segment expenses	(134)	(13)	(2)	149	–
Other expenses	6	(25)	(73)	–	(92)
Total benefits, claims and expenses	(73,901)	(1,085)	(241)	149	(75,078)
Share of results of associates	273	5	(9)	–	269
Finance costs	(831)	(41)	–	–	(872)
Net profit before income tax	4,693	(180)	10	–	4,523
Income tax	–	–	(774)	–	(774)
Net profit for the period	4,693	(180)	(764)	–	3,749
Other segment information:					
Depreciation and amortization	(174)	(17)	(6)	–	(197)
Interest income	12,856	220	20	–	13,096
Impairment	(746)	(8)	–	–	(754)
Share of profit of associates under the equity method	273	5	(9)	–	269
Capital expenditure	–	–	520	–	520

SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities as at 30 June 2015 and 31 December 2014:

Unit: RMB in millions

As at 30 June 2015	**Insurance**		**Others**	**Elimination**	**Total**
Unaudited	**Individual**	**Group**			
Segment assets	**638,153**	**6,584**	**15,129**	**(26)**	**659,840**
Segment liabilities	**573,314**	**6,113**	**23,504**	**(26)**	**602,905**

As at 31 December 2014	Insurance		Others	Elimination	Total
	Individual	Group			
Segment assets	622,607	6,634	14,582	(114)	643,709
Segment liabilities	568,095	6,300	21,064	(114)	595,345

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board. The condensed consolidated interim financial information should be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**").

The accounting policies applied are consistent with those of the consolidated annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

All IFRSs that remain in effect which are relevant to the Group have been applied. The Group has not applied the following key new and revised IFRSs that have been issued but are not yet effective, in these financial statements.

New accounting standards and amendments issued but are not effective for the financial year beginning 1 January 2015

Standards/Amendments	**Content**	**Effective for annual periods beginning on or after**
IFRS 9	*Financial Instruments*	1 January 2018
IFRS 10 and IAS 28 Amendments	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2016
IFRS 10, IFRS 12 and IAS 28 Amendments	*Investment Entities: Applying the Consolidation Exception*	1 January 2016
IFRS 11 Amendments	*Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
IFRS 14	*Regulatory Deferral Accounts*	1 January 2016
IFRS 15	*Revenue from Contracts with Customers*	1 January 2018
IAS 1 Amendments	*Disclosure Initiative*	1 January 2016
IAS 16 Amendments and IAS 38 Amendments	*Clarification of Acceptable Methods of Depreciation and Amortization*	1 January 2016
Annual Improvements 2012-2014 Cycle	*Amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34*	1 January 2016

Except for IAS 27 Amendments- Equity Method in Separate Financial Statements, the Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

EMBEDDED VALUE

1. Key Assumptions

In determining the Embedded Value and the Value of New Business as at 30 June 2015, we have assumed that the Company continues to operate as a going concern under the current economic and regulatory environment, and the current method for determining solvency reserves and statutory minimum solvency margin levels remains 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.

Risk Discount Rate

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

Investment Returns

The investment return assumptions as at 30 June 2015 are shown below for the different funds respectively.

Investment Return Assumptions for VIF and VNB as at 30 June 2015

	2015	2016	2017	2018+
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.

Mortality

Mortality assumptions have been developed based on the Company's past mortality experience, expectations of current and future experience. Mortality assumptions are expressed as a percentage of "China Life Mortality Tables (2000 to 2003)".

Morbidity

Morbidity assumptions have been developed based on the Company's past morbidity experience, expectations of current and future experience. Morbidity assumptions are expressed as a percentage of "China Life Insurance Experienced Critical Illness Table (2006 to 2010)".

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.

Expenses

Unit cost assumptions have been developed based on our actual experience in 2014 and expected future outlook. Future inflation of 2.0% p.a. has been assumed in respect of per policy expenses.

Commission and Handling Fees

The assumed level of commission and commission override, as well as handling fees, have been set based on the levels currently being paid.

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.

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% business tax has been applied to the gross premium of short-term accident business.

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 level I.

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

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.

2. Embedded Value Results

The table below shows our embedded value and value of one year's new business as at 30 June 2015 and their corresponding results as at prior valuation date.

Unit: RMB in millions

Valuation Date	**30 June 2015**	31 December 2014
Adjusted Net Worth	**51,472**	42,976
Value of In-Force Business Before Cost of Capital	**60,481**	54,292
Cost of Capital	**(12,705)**	(12,007)
Value of In-Force Business After Cost of Capital	**47,776**	42,284
Embedded Value	**99,247**	85,260
Value of One Year's New Business		
Value of One Year's New Business Before Cost of Capital	**7,460**	6,234
Cost of Capital	**(1,495)**	(1,322)
Value of One Year's New Business After Cost of Capital	**5,965**	4,912

Note 1: Numbers may not be additive due to rounding.

Note 2: The first year premiums used to calculate the Value of One Year's New Business as at 30 June 2015 and 31 December 2014 were RMB52,342 million and RMB42,843 million, respectively.

Note 3: The impact of major reinsurance contracts has been reflected in the Embedded Value and Value of One Year's New Business.

Unit: RMB in millions

Valuation Date	**30 June 2015**	30 June 2014
Value of First Half Year's New Business by Distribution Channel		
Individual insurance agent channel	**3,391**	2,364
Bancassurance channel	**112**	101
Group insurance channel	**(54)**	(55)
Total	**3,450**	2,409

Note 1: Numbers may not be additive due to rounding.

Note 2: The Value of First Half Year's New Business as at 30 June 2014 is recalculated using assumptions as at 31 December 2014.

Note 3: The first year premiums used to calculate the Value of First Half Year's New Business as at 30 June 2015 and 30 June 2014 were RMB38,622 million and RMB29,100 million, respectively.

Note 4: The impact of major reinsurance contracts has been reflected in Value of First Half Year's New Business.

Note 5: Value of First Half Year's New Business of the service and business development channel is included in the individual insurance agent channel.

3. Analysis of Change

The analysis of change in Embedded Value from 31 December 2014 to 30 June 2015, calculated at a risk discount rate of 11.5%, is shown below.

Unit: RMB in millions

Analysis of Change in EV from 31 December 2014 to 30 June 2015 at a Risk Discount Rate of 11.5%

1.	**EV at the beginning of period**	**85,260**
2.	Impact of Value of New Business	3,450
3.	Expected Return	4,224
4.	Operating Experience Variances	42
5.	Economic Experience Variances	7,491
6.	Operating Assumption Changes	(376)
7.	Economic Assumption Changes	–
8.	Capital Injection/Shareholder Dividend Payment	(655)
9.	Others	(283)
10.	Value Change Other Than Life Insurance Business	94
11.	**EV at the end of period**	**99,247**

Note: Numbers may not be additive due to rounding.

Items 2 to 10 are explained below:

2. Value of New Business as measured 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.

4. 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 2015

Scenarios	VIF after CoC	VNB after CoC
Base Scenario	47,776	5,965
Risk Discount Rate at 12%	45,314	5,516
Risk Discount Rate at 11%	50,412	6,449
Investment Return 50bps higher	55,882	7,444
Investment Return 50bps lower	39,647	4,489
Expenses 10% higher (110% of Base)	46,417	5,102
Expenses 10% lower (90% of Base)	49,139	6,828
Discontinuance Rates 10% higher (110% of Base)	47,012	5,476
Discontinuance Rates 10% lower (90% of Base)	48,507	6,433
Mortality 10% higher (110% of Base)	47,530	5,935
Mortality 10% lower (90% of Base)	48,023	5,996
Morbidity and Loss Ratio 10% higher (110% of Base)	46,576	5,720
Morbidity and Loss Ratio 10% lower (90% of Base)	48,982	6,211
Profit Sharing between Participating Policyholders and Shareholders is assumed to be 75%/25% instead of 70%/30%	42,972	5,836
Statutory Minimum Solvency Margin 50% higher (150% of Base)	46,641	5,217
Taxable Income Based on China Accounting Standards	47,078	5,603

CORPORATE GOVERNANCE

The Company has established the executive committee system and the role of Chief Executive Officer since February 2013. Mr. KANG Dian, Chairman of the board of directors of the Company (the "**Board**"), was appointed as the Chief Executive Officer. The Board of the Company is of the view that the roles of Chairman and Chief Executive Officer being performed by the same individual could further streamline the Company's management system, improve the Company's operation efficiency, and is conducive to the business development and strategy implementation of the Company. Meanwhile, the Company has established various roles and committees such as the President (Chief Operation Officer), executive committee and six functional committees, the duties of which have been clearly defined in the articles of association of the Company. Major events of the Company shall be subject to complete deliberation and decision-making procedures. All the above shall guarantee that the Chairman and Chief Executive Officer performs his duties efficiently and diligently. Except for the above, during the reporting period, the Company observed all other code provisions in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and adopted most of the best practices set out therein.

2015 INTERIM DIVIDEND

The Board did not propose any interim dividend for the six months ended 30 June 2015.

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, in conjunction with the Company's external auditors, have reviewed the unaudited condensed consolidated interim financial information of the Company for the six months ended 30 June 2015, including the accounting principles and practices.

PUBLICATION OF INTERIM REPORT

The Company's 2015 interim report will be published on the Company's website (www.newchinalife.com) and the HKExnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) in due course.

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

Beijing, China, 25 August 2015

As at the date of this announcement, the executive directors of the Company are KANG Dian and WAN Feng; the non-executive directors are ZHAO Haiying, MENG Xingguo, LIU Xiangdong, WU Kunzong and DACEY John Robert; and the independent non-executive directors are CAMPBELL Robert David, CHEN Xianping, WANG Yuzhong, ZHANG Hongxin, ZHAO Hua and FONG Chung Mark.