NCI 新华保险

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 2017

MANAGEMENT DISCUSSION AND ANALYSIS

Financial data and indicators in this announcement are prepared in accordance with International Financial Reporting Standards ("**IFRSs**"). Unless otherwise specified, the management discussion and analysis in this section is based on the unaudited condensed consolidated financial data of New China Life Insurance Company Ltd. (the "**Company**" or "**NCI**"), and is presented in Renminbi ("**RMB**").

I. KEY OPERATIONAL INDICATORS

Unit: RMB in millions

For the six months ended 30 June	**2017**	2016	Change
Gross written premiums and policy fees	**61,273**	71,081	-13.8%
First year premiums	**19,101**	35,663	-46.4%
First year regular premiums	**16,654**	13,587	22.6%
Regular premiums with payment periods of ten years or more	**10,827**	7,680	41.0%
Total investment income(1)	**16,011**	16,293	-1.7%
Net profit attributable to shareholders of the Company	**3,237**	3,333	-2.9%
The value of first half year's new business(2)	**7,153**	5,553	28.8%
Market share(3)	**3.4%**	5.0%	decreased by 1.6 percentage points
Persistency ratio			
Individual life insurance business 13-month persistency ratio(4)	**89.2%**	87.9%	increased by 1.3 percentage points
Individual life insurance business 25-month persistency ratio(5)	**82.3%**	78.4%	increased by 3.9 percentage points

	As at 30 June 2017	As at 31 December 2016	Change
Total assets	**705,320**	699,181	0.9%
Net assets	**61,729**	59,125	4.4%
Investment assets	**684,592**	679,794	0.7%
Equity attributable to shareholders of the Company	**61,722**	59,118	4.4%
Embedded value	**142,089**	129,450	9.8%
Number of customers *(in thousands)*			
of which: individual customers	**29,098**	28,106	3.5%
of which: institutional customers	**75**	72	4.2%

Notes:

1. Total investment income = interest income from cash and cash equivalents, term deposits, debt financial assets and other investment assets + dividend income from equity financial assets + realized gains/(losses)+unrealized gains/(losses) + impairment losses on financial assets + share of results of associates and joint ventures under equity method +effect of the introduction of strategic investors to New China Life Excellent Health Investment Management Co., Ltd. ("**New China Health**").

2. The value of first half year's new business for the first half year of 2016 was restated for adopting the China Association of Actuaries ("**CAA**") Standards of Actuarial Practice: Appraisal of Embedded Value issued by the CAA in November 2016 and the assumptions made on 31 December 2016. Please refer to the "Embedded Value" in this announcement for details.

3. Market share: represents the 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 regular premium 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 regular premium life insurance policies becoming in-force during the issuance.

II. BUSINESS ANALYSIS

(I) Life insurance business

Since 2017, guided by the principle of "making steady progress with further transformation and development", NCI has striven to optimize its business structure by continuously focusing on regular premium business. The operating performance for the first half of the year is characterized as follows:

Firstly, the core business grew significantly. In 2017, the Company further adjusted the product structure by cancelling single premium business in the annual business plan while highlighting the development of regular premium business. The Company's core business achieved sound growth. The first year regular premiums totalled RMB16,654 million, representing a year-on-year increase of 22.6%, of which regular premiums with payment periods of ten years or more amounted to RMB10,827 million, representing a year-on-year increase of 41.0%.

Secondly, the business value increased steadily. For the first half of the year, the value of new business amounted to RMB7,153 million, representing a year-on-year increase of 28.8%. And the embedded value amounted to RMB142,089 million, representing a year-on-year increase of 9.8%.

Thirdly, the business structure was optimized continuously. First year regular premiums accounted for 87.2% of first year premiums, representing an increase of 49.1 percentage points year on year; regular premiums with payment periods of ten years or more hit a record high in recent years, accounting for 56.7% of first year premiums, representing an increase of 35.2 percentage points year on year; renewal premiums reached RMB42,138 million, increased by 19.1% year on year, accounting for 68.8% of gross written premiums, representing an increase of 19.0 percentage points year on year. The first year premiums of health insurance amounted to RMB6,951 million, accounted for 36.4% of first year premiums, representing an increase of 21.4 percentage points year on year.

Fourthly, the business quality was improved. In the first half of 2017, the 13-month persistency ratio and 25-month persistency ratio of individual life insurance business of the Company were 89.2% and 82.3%, representing an increase of 1.3 percentage points and 3.9 percentage points as compared to the same period of last year, respectively. The surrender decreased by 17.5% year on year to RMB22,119 million with the surrender rate decreasing by 0.8 percentage points to 3.7%.

1. Analysis by distribution channels

Unit: RMB in millions

For the six months ended 30 June	2017	2016	Change
Individual insurance channel	**48,265**	39,955	20.8%
First year premiums	**13,711**	11,913	15.1%
First year regular premiums	**12,537**	10,196	23.0%
Regular premiums with payment periods of ten years or more	**10,678**	7,578	40.9%
Single premiums	**1,174**	1,717	-31.6%
Renewal premiums	**34,554**	28,042	23.2%
Bancassurance channel	**11,706**	30,220	-61.3%
First year premiums	**4,146**	22,915	-81.9%
First year regular premiums	**4,114**	3,389	21.4%
Regular premiums with payment periods of ten years or more	**148**	102	45.1%
Single premiums	**31**	19,526	-99.8%
Renewal premiums	**7,561**	7,305	3.5%
Group insurance	**1,268**	860	47.4%
Total	**61,239**	71,035	-13.8%

Note: Numbers may not be additive due to rounding.

(1) Individual life insurance business

① Individual insurance channel

The GWP from the individual life insurance channel was RMB48,265 million, representing a year-on-year increase of 20.8%. The first year premiums amounted to RMB13,711 million, representing a year-on-year growth of 15.1%, of which the first year regular premiums amounted to RMB12,537 million, representing a year-on-year increase of 23.0%, the regular premiums with payment periods of ten years or more amounted to RMB10,678 million, representing a year-on-year increase of 40.9%, and the renewal premiums amounted to RMB34,554 million, representing a year-on-year increase of 23.2%.

The Company actively promoted the integration of the individual insurance agent team and the service and business development team in terms of the individual insurance channel. Supported by products, the Company improved the performing agents platform, increased team productivity. As at 30 June 2017, the number of individual insurance agents amounted to 333,000, representing a year-on-year increase of 52,000 in the same period of last year and which was stable as compared to the end of last year; the monthly average performing agents were 167,000, representing a year-on-year increase of 7.3%; the monthly average performance rate was 53.1%, representing a year-on-year decrease of 3.5 percentage points, and the monthly comprehensive productivity per capita was RMB7,032, representing a year-on-year increase of 2.8%.

② Bancassurance channel

In bancassurance channel, the Company proactively reduced the size of short-duration insurance business, cancelled the assessment of the key performance indicator of single premium business in the annual plan, focused on regular premiums business while prioritizing annuity products. The GWP from the bancassurance channel was RMB11,706 million, representing a year-on-year decrease of 61.3%. The first year premiums amounted to RMB4,146 million, representing a year-on-year decrease of 81.9%, while the first year regular premiums amounted to RMB4,114 million, representing a year-on-year increase of 21.4%. The renewal premiums reversed the negative growth and amounted to RMB7,561 million, representing a year-on-year increase of 3.5%.

(2) Group insurance business

The GWP from the group insurance business of the Company was RMB1,268 million, representing a year-on-year increase of 47.4%.

2. *Analysis by types of insurance products*

Unit: RMB in millions

For the six months ended 30 June	2017	2016	Change
GWP	**61,239**	71,035	-13.8%
Traditional insurance	**14,681**	30,080	-51.2%
First year premiums	**5,069**	24,295	-79.1%
Renewal premiums	**9,612**	5,785	66.2%
Participating insurance[1]	**29,162**	28,670	1.7%
First year premiums	**6,372**	5,322	19.7%
Renewal premiums	**22,790**	23,348	-2.4%
Universal insurance	**19**	19	0.0%
First year premiums[2]	**–**	–	–
Renewal premiums	**19**	19	0.0%
Unit-linked insurance[2]	**–**	–	–
First year premiums[2]	**–**	–	–
Renewal premiums[2]	**–**	–	–
Health insurance	**16,602**	11,534	43.9%
First year premiums	**6,951**	5,361	29.7%
Renewal premiums	**9,651**	6,173	56.3%
Accident insurance	**775**	732	5.9%
First year premiums	**709**	685	3.5%
Renewal premiums	**66**	47	40.4%

Notes:

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

2. The amount of the item was less than RMB500,000.

3. Numbers may not be additive due to rounding.

During the first half of 2017, the Company accelerated its transformation and further promoted the sales of protection-oriented products. The premiums from health insurance, traditional insurance, participating insurance and accident insurance amounted to RMB16,602 million, RMB14,681 million, RMB29,162 million and RMB775 million, respectively, representing an increase of 43.9%, a decrease of 51.2%, and an increase of 1.7% and 5.9% as compared to the same period of last year, respectively.

3. Analysis by branches

Unit: RMB in millions

For the six months ended 30 June	2017	2016	Change
GWP	**61,239**	71,035	-13.8%
Shandong Branch	**5,653**	5,757	-1.8%
Beijing Branch	**5,284**	6,306	-16.2%
Henan Branch	**4,804**	5,125	-6.3%
Guangdong Branch	**4,479**	5,959	-24.8%
Hubei Branch	**3,087**	3,620	-14.7%
Zhejiang Branch	**2,858**	2,703	5.7%
Shaanxi Branch	**2,840**	2,975	-4.5%
Jiangsu Branch	**2,685**	3,293	-18.5%
Inner Mongolia Branch	**2,639**	2,432	8.5%
Sichuan Branch	**2,234**	3,454	-35.3%
Other Branches	**24,676**	29,411	-16.1%

In the first half of 2017, approximately 59.7% of the GWP of the Company were derived from the branches in ten economically developed regions or densely populated areas such as Shandong, Beijing and Henan.

(II) ASSET MANAGEMENT BUSINESS

In terms of the asset management business, the Company adhered to the basic principle of prudence and soundness. With asset-liability matching management as the basis, the Company also paid attention to investment research and risk control, took into comprehensive account the prevailing and future investment environments, diversified the asset allocation, so as to obtain stable and sustainable returns on the investment portfolio.

In respect of equity investment, the Company adhered to the concept of value-oriented and fundamental investment. As for stock investment, the Company followed the market trend, emphasized on individual stock selection, managed return drawback effectively so as to achieve relatively good investment returns. As for fund investment, the Company seized the opportunities arising from investment style and sector change and increased the Southbound equity allocation.

In respect of bond investment, the Company optimized the investment portfolio, focused on interest rate bonds with eligible returns, and moderately increased the allocation of medium- and long-term senior credit bonds. Meanwhile, the Company strengthened the follow-up and risk identification processes relating to the credit bonds in the investment portfolio and scrutinized the qualification of newly-added credit bonds. Therefore, the Company effectively avoided significant fluctuation in the credit instruments market brought by credit risk events in the first half of the year, thereby laying a foundation for securing long-term investment income.

In respect of non-standard assets investment, the Company invested largely in the relatively long-term wealth management products issued by commercial banks with eligible risk returns. By the end of June 2017, the Company's investment in non-standard assets amounted to 230,702 million, accounting for 33.7% of the total investment assets and representing an increase of 0.5 percentage points as compared to the end of last year. The non-standard assets invested by the Company generally possessed high credit rating, among which AAA rating accounted for 94.95%(excluding wealth management products issued by commercial banks and non-standard equity investments which were not subject to external rating).

1. *Investment portfolio*

Unit: RMB in millions

	As at 30 June 2017	As at 31 December 2016	Change
Investment assets [1]	**684,592**	679,794	0.7%
Classified by investment type			
Term deposits [2]	**47,636**	79,845	-40.3%
Debt financial assets	**465,095**	436,810	6.5%
– Bonds	**263,548**	242,647	8.6%
– Trust Products	**59,698**	62,534	-4.5%
– Debt Plan [3]	**35,259**	32,835	7.4%
– Project Asset Support Plan	**20,000**	20,000	0.0%
– Others [4]	**86,590**	78,794	9.9%
Equity financial assets	**115,072**	112,268	2.5%
– Funds	**47,150**	47,029	0.3%
– Stocks [5]	**30,385**	29,404	3.3%
– Investments in associates and joint ventures	**4,748**	4,575	3.8%
– Others [6]	**32,789**	31,260	4.9%
Cash and cash equivalents [2]	**15,579**	14,230	9.5%
Other investments [7]	**41,210**	36,641	12.5%
Classified by investment purpose			
Financial assets at fair value through profit or loss	**5,502**	11,834	-53.5%
Available-for-sale financial assets	**307,412**	283,308	8.5%
Held-to-maturity investment	**205,846**	195,126	5.5%
Loans and other receivables [8]	**161,084**	184,951	-12.9%
Investments in associates and joint ventures	**4,748**	4,575	3.8%

Notes:

1. Relevant investment assets comprise of corresponding investment assets in individual account assets.

2. 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.

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

4. Others include debt asset management products, perpetual bonds, interbank deposits, and wealth management products.

5. Stocks include common stocks and preference shares.

6. Others include equity asset management products, private equity, equity plans and unlisted equity securities.

7. Other investment assets mainly include statutory deposits, policy loans, financial assets purchased under agreements to resell, and dividends receivables and interests receivables etc.

8. Loans and other receivables mainly include term deposits, cash and cash equivalents, statutory deposits, policy loans, financial assets purchased under agreements to resell, dividends receivables, interest receivables, loans and receivables, etc.

As of the end of the reporting period, the scale of investment assets of the Company amounted to RMB684,592 million, representing an increase of 0.7% as compared to the end of last year, which was mainly attributable to the net cash inflows from the Company's insurance business.

As of the end of the reporting period, term deposits amounted to RMB47,636 million, accounting for 7.0% of total investment assets and representing a decrease of 4.7 percentage points as compared to the end of last year, which was mainly due to the decrease in the allocation of term deposits upon the maturity of certain term deposits.

As of the end of the reporting period, debt financial assets amounted to RMB465,095 million, accounting for 67.9% of total investment assets and representing an increase of 3.6 percentage points as compared to the end of last year, which was mainly due to the increase in the allocation of financial bonds and government bonds among debt financial assets.

As of the end of the reporting period, equity financial assets amounted to RMB115,072 million, accounting for 16.8% of total investment assets, representing an increase of 0.3 percentage points as compared to the end of last year, which was mainly due to the increase in the allocation of private equity and the change of fair value of stocks investment.

As of the end of the reporting period, cash and cash equivalents accounted for 2.3% of total investment assets, representing an increase of 0.2 percentage points as compared to the end of last year, which was mainly due to the allocation of investment assets and the need for liquidity management.

As of the end of the reporting period, other investment assets accounted for 6.0% of total investment assets, representing an increase of 0.6 percentage points as compared to the end of last year, which was mainly due to the increase in allocation of financial assets purchased under agreements to resell for the purpose of investment asset allocation and liquidity management.

In terms of investment purposes, as of the end of the reporting period, the percentage of available-for-sale financial assets increased by 3.2 percentage points as compared to the end of last year, mainly due to the increase in the allocation of financial bonds, wealth management products and interbank deposits.

2. *Investment income*

Unit: RMB in millions

For the six months ended 30 June	**2017**	2016	**Change**
Interest income from cash and cash equivalents	**61**	38	60.5%
Interest income from term deposits	**1,565**	3,087	-49.3%
Interest income from debt financial assets	**11,119**	9,587	16.0%
Dividend income from equity financial assets	**2,510**	2,839	-11.6%
Interest income from other investment assets [1]	**627**	510	22.9%
Net investment income[2]	**15,882**	16,061	-1.1%
Realized gains/(losses) on investment assets	**589**	345	70.7%
Unrealized gains/(losses)	**138**	(175)	N/A
Impairment losses on investment assets	**(716)**	(458)	56.3%
Effect of the introduction of strategic investors to New China Health	**–**	481	N/A
Share of results of associates and joint ventures under equity method	**118**	39	202.6%
Total investment income [3]	**16,011**	16,293	-1.7%
Annualized net investment yield (%)[4]	**4.9%**	5.2%	Decreased by 0.3 percentage points
Annualized total investment yield (%)[4]	**4.9%**	5.3%	Decreased by 0.4 percentage points

Notes:

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 financial assets and other investment assets and dividend income from equity financial assets.

3. Total investment income = interest income from cash and cash equivalents, term deposits, debt financial assets and other investment assets + dividend income from equity financial assets + realized gains/(losses)+unrealized gains/(losses) + impairment losses on financial assets + share of results of associates and joint ventures under equity method +effect of the introduction of strategic investors to New China Health.

4. Annualized investment yield = (investment income – interest expense of financial assets 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 RMB16,011 million during the reporting period, representing a decrease of 1.7% as compared to the same period of last year. The annualized total investment yield was 4.9%, representing a decrease of 0.4 percentage points as compared to the same period of last year, which was mainly due to the decrease of net investment income.

The Company achieved a net investment income of RMB15,882 million during the reporting period, representing a decrease of 1.1% as compared to the same period of last year. The annualized net investment yield was 4.9%, representing a decrease of 0.3 percentage points as compared to the same period of last year.

The realized gains, unrealized gains and impairment losses on investment assets amounted to a gain of RMB11 million in aggregate, a turn from a loss of RMB288 million in aggregate for the same period of last year. This was mainly because of an increase in the Company's realized gains on investment assets as compared to the same period of last year, as well as the unrealized gains and losses turned from a loss to a gain, due to the upturn in the fluctuated capital market.

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	Convertible bond	132007	Phoenix Publishing and Media 16 EB (16 鳳凰 EB)	78.28	0.78	73.09	17.16	-7.00
2	Stock	000423	Dong-E-E-Jiao Co.,Ltd.	53.26	0.84	60.09	14.11	6.16
3	Convertible bond	132005	SSAOCORP 15 EB (15 國資 EB)	17.47	0.17	19.27	4.52	-0.26
4	Stock	600153	Xiamen C&D Inc.	15.05	1.30	16.81	3.95	1.94
5	Stock	300156	Shenwu Environmental Technology Co., Ltd.	5.05	0.47	15.26	3.58	3.57
6	Stock	600420	Shanghai Shyndec Pharmaceutical Co., Ltd.	14.78	0.94	14.70	3.45	-0.07
7	Stock	002223	Yuwell-Jiangsu Yuyue medical equipment & supply Co., Ltd.	13.80	0.60	14.21	3.34	0.41
8	Stock	300332	Top Resource Conservation Engineering (China) Co., Ltd.	13.73	1.40	14.18	3.33	0.96
9	Stock	600271	Aisino Corporation	12.84	0.65	13.42	3.15	0.53
10	Stock	002081	Gold Mantis Construction Decoration Co.,Ltd.	12.22	1.14	12.52	2.94	0.94
			Investments in other securities held at the end of the reporting period	170.15	N/A	172.33	40.47	86.83
			Profits/losses of investments in securities sold during the reporting period	N/A	N/A	N/A	N/A	146.68
			Total	406.63	N/A	425.88	100.00	240.69

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
02611	GTJA	2,787.03	0.00	2.25	2,779.21	–	-7.82	Available for sale	Purchase
002415	HIKVISION	400.56	0.51	0.44	1,297.50	382.78	554.29	Available for sale	Purchase
600739	Liaoning Chengda	1,182.61	2.40	4.18	1,152.12	–	10.22	Available for sale	Purchase
600643	Aj Group	790.85	0.00	4.12	931.95	0.04	145.88	Available for sale	Purchase
600703	Sanan-e	574.86	0.48	1.10	887.50	18.06	264.86	Available for sale	Purchase
002007	Hualan Bio	529.71	1.58	2.15	729.54	41.64	-14.78	Available for sale	Purchase
600266	BUCG	667.74	1.55	3.08	702.33	43.20	23.95	Available for sale	Purchase
600196	Fosun Pharma	426.04	1.07	0.90	697.36	–	176.65	Available for sale	Purchase
600900	CYPC	554.23	0.42	0.21	695.08	119.28	103.13	Available for sale	Purchase
600153	Xiamen C&D	393.11	1.58	1.51	552.88	3.65	93.19	Available for sale	Purchase
Other securities held at the end of the reporting period		19,424.48	N/A	N/A	19,625.97	213.86	1,082.50		
		27,731.22	N/A	N/A	**30,051.44**	**822.51**	**2,432.07**		

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. 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

Security name	Initial investment amount *(RMB in millions)*	As a percentage of equity interest in that company at the beginning of the reporting period *(%)*	As a percentage of equity interests in that company at the end of the reporting period *(%)*	Carrying amount at the end of the reporting 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
China Insurance Investment Company Ltd.	36.00	3.00	3.00	36.00	1.80	–	Available for sale	Promotion
China Insurance Insurance Asset Registration Trading Company	10.00	0.00	2.00	10.00	–	–	Available for sale	Promotion

Note: Other than the investment mentioned above and the subsidiaries, associates and joint ventures of the Company, the Company did not have any shareholding in other 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	1,365.98	17,462.13	N/A
Sale	1,685.67	N/A	251.05

4 *Investment in non-standard assets*

(1) Ratings

Excluding commercial banking wealth management products and equity financial products not requiring external ratings, the existing non-standard assets of the Company with AAA ratings accounted for 94.95%. The overall credit risk is minor and the security is high.

Ratings of Financial Products

Credit rating	**Proportion**
AAA	94.95%
AA+	3.36%
AA	1.69%
Total	100.0%

(2) Investment portfolio

Unit: RMB in millions

	As at 30 June 2017	As at 31 December 2016	**Change**
Non-standard debt investments	**197,913**	194,163	1.9%
Trust product	**59,698**	62,534	-4.5%
Debt plan	**35,259**	32,835	7.4%
Project asset support plan	**20,000**	20,000	0.0%
Wealth management product	**77,876**	71,126	9.5%
Perpetual Bond	**5,000**	5,000	0.0%
Asset management plan	**80**	2,668	-97.0%
Non-standard equity investments	**32,789**	31,260	4.9%
Asset management plan	**14,191**	13,769	3.1%
Private equity	**3,825**	2,728	40.2%
Unlisted equity	**11,073**	11,063	0.1%
Equity investment plan	**3,700**	3,700	0.0%
Total	**230,702**	225,423	2.3%

(3) Major management institutions

Unit: RMB in millions

Top 10 management institutions of financial products	**Paid Amount**	**Proportion**
Shanghai Pudong Development Bank Co., Ltd.	34,980	17.4%
New China Asset Management Co., Ltd.	22,758	11.3%
Huarong International Trust Co., Ltd.	18,453	9.2%
China Everbright Bank Company Limited	17,999	8.9%
Industrial Bank Co., Ltd	16,498	8.2%
Zhongrong International Trust Co., Ltd.	16,185	8.0%
PICC Capital Investment Management Company Limited	7,630	3.8%
Generali China Asset Management Co., Ltd	6,352	3.2%
Sun Life Everbright Asset Management Co., Ltd.	5,350	2.7%
Beijing International Trust Co., Ltd.	5,200	2.6%
Total	151,405	75.3%

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	As at 30 June 2017	As at 31 December 2016	Change
Debt financial assets	**465,095**	436,810	6.5%
– Held-to-maturity	**205,846**	195,126	5.5%
– Available-for-sale	**201,535**	184,045	9.5%
– At fair value through profit or loss	**1,055**	3,404	-69.0%
– Loans and receivables	**56,659**	54,235	4.5%
Equity financial assets	**110,324**	107,693	2.4%
– Available-for-sale	**105,877**	99,263	6.7%
– At fair value through profit or loss	**4,447**	8,430	-47.2%
Term deposits	**47,636**	79,845	-40.3%
Financial assets purchased under agreements to resell	**6,709**	2,325	188.6%
Premiums receivable	**3,881**	1,846	110.2%
Deferred tax assets	**71**	308	-76.9%
Other assets not included in the above assets	**71,604**	70,354	1.8%
Total	**705,320**	699,181	0.9%

Debt financial assets

As of the end of the reporting period, debt financial assets increased by 6.5% as compared to the end of 2016, mainly due to the increase in the allocation of financial bonds in the available-for-sale assets and the increase in the allocation of government bonds in the held-to-maturity assets.

Equity financial assets

As of the end of the reporting period, equity financial assets increased by 2.4% as compared to the end of 2016, mainly due to the increase in the allocation of private equity in the available-for-sale assets and the increase of fair value movement in stock investments.

Term deposits

As of the end of the reporting period, term deposits decreased by 40.3% as compared to the end of 2016, mainly due to the decrease of allocation of term deposits resulted from the maturity of certain term deposits.

Financial assets purchased under agreements to resell

As of the end of the reporting period, financial assets purchased under agreements to resell increased by 188.6% as compared to the end of 2016, mainly due to the purpose of investment assets allocation and liquidity management.

Premiums receivable

As of the end of the reporting period, premium receivables increased by 110.2% as compared to the end of 2016, mainly due to the uneven distribution among the quarters and the cumulative growth of insurance business.

Deferred tax assets

As of the end of the reporting period, deferred tax assets decreased by 76.9% as compared to the end of 2016, mainly due to the fluctuated capital market, the increase in carrying amount of available-for-sale financial assets of the Company, as well as the decrease in the deductible temporary difference, resulting in the decrease of deferred tax assets.

2. *Principal liabilities*

Unit: RMB in millions

Component	**As at 30 June 2017**	As at 31 December 2016	**Change**
Insurance contracts	**554,247**	543,228	2.0%
Long-term insurance contract liabilities	**551,931**	541,424	1.9%
Short-term insurance contract liabilities			
– Outstanding claims liabilities	**672**	640	5.0%
– Unearned premiums liabilities	**1,644**	1,164	41.2%
Investment contracts	**32,835**	30,071	9.2%
Financial assets sold under agreements to repurchase	**29,757**	39,246	-24.2%
Premiums received in advance	**178**	3,042	-94.1%
Other liabilities	**7,966**	5,899	35.0%
Other liabilities not included in the above liabilities	**18,608**	18,570	-0.2%
Total	**643,591**	640,056	0.6%

Insurance contracts

As of the end of the reporting period, insurance contracts liabilities increased by 2.0% as compared to the end of 2016, mainly due to the accumulation of insurance obligations.

Financial assets sold under agreements to repurchase

As of the end of the reporting period, financial assets sold under agreements to repurchase decreased by 24.2% as compared to the end of 2016, primarily due to the requirement of investment assets allocation and liquidity management.

Premiums received in advance

As of the end of the reporting period, premiums received in advance decreased by 94.1% as compared to the end of 2016, mainly due to the difference in the timing of underwriting policies of insurance business.

Other liabilities

As of the end of the reporting period, other liabilities increased by 35.0% as compared to the end of 2016, primarily due to the increase of interests payable of subordinated debt of the Company, the increase of brokerage and commission expenses, and the provision for cash dividend resolved at the general meeting of the Company in the first half of the year.

3. Shareholders' equity

As of the end of the reporting period, equity attributable to shareholders of the Company amounted to RMB61,722 million, representing an increase of 4.4% as compared to the end of 2016, primarily due to the increase of investment income and cumulative growth of insurance business.

(II) Analysis of Principal Components of the Income Statement

1. Revenues

Unit: RMB in millions

For the six months ended 30 June	**2017**	2016	**Change**
Gross written premiums and policy fees	**61,273**	71,081	-13.8%
Less: premiums ceded out	**(636)**	(446)	42.6%
Net written premiums and policy fees	**60,637**	70,635	-14.2%
Net change in unearned premiums liabilities	**(454)**	(287)	58.2%
Net premiums earned and policy fees	**60,183**	70,348	-14.4%
Investment income	**15,893**	16,255	-2.2%
Other income	**187**	447	-58.2%
Total	**76,263**	87,050	-12.4%

GWP and policy fees

During the reporting period, GWP and policy fees amounted to RMB61,273 million, representing a decrease of 13.8% as compared to the same period of last year, mainly due to the decrease in first year premiums as compared to the same period of last year as a result of the adjustment of the product structure of the Company.

Premiums ceded out

During the reporting period, premiums ceded out amounted to RMB636 million, representing an increase of 42.6% as compared to the same period of last year, mainly due to the growth of ceded out business.

Net change in unearned premiums liabilities

During the reporting period, net change in unearned premiums liabilities was RMB454 million, representing an increase of 58.2% as compared to the same period of last year, primarily due to the increase of short-term insurance business.

Other income

During the reporting period, other income amounted to RMB187 million, representing a decrease of 58.2% as compared to the same period of last year, primarily due to the downward trend in the exchange rate of US dollars. The foreign exchange loss of the Company in the reporting period was RMB157 million, which turned from a gain of RMB142 million in the same period of last year.

2. *Insurance business expenditures and other expenses*

Unit: RMB in millions

For the six months ended 30 June	2017	2016	Change
Insurance benefits and claims	**(53,919)**	(67,766)	-20.4%
Claims and net change in outstanding claims liabilities	**(696)**	(528)	31.8%
Life insurance death and other benefits	**(44,613)**	(46,076)	-3.2%
Increase in long-term insurance contract liabilities	**(8,610)**	(21,162)	-59.3%
Investment contract benefits	**(607)**	(530)	14.5%
Commission and brokerage expenses	**(8,796)**	(7,421)	18.5%
Administrative expenses	**(6,949)**	(6,319)	10.0%
Other expenses	**(272)**	(173)	57.2%
Total	**(70,543)**	(82,209)	-14.2%

Claims and net change in outstanding claims liabilities

During the reporting period, claims and net change in outstanding claims liabilities amounted to RMB696 million, representing an increase of 31.8% as compared to the same period of last year, mainly due to the increase in expenditure on short term insurance claims.

Increase in long-term insurance contract liabilities

During the reporting period, increase in long-term insurance contract liabilities amounted to RMB8,610 million, representing a decrease of 59.3% as compared to the same period of last year, mainly due to the decrease in gross written premiums and increase in claims payment.

Other expenses

During the reporting period, other expenses amounted to RMB272 million, representing an increase of 57.2% as compared to last year, mainly due to the donation to New China Life Foundation of RMB50 million and the increase of special claims.

3. *Income tax*

During the reporting period, income tax expenses were RMB1,642 million, representing an increase of 82.9% 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 RMB3,237 million for the net profit attributable to the shareholders of the Company, representing a decrease of 2.9% as compared to the same period of last year, mainly due to the change of business structure and the increase of income tax.

5. *Other comprehensive income*

During the reporting period, other comprehensive income was RMB824 million, while it was a loss of RMB2,540 million in the same period of last year, mainly because the carrying amount of available-for-sale financial assets turned to gain in the reporting period from loss in the same period last year.

(III) Analysis of consolidated statement of cash flows

Unit: RMB in millions

For the six months ended 30 June	2017	2016	Change
Net cash flows from operating activities	**(4,207)**	8,843	N/A
Net cash flows from investing activities	**15,706**	(25,689)	N/A
Net cash flows from financing activities	**(10,032)**	16,039	N/A

1. Net cash flows from operating activities

Net cash flows generated from operating activities of the Company for the first half of 2017 and 2016 amounted to negative RMB4,207 million and RMB8,843 million, respectively. Cash inflows generated from operating activities of the Company were primarily comprised of cash premiums received. Cash premiums received from existing insurance contracts during the first half of 2017 and 2016 amounted to RMB56,372 million and RMB66,908 million, respectively.

Cash outflows due to the operating activities of the Company for the first half of 2017 and 2016 amounted to RMB63,461 million and RMB61,170 million, respectively. Cash outflows due to the operating activities of the Company were primarily comprised of benefits and claims expenses paid in cash, commission and brokerage expenses, cash paid to or for employees, tax paid and other cash payments related to operating activities. Benefits and claims expenses paid in cash for the existing insurance contracts for the first half of 2017 and 2016 amounted to RMB45,479 million and RMB46,866 million, respectively, and the above changes were primarily influenced by the Company's business development and claims expenses paid.

2. Net cash flows from investing activities

Net cash flows generated from investing activities of the Company for the first half of 2017 and 2016 amounted to RMB15,706 million and negative RMB25,689 million, respectively. Cash inflows generated from investing activities of the Company for the first half of 2017 and 2016 amounted to RMB319,767 million and RMB188,516 million, respectively. Cash inflows generated from investing activities of the Company were primarily comprised of cash received from recoup 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 the investing activities of the Company for the first half of 2017 and 2016 amounted to RMB304,061 million and RMB214,205 million, respectively. Cash outflows due to the investing activities of the Company were primarily comprised of cash paid for investments, cash paid for financial assets purchased under agreements to resell, net increase in policy loans, cash paid for the purchase of fixed assets, intangible assets and other long-term assets, etc.

3. *Net cash flows from financing activities*

Net cash flows generated from financing activities of the Company for the first half of 2017 and 2016 amounted to negative RMB10,032 million and RMB16,039 million, respectively. Cash inflows generated from financing activities of the Company for the first half of 2017 and 2016 amounted to RMB3,928,380 million and RMB1,797,798 million, respectively. Cash inflows generated from financing activities of the Company were primarily comprised of cash received from the financial assets sold under agreements to repurchase, etc.

Cash outflows due to the financing activities of the Company for the first half of 2017 and 2016 amounted to RMB3,938,412 million and RMB1,781,759 million, respectively. Cash outflows due to the financing activities of the Company were primarily comprised of cash paid for the financial assets sold under agreements to repurchase.

4. *Source and use of liquidity*

The principal cash inflows of the Company were comprised of insurance premiums, income from 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, as well as the risks of default by debtors, 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 RMB15,579 million. The term deposits of the Company amounted to RMB47,636 million. Substantially all of the Company’s term deposits were available for utilization, subject to interest loss. The investment portfolio of the Company also provides liquidity resources to satisfy the requirements of unexpected cash outflows. As of the end of the reporting period, the book value of debt financial assets amounted to RMB465,095 million, and the book value of equity financial assets excluding investment in associates and joint venture amounted to RMB110,324 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 distribution of dividends and interest payments of insurance policies and annuity contracts, operating expenses, income taxes and dividends declared and payable to shareholders. Cash outflows arising from the insurance activities primarily related to benefit payments of insurance products, as well as payments for policy surrenders, withdrawals and loans.

The Company is of the view that its sources of liquidity are sufficient to meet its current cash requirements.

IV. ANALYSIS BY COMPONENT

(I) Solvency

The Company calculated and disclosed core capital, actual capital, minimum capital and solvency margin ratios according to the Solvency Regulatory Rules (No. 1-17) for Insurance Companies. As required by the CIRC, solvency margin ratios of a domestic insurance company in the PRC must meet the prescribed thresholds.

Unit: RMB in millions

Component	**As at 30 June 2017**	As at 31 December 2016	**Reason(s) of Change**
Core capital	**181,313**	168,616	Gains and losses for the current period, changes in fair value of investment assets and growth in insurance business
Actual capital	**195,313**	182,616	
Minimum capital	**66,590**	64,917	Growth and structural change in insurance and investment business
Core solvency margin ratio[1]	**272.28%**	259.74%	
Comprehensive solvency[1] margin ratio	**293.31%**	281.30%	

Note:

1. Core solvency margin ratio = core capital/minimum capital; comprehensive solvency margin ratio = actual capital/minimum capital.

2. The Company redeemed subordinate debts of RMB10,000 million on 18 July 2017. The redemption was expected to have a negative impact of 15 percentage points on the comprehensive solvency ratio, and have no impact on the core solvency ratio.

(II) Gearing Ratio

	As at 30 June 2017	As at 31 December 2016
Gearing ratio	**91.2%**	91.5%

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 current reinsurance contracts cover almost all products with risks and obligations. Reinsurers of the Company mainly include Swiss Reinsurance Company Ltd., Beijing Branch, and China Life Reinsurance Company Ltd. etc.

Unit: RMB in millions

For the six months ended 30 June	**2017**	2016
Swiss Reinsurance Company Ltd., Beijing Branch	**416**	309
China Life Reinsurance Company Ltd.	**212**	131
Others[1]	**8**	6
Total	**636**	446

Notes:

1. Others primarily included Hannover Rückversicherung AG Shanghai Branch; SCOR Global Life SE, Singapore Branch; Munich Reinsurance Company, Beijing Branch, and General Reinsurance AG Shanghai Branch and etc.

V. FUTURE PROSPECTS

The life insurance industry will see significant historical opportunities brought by a steady growth of Chinese economy, further deepening of the supply-side restructuring as well as the gradual implementation of The Several Opinions of the State Council on Accelerating Development of the Modern Insurance Service Industry (《國務院關於加快發展現代保險服務業的若干意見》) (the "**New National Ten**"). Meanwhile, regulatory policies have been intensively issued with the tightening regulation and guiding the industry to"return to risk protection". The year 2017 is an initial stage of the industry transformation, and also a critical stage for the Company to implement its strategy on transformation and development. Facing new external and internal situations, the Company adheres to the principle of making steady progress with further transformation and development. The Company endeavors to improve competitiveness with the following six measures:

Firstly, continuously focus on core business. The Company will continue to focus on regular premium business, especially that with payment periods of ten years or more, and gradually develop a model that the growth of gross written premiums would be driven by regular premiums and renewal premiums.

Secondly, emphasize protection-oriented products. Following the essence of insurance, the Company will continue to offer risk protection services to the public, covering life, aging, diseases, disabilities and death. Meanwhile, the Company will promote the sales of protection products including pension, health insurance and medical insurance, keep the leading advantages of its products and foster branded products.

Thirdly, build advantages in channels development. The Company will crystalize its business development value and channel positioning, determine the channel development path, give into full play the channel synergy, and improve the competitiveness.

Fourthly, strengthen sales force. Guided by the fundamental rules and management, the Company will improve the productivity of the agent team based on the principles of "cultivating seniors before recruiting juniors" and "maintaining stability of senior manager while allowing and moderate mobility of junior agents". Also, the Company will forge a first-class competent professional sales force with leading scale, proper structure, proficient marketing capability and sense of pride, to build core competitive advantage.

Fifthly, adhere to prudent investment strategy. Aiming at pursuing absolute returns, the Company will prioritize risk prevention while actively seeking investment opportunities domestically and abroad with absolute returns.

Sixthly, control risks and safeguard the bottom line. The Company will use bottom-line thinking, strengthen compliance operation with laws, constantly optimize the risk management system under C-ROSS and improve the risk control mechanism, to create a stable environment for the Company's business development.

INTERIM RESULTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

Unit: RMB in millions

	Notes	**For the six months ended 30 June** **2017** **Unaudited**	2016 Unaudited
REVENUES			
Gross written premiums and policy fees	*1*	**61,273**	71,081
Less: premiums ceded out		**(636)**	(446)
Net written premiums and policy fees		**60,637**	70,635
Net change in unearned premiums liabilities		**(454)**	(287)
Net premiums earned and policy fees		**60,183**	70,348
Investment income	*2*	**15,893**	16,255
Other income		**187**	447
Total revenues		**76,263**	87,050
BENEFITS, CLAIMS AND EXPENSES			
Insurance benefits and claims			
Claims and net change in outstanding claims liabilities		**(696)**	(528)
Life insurance death and other benefits		**(44,613)**	(46,076)
Increase in long-term insurance contract liabilities		**(8,610)**	(21,162)
Investment contract benefits		**(607)**	(530)
Commission and brokerage expenses		**(8,796)**	(7,421)
Administrative expenses	*3*	**(6,949)**	(6,319)
Other expenses		**(272)**	(173)
Total benefits, claims and expenses		**(70,543)**	(82,209)
Share of profits and losses of associates and joint ventures		**118**	39
Finance costs		**(959)**	(648)
Profit before income tax		**4,879**	4,232
Income tax expense	*4*	**(1,642)**	(898)
Net profit for the period		**3,237**	3,334
Net profit for the period attributable to:			
– Owners of the parent		**3,237**	3,333
– Non-controlling interests		**–**	1
Earnings per share (RMB)			
Basic	*5*	**1.04**	1.07
Diluted	*5*	**1.04**	1.07

	For the six months ended 30 June	
	2017	2016
	Unaudited	Unaudited
Net profit for the period	**3,237**	3,334
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Available-for-sale financial assets		
Gains/(Losses) arising from fair value changes	**2,831**	(9,088)
Gains transferred to profit or loss from other comprehensive income	**(687)**	(374)
Impairment transferred to profit or loss from other comprehensive income	**716**	458
Changes in liabilities for insurance and investment contracts arising from net unrealized gains	**(1,837)**	5,662
Currency translation differences	**(5)**	3
Share of other comprehensive income of associates under the equity method and the effect on liabilities for insurance and investment contracts	**83**	(48)
Income tax relating to components of other comprehensive income	**(277)**	847
Total other comprehensive income for the period, net of tax	**824**	(2,540)
Total comprehensive income for the period	**4,061**	794
Total comprehensive income for the period attributable to:		
– Owners of the parent	**4,061**	793
– Non-controlling interests	**–**	1

NOTES:

1 GROSS WRITTEN PREMIUMS AND POLICY FEES

Unit: RMB in millions

	For the six months ended 30 June	
	2017	2016
	Unaudited	Unaudited
Gross written premiums		
– Long-term insurance contracts	**59,009**	69,127
– Short-term insurance contracts	**2,230**	1,908
Subtotal	**61,239**	71,035
Policy fees		
– Investment contracts	**34**	46
Gross written premiums and policy fees	**61,273**	71,081

2 INVESTMENT INCOME

Unit: RMB in millions

	For the six months ended 30 June	
	2017	2016
	Unaudited	Unaudited
Interest income from bank deposits	**1,641**	3,136
Held-to-maturity investments		
– Interest income	**4,388**	4,172
Available-for-sale financial assets		
– Interest income	**4,724**	3,613
– Dividend income	**2,474**	2,636
– Net realized gains	**676**	363
– Impairment losses on equity financial assets	**(716)**	(458)
Interest income from loans and receivables	**1,764**	1,685
Interest income from policy loans	**557**	493
Effect of the introduction of strategic investors to New China Health	**–**	481
Financial assets at fair value through profit or loss		
– Interest income	**243**	117
– Fair value gains/(losses)	**138**	(175)
– Dividend income	**36**	203
– Net realised losses	**(87)**	(18)
Interest income from financial assets purchased under agreements to resell	**55**	6
Others	**–**	1
Total	**15,893**	16,255

3 ADMINISTRATIVE EXPENSES

Unit: RMB in millions

	For the six months ended 30 June	
	2017	2016
	Unaudited	Unaudited
Employee benefit expenses (including directors' emoluments)	**5,446**	4,750
Operating lease expense	**403**	381
Depreciation and amortization	**284**	245
Entertainment fees	**153**	121
Travel and conference fees	**135**	113
Insurance guarantee fund	**110**	120
Official fees	**109**	97
Electronic equipment operating costs	**61**	54
Advertising fees	**49**	43
Postal fees	**48**	52
Promotional printing costs	**44**	49
Supervision fees	**24**	47
Vehicle use fees	**19**	20
Auditors' remuneration and consulting fees	**5**	9
Others	**59**	218
Total	**6,949**	6,319

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 relates to the same tax authority. Most of income taxes shown below are taxes incurred 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	
	2017	2016
	Unaudited	Unaudited
Current tax	**1,695**	998
Deferred tax	**(53)**	(100)
Total income tax	**1,642**	898

(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	
	2017	2016
	Unaudited	Unaudited
Profit before income tax	**4,879**	4,232
Tax computed at the statutory tax rate in China	**1,220**	1,058
Non-taxable income (i)	**(737)**	(843)
Expenses not deductible for tax purpose (i)	**1,156**	667
Effect of unrealized deferred tax assets arising from deductible losses and deductible temporary differences	**6**	18
Adjustment to the current tax of prior years	**(2)**	–
Effect on different tax rate used by subsidiaries	**(1)**	(2)
Income taxes at effective tax rate	**1,642**	898

(i) Non-taxable income mainly includes government bond interest income and funds 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 2016	(3)	9	6
(Charged)/credited to net profit	(3,549)	2,850	(699)
(Charged)/credited to other comprehensive income	2,251	(1,404)	847
(Charged)/credited to other reserve	–	15	15
As at 30 June 2016 (Unaudited)	(1,301)	1,470	169
Net deferred tax liabilities			
As at 1 January 2016	(3,875)	3,022	(853)
(Charged)/credited to net profit	3,875	(3,076)	799
(Charged)/credited to other comprehensive income	–	–	–
As at 30 June 2016 (Unaudited)	–	(54)	(54)
Net deferred tax assets			
As at 1 January 2017	(1,047)	1,355	308
(Charged)/credited to net profit	(33)	86	53
(Charged)/credited to other comprehensive income	(715)	438	(277)
(Charged)/credited to other reserve	–	(13)	(13)
As at 30 June 2017 (Unaudited)	(1,795)	1,866	71
Net deferred tax liabilities			
As at 1 January 2017	–	(54)	(54)
(Charged)/credited to net profit	–	–	–
(Charged)/credited to other comprehensive income	–	–	–
As at 30 June 2017 (Unaudited)	–	(54)	(54)

As at 30 June 2017, 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 carried forward to the extent that the realization of the related tax benefit through future taxable income is probable. The Group has no deductible temporary differences which no deferred tax asset is recognized. The amount of unused tax losses for which no deferred tax asset is recognized is as follows:

Unit: RMB in millions

	As at 30 June 2017 Unaudited	As at 31 December 2016
Deductible losses	**339**	364

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.

Unit: RMB in millions

	For the six months ended 30 June	
	2017 Unaudited	2016 Unaudited
Net profit attributable to owners of the parent (RMB in millions)	**3,237**	3,333
Weighted average number of ordinary shares issued (in millions)	**3,120**	3,120
Basic earnings per share (RMB)	**1.04**	1.07

(2) Diluted

The Company has no dilutive potential ordinary shares. Diluted earnings per share is the same as basic earnings per share for the six months ended 30 June 2017 (for the six months ended 30 June 2016 (unaudited): same).

6 DIVIDENDS

Pursuant to a resolution approved at the shareholders' general meeting on 27 June 2017, a final dividend of RMB0.48 per ordinary share (inclusive of tax) totalling RMB1,497 million was declared.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

Unit: RMB in millions

	As at 30 June 2017 Unaudited	As at 31 December 2016
ASSETS		
Property, plant and equipment	**8,053**	7,849
Investment properties	**3,530**	3,395
Intangible assets	**1,725**	1,792
Investments in associates and joint ventures	**4,748**	4,575
Debt financial assets	**465,095**	436,810
– Held-to-maturity	**205,846**	195,126
– Available-for-sale	**201,535**	184,045
– At fair value through profit or loss	**1,055**	3,404
– Loans and receivables	**56,659**	54,235
Equity financial assets	**110,324**	107,693
– Available-for-sale	**105,877**	99,263
– At fair value through profit or loss	**4,447**	8,430
Term deposits	**47,636**	79,845
Statutory deposits	**915**	816
Policy loans	**24,846**	23,831
Financial assets purchased under agreements to resell	**6,709**	2,325
Accrued investment income	**8,740**	9,669
Premiums receivable	**3,881**	1,846
Deferred tax assets	**71**	308
Reinsurance assets	**2,240**	2,693
Other assets	**1,228**	1,504
Cash and cash equivalents	**15,579**	14,230
Total assets	**705,320**	699,181

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 30 June 2017

Unit: RMB in millions

	As at 30 June 2017 Unaudited	As at 31 December 2016
LIABILITIES AND EQUITY		
Liabilities		
Insurance contracts		
Long-term insurance contract liabilities	**551,931**	541,424
Short-term insurance contract liabilities		
– Outstanding claims liabilities	**672**	640
– Unearned premiums liabilities	**1,644**	1,164
Investment contracts	**32,835**	30,071
Borrowings	**14,000**	14,000
Financial liabilities at fair value through profit or loss	**9**	9
Financial assets sold under agreements to repurchase	**29,757**	39,246
Benefits, claims and surrenders payable	**3,017**	2,950
Premiums received in advance	**178**	3,042
Reinsurance liabilities	**244**	215
Provisions	**29**	29
Other liabilities	**7,966**	5,899
Current income tax liabilities	**1,255**	1,313
Deferred tax liabilities	**54**	54
Total liabilities	**643,591**	640,056
Shareholders' equity		
Share capital	**3,120**	3,120
Reserves	**32,510**	31,646
Retained earnings	**26,092**	24,352
Equity attributable to owners of the parent	**61,722**	59,118
Non-controlling interests	**7**	7
Total equity	**61,729**	59,125
Total liabilities and equity	**705,320**	699,181

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017

Unit: RMB in millions

	For the six months ended 30 June 2017 (Unaudited)					
	Attributable to owners of the parent					
	Share capital	**Reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
As at 1 January 2017	**3,120**	**31,646**	**24,352**	**59,118**	**7**	**59,125**
Net profit for the period	–	–	3,237	3,237	–	3,237
Other comprehensive income	–	824	–	824	–	824
Total comprehensive income	**–**	**824**	**3,237**	**4,061**	**–**	**4,061**
Others	**–**	**40**	**–**	**40**	**–**	**40**
Dividends paid *(Note 6)*	–	–	(1,497)	(1,497)	–	(1,497)
Total transactions with owners	**–**	**–**	**(1,497)**	**(1,497)**	**–**	**(1,497)**
As at 30 June 2017	**3,120**	**32,510**	**26,092**	**61,722**	**7**	**61,729**

	For the six months ended 30 June 2016 (Unaudited)					
	Attributable to owners of the parent					
	Share capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
As at 1 January 2016	3,120	33,536	21,179	57,835	6	57,841
Net profit for the period	–	–	3,333	3,333	1	3,334
Other comprehensive income	–	(2,540)	–	(2,540)	–	(2,540)
Total comprehensive income	–	(2,540)	3,333	793	1	794
Effect of the introduction of strategic investors to New China Life Excellent Health Investment Management Co.,Ltd.	–	(20)	20	–	–	–
Others	–	(44)	–	(44)	–	(44)
Dividends paid	–	–	(873)	(873)	–	(873)
Total transactions with owners	–	–	(873)	(873)	–	(873)
As at 30 June 2016	3,120	30,932	23,659	57,711	7	57,718

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

Unit: RMB in millions

	For the six months ended 30 June	
	2017	2016
	Unaudited	Unaudited
Operating activities		
Cash generated from operating activities	**(2,177)**	9,905
Tax paid	**(2,030)**	(1,062)
Net cash inflow/(outflow) from operating activities	**(4,207)**	8,843
Investing activities		
Cash received/(paid) for investing activities, net	**3,728**	(40,785)
Proceeds from disposal of property, plant and equipment, intangible assets and other assets	**1**	1
Purchases of property, plant and equipment, intangible assets and other assets	**(604)**	(932)
Interest received	**14,320**	13,382
Dividends received	**2,340**	2,707
Financial assets purchased under agreements to resell, net	**(4,079)**	(62)
Net cash inflow/(outflow) from investing activities	**15,706**	(25,689)
Financing activities		
Financial assets sold under agreements to repurchase, net	**(10,032)**	16,039
Net cash inflow/(outflow) from financing activities	**(10,032)**	16,039
Effects of exchange rate changes on cash and cash equivalents	**(118)**	112
Cash and cash equivalents at the beginning of the period	**14,230**	13,904
Cash and cash equivalents at the end of the period	**15,579**	13,209
Analysis of balances of cash and cash equivalents		
Cash at banks and in hand	**15,079**	13,142
Short-term bank deposits	**500**	67
Cash and cash equivalents at the end of the period	**15,579**	13,209

SEGMENT INFORMATION

The Group's operating segments for the six months ended 30 June 2017 are the same with the segments of the Group for the six months ended 30 June 2016 and the year ended 31 December 2016.

Unit: RMB in millions

	For the six months ended 30 June 2017 (Unaudited)				
	Insurance		Others	Elimination	Total
	Individual	Group			
Revenues					
Gross written premiums and policy fees	59,832	1,441	–	–	61,273
Less: premiums ceded out	(525)	(111)	–	–	(636)
Net written premiums and policy fees	59,307	1,330	–	–	60,637
Net change in unearned premiums liabilities	26	(480)	–	–	(454)
Net premiums earned and policy fees	59,333	850	–	–	60,183
Investment income	15,689	157	45	2	15,893
Including: inter-segment revenue	(2)	–	–	2	–
Other income	88	4	337	(242)	187
Including: inter-segment revenue	8	1	233	(242)	–
Total revenues	75,110	1,011	382	(240)	76,263
Benefits, claims and expenses					
Insurance benefits and claims					
Claims and net change in outstanding claims liabilities	(326)	(370)	–	–	(696)
Life insurance death and other benefits	(44,526)	(87)	–	–	(44,613)
Increase in long-term insurance contract liabilities	(8,560)	(50)	–	–	(8,610)
Investment contract benefits	(495)	(112)	–	–	(607)
Commission and brokerage expenses	(8,579)	(217)	–	–	(8,796)
Administrative expenses	(6,231)	(725)	(235)	242	(6,949)
Including: inter-segment expenses	(208)	(24)	(10)	242	–
Other expenses	(67)	(10)	(195)	–	(272)
Total benefits, claims and expenses	(68,784)	(1,571)	(430)	242	(70,543)
Share of results of associates and joint ventures	117	1	–	–	118
Finance costs	(782)	(177)	–	–	(959)
Net profit before income tax	5,661	(736)	(48)	2	4,879
Other segment information					
Depreciation and amortization	(289)	(33)	(11)	–	(333)
Interest income	13,206	135	29	2	13,372
Impairment	(709)	(10)	–	–	(719)
Share of profit of associates and joint ventures under the equity method	117	1	–	–	118
Capital expenditure	–	–	604	–	604

SEGMENT INFORMATION (CONTINUED)

Unit: RMB in millions

	For the six months ended 30 June 2016 (Unaudited)				
	Insurance		Others	Elimination	Total
	Individual	Group			
Revenues					
Gross written premiums and policy fees	70,058	1,023	–	–	71,081
Less: premiums ceded out	(350)	(96)	–	–	(446)
Net written premiums and policy fees	69,708	927	–	–	70,635
Net change in unearned premiums liabilities	(55)	(232)	–	–	(287)
Net premiums earned and policy fees	69,653	695	–	–	70,348
Investment income	15,762	167	(18)	344	16,255
Including: inter-segment revenue	(5)	–	(339)	344	–
Other income	279	10	392	(234)	447
Including: inter-segment revenue	3	(1)	232	(234)	–
Total revenues	85,694	872	374	110	87,050
Benefits, claims and expenses					
Insurance benefits and claims					
Claims and net change in outstanding claims liabilities	(270)	(258)	–	–	(528)
Life insurance death and other benefits	(45,934)	(142)	–	–	(46,076)
Increase in long-term insurance contract liabilities	(21,139)	(23)	–	–	(21,162)
Investment contract benefits	(502)	(28)	–	–	(530)
Commission and brokerage expenses	(7,238)	(183)	–	–	(7,421)
Administrative expenses	(5,851)	(502)	(199)	233	(6,319)
Including: inter-segment expenses	(211)	(18)	(4)	233	–
Other expenses	(95)	(25)	(53)	–	(173)
Total benefits, claims and expenses	(81,029)	(1,161)	(252)	233	(82,209)
Share of results of associates	55	1	(17)	–	39
Finance costs	(613)	(35)	–	–	(648)
Net profit before income tax	4,107	(323)	105	343	4,232
Other segment information					
Depreciation and amortization	(251)	(21)	(8)	–	(280)
Interest income	13,102	147	(27)	–	13,222
Impairment	(427)	(15)	–	–	(442)
Share of profit of associates under the equity method	55	1	(17)	–	39
Capital expenditure	–	–	877	–	877

SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities as at 30 June 2017 and 31 December 2016:

Unit: RMB in millions

As at 30 June 2017	**Insurance**		**Others**	**Elimination**	**Total**
(Unaudited)	**Individual**	**Group**			
Segment assets	677,492	7,042	20,836	(50)	705,320
Segment liabilities	617,796	6,715	19,130	(50)	643,591

As at 31 December 2016	Insurance		Others	Elimination	Total
	Individual	Group			
Segment assets	672,883	6,427	20,023	(152)	699,181
Segment liabilities	616,121	6,317	17,770	(152)	640,056

BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2017 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 2016, 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 2016, as described in those annual financial statements, except for the adoption of new standards and interpretations effective as at 1 January 2017.

All IFRSs that remain in effect which are relevant to the Group have been applied.

(a) New accounting standards and amendments adopted by the Group

Standards/Amendments	Content	Effective for annual periods beginning on or after
IAS 7 Amendments	*Statement of Cash Flows: Disclosure Initiative*	1 January 2017
IAS 12 Amendments	*Income Taxes: Recognition of Deferred Tax Assets for Unrecognised Losses*	1 January 2017
Annual Improvements 2014-2016 Cycle	*Amendments to IFRS 12 Disclosure of Interests in Other Entities*	1 January 2017

IAS 7 Amendments – Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The Group is not required to provide additional disclosures in its condensed interim consolidated financial statements, but will disclose additional information in its annual consolidated financial statements for the year ended 31 December 2017.

IAS 12 Amendments – Income Taxes: Recognition of Deferred Tax Assets for Unrecognised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. The Group has adopted the amendments retrospectively. However, their application has no effect on the Group's financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Annual Improvements 2014-2016 Cycle – Amendments to IFRS 12 Disclosure of Interests in Other Entities

The amendments clarify that the disclosure requirements in IFRS 12 apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

These amendments have no significant impact on the Group's consolidated financial statements given that the Group has no interests in other entities that is classified as held for sale.

(2) New accounting standards and amendments issued but are not effective for the financial year beginning on 1 January 2017

Standards/Amendments	**Content**	**Effective for annual periods beginning on or after**
IFRS 10 and IAS 28 Amendments	*Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*	Note
IFRS 9	*Financial Instruments*	1 January 2018
IFRS 15	*Revenue from Contracts with Customers*	1 January 2018
IFRS 15 Amendments	*Clarifications to IFRS 15 Revenue from Contracts with Customers*	1 January 2018
IFRS 4 Amendments	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*	1 January 2018
IAS 40 Amendments	*Transfers of Investment Property*	1 January 2018
IFRS 2 Amendments	*Classification and Measurement of Share-based Payment Transactions*	1 January 2018
IFRS 16	*Leases*	1 January 2019
IFRS 17	*Insurance Contracts*	1 January 2021
IFRIC Interpretation 23	*Uncertainty over Income Tax Treatments*	1 January 2019

Note: In December 2015, the IASB postponed the effective date of this amendment pending the outcome of its research on the equity method of accounting.

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 first half year's new business as at 30 June 2017, we have assumed that the Company continues to operate as a going concern under the current economic and regulatory environment, and the relevant regulations for determining policy liabilities and required capital remain unchanged. The operational assumptions are mainly based on the results of experience analyses of the Company, 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.

(1) Risk Discount Rate

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

(2) Investment Returns

The investment return assumptions as at 30 June 2017 are shown below for the different funds respectively.

Investment Return Assumptions for VIF and the Value of First Half Year's New Business as at 30 June 2017

	2017	2018	2019	2020+
Non-participating	4.50%	4.60%	4.80%	5.00%
Participating	4.50%	4.60%	4.80%	5.00%
Universal life	4.50%	4.70%	5.00%	5.10%
Unit-linked	7.60%	7.60%	7.80%	7.90%

Note: Investment return assumptions are applied to calendar year.

(3) 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 the standard industry mortality tables: "China Life Tables (2000 to 2003)".

(4) 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)".

(5) Discontinuance Rates

Assumptions have been developed based on the Company's 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.

(6) Expenses

Unit cost assumptions have been developed based on the Company's past actual expenses experience, expectations of current and future experience. Future inflation of 2.0% p.a. has been assumed in respect of per policy expenses.

(7) 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.

(8) 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.

(9) Tax

Tax has been assumed to be payable at 25% p.a. of profits with allowance for the exemption of certain investment income, including Chinese government bonds, and dividend income from equities and equity investment funds. In addition, taxes and surcharges for short-term health and accident business are based on related tax regulation.

(10) Cost of Required Capital

It is assumed that 100% of the minimum capital requirement prescribed by the CIRC is to be held by the Company in the calculation of the value of in-force business and the value of first half year's new business.

The current solvency regulations have been assumed unaltered throughout the course of projection.

(11) Other Assumptions

The current methods for calculating 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 first half year's new business as at 30 June 2017 and their corresponding results as at prior valuation date.

Unit: RMB in millions

Valuation Date	**30 June 2017**	31 December 2016
Adjusted Net Worth	**86,468**	81,313
Value of In-Force Business Before Cost of Required Capital Held	**74,358**	65,084
Cost of Required Capital Held	**(18,738)**	(16,947)
Value of In-Force Business After Cost of Required Capital Held	**55,620**	48,137
Embedded Value	**142,089**	129,450

Notes:

1: Numbers may not be additive due to rounding.

2: The impact of major reinsurance contracts has been reflected in the embedded value.

Unit: RMB in millions

Valuation Date	**30 June 2017**	30 June 2016
Value of First Half Year's New Business		
Value of First Half Year's New Business Before Cost of Required Capital Held	**8,975**	7,230
Cost of Required Capital Held	**(1,822)**	(1,676)
Value of First Half Year's New Business After Cost of Required Capital Held	**7,153**	5,553

Notes:

1. Numbers may not be additive due to rounding.

2. The value of first half year's new business as at 30 June 2016 was restated for adopting "Appraisal of Embedded Value" standard which was issued by CAA in November 2016 and assumptions as at 31 December 2016.

3. The first year premiums used to calculate the value of first half year's new business as at 30 June 2017 and 30 June 2016 were RMB17,998 million and RMB35,227 million respectively.

4. The impact of major reinsurance contracts has been reflected in the value of first half year's new business.

Unit: RMB in millions

Valuation Date	**30 June 2017**	30 June 2016
Value of First Half Year's New Business by Distribution Channel		
Individual insurance channel	**6,991**	5,533
Bancassurance channel	**220**	70
Group insurance channel	**(58)**	(50)
Total	**7,153**	5,553

Notes:

1. Numbers may not be additive due to rounding.

2. The value of first half year's new business as at 30 June 2016 was restated for adopting "Appraisal of Embedded Value" standard which was issued by CAA in November 2016 and assumptions as at 31 December 2016.

3. The first year premiums used to calculate the value of first half year's new business as at 30 June 2017 and 30 June 2016 were RMB17,998 million and RMB35,227 million respectively.

4. The impact of major reinsurance contracts has been reflected in value of first half year's new business.

3. Analysis of Change

The analysis of change in Embedded Value from 31 December 2016 to 30 June 2017, calculated at a risk discount rate of 11.5%, is shown below.

Unit: RMB in millions

Analysis of Change in EV from 31 December 2016 to 30 June 2017 at a Risk Discount Rate of 11.5%

1.	**EV at the beginning of period**	**129,450**
2.	Impact of Value of New Business	7,153
3.	Expected Return	6,114
4.	Operating Experience Variances	908
5.	Economic Experience Variances	(462)
6.	Operating Assumption Changes	–
7.	Economic Assumption Changes	–
8.	Capital Injection/Shareholder Dividend Payment	(1,497)
9.	Others	347
10.	Value Change Other Than Life Insurance Business	77
11.	**EV at the end of period**	**142,089**

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 adjusted net worth 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, expenses and taxes) and the assumed at the beginning of the period.

5. Reflects the difference between actual and expected investment returns and market value adjustment 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 First Half Year's New Business Sensitivity Results as at 30 June 2017

Scenarios	VIF after Cost of Required Capital Held	the Value of First Half Year's New Business after Cost of Required Capital Held
Base Scenario	55,620	7,153
Risk Discount Rate at 12.0%	52,771	6,800
Risk Discount Rate at 11.0%	58,656	7,530
Investment Return 50bps higher	66,441	8,142
Investment Return 50bps lower	44,758	6,155
Expenses 10% higher (110% of Base)	54,193	6,433
Expenses 10% lower (90% of Base)	57,047	7,869
Discontinuance Rates 10% higher (110% of Base)	54,163	6,744
Discontinuance Rates 10% lower (90% of Base)	57,031	7,568
Mortality 10% higher (110% of Base)	55,099	7,080
Mortality 10% lower (90% of Base)	56,139	7,222
Morbidity and Loss Ratio 10% higher (110% of Base)	53,827	6,850
Morbidity and Loss Ratio 10% lower (90% of Base)	57,419	7,452
Profit Sharing between Participating Policyholders and Shareholders is assumed to be 75%/25% instead of 70%/30%	50,774	6,994

CORPORATE GOVERNANCE

The Company has established the executive committee system and the role of Chief Executive Officer since February 2013. Mr. WAN Feng, Chairman of the board of directors of the Company (the "**Board**"), has served as the Chief Executive Officer since March 2016. The Board 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, 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 has complied with 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.

2017 INTERIM DIVIDEND

The Board did not propose any interim dividend for the six months ended 30 June 2017.

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 2017, including the accounting principles and practices.

PUBLICATION OF INTERIM REPORT

The Company's 2017 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.
WAN Feng
Chairman

Beijing, China, 29 August 2017

As at the date of this announcement, the executive directors of the Company are WAN Feng and LI Zongjian; the non-executive directors are LIU Xiangdong, XIONG Lianhua, WU Kunzong, HU Aimin, DACEY John Robert and PENG Yulong; and the independent non-executive directors are LI Xianglu, ZHENG Wei, FONG Chung Mark, CHENG Lie and NEOH Anthony Francis.