

Historical Information

Provided by: CHINA LIFE INSURANCE COMPANY, LTD.

SEQ_NO 2 Date of announcement 2017/08/25 Time of announcement 21:25:20

Subject China Life declares information about the tender offer from China Development Financial

Date of events 2017/08/25 To which item it meets paragraph 38

1.Date of receipt of the public tender offeror's notice of tender offer:2017/08/16

2.Kinds and numbers of shares of the Company held by current directors, supervisors, and their spouses and minor children, and shareholders holding more than 10 percent of the Company's issued shares:

Title	Name	Spouse & Minor Shareholding and Shareholding by Nominee	
		Current Shareholding	Arrangement
Director	Tai li investment Co., Ltd.	460,603	0
Representative	Alan Wang (Chairman)	2,997,817	1,759,121
Director	Tai li investment Co., Ltd.	460,603	0
Representative	Stephanie Hwang	118,354	0
Director	Videoland Inc.	81,727,561	0
Representative	Yu-Ling Kuo	1,547,153	0
Director	Lan wan Investment Corporation	1,189,819	0
Representative	Tony T.M. Hsu	2,110,542	0
Director	Lan wan Investment Corporation	1,189,819	0
Representative	Roy Mang	0	0
Director	EVER-RICH Co., Ltd.	125,840	0
Representative	Lauren Hsieh	52,489	0
Independent Director	Louis T. Kung	0	0
Independent Director	Wei-Ta Pan	0	0
Independent Director	Wen-Yen Hsu	0	0

3.Attendant of the board of director:

It was attended by Chairman Alan Wang and Director Stephanie Hwang, representatives of Tai Li Investment Co., Ltd; Director Yu-Ling Kuo, representative of Videoland Inc.; Director Tony T.M. Hsu and Director Roy Meng, representatives of Lan wan Investment Corporation; Director Lauren Hsieh, representative of EVER-RICH Co., Ltd; Independent Directors Louis T. Kung, Wei-Ta Pan and Wen-Yen Hsu. Director Videoland Inc. requested its representative Yu-Ling Kuo to recues herself from the discussion and vote because its affiliated company GPPC Chemical Corp. is the director of China Development Financial. If the acquisition is successfully completed, China Life will become a subsidiary of China Development Financial, and Chairman Alan Wang may have position movement for operation management and the interest of the group, so he avoided to participate the discussion and vote for this case. Director Tony T.M. Hsu and Lauren Hsieh, having 2,054 and 86 common shares of China Development Financial, respectively, did not avoid it because their shareholding positions are small and they will not tender their shares.

4.Verification from the board of director about the public tender offeror's financial status, the fairness of the acquisition condition, and the reasonability of the funds sources.(Full disclosure of the verify measures and the relative procedure):

(一)The Review Committee (also designated as Special committee), established by Article 14-1 of Regulations Governing Public Tender Offers for Securities of Public Companies, have reviewed the written expert

opinion issued by independent experts in the meeting convened on August 25, 2017. The recommendations for the acquisition will be uploaded to MOPS for shareholders' reference.

(二) In accordance with Article 14 of Regulations Governing Public Tender Offers for Securities of Public Companies, the Board of Directors Meeting was convened on August 25, 2017 to review the opinion of Review committee regarding the written expert opinion issued by independent experts. The recommendations for the acquisition will be uploaded to MOPS for shareholders' reference.

(三) Please find the status of verification of the identity and financial condition of the offeror, the fairness of the tender offer conditions, and the reasonableness of the sources of the tender offer funds as below:

1. The status of verification of the identity and financial condition of the offeror:

George Chou, a partner of BDO Taiwan is appointed to review, verify and value below items of China Development Financial for this case:

- (1) Public tender offer prospectus
- (2) Articles of incorporation
- (3) Business registration documents
- (4) Bank deposit certificate
- (5) The latest financial report and financial ratios comparing with peers.

After the check and review, he states that the public tender offeror, China Development Financial is established under Financial Holding Company Act, and its major business including investment in domestic financial businesses and management of invested companies. The tender offeror already holds 9.63% shares of China Life through its subsidiary (accounts for hedging transaction are not included), and plans to do the public offering to extend its business scope, strengthen operation ability and asset size, and enhance the return of shareholders' equity. The tender offeror's position and intention are not inappropriate, and its financial leverage ratio, double leverage ratio and capital ratio are at adequate levels. As a result, he didn't see any concerns on the position or financial conditions of the tender offeror.

2. The fairness of the tender offer conditions:

Statement

In accordance with the written expert opinion issued by Grinni Hsiao, independent CPA of KPMG and George Chou, a partner of BDO Taiwan, the Company's share price at the record date of the appraisal (August 16, 2017) was described as below:

- (1) Grinni Hsiao, independent CPA of KPMG issued a written expert opinion determining that the tender price of NT\$35.0 per share locates in the appraisal price range between NT\$32.3 and NT\$39.9 and is reasonable.
- (2) George Chou, a partner of BDO Taiwan, assessed that the range of reasonable tender price is between NT\$33.53 to NT\$43.81. China Development Financial proposed to offer NT\$35 for public offering locates in the appraisal price range and it is reasonable and fair.

3. The reasonableness of the sources of the tender offer funds:

China Development Financial plans to acquire 868,440,000 (minimum number of shares to be acquired) ~ 880,000,000 common shares (projected number of shares to be acquired), representing 25.00% ~ 25.33% of the Company's outstanding shares, total transaction amount will be around NT\$ 30,395,400 ~ 30,800,000 thousand. The tender offeror will finance from self-funding and issuing unsecured sub-debt (total issuance amount less than NT\$10 bn) for the public offering. If the process of debt issuance cannot finish in time to support the funding for public offering, the tender offeror plans to borrow money from banks.

George Chou, a partner of BDO Taiwan is appointed to review and analyze below items: (1) Tender offer prospectus (2) The announcement of Board resolution of the tender offeror to issue unsecured subordinated corporate bond (3) Bank deposit certificate (4) A performance guarantee issued by a financial institution (5) Obligation to perform payment of the tender offer (6) Approval of lending limit authorized by banks for the tender offeror. He states that the funding sources of bank deposit and the NT\$10 bn unsecured subordinated corporate bonds which is subjected to issue, already more than the maximum amount of the transaction. Besides, the tender offeror has received performance guarantee and approval for lending limit from financial institutions, he thinks China Development Financial has practical and reasonable funds sources for this deal.

5. Is the previous verification opinion issued by any expert:

(If yes, please upload the expert opinion file):

(1) The fairness opinion issued by Grinni Hsiao, CPA of KPMG, on August 24, 2017

(2) George Chou, a partner of BDO Taiwan, issued a written expert opinion dated August 24, 2017 on specific matters of the Public Tender Offer.

6. Recommendations to shareholders concerning the current acquisition, and the names of any directors opposing the acquisition and their reasons for opposition:

Director Videoland Inc. requested its representative Yu-Ling Kuo to recuse

herself from the discussion and vote because its affiliated company GPPC Chemical Corp. is the director of China Development Financial. If the acquisition is successfully completed, China Life will become a subsidiary of China Development Financial, and Chairman Alan Wang may have position movement for operation management and the interest of the group, so he avoided to participate the discussion and vote for this case. Director Tony T.M. Hsu and Lauren Hsieh, having 2,054 and 86 common shares of China Development Financial, respectively, did not avoid it because their shareholding positions are small and they will not tender their shares. Chairman Alan Wang and Director Yu-Ling Kuo avoided to participate the discussion and the vote. Other attended directors approved the written expert opinion issued by the external independent advisors which are appointed by Review committee (also designated as Special committee), and agreed to publish it. Shareholders of China Life are advised to read the tender offeror's announcement for public offering and the related risks described in the tender offer prospectus to decide whether to participate the tender offer or not. The external independent advisors' opinion is only a reference for shareholders, shareholders should consider their investment purposes and tax plans to decide whether to participate the tender offer or not, and take risks accordingly.

7. Whether there have been any significant changes in the Company's financial condition after the submission of the financial statement for the most recent period, and the content of any such changes: None

8. Kinds, numbers, and total value of shares of the public tender offeror or affiliated enterprises thereof held by current directors, supervisors, and shareholders holding more than 10 percent of the Company's issued shares:

Title	Name	Shareholding			
		Subject	Kinds	Shares (Par Value)	Amount
Director	Tai li investment Co., Ltd	China Development Financial Holding Stock	Common	123,410	1,234,100
Director	Videoland Inc.	China Development Financial Holding Stock	Common	55,503,539	555,035,390
Representative of Lan wan Investment Corporation	Tony T.M. Hsu	China Development Financial Holding Stock	Common	2,054	20,540
Representative of EVER-RICH Co., Ltd.	Lauren Hsieh	China Development Financial Holding Stock	Common	86	860

9. Other relevant material information:

The shareholders are advised to read the public tender offer prospectus carefully. For further information about the prospectus, please visit to the MOPS website at <http://mops.twse.com.tw/mops/web/t162sb01>.