

(2823.tw)

IR Announcement

China Life Announced to Change the Accounting Policy

China Life Insurance Co., Ltd. (China Life) today announced to change the accounting policy regarding subsequent measurement of investment properties from cost model to fair value model.

1. Date of the board of directors resolution: 2014/12/25
2. The nature of the change: Change in accounting policy from 2014/01/01
3. Reason for the change: The Company announced to change the accounting policy regarding subsequent measurement of investment properties from cost model to fair value model
4. The prior periods affected by retrospective application of the new accounting policy: 2014/01/01
5. The line items affected and the actual effect for the immediately preceding financial year are as follows:
 - (1) The affected items of 2013/01/01 Balance sheet (NT\$): Total assets increased 8,333 million, Participating dividend reserve increased 612 million, Deferred tax liabilities increased 636 million and Total equity increased 7,085 million
 - (2) The affected items of 2013/12/31 Balance sheet (NT\$): Total assets increased 9,822 million, Participating dividend reserve increased 801 million, Deferred tax liabilities increased 626 million and Total equity increased 8,395 million
 - (3) The affected items of Statement of comprehensive income 2013 (NT\$): Gains on investment property increased 1,325 million, Net change in insurance liability increased 188 million, Operating expenses decreased 135 million, Income tax expense decreased 3 million, Net profit increased 1,275 million, Other comprehensive income increased 35 million and Total comprehensive profit increased 1,310 million

The Company has followed the FSC's requirement to conduct a fair value assessment of its 2013 liability reserve, and it has confirmed the sufficiency of its reserve and doesn't need to make additional liability reserve.

6. The actual effect on the opening balance of retained earnings for the immediately preceding financial year: NT\$7,085 million increased in the opening balance of retained earnings for 2013