

News Release

China Life Reports 1H 2009 Financial Results

China Life Insurance today reported financial result for the first half year of 2009. First year premium (FYP) for 2009 first half year was NT\$ 19.93 billion, compared to 20.86 billion same period last year, representing a 4.5% decrease. The industry total reports a 17% FYP decrease in the same period. Total premium of 2009 first half year was NT\$ 31.19 billion, and year-to-date net profit after tax was NT\$ 1,258 million, compared to 500 million in the same period of 2008, representing a 151 % growth. EPS after tax was \$1.01.

China Life has completed a capital injection of NT\$ 3.3 billion in March 2009, and paid-in capital thus increased to NT\$ 13 billion as of June 2009 from 11.7 billion as of December 2008. In addition, with the recovery of Taiwan stock market, net worth in the end of Jun 2009 has significantly increased from NT\$ 4.3 billion in the end of 2008 to NT\$ 14.0 billion, net worth per share \$10.78. As of Jun 2009, China Life has total asset of NT\$ 508.8 billion.

China Life Reports Embedded Value for 2008

China Life Insurance today announced the result of embedded value as of end of 2008. Embedded value (EV) on a pro-forma basis was NT\$ 26.6 billion

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(contribution from China Life was \$ 13.0 billion, and from PCA Life was \$ 13.6 billion). Based on the 1,171 million outstanding common shares, EV per share was \$ 22.74 (China Life \$ 11.12, PCA \$ 11.62). PricewaterhouseCoopers, the independent actuarial consultant company, has examined the assumptions, methodology and calculation of China Life's embedded value

Considering net worth impact from financial crisis in 2008, along with the recovery of economics and financial environment, as well as Taiwan stock market, China Life's net worth has significantly recovered in the end of first half of 2009. Using net worth as of Jun 2009 as EV calculation basis, all others remain the same (ie. Value in force and cost of capital were based on 2008/12/31 numbers), the adjusted net worth would be \$21.9 billion, and embedded value would be NT\$ 34.8 billion, representing \$ 26.76 per share (Based on the 1,301 million outstanding common shares). The calculation has incorporated the assumption under which are investment yield of 3.75%~5.25%, rate of discount rate of 10.5%, and the regulatory minimum risk based capital requirement (RBC) of 200%.