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中國人壽保險股份有限公司

CHINA LIFE INSURANCE COMPANY LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2628)

ANNOUNCEMENT

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS UNDER THE INSURANCE SALES FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 17 December 2020 in relation to the 2021 Insurance Sales Framework Agreement entered into between the Company and CLP&C. The 2021 Insurance Sales Framework Agreement will expire on 7 March 2024. On 15 December 2023, the Board resolved that the Company will enter into the 2024 Insurance Sales Framework Agreement with CLP&C, whereby CLP&C will continue to entrust the Company to act as an agent to sell selected insurance products within the authorized regions. The Company will enter into the 2024 Insurance Sales Framework Agreement with CLP&C before the expiration of the 2021 Insurance Sales Framework Agreement.

CLIC, the controlling shareholder of the Company, currently holds approximately 68.37% of the issued share capital of the Company and is therefore a connected person of the Company. CLP&C, held as to 60% and 40% by CLIC and the Company, respectively, is an associate of CLIC and is therefore also a connected person of the Company. As such, the transactions under the 2024 Insurance Sales Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Given that the applicable percentage ratios in respect of the annual caps for continuing connected transactions under the 2024 Insurance Sales Framework Agreement are more than 0.1% but less than 5%, such transactions are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 17 December 2020 in relation to the 2021 Insurance Sales Framework Agreement entered into between the Company and CLP&C. The 2021 Insurance Sales Framework Agreement will expire on 7 March 2024. On 15 December 2023, the Board resolved that the Company will enter into the 2024 Insurance Sales Framework Agreement with CLP&C, whereby CLP&C will continue to entrust the Company to act as an agent to sell selected insurance products within the authorized regions. The Company will enter into the 2024 Insurance Sales Framework Agreement with CLP&C before the expiration of the 2021 Insurance Sales Framework Agreement.

PRINCIPAL TERMS OF THE 2024 INSURANCE SALES FRAMEWORK AGREEMENT

Parties

The Company

CLP&C

Scope of insurance agency services

Pursuant to the 2024 Insurance Sales Framework Agreement, CLP&C will entrust the Company to act as an agent to sell selected insurance products (including but not limited to statutory and compulsory insurance, automobile insurance, enterprise property insurance, family property insurance, engineering insurance, liability insurance, cargo transportation insurance, special risk insurance, credit and guarantee insurance, agricultural insurance, comprehensive insurance, etc.) within the authorized regions. The Company will collect insurance premiums in the name of CLP&C.

Agency service fee

Under the 2024 Insurance Sales Framework Agreement, CLP&C (or its branches) shall pay to the Company (or its branches) an agency service fee in cash on a monthly basis. The agency service fee shall be calculated by the parties at a certain percentage of the insurance premiums actually earned from the insurance agency business, subject to compliance with the relevant requirements of the NAFR and its branches and the Ministry of Finance of the PRC, as well as the Listing Rules.

Term

The 2024 Insurance Sales Framework Agreement is for a term of three years from 8 March 2024 to 7 March 2027.

ANNUAL CAPS

Historical figures

The agency service fees actually paid by CLP&C to the Company for the two years ended 31 December 2022 and the six months ended 30 June 2023 are as follows:

Period	Amount of Agency Service Fees Paid <i>RMB (in million)</i>
Year ended 31 December 2021	1,541.99
Year ended 31 December 2022	1,513.79
Six months ended 30 June 2023	780.29

Annual caps

The annual caps in respect of the agency service fees to be paid by CLP&C to the Company under the 2024 Insurance Sales Framework Agreement for the three years ending 31 December 2026 are as follows:

Period	Annual cap of Agency Service Fees <i>RMB (in million)</i>
Year ending 31 December 2024	2,620
Year ending 31 December 2025	2,840
Year ending 31 December 2026	3,110

In determining the aforesaid annual caps, the Company has taken into account the historical figures of the relevant transactions and the objectives of the Company and CLP&C for business development in the future, and anticipated that the parties will closely coordinate with each other to jointly promote the sustainable and sound development of the agency sale of property and casualty insurance. It is expected that the income from the agency service fees will further increase in the next three years. In addition, in consideration of the ever-increasing regulatory oversight from regulators and the uncertainties arising from the changes in policies from time to time, the Company has reserved a 20% buffer when calculating the annual cap for each year.

PRICING BASIS AND INTERNAL CONTROL PROCEDURES

In determining the agency service fees of various insurance products, the branches of the Company will comply with the relevant requirements of the NAFR and the Ministry of Finance of the PRC, make reference to the agency service fees charged by independent third parties for sale of similar insurance products and the historical rates set by the Company and CLP&C, and take into account the business development of different regions.

Upon determination of the agency service fees, the business departments of the branches of the Company will report the prices to the relevant departments (including the legal affairs department) of the branches, which will then submitted such prices to the Office of General Manager of the relevant branches for approval. After the execution of specific contracts (which will set out the rates of agency service fees) with the relevant branches of CLP&C, all branches of the Company at the provincial level will report the same to the Comprehensive Finance Department of the Company. The Comprehensive Finance Department will keep track of the transaction amount under the 2024 Insurance Sales Framework Agreement on a monthly basis, and conduct inspections every year to ascertain from time to time whether the terms of the transactions under the 2024 Insurance Sales Framework Agreement are comparable to those of the relevant transactions entered into between the Company and independent third parties and to those of the relevant transactions in the market.

The Company considers that the methods and procedures adopted above can ensure that the prices and the terms of the transactions under the 2024 Insurance Sales Framework Agreement will be no less favourable than those entered into between the Company and independent third parties.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

Through the transactions under the 2024 Insurance Sales Framework Agreement, the Company can earn agency service fee, expand its customer base and strengthen its ability in customer management, thereby increasing the income of sales representatives and facilitating the development of its principal business of life insurance. In addition, the Company can offer comprehensive and high-quality services to customers, which will further enhance the brand awareness and reputation of the Company.

Mr. Bai Tao, Mr. Li Mingguang, Mr. Wang Junhui and Ms. Zhuo Meijuan hold positions in CLIC and/or CLP&C and have abstained from voting on the Board resolution passed to approve the 2024 Insurance Sales Framework Agreement and the transactions contemplated thereunder.

The Directors, including the independent non-executive Directors, are of the view that the continuing connected transactions under the 2024 Insurance Sales Framework Agreement have been conducted on normal commercial terms, were entered into in the ordinary and usual course of business of the Company, are fair and reasonable and in the interests of the Company and its shareholders as a whole, and that the annual caps for the continuing connected transactions under the 2024 Insurance Sales Framework Agreement are fair and reasonable.

LISTING RULES IMPLICATIONS

CLIC, the controlling shareholder of the Company, currently holds approximately 68.37% of the issued share capital of the Company and is therefore a connected person of the Company. CLP&C, held as to 60% and 40% by CLIC and the Company, respectively, is an associate of CLIC and is therefore also a connected person of the Company. As such, the transactions under the 2024 Insurance Sales Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Given that the applicable percentage ratios in respect of the annual caps for continuing connected transactions under the 2024 Insurance Sales Framework Agreement are more than 0.1% but less than 5%, such transactions are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

The Company is one of the leading life insurance companies in the PRC. It offers personal insurance businesses, including life insurance, health insurance and accident insurance businesses, reinsurance relating to the above insurance businesses, use of funds permitted by applicable PRC laws and regulations or the State Council, as well as all types of personal insurance services, consulting business and agency business, sale of securities investment fund, and other businesses permitted by the NAFR.

CLIC, the controlling shareholder of the Company, offers insurance policies to groups and individuals, which are managed by the Company under the policy management agreements. CLIC is held as to 90% and 10% by the Ministry of Finance of the PRC and the National Council for Social Security Fund, respectively.

CLP&C is a non-wholly owned subsidiary of CLIC, and its scope of business includes: property and casualty insurance, liability insurance, credit and guarantee insurance, short-term health insurance and accidental injury insurance, re-insurance in connection with the above insurance businesses, insurance fund application business permitted under the PRC laws and regulations and other businesses approved by the NAFR. As at 31 December 2022, the audited total assets and net assets of CLP&C were RMB139,717 million and RMB33,708 million, respectively; and the audited revenue and net profit for 2022 were RMB87,447 million and RMB667 million, respectively. As at 30 June 2023, the unaudited total assets and net assets of CLP&C were RMB149,250 million and RMB35,085 million, respectively; and the unaudited revenue and net profit for the first half of 2023 were RMB45,413 million and RMB2,089 million, respectively.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“2021 Insurance Sales Framework Agreement”	the insurance sales framework agreement entered into between the Company and CLP&C on 20 February 2021
“2024 Insurance Sales Framework Agreement”	the unified transaction agreement for insurance sales proposed to be entered into between the Company and CLP&C
“associate”	has the meaning given to it under the Listing Rules
“Board”	the board of directors of the Company
“NAFR”	the National Administration of Financial Regulation of the PRC
“CLIC”	中國人壽保險(集團)公司 (China Life Insurance (Group) Company), a state-owned enterprise established under the laws of the PRC and the controlling shareholder of the Company
“CLP&C”	中國人壽財產保險股份有限公司 (China Life Property and Casualty Insurance Company Limited), a joint stock limited liability company incorporated under the laws of the PRC and a subsidiary of CLIC
“Company”	China Life Insurance Company Limited, a joint stock limited liability company incorporated in the PRC
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purposes of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan region

“RMB” Renminbi, the lawful currency of the PRC

“Stock Exchange” The Stock Exchange of Hong Kong Limited

By Order of the Board
China Life Insurance Company Limited
Heng Victor Ja Wei
Company Secretary

Hong Kong, 15 December 2023

As at the date of this announcement, the Board comprises:

<i>Executive Directors:</i>	Bai Tao, Li Mingguang
<i>Non-executive Directors:</i>	Wang Junhui, Zhuo Meijuan
<i>Independent Non-executive Directors:</i>	Lam Chi Kuen, Zhai Haitao, Huang Yiping, Chen Jie