GLOSSARY

The glossary contains explanations of certain terms and definitions used in this prospectus in connection with us and our business. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

"1/24 gross premium method"	A basis for estimating unearned premium reserves based on the assumption that premiums are received evenly over each month and risk is spread evenly over the year.
"ALM"	assets and liabilities management, which is the ongoing process of formulating, implementing, monitoring and revising strategies related to assets and liabilities to achieve an organization's financial objectives, given the organization's risk tolerances and other constraints.
"ancillary agent"	An insurance agent that, in addition to its own business, acts as an agent for insurance companies to conduct insurance business and collects insurance premiums within its authorization. Examples of ancillary agents include banks, PSB and car dealerships.
"annuity"	A contract that provides for periodic payments to an annuitant for a specified period of time, often until the annuitant's death.
"assumed investment return"	The investment return assumed in our group embedded value calculation.
"average cost per claim method"	A method for estimating claim reserves based on the average amount of claim payment derived from historical claim data and adjusted by projections of future trends of claim payment amounts.
"Bornhuetter-Ferguson method"	A method of determining the claim reserves for incurred but not reported claims by adjusting IBNR reserves using the actual development and projected loss of the reported claims.
"case estimate approach"	A method of determining the claim reserves for outstanding reported claims. Each outstanding claim is individually assessed to arrive at an estimate of the total payments to be made.
"cash surrender value"	The amount of cash available to a policyholder on the surrender of or withdrawal from a long-term life insurance policy.
"cede"	When an insurer reinsures its insurance risk with another insurer, it "cedes" business.
"cession ratio"	The ratio of premiums ceded to reinsurers to gross written premiums.
"chain ladder method"	A claim reserves valuation method that projects future claims based on historical development patterns of paid or incurred claims, where the claims data are generally organized by accident year for direct insurers.
"claim"	A demand made by an insured person or the beneficiary of an insurance policy in respect of a loss which may come within the cover provided on the sum insured by the policy.

"claims adjuster"	An individual or an entity that determines insurance liabilities and the amount of claim payments, based on its review of claim materials.
"claim reserves"	Liabilities established to provide for losses and loss adjustment expenses associated with incurred but not reported claims and reported but not settled claims.
"combined ratio"	The sum of the loss ratio and the expense ratio for a property and casualty insurance company or a reinsurance company.
"commission"	A payment to an agent or broker by an insurance company for service in respect of a sale or maintenance of an insurance product.
"deferred policy acquisition costs"	Commissions and certain other underwriting, policy issuance and selling expenses that are directly related to the production of business are referred to as policy acquisition costs. Policy acquisition costs that vary based on the level of production are deferred and later amortized to achieve matching of revenues and expenses.
"embedded value"	An actuarially determined estimate of the adjusted net worth and value of in-force business of the life insurance operations of an insurance company based on a particular set of assumptions as to future experience, excluding any value attributable to any future new business.
"endowment life insurance"	Life insurance under which an insured party receives the face value of a policy if the individual survives the endowment period. If the insured party does not survive, a beneficiary receives the face value of the policy.
"expense ratio"	The ratio of property and casualty insurance operating expenses to net premiums earned.
"facultative reinsurance"	A reinsurance arrangement covering a single risk as opposed to a treaty arrangement; commonly used for very large risks or portions of risk written by a single insurer and are shared among several reinsurers.
"gross written premiums"	The amount charged on insurance policies issued, renewed or reinsured by an insurer for a given period, without deduction for premium ceded to reinsurers. Under HKFRS, for investment-type insurance contracts and investment contracts, only portions of the premiums used to cover the insured risks and associated costs are deemed as gross written premiums.
"group adjusted net worth"	The sum of the audited net assets of CPIC Group on a consolidated basis, defined as assets less policy reserves and other liabilities, all measured on the PRC statutory basis and which incorporates the shareholders' net equity of CPIC Group (including that of CPIC Life, CPIC Property and CPIC Asset Management and other businesses of CPIC Group), and the net of tax adjustments for relevant differences between the market value of assets and the

	value determined on the PRC statutory basis, together with relevant adjustment to liabilities.
"group embedded value"	The sum of the group adjusted net worth and the value of in-force business, allowing for the cost of solvency margin held of CPIC Life, attributable to the shareholders of CPIC Group.
"in-force"	A policy that is shown on records to be in-force on a given date and that has not matured by death or otherwise or been surrendered or otherwise terminated.
"incurred but not yet reported reserves" or "IBNR reserves"	Reserves for estimated losses and loss adjustment expenses which have been incurred but not yet reported to the insurer or reinsurer, including future development of claims which have been reported to the insurer or reinsurer but where the established reserves may ultimately prove to be inadequate.
"investment-linked life insurance"	An insurance policy that provides insurance for the insured party during the policy period and an investment return linked to an investment option selected by the policyholder.
"life insurance"	All insurance business operated by a life insurance company, such as life, retirement, health and accident insurance, except where the context otherwise requires.
"long-term life insurance policies"	Life insurance policies which are intended to be greater than twelve months in duration, are not subject to unilateral changes in the contract terms and require the performance of various functions and services (including but not limited to insurance protection) for an extended period of time.
"loss"	An occurrence that is the basis for submission and/or payment of a claim. Losses may be covered, limited or excluded from coverage, depending on the terms of the policy.
"loss adjustment expenses" or "LAE"	The expenses of settling claims from the property and casualty business, including legal and other fees and general expenses.
"loss ratio"	The ratio of an insurance or reinsurance company's loss incurred and loss adjustment expenses, net of reinsurance covered, to net premiums earned.
"morbidity"	Incidence rates of ailment of a particular population, varying by such parameters as age, gender and duration, used in pricing and computing liabilities for health insurance.
"mortality"	Rates of death, varying by such parameters as age, gender and health, used in pricing and computing liabilities for future policyholder benefits for life and annuity products.
"net level premium method"	Under the net level premium method, insurers must set aside policy reserves assuming that the ratio of pure insurance premium to total annual premium paid remains constant over the term of the policy. The net level premium method increases an insurer's administrative expense burden in the early years of a policy, when actual administrative expenses exceed the portion of the premium

	received in such early years covering administrative expenses. Under an alternate method of calculating policy reserves, known as the Zillmer method, the pure insurance premium portion is reduced in the first few years of the policy, allowing, in effect, policy acquisition costs to be deferred.
"net premiums earned"	Net written premiums less the change in unearned premium reserves.
"net written premiums"	Gross written premiums for a given period less premiums ceded to reinsurers during such period.
"non-participating policy"	Policies under which the policyholder has no right to share distributable surplus of the account. Non-participating policies generally feature lower premiums than participating policies.
"participating policies"	Policies or annuity contracts under which the owner is eligible to share in the divisible surplus of the insurer through policyholder dividends, whether or not such dividends are currently payable.
"persistency"	The percentage of insurance policies remaining in force from year to year, as measured by premiums.
"policyholders' reserves"	Reserve liabilities established to provide for future obligations arising under life insurance products.
"premium"	Payment received on insurance policies issued or reissued by an insurance company.
"premium deficiency reserve"	With respect to property and casualty insurance and short-term life insurance, a liability recognized for the excess, if any, of (x) the sum of expected claim costs and claim adjustment expenses, expected dividends to policyholders, unamortized acquisition costs and maintenance costs over (y) the related unearned premiums. With respect to long-term life insurance contracts, a liability recognized for the excess, if any, of (x) the present value of future benefits to be paid to or on behalf of policyholders, settlement and maintenance costs relating to a block of contracts and unamortized acquisition costs over (y) the sum of existing contract liabilities and the present value of future gross premiums.
"property and casualty insurance"	All insurance business operated by a property and casualty insurance company, such as property, casualty, short-term health and accident insurance, except where the context otherwise requires.
"regular premium products"	An insurance product with regular periodic premium payments.
"reinsurance"	The practice of sharing or spreading of an insured risk of an insurer, or the reinsured, by ceding part of the risk to another insurer, or the reinsurer. The reinsurer, in consideration of a premium paid to it, agrees to indemnify the reinsured for part or all of the liability assumed by the reinsured under a contract or contracts of insurance which the reinsured has issued.

"reserves"	Liability established to provide all future claims of policyholders net of liability ceded to reinsurance companies.
"retention amounts"	The amount of insurance coverage that the primary insurer assumes for its own account, exclusive of any amount ceded to a reinsurer.
"share premium"	Paid-in capital in addition to issued and paid-up nominal share capital.
"short-term life insurance policies"	As used in connection with our insurance businesses, life insurance policies for a fixed period of no more than twelve months.
"statutory reserves"	Amounts required to be reserved under the PRC Insurance Law as well as PRC statutory accounting standards in order for an insurance company to provide for future obligations with respect to all policies. Statutory reserves are liabilities on the balance sheet of financial statements prepared in conformity with PRC statutory accounting standards.
"surrender"	The termination of an insurance contract at the request of the policyholder after which the policyholder receives the cash surrender value, if any, of the contract.
"surrender charge"	The fee charged to a policyholder when a life insurance policy or an annuity contract is surrendered for its cash surrender value prior to the end of the surrender charge period. Such charge is intended to recover all or a portion of policy acquisition costs and makes early surrender unattractive to policyholders.
"term life insurance"	Life insurance products which provide a guaranteed benefit upon the death of the insured within a specific time period.
"treaty reinsurance"	Reinsurance that a reinsurer is obligated to accept, subject to conditions set out in a treaty.
"underwriting"	The process of examining and classifying insurance risks, in order to decide whether to accept such risks and the conditions on which the risks should be accepted.
"unearned premium reserves"	Liabilities established to reflect the portion of premiums written relating to the unexpired periods of coverage of property and casualty insurance contracts and short-term accident and health insurance contracts with an original insured period of not more than one year.
"universal life insurance"	A life insurance product that sets up an account for each policy, with each account providing guaranteed minimum investment return.
"value of in-force business"	The discounted value of the projected stream of future after-tax distributable profits for existing life insurance business of CPIC Life in force at the valuation date.
"value of one year's sales"	The discounted value of the projected stream of future after-tax distributable profits for new life insurance business of CPIC Life

	written in the twelve months immediately prior to the valuation date.
"whole life insurance"	A permanent life insurance product offering guaranteed death benefits and guaranteed cash values.
"withdrawal"	Surrender in part. Some insurance products permit the insured party to withdraw a portion of the cash surrender value of the contract. Future benefits are reduced accordingly.
"Zillmer method"	A method by which insurance companies may calculate policy reserves that in effect allows policy acquisition costs to be deferred. Under this method, the pure insurance premium portion used in the calculation of policy reserves is reduced in the first year of the policy. This reduction makes the policy reserve provisions smaller than those under the net level premium method. In years following the first year, the reduction in reserve provisions in the first year are gradually adjusted to eliminate the difference between the net level premium method and the Zillmer method over a predetermined term of, for example, five or ten years.