

## CONDENSED CONSOLIDATED INCOME STATEMENT

For six months ended June 30, 2005

<b>For six months ended June 30, (in RMB million)</b>	<b>(Unaudited) 2005</b>	<b>(Unaudited) 2004</b>
		(Restated)
Gross written premiums and policy fees	<b>30,549</b>	32,281
Less: Premiums ceded to reinsurers	<b>(2,311)</b>	(2,171)
Net written premiums and policy fees	<b>28,238</b>	30,110
Increase in unearned premium reserves, net	<b>(1,292)</b>	(887)
Net earned premiums	<b>26,946</b>	29,223
Reinsurance commission income	<b>772</b>	670
Net investment income	<b>4,481</b>	3,432
Realized and unrealized gains/(losses)	<b>19</b>	(769)
Other income	<b>385</b>	269
<b>Total revenue</b>	<b>32,603</b>	32,825
Change in deferred policy acquisition costs	<b>1,734</b>	681
Claims and policyholders' benefits	<b>(10,623)</b>	(7,221)
Increase in policyholders' reserves	<b>(14,739)</b>	(18,866)
Changes in fair value of derivative financial liabilities	<b>(137)</b>	(80)
Commission expenses	<b>(2,904)</b>	(2,584)
General and administrative expenses	<b>(3,155)</b>	(2,861)
Provision for insurance guarantee fund	<b>(106)</b>	(52)
<b>Total expenses</b>	<b>(29,930)</b>	(30,983)
Operating profit	<b>2,673</b>	1,842
Income taxes	<b>(423)</b>	(315)
<b>Net profit</b>	<b>2,250</b>	1,527
<b>Attributable to:</b>		
– Shareholders	<b>2,235</b>	1,504
– Minority interests	<b>15</b>	23
	<b>2,250</b>	1,527
<b>Proposed dividends</b>	<b>–</b>	–
	<b>RMB</b>	<b>RMB</b>
<b>Earnings per share for net profit attributable to shareholders – basic</b>	<b>0.36</b>	0.30

## CONDENSED CONSOLIDATED BALANCE SHEET

As of June 30, 2005

(in RMB million)	(Unaudited) June 30, 2005	(Audited) December 31, 2004 (Restated)
<b>ASSETS</b>		
<b>Investments</b>		
Fixed maturity investments		
Bonds	136,837	112,798
Term deposits	72,185	80,320
Policy loans	690	545
Loans and advances to customers	256	130
Equity investments		
Equity investment funds	6,600	5,749
Equity securities	1,700	266
Derivative financial assets	52	62
Investment in an associate	3	3
Investment properties	1,343	1,504
<b>Total investments</b>	<b>219,666</b>	<b>201,377</b>
Cash and cash equivalents	19,358	15,254
Due from banks	464	439
Premium receivables	963	617
Interest receivables	1,475	382
Policyholder account assets in respect of insurance contracts	11,620	9,758
Policyholder account assets in respect of investment contracts	3,293	3,145
Reinsurance assets	4,614	4,356
Deferred policy acquisition costs	24,356	22,622
Property, plant and equipment	2,718	2,735
Construction-in-progress	348	204
Land use rights	946	928
Goodwill	326	322
Deferred income tax asset	216	362
Statutory deposits	1,260	1,200
Other assets	896	738
<b>Total assets</b>	<b>292,519</b>	<b>264,439</b>

**CONDENSED CONSOLIDATED BALANCE SHEET (Continued)**

As of June 30, 2005

<b>(in RMB million)</b>	<b>(Unaudited) June 30, 2005</b>	<b>(Audited) December 31, 2004 (Restated)</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital	<b>6,195</b>	6,195
Reserves	<b>20,066</b>	19,517
Retained profits	<b>3,853</b>	2,485
	<b>30,114</b>	28,197
Minority interests	<b>472</b>	430
<b>Total equity</b>	<b>30,586</b>	28,627
<b>Liabilities</b>		
Customers' deposits	<b>1,612</b>	1,849
Securities sold under agreements to repurchase	<b>5,170</b>	601
Premiums received in advance	<b>814</b>	1,627
Commission payable	<b>638</b>	556
Due to reinsurers	<b>838</b>	209
Dividends payable to shareholders	<b>171</b>	74
Income tax payable	<b>529</b>	490
Insurance guarantee fund	<b>473</b>	827
Policyholder dividend payable and provisions	<b>2,506</b>	1,977
Policyholders' contract deposits	<b>4,927</b>	1,411
Policyholder account liabilities in respect of insurance contracts	<b>11,620</b>	9,758
Policyholder account liabilities in respect of investment contracts	<b>3,293</b>	3,145
Unearned premium reserves	<b>10,930</b>	9,472
Claim reserves	<b>7,602</b>	6,642
Policyholders' reserves	<b>208,509</b>	193,770
Derivative financial liabilities	<b>264</b>	127
Investment contract reserves	<b>15</b>	15
Other liabilities	<b>2,022</b>	3,262
<b>Total liabilities</b>	<b>261,933</b>	235,812
<b>Total equity and liabilities</b>	<b>292,519</b>	264,439