

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2005

		As at 31 December 2005	As at 31 December 2004 <i>(Restated (Note 2))</i>
	Note	RMB million	RMB million
ASSETS			
Property, plant and equipment	6	12,710	12,250
Deferred policy acquisition costs	7	37,741	32,787
Financial assets			
Debt securities:		255,554	150,234
– held-to-maturity securities	8.1	146,297	79,603
– available-for-sale securities	8.2	96,425	–
– non-trading securities	8.2	–	69,791
– financial assets at fair value through income	8.3	12,832	–
– trading securities	8.3	–	840
Equity securities:		39,548	17,271
– available-for-sale securities	8.2	26,261	–
– non-trading securities	8.2	–	12,597
– financial assets at fair value through income	8.3	13,287	–
– trading securities	8.3	–	4,674
Term deposits	8.5	164,869	175,498
Statutory deposits-restricted	8.6	5,353	4,000
Policy loans		981	391
Securities purchased under agreements to resell	8.7	–	279
Accrued investment income	8.8	6,813	5,084
Premiums receivables	10	4,959	3,912
Reinsurance assets	11	1,182	1,297
Cash and cash equivalents		28,051	27,217
Other	12	1,458	3,451
Total Assets		559,219	433,671

CONSOLIDATED BALANCE SHEET (continued)

AS AT 31 DECEMBER 2005

	Note	As at 31 December 2005 RMB million	As at 31 December 2004 (Restated (Note 2)) RMB million
LIABILITIES AND EQUITY			
Liabilities			
Insurance contracts			
Short-term insurance contracts			
– reserves for claims and claim adjustment expenses	13	1,784	1,215
– unearned premium reserves	13	5,147	5,212
Long-term traditional insurance contracts	13	124,656	89,698
Long-term investment type insurance contracts	13	237,001	191,885
Deferred income	14	34,631	27,603
Financial Liabilities			
Investment contracts			
– with discretionary participation feature (“DPF”)	15	42,230	32,476
– without DPF	15	1,872	1,635
Securities sold under agreements to repurchase	16	4,731	–
Annuity and other insurance balances payable		4,492	2,801
Premiums received in advance		2,951	2,447
Policyholder dividends payable		6,204	2,037
Other liabilities	17	4,106	4,922
Current income tax liabilities		525	38
Deferred tax liabilities	24	7,982	4,371
Statutory insurance fund	18	98	429
Total liabilities		478,410	366,769
Contingencies and commitments	31,32	–	–
Shareholders' equity			
Share capital	29	26,765	26,765
Reserves	30	37,225	31,573
Retained earnings		16,388	8,192
Total shareholders' equity		80,378	66,530
Minority interest		431	372
Total equity		80,809	66,902
Total liabilities and equity		559,219	433,671

Approved and authorized for issue by the board of directors on 18 April 2006

Yang Chao
Director

Wu Yan
Director

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.