

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	12,446	12,245
Deferred policy acquisition costs	7	37,741	32,787
Financial assets			
Debt securities		255,011	149,950
– held-to-maturity securities	8.1	146,297	79,603
– available-for-sale securities	8.2	95,946	–
– non-trading securities	8.2	–	69,507
– financial assets at fair value through income	8.3	12,768	–
– trading securities	8.3	–	840
Equity securities		39,407	17,271
– available-for-sale securities	8.2	26,120	–
– 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
Investment in subsidiaries	33	480	480
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	6,797	5,080
Premiums receivables	10	4,959	3,912
Reinsurance assets	11	1,182	1,297
Cash and cash equivalents		27,741	26,578
Other	12	1,443	3,430
Total assets		558,410	433,198

BALANCE SHEET (continued)

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
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	4,625	–
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	4,089	4,930
Current income tax liabilities		437	7
Deferred tax liabilities	24	7,982	4,371
Statutory insurance fund	18	98	429
Total liabilities		478,199	366,746
Contingencies and commitments	31,32	–	–
Shareholders' equity			
Share capital	29	26,765	26,765
Reserves	30	36,111	30,479
Retained earnings		17,335	9,208
Total shareholders' equity		80,211	66,452
Total liabilities and shareholders' equity		558,410	433,198

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.