

Profit and Loss Account

Period from 7 July 2003 (date of incorporation) to 31 December 2003

	Notes	7 July to 31 December 2003 RMB million	Pro forma 2003 RMB million	Pro forma 2002 RMB million
TURNOVER	5	23,643	54,968	50,571
Net premiums earned	5	19,923	40,409	36,381
Interest and dividend income	5	389	690	648
Net gains/(losses) on trading and non-trading securities	5	30	260	(645)
Net claims incurred	6	(14,444)	(29,063)	(26,634)
Amortisation of deferred acquisition costs	24	(1,427)	(2,479)	(1,694)
Insurance protection expense		(204)	(468)	(407)
Interest expense credited to policyholders' deposits		(65)	(123)	(54)
General and administrative expenses	7	(3,837)	(6,903)	(6,566)
OPERATING PROFIT		365	2,323	1,029
Finance costs	8	(23)	(35)	(35)
PROFIT BEFORE TAX		342	2,288	994
Tax	11	(235)	(837)	(716)
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS		107	1,451	278
BASIC EARNINGS PER SHARE (in RMB)	13	0.012	0.171	0.035

Note: The basis of presentation is disclosed in note 1 of the financial statements.