

## Condensed Profit and Loss Account

For the six months ended 30 June 2005

The Board of Directors (the “Board of Directors”) of PICC Property and Casualty Company Limited (the “Company”) is pleased to announce the unaudited condensed profit and loss account for the six months ended 30 June 2005, the unaudited condensed balance sheet as at 30 June 2005 and the unaudited condensed statement of changes in equity and the unaudited condensed cash flow statement for the six months ended 30 June 2005.

	<i>Notes</i>	<b>Unaudited Six months ended 30 June 2005 RMB million</b>	Unaudited Six months ended 30 June 2004 RMB million
TURNOVER	3	<b>34,882</b>	35,389
Net premiums earned	3	<b>24,939</b>	24,206
Net investment income	3	<b>679</b>	530
Net realised and unrealised losses on investments	3	<b>(711)</b>	(514)
Net claims incurred	4	<b>(18,050)</b>	(17,586)
Amortisation of deferred acquisition costs		<b>(2,178)</b>	(1,626)
Insurance protection expense		<b>(302)</b>	(325)
Interest expense credited to policyholders’ deposits		<b>(67)</b>	(78)
General and administrative expenses		<b>(2,880)</b>	(3,251)
OPERATING PROFIT	5	<b>1,430</b>	1,356
Finance costs		<b>(56)</b>	(66)
PROFIT BEFORE TAX		<b>1,374</b>	1,290
Tax	6	<b>(485)</b>	(327)
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS		<b>889</b>	963
PROPOSED INTERIM DIVIDEND	7	<b>802</b>	–
BASIC EARNINGS PER SHARE (in RMB)	8	<b>0.080</b>	0.086