

CONDENSED INCOME STATEMENT

For the six months ended 30 June 2006

The Board of Directors (the “Board of Directors”) of PICC Property and Casualty Company Limited (the “Company”) is pleased to announce the unaudited condensed income statement for the six months ended 30 June 2006, the unaudited condensed balance sheet as at 30 June 2006, the unaudited condensed statement of changes in equity and the unaudited condensed cash flow statement for the six months ended 30 June 2006.

	<i>Notes</i>	Unaudited Six months ended 30 June 2006 RMB million	Unaudited Six months ended 30 June 2005 RMB million (Restated)
TURNOVER	3, 4	36,983	34,882
Net premiums earned	3, 4	24,792	24,939
Net claims incurred	3, 5	(18,426)	(18,050)
Amortisation of deferred acquisition costs, net	3	(2,523)	(2,178)
Insurance protection expense	3	(338)	(302)
General and administrative expenses		(2,970)	(2,844)
UNDERWRITING PROFIT		535	1,565
Net investment income	6	781	691
Net realised and unrealised gains/(losses) on investments	7	885	(727)
Interest expense credited to policyholders' deposits	3	(63)	(67)
Exchange losses, net		(178)	(3)
Sundry income		12	9
Sundry expenses		(44)	(26)
Finance costs	8	(75)	(68)
PROFIT BEFORE TAX	9	1,853	1,374
Tax	10	(744)	(485)
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS		1,109	889
PROPOSED INTERIM DIVIDEND	11	–	802
BASIC EARNINGS PER SHARE (in RMB)	12	0.100	0.080