

CONDENSED BALANCE SHEET

30 June 2006

| | <i>Notes</i> | Unaudited 30 June 2006 RMB million | Audited 31 December 2005 RMB million |
|---|--------------|---|---|
| ASSETS | | | |
| Cash and cash equivalents | 13 | 19,993 | 15,895 |
| Term deposits | 14 | 11,135 | 11,641 |
| Debt securities | 15 | 21,968 | 18,524 |
| Equity securities | 16 | 4,025 | 2,840 |
| Subordinated debts | 17 | 2,910 | 2,910 |
| Capital security fund | 18 | 2,228 | 2,228 |
| Premiums receivable and agents' balances, net | 19 | 7,673 | 3,767 |
| Unearned premium reserves – reinsurers' share | | 6,386 | 5,967 |
| Deferred acquisition costs | | 4,410 | 3,987 |
| Other non-current assets | | 178 | 178 |
| Receivables from reinsurers | 20 | 3,735 | 2,500 |
| Reinsurance recoverable on unpaid losses | | 5,585 | 5,185 |
| Prepayments and other receivables | 21 | 2,587 | 1,213 |
| Interests in subsidiaries | 22 | 3 | – |
| Property, plant and equipment | 23 | 10,497 | 10,576 |
| Investment properties | | 237 | 213 |
| Construction in progress | | 1,625 | 1,756 |
| Prepaid land premiums | | 3,954 | 4,000 |
| TOTAL ASSETS | | 109,129 | 93,380 |
| LIABILITIES | | | |
| Payables to reinsurers | 24 | 5,506 | 3,531 |
| Accrued insurance protection fund | | 300 | 195 |
| Tax payable | | 363 | 404 |
| Other liabilities and accruals | | 6,174 | 6,009 |
| Securities sold under agreements to repurchase | | 4,350 | – |
| Deferred tax liabilities | | 148 | 78 |
| Reinsurers' share of deferred acquisition costs | | 1,341 | 1,345 |
| Unearned premium reserves | | 39,194 | 32,507 |
| Loss and loss adjustment expense reserves | | 23,622 | 22,026 |
| Policyholders' deposits | 25 | 8,176 | 8,449 |
| Subordinated loan | | 2,000 | 2,000 |
| TOTAL LIABILITIES | | 91,174 | 76,544 |
| CAPITAL AND RESERVES | | | |
| Issued share capital | 26 | 11,142 | 11,142 |
| Reserves | | 6,813 | 5,694 |
| | | 17,955 | 16,836 |
| TOTAL EQUITY AND LIABILITIES | | 109,129 | 93,380 |