In order to provide investors with an additional tool to understand our economic value and business results, we have disclosed the embedded value of our Company, as discussed below. Although public life insurance companies in countries such as Canada and the United Kingdom have been disclosing these types of financial information for several years, international standards with respect to the calculation of such financial information are still evolving, and no such standard exists in the PRC. As standards for the disclosure of embedded value continue to develop internationally and in the PRC, the form and content of our presentation of embedded value may change. We have also calculated and disclosed the value of one year's sales in respect of our new life insurance business. Due to the technical complexity involved with these calculations, and the fact that these estimates will vary materially as key assumptions are changed, investors should read the following discussion in its entirety and Appendix IV — "Consulting Actuaries' Report", use care in interpreting these values and seek advice of experts familiar with the interpretations of these values. See the sections headed "Forward-Looking Statements" and "Risk Factors — Risks Relating to the Global Offering — The embedded value of our Company, and the value of one year's sales in respect of our new life insurance business, are calculated based on, among other things, a number of assumptions used in the calculations, and you should not rely on these values as a measure of our actual value and performance".

Our consolidated financial statements included in the Accountants' Report set forth in Appendix I to this prospectus are prepared in accordance with IFRS. These financial statements measure the results of operation of the Company for a specific time period. An alternative method of measuring the value and profitability of a life insurance company is the embedded value method. Embedded value is an actuarially determined estimate of the economic value of the life insurance operations of an insurance company based on a particular set of assumptions as to future experience, excluding any value attributable to any future new business. While, under IFRS, there is a lag time between the sale of policies and the recognition of profits, embedded value recognizes the contribution of future profits from existing policies as of the date of the embedded value calculation. Since life insurance policies usually extend over more than one fiscal year, embedded value is a technique that attempts to quantify the total financial impact of these policies, including the impact in future fiscal years, in order to provide an alternative assessment of potential shareholder value.

To assess the total economic value of our life insurance business, a value of future sales of new life insurance business, which reflects our ability to produce new business, should be added to the embedded value. The value of future new business is often calculated by applying a capitalization factor to the value of one year's new business. The value of one year's new business is a measure of the economic value added by a life insurance company during the course of the year as a result of writing new business. Assumptions regarding, among others, the future new business growth, profit margin, risk discount rate, and the number of years of new business are considered to derive the capitalization factor.

We have performed detailed calculations to derive the components of the economic value in respect of our life insurance business. Watson Wyatt, an independent firm of consulting actuaries, has independently reviewed and checked our methodology, assumptions and programs. Watson Wyatt has prepared a report providing information as to our embedded value as of December 31, 2003, and the value of one year's new business, in respect of new policies issued for the 12 months ending December 31, 2003. A copy of Watson Wyatt's opinion and report is included in the Consulting Actuaries' Report set forth in Appendix IV to this prospectus. The opinion does not constitute an audit opinion of the financial information used therein. Please see the Consulting Actuaries' Report set forth in Appendix IV to this prospectus.

In its calculation of embedded value and the value of one year's new business, Watson Wyatt has relied on the data and information supplied by us, including the policy data files, advice as to management operational plans and other unaudited and audited information. Watson Wyatt's report provides further information regarding its use of, and reliance on, the data and information supplied to it.

In the Consulting Actuaries' Report, the embedded value of our Company and the value of one year's sales in respect of our new life insurance business have been presented under a range of assumptions given the particular uncertainties associated with the future investment environment and future business operations. You should carefully consider the range of values contained in the Consulting Actuaries Report, which reflect the impact of different assumptions on these values. Moreover, the values presented in the Consulting Actuaries Report do not necessarily present the full range of potential outcomes.

The calculation of embedded value and the value of one year's sales necessarily makes numerous assumptions with respect to industry performance, general business and economic conditions, investment return, reserving standards, life expectancy and other matters, many of which are beyond our control. As a result, actual future experience may vary from that assumed in the calculation, and these variations may be material. See the section headed "Risk Factors — Risks Relating to the Global Offering — The embedded value of our Company, and the value of one year's sales in respect of our new life insurance business, are calculated based on, among other things, a number of assumptions used in the calculations, and you should not rely on these values as a measure of our actual value and performance". Calculated values will vary, possibly materially, as key assumptions are varied. Moreover, as actual market value is determined by investors based on a variety of information available to them, these calculated value should not be construed as a direct reflection of actual market value.