

CHINA LIFE INSURANCE CO LTD  
Form 6-K  
April 28, 2008

Commission File Number 001-31914

# **SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

## **FORM 6-K**

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a-16 or 15d-16 of the**

**Securities Exchange Act of 1934**

**April 28, 2008**

## **China Life Insurance Company Limited**

**(Translation of registrant's name into English)**

**16 Chaowai Avenue**

**Chaoyang District**

**Beijing 100020, China**

**Tel: (86-10) 8565-9999**

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(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F:

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes  No

If  is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-\_\_\_\_\_

China Life Insurance Company Limited issued its 2008 first quarter report on April 28, 2008, a copy of which is attached as Exhibit 99.1 hereto.

**EXHIBIT LIST**

| <b>Exhibit</b> | <b>Description</b>                              |
|----------------|---|
| 99.1           | 2008 First Quarter Report, dated April 25, 2008 |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**China Life Insurance Company Limited**  
(Registrant)

April 28, 2008

By: /s/ Wan Feng  
(Signature)

Name: Wan Feng

Title: President and Executive Director

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2628)**

**2008 First Quarter Report**

This announcement is made by China Life Insurance Company Limited (the Company) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial data contained in the 2008 first quarter report of the Company are unaudited and have been prepared in accordance with Generally Accepted Accounting Principles in the People's Republic of China (PRC GAAP).

**1. IMPORTANT NOTICE**

1.1 The Company's Board of Directors, the Supervisory Committee, its directors, supervisors and senior management warrant that there are no false representations, misleading statements or material omissions in this report, and jointly and severally accept full responsibility for the authenticity, accuracy and completeness of the information contained in this report.

1.2 Of the ten directors of the Company who should have attended the board meeting, nine attended in person. The Chairmen and executive director Mr. Yang Chao, executive director Mr. Wan Feng, nonexecutive directors Mr. Shi Guoqing and Ms. Zhuang Zuojin, independent non-executive directors Mr. Long Yongtu, Mr. Sun Shuyi, Mr. Ma Yongwei, Mr. Cai Rang and Mr. Ngai Wai Fung attended the meeting. Independent non-executive director Mr. Chau Tak Hay took leave and gave written authorization for independent non-executive director Mr. Sun Shuyi to act as his proxy to attend and vote in the meeting.

1.3 The 2008 first quarter financial report is unaudited.

1.4 Mr. Yang Chao, Chairman of the Company, Mr. Liu Jiade, Vice President in charge of finance affairs, Ms. Shiu Wai Chung, Chief Actuary and Mr. Zhao Lijun, person in charge of the finance department, confirm that the financial statements in the 2008 first quarter report are true and complete.

**2. BASIC INFORMATION OF THE COMPANY****2.1 Major accounting data and financial indicators**

(Currency: RMB)

|   | As at 31 March<br>2008 | As at 31 December<br>2007 | Increase/<br>(decrease)<br>compared to 31<br>December 2007<br>(%) |
|---|------------------------|---------------------------|---|
| Total assets ( <i>million</i> )                                       | 897,687                | 894,604                   | 0.34  |
| Shareholders' equity (excluding minority interest) ( <i>million</i> ) | 152,136                | 170,213                   | -10.62  |
| Net assets per share attributable to shareholders of the Company      | 5.38                   | 6.02                      | -10.62  |

|   | For the three months ended 31 March<br>2008 | Increase/<br>(decrease)<br>compared to the<br>same period of<br>2007 (%) |
|---|---|--|
| Net cash flows from operating activities ( <i>million</i> ) | 36,520                                      | 92.98  |
| Net cash flows per share from operating activities          | 1.29  | 92.98  |

|   | The reporting<br>period | For the three<br>months ended<br>31 March 2008 | Increase/<br>(decrease)<br>compared to the<br>same period of<br>2007 (%) |
|---|-------------------------|--|--|
| Net profit attributable to shareholders of the Company ( <i>million</i> ) | 3,474                   | 3,474  | -60.91   |
| Basic earnings per share  | 0.12                    | 0.12   | -60.91   |
| Basic earnings per share after deducting non-recurring items              | 0.12                    | 0.12   | -60.91   |
| Diluted earnings per share  | 0.12                    | 0.12   | -60.91   |
| Return on net assets (%)  | 2.28                    | 2.28   | -56.26   |
| Return on net assets after deducting nonrecurring items (%)               | 2.29                    | 2.29   | -56.21   |

As at 31 March 2008, investment assets of the Company were RMB 845,438 million. For the three months ended 31 March 2008, the investment yield was 1.09% and the policy surrender ratio was 1.98%. The growth ratio of premiums earned was 39.47%.

RMB million

|  | For the three months ended<br>31 March 2008 |
|--|---|
| <b>Non-recurring items</b>   |   |
| Gains/(losses) on disposal of non-current assets                       | 1   |
| Net non-operating income and expenses other than those mentioned above | (6)   |
| Effect of income tax expenses  | 1   |
| Total  | (4)   |

**2.2 Total number of shareholders and top ten holders of listed shares not subject to trading restrictions as at the end of the reporting period**

Total number of shareholders at the end of the reporting period

Number of A share holders: 410,395

Number of H share holders: 36,519

**Particulars of top ten holders of listed shares not subject to trading restrictions**

| Name of shareholders (Full Name)  | Number of listed<br>shares not subject to<br>trading restrictions as<br>at the end of the<br>reporting period | Type     |
|---|---|----------|
| HKSCC Nominees Limited  | 6,879,360,888   | H shares |
| Richbo Investment Limited   | 428,358,620   | H shares |
| State Development and Investment Co., Ltd.  | 49,800,000  | A shares |
| China National Investment & Guaranty Co., Ltd.  | 40,000,000  | A shares |
| ICBC Lion Stock Securities Investment Fund  | 35,256,746  | A shares |
| Minmetals Investment & Development Co., Ltd.  | 34,100,000  | A shares |
| China National Light Industrial Products Imp.& Exp. Corp.   | 30,000,000  | A shares |
| CSIC Financial Co., Ltd.  | 30,000,000  | A shares |
| China Everbright Bank Co. Ltd. Everbright Pramerica Qualification Core Securities Investment Fund     | 27,593,345  | A shares |
| PICC Property and Casualty Company Limited Traditional Ordinary Insurance Products 008C CT001Shanghai | 27,016,194  | A shares |

**3. SIGNIFICANT EVENTS****3.1 Particulars of, and reasons for, material changes in major accounting items and financial indicators of the Company**

ii Applicable      " Not applicable

(1) Changes and reasons for the changes of key financial indicators

*RMB million* (Unless otherwise stated)

| <b>Key Financial Indicator</b> | <b>For the<br/>three<br/>months<br/>ended 31<br/>March 2008</b> | <b>For the<br/>three<br/>months<br/>ended 31<br/>March 2007</b> | <b>Increase/<br/>(decrease)<br/>(%)</b> | <b>Main reasons</b>  |
|--------------------------------|---|---|---|--|
| Operating Profit               | 3,623   | 9,910   | -63.44                                  | Significant decrease of investment income, and especially the significant changes in calculating fair value through income, resulting from the continued downturn of the capital markets |
| Net profit before income tax   | 3,618   | 9,895   | -63.44                                  | Significant decrease of investment income, and especially the significant changes in calculating fair value through income, resulting from the continued downturn of the capital markets |
| Net Profit                     | 3,524   | 8,939   | -60.58                                  | Significant decrease of investment income, and especially the significant changes in calculating fair value through income, resulting from the continued downturn of the capital markets |



## (2) Particulars of, and reasons for, material changes in major accounting items

*RMB million* (Unless otherwise stated)

| <b>Key Financial Indicator</b>                  | <b>As at 31<br/>March 2008</b> | <b>As at 31<br/>March 2007</b> | <b>Increase/<br/>(decrease)<br/>(%)</b> | <b>Main reasons</b>   |
|---|--------------------------------|--------------------------------|---|---|
| Cash and cash equivalents                       | 36,094                         | 25,317                         | 42.57                                   | Increase of insurance business and reserves for maturity benefit payout of some products  |
| Securities purchased under agreements to resell | 3,239                          | 5,053                          | -35.90                                  | Decrease in maturing of business for securities purchased under agreements to resell  |
| Premiums receivables                            | 9,938                          | 6,218                          | 59.83                                   | Increase of insurance business  |
| Receivable from reinsurers                      | 223                            | 72                             | 209.72                                  | Increase of unsettled accounts for reinsurance business   |
| Other receivables                               | 3,884                          | 1,748                          | 122.20                                  | Increase of investment receivables etc.   |
| Other assets                                    | 1,571                          | 784                            | 100.38                                  | Development of our business   |
| Claims payable                                  | 6,922                          | 4,059                          | 70.53                                   | Cycle of insurance business, accumulation of liabilities under insurance policies and maturity benefit payouts of some products |

RMB million (Unless otherwise stated)

| Key Financial Indicator                   | For the<br>three<br>months<br>ended 31<br>March 2008 | For the<br>three<br>months<br>ended 31<br>March 2007 | Increase/<br>(decrease)<br>(%) | Main reasons   |
|---|--|--|--------------------------------|--|
| Earned premiums                           | 101,610  | 72,856   | 39.47                          | Increase of insurance business   |
| Premiums income                           | 102,154  | 73,861   | 38.31                          | Strengthened business promotion, popular new products and increasing insurance demands of the market                     |
| Gains/(losses) from changes in fair value | -5,515   | 3,906  | -241.19                        | Downturn of the capital markets  |
| Foreign exchange losses                   | 536  | 148  | 262.16                         | Continuing appreciation of RMB   |
| Surrenders                                | 14,061   | 10,460   | 34.43                          | Increase of the surrender value for some group insurance business due to the impact of the corporate annuity policy      |
| Provision for insurance reserve           | 43,865   | 19,800   | 121.54                         | Increase of insurance business   |
| Policyholder dividends                    | 881  | 7,085  | -87.57                         | Decrease in investment income of the participating insurance business resulting from the downturn of the capital markets |
| Income tax expenses                       | 94   | 956  | -90.17                         | The decrease in taxable income and the decrease in the statutory income tax rate, as well as the impact of deferred tax  |

**3.2 Explanation and analysis of significant events and their impacts and solutions**

“ Applicable      ü Not applicable

**3.3 Implementation of undertakings by the Company, its shareholders and effective controller**

ü Applicable      ¨ Not applicable

1. During the Company's A shares Initial Public Offering, China Life Insurance (Group) Company, the controlling shareholder of the Company, had undertaken that it would not, within 36 months from the listing of the Company's A shares, transfer or authorize others to manage any shares of the Company that are directly or indirectly owned by it, nor would it allow the Company to acquire such shares. Up to the end of this reporting period, China Life Insurance (Group) Company has strictly observed its undertaking and has not breached the above undertaking.

2. As at 30 November 2006, of the land use rights titles injected into the Company at the time of China Life Insurance (Group) Company's restructuring and establishment of the Company, formalities for change of titles have not been completed for the land use rights in respect of 4 pieces of land with a total area of 10,421.12 square meters. Of the properties that were injected into the Company, formalities for change of title have not been completed for 6 properties with a gross floor area of 8,639.76 square meters. China Life Insurance (Group) Company undertook that it would, within one year from the date of listing of the Company's A shares, assist the Company in completing the formalities for change of titles in respect of the 4 pieces of land and 6 properties mentioned above, failing which it will bear any loss that may be suffered by the Company as a result of such defective titles. China Life Insurance (Group) Company has strictly observed its undertaking. As at the end of the reporting period, all changes of titles had been completed except for 2 properties and related lands of the Shenzhen Branch of the Company. The Shenzhen Branch of the Company continues to use the above properties and related lands and no other parties have made any challenges or presented obstacles for the use of the properties and related lands.

3. China Life-CMG Life Assurance Company Ltd., a subsidiary of China Life Insurance (Group) Company, is a joint venture company established on 4 July 2000 and owned as to 51% by China Life Insurance (Group) Company and as to 49% by CMG Group of Australia. The scope of operation of China Life-CMG Life Assurance Company Ltd. is to conduct the following businesses (excluding statutory insurance business) within the administrative district of Shanghai municipality and in the provinces, autonomous regions and municipalities directly under the Central Government where it has established branches: (1) insurance business such as life insurance, health insurance and accident and casualty insurance; (2) re-insurance of the above insurance businesses. China Life Insurance (Group) Company has agreed that it would, within three years of the listing of the Company on The Stock Exchange of Hong Kong Limited, dispose all of its interests in this joint venture to any third party or otherwise eliminate any competition between China Life-CMG Life Assurance Company Ltd. and the Company. As at the end of this reporting period, China Life Insurance (Group) Company was working towards the transfer of its interest in China Life-CMG Life Assurance Company Ltd. The Company will make timely disclosure according to the relevant listing rule requirements of the place where the Company is listed.

### 3.4 Warnings and explanation for any significant changes in profit or cumulative loss from the beginning of the year to the end of the next reporting period or as compared to the same period of 2007

“ Applicable      ü Not applicable

### 3.5 Securities Investment

ü Applicable      “ Not applicable

| No.   | Stock code | Abbreviation                        | Number of shares as at 31 March 2008 | Initial investment cost (RMB million) | Book value as at 31 March 2008 (RMB million) | Book value as at 31 December 2007 (RMB million) | Financial items                     |
|-------|------------|-------------------------------------|--------------------------------------|---------------------------------------|--|---|-------------------------------------|
| 1     | 600030     | CITIC                               | 4,757,053                            | 63                                    | 250  | 425   | Held-for-trading financial assets   |
|       |            |                                     | 393,266,533                          | 6,430                                 | 20,646                                       | 35,107  | Available-for-sale financial assets |
|       |            | Securities                          |                                      |                                       |  |   |                                     |
| 2     | 600016     | China Min Sheng Banking Corporation | 179,612,740                          | 748                                   | 1,924  | 2,662   | Held-for-trading financial assets   |
|       |            |                                     | 714,000,000                          | 5,448                                 | 7,647  | 10,581  | Available-for-sale financial assets |
| 3     | 601398     | Industrial and                      | 829,757,074                          | 2,889                                 | 5,086  | 5,971   | Available-for-sale financial assets |
|       | H1398      | Commercial                          | 651,465,000                          | 1,892                                 | 3,181  | 3,416   | Available-for-sale financial assets |
|       |            | Bank of China                       |                                      |                                       |  |   |                                     |
| 4     | 601939     | China                               | 464,354,850                          | 3,022                                 | 3,162  | 4,537   | Available-for-sale financial assets |
|       | H0939      | Construction                        | 408,495,000                          | 908                                   | 2,138  | 2,528   | Available-for-sale financial assets |
|       |            | Bank                                |                                      |                                       |  |   |                                     |
| 5     | V          | VISA                                | 6,000,000                            | 1,851                                 | 2,624  |   | Available-for-sale financial assets |
| 6     | 601088     | China Shenhua                       | 64,576,075                           | 2,424                                 | 2,583  | 5,404   | Available-for-sale financial assets |
| 7     | 601006     | Daqin Railway                       | 127,532,323                          | 836                                   | 2,206  | 3,301   | Available-for-sale financial assets |
| 8     | 240003     | Baokang Debt Fund                   | 1,753,658,555                        | 2,214                                 | 2,009  | 2,755   | Held-for-trading financial assets   |
| 9     | 601988     | Bank of China                       | 129,742,900                          | 436                                   | 650  | 886   | Available-for-sale financial assets |
|       | H3988      |                                     | 394,210,000                          | 1,100                                 | 1,179  | 1,395   | Available-for-sale financial assets |
| 10    | 601919     | COSCO                               | 61,431,378                           | 1,734                                 | 1,635  | 2,815   | Available-for-sale financial assets |
| Total |            |                                     |                                      | 31,995                                | 56,920                                       | 81,783  |                                     |

Note: The securities investment in above table includes stocks, warrants, convertible debts of other listed companies and the open/closed funds held by the Company, which are calculated as held-for-trading and available-for-sale financial assets.

**This announcement is published in both Chinese and English languages. The Chinese version shall prevail.**

By Order of the Board of

**China Life Insurance Company Limited**

**Heng Kwo Seng**

*Company Secretary*

As at the date of this announcement, the Board of Directors of the Company comprises:

*Executive Directors:*

*Non-executive Directors:*

*Independent non-executive Directors:*

Hong Kong, 25 April 2008

Yang Chao, Wan Feng

Shi Guoqing, Zhuang Zuojin

Long Yongtu, Sun Shuyi, Ma Yongwei,

Chau Tak Hay, Cai Rang, Ngai Wai Fung

**4. APPENDIX****4.1 Balance sheet as at 31 March 2008 (unaudited)***RMB million (Unless otherwise stated)*

|   | As at<br>31 March<br>2008<br>Group | As at<br>31 March<br>2007<br>Group | As at<br>31 March<br>2008<br>Company | As at<br>31 March<br>2007<br>Company |
|---|------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|
| <b>ASSETS</b>   |                                    |                                    |                                      |                                      |
| Cash and cash equivalents   | 36,094                             | 25,317                             | 35,902                               | 24,808                               |
| Held-for-trading financial assets                                   | 28,076                             | 25,110                             | 27,576                               | 24,844                               |
| Securities purchased under agreements to resell                     | 3,239                              | 5,053                              | 3,239                                | 4,673                                |
| Interest receivables  | 11,056                             | 9,832                              | 11,045                               | 9,822                                |
| Premiums receivables  | 9,938                              | 6,218                              | 9,938                                | 6,218                                |
| Receivable from reinsurers  | 223                                | 72                                 | 223                                  | 72                                   |
| Unearned premium reserves receivable from reinsurers                | 42                                 | 474                                | 42                                   | 474                                  |
| Claim reserves receivable from reinsurers                           | 15                                 | 167                                | 15                                   | 167                                  |
| Reserves for long-term health insurance receivables from reinsurers | 660                                | 658                                | 660                                  | 658                                  |
| Policy loans  | 6,415                              | 5,944                              | 6,415                                | 5,944                                |
| Debt plan investments   | 1,200                              | 1,200                              | 1,200                                | 1,200                                |
| Other receivables   | 3,884                              | 1,748                              | 3,724                                | 1,717                                |
| Term deposits   | 177,712                            | 168,594                            | 177,712                              | 168,594                              |
| Available-for-sale financial assets                                 | 389,145                            | 417,513                            | 387,942                              | 416,679                              |
| Held-to-maturity investments  | 197,784                            | 195,703                            | 197,784                              | 195,703                              |
| Long-term equity investments  | 6,809                              | 6,452                              | 7,739                                | 7,382                                |
| Statutory deposits  | 5,773                              | 5,773                              | 5,653                                | 5,653                                |
| Fixed assets  | 15,390                             | 15,332                             | 15,051                               | 14,988                               |
| Intangible assets   | 2,661                              | 2,660                              | 2,652                                | 2,653                                |
| Other assets  | 1571                               | 784                                | 1565                                 | 784                                  |
| <b>Total Assets</b>   | <b>897,687</b>                     | <b>894,604</b>                     | <b>896,077</b>                       | <b>893,033</b>                       |

**Yang Chao**  
*Legal Representative*

**Liu Jiade**  
*Person in charge of accounting  
affairs*

**Zhao Lijun**  
*Person in charge of the finance  
department*

**Li Mingguang**  
*Person in charge of actuarial  
affairs*

## 4.1 Balance sheet as at 31 March 2008 (unaudited) (continued)

RMB million (Unless otherwise stated)

|   | As at<br>31 March<br>2008<br>Group | As at<br>31 March<br>2007<br>Group | As at<br>31 March<br>2008<br>Company | As at<br>31 March<br>2007<br>Company |
|---|------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|
| <b>LIABILITIES AND EQUITY</b>                     |                                    |                                    |                                      |                                      |
| <b>Liabilities</b>                                |                                    |                                    |                                      |                                      |
| Assets sold under agreements to repurchase        | 50                                 | 100                                |                                      | 100                                  |
| Premiums received in advance                      | 2,635                              | 2,201                              | 2,635                                | 2,201                                |
| Brokerage and commission payable                  | 1,580                              | 1,134                              | 1,577                                | 1,131                                |
| Due to reinsurers                                 | 41                                 | 12                                 | 41                                   | 12                                   |
| Salary and welfare payable                        | 2,836                              | 3,263                              | 2,755                                | 3,145                                |
| Taxes payable                                     | 9,689                              | 9,051                              | 9,622                                | 8,990                                |
| Claims payable                                    | 6,922                              | 4,059                              | 6,922                                | 4,059                                |
| Policyholder dividends payable                    | 46,917                             | 64,473                             | 46,917                               | 64,473                               |
| Other payables                                    | 2,694                              | 3,173                              | 2,640                                | 3,145                                |
| Policyholder deposits and                         |                                    |                                    |                                      |                                      |
| insurance agency liabilities                      | 1,651                              | 1,944                              | 1,651                                | 1,944                                |
| Unearned premium reserves                         | 6,716                              | 6,119                              | 6,716                                | 6,119                                |
| Claim reserves                                    | 2,390                              | 2,391                              | 2,390                                | 2,391                                |
| Reserves for life insurance                       | 652,469                            | 607,363                            | 652,469                              | 607,363                              |
| Reserves for long-term health insurance           | 4,701                              | 4,028                              | 4,701                                | 4,028                                |
| Deferred tax liabilities                          | 2,748                              | 13,024                             | 2,718                                | 12,981                               |
| Other liabilities                                 | 606                                | 1,180                              | 606                                  | 1,180                                |
| <b>Total liabilities</b>                          | <b>744,645</b>                     | <b>723,515</b>                     | <b>744,360</b>                       | <b>723,262</b>                       |
| <b>Shareholders' equity</b>                       |                                    |                                    |                                      |                                      |
| Share capital                                     | 28,265                             | 28,265                             | 28,265                               | 28,265                               |
| Capital reserves                                  | 75,818                             | 97,369                             | 75,843                               | 97,297                               |
| Surplus reserves                                  | 6,488                              | 6,488                              | 6,440                                | 6,440                                |
| General risk reserves                             | 2,792                              | 2,792                              | 2,792                                | 2,792                                |
| Retained earnings                                 | 38,773                             | 35,299                             | 38,377                               | 34,977                               |
| <b>Total equity attributable to shareholders</b>  | <b>152,136</b>                     | <b>170,213</b>                     | <b>151,717</b>                       | <b>169,771</b>                       |
| Minority interests                                | 906                                | 876                                |                                      |                                      |
| <b>Total shareholders' equity</b>                 | <b>153,042</b>                     | <b>171,089</b>                     | <b>151,717</b>                       | <b>169,771</b>                       |
| <b>Total liabilities and shareholders' equity</b> | <b>897,687</b>                     | <b>894,604</b>                     | <b>896,077</b>                       | <b>893,033</b>                       |

**Yang Chao**  
Legal Representative

**Liu Jiade**  
Person in charge of accounting  
affairs

**Zhao Lijun**  
Person in charge of the finance  
department

**Li Mingguang**  
Person in charge of actuarial  
affairs





**4.2 Income statement for the three months ended 31 March 2008 (unaudited)***RMB million (Unless otherwise stated)*

|  | For the three months<br>ended 31 March |                 | For the three months<br>ended 31 March |                 |
|--|--|-----------------|--|-----------------|
|  | 2008                                   | 2007            | 2008                                   | 2007            |
|  | Group                                  | Group           | Company                                | Company         |
| <b>1. Operating income</b>                           | <b>111,073</b>                         | <b>93,832</b>   | <b>110,941</b>                         | <b>93,724</b>   |
| Earned premiums                                      | 101,610                                | 72,856          | 101,610                                | 72,856          |
| Premiums income                                      | 102,154                                | 73,861          | 102,154                                | 73,861          |
| Including: reinsurance premium income                |  |                 |  |                 |
| Less: premium ceded to reinsurers                    | 485                                    | (210)           | 485                                    | (210)           |
| Provision for unearned premium reserves              | (1,029)                                | (795)           | (1,029)                                | (795)           |
| Investment income                                    | 15,099                                 | 16,760          | 14,983                                 | 16,686          |
| Including: income from associates                    | 353                                    |                 | 353                                    |                 |
| Gains/(losses) from changes in fair value            | (5,515)                                | 3,906           | (5,493)                                | 3,899           |
| Foreign exchange losses                              | (536)                                  | (148)           | (534)                                  | (148)           |
| Other operating income                               | 415                                    | 458             | 375                                    | 431             |
| <b>2. Operating expenses</b>                         | <b>(107,450)</b>                       | <b>(83,922)</b> | <b>(107,476)</b>                       | <b>(83,966)</b> |
| Surrenders   | (14,061)                               | (10,460)        | (14,061)                               | (10,460)        |
| Claims paid  | (35,920)                               | (38,553)        | (35,920)                               | (38,553)        |
| Less: claims recoverable from reinsurers             | 6                                      | 128             | 6                                      | 128             |
| Provision for insurance reserve                      | (43,865)                               | (19,800)        | (43,865)                               | (19,800)        |
| Less: insurance reserves recoverable from reinsurers | (151)                                  | (7)             | (151)                                  | (7)             |
| Policyholder dividends                               | (881)                                  | (7,085)         | (881)                                  | (7,085)         |
| Reinsurance expenses                                 |  |                 |  |                 |
| Business tax and surcharges                          | (452)                                  | (608)           | (439)                                  | (601)           |
| Brokerage and commission fees                        | (5,745)                                | (4,520)         | (5,745)                                | (4,520)         |
| Administrative expenses                              | (3,751)                                | (2,951)         | (3,681)                                | (2,914)         |
| Less: Expenses recoverable from reinsurers           | (142)                                  | 71              | (142)                                  | 71              |
| Other operating expenses                             | (187)                                  | (137)           | (296)                                  | (225)           |
| Impairment losses                                    | (2,301)                                |                 | (2,301)                                |                 |
| <b>3. Operating profit</b>                           | <b>3,623</b>                           | <b>9,910</b>    | <b>3,465</b>                           | <b>9,758</b>    |
| Add: Non-operating income                            | 4                                      | 5               | 4                                      | 5               |
| Less: Non-operating expenses                         | (9)                                    | (20)            | (9)                                    | (20)            |
| <b>4. Net profit before income tax expenses</b>      | <b>3,618</b>                           | <b>9,895</b>    | <b>3,460</b>                           | <b>9,743</b>    |
| Less: Income tax expenses                            | (94)                                   | (956)           | (60)                                   | (934)           |
| <b>5. Net profit</b>                                 | <b>3,524</b>                           | <b>8,939</b>    | <b>3,400</b>                           | <b>8,809</b>    |
| <b>6. Attributable to:</b>                           |  |                 |  |                 |
| shareholders of the Company                          | 3,474                                  | 8,887           |  |                 |
| minority interests                                   | 50                                     | 52              |  |                 |
| <b>7. Earnings per share</b>                         |  |                 |  |                 |
| Basic earnings per share                             | RMB 0.12                               | RMB 0.31        |  |                 |
| Diluted earnings per share                           | RMB 0.12                               | RMB 0.31        |  |                 |

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**Li Mingguang**  
*Person in charge of actuarial  
affairs*

**4.3 Cash flow statement for the three months ended 31 March 2008 (unaudited)**

*RMB million (Unless otherwise stated)*

|   | For the three months<br>ended 31 March |                 | For the three months<br>ended 31 March |                 |
|---|--|-----------------|--|-----------------|
|   | 2008<br>Group                          | 2007<br>Group   | 2008<br>Company                        | 2007<br>Company |
| <b>1. Cash flows from operating activities</b>              |  |                 |  |                 |
| Premium received  | 98,903                                 | 71,033          | 98,903                                 | 71,033          |
| Net cash from reinsurance business                          | 18                                     |                 | 18                                     |                 |
| Net cash from held-for-trading financial assets             |  | 5,271           |  | 5,497           |
| Cash received from other operating activities               | 702                                    | 322             | 691                                    | 271             |
| <b>Sub-total of cash inflows from operating activities</b>  | <b>99,623</b>                          | <b>76,626</b>   | <b>99,612</b>                          | <b>76,801</b>   |
| Cash paid for claims  | (47,118)                               | (47,021)        | (47,118)                               | (47,021)        |
| Net cash paid for reinsurance business                      |  | (18)            |  | (18)            |
| Net decrease in policyholder investments                    | (266)                                  | (8)             | (266)                                  | (8)             |
| Cash paid for brokerage and commission fees                 | (5,299)                                | (4,353)         | (5,299)                                | (4,353)         |
| Cash paid for policyholder dividends                        | (3,711)                                | (1,608)         | (3,711)                                | (1,608)         |
| Net cash paid for held-for-trading financial assets         | (2,460)                                |                 | (2,253)                                |                 |
| Cash paid to and for employees                              | (1,874)                                | (1,600)         | (1,815)                                | (1,586)         |
| Cash paid for taxes and surcharges                          | (974)                                  | (1,320)         | (929)                                  | (1,310)         |
| Cash paid for other operating activities                    | (1,401)                                | (1,774)         | (1,398)                                | (1,803)         |
| <b>Sub-total of cash outflows from operating activities</b> | <b>(63,103)</b>                        | <b>(57,702)</b> | <b>(62,789)</b>                        | <b>(57,707)</b> |
| <b>Net cash flows from operating activities</b>             | <b>36,520</b>                          | <b>18,924</b>   | <b>36,823</b>                          | <b>19,094</b>   |

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**4.3 Cash flow statement for the three months ended 31 March 2008 (unaudited)(continued)***RMB million (Unless otherwise stated)*

|  | For the three months<br>ended 31 March |                 | For the three months<br>ended 31 March |                 |
|--|--|-----------------|--|-----------------|
|  | 2008<br>Group                          | 2007<br>Group   | 2008<br>Company                        | 2007<br>Company |
| <b>2. Cash flows from investing activities</b>   |  |                 |  |                 |
| Cash received from sales and redemption of investments   | 21,048                                 | 22,802          | 20,790                                 | 22,667          |
| Cash received from investment income   | 4,878                                  | 9,753           | 4,845                                  | 9,629           |
| Net cash received from disposals of fixed assets, intangible assets and other long-term assets | 39                                     | 20              | 39                                     | 18              |
| Net cash from securities purchased under agreements to resell                                  | 1,656                                  |                 | 1,453                                  |                 |
| <b>Sub-total of cash inflows from investing activities</b>                                     | <b>27,621</b>                          | <b>32,575</b>   | <b>27,127</b>                          | <b>32,314</b>   |
| Cash paid for acquisition of investments   | (52,425)                               | (52,736)        | (51,872)                               | (52,411)        |
| Net increase in policy loans   | (414)                                  | (415)           | (414)                                  | (415)           |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets        | (211)                                  | (833)           | (209)                                  | (806)           |
| Net cash paid for securities purchased under agreements to resell                              |  | (6,328)         |  | (6,327)         |
| <b>Sub-total of cash outflows from investing activities</b>                                    | <b>(53,050)</b>                        | <b>(60,312)</b> | <b>(52,495)</b>                        | <b>(59,959)</b> |
| <b>Net cash flows from investing activities</b>  | <b>(25,429)</b>                        | <b>(27,737)</b> | <b>(25,368)</b>                        | <b>(27,645)</b> |
| <b>3. Cash flows from financing activities</b>   |  |                 |  |                 |
| Cash received from capital contributions   |  |                 |  |                 |
| <b>Sub-total of cash inflows from financing activities</b>                                     |  |                 |  |                 |
| Net proceeds from investment in securities sold under agreements to repurchase                 | (212)                                  | (8,257)         | (262)                                  | (8,126)         |
| Cash paid for dividends and interest   |  |                 |  |                 |
| <b>Sub-total of cash outflows from financing activities</b>                                    | <b>(212)</b>                           | <b>(8,257)</b>  | <b>(262)</b>                           | <b>(8,126)</b>  |
| <b>Net cash flows from financing activities</b>  | <b>(212)</b>                           | <b>(8,257)</b>  | <b>(262)</b>                           | <b>(8,126)</b>  |
| <b>4. Effect of changes in foreign exchange rate on cash and cash equivalents</b>              | <b>(102)</b>                           | <b>(76)</b>     | <b>(99)</b>                            | <b>(76)</b>     |
| <b>5. Net increase/(decrease) in cash and cash equivalents</b>                                 | <b>10,777</b>                          | <b>(17,146)</b> | <b>11,094</b>                          | <b>(16,753)</b> |
| Add: Opening balance of cash and cash equivalents  | 25,317                                 | 50,213          | 24,808                                 | 49,735          |
| <b>6. Closing balance of cash and cash equivalents</b>   | <b>36,094</b>                          | <b>33,067</b>   | <b>35,902</b>                          | <b>32,982</b>   |

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