

# 中国平安保险(集团)股份有限公司

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.

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

(Stock Code: 2318)

## ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008

The Board of Directors of Ping An Insurance (Group) Company of China, Ltd. (the “Company”) announces the unaudited results (the “Third Quarterly Results”) of the Company and its subsidiaries (the “Group”) for the nine months ended September 30, 2008 (the “Reporting Period”). The Board of Directors of the Company and its audit committee have reviewed the Third Quarterly Results.

### 1. KEY FINANCIAL INFORMATION

During the Reporting Period, the key financial data prepared under International Financial Reporting Standards (“IFRS”) are as follows:

(in RMB million)	As at September 30, 2008	As at December 31, 2007
Total assets	713,591	692,222
Total liabilities	629,504	578,371
Total equity	<u>84,087</u>	<u>113,851</u>

(in RMB million)	For the three months ended September 30,		For the nine months ended September 30,	
	2008	2007	2008	2007
Total income	11,171	36,607	74,804	106,426
Net profit	(7,915)	5,419	1,804	15,388
Basic earnings per share (in RMB)	<u>(1.07)</u>	<u>0.72</u>	<u>0.22</u>	<u>2.11</u>

**2. TOTAL NUMBER OF SHAREHOLDERS AND TOP TEN HOLDERS OF LISTED SHARES NOT SUBJECT TO TRADING MORATORIUM AS AT THE END OF THE REPORTING PERIOD**

<b>Total number of shareholders as at the end of the Reporting Period (shareholders)</b>	<b>Total number of shareholders was 385,084, of which 379,182 were holders of A shares and 5,902 were holders of H shares</b>	
<b>Particulars of top ten holders of listed shares not subject to trading moratorium</b>		
<b>Name of shareholders</b>	<b>Number of listed shares not subject to moratorium held as at the end of the Reporting Period (share)</b>	<b>Class of shares</b>
HSBC Insurance Holdings Limited	618,886,334	H share
The Hongkong and Shanghai Banking Corporation Limited	613,929,279	H share
Shenzhen Investment Holdings Co., Ltd.	546,672,967	A share
Yuan Trust Investment Co., Ltd.	380,000,000	A share
Shum Yip Holdings Company Limited	301,585,684	A share
Shenzhen Wuxin Yufu Industrial Co., Ltd	195,455,920	A share
Shenzhen Liye Group Limited	174,689,200	A share
Shanghai Huiye Industrial Co., Ltd.	166,770,000	A share
Shanghai Huihua Industrial Co., Ltd.	91,759,362	A share
Guangzhou Hengde Trading Development Co., Ltd.	74,032,430	A share

**3. BUSINESS REVIEW FOR THE REPORTING PERIOD**

During the third quarter of 2008, the turmoil in the international financial market has been aggravated resulting an obvious slowdown of the global economic growth. The domestic capital markets went through a thorough reshuffle. Under such complicated and dire operating environment, the Company saw a noticeable decrease in its investment income, and the impairment provision for its investment in Fortis Shares exerted a significant impact on the net profit of the Company. However, the principle businesses of the Company developed steadily.

Sound growth was maintained in our insurance business. In terms of our life insurance business, we have successfully implemented our “Reaching New Heights” and “Two-Tier Market Development” strategies. Gross written premiums, policy fees and premium deposits reached RMB78,448 million for the first three quarters, representing an increase of 31.4% when compared with the corresponding period of the previous year. The number of our individual life sales agents has reached 336,000. For the pilot implementation of the week unit working system, we have made initial progress in terms of improving the productivity of our teams. The market share of Ping An Property & Casualty increased steadily. Gross written premiums for our property and casualty insurance business amounted to RMB20,960 million for the first three quarters, representing an increase of 27.2% when compared with the corresponding period of the previous year. The asset entrusted under our pension annuity and the assets under investment management annuity business maintained its leading position in the industry.

Our banking business has enjoyed sound development, and we have steadily proceeded with the build-out of our nationwide network. Quanzhou Branch has started its operation and approval for the establishment of Xiamen Branch has been obtained. In respect of corporate and retail businesses, innovative products such as “Ying Dong Li” (贏動力), “R Scheme of Cash Management” and “Anchor Wealth Management” were launched to the market. The accumulated number of in-force credit cards has exceeded 1,200,000. At the same time, we have increased investment in the banking business’ infrastructure and developed strategic initiatives to strengthen the headquarters’ ability to support a nationwide service network.

Regarding our investment business, we have increased the proportion of investment in fixed income assets. Net investment income increased as compared to that of the corresponding period of the previous year. However, due to the impact of the deep correction of the international and domestic capital markets, our total investment income decreased significantly. In respect of Ping An Asset Management, the number of clients of our asset management service for small and medium insurance companies has surged to be ranked No.1 in the industry, and we acted as the QFII investment consultant for internationally renowned investment management institutions for the first time. Ping An Trust has continually diversified its wealth management products, and its new entrusted asset size increased substantially as compared to the corresponding period of the previous year. Ping An Securities ranked second in the industry in terms of the number of underwriting, and obtained approval for its direct investment business credentials by China Securities Regulatory Commission (“CSRC”).

Since early 2008, the sub-prime crisis of the US has been deteriorating, with several big financial institutions being plunged into morass and on the brink of bankruptcy. From September in particular, the financial crisis of the US further exacerbated and, within a short period of time, metamorphosed into a global financial tsunami rarely seen in a century, spreading across the entire European continent and pounding a great number of financial institutions in Europe. Fortis, in which the Company had invested, was affected inevitably and adversely and its shares plummeted. The Company has taken impairment provision for its investment in Fortis Shares in the financial statements for the third quarter of 2008 and has removed the marked-to-market losses, being approximately RMB15.7 billion, that had already been reflected in the equity of the Company, and recognized it as impairment loss in the income statement. Therefore, the net profit decreased significantly as compared to that of the corresponding period of the previous year. The Company has learned a lesson from the investment in Fortis Shares which has been affected by the financial tsunami, and the Company will deepen its understanding concerning the risks in the international financial market, re-examine its asset allocation and investment strategies, and rationalize and reinforce risk exposure control, thereby generating long-term and stable investment income.

Looking ahead to the fourth quarter of 2008, as the impact of the global financial crisis stemming from the US sub-prime problem is expected to persist, the global and domestic economic growth will be slowed down, and the situation in the capital market will still not be optimistic. That said, governments across the globe, including the Chinese government, have successively formulated and implemented their respective financial bailout package. The Company will closely monitor the development of the operating environment and conscientiously carry out corresponding measures. We will capitalize on the opportunities arising from the future development of the financial industry, so as to deliver long-term sustainable value to our shareholders, clients and society.

#### 4. SIGNIFICANT EVENTS

- (1) On January 18, 2008, the seventeenth meeting of the seventh board of directors of the Company considered and approved (i) “Resolution in relation to the Proposed Issue of A Shares by the Company to Unspecific Targets” pursuant to which the Company proposed to issue not more than 1,200,000,000 A Shares, representing approximately 16.34% of the total issued share capital of the Company as at March 31, 2008; and (ii) “Resolution in relation to the Proposed Issue of A Share Bonds with Warrants” pursuant to which the Company proposed to issue A share bonds with warrants in the principal amount of not more than RMB41.2 billion in the PRC to institutional and public investors in the PRC respectively (hereinafter collectively referred to as the “Proposed Issues”). On March 5, 2008, the Proposed Issues were considered and approved at the First Extraordinary General Meeting of 2008, the First A Shareholders Class Meeting of 2008 and the First H Shareholders Class Meeting of 2008 respectively. The Proposed Issues are still subject to the approval of the CSRC. On May 8, 2008, the Board of the Company published a clarification announcement and solemnly declared that the Company will not consider to proceed with the application in relation to the proposed issue of A shares of the Company at least within 6 months from the date of the said clarification announcement. In addition, the Company will take into account the then market conditions and the acceptance level of the investors in considering the timing for the application and issue of the A share bonds with warrants.

For details of the Proposed Issues, please refer to the relevant announcements published by the Company in the Shanghai Securities News, the China Securities Journal, the Securities Times and the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on January 21, 2008, March 6, 2008 and May 9, 2008 respectively, and the announcements dated January 18, 2008, March 5, 2008 and May 8, 2008 and the circular dated February 13, 2008 published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.pingan.com.cn](http://www.pingan.com.cn)) respectively.

- (2) On March 19, 2008, the “Resolution in relation to the Investment in Fortis Investment Management NV/SA” was approved at the eighteenth meeting of the seventh board of directors of the Company, pursuant to which the Company entered into a Sale and Purchase Agreement on April 2, 2008 with Fortis Bank NV/SA to acquire from Fortis Bank NV/SA at a price of €2.15 billion (subject to adjustment) 1,000,000 issued shares in Fortis Investment Management NV/SA, which at completion will constitute approximately 50% of the issued and fully diluted share capital of Fortis Investment Management NV/SA after its acquisition of the entire issued share capital of ABN AMRO Asset Management Holding N.V. and having combined with the asset management business (excluding certain non core assets) of ABN AMRO Asset Management Holding N.V., which used to be the holding company of the asset management business of ABN AMRO Bank NV (the “Acquisition”). On the date of the Sale and Purchase Agreement, the Company also entered into the Shareholders’ Agreement, the Deed of Indemnity and certain trademark and name licence agreements in relation to the Acquisition. On October 2, 2008, the Company issued an announcement that following discussion between the parties, it was anticipated that in light of the current market environment and condition, not all the conditions precedent to completion of the Sale and Purchase Agreement can be satisfied. The Sale and Purchase Agreement and all other related agreements entered into on April 2, 2008 will be terminated. The directors of the Company considered that the termination of the Sale and Purchase Agreement would not have any effect on the business or financial position of the Company.

For details, please refer to the relevant announcements published by the Company in the Shanghai Securities News, the China Securities Journal, the Securities Times and the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on March 20, 2008, April 3, 2008 and October 6, 2008 respectively and the announcements dated March 19, 2008, April 2, 2008, October 2, 2008 respectively and the circular dated April 23, 2008 published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.pingan.com.cn](http://www.pingan.com.cn)) respectively.

- (3) The Group's aggregate cost of investment in Fortis Shares amounted to RMB23.874 billion. Under prudent principle and pursuant to relevant accounting policies, the Group has taken impairment accounting treatment on the investments in Fortis Shares in the 2008 third quarterly report of the Group and has removed the marked-to-market losses, being approximately RMB15.7 billion, that had already been reflected in the equity of the Group as at September 30, 2008, and recognized it as impairment loss in the income statement.

For details, please refer to the relevant announcement published by the Company in the Shanghai Securities News, the China Securities Journal, the Securities Times and the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on October 6, 2008 and the announcement dated October 6, 2008 published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.pingan.com.cn](http://www.pingan.com.cn)) respectively.

- (4) The impairment of the investment in Fortis Shares is the primary factor that affects the net profit of the Group for the year 2008. The Group's aggregate cost of investment in Fortis Shares amounted to RMB23.874 billion. As at September 30, 2008, the accumulated marked-to-market losses of RMB18.611 billion had already been reflected in the equity of the Group, approximately RMB15.7 billion of which was removed from equity and recognized as impairment loss in the income statement in the 2008 third quarterly report of the Group. Therefore, the Group's net profit decreased significantly for the first three quarters of 2008 as compared to that of the corresponding period of the previous year. Since October 2008, the share price of Fortis has continued to drop significantly, thus further impairment loss is possible. The fluctuations of the fair value of Fortis Shares and the uncertainty concerning the tax impact of the investment loss are expected to exert significant impact on the net profit of the Group for the year 2008.

In addition, under the backdrop of the global financial tsunami, the deceleration of the economic growth of the PRC in the fourth quarter will become more evident, and conditions of the capital market will still not be optimistic. The businesses of the Company, particularly its investment business, are therefore expected to be seriously affected.

Taking into account the above factors, the Company expects that a significant drop of profit for this year will be recorded as compared to that of the previous year.

- (5) The profit distribution plan of the Company for the year 2007 was adopted after consideration at the Shareholders' Annual General Meeting for the year 2007 held on May 13, 2008. The final dividend for 2007 was distributed on the basis of 7,345,053,334 shares, the total share capital of the Company. A final dividend of RMB0.50 per share was distributed totaling RMB3,672,526,667 and the remaining undistributed profit was carried forward to the year 2008. The Company has in accordance with the profit distribution plan paid a final dividend of RMB0.50 per share (equivalent to HK\$0.5575 per share) (inclusive of applicable tax) for the year ended December 31, 2007. The payment was made to holders of H shares whose names appeared on the H share register of members of the Company on May 13, 2008. According to the Articles of Association of the Company, dividends will be denominated and declared in Renminbi. Dividends on H shares will be paid in Hong Kong dollars. The Company appointed Bank of China (Hong Kong) Trustees Limited as the receiving agent and the receiving agent dispatched cheques for the final dividends to holders of H shares on May 27, 2008. The profit distribution plan was implemented.

In addition, the interim profit distribution plan of the Company for the year 2008 was adopted after consideration at the twenty-second Meeting of the seventh board of directors of the Company held on August 15, 2008. An interim dividend for 2008 was distributed on the basis of 7,345,053,334 shares, the total share capital of the Company. An interim dividend of RMB0.20 per share was distributed totaling RMB1,469,010,666.80. The Company has in accordance with the interim profit distribution plan paid the payment of the interim dividends of RMB0.20 (equivalent to HK\$0.2276 per share) (inclusive of applicable tax) to holders of H shares whose names appeared on the H share register of members of the Company on September 26, 2008. According to the Articles of Association of the Company, dividends will be denominated and declared in Renminbi. Dividends on H shares will be paid in Hong Kong dollars. The Company appointed Bank of China (Hong Kong) Trustees Limited as the receiving agent and the receiving agent dispatched cheques for the interim dividends to holders of H shares on October 10, 2008. The interim profit distribution plan was implemented.

## **5. UNDERTAKINGS**

After the initial public offering of the A shares of the Company, 389,592,366 domestic shares held by Shenzhen New Horse Investment Development Co., Ltd., 331,117,788 domestic shares held by Shenzhen Jingao Industrial Development Co., Ltd. and 139,112,886 domestic shares held by Shenzhen Jiangnan Industrial Development Co., Ltd. became tradable A shares subject to a trading moratorium of 36 months from the date of listing of the A shares of the Company, and 2,776,586,596 domestic shares held by the other 50 domestic shareholders became tradable A shares subject to a trading moratorium of 12 months from the date of listing of the A shares of the Company, which has been expired on March 1, 2008. 345,000,000 shares held by strategic investors of the Company through strategic placing were subject to a trading moratorium of 12 months from the date of listing of A shares of the Company, which has been expired on March 1, 2008. During the Reporting Period, Shenzhen New Horse Investment Development Co., Ltd., Shenzhen Jingao Industrial Development Co., Ltd. and Shenzhen Jiangnan Industrial Development Co., Ltd. did not dispose of any A share of the Company held by them.

## 6. CONDENSED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS

### (1) Consolidated Income Statement

For the nine months ended September 30, 2008

(in RMB million)	For the three months ended September 30,		For the nine months ended September 30,	
	2008 (Unaudited)	2007 (Unaudited)	2008 (Unaudited)	2007 (Unaudited)
Gross written premiums and policy fees	21,617	18,058	75,809	61,898
Less: Premiums ceded to reinsurers	(1,381)	(868)	(4,725)	(3,468)
Net written premiums and policy fees	20,236	17,190	71,084	58,430
Change in unearned premium reserves	315	(165)	(2,419)	(2,356)
Net earned premiums	20,551	17,025	68,665	56,074
Reinsurance commission income	396	237	1,156	912
Interest income of banking operations	1,816	1,368	5,185	3,625
Fees and commission income of non-insurance operations	358	781	1,640	2,138
Investment income	(12,389)	17,126	(3,114)	42,863
Share of profits of associates	14	–	55	–
Other income	425	70	1,217	814
<b>Total income</b>	<b>11,171</b>	<b>36,607</b>	<b>74,804</b>	<b>106,426</b>
Change in deferred policy acquisition costs	2,638	2,352	7,954	6,488
Claims and policyholders' benefits	(16,425)	(23,467)	(57,044)	(71,316)
Commission expenses of insurance operations	(3,680)	(2,448)	(10,937)	(8,121)
Interest expenses of banking operations	(792)	(396)	(2,057)	(1,085)
Fees and commission expenses of non-insurance operations	(71)	(121)	(189)	(334)
Loan loss provisions, net of reversals	7	(117)	(9)	(12)
Foreign currency losses	(9)	(132)	(534)	(467)
General and administrative expenses	(3,976)	(6,209)	(12,781)	(14,694)
<b>Total expenses</b>	<b>(22,308)</b>	<b>(30,538)</b>	<b>(75,597)</b>	<b>(89,541)</b>
Profit before tax	(11,137)	6,069	(793)	16,885
Income taxes	3,222	(650)	2,597	(1,497)
<b>Net profit</b>	<b>(7,915)</b>	<b>5,419</b>	<b>1,804</b>	<b>15,388</b>
<b>Attributable to:</b>				
– Equity holders of the parent	(7,877)	5,279	1,610	14,969
– Minority interests	(38)	140	194	419
	<b>(7,915)</b>	<b>5,419</b>	<b>1,804</b>	<b>15,388</b>
	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>
<b>Earnings per share attributable to equity holders of the parent:</b>				
– basic	(1.07)	0.72	0.22	2.11
– diluted	(1.07)	0.72	0.22	2.11

(2) **Consolidated Balance Sheet**  
As at September 30, 2008

(in RMB million)	(Unaudited) As at September 30, 2008	(Audited) As at December 31, 2007
<b>ASSETS</b>		
Balances with central bank and statutory deposits	27,031	20,794
Cash and amounts due from banks and other financial institutions	92,648	87,859
Fixed maturity investments	320,007	274,241
Equity investments	52,580	128,931
Derivative financial assets	32	177
Loans and advances to customers	74,728	63,125
Investment in associates	4,798	1,472
Premium receivables	5,054	4,434
Reinsurers' share of insurance liabilities	7,174	4,880
Policyholder account assets in respect of insurance contracts	33,592	34,871
Policyholder account assets in respect of investment contracts	4,593	4,622
Deferred policy acquisition costs	49,259	41,305
Investment properties	3,494	3,882
Property and equipment	10,111	8,165
Intangible assets	10,518	4,400
Deferred income tax assets	4,945	87
Other assets and receivables	13,027	8,977
<b>Total assets</b>	<b>713,591</b>	<b>692,222</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	7,345	7,345
Reserves	55,314	81,322
Retained profits	18,913	23,155
Equity attributable to equity holders of the parent	81,572	111,822
Minority interests	2,515	2,029
<b>Total equity</b>	<b>84,087</b>	<b>113,851</b>
<b>Liabilities</b>		
Due to banks and other financial institutions	12,495	14,644
Assets sold under agreements to repurchase	26,808	13,556
Derivative financial liabilities	189	189
Customer deposits	98,095	91,925
Insurance contract liabilities	449,372	416,474
Investment contract liabilities for policyholders	7,333	5,421
Policyholder dividend payable	11,722	7,006
Income tax payable	425	807
Deferred income tax liabilities	1,066	6,369
Other liabilities	21,999	21,980
<b>Total liabilities</b>	<b>629,504</b>	<b>578,371</b>
<b>Total equity and liabilities</b>	<b>713,591</b>	<b>692,222</b>

### (3) Consolidated Cashflow Statement

For the nine months ended September 30, 2008

For the nine months ended September 30, (in RMB million)	(Unaudited) 2008	(Unaudited) 2007
<b>Net cash from operating activities</b>	<b>38,644</b>	19,696
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investment properties, property and equipment, and intangible assets	(4,179)	(2,075)
Proceeds from disposal of investment properties, property and equipment, and intangible assets	261	92
Purchases of investments, net	(72,719)	(13,035)
Term deposits withdrawal/(placed), net	(17,636)	26,288
Acquisition of a subsidiary	(529)	(382)
Acquisition of minority interest in a subsidiary	(436)	(229)
Proceeds from assets purchased under agreements to resell	2,006	520
Interest received	7,292	3,471
Dividends received	3,927	929
Rentals received	209	82
Net cash outflow from other investing activities	(1,047)	(772)
Net cash inflow/(outflow) from investing activities for policyholders' accounts	(6,077)	4,693
<b>Net cash from/(used in) investing activities</b>	<b>(88,928)</b>	19,582
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issued	–	38,222
Proceeds from sales in assets sold under agreements to repurchase, net	13,252	4,398
Proceeds from borrowed funds	(253)	982
Interest paid	(556)	(548)
Dividends paid	(4,177)	(3,069)
Net cash inflow/(outflow) from financing activities for policyholders' accounts	2,806	(1,057)
<b>Net cash from financing activities</b>	<b>11,072</b>	38,928
Net increase/(decrease) in cash and cash equivalents	(39,212)	78,206
Net foreign exchange differences	(365)	(96)
Cash and cash equivalents at beginning of period	96,296	47,327
<b>Cash and cash equivalents at end of period</b>	<b>56,719</b>	125,437

#### (4) Reconciliation of GAAP Differences Between PRC Accounting Standards and IFRS

The material GAAP differences between PRC Accounting Standards and IFRS in preparing financial statements are as follows:

**For the nine months ended September 30,  
(in RMB million)**

<b>Consolidated net profit</b>	<i>Notes</i>	<b>2008</b>	2007
Financial statements prepared in accordance with PRC Accounting Standards		<b>(705)</b>	11,679
Unearned premium reserves	<i>(i)</i>	<b>(199)</b>	(25)
Policyholders' reserves for life insurance	<i>(ii)</i>	<b>(4,622)</b>	(2,391)
Deferred policy acquisition costs	<i>(iii)</i>	<b>7,954</b>	6,488
Deferred tax	<i>(iv)</i>	<b>(792)</b>	(775)
Minority interests and others		<b>(26)</b>	(7)
Financial statements prepared in accordance with IFRS		<b><u>1,610</u></b>	<b><u>14,969</u></b>
		<b>As at</b>	<b>As at</b>
<b>(in RMB million)</b>		<b>September 30,</b>	<b>December 31,</b>
<b>Consolidated equity</b>	<i>Notes</i>	<b>2008</b>	2007
Financial statements prepared in accordance with PRC Accounting Standards		<b>74,672</b>	107,234
Unearned premium reserves	<i>(i)</i>	-	199
Policyholders' reserves for life insurance	<i>(ii)</i>	<b>(39,884)</b>	(35,262)
Deferred policy acquisition costs	<i>(iii)</i>	<b>49,259</b>	41,305
Deferred tax	<i>(iv)</i>	<b>(2,339)</b>	(1,547)
Minority interests and others		<b>(136)</b>	(107)
Financial statements prepared in accordance with IFRS		<b><u>81,572</u></b>	<b><u>111,822</u></b>

Minority interests have been deducted from the above amounts.

*Notes:*

- (i) Under PRC Accounting Standards, unearned premium reserves of life insurance subsidiaries are provided using actuarial valuation results (1/365 method), and should be no less than 50% of the retained premium for the current period (1/2 method). Under IFRS, unearned premium reserves are provided using actuarial valuation results (1/365 method).
- (ii) Under PRC Accounting Standards, policyholders' reserves are provided in accordance with related actuarial regulations promulgated by CIRC. Under IFRS, policyholders' reserves are provided in accordance with IFRS 4 Insurance Contracts and by reference to US GAAP.

- (iii) Under PRC Accounting Standards, handling costs and commission expenses of acquiring new policies are recognized in the income statement when incurred. Under IFRS, handling costs and commission expenses of acquiring new policies are deferred and amortized over the expected life of the insurance contracts at a constant percentage of expected premiums or at a constant percentage of the present value of estimated gross profits expected to be realized over the life of the insurance contracts by product type, in accordance with IFRS 4 Insurance Contracts and by reference to US GAAP.
- (iv) The above differences between PRC Accounting Standards and IFRS are temporary differences in accordance with IAS 12 Income Taxes. The Group recognizes deferred tax assets and liabilities on the basis of the above differences and the tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled.

## 7. RELEASE OF RESULTS ANNOUNCEMENT

This results announcement is simultaneously available on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.pingan.com.cn](http://www.pingan.com.cn)). This results announcement is prepared in accordance with the IFRS. A report for the nine months ended September 30, 2008 (“Report”) prepared in accordance with the PRC Accounting Standards will also be available on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the website of the Company ([www.pingan.com.cn](http://www.pingan.com.cn)). Shareholders can refer to the Report for the differences between it and this results announcement.

By order of the Board  
**Ma Mingzhe**  
*Chairman and Chief Executive Officer*

Shenzhen, PRC, October 27, 2008

*As at the date of this announcement, the Executive Directors of the Company are Ma Mingzhe, Sun Jianyi and Cheung Chi Yan Louis, the Non-executive Directors are Lin Yu Fen, Cheung Lee Wah, Clive BANNISTER, Lin Lijun, Fan Gang, Hu Aimin, Chen Hongbo, Wong Tung Shun Peter and Ng Sing Yip, and the Independent Non-executive Directors are Bao Youde, Kwong Che Keung Gordon, Cheung Wing Yui, Chow Wing Kin Anthony, Zhang Hongyi, Chen Su and Xia Liping.*