

CHINA LIFE INSURANCE CO LTD
Form 6-K
April 24, 2009

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 24, 2009

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 2009 first quarter report on April 23, 2009, a copy of which is attached as Exhibit 99.1 hereto.

EXHIBIT LIST

| Exhibit | Description |
|----------------|---|
| 99.1 | 2009 First Quarter Report, dated April 23, 2009 |

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)

By: /s/ Wan Feng
(Signature)

April 24, 2009

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)

2009 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 of the Company for the first quarter of 2009 are unaudited and have been prepared in accordance with the China Accounting Standards for Business Enterprises.

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 statement or material omissions in the 2009 first quarter 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 thirteen Directors of the Company who should have attended the board meeting, eleven attended in person. The Chairman and Executive Director Mr. Yang Chao, Executive Directors Mr. Wan Feng and Ms. Liu Yingqi, Non-executive Directors Mr. Miao Jianmin, Mr. Shi Guoqing and Ms. Zhuang Zuojin, and Independent Non-executive Directors Mr. Long Yongtu, Mr. Ma Yongwei, Mr. Chau Tak Hay, Mr. Cai Rang and Mr. Ngai Wai Fung attended the meeting. Executive Director Mr. Lin Dairen, Independent Non-executive Director Mr. Sun Shuyi were absent and gave written authorizations to Executive Director Ms. Liu Yingqi, Independent Non-executive Director Mr. Cai Rang to act as proxy to attend and vote in the meeting respectively.

1.3 The Company's 2009 first quarter financial report is unaudited.

1.4 Mr. Yang Chao, Chairman of the Company, Mr. Liu Jiade, Vice President in charge of financial affairs, Ms. Hwei-Chung Shao, Chief Actuary and Mr. Yang Zheng, Head of the Financial Department, confirm that the financial statements in the 2009 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 2009 | As at 31 December 2008 | Increase/(decrease) compared to 31 December 2008 (%) |
|---|------------------------|---------------------------|---|
| Total assets (<i>million</i>) | 1,067,780 | 990,164 | 7.84 |
| Shareholders' equity (excluding minority interest) (<i>million</i>) | 145,943 | 134,957 | 8.14 |
| Net assets per share attributable to shareholders of the Company (<i>RMB</i>) | 5.16 | 4.77 | 8.14 |

| | For the three months ended 31 March 2009 | Increase/(decrease) compared to the same period of 2008 (%) |
|---|---|--|
| Net cash flows from operating activities (<i>million</i>) | 52,800 | 44.58 |
| Net cash flows per share from operating activities (<i>RMB</i>) | 1.87 | 44.58 |

| | For the reporting period (from January to March) | For the three months ended 31 March 2009 | Increase/(decrease) compared to the same period of 2008(%) |
|--|--|--|---|
| Net profit attributable to shareholders of the Company (<i>million</i>) | 5,387 | 5,387 | 55.07 |
| Basic earnings per share (<i>RMB</i>) | 0.19 | 0.19 | 55.07 |
| Basic earnings per share after deducting non-recurring items (<i>RMB</i>) | 0.19 | 0.19 | 54.52 |
| Diluted earnings per share (<i>RMB</i>) | 0.19 | 0.19 | 55.07 |
| Return on net assets (%) | 3.69 | 3.69 | 61.60 |
| Return on net assets after deducting non-recurring items (%) | 3.68 | 3.68 | 61.08 |

Note: The data and indicators relating to shareholders' equity refer to shareholders' equity attributable to shareholders of the Company. The data and indicators relating to net profit refer to net profit attributable to shareholders of the Company.

As at 31 March 2009, investment assets of the Company were RMB1,008,801 million. For the three months ended 31 March 2009, the investment yield was 1.04% (or 4.22% if annualized, the annualized yield = (the investment yield for the three months ended 31 March 2009/90)×365), the policy surrender rate was 1.22%, and the growth rate of premiums earned was 1.79%.

RMB Million

| Non-recurring items | For the three months ended 31 March 2009 |
|--|---|
| Gains/(losses) on disposal of non-current assets | 45 |
| Net non-operating income and expenses other than those mentioned above | (28) |
| Effect of income tax expenses | (4) |
| Total | 13 |

Note: As an insurance company, investment (utilization of insurance funds) is one of the main businesses of the Company. Therefore, the non-recurring items do not include fair-value gains/(losses) from held- for-trading financial assets and liabilities, as well as investment income from the disposal of held-for- trading financial assets and liabilities and available-for-sale financial assets.

(1) Changes in key financial indicators and its reasons

RMB million

| Key Financial Indicators | As at 31 March 2009 | As at 31 December 2008 | Increase/ (decrease) (%) | Main reasons |
|--|------------------------|------------------------------|--------------------------------|---|
| Total assets | 1,067,780 | 990,164 | 7.84 | Steady growth in insurance business, increase in total investment income ¹ , as well as increase in fair value of financial assets resulted from capital market recovery |
| Total liabilities | 920,879 | 854,283 | 7.80 | Steady growth in insurance business |
| Shareholders' equity attributable to shareholders of the Company | 145,943 | 134,957 | 8.14 | Increase of fair value of financial assets resulted from capital market recovery, as well as increase in total investment income |

RMB million

| Key Financial Indicators | For the three months ended 31 March 2009 | For the three months ended 31 March 2008 | Increase/ (decrease) (%) | Main reasons |
|--|--|--|--------------------------------|-------------------------------------|
| Operating profit | 6,496 | 3,623 | 79.30 | Increase in total investment income |
| Net profit attributable to shareholders of the Company | 5,387 | 3,474 | 55.07 | Increase in total investment income |

¹ Total investment income = investment income - investment income from associate enterprises + fair value gains/(losses) - investment assets impairment losses - investment business tax and surcharges. The same definition is applicable throughout.

(2) Material changes in major accounting items and its reasons

RMB million

| Key Financial Indicators | As at 31 March 2009 | As at 31 December 2008 | Increase/ (decrease) (%) | Main reasons |
|--|------------------------|---------------------------|--------------------------------|---|
| Cash and cash equivalents | 57,419 | 34,085 | 68.46 | The Company's money position management requirement |
| Premiums receivables | 11,939 | 6,433 | 85.59 | Steady growth in insurance business, and increase in renewal premiums receivables |
| Financial assets sold under agreements to repurchase | 15,997 | 11,390 | 40.45 | The Company's cash management requirement |
| Taxes payable | 2,861 | 1,952 | 46.57 | Increase in income tax payable for the first quarter |
| Claims payable | 7,130 | 4,980 | 43.17 | Increase of maturity benefits payable |

RMB million

| Key Financial Indicators | For the three months ended 31 March 2009 | For the three months ended 31 March 2008 | Increase/ (decrease) (%) | Main reasons |
|-------------------------------|--|--|--------------------------------|---|
| Fair value gains/(losses) | 841 | 5,515 | N/A | Increase in fair value gains of held-for-trading financial assets resulted from capital market recovery |
| Increase of insurance reserve | 56,883 | 43,865 | 29.68 | Decrease in maturity benefits and surrender payments, and increase in renewal business |
| Policyholder dividends | 2,096 | 881 | 137.91 | Increase in the volume and investment yield of participating insurance business |
| Income tax expenses | 1,102 | 94 | 1,072.34 | Increase in taxable income |

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

☐ Applicable ☑ Not applicable

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

☑ 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. During the reporting period, China Life Insurance (Group) Company has strictly adhered to the above undertaking and has not breached the above undertaking.

2. Before the Company's A shares Initial Public Offering (as at 30 November 2006), of the land use rights titles injected into the Company by China Life Insurance (Group) Company, at the time of the 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 (CLIC), is a sino-foreign joint venture established on 4 July 2000 and owned as to 51% by CLIC and as to 49% by CMG Group of Australia. The scope of operations 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. CLIC has agreed that it will, 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. The Company received written notice from CLIC that as at the end of the reporting period, CLIC 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 net profit or cumulative loss from the beginning of the year to the end of the next reporting period as compared to the same period of last year*

“ Applicable ü Not applicable

3.5 *The implementation of cash dividend policy during the reporting period*

Pursuant to the profit distribution plan for the year of 2008 passed at the meeting of the Board of Directors on 25 March 2009, after withholding the discretionary surplus reserve, which amounts to RMB 1,009 million in total and accounts for 10% of the net profit of the Company for the year of 2008, the Company proposes to distribute cash dividends of RMB0.23 per share to all shareholders, amounting to a total amount of RMB 6,501 million, calculated in accordance with the total issued 28,264,705,000 shares. The above proposal will be submitted to the 2008 Annual General Meeting to be held on 25 May 2009 for approval.

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

By Order of the Board of
China Life Insurance Company Limited
Heng Kwoo Seng
Company Secretary

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

Executive Directors:

Yang Chao, Wan Feng, Lin Dairen, Liu Yingqi

Non-executive Directors:

Miao Jianmin, Shi Guoqing, Zhuang Zuojin

Independent non-executive Directors:

Long Yongtu, Sun Shuyi, Ma Yongwei, Chau Tak Hay, Cai Rang, Ngai Wai Fung

Hong Kong, 23 April 2009

4. APPENDIX*4.1 Balance sheet as at 31 March 2009 (unaudited)**RMB million (Unless otherwise stated)*

| | As at 31 March 2009 Group | As at 31 December 2008 Group | As at 31 March 2009 Company | As at 31 December 2008 Company |
|---|------------------------------------|---------------------------------------|--------------------------------------|---|
| ASSETS | | | | |
| Assets | | | | |
| Cash and cash equivalents | 57,419 | 34,085 | 56,070 | 33,934 |
| Held-for-trading financial assets | 13,600 | 14,099 | 13,536 | 14,068 |
| Securities purchased under agreements to resell | | | | |
| Interest receivables | 13,840 | 13,097 | 13,760 | 13,028 |
| Premiums receivables | 11,939 | 6,433 | 11,939 | 6,433 |
| Receivable from reinsurers | 21 | 163 | 21 | 163 |
| Unearned premium reserves receivable from reinsurers | 58 | 70 | 58 | 70 |
| Claim reserves receivable from reinsurers | 20 | 28 | 20 | 28 |
| Reserves for long-term health insurance receivables from reinsurers | 668 | 664 | 668 | 664 |
| Policy loans | 9,447 | 8,676 | 9,447 | 8,676 |
| Debt plan investments | 9,250 | 9,250 | 9,200 | 9,200 |
| Other receivables | 2,464 | 1,485 | 3,522 | 1,497 |
| Term deposits | 279,155 | 228,272 | 277,655 | 228,272 |
| Available-for-sale financial assets | 414,812 | 424,634 | 411,908 | 421,379 |
| Held-to-maturity investments | 218,965 | 211,929 | 218,965 | 211,929 |
| Long-term equity investments | 8,393 | 8,222 | 11,177 | 11,007 |
| Statutory deposits | 6,153 | 6,153 | 5,653 | 5,653 |
| Fixed assets | 16,241 | 16,272 | 15,671 | 15,939 |
| Intangible assets | 2,775 | 2,763 | 2,751 | 2,742 |
| Deferred tax assets | 1,393 | 2,661 | 1,391 | 2,654 |
| Other assets | 1,167 | 1,208 | 1,166 | 1,205 |
| Total Assets | 1,067,780 | 990,164 | 1,064,578 | 988,541 |

Yang Chao
Chairman

Liu Jiade
Vice President in charge of
Accounting Affairs

Hwei-Chung Shao
Chief Actuary

Yang Zheng
Head of Financial Department

4.1 Balance sheet as at 31 March 2009 (unaudited) (continued)

RMB million (Unless otherwise stated)

| | As at 31 March 2009 Group | As at 31 December 2008 Group | As at 31 March 2009 Company | As at 31 December 2008 Company |
|---|------------------------------------|---------------------------------------|--------------------------------------|---|
| LIABILITIES AND EQUITY | | | | |
| Liabilities | | | | |
| Financial assets sold under agreements to repurchase | 15,997 | 11,390 | 15,100 | 11,200 |
| Premiums received in advance | 2,466 | 1,811 | 2,466 | 1,811 |
| Brokerage and commission payable | 1,694 | 1,654 | 1,693 | 1,654 |
| Due to reinsurers | 33 | 49 | 33 | 49 |
| Salary and welfare payable | 3,173 | 3,652 | 2,995 | 3,506 |
| Taxes payable | 2,861 | 1,952 | 2,840 | 1,946 |
| Claims payable | 7,130 | 4,980 | 7,130 | 4,980 |
| Policyholder dividends payable | 44,412 | 43,178 | 44,412 | 43,178 |
| Other payables | 3,544 | 3,501 | 2,865 | 3,534 |
| Policyholder deposits and agency business liabilities | 2,249 | 2,073 | 2,249 | 2,073 |
| Unearned premium reserves | 7,171 | 6,642 | 7,171 | 6,642 |
| Claim reserves | 2,503 | 2,629 | 2,503 | 2,629 |
| Reserves for life insurance | 817,827 | 761,349 | 817,827 | 761,349 |
| Reserves for long-term health insurance | 8,300 | 7,772 | 8,300 | 7,772 |
| Deferred tax liabilities | | | | |
| Other liabilities | 1,519 | 1,651 | 1,519 | 1,651 |
| Total liabilities | 920,879 | 854,283 | 919,103 | 853,974 |
| Shareholders' equity | | | | |
| Share capital | 28,265 | 28,265 | 28,265 | 28,265 |
| Capital reserves | 69,516 | 63,917 | 69,427 | 63,874 |
| Surplus reserves | 10,289 | 10,289 | 10,241 | 10,241 |
| General risk reserves | 3,801 | 3,801 | 3,801 | 3,801 |
| Retained earnings | 34,073 | 28,686 | 33,741 | 28,386 |
| Difference from conversion of foreign exchange statements | (1) | (1) | | |
| Total equity attributable to shareholders of the Company | 145,943 | 134,957 | 145,475 | 134,567 |
| Minority interests | 958 | 924 | | |
| Total shareholders' equity | 146,901 | 135,881 | 145,475 | 134,567 |
| Total liabilities and shareholders' equity | 1,067,780 | 990,164 | 1,064,578 | 988,541 |

Yang Chao
Chairman

Liu Jiade
Vice President in charge of
Accounting Affairs

Hwei-Chung Shao
Chief Actuary

Yang Zheng
Head of Financial Department

4.2 Income statement for the three months ended 31 March 2009 (unaudited)

RMB million (Unless otherwise stated)

| | For the three months ended 31 March | | For the three months ended 31 March | |
|--|--|------------------|--|------------------|
| | 2009 Group | 2008 Group | 2009 Company | 2008 Company |
| 1. Operating income | 116,325 | 111,073 | 116,247 | 110,941 |
| Premiums earned | 103,429 | 101,610 | 103,429 | 101,610 |
| Premium income | 104,001 | 102,154 | 104,001 | 102,154 |
| Including: reinsurance premium income | 1 | | 1 | |
| Less: Premiums ceded to reinsurers | (30) | 485 | (30) | 485 |
| Unearned premium reserves | (542) | (1,029) | (542) | (1,029) |
| Investment income | 11,672 | 15,099 | 11,632 | 14,983 |
| Including: income from associates | 209 | 353 | 209 | 353 |
| Fair value gains/(losses) | 841 | (5,515) | 838 | (5,493) |
| Foreign exchange gains/(losses) | 2 | (536) | 2 | (534) |
| Other operating income | 381 | 415 | 346 | 375 |
| 2. Operating expenses | (109,829) | (107,450) | (109,827) | (107,476) |
| Surrenders | (10,646) | (14,061) | (10,646) | (14,061) |
| Claims paid | (27,712) | (35,920) | (27,712) | (35,920) |
| Less: claims recoverable from reinsurers | 17 | 6 | 17 | 6 |
| Increase of insurance reserve | (56,883) | (43,865) | (56,883) | (43,865) |
| Less: insurance reserves recoverable from reinsurers | (4) | (151) | (4) | (151) |
| Policyholder dividends | (2,096) | (881) | (2,096) | (881) |
| Reinsurance expenses | | | | |
| Business tax and surcharges | (188) | (452) | (181) | (439) |
| Brokerage and commission fees | (6,227) | (5,745) | (6,227) | (5,745) |
| Administrative expenses | (3,767) | (3,751) | (3,665) | (3,681) |
| Less: expenses recoverable from reinsurers | 6 | (142) | 6 | (142) |
| Other operating expenses | (92) | (187) | (199) | (296) |
| Impairment losses | (2,237) | (2,301) | (2,237) | (2,301) |
| 3. Operating profit | 6,496 | 3,623 | 6,420 | 3,465 |
| Add: Non-operating income | 48 | 4 | 48 | 4 |
| Less: Non-operating expenses | (31) | (9) | (31) | (9) |
| 4. Net profit before income tax expenses | 6,513 | 3,618 | 6,437 | 3,460 |
| Less: Income tax expenses | (1,102) | (94) | (1,082) | (60) |
| 5. Net profit | 5,411 | 3,524 | 5,355 | 3,400 |
| 6. Attributable to: | | | | |
| Shareholders of the Company | 5,387 | 3,474 | | |
| Minority interests | 24 | 50 | | |
| 7. Earnings per share | | | | |
| Basic earnings per share | RMB0.19 | RMB0.12 | | |
| Diluted earnings per share | RMB0.19 | RMB0.12 | | |

Yang Chao
Chairman

Liu Jiade
Vice President in charge of
Accounting Affairs

Hwei-Chung Shao
Chief Actuary

Yang Zheng
Head of Financial Department

4.3 Cash flow statement for the three months ended 31 March 2009 (unaudited)

RMB million (Unless otherwise stated)

| | For the three months ended 31 March | | For the three months ended 31 March | |
|--|-------------------------------------|-----------------|-------------------------------------|-----------------|
| | 2009 Group | 2008 Group | 2009 Company | 2008 Company |
| 1. Cash flows from operating activities | | | | |
| Premiums received | 99,141 | 98,903 | 99,141 | 98,903 |
| Net cash from reinsurance business | 120 | 18 | 120 | 18 |
| Net increase in policyholder investments and agency business liabilities | 247 | | 247 | |
| Net cash from held-for-trading financial assets | 1,162 | | 1,142 | |
| Cash received from other operating activities | 957 | 702 | 526 | 691 |
| Sub-total of cash inflows from operating activities | 101,627 | 99,623 | 101,176 | 99,612 |
| Cash paid for claims | (36,212) | (47,118) | (36,212) | (47,118) |
| Net decrease in policyholder investments and agency business liabilities | | (266) | | (266) |
| Cash paid for brokerage and commission fees | (6,187) | (5,299) | (6,187) | (5,299) |
| Cash paid for policyholder dividends | (2,201) | (3,711) | (2,201) | (3,711) |
| Net cash paid for held-for-trading financial assets | | (2,460) | | (2,253) |
| Cash paid to and for employees | (2,074) | (1,874) | (2,039) | (1,815) |
| Cash paid for taxes and surcharges | (492) | (974) | (481) | (929) |
| Cash paid for other operating activities | (1,661) | (1,401) | (1,415) | (1,398) |
| Sub-total of cash outflows from operating activities | (48,827) | (63,103) | (48,535) | (62,789) |
| Net cash flows from operating activities | 52,800 | 36,520 | 52,641 | 36,823 |

Yang Chao
Chairman

Liu Jiade
Vice President in charge of
Accounting Affairs

Hwei-Chung Shao
Chief Actuary

Yang Zheng
Head of Financial Department

4.3 Cash flow statement for the three months ended 31 March 2009 (unaudited) (continued)

RMB million (Unless otherwise stated)

| | For the three months ended 31 March | | For the three months ended 31 March | |
|--|-------------------------------------|-----------------|-------------------------------------|-----------------|
| | 2009 Group | 2008 Group | 2009 Company | 2008 Company |
| 2. Cash flows from investing activities | | | | |
| Cash received from sales and redemption of investments | 59,099 | 21,048 | 58,092 | 20,790 |
| Cash received from investment income | 8,383 | 4,878 | 8,363 | 4,845 |
| Net cash received from disposals of fixed assets, intangible assets and other long-term assets | 58 | 39 | 58 | 39 |
| Net cash from securities purchased under agreements to resell | | 1,656 | | 1,453 |
| Sub-total of cash inflows from investing activities | 67,540 | 27,621 | 66,513 | 27,127 |
| Cash paid for acquisition of investments | (100,261) | (52,425) | (99,814) | (51,872) |
| Net increase in policy loans | (790) | (414) | (790) | (414) |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | (531) | (211) | (284) | (209) |
| Sub-total of cash outflows from investing activities | (101,582) | (53,050) | (100,888) | (52,495) |
| Net cash flows from investing activities | (34,042) | (25,429) | (34,375) | (25,368) |
| 3. Cash flows from financing activities | | | | |
| Cash received from capital contributions | | | | |
| Net proceeds from investment in securities sold under agreements to repurchase | 4,574 | | 3,868 | |
| Sub-total of cash inflows from financing activities | 4,574 | | 3,868 | |
| Net cash paid for securities sold under agreements to repurchase | | (212) | | (262) |
| Cash paid for dividends and interest | | | | |
| Sub-total of cash outflows from financing activities | | (212) | | (262) |
| Net cash flows from financing activities | 4,574 | (212) | 3,868 | (262) |
| 4. Effect of changes in foreign exchange rate on cash and cash equivalents | 2 | (102) | 2 | (99) |

4.3 *Cash flow statement for the three months ended 31 March 2009 (unaudited) (continued)**RMB million (Unless otherwise stated)*

| | For the three months ended 31 March | | For the three months ended 31 March | |
|--|--|---------------|--|-----------------|
| | 2009 Group | 2008 Group | 2009 Company | 2008 Company |
| 5. Net increase/(decrease) in cash and cash equivalents | 23,334 | 10,777 | 22,136 | 11,094 |
| Add: Opening balance of cash and cash equivalents | 34,085 | 25,317 | 33,934 | 24,808 |
| 6. Closing balance of cash and cash equivalents | 57,419 | 36,094 | 56,070 | 35,902 |

Yang Chao
Chairman

Liu Jiade
*Vice President in charge of
Accounting Affairs*

Hwei-Chung Shao
Chief Actuary

Yang Zheng
Head of Financial Department