



TO THE SHAREHOLDERS OF

INTERNATIONAL BANK OF ASIA LIMITED

(incorporated in Hong Kong with limited liability)

We have audited the financial statements on pages 42 to 124 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Hong Kong Companies Ordinance requires the directors to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently, that judgements and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified

Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Bank's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Bank and of the Group as at 31 December 2004 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants

Hong Kong, 1 March 2005



致港基國際銀行有限公司股東
(於香港註冊成立的有限公司)

各股東：

本核數師(以下簡稱「我們」)已審核刊於第42頁至第124頁按照香港公認會計原則而編製的財務報告。

董事及核數師各自的責任

香港《公司條例》規定董事須編製真實與公平的財務報告。在編製這些財務報告時，董事必須貫徹採用合適的會計政策，作出審慎及合理的判斷和估計，並說明任何重大背離通用會計準則的原因。

按照香港《公司條例》第141條，我們的責任是根據我們審核工作的結果，對這些財務報告作出獨立意見，只向股東報告，並不作其他目的。我們不會向其他人士就這財務報告內容承擔責任或接受法律責任。

意見基礎

我們是按照香港會計師公會頒佈的《核數準則》進行審核工作。審核範圍包括以抽查方式查核與財務報告所載數額及披

露事項有關的憑證，亦包括評估董事於編製財務報告時所作的主要估計和判斷，所釐定的會計政策是否適合 貴銀行及 貴集團的具體情況，以及有否貫徹運用並足夠披露這些會計政策。

我們在策劃和進行審核工作時，是以取得一切我們認為必須的資料及解釋為目標，使我們能獲得充份的憑證，就該等財務報告是否存在重大的錯誤陳述，作合理的確定。在提出意見時，我們亦已衡量財務報告所載資料在整體上是否足夠。我們相信，我們的審核工作已為下列意見建立合理的基礎。

意見

我們認為上述的財務報告均真實與公平地反映 貴銀行及 貴集團於二零零四年十二月三十一日的財政狀況及 貴集團截至該日止年度的溢利和現金流量，並已按照香港《公司條例》適當地編製。

畢馬威會計師事務所
執業會計師

香港，二零零五年三月一日