

REPORT OF THE AUDITORS



**Auditors' report to the shareholders of
China Insurance International Holdings Company Limited**
(Incorporated in Hong Kong with limited liability)

We have audited the financial statements on pages 86 to 194 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 Hong Kong Standards on Auditing 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 Company'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 Company and of the Group as at 31 December 2005 and of the Group's loss 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, 7 April 2006

核數師報告書



致中保國際控股有限公司各股東
(於香港註冊成立之有限公司)

本核數師已審核刊於第86頁至第194頁根據香港公認會計原則而編製之財務報表。

董事及核數師之責任

香港公司條例規定董事須編製財務報表以顯示真實公允之財務狀況。在編製該等財務報表時，董事必須貫徹採用適當之會計政策，作出審慎而合理之判斷及估計，並說明任何未有遵守現行會計準則之原因。

本核數師之責任乃根據我們審核工作的結果，對這些財務報表提出獨立意見，並按照香港公司條例第141節規定，僅向整體股東報告。除此以外，本核數師之報告書不可作其他用途。本核數師概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

意見之基礎

本核數師乃按照香港會計師公會頒佈之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表所載數額及披露事項有關之憑證，亦包括評估董事於編製該等財務報表時所作之重要估計及判斷、所釐定之會計政策是否適合貴公司及貴集團之具體情況及有否貫徹運用並作出足夠的披露。

本核數師於策劃及進行審核工作時，以力求取得一切認為必需之資料及解釋，使能獲得充分之憑證，從而就該等財務報表是否免除重大之錯誤陳述作合理之確定。在提出意見時，本核數師亦已衡量該等財務報表所載資料在整體上是否足夠。本核數師相信審核工作已為下列意見建立合理之基礎。

意見

依照本核數師之意見，該財務報表足以顯示貴公司及貴集團在二零零五年十二月三十一日真實公允之財政狀況，及結至該日止之貴集團全年虧損及現金流量，並已按照香港公司條例適當編製。

畢馬威會計師事務所
執業會計師

香港，二零零六年四月七日