

# Report of the Supervisory Committee

To all Shareholders,

During the reporting period, the supervisory committee has duly carried out its supervisory duties in a stringent manner and adhered to the principle of fairness and honesty to effectively protect the interests of the Company and its shareholders in accordance with the relevant provisions of the Company Law of the PRC and the Company's Articles of Association.

The supervisory committee currently consists of nine members. During the reporting period, the supervisory committee convened one financial review meeting and two supervisory committee meetings. In September and October 2004, certain members of the supervisory committee, together with the Company's representatives of independent non-executive directors, conducted research and investigations over the branches in Guizhou Province and Hubei Province of Ping An Property & Casualty Insurance Company of China, Ltd. and Ping An Life Insurance Company of China, Ltd., and provided a special investigation report and recommendations for improvement. During the reporting period, members of the supervisory committee attended the 2003 shareholders' general meeting and the extraordinary general meeting of the Company and four meetings of the board of directors. Through the above work, the supervisory committee carried out supervision over the performance of the Company's directors and senior management. This has ensured the continuous, stable and healthy development of the Group.

The 2004 Supervisory Committee Financial Review Meeting was held on April 15, 2005, during which the supervisory committee considered and reviewed the Group's 2004 Financial Review Report as well as the Feedbacks to the Questions and Recommendations in the Supervisory Committee Investigation Report, and reviewed and approved (i) the 2004 financial statements and a preliminary draft of the audit report which were prepared in accordance with the PRC Generally Accepted Accounting Principles and (ii) the 2004 financial statements and a preliminary draft of the audit report which were prepared in accordance with the International Financial Reporting Standards. The supervisory committee is of the view that the financial statements have been prepared in accordance with the relevant accounting standards, the accounting policies have been consistently applied and the statements truly and fairly reflects the financial condition and results of operations of the Group. The fifth meeting of the fourth supervisory committee was held on April 18, 2005, during which the Report of the Supervisory Committee, Proposal for the Increase of Annual Fees of Independent Supervisors, the 2004 Report on the Implementation of Internal Controls and the 2004 Report on the Anti-Corruption Campaign were reviewed and approved.

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The supervisory committee concluded that, during the reporting period, all members of the board of directors, the chief executive officer and other senior management had, under the principles of diligence, fairness and honesty, duly performed the responsibilities stipulated in the Company's Articles of Association, carefully implemented each resolutions of the General Meeting and the Board of Directors, and faithfully acted on the principles of maximizing the Group's value as well as the shareholders' best interests. They had spared no efforts in furthering the development of the Group, neither had they breached any laws, regulations and the Articles of Association of the Company nor done any acts which would prejudice the interests of the shareholders.

In the coming year, the supervisory committee shall broaden its scope of duties, put more efforts on strengthening its supervision, continue to explore new effective ways of supervision, and work for maximizing the Group's value and protecting all shareholders' best interests.

By order of the Supervisory Committee

**Xiao Shaolian**

*Chairman of the Supervisory Committee*

Shenzhen, PRC

April 18, 2005