

REGISTERED NUMBER: 02792480 (England and Wales)

Report of the Directors and
Financial Statements for the Year Ended 31 December 2011
for
CIC Holdings (Europe) Limited

Wilson & Co
Chartered Certified Accountants
and Registered Auditors
Suite 11, Townsend House
22-25 Dean Street
London
W1D 3RY

TUESDAY



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CIC Holdings (Europe) Limited

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for the Year Ended 31 December 2011

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CIC Holdings (Europe) Limited

Company Information
for the Year Ended 31 December 2011

DIRECTORS:

Z Y Meng
J Q Liu

SECRETARY:

J Q Liu

REGISTERED OFFICE:

3rd Floor
Communications Building
48 Leicester Square
London
WC2H 7LT

REGISTERED NUMBER:

02792480 (England and Wales)

AUDITORS:

Wilson & Co
Chartered Certified Accountants
and Registered Auditors
Suite 11, Townsend House
22-25 Dean Street
London
W1D 3RY

CIC Holdings (Europe) Limited

Report of the Directors
for the Year Ended 31 December 2011

The directors present their report with the financial statements of the company for the year ended 31 December 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of to be the holding company of its subsidiary engaged in running off activities in Europe, and to support the necessary business operations of CIC Deutschland based in Hamburg

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2011

The directors do not recommend the payment of a dividend for the year and the accumulated retained results will continue to be carried forward in the accounts

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report

Z Y Meng

J Q Liu

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

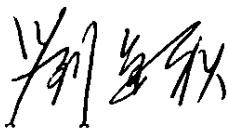
CIC Holdings (Europe) Limited

Report of the Directors
for the Year Ended 31 December 2011

AUDITORS

The auditors, Wilson & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'J Q Liu', written in a cursive style.

J Q Liu - Director

Date 18/04/2012

**Report of the Independent Auditors to the Shareholders of
CIC Holdings (Europe) Limited**

We have audited the financial statements of CIC Holdings (Europe) Limited for the year ended 31 December 2011 on pages five to nine. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

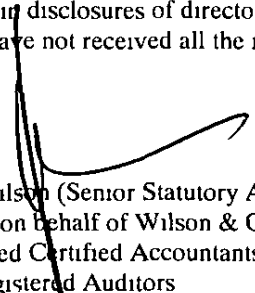
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Julie Wilson (Senior Statutory Auditor)
for and on behalf of Wilson & Co
Chartered Certified Accountants
and Registered Auditors
Suite 11, Townsend House
22-25 Dean Street
London
W1D 3RY

Date

18/04/2012

CIC Holdings (Europe) Limited

Profit and Loss Account
for the Year Ended 31 December 2011

	Notes	31 12 11 £	31 12 10 £
TURNOVER		2,760	2,858
Administrative expenses		<u>28,514</u>	<u>8,256</u>
OPERATING LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(25,754)	(5,398)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(25,754)</u>	<u>(5,398)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year

CIC Holdings (Europe) Limited

Balance Sheet

31 December 2011

	Notes	31 12 11 £	31 12 10 £
CURRENT ASSETS			
Debtors	6	10,692	-
Investments	7	1,454,145	1,450,862
Cash at bank		31,845	67,335
		<u>1,496,682</u>	<u>1,518,197</u>
CREDITORS			
Amounts falling due within one year	8	7,239	3,000
		<u>1,489,443</u>	<u>1,515,197</u>
NET CURRENT ASSETS			
		<u>1,489,443</u>	<u>1,515,197</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,489,443</u>	<u>1,515,197</u>
CAPITAL AND RESERVES			
Called up share capital	9	10,723,747	10,723,747
Profit and loss account	10	(9,234,304)	(9,208,550)
		<u>1,489,443</u>	<u>1,515,197</u>
SHAREHOLDERS' FUNDS	12	<u>1,489,443</u>	<u>1,515,197</u>

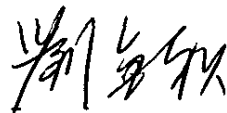
The financial statements were approved by the Board of Directors on its behalf by

18/04/2012

, and were signed on



Z Y Meng - Director



J Q Liu - Director

The notes form part of these financial statements

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements

Turnover

Turnover represents net invoiced sales of services, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Computer equipment	- 33% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

2 STAFF COSTS

There were no staff costs for the year ended 31 December 2011 nor for the year ended 31 December 2010

3 OPERATING LOSS

The operating loss is stated after charging

	31 12 11	31 12 10
	£	£
Auditors' remuneration	3,000	3,000
	<u> </u>	<u> </u>
Directors' remuneration	-	-
	<u> </u>	<u> </u>

4 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2011 nor for the year ended 31 December 2010

Notes to the Financial Statements - continued
for the Year Ended 31 December 2011

5 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2011				
and 31 December 2011	607	844	4,045	5,496
DEPRECIATION				
At 1 January 2011				
and 31 December 2011	607	844	4,045	5,496
NET BOOK VALUE				
At 31 December 2011	-	-	-	-
At 31 December 2010	-	-	-	-

6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 11 £	31 12 10 £
Prepayments	10,692	-

7 CURRENT ASSET INVESTMENTS

	31 12 11 £	31 12 10 £
Other	1,454,145	1,450,862

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 11 £	31 12 10 £
Accrued expenses	7,239	3,000

9 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	31 12 11 £	31 12 10 £
10,723,747	Ordinary		10,723,747	10,723,747

10 RESERVES

	Profit and loss account £
At 1 January 2011	(9,208,550)
Deficit for the year	(25,754)
At 31 December 2011	(9,234,304)

11 ULTIMATE CONTROLLING PARTY

At 31 December 2011, the company's ultimate parent undertaking and controlling party is China Insurance (Holdings) Company Limited, a company incorporated in P R China, registered office at Room 805, No 28 North Third Ring East Road, Yi Heng Office Building, Chao Yang District, Beijing, P R China

The company's immediate parent undertaking is China Insurance H K (Holdings) Company Limited, a company incorporated in Hong Kong, registered office at 22/F, Ming An Plaza, 8 Sunning Road, Causeway Bay, Hong Kong. This is the parent company of the smallest group into which the results of CIC Holdings (Europe) Limited are consolidated

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 12 11	31 12 10
	£	£
Loss for the financial year	(25,754)	(5,398)
Net reduction of shareholders' funds	(25,754)	(5,398)
Opening shareholders' funds	1,515,197	1,520,595
Closing shareholders' funds	1,489,443	1,515,197

CIC Holdings (Europe) Limited

Profit and Loss Account

for the Year Ended 31 December 2011

	31 12 11		31 12 10	
	£	£	£	£
Sales		2,760		2,858
Expenditure				
Post and stationery	6		-	
Travelling	1,178		2,113	
Sundry expenses	319		19	
Legal fees	5,008		-	
Auditors' remuneration	3,000		3,000	
Entertainment	18,919		11,380	
		28,430		16,512
		(25,670)		(13,654)
Finance costs				
Bank charges	150		169	
Credit card	-		20	
Foreign Exchange Difference	(66)		(8,445)	
		84		(8,256)
NET LOSS		(25,754)		(5,398)

This page does not form part of the statutory financial statements