信達國際控股有限公司
CINDA INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 111)

ANNOUNCEMENT OF 2008 FINAL RESULTS

The board of directors (the "Board") of Cinda International Holdings Limited (the "Company") is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31st December 2008 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December 2008

	Note	2008 HK$'000	2007 HK$'000 (restated)
Continuing operations			
Turnover	4	**100,395**	170,769
Other revenue	4	**1,357**	1,041
Other net income	4	**(2,023)**	1,987
		99,729	173,797
Staff costs		**31,838**	38,434
Commission expenses		**37,562**	69,992
Operating leases for land and buildings		**10,455**	9,283
Other operating expenses		**37,230**	34,847
Total operating expenses		**117,085**	152,556
Operating (loss)/profit		**(17,356)**	21,241
Finance costs		**(1,516)**	(8,417)
(Loss)/profit before taxation		**(18,872)**	12,824
Income tax	5	**(896)**	(2,682)
(Loss)/profit for the year from continuing operations		**(19,768)**	10,142
Discontinued operations			
Profit for the period/year from discontinued operations	6	**8,834**	30,217
(Loss)/profit for the year		**(10,934)**	40,359

	Note	2008	2007
		HK$'000	*HK$'000*
			(restated)
Attributable to:			
Equity holders of the Company		**(11,023)**	40,357
Minority interests		**89**	2
		(10,934)	40,359
Dividends attributable to the year:			
Interim dividend declared during the year	7	**—**	6,213
Final dividend proposed after the balance sheet date	7	**—**	10,393
Final dividend paid in respect of previous year	7	**22**	—
Distribution in specie	7	**133,379**	—
		133,401	16,606
(Loss)/earnings per share			
Basic			
— From continuing and discontinued operations	8(a)	**(HK2.64 cents)**	HK9.74 cents
— From continuing operations	8(a)	**(HK4.74 cents)**	HK2.45 cents
— From discontinued operations	8(a)	**HK2.10 cents**	HK7.29 cents

CONSOLIDATED BALANCE SHEET

As at 31st December 2008

	Note	**2008** *HK$'000*	2007 *HK$'000*
Non-current assets			
Intangible assets		**1,319**	6,871
Fixed assets		**7,752**	19,980
Interests in associates		—	15,288
Other assets		**3,600**	3,890
Available-for-sale financial assets		—	12,293
Deferred income tax assets		—	1,549
		12,671	59,871
Current assets			
Financial assets at fair value through profit or loss		**1,397**	5,602
Taxation recoverable		**177**	514
Trade and other receivables	9	**90,281**	471,516
Bank balances and cash	10	**188,130**	374,184
		279,985	851,816
Current liabilities			
Trade and other payables	11	**64,768**	454,810
Short-term loans and bank overdrafts		—	16,692
Current portion of obligations under finance lease		**506**	537
Taxation payable		—	4,006
		65,274	476,045
Net current assets		**214,711**	375,771
Total assets less current liabilities		**227,382**	435,642
Non-current liabilities			
Obligations under finance lease		—	506
Deferred income tax liabilities		—	170
Loan notes	12	—	42,525
		—	43,201
NET ASSETS		**227,382**	392,441

	Note	2008 HK$'000	2007 HK$'000
Capital and reserves			
Share capital		**42,230**	41,443
Other reserves		**136,204**	216,639
Retained earnings			
Proposed final dividend		**—**	10,393
Others		**48,948**	123,631
Total equity attributable to the equity holders of the Company		**227,382**	392,106
Minority interests		**—**	335
TOTAL EQUITY		**227,382**	392,441

NOTES:

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new and revised HKFRSs, that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

2. BASIS OF PREPARATION

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

— financial instruments classified as available-for-sale or as financial assets at fair value through profit or loss

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Due to the Group Reorganisation, as disclosed in note 6, which constituted discontinued operations under HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", certain comparative figures were restated so as to present the results for the continuing operations and discontinued operations.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following new Interpretations and an amendment to HKFRSs that are first effective for the current accounting period of the Group:

- HK(IFRIC) 11, HKFRS 2 — Group and treasury share transactions

- HK(IFRIC) 12, Service concession arrangements

- HK(IFRIC) 14, HKAS 19 — The limit on a defined benefit asset, minimum funding requirements and their interaction

- Amendment to HKAS39, Financial instruments: Recognition and measurement, and HKFRS 7, Financial instruments: Disclosures — Reclassification of financial assets

On 1st January 2008, the Group adopted HK(IFRIC) 11 'Group and Treasury Share Transactions' ('HK(IFRIC) 11'). The adoption of the new HKFRS does not have any effect on the loss after taxation and net assets of the Group.

Except for the above, other HKFRS developments have no material impact on the Group's financial statements as either they were consistent with accounting policies already adopted by the Group or they were not relevant to the Group's operations.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. TURNOVER, OTHER REVENUE, OTHER NET INCOME AND SEGMENT INFORMATION

	2008	2007
	HK$'000	*HK$'000*
		(restated)
From continuing operations		
Turnover		
Fees and commission	**68,706**	118,934
Net revenue/(loss) from foreign currency option trading	**6,358**	(570)
Net premium income from insurance broking	**528**	626
Swap interest and foreign exchange trading revenue	**16,698**	28,965
Interest income	**7,990**	20,751
Underwriting commission	**78**	1,598
Management, subscription and advisory fee income	**37**	465
	100,395	170,769
Other revenue		
Dividend income from listed securities	**81**	59
Other income	**1,276**	982
	1,357	1,041
Other net income		
Net exchange (losses)/gains	**(239)**	808
Net realised gains on financial assets at fair value through profit or loss	**183**	700
Net unrealised (losses)/gains on financial assets at fair value through profit or loss	**(1,967)**	479
	(2,023)	1,987
	99,729	173,797

	Period from 1st January 2008 to 27th November 2008 *HK$'000*	2007 *HK$'000* (restated)
From discontinued operations		
Turnover		
Fees and commission	**57,282**	80,014
Net revenue from		
— foreign currency option trading	**3,666**	7,070
— bullion trading	**83,329**	102,804
Swap interest and foreign exchange trading revenue	**79,613**	65,824
Interest income	**24,028**	37,372
Management, subscription and advisory fee income	**1,827**	1,908
	249,745	294,992
Other revenue		
Dividend income from listed securities	**116**	420
Dividend income from available-for-sale financial assets	**—**	138
Other income	**62**	250
	178	808
Other net income		
Net exchange (losses)/gains	**(6,317)**	6,001
Net realised gains on financial assets at fair value through profit or loss	**7**	1,645
Net unrealised losses on financial assets at fair value through profit or loss	**(1,099)**	(3,908)
Profit on disposal of available-for-sale financial assets	**3,072**	—
	(4,337)	3,738
	245,586	299,538

Primary reporting format — Business segments

Year ended 31st December 2008

	Continuing operations									Discontinued operations						
	Leveraged foreign exchange trading/ broking in Hong Kong 2008 *HK$'000*	Securities broking 2008 *HK$'000*	Commodities and futures broking 2008 *HK$'000*	Corporate finance 2008 *HK$'000*	Asset Management 2008 *HK$'000*	Financial planning/ insurance broking in Hong Kong 2008 *HK$'000*	Unallocated 2008 *HK$'000*	Inter-segment elimination 2008 *HK$'000*	Sub-total 2008 *HK$'000*	Leveraged foreign exchange trading/broking outside Hong Kong *HK$'000*	Financial planning outside Hong Kong *HK$'000*	Precious metal contracts trading/ broking *HK$'000*	Unallocated *HK$'000*	Inter-segment elimination *HK$'000*	Sub-total *HK$'000*	Consolidated 2008 *HK$'000*
										Period from 1st January 2008 to 27th November 2008						
Turnover from external customers	26,380	34,549	10,260	6,766	53	22,321	66	—	100,395	92,021	1,984	153,088	2,652	—	249,745	350,140
Inter-segment turnover	—	23	—	600	—	—	15,206	(15,829)	—	1,014	—	148	7,586	(8,748)	—	—
Total	26,380	34,572	10,260	7,366	53	22,321	15,272	(15,829)	100,395	93,035	1,984	153,236	10,238	(8,748)	249,745	350,140
Segment results	(2,917)	651	(193)	(2,491)	(946)	(766)	(10,694)	—	(17,356)	18,124	(7,034)	8,755	(4,789)	—	15,056	(2,300)
Operating (loss)/profit									(17,356)						15,056	(2,300)
Finance costs	(5)	(597)	(3)	(1)	—	(2)	(908)	—	(1,516)	—	—	(33)	(214)	—	(247)	(1,763)
									(18,872)						14,809	(4,063)
Share of profits of associates	—	—	—	—	—	—	—	—	—	—	—	—	2,105	—	2,105	2,105
(Loss)/profit before taxation									(18,872)						16,914	(1,958)
Income tax									(896)						(8,080)	(8,976)
(Loss)/profit after taxation									(19,768)						8,834	(10,934)
Minority interests									—						(89)	(89)
(Loss)/profit attributable to equity holders of the Company									(19,768)						8,745	(11,023)
Segment assets	84,423	123,672	32,369	9,936	4,612	13,857	23,610	—	292,479	—	—	—	—	—	—	292,479
Interests in associates	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unallocated assets									177						—	177
Total assets									292,656						—	292,656
Segment liabilities	970	43,856	9,876	300	65	6,175	4,032	—	65,274	—	—	—	—	—	—	65,274
Unallocated liabilities									—						—	—
Total liabilities									65,274						—	65,274
Capital expenditure	191	275	144	53	105	64	1,174	—	2,006	128	—	2,586	22,467	—	25,181	27,187
Depreciation	1,793	479	94	224	38	209	597	—	3,434	591	493	1,843	607	—	3,534	6,968
Impairment loss charged	—	282	—	255	—	103	—	—	640	104	—	532	399	—	1,035	1,675
Other non-cash expenses	(277)	5	—	—	—	3	(2)	—	(271)	—	—	1,004	(68)	—	936	665

Year ended 31st December 2007

	Continuing operations									Discontinued operations						
	Leveraged foreign exchange trading/ broking in Hong Kong 2007 *HK$'000* (restated)	Securities broking 2007 *HK$'000* (restated)	Commodities and futures broking 2007 *HK$'000* (restated)	Corporate finance 2007 *HK$'000* (restated)	Asset Management 2007 *HK$'000* (restated)	Financial planning/ insurance broking in Hong Kong 2007 *HK$'000* (restated)	Unallocated 2007 *HK$'000* (restated)	Inter-segment elimination 2007 *HK$'000* (restated)	Sub-total 2007 *HK$'000* (restated)	Leveraged foreign exchange trading/broking outside Hong Kong 2007 *HK$'000* (restated)	Financial planning outside Hong Kong 2007 *HK$'000* (restated)	Precious metal contracts trading/ broking 2007 *HK$'000* (restated)	Unallocated 2007 *HK$'000* (restated)	Inter-segment elimination 2007 *HK$'000* (restated)	Sub-total 2007 *HK$'000* (restated)	Consolidated 2007 *HK$'000*
Turnover from external customers	39,464	82,761	10,871	8,446	557	28,186	484	—	170,769	102,915	1,906	189,923	248	—	294,992	465,761
Inter-segment turnover	14	311	—	605	—	—	11,084	(12,014)	—	—	—	(4)	3,929	(3,925)	—	—
Total	39,478	83,072	10,871	9,051	557	28,186	11,568	(12,014)	170,769	102,915	1,906	189,919	4,177	(3,925)	294,992	465,761
Segment results	2,073	21,289	416	969	(988)	1,483	(4,001)	—	21,241	7,697	(7,596)	41,029	(2,516)	—	38,614	59,855
Operating profit									21,241						38,614	59,855
Finance costs	(4)	(4,849)	(1)	(1)	—	(3)	(3,559)	—	(8,417)	—	—	(55)	—	—	(55)	(8,472)
									12,824						38,559	51,383
Share of profits of associates	—	—	—	—	—	—	—	—	—	—	—	—	2,047	—	2,047	2,047
Profit before taxation									12,824						40,606	53,430
Income tax									(2,682)						(10,389)	(13,071)
Profit after taxation									10,142						30,217	40,359
Minority interests									—						(2)	(2)
Profit attributable to equity holders of the Company									10,142						30,215	40,357
Segment assets	95,240	210,721	33,545	13,567	5,982	16,158	44,842	—	420,055	197,482	14,487	241,547	20,765	—	474,281	894,336
Interests in associates	—	—	—	—	—	—	—	—	—	—	—	—	15,288	—	15,288	15,288
Unallocated assets									1,499						564	2,063
Total assets									421,554						490,133	911,687
Segment liabilities	1,591	110,301	10,649	264	64	4,893	56,782	—	184,544	260,143	991	68,233	1,159	—	330,526	515,070
Unallocated liabilities									177						3,999	4,176
Total liabilities									184,721						334,525	519,246
Capital expenditure	1,635	735	198	458	85	480	1,840	—	5,431	65	54	1,081	846	—	2,046	7,477
Depreciation	1,661	395	75	156	29	174	737	—	3,227	671	892	1,889	248	—	3,700	6,927
Impairment loss charged	—	—	—	—	—	—	—	—	—	765	—	146	—	—	911	911
Other non-cash expenses	57	—	—	—	—	104	207	—	368	1	—	278	247	—	526	894

Secondary reporting format — Geographical segments

	Turnover		Total assets		Capital expenditure	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(restated)		(restated)		(restated)
From continuing operations						
Hong Kong	**92,748**	85,288	**283,770**	387,791	**2,006**	5,305
Greater China (excluding Hong Kong)	**3,483**	3,807	**284**	17,312	**—**	126
Oceania	**3,344**	77,576	**—**	140	**—**	—
Switzerland	**(850)**	4,744	**—**	—	**—**	—
United States	**—**	3	**—**	—	**—**	—
United Kingdom	**1,042**	70	**8,425**	13,903	**—**	—
Other countries	**628**	(719)	**—**	909	**—**	—
	100,395	170,769	**292,479**	420,055	**2,006**	5,431
From discontinued operations						
Hong Kong	**98,925**	87,226	**—**	164,995	**3,963**	1,060
Greater China (excluding Hong Kong)	**156,387**	278,018	**—**	41,879	**21,050**	873
Oceania	**(680)**	(76,690)	**—**	13,112	**168**	48
Switzerland	**3,882**	(3,464)	**—**	89,314	**—**	38
United States	**103**	1,086	**—**	55,084	**—**	—
United Kingdom	**94**	1,729	**—**	73,296	**—**	—
Other countries	**(8,966)**	7,087	**—**	36,601	**—**	27
	249,745	294,992	**—**	474,281	**25,181**	2,046
	350,140	465,761	**292,479**	894,336	**27,187**	7,477
From continuing operations						
Unallocated assets			**177**	1,499		
From discontinued operations						
Interests in associates			**—**	15,288		
Unallocated assets			**—**	564		
			—	15,852		
Total assets			**292,656**	911,687		

5. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the consolidated income statement:

	Continuing operations		**Discontinued operations**		**Total**	
			Period from 1st January 2008 to 27th November 2008			
	2008	2007		2007	**2008**	2007
	HK$'000	*HK$'000* (restated)	***HK$'000***	*HK$'000* (restated)	***HK$'000***	*HK$'000*
Current taxation:						
— Hong Kong profits tax	**—**	242	**599**	7,001	**599**	7,243
— Overseas taxation	**—**	—	**7,135**	2,646	**7,135**	2,646
— One-off tax reduction in respect of prior year	**(56)**	—	**(27)**	—	**(83)**	—
— Under provision in respect of prior year	**43**	4	**132**	357	**175**	361
Deferred taxation:						
— Origination and reversal of temporary differences	**(72)**	2,436	**245**	385	**173**	2,821
— Deferred tax expenses arising from the write down of deferred tax assets	**929**	—	**—**	—	**929**	—
— Effect of decrease in tax rate on deferred tax balances at 1 January	**52**	—	**(4)**	—	**48**	—
Taxation expenses	**896**	2,682	**8,080**	10,389	**8,976**	13,071

6. GROUP REORGANISATION AND DISCONTINUED OPERATIONS

On 13th August 2008, the Company's then ultimate holding company, Hantec Holdings Limited ("HHL") entered into a share sale agreement ("Agreement") with Sinoday Limited ("Sinoday") and Silver Grant International Securities Investment Limited ("Silver Grant"), pursuant to which Sinoday and Silver Grant agreed to acquire 218,650,000 shares and 40,022,000 shares of the Company respectively from HHL, representing approximately 52.32% and 9.58% of the issued share capital of the Company as at the date of the Agreement. Completion of the Agreement was subject to, inter alia, approval by independent shareholders of the Company of a proposal to reorganise the Group (the "Group Reorganisation").

Pursuant to the resolution passed by the independent shareholders in the special general meeting held on 17th November 2008, a Group Reorganisation was approved. On 27th November 2008, the Group Reorganisation and the Agreement were completed. As a result, Sinoday acquired 258,672,000 shares of the Company from HHL and became the holding company of the Company.

Upon completion of the Group Reorganisation, (i) the Company continues to be a public listed company with its subsidiaries concentrating on carrying on the business of regulated activities under the SFO in Hong Kong, which include leveraged foreign exchange trading, securities broking and margin financing services, commodities and futures broking, financial planning, asset management and corporate finance services in Hong Kong (the "Retained Business"); (ii) Hantec Pacific Limited ("HPL") and its subsidiaries (the "HPL Group") continues to carry on the business of trading and broking of precious metal contracts, provision of financial related services outside of Hong Kong and investment in water plant business (the "Distributed Business"); and (iii) the shareholders of the Company received by way of a distribution in specie the shares of HPL on the basis of one share of HPL for one share of the Company held.

Details of the Group Reorganisation are set out in a circular of the Company dated 31st October 2008.

The results of the discontinued operations during the period/year are set out below.

	Period from 1st January 2008 to 27th November 2008 *HK$'000*	2007 *HK$'000*
Turnover	**249,745**	294,992
Other revenue	**178**	808
Other net income	**(4,337)**	3,738
	245,586	299,538
Staff costs	**47,941**	50,052
Commission expenses	**121,252**	156,517
Operating leases for land and buildings	**9,755**	7,349
Other operating expenses	**51,582**	47,006
Total operating expenses	**230,530**	260,924
Operating profit	**15,056**	38,614
Finance costs	**(247)**	(55)
	14,809	38,559
Share of profits of associates	**2,105**	2,047
Profit before taxation	**16,914**	40,606
Income tax		
— Current taxation	**(7,839)**	(10,004)
— Deferred taxation	**(241)**	(385)
Profit for the period/year	**8,834**	30,217

7. DIVIDENDS

Dividends payable to equity shareholders of the Company attributable to the year:

	2008 *HK$'000*	2007 *HK$'000*
Interim dividend paid:		
Nil cents (2007: HK1.5 cents) per share	**—**	6,213
Final dividend proposed:		
Nil cents (2007: HK2.5 cents) per share	**—**	10,393
Final dividend paid in respect of the previous financial year on shares issued under share option schemes subsequent to the balance sheet date and before the close of the Register of Members of the Company, of HK2.5 cents (2007: nil cents) per share	**22**	—
Distribution in specie	**133,379**	—
	133,401	16,606

8. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share from continuing and discontinued operations attributable to equity holders of the Company is based on the following data.

	2008 *HK$'000*	2007 *HK$'000*
(Loss)/earnings		
(Loss)/earnings for the year from continuing operations	**(19,768)**	10,142
Earnings for the year from discontinued operations	**8,745**	30,215
(Loss)/earnings for the year attributable to equity holders of the Company	**(11,023)**	40,357

	2008	2007
Number of shares		
Weighted average number of ordinary shares	**417,335,626**	414,173,835

Basic earnings per share from the discontinued operations is HK2.10 cents (2007: earnings per share of HK7.29 cents), which is calculated based on the earnings for the year from discontinued operations attributable to equity holders of the Company of HK$8,745,000 (2007: earnings of HK$30,215,000) and the weighted average number of ordinary shares detailed above.

(b) Diluted earnings per share

	2008	2007
Diluted earnings per share		
— From continuing and discontinued operations	**N/A**	N/A
— From continuing operations	**N/A**	N/A
— From discontinued operations	**HK2.08 cents**	N/A

Diluted earnings per share for the current year and diluted earnings per share from continuing operations for the current year have not been disclosed as both the Group and the continuing operations of the Group sustained a loss for the current year. The diluted earnings per share from the discontinued operations for the current year is calculated based on the adjusted weighted average number of 419,947,100 ordinary shares which is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares in respect of share options. The calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Diluted earnings per share for the previous year has not been disclosed as the outstanding share options have no dilutive effects on the basic earnings per share, as their exercise prices were above the average market price of the shares during the year.

9. TRADE AND OTHER RECEIVABLES

	2008	2007
	HK$'000	*HK$'000*
Trade receivables	**85,415**	453,726
Other receivables	**4,866**	17,790
Total trade and other receivables	**90,281**	471,516

The carrying amounts of trade and other receivables approximate their fair value.

As at 31st December 2008, the aging analysis of the trade receivables was as follows:

	2008	2007
	HK$'000	*HK$'000*
Current	**85,091**	447,349
30–60 days	**183**	121
Over 60 days	**141**	6,256
	85,415	453,726

The margin clients of the securities broking business are required to pledge their shares to the Group for credit facilities for securities trading. The amount of credit facilities granted to them is determined by the discounted value of shares acceptable by the Group after making reference to industry practices.

Credits are extended to other clients on a case-by-case basis in accordance with the financial status of clients such as their financial conditions, trading records, business profile and collateral available to the Group. Clients trading in leveraged foreign exchange contracts, commodities and futures contracts and obtaining securities margin financing from the Group are required to observe the Group's margin policies. For leveraged foreign exchange contracts and commodities and futures contracts, initial margins are normally required before trading and thereafter clients are normally required to keep the equity position at a prescribed maintenance margin level.

10. BANK BALANCES AND CASH

	2008	2007
	HK$'000	*HK$'000*
Cash in hand	**12**	422
Bank balances		
— pledged	**16,335**	15,706
— general accounts	**171,783**	358,056
	188,118	373,762
	188,130	374,184
By maturity:		
Bank balances		
— current and savings accounts	**171,783**	266,755
— fixed deposits (maturing within three months)	**16,335**	99,793
— fixed deposits (maturing over three months)	**—**	7,214
	188,118	373,762

11. TRADE AND OTHER PAYABLES

	2008	2007
	HK$'000	*HK$'000*
Trade and other payables	**64,768**	454,810

The carrying amounts of trade and other payables approximate their fair value.

The settlement terms of payable to clearing houses and securities trading clients from the ordinary course of business of broking in securities range from two to three days after the trade date of those transactions. Margin deposits received from clients for their trading of leveraged foreign exchange, commodities and futures contracts, and the balances were payable within one month.

12. LOAN NOTES

In the prior year, the Company issued loan notes to certain overseas and professional investors. The loan notes were unsecured, mature on the day falling three years after the issue date of the relevant notes and bore interest of 8.5% per annum on the principal amount. All loan notes have been redeemed during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Group Reorganisation

On 13th August 2008, the Company's then controlling shareholder, Hantec Holdings Limited ("HHL") entered into a share sale agreement (the "Agreement") with Sinoday Limited ("Sinoday") and Silver Grant International Securities Investment Limited ("Silver Grant"). Under the agreement, Sinoday and Silver Grant would acquire 218,650,000 and 40,022,000 shares of the Company from HHL respectively, representing approximately 52.32% and 9.58% of the issued share capital of the Company at the time of signing the Agreement. Completion of the Agreement was subject to, inter alia, approval by the independent shareholders of the Company of a proposal to reorganise the Group ("the Group Reorganisation"). Upon approval and implementation, the results of the Group Reorganisation would be as follows:

(i) The Company would continue to be a listed company, together with its subsidiaries (the "Retained Group"), and concentrate on the business of carrying out regulated activities under the SFO ("the Retained Business");

(ii) Hantec Pacific Limited ("HPL") and its subsidiaries (collectively "the HPL Group") would carry on the businesses of trading and broking of precious metal contracts, the provision of financial related services outside of Hong Kong, and investment in water plant business; and

(iii) The shareholders would receive by way of a distribution in specie the shares of HPL on the basis of one share of HPL for each share of the Company held.

The Group Reorganisation was completed on 27th November 2008.

After the change of the controlling shareholder, the Company changed its name to Cinda International Holdings Limited and adopted a secondary name 信達國際控股有限公司 on 31st December 2008.

Overall Review

After the Group Reorganisation, the Retained Business of the Group consisted of securities dealing, commodities and futures dealing, leveraged foreign exchange trading, corporate finance and asset management, and financial planning and insurance brokering.

Total revenue generated by the Retained Group was HK$99.7 million (2007: HK$173.8 million). Loss attributable to the Retained Group was HK$19.8 million (2007: profit of HK$10.1 million). The Group suffered an overall loss attributable to equity holders of HK$11.0 million (2007: profit HK$40.4 million). Loss per share was HK2.6 cents (2007: earnings per share HK9.7 cents). For the Retained Group, loss per share amounted to HK4.7 cents (2007: earnings per share HK2.5 cents).

During the first half year of 2008, the Group strived to maintain a profit attributable to equity holders of the Company at HK$4.8 million (2007: HK$17.2 million)

Leveraged Foreign Exchange Trading

The leveraged foreign exchange trading in the Retained Group produced a turnover of HK$26.4 million (2007: HK$39.5 million). However, it also resulted in a segment loss of HK$2.9 million (2007: profit of HK$2.1 million). Swap interest and foreign exchange trading revenue dropped significantly from HK$29.0 million in 2007 to HK$16.7 million, representing a 42% decrease as a result of the low business volume. Because of the financial tsunami, some currencies like the Australian Dollar and Pound Sterling experienced a very sudden decline against the US Dollar. As a result, investors who suffered losses became more conservative in the market. In addition, the widespread news on the loss resulted from foreign exchange accumulators further weakened investors' confidence.

Securities Dealing

The enthusiasm in the stock market in Hong Kong in 2008 cooled down compared to the atmosphere in 2007, particularly after the breakout of the financial tsunami in the second half of the year. Initial public offerings in the third and final quarter of the year are sparse. Investors turned away from the equity market following the mini-bond scandal, drop in accumulators and significant fluctuation in the equity market. The Hang Seng Index hit its lowest at 11,016 points on 27th October 2008. Compared to the historic high of 31,638 points recorded on 30th October 2007, it dropped more than 65.2%. More importantly, market turnover decreased from an average daily turnover of 87,781 million in the year of 2007 to 51,557 million in the last quarter of 2008.

During such a hard time, we strived to achieve a turnover of HK$34.6 million (2007: HK$82.8 million). The segment recorded a profit before finance cost of HK$0.7 million (2007: HK$21.3 million). Taking into account the finance cost, the segment was in a break-even situation.

Commodities and Futures Dealing

Business in commodities and futures dealing in the second half of the year saw a significant decrease. Turnover recorded in the year was HK$10.3 million (2007: HK$10.9 million), but out of this figure, HK$6.5 million (2007: HK$5.7 million) was recorded in the first half of the year. During the first half, there were signs that the market in 2008 would be prosperous. But the economy turned sour in the second half of the year after the fall in the price of most commodities, especially the heated items as crude oil, minerals and crops. As a result, the segment suffered a loss of HK$0.2 million (2007: profit of HK$0.4 million).

Corporate Finance

The wave of IPOs in 2007 has not been repeated this year. The number of IPOs plunged in the year, especially from the third quarter, and business nearly came to a halt. However, our corporate finance team has successfully sponsored one IPO on the Main Board. Revenue had been heavily reliant on consultancy fees from financial advisory jobs. This segment managed to record a turnover of HK$6.8 million (2007: HK$8.4 million). Due to the rise in operational costs, a loss of HK$2.5 million was recorded (2007: profit of HK$0.97 million). Although the current sluggish market situation may last for some time, we are confident that the business in this segment will improve in the medium term. Driving force in the corporate finance market will come from the PRC. As the controlling shareholder has strong ties in the PRC, the Group is optimistic that new business opportunities exist ahead.

Asset Management

Currently the Group's asset management business is inactive. The equity fund managed was liquidated during the year because investors holding a significant number of units redeemed their investment. Subsequent to the redemption, the fund size became too small to be run efficiently. The Group had no alternative but to liquidate the remaining units. Turnover was only HK$0.1 million (2007: HK$0.6 million) and a loss of HK$1.0 million (2007: loss HK$1.0 million) was recorded. The Group is currently exploring and analysing new business opportunities and hopes to bring the business back on track.

Financial Planning/Insurance Broking

Competition in the personal financial advisory and financial planning business remained keen in the first half year of 2008. However, due to the mini-bonds and accumulators crisis, retail investors totally lost interest in personal financial products. It is believed that it would take considerable time to rebuild their confidence. Consequently, turnover in the second half of the year dropped. Turnover of the whole year was HK$22.3 million (2007: 28.2 million), while a loss of HK$0.8 million was recorded (2007: profit of HK$1.5 million).

Financial Resources

Despite the net assets of the Group were reduced after the Group Reorganisation, the financial position of the Group remains strong. The fixed rate loan notes have all been redeemed from internal resources in order to save on interest costs. The Group did not have any loan outstanding as at 31st December 2008, while the net debt-to-adjusted capital ratio as at 31st December 2007 stood at 49.9%. The Group also strived to maintain highly liquid assets to prepare for any unexpected sudden changes in the market. As at the balance sheet date, the current ratio was 428.9% (2007: 178.9%).

Fluctuation in Foreign Exchange

As an active player in the foreign exchange market, the Group has laid down policies and maintained position limits and loss limits on its foreign currencies exposures as a result of its business transactions. The treasury function of the Group is responsible for implementing such policies. The risk management committee regularly reviews such policies and its implementation status in order to cope with the market conditions and the business volume. The Group's assets and liabilities are mainly denominated in Hong Kong Dollars and US Dollars to which the Hong Kong Dollars is pegged.

Remuneration and Human Resources Development

The human resource market has been slowing down in line with the downturn of the economy. It provides a good opportunity for the Group to equip its team at a more efficient cost. Nevertheless, the Group continues to offer terms which are competitive in the market to appropriate personnel. Fringe benefits include medical subsidies, education allowance, life insurance, and free CPT courses which are offered to different levels of staff. Motivation schemes are in place for staff who perform well. Account executives are rewarded with commission packages that are commensurate with their performance.

Contingent Liabilities

(i) Outstanding litigation cases

A few litigation cases are outstanding up to the date of this report. Under the Agreement, HHL and the then chairman of the Company undertakes to indemnify and keep indemnified the Company on a fully indemnity basis of any loss or liability suffered by the Group as a result of or in connection with the outstanding litigation cases.

(ii) Financial guarantees issued

(a) As at the balance sheet date, a subsidiary utilized HK$nil (2007: HK$16,678,805) of the aggregate banking facilities. The Company has issued corporate guarantees for a total principal amount of HK$255 million (HK$322 million) for these facilities.

(b) The Company also issued corporate guarantees to certain financial institutions for foreign exchange trading facilities granted to a subsidiary engaging in leveraged foreign exchange trading. The maximum liability is the trading loss and related incidental costs, in some cases, subject to an overall cap on the amount of the guarantee.

(c) As at the balance sheet date, the directors do not consider it probable that a claim will be made against the Company under any of the guarantees.

Looking Forward

The collapse of certain prominent financial institutions in the United States caused a far reaching effect which deteriorated the confidence of investors in the major economies. Market activity reduced significantly, and we saw major setbacks in the retail, corporate and institutional market. Certain major economies expect to record negative economic growth in the forthcoming year. China is the only leading nation that could post a good economic growth in 2008. As mentioned by the Prime Minister, the central government aims to maintain an annual economic growth of 8% in 2009. After the Group Reorganisation, the controlling shareholders changed to China Cinda Asset Management Corporation ("China Cinda"), the shareholder of which is the Ministry of Finance of the PRC. China Cinda provides a vast variety of financial services to its clients through its subsidiaries and affiliates in different sectors of the financial industry. The management will leverage on its relationship with China Cinda with a hope to provide appropriate financial services to meet the needs of their clients. New business opportunities in the Mainland are also being explored by the management. On the cost side, the management has adopted a conservative approach in order to minimise its operating expenses. The Group has confidence that it can enhance its stakeholders' value in the medium term despite the current difficult economic situation.

FINAL DIVIDEND

The directors do not recommend the payment of a final dividend for the year ended 31st December 2008 (2007: HK$0.025 per share).

SCOPE OF WORK OF KPMG

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st December 2008 have been compared by the Company's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this Announcement.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year ended 31st December 2008. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE

The Group aims to maintain a high standard of corporate governance through the adoption of the Code Provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Throughout the financial year 2008, the Group fully complied with all the Code Provisions, save for the deviation specified with considered reasons below.

Code Provision A.2.1

Prior to the Group Reorganisation, the Group deviated from the provision under Code Provision A.2.1 which stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. There was no chief executive officer in the Group during the year. Prior to the Group Reorganisation, Mr. Tang Yu Lap was the chairman of the Group. The Board at that time believed that the structure gave significant benefits to the Group as it maintained a strong and effective leadership and ensured an efficient decision making process. The balance of power and authority was enabled by the Board at that time. Daily operation was vested with the Executive Management Committee ("EMC") which at the time comprised certain directors and members from the senior management.

Subsequent to the restructuring of the Board, Mr. Chen Xiaozhou was appointed the chairman of the Company on 2nd December 2008. Mr. Zhao Hongwei was appointed managing director of the Company on 18th January 2009. Mr. Zhao Hongwei is responsible for the overall operation of the Group and performs the role of chief executive officer.

AUDIT COMMITTEE

The Audit Committee has reviewed the internal controls and financial reporting matters of the Group together with a review of the annual results for the year ended 31st December 2008.

PUBLICATION OF RESULT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange of Hong Kong Limited at http://www.hkex.com.hk and the Company's website at http://www.cinda.com.hk. The 2008 Annual Report of the Company will be published on the same websites and dispatched to the shareholders of the Company in due course.

By Order of the Board
Cinda International Holdings Limited
Chen Xiaozhou
Chairman

Hong Kong, 14th April 2009

At the date of this announcement, the Board comprises of the following directors:

Executive Directors:	Mr. Chen Xiaozhou *(Chairman)* Mr. Gao Guanjiang *(Deputy Chairman)* Mr. Gu Jianguo Mr. Zhao Hongwei Mr. Gong Zhijian Mr. Lau Mun Chung
Non-executive Director:	Mr. Chow Kwok Wai
Independent Non-executive Directors:	Mr. Wang Tongsan Mr. Chen Gongmeng Mr. Hung Muk Ming

http://www.cinda.com.hk