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 2009 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 2009 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December 2009

	Note	**2009** *HK$'000*	2008 *HK$'000*
Continuing operations			
Turnover	4	**96,614**	100,395
Other revenue	4	**892**	1,357
Other net income/(loss)	4	**992**	(2,023)
		98,498	99,729
Staff costs		**43,716**	31,838
Commission expenses		**37,112**	37,562
Operating leases for land and buildings		**12,027**	10,455
Other operating expenses		**24,994**	37,230
Total operating expenses		**117,849**	117,085
Operating loss		**(19,351)**	(17,356)
Finance costs		**(283)**	(1,516)
		(19,634)	(18,872)
Share of profits of associates	9	**24,046**	—
Profit/(loss) before taxation		**4,412**	(18,872)
Income tax	5	**—**	(896)
Profit/(loss) for the year from continuing operations		**4,412**	(19,768)
Discontinued operations			
Profit for the period from discontinued operations	6	**—**	8,834
Profit/(loss) for the year		**4,412**	(10,934)

	Note	**2009**	2008
		HK$'000	*HK$'000*
Attributable to:			
Equity holders of the Company		**4,412**	(11,023)
Minority interests		**—**	89
		4,412	(10,934)
Earnings/(loss) per share			
Basic			
— From continuing and discontinued operations	8(a)	**HK0.97 cents**	(HK2.64 cents)
— From continuing operations	8(a)	**HK0.97 cents**	(HK4.74 cents)
— From discontinued operations	8(a)	**N/A**	HK2.10 cents
Diluted			
— From continuing and discontinued operations	8(b)	**HK0.97 cents**	(HK2.64 cents)
— From continuing operations	8(b)	**HK0.97 cents**	(HK4.74 cents)
— From discontinued operations	8(b)	**N/A**	HK2.08 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2009

	Note	2009 HK$'000	2008 HK$'000
Profit/(loss) for the year		**4,412**	(10,934)
Other comprehensive income for the year:			
Available-for-sale financial assets			
— Change in fair value during the year		**—**	(133)
— Transfer to profit or loss on disposal		**—**	(2,558)
— Share of transfer to profit or loss on disposal from associates' investment revaluation reserve		**(23,883)**	—
Net movement in investment revaluation reserve		**(23,883)**	(2,691)
Exchange differences on translation of:			
— Financial statements of overseas subsidiaries		**—**	(17,621)
— Share of associates' exchange reserve		**21**	—
		21	(17,621)
		(23,862)	(20,312)
Total comprehensive income for the year		**(19,450)**	(31,246)
Total comprehensive income attributable to:			
Equity holders of the Company		**(19,450)**	(31,335)
Minority interests		**—**	89
Total comprehensive income for the year		**(19,450)**	(31,246)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December 2009

	Note	2009 HK$'000	2008 HK$'000
Non-current assets			
Intangible assets		**1,319**	1,319
Fixed assets		**5,610**	7,752
Interests in associates	9	**125,874**	—
Other assets		**4,166**	3,600
		136,969	12,671
Current assets			
Financial assets at fair value through profit or loss		**2,491**	1,397
Taxation recoverable		**—**	177
Trade and other receivables	10	**230,076**	90,281
Bank balances and cash	11	**160,181**	188,130
		392,748	279,985
Current liabilities			
Trade and other payables	12	**88,297**	64,768
Current portion of obligations under finance lease		**—**	506
		88,297	65,274
Net current assets		**304,451**	214,711
Total assets less current liabilities		**441,420**	227,382
NET ASSETS		**441,420**	227,382
Capital and reserves			
Share capital		**53,434**	42,230
Other reserves		**334,626**	136,204
Retained earnings		**53,360**	48,948
TOTAL EQUITY		**441,420**	227,382

NOTES:

1. STATEMENT OF COMPLIANCE

This financial report has been prepared on a basis consistent with the accounting policies adopted in the Group's 2009 annual financial statements. The Group's 2009 annual 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 financial information set out in this report does not constitute the Group's statutory financial statements for the year ended 31 December 2009, but is derived form those financial statements.

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:

— 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.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued one new HKFRS, a number of amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 8, Operating segments
- HKAS 1 (revised), Presentation of financial statements
- Amendments to HKFRS 7, Financial instruments: Disclosures — improving disclosures about financial instruments

HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management and has resulted in additional reportable segments being identified and presented (see note 4). Corresponding amounts have also been provided on a basis consistent with the revised segment information.

As a result of the adoption of HKAS 1 (revised), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expenses are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

As a result of the adoption of the amendments to HKFRS 7, the financial statements include expanded disclosures about the fair value measurement of the Group's financial instruments, categorising these fair value measurements into a three-level fair value hierarchy according to the extent to which they are based on observable market data. The Group has taken advantage of the transitional provisions set out in the amendments to HKFRS 7, under which comparative information for the newly required disclosures about the fair value measurements of financial instruments has not been provided.

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/(LOSS) AND SEGMENT INFORMATION

	2009	2008
	HK$'000	*HK$'000*
From continuing operations		
Turnover		
Fees and commission	**62,493**	68,706
Net revenue from foreign currency option trading	**475**	6,358
Net premium income from insurance broking	**384**	528
Swap interest and foreign exchange trading revenue	**8,201**	16,698
Interest income	**5,491**	7,990
Underwriting commission	**19,570**	78
Management, subscription and advisory fee income	**—**	37
	96,614	100,395
Other revenue		
Dividend income from listed securities	**183**	81
Other income	**709**	1,276
	892	1,357
Other net income/(loss)		
Net exchange losses	**(369)**	(239)
Net realised gains on financial assets at fair value through profit or loss	**417**	183
Net unrealised gains/(losses) on financial assets at fair value through profit or loss	**944**	(1,967)
	992	(2,023)
	98,498	99,729

	2009 *HK$'000*	Period from 1st January 2008 to 27th November 2008 *HK$'000*
From discontinued operations		
Turnover		
Fees and commission	—	57,282
Net revenue from		
— foreign currency option trading	—	3,666
— bullion trading	—	83,329
Swap interest and foreign exchange trading revenue	—	79,613
Interest income	—	24,028
Management, subscription and advisory fee income	—	1,827
	—	249,745
Other revenue		
Dividend income from listed securities	—	116
Other income	—	62
	—	178
Other net income/(loss)		
Net exchange losses	—	(6,317)
Net realised gains on financial assets at fair value through profit or loss	—	7
Net unrealised losses on financial assets at fair value through profit or loss	—	(1,099)
Profit on disposal of available-for-sale financial assets	—	3,072
	—	(4,337)
	—	245,586

Segment information

Year ended 31st December 2009

	Continuing operations							Discontinued operations				
	Securities broking 2009 *HK$'000*	Corporate finance 2009 *HK$'000*	Leveraged foreign exchange trading/ broking in Hong Kong 2009 *HK$'000*	Commodities and futures broking 2009 *HK$'000*	Financial planning/ insurance broking in Hong Kong 2009 *HK$'000*	Asset management 2009 *HK$'000*	Sub-total 2009 *HK$'000*	Leveraged foreign exchange trading/ broking outside Hong Kong 2009 *HK$'000*	Financial planning outside Hong Kong 2009 *HK$'000*	Precious metal contracts trading/ broking 2009 *HK$'000*	Sub-total 2009 *HK$'000*	Total 2009 *HK$'000*
Turnover from external customers	39,995	24,260	14,502	4,567	13,284	1	96,609	—	—	—	—	96,609
Inter-segment turnover	65	—	3	1	—	—	69	—	—	—	—	69
Reportable segment turnover	40,060	24,260	14,505	4,568	13,284	1	96,678	—	—	—	—	96,678
Reportable segment results (EBIT)	(1,760)	914	(10,105)	(3,010)	(1,168)	(160)	(15,289)	—	—	—	—	(15,289)
Interest income from bank deposits	13	1	16	1	2	1	34	—	—	—	—	34
Interest expense	(271)	(7)	(2)	(1)	(1)	—	(282)	—	—	—	—	(282)
Depreciation for the year	(497)	(256)	(1,516)	(127)	(39)	(40)	(2,475)	—	—	—	—	(2,475)
Reportable segment assets	252,603	25,014	70,115	23,878	18,171	4,435	394,216	—	—	—	—	394,216
Additions to non-current segment assets during the year	1,093	21	28	124	5	—	1,271	—	—	—	—	1,271
Reportable segment liabilities	76,296	10,837	1,316	4,550	6,660	26	99,685	—	—	—	—	99,685

Year ended 31st December 2008

	Continuing operations							Discontinued operations				
	Securities broking 2008 *HK$'000* (restated)	Corporate finance 2008 *HK$'000* (restated)	Leveraged foreign exchange trading/ broking in Hong Kong 2008 *HK$'000* (restated)	Commodities and futures broking 2008 *HK$'000* (restated)	Financial planning/ insurance broking in Hong Kong 2008 *HK$'000* (restated)	Asset management 2008 *HK$'000* (restated)	Sub-total 2008 *HK$'000* (restated)	Leveraged foreign exchange trading/ broking outside Hong Kong Period from 1st January 2008 to 27th November 2008 *HK$'000* (restated)	Financial planning outside Hong Kong *HK$'000* (restated)	Precious metal contracts trading/ broking *HK$'000* (restated)	Sub-total *HK$'000* (restated)	Total 2008 *HK$'000* (restated)
Turnover from external customers	34,549	6,766	26,380	10,260	22,321	53	100,329	92,021	1,984	153,088	247,093	347,422
Inter-segment turnover	23	600	—	—	—	—	623	1,014	—	148	1,162	1,785
Reportable segment turnover	34,572	7,366	26,380	10,260	22,321	53	100,952	93,035	1,984	153,236	248,255	349,207
Reportable segment results (EBIT)	2,193	(2,491)	(3,562)	(208)	(786)	(946)	(5,800)	18,545	(7,034)	8,713	20,224	14,424
Interest income from bank deposits	496	34	570	84	50	16	1,250	1,295	160	492	1,947	3,197
Interest expense	(597)	(1)	(5)	(3)	(2)	—	(608)	—	—	(33)	(33)	(641)
Depreciation for the year	(479)	(224)	(1,793)	(94)	(209)	(38)	(2,837)	(591)	(493)	(1,843)	(2,927)	(5,764)
Reportable segment assets	123,672	10,236	84,423	32,369	13,858	4,713	269,271	—	—	—	—	269,271
Additions to non-current segment assets during the year	275	53	191	144	64	105	832	128	—	2,586	2,714	3,546
Reportable segment liabilities	45,332	966	3,016	10,030	7,353	145	66,842	—	—	—	—	66,842

Reconciliation of reportable turnover

	2009 **HK$'000**	2008 *HK$'000* (restated)
Turnover		
From continuing operations		
Reportable segment turnover	**96,678**	100,952
Elimination of inter-segment turnover	**(69)**	(623)
Unallocated head office and corporate turnover	**5**	66
	96,614	100,395
From discontinued operations		
Reportable segment turnover	**—**	248,255
Elimination of inter-segment turnover	**—**	(1,162)
Unallocated head office and corporate turnover	**—**	2,652
	—	249,745
Consolidated turnover	**96,614**	350,140

Reconciliation of reportable results

Results		
From continuing operations		
Reportable segment loss	**(15,289)**	(5,800)
Elimination of inter-segment profits	**(3)**	(862)
Reportable segment loss derived from group's external customers	**(15,292)**	(6,662)
Share of profits of associates	**24,046**	—
Finance costs	**(283)**	(1,516)
Unallocated head office and corporate expenses	**(4,059)**	(10,694)
	4,412	(18,872)

	2009 *HK$'000*	Period from 1st January 2008 to 27th November 2008 *HK$'000* (restated)
From discontinued operations		
Reportable segment profit	—	20,224
Elimination of inter-segment profits	—	(379)
Reportable segment profit derived from group's external customers	—	19,845
Share of profits of associates	—	2,105
Finance costs	—	(247)
Unallocated head office and corporate revenues	—	(4,789)
	—	16,914
Consolidated profit/(loss) before taxation	**4,412**	(1,958)

Reconciliation of reportable assets and liabilities

	2009 ***HK$'000***	2008 *HK$'000*
Assets		
Reportable segment assets	**394,216**	269,271
Elimination of inter-segment receivables	**(4,796)**	(402)
	389,420	268,869
Interests in associates	**125,874**	—
Tax recoverable	—	177
Unallocated head office and corporate assets	**14,423**	23,610
Consolidated total assets	**529,717**	292,656
Liabilities		
Reportable segment liabilities	**99,685**	66,842
Elimination of inter-segment payables	**(13,086)**	(5,600)
	86,599	61,242
Unallocated head office and corporate liabilities	**1,698**	4,032
Consolidated total liabilities	**88,297**	65,274

Geographic information

	Revenues from external customers		Specified non-current assets	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
				(restated)
From continuing operations				
Hong Kong	**92,008**	92,748	**136,969**	12,671
Greater China (excluding Hong Kong)	**3,888**	3,483	**—**	—
Oceania	**290**	3,344	**—**	—
Switzerland	**—**	(850)	**—**	—
United Kingdom	**170**	1,042	**—**	—
Other countries	**258**	628	**—**	—
	96,614	100,395	**136,969**	12,671
From discontinued operations				
Hong Kong	**—**	98,925	**—**	—
Greater China (excluding Hong Kong)	**—**	156,387	**—**	—
Oceania	**—**	(680)	**—**	—
Switzerland	**—**	3,882	**—**	—
United States	**—**	103	**—**	—
United Kingdom	**—**	94	**—**	—
Other countries	**—**	(8,966)	**—**	—
	—	249,745	**—**	—
	96,614	350,140	**136,969**	12,671

5. INCOME TAX

No Hong Kong profits tax has been made for the current year as the Group companies either sustained a loss for taxation purposes or their tax losses brought forward exceeded their assessable profits for the current year. Hong Kong profits tax had been provided at the rate of 16.5% in 2008 on the estimated assessable profits for the prior year. Taxation on overseas profits in 2008 had been calculated on the estimated assessable profits for the prior year at the rates of taxation prevailing the countries in which the Group operated.

Reconciliation between tax expense and accounting (loss)/profit at applicable tax rates:

	Continuing operations		**Discontinued operations**		**Total**	
				Period from 1st January 2008 to 27th November		
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
(Loss)/profit before taxation (excluding share of profits of associates)	**(19,634)**	(18,872)	—	14,809	**(19,634)**	(4,063)
Notional tax on (loss)/profit before taxation, calculated at the rate applicable to profits in the countries concerned	**(3,240)**	(3,114)	—	4,644	**(3,240)**	1,530
Tax effect of income not subject to taxation purposes	**(200)**	(1,287)	—	(482)	**(200)**	(1,769)
Tax effect of expenses not deductible for taxation purposes	**124**	515	—	642	**124**	1,157
Utilisation of previously unrecognised tax losses	**(154)**	(108)	—	—	**(154)**	(108)
Derecognition of deferred tax assets	—	929	—	—	—	929
Effect on opening deferred tax balances resulting from a decrease in tax rate during the period	—	52	—	(4)	—	48
Tax losses for which no deferred income tax assets were recognised	**3,225**	3,922	—	3,175	**3,225**	7,097
One-off tax reduction in respect of prior year	—	(56)	—	(27)	—	(83)
Under-provision in respect of prior year	**205**	43	—	132	**205**	175
Others	**40**	—	—	—	**40**	—
Taxation expenses	—	896	—	8,080	—	8,976

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 Recognisation").

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 218,650,000 shares of the Company from HHL and became the holding company of the Company.

Upon completion of the Group Reorganisation, (i) the Company continued 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") continued to carry on the business of trading and broking of precious metal contracts, provision of financial related services outside Hong Kong and investment in water plant business (the "Distributed Business"); and (iii) the shareholders received by way of 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 are set out below. The discontinued operations ceased before 1st January 2009 and therefore there is no result presented for the current year.

	Note	Period from 1st January 2008 to 27th November 2008 *HK$'000*
Turnover	4	249,745
Other revenue	4	178
Other net income	4	(4,337)
		245,586
Staff costs		47,941
Commission expenses		121,252
Operating leases for land and buildings		9,755
Other operating expenses		51,582
Total operating expenses		230,530
Operating profit		15,056
Finance costs		(247)
		14,809
Share of profits of associates		2,105
Profit before taxation		16,914
Income tax		
— Current taxation		(7,839)
— Deferred taxation		(241)
Profit for the period		8,834

7. DIVIDENDS

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

	2009 ***HK$'000***	2008 *HK$'000*
Distribution in specie	—	133,379

Dividend payable to equity holders of the Company attributable to previous financial year:

	2009	2008
	HK$'000	*HK$'000*
Final dividend paid in respect of the previous financial year on shares issued under share option schemes subsequent to the date of statement of financial position and before the close of the Register of Members of the Company, of nil cents (2008: HK2.5 cents) per share	**—**	22

8. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to ordinary equity shareholders of the Company of HK$4,412,000 (2008: loss of HK$11,023,000) and the weighted average of 456,285,123 ordinary shares (2008: 417,335,626 ordinary shares) in issue during the year, calculated as follows:

(i) Profit/(loss) attributed to ordinary equity shareholders of the Company

	2009	2008
	HK$'000	*HK$'000*
Earnings/(loss) for the year from continuing operations	**4,412**	(19,768)
Earnings for the year from discontinued operations	**—**	8,745
Earnings/(loss) for the year attributable to equity holders of the Company	**4,412**	(11,023)

(ii) Weighted average number of ordinary shares

	2009	2008
Issued ordinary shares at 1st January	**422,303,000**	414,430,000
Effect of new shares issued during the year	**33,982,123**	2,905,626
Weighted average number of ordinary shares at 31st December	**456,285,123**	417,335,626

(b) Diluted earnings/(loss) per share

The calculation of diluted earnings/(loss) per share is based on the profit/(loss) attributable to ordinary equity shareholders of the Company of HK$4,412,000 (2008: loss of HK$11,023,000) and the weighted average number of ordinary shares of 456,285,123 shares (2008: 419,947,100 shares), calculated as follows:

(i) Profit/(loss) attributed to ordinary equity shareholders of the Company (diluted)

	2009	2008
	HK$'000	*HK$'000*
Earnings/(loss) for the year from continuing operations	**4,412**	(19,768)
Earnings for the year from discontinued operations	**—**	8,745
Earnings/(loss) for the year attributable to equity holders of the Company	**4,412**	(11,023)

(ii) Weighted average number of ordinary shares (diluted)

	2009	2008
Weighted average number of ordinary shares	**456,285,123**	417,335,626
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	**—**	2,611,474
Weighted average number of ordinary shares (diluted) at 31st December	**456,285,123**	419,947,100

9. INTERESTS IN ASSOCIATES

	2009	2008
	HK$'000	*HK$'000*
Share of net assets at 1st January	**—**	9,740
Share of associates' results for the year		
— profit before taxation	**33,749**	3,044
— taxation	**(9,703)**	(939)
	24,046	2,105
Share of associates' other comprehensive income for the year	**(23,862)**	—
	184	11,845
Acquisition of an associate	**125,690**	—
Transfer to available-for-sale financial assets	**—**	(849)
Dividend income from an associate	**—**	(1,719)
Exchange difference	**—**	(353)
Share of net assets at 31st December/27th November	**125,874**	8,924
Loan to an associate	**—**	10,000
Goodwill	**—**	548
Distribution in specie	**—**	(19,472)
Interests in associates	**125,874**	—

On 11th December 2009, Cinda International Direct Investment Limited, a wholly-owned subsidiary of the Company, acquired 40% of the issued share capital of Sino-Rock Investment Management Company Limited ("Sino-Rock"), a company incorporated in Hong Kong with limited liability, from an intermediate holding company of the Company.

The consideration of the acquisition was satisfied by:

(i) HK$55,150,000 in cash; and

(ii) 27,575,000 shares of the Company issued to the intermediate holding company (representing a fair value of HK$50,738,000 as at 11th December 2009).

As both the Company and the intermediate holding company are ultimately controlled by China Cinda Asset Management Corporation, the above transaction is considered as a business combination involving entities under common control. The Company adopted book value accounting to account for the acquisition, i.e. the excess of the net assets of Sino-Rock of HK$125,690,000 as at 11th December 2009 over the cost of acquisition of HK$107,014,000 (being cash consideration plus fair value of the Company's shares issued plus directly attributable costs) is recognised as a notional capital contribution of HK$18,676,000.

10. TRADE AND OTHER RECEIVABLES

	2009	2008
	HK$'000	*HK$'000*
Trade receivables	**221,355**	85,415
Other receivables	**8,721**	4,866
Total trade and other receivables	**230,076**	90,281

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

As at 31st December 2009, the aging analysis of the trade receivables is as follows:

	2009	2008
	HK$'000	*HK$'000*
Current	**212,121**	85,091
30–60 days	**511**	183
Over 60 days	**8,723**	141
	221,355	85,415

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.

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.

11. BANK BALANCES AND CASH

	2009	2008
	HK$'000	*HK$'000*
Cash in hand	**14**	12
Bank balances		
— pledged	**12,001**	16,335
— general accounts	**148,166**	171,783
	160,167	188,118
	160,181	188,130
By maturity:		
Bank balances		
— current and savings accounts	**148,166**	171,783
— fixed deposits (maturing within three months)	**12,001**	16,335
	160,167	188,118

12. TRADE AND OTHER PAYABLES

	2009	2008
	HK$'000	*HK$'000*
Trade and other payables	**88,297**	64,768

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 repayable on demand.

The effective interest rate paid on trade payables as at the end of reporting period is 0.01% per annum (2008: 0.01%).

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Review

The year 2009 was a challenging year. We experienced a poor market sentiment in the first half of the year, especially in the first quarter when the atmosphere was dull. In the first half of the year, the Group recorded turnover of only HK$31.4 million and a loss of HK$22.4 million. Governments around the world implemented rescue plans and stimulus packages. In the second half of the year, the world economy improved and the market recovered. We saw a rise in turnover of the whole equity market and corporate finance business became active. We managed to record an annual turnover of HK$98.5 million and the operating loss was reduced to HK$19.6 million. In the fourth quarter, the Group acquired 40% of the issued share capital of an asset management company as a means to participate in private equity fund management business in the PRC and provide a diversified revenue base to the Group. Taking into account the share of profit from an associate, the Group achieved a profit attributable to equity holders of HK$4.4 million.

Securities Broking

We saw a recovery in the securities market from the second quarter of the year. Following the listing of some hot initial public offerings ("IPOs"), the secondary market of securities recovered well from the second quarter of the year and market turnover resumed to a satisfactory level. In the first half of the year, the unaudited loss before interest and tax was HK$6 million. However, in the second half of the year, this segment turned into a profit so that the loss for the year narrowed. This segment has become one of the main business focuses of the Group since the Group's reorganisation in 2008, and the Group is dedicated to devoting more resources to this segment. Apart from the retail business which has been the major business since its business commencement, the Group began recruiting corporate and institutional clients in the last quarter of the year. Moreover, the Group upgraded its systems to prepare for a high volume of transactions. As a result, turnover was HK$40 million with a loss of HK$1.8 million before finance costs being recorded (2008: HK$34.6 million, profit HK$2.2 million).

Corporate Finance

Relying on the background of our parent company, our participation in IPOs, underwriting and merger and acquisition business is satisfactory. During the year the corporate finance division participated in one large IPO as co-lead manager. We also successfully sponsored an IPO in the Growth Enterprise Market ("GEM"), and continued to provide financial advisory services and act as compliance advisor for newly listed companies. Turnover increased to HK$24.3 million (2008: HK$6.8 million), representing a 3.6 times growth compared to the corresponding period. Despite the high cost of operations in this division, a profit of HK$0.9 million was recorded (2008: loss HK$2.5 million).

Asset Management

Near the end of the year the Group acquired 40% of the issued shares in an associated company which was engaged in pre-IPO investment and investments in distressed assets. The associated company holds certain high-potential investments. It has also been pursuing private equity fund management services in the PRC so that stable management income and certain performance related incentives can be earned. It is expected that the associated company will contribute considerably to the Group. Furthermore, the Group has recruited appropriate personnel to build up a team to re-commence its asset management business in Hong Kong after the year ended 31st December 2009. During the year, only minimal expenses were incurred to maintain the license and registration, leading to a loss of HK$0.2 million (2008: HK$0.9 million).

Leveraged Foreign Exchange Trading

The leveraged foreign exchange business has been operating under an extremely competitive environment during the past few years. Not only has the price spread narrowed, but the interest income earned from positions kept by us has also been diminished by the strong competition from our competitors who were charging a lower interest spread. Under these circumstances, our business model as a broker in this business was overall not very profitable. Including the relatively high operating costs on information technology, which is vital in today's market to earn a profit is more difficult. Turnover dropped from HK$26.4 million to HK$14.5 million and a loss of HK$10.1 million (2008: loss HK$3.6 million) was recorded. It is believed that unless we change our business model from a broker to a foreign exchange trader, this situation is unlikely to improve. But, more importantly, we cannot see any synergy with the business of our parent company. Therefore, after the date of the statement of financial position, the Directors decided to suspend the retail business in order to consolidate the Group's resources to better align with the Group's development strategy.

Commodities and Futures Dealing

The market for locally traded products has been competitive, and it has been difficult to attract new clients to participate in the market. Commissions for such products are low and are barely profitable. Since the financial crisis, our business in the overseas markets has not resumed to its then level. Turnover in this segment further decreased to HK$4.6 million (2008: HK$10.3 million) and losses incurred reached HK$3 million (2008: loss HK$0.2 million). Efforts are being made to recruit new customers from different sources by offering a wider array of products and upgrading our trading system. The electronic trading system will be enhanced so that clients can trade irrespective of their location.

Financial Planning & Insurance Broking

The adverse effects of the mini-bonds and accumulator scandals continued to turn investors off of structured products, and it has been difficult to recruit new customers. Tougher regulatory requirements have also resulted in more complicated procedures to sell these products to customers. Business operating costs for this sector could not be reduced despite the market downturn. As a result, although turnover was HK$13.3 million (2008: HK$22.3 million), losses widened to HK$1.2 million (2008: loss HK$0.8 million).

Financial Resources

The Group has adopted a prudent approach in managing its financial resources and the financial position has been strong. The Group's assets are highly liquid and maintained a current ratio of 4.45 times. A liquid financial position not only enables the Group to reduce liquidity risk, but also allows it to capture investment opportunities available. The subsidiaries licensed by the Securities and Futures Commission have complied fully with the financial resources requirements. During the year the Company placed 84,460,000 new ordinary shares on the market to raise approximately HK$164 million for general working capital of the Group.

Fluctuation in Foreign Exchange

Currently our assets and liabilities are denominated in Hong Kong Dollars and United States Dollars to which Hong Kong Dollars are pegged, so we are not exposed to significant fluctuations in foreign exchange. Only a small amount of net leveraged foreign exchange positions are exposed to fluctuations in foreign exchange. The dealing room of the Group is responsible for monitoring such positions under the guidelines laid down by management.

Remuneration and Human Resources Development

The Group has put great emphasis on the development of human resources and strived to continue to develop its staff in line with the Group's expansion. The Group offered attractive packages to its staff at all levels and has been offering fringe benefits including medical subsidies, education allowances, life insurance and free CPT courses to different levels of staff. Motivation schemes are also in place for staff whose performance is strong.

Contingent Liabilities

There are three outstanding litigation cases up to the date of this report. Under the share sale agreement entered into by then controlling shareholder Hantec Holding Limited ("HHL"), Sinoday Limited and Silver Grant International Securities Investment Limited, HHL and the then chairman of the Company undertook to indemnify the Company of any loss or liability suffered by the Group as a result of or in connection with these cases. In addition, the Company has issued certain financial guarantees to financial institutions in favour of a subsidiary engaged in securities dealing and another subsidiary engaged in leveraged foreign exchange trading. As at the end of reporting period, the Directors do not consider that a probable claim will be made against the Company under any of the guarantees.

Looking Forward

It is strongly believed that the market interest rate will remain low in the coming year. Due to this high level of liquidity, activities in the investment market will remain intense. Despite the government's cool-down measures, price of properties and stock in both Hong Kong and the PRC stood at high level. The economy of the PRC in the year to come is optimistic, but there are worries about bubbles in asset prices and the appreciation of Renminbi which could greatly affect its economic growth. All in all, there are still many opportunities in the market, and we will further communicate and cooperate with our parent company to explore this business potential.

The Group underwent some restructuring after its re-organisation in the last quarter of 2008. The retail leveraged foreign exchange business slowed down after the year end. The Group will consolidate its resources so that businesses with high potential will be further expanded. Appropriate personnel have been recruited to cope with our expansion. Looking forward in 2010, on the brokerage business, the Group will complete the upgrading of its securities on-line trading and settlement system to enhance its capability and functionality. The Group hopes to develop on-line trading clients through the new system, and upgrade our systems for future and commodities trading in the near future. In addition, recruiting new corporate and institutional clients is a key focus. Expansion in the corporate finance division is promising and we are looking for high caliber staff to join. In the asset management business, the acquisition of the associated company provided a good opportunity for the Group to enter the fund management market in the PRC. The investments held by the associated company are of good quality and can provide a good return to the Group. We are in the process of establishing our own asset management team to build up a private equity fund. On the financial planning business, we will revisit the business model to consider new measures to improve its results. We believe the overall performance of the Group will be improved in the year to come.

FINAL DIVIDEND

The directors do not recommend the payment of a final dividend for the year ended 31st December 2009 (2008: nil).

SCOPE OF WORK OF KPMG

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st December 2009 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 2009. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year ended 31st December 2009.

COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE

The Group endeavors 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 year ended 31st December 2009, the Group has complied with all the code provisions, save for Code Provision A.2.1.

Code Provision A.2.1

This code provided that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Prior to the Group Reorganisation, the Group deviated from the provision under Code Provision A.2.1. There was no chief executive officer in the Group during the year. Mr. Tang Yu Lap was the chairman of the Group. The Board at that time believed that the then structure gave significant benefits to the Group as it maintained a strong and effective leadership and ensured an efficient decision making process.

Subsequent to the restructuring of the Board, Mr. Chen Xiaozhou is the chairman of the Group. Mr. Zhao Hongwei was appointed managing director of the Company on 18th January 2009. He 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 2009.

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 2009 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, 20th April 2010

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 *(Managing Director)* Mr. Gong Zhijian Mr. Lau Mun Chung
Non-executive Director:	Mr. Chow Kwok Wai
Independent Non-executive Directors:	Mr. Chen Gongmeng Mr. Wang Tongsan Mr. Hung Muk Ming

Website: http://www.cinda.com.hk