



CIAM Group Limited

(incorporated in Bermuda with limited liability)
(stock code : 0378)

Interim Report 2008

CONTENTS

	<i>PAGE(S)</i>
CORPORATE INFORMATION	2
CONDENSED CONSOLIDATED INCOME STATEMENT	3
CONDENSED CONSOLIDATED BALANCE SHEET	5
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	7
CONDENSED CONSOLIDATED CASH FLOW STATEMENT	8
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	9
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION	24
MANAGEMENT DISCUSSION AND ANALYSIS	25
SUPPLEMENTARY INFORMATION	30



CORPORATE INFORMATION

Board of Directors

Chairman:

Mr. Dou Jianzhong

Executive Directors:

Mr. Lo Wing Yat Kelvin

*(Executive Vice-chairman and
Chief Executive Officer)*

Mr. Fung Ka Pun *(Vice-chairman)*

Mr. Yip Chi Chiu

Non-executive Director:

Mr. Graham Roderick Walker

Independent Non-executive Directors:

Mr. Hung Chi Yuen Andrew

Professor Sit Fung Shuen Victor

Ambassador Toh Hock Ghim

Audit Committee

Mr. Hung Chi Yuen Andrew *(Chairman)*

Professor Sit Fung Shuen Victor

Ambassador Toh Hock Ghim

Mr. Graham Roderick Walker

Company Secretary

Ms. Kyna Y. C. Wong

Qualified Accountant

Mr. Ho Lap Sang Sunny

Auditors

Deloitte Touche Tohmatsu

Stock Code

378

Registered Office

Canon's Court, 22 Victoria Street,

Hamilton HM12, Bermuda.

Principal Place of Business in Hong Kong

Suites 1401-3, Bank of America Tower,
12 Harcourt Road, Central, Hong Kong.

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Fax: (852) 2525 3688

Website: www.ciamgroup.com

Share Registrar in Bermuda

Butterfield Fund Services (Bermuda) Limited

Rosebank Centre

11 Bermudiana Road

Pembroke HM08

Bermuda

Share Registrar and Transfer Office in Hong Kong

Computershare Hong Kong Investor
Services Limited

17th Floor, Hopewell Centre

183 Queen's Road East, Hong Kong.

Tel: (852) 2862 8628

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CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008

		For the six months ended 30 June	
		2008	2007
	<i>NOTES</i>	HK\$'000	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Continuing operations			
Revenue	4	1,332	4,276
Direct costs		(293)	(335)
Gross profit		1,039	3,941
Other income		3,467	1,936
Gain on disposal of subsidiaries		32,727	–
Administrative expenses		(22,128)	(14,280)
Changes in fair values of held-for-trading investments		(3,082)	49,775
Change in fair value of conversion option embedded in convertible notes		–	54,054
(Loss) gain on disposal of property, plant and equipment		(71)	20
Impairment loss on loan to an associate		(1,670)	(4,434)
Impairment loss on an available-for-sale investment		–	(4,100)
Share of (losses) profits of associates		(289)	137
Finance costs		(2,781)	(4,600)
Profit before taxation		7,212	82,449
Income tax expense	5	(35)	(2)
Profit for the period from continuing operations		7,177	82,447
Discontinued operations			
(Loss) profit for the period from discontinued operations	6	(46,204)	9,805
(Loss) profit for the period	7	(39,027)	92,252



CONDENSED CONSOLIDATED INCOME STATEMENT (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2008

		For the six months ended 30 June	
	NOTES	2008 HK\$'000 (Unaudited)	2007 HK\$'000 (Unaudited)
Attributable to:			
Equity holders of the Company		(39,026)	92,253
Minority interests		(1)	(1)
		(39,027)	92,252
Dividends	8	–	20,032
(Loss) earnings per share	9		
From continuing and discontinued operations			
Basic		HK(9.74) cents	HK23.03 cents
From continuing operations			
Basic		HK1.79 cents	HK20.58 cents



CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2008

		At 30 June	At 31 December
		2008	2007
	<i>NOTES</i>	HK\$'000	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Non-current assets			
Property, plant and equipment	10	1,680	2,505
Investment properties	10	1,886	1,823
Prepaid lease payments – non-current portion		308,472	312,530
Properties for development/sale		44,261	19,800
Interests in associates		801	44,457
Available-for-sale investments		–	71,239
Conversion option embedded in convertible notes		–	5,447
Mortgage loans receivable – non-current portion		4,922	6,177
Other non-current assets		1,104	6,161
		363,126	470,139
Current assets			
Inventories		–	2,809
Available-for-sale investments		–	1,983
Held-for-trading investments		13,358	57,968
Mortgage loans receivable – current portion		165	185
Trade and other receivables	11	993	63,578
Prepaid lease payments – current portion		8,118	8,118
Loans to associates		288	132
Pledged bank deposits		–	44,220
Deposits placed with other financial institutions		34,126	33,262
Bank balances and cash		307,547	181,829
		364,595	394,084



CONDENSED CONSOLIDATED BALANCE SHEET (continued)

AT 30 JUNE 2008

		At 30 June	At 31 December
		2008	2007
	<i>NOTES</i>	HK\$'000	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Current liabilities			
Trade and other payables	12	2,426	56,392
Amount due to immediate holding company		746	–
Taxation payable		1,387	9,683
Secured bank and other borrowings		172,454	173,537
Loans from minority shareholders of subsidiaries		36,709	36,709
Financial guarantee liability		–	568
		213,722	276,889
Net current assets		150,873	117,195
Total assets less current liabilities		513,999	587,334
Non-current liability			
Secured bank and other borrowings		199	1,010
		513,800	586,324
Capital and reserves			
Share capital	13	400,633	400,633
Reserves		112,453	184,770
Equity attributable to equity holders of the Company		513,086	585,403
Minority interests		714	921
		513,800	586,324



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Attributable to equity holders of the Company						Total	Minority interests	Total
	Share capital	Contributed surplus	Revaluation reserve	Exchange reserve	Other reserve	Retained profits			
	HK\$'000	HK\$'000 (note a)	HK\$'000	HK\$'000	HK\$'000 (note b)	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2007 (audited)	400,633	82,445	9,438	2,454	3,369	76,691	575,030	7,081	582,111
Exchange differences arising on translation of foreign operation	-	-	-	705	-	-	705	161	866
Change in fair values of available-for-sale investments	-	-	22,858	-	-	-	22,858	-	22,858
Total income recognised directly in equity	-	-	22,858	705	-	-	23,563	161	23,724
Profit (loss) for the period	-	-	-	-	-	92,253	92,253	(1)	92,252
Total recognised income for the period	-	-	22,858	705	-	92,253	115,816	160	115,976
Capital contribution from minority shareholders	-	-	-	-	-	-	-	10,378	10,378
Deemed disposal of partial interest in a jointly controlled entity's subsidiary	-	-	-	-	-	-	-	1,479	1,479
Dividends paid	-	-	-	-	-	(20,032)	(20,032)	-	(20,032)
At 30 June 2007 (unaudited)	400,633	82,445	32,296	3,159	3,369	148,912	670,814	19,098	689,912
At 1 January 2008 (audited)	400,633	82,445	27,616	7,667	1,581	65,461	585,403	921	586,324
Exchange differences arising on translation of foreign operation recognised directly in equity	-	-	-	3,048	-	-	3,048	-	3,048
Realised on disposal of available-for-sale investments	-	-	(923)	-	-	-	(923)	-	(923)
Realised on disposal of subsidiaries	-	-	(26,693)	(175)	-	-	(26,868)	(206)	(27,074)
Realised on disposal of entities classified as discontinued operations	-	-	-	(8,548)	-	-	(8,548)	-	(8,548)
Loss for the period	-	-	-	-	-	(39,026)	(39,026)	(1)	(39,027)
Total recognised income and expenses for the period	-	-	(27,616)	(5,675)	-	(39,026)	(72,317)	(207)	(72,524)
At 30 June 2008 (unaudited)	400,633	82,445	-	1,992	1,581	26,435	513,086	714	513,800

Notes:

- Contributed surplus represents the difference between net assets of the companies acquired and the aggregate nominal value of shares issued by the Company under the scheme of arrangement in 1992.
- Other reserve arose as a result of repurchase of the Company's listed securities and represents the excess of the nominal value of the shares repurchased over the consideration paid and goodwill reserve arising on acquisition of subsidiaries of the Company prior to 1 January 2005.



CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008

		For the six months ended 30 June	
	<i>NOTES</i>	2008 HK\$'000 (Unaudited)	2007 <i>HK\$'000</i> <i>(Unaudited)</i>
Net cash from (used in) operating activities		16,824	(4,573)
Net cash from investing activities			
Proceeds from disposal of entities classified as discontinued operations	6	54,747	–
Proceeds from disposal of other subsidiaries	14	71,900	–
Decrease in pledged bank deposits		6,000	63,425
Proceeds on disposal of property, plant and equipment		350	20
Capital expenditure on properties for development/sale		(24,461)	–
Purchases of available-for-sale investments		–	(20,356)
Investment in an associate		–	(20,296)
Other investing activities		2,366	(5,068)
		110,902	17,725
Net cash (used in) from financing activities			
Secured bank and other borrowings repaid		(1,144)	(21)
Dividends paid		–	(20,032)
Secured bank and other borrowings raised		–	17,508
Capital contribution from minority shareholders of subsidiaries		–	10,378
		(1,144)	7,833
Net increase in cash and cash equivalents		126,582	20,985
Cash and cash equivalents at the beginning of the period		215,091	174,286
Cash and cash equivalents at the end of the period		341,673	195,271
Represented by:			
Deposits placed with other financial institutions		34,126	41,704
Bank balances and cash		307,547	153,567
		341,673	195,271



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2008

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Pursuant to a special resolution passed at the annual general meeting of the Company held on 30 May 2008 and upon the approval from the Registrar of Companies in Bermuda, the name of the Company was changed from E2-Capital (Holdings) Limited 金匯投資(集團)有限公司 to CIAM Group Limited 事安集團有限公司 with effect from 27 June 2008.

2. SIGNIFICANT EVENTS

During the current and prior period, the Group had the following significant events:

(i) *Discontinued operations of broking services and investment banking*

- a) On 4 February 2008, the Group through its wholly owned subsidiary, Goodwill Investment (BVI) Limited, entered into a sale and purchase agreement to dispose of the Group's directly owned 40% interest in SBI E2-Capital Asia Holdings Pte Ltd ("SBI E2-Capital Asia"), an associate of the Group, at a consideration of approximately HK\$42,000,000.

On the same date, the Group's 49% owned jointly controlled entity, SBI E2-Capital Limited ("SBI E2"), through its 97.1% owned subsidiary, SBI E2-Capital Asia Securities Group Limited, also entered into a sale and purchase agreement to dispose of its entire 60% interest in SBI E2-Capital Asia, a subsidiary of SBI E2, at a consideration of approximately HK\$63,000,000.

Completion of the above two agreements is conditional upon, among other conditions, simultaneous completion of both agreements. The purchasers under both agreements are related parties of the Company and details of the related party transactions are set out in note 15.

The disposals were completed on 31 March 2008.

- b) On 21 February 2008, the Group entered into a sale and purchase agreement to dispose of its entire 49% interest in SBI E2 at a consideration of approximately HK\$17,604,000. The disposal was completed on 8 April 2008.

As SBI E2 and SBI E2-Capital Asia had carried out all of the Group's operations in broking services and investment banking, the business segments of broking services and investment banking are classified as discontinued operations during the period.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2008

2. SIGNIFICANT EVENTS (continued)(ii) *Discontinued operations of industrial and management operating services and digital consumer products*

- a) On 22 February 2008, the Group entered into a sale and purchase agreement to dispose of its entire 70% interest in Bright Advise Holdings Limited ("Bright Advise") and its wholly owned subsidiaries at a consideration of approximately HK\$500,000. Bright Advise and its subsidiaries carried out all of the Group's industrial and management operating services. The disposal was completed on 31 March 2008.
- b) On 31 March 2007, the Group entered into a sale and purchase agreement to dispose of its entire 100% interest in Napa Global Inc. ("Napa") and its subsidiaries at a consideration of approximately HK\$163,000. Napa and its subsidiaries carried out all of the Group's digital consumer products operations. The disposal was completed on 31 August 2007.

The business segment of industrial and management operating services is classified as discontinued operations during the period whilst the business segment of digital consumer products was classified as discontinued operations during the period ended 30 June 2007.

(iii) *Disposal of subsidiaries*

The Group disposed of its interest in certain subsidiaries during the period and details of which are set out in note 14.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the annual financial statements of the Group for the year ended 31 December 2007.

In the current interim period, the Group has applied, for the first time, a number of new interpretations ("new interpretations") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2008.

HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new interpretations had no material effect on how the results and financial position of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2008

3. PRINCIPAL ACCOUNTING POLICIES (continued)

The Group has not early applied the following new, revised or amended standards and interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HK(IFRIC) – INT 13	Customer Loyalty Programmes ³
HK(IFRIC) – INT 15	Agreements for the Construction of Real Estate ¹
HK(IFRIC) – INT 16	Hedges of a Net Investment in a Foreign Operation ⁴

¹ Effective for accounting periods beginning on or after 1 January 2009

² Effective for accounting periods beginning on or after 1 July 2009

³ Effective for accounting periods beginning on or after 1 July 2008

⁴ Effective for accounting periods beginning on or after 1 October 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The Group anticipates that the application of the other new or revised standards, amendments or interpretations will have no material effect on how the results and financial position of the Group are prepared and presented.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2008

4. REVENUE AND SEGMENT INFORMATION*Business segments*

As explained in note 2, the operations of broking services, investment banking, industrial and management operating services and digital consumer products were treated as discontinued operations.

For the six months ended 30 June 2008 (unaudited)

	Continuing operations			Discontinued operations			Total	Consolidated
	Direct investments	Property investment	Total	Broking services	Investment banking	Industrial and management operating services		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Gross proceeds	21,081	234	21,315	3,330	230	2,690	6,250	27,565
Revenue	1,098	234	1,332	3,330	230	2,690	6,250	7,582
Segment results	228	(6,400)	(6,172)	(27,033)	(853)	(506)	(28,392)	(34,564)
Unallocated corporate expenses			(16,273)				-	(16,273)
Gain on disposal of subsidiaries	32,727	-	32,727				-	32,727
Share of losses of associates			(289)				(2,465)	(2,754)
Finance costs			(2,781)				(87)	(2,868)
Profit (loss) before taxation			7,212				(30,944)	(23,732)
Income tax (expense) credit			(35)				64	29
Loss on disposal of discontinued operations			-				(15,324)	(15,324)
Profit (loss) for the period			7,177				(46,204)	(39,027)



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2008

4. REVENUE AND SEGMENT INFORMATION (continued)

Business segments (continued)

For the six months ended 30 June 2007 (unaudited)

	Continuing operations			Discontinued operations				Total	Consolidated
	Direct investments	Property investment	Total	Broking services	Investment banking	Industrial and management operating services	Digital consumer products		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Gross proceeds	146,399	612	147,011	51,306	1,191	8,925	775	62,197	209,208
Revenue	3,664	612	4,276	51,306	1,191	8,925	775	62,197	66,473
Segment results	104,469	(1,475)	102,994	13,323	(793)	(1,408)	(1,393)	9,729	112,723
Unallocated corporate expenses			(16,082)					(634)	(16,716)
Share of profits of associates			137					3,271	3,408
Finance costs			(4,600)					(1,263)	(5,863)
Profit before taxation			82,449					11,103	93,552
Income tax expense			(2)					(1,298)	(1,300)
Profit for the period			82,447					9,805	92,252



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2008

5. INCOME TAX EXPENSE

	Continuing operations		Discontinued operations		Consolidated	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax:						
Hong Kong	35	2	-	974	35	976
Other jurisdictions	-	-	(64)	503	(64)	503
Deferred tax:						
Deferred tax liabilities reversed	-	-	-	(28)	-	(28)
Deferred tax assets recognised	-	-	-	(151)	-	(151)
	35	2	(64)	1,298	(29)	1,300

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in corporate profits tax rate by 1% to 16.5% effective from the year of assessment 2008-2009. The effect of such decrease has been reflected in measuring the current tax for the six months ended 30 June 2008. The estimated average annual tax rate used is 16.5% (2007: 17.5%) for the six months ended 30 June 2008.

Taxation arising in other jurisdictions has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the relevant jurisdictions.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2008

6. DISCONTINUED OPERATIONS

As explained in note 2, the business segments of broking services, investment banking and industrial and management operating services are classified as discontinued operations during the period.

The net assets of the discontinued operations at the dates of disposals were as follows:

	<i>HK\$'000</i>
	(Unaudited)
Net assets disposed of:	
Property, plant and equipment	1,127
Interests in associates	42,494
Inventories	1,909
Held-for-trading investments	1,714
Trade and other receivables	32,441
Pledged bank deposits	38,220
Bank balances and cash	35,332
Trade and other payables	(37,732)
Taxation payable	(804)
Secured bank and other borrowings	(750)
Net assets disposed of	113,951
Exchange reserve realised	(8,548)
Loss on disposal	105,403
Total consideration	90,079
Satisfied by:	
Cash	90,079
Net cash inflow arising on disposal:	
Cash consideration	90,079
Bank balances and cash disposed of	(35,332)
	54,747
Net cash outflows from the discontinued operations:	
Net cash outflows from operating activities	(3,594)
Net cash outflows from investing activities	(1,068)
Net cash outflows from financing activities	(7,499)
	(12,161)



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2008

6. DISCONTINUED OPERATIONS (continued)

The results and the loss on disposal of the discontinued operations for the period from 1 January 2008 to the relevant dates of disposals (dates on which controls of the relevant entities passed to the respective acquirers) together with comparative figures, which have been included in the condensed consolidated income statement, were as follows:

From 1 January 2008 to date of disposal

	Broking services HK\$'000 (Unaudited)	Investment banking HK\$'000 (Unaudited)	Industrial and management operating services HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Revenue	3,330	230	2,690	6,250
Direct costs	(60)	-	(2,016)	(2,076)
Other income	-	-	149	149
Administrative expenses	(15,631)	(2,032)	(1,317)	(18,980)
Distribution costs	-	-	(11)	(11)
Other expense	(1,942)	-	-	(1,942)
Share of losses of associates	(2,465)	-	-	(2,465)
Loss on disposal of subsidiaries	(11,782)	-	-	(11,782)
Finance costs	(63)	-	(24)	(87)
Income tax credit	64	-	-	64
Loss of discontinued operations for the period	(28,549)	(1,802)	(529)	(30,880)
Loss on disposal of discontinued operations	(10,677)	(980)	(3,667)	(15,324)
	(39,226)	(2,782)	(4,196)	(46,204)



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2008

6. DISCONTINUED OPERATIONS (continued)

For the six months ended 30 June 2007

	Broking services HK\$'000 (Unaudited)	Investment banking HK\$'000 (Unaudited)	Industrial and management operating services HK\$'000 (Unaudited)	Digital consumer products HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Revenue	51,306	1,191	8,925	775	62,197
Direct costs	(4,113)	(95)	(6,609)	(767)	(11,584)
Other income	2,074	-	251	32	2,357
Administrative expenses	(36,578)	(1,889)	(3,819)	(1,433)	(43,719)
Distribution costs	-	-	(156)	-	(156)
Share of profits of associates	3,271	-	-	-	3,271
Finance costs	(1,197)	(14)	(52)	-	(1,263)
Income tax expense	(1,298)	-	-	-	(1,298)
Profit (loss) for the period	13,465	(807)	(1,460)	(1,393)	9,805

7. (LOSS) PROFIT FOR THE PERIOD

	Continuing operations For the six months ended 30 June		Discontinued operations For the six months ended 30 June		Consolidated For the six months ended 30 June	
	2008 HK\$'000 (Unaudited)	2007 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)	2007 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)	2007 HK\$'000 (Unaudited)
(Loss) profit for the period has been arrived at after charging:						
Allowances for:						
Bad debts	-	-	8	39	8	39
Inventories	-	-	-	136	-	136
Release of prepaid lease payments	4,058	4,058	-	-	4,058	4,058
Cost of inventories recognised as expense	-	-	2,016	7,376	2,016	7,376
Depreciation of property, plant and equipment	231	266	92	438	323	704
Operating lease rentals in respect of land and buildings	542	741	1,090	2,857	1,632	3,598



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2008

8. DIVIDENDS

	For the six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
2007 Final dividend: nil		
(2007: 2006 Final dividend of HK5 cents per share) (note i)	–	20,032
2008 Interim dividend: nil		
(2007: 2007 Interim dividend of HK5 cents per share) (note ii)	–	20,032

Notes:

- (i) No final dividend for the year ended 31 December 2007 was recommended by the directors. The final dividend for the year ended 31 December 2006 of HK\$20,032,000 was approved after the year end date. Under the Group's accounting policy, it was charged in the period in which it was approved.
- (ii) No interim dividend for the year ending 31 December 2008 was recommended by the directors. The interim dividend for the year ended 31 December 2007 was declared by the directors after the six-month period ended 30 June 2007.

9. (LOSS) EARNINGS PER SHARE*From continuing and discontinued operations*

The calculation of the basic (loss) earnings per share is based on loss for the period attributable to the equity holders of the Company of HK\$39,026,000 (2007: profit for the period attributable to the equity holders of the Company of HK\$92,253,000) and 400,633,217 (2007: 400,633,217) ordinary shares for the purposes of basic (loss) earnings per share.

From continuing operations

The calculation of the basic earnings per share is based on profit for the period from continuing operations attributable to the equity holders of the Company of HK\$7,178,000 (2007: HK\$82,448,000) and 400,633,217 (2007: 400,633,217) ordinary shares for the purposes of basic earnings per share.

From discontinued operations

Basic loss per share for the discontinued operations is HK11.53 cents per share (2007: earnings per share of HK2.45 cents), based on loss for the period from the discontinued operations of HK\$46,204,000 (2007: profit for the period from discontinued operations of HK\$9,805,000) and the denominators detailed above for basic earnings per share.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2008

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the period, the Group acquired property, plant and equipment at a cost of approximately HK\$904,000 (2007: HK\$215,000).

During the period, the Group disposed of property, plant and equipment of approximately HK\$1,127,000 (2007: nil) and HK\$49,000 (2007: nil) upon disposals of its discontinued operations and certain subsidiaries, respectively.

At 30 June 2008, the directors have considered that the fair value of the Group's investment properties does not differ significantly from its carrying amount as at 31 December 2007 and accordingly, no fair value change has been recognised in profit or loss in the current period.

11. TRADE AND OTHER RECEIVABLES

	At 30 June 2008 HK\$'000 (Unaudited)	At 31 December 2007 HK\$'000 (Audited)
Trade receivables	–	4,899
Other receivables	993	58,679
	993	63,578

The following is an aging analysis of the trade receivables at the balance sheet date:

	At 30 June 2008 HK\$'000 (Unaudited)	At 31 December 2007 HK\$'000 (Audited)
0 to 60 days	–	2,937
61 to 90 days	–	625
Over 90 days	–	1,337
	–	4,899

The Group allowed a credit period ranging from 61 days to 90 days to its trade customers.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2008

12. TRADE AND OTHER PAYABLES

	At 30 June 2008 HK\$'000 (Unaudited)	At 31 December 2007 HK\$'000 (Audited)
Trade payables	–	1,892
Other payables	2,426	54,500
	2,426	56,392

The following is an aging analysis of trade payables at the balance sheet date:

	At 30 June 2008 HK\$'000 (Unaudited)	At 31 December 2007 HK\$'000 (Audited)
0 to 60 days	–	908
61 to 90 days	–	621
Over 90 days	–	363
	–	1,892

13. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$1 each		
Authorised:		
At 31 December 2007 and 30 June 2008	750,000,000	750,000
Issued and fully paid:		
At 31 December 2007 and 30 June 2008	400,633,217	400,633



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2008

14. DISPOSAL OF SUBSIDIARIES

During the period, the Group disposed of the interest of the following subsidiaries ("disposed subsidiaries"):

- i) On 28 January 2008, the Group disposed of its entire 100% interest in E2-Capital Technologies Holdings Limited and its subsidiary at a consideration of approximately HK\$7,000,000.
- ii) On 4 February 2008, the Group disposed of its entire 100% interest in and shareholder's loan to Sinojet Projects Limited and its subsidiary at a consideration of approximately HK\$50,000,000. The purchaser is a related party of the Company and details of the related party transaction is set out in note 15.
- iii) On 22 February 2008, the Group disposed of its entire 100% interest in AWJ Asset Management Limited, e2 Biotech Advisory Group Limited, e2-Capital Investment Limited, E2-Capital Holdings Sdn. Bhd., Paper Rich Investments Limited and Winslow Asset Management Limited at a consideration of approximately HK\$13,500,000.
- iv) On 22 February 2008, the Group disposed of its entire 100% interest in e2-Capital Venture Limited at a consideration of approximately HK\$1,400,000.

The net assets of the disposed subsidiaries at the dates of disposals were as follows:

	<i>HK\$'000</i> (Unaudited)
Net assets disposed of:	
Property, plant and equipment	49
Available-for-sale investments	67,362
Conversion option embedded in convertible notes	3,171
Other non-current assets	3,014
Trade and other receivables	232
Trade and other payables	(13)
Taxation payable	(7,568)
Net assets disposed of	66,247
Minority interests	(206)
Revaluation reserve realised	(26,693)
Exchange reserve realised	(175)
Gain on disposal	39,173
Total consideration	71,900
Satisfied by:	
Cash	71,900
Net cash inflow arising on disposal:	
Cash consideration	71,900

The subsidiaries disposed of during the period did not have a material impact on the Group's cash flows or operating results.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2008

15. RELATED PARTY TRANSACTIONS(a) *Transactions with related companies*

During the period, the Group had transactions with related parties, as follows:

	For the six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
A jointly controlled entity:		
Management fee income	52	321
An associate:		
Advisory fee expense	–	25

In addition, during the six months ended 30 June 2008, the Group has disposed of

- (i) entities classified as discontinued operations to a company controlled by a director and a former director of the Company for a total consideration of approximately HK\$71,975,000, details of which are set out in note 2.
- (ii) other subsidiaries to a company controlled by a director of the Company for a consideration of approximately HK\$50,000,000, details of which are set out in note 14.

The former director resigned as a director of the Company on 31 May 2008.

(b) *Compensation of key management personnel*

The remuneration of directors and other members of key management during the period was as follows:

	For the six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries and other short-term employee benefits	3,255	11,377

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2008

16. POST BALANCE SHEET EVENT

Subsequent to 30 June 2008, the following event took place:

On 9 July 2008, Timely Era Limited, a wholly-owned subsidiary of the Company, entered into a loan agreement of US\$7,000,000 (equivalent to approximately HK\$54,000,000) with an independent third party, Forever Capital Assets Management Limited as the borrower and an individual, being the sole and ultimate beneficial owner of the borrower, as the guarantor.

Details of the above are set out in the announcement of the Company dated 10 July 2008.



REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF CIAM GROUP LIMITED

事安集團有限公司

(FORMERLY KNOWN AS E2-CAPITAL (HOLDINGS) LIMITED

金匯投資(集團)有限公司)

(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 3 to 23, which comprises the condensed consolidated balance sheet of CIAM Group Limited as of 30 June 2008 and the related condensed consolidated income statement, statement of changes in equity and cash flow statement for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

12 September 2008



MANAGEMENT DISCUSSION AND ANALYSIS

The Company has been restructured following the acquisition by CITIC International Assets Management Limited (“CIAM Parent”) of the substantial interest in the Company and change of management in the second quarter of 2008.

The new management is in the process of redefining the strategy and longer term direction of the Company in the light of being a subsidiary of CIAM Parent and an associate of CITIC Group in the current and anticipated China and global market conditions.

Resources from the new substantial and controlling shareholder and the Company are being consolidated and re-deployed to align with our priorities to build the foundation for the new chapter of the Company.

The born of a new business platform focusing in mainland China

The Company changed its name from E2-Capital (Holdings) Limited to CIAM Group Limited on 27 June 2008. The new name represents the abbreviation of its parent company CITIC International Assets Management Limited, as well as the strategy of CIAM Parent to take the Company as the core business development platform for the whole group of CIAM (refers to the aggregation of CIAM Parent, its subsidiaries and associates, including the Group) going forward.

CIAM Parent is 40% owned by CITIC International Financial Holdings Limited which is a flagship of financial institutional business in Hong Kong under CITIC Group. CIAM Parent focuses on asset management business which assets include private equity investments, third party private equity funds and distressed assets. CIAM Parent also conducts financing and advisory services in complementing our solutions to target investment companies.

The Company will inherit all resources and experience from its parent companies to develop its business. CIAM Parent will transfer all its employees to the Company before the end of this year and CIAM Parent will gradually be transformed into a pure holding company of the Group.

To tackle the inherent possibility of business competition between CIAM Parent and the Group, CIAM Parent will provide the Group first right of refusal over all our investment opportunities and new business initiatives being identified under the group of CIAM. Professional advice has been sought in the past few months in structuring our business process in order to follow this principle. A Conflict Committee which comprises of all independent non-executive directors was set up for reviewing our investment process. It aims to provide the most appropriate corporate governance infrastructure to answer the potential concerns from shareholders in this respect.

In compliance with the code provisions in the Code on Corporate Governance Practices as set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, a duly constituted Audit Committee and a Nomination and Remuneration Committee have been formed with new members.



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Financial performance

Results of the Group

For the six months ended 30 June 2008, the Group's loss attributable to the shareholders amounted to HK\$39,026,000 (2007: profit HK\$92,253,000), and loss per share was HK\$0.0974 (2007: earnings per share HK\$0.2303). The loss was mainly arising from the loss of HK\$15,324,000 on disposals of discontinued operations of brokerage business, investment banking and industrial and management operating services, and the operational loss of HK\$30,880,000 of these discontinued operations which were severely affected by the poor equity market sentiment in the first half of 2008. The Group also disposed of certain subsidiaries holding several investments and recorded a gain of approximately HK\$32,727,000. All of the disposals on group restructuring were completed in or before April 2008.

The increase of operational expenses to HK\$22,128,000 in the first half of 2008, representing an increase of HK\$7,848,000 over the same period of 2007, was mainly due to the increase of professional fee being spent on the group restructuring. The management has confidence that the consolidation and re-deployment of CIAM resource, together with the refocusing of business will bring in efficiency in operation and will open up more lucrative business opportunities.

Financial Position

The disposals on group restructuring brought in considerable amount of cash to which provides flexibility for the Group to manage and reposition itself in the arena of private equity and property investments.

As of 30 June 2008, the Group's total assets amounted to approximately HK\$727,721,000, consisting of two major components, namely property assets amounting to HK\$362,737,000 and cash amounting to HK\$341,673,000, accounted for 50% and 47% of the Group's total assets respectively. The shareholders' funds and net asset value per share of the Group as of 30 June 2008 were HK\$513,086,000 and HK\$1.28 respectively. The new management of the Company is now finalizing the Company's strategy and will execute their plan in coming six to twelve months. Small portion of cash on hand will be deployed to seed our various business initiatives like fund management, while the majority of our cash will be used to direct invest on property and private equity opportunities. The strategy on the properties in Hong Kong is being constantly reviewed with reference to the market sentiment and outlook. The management is cautious to apply the resource in meeting both short and longer term profitability objectives.

At of 30 June 2008, the Group held liquid cash and other short-term trading investments totalling HK\$355,031,000 (31 December 2007: HK\$273,059,000). Total borrowings were HK\$172,653,000 (31 December 2007: HK\$174,547,000) which were secured by leasehold land and properties in Hong Kong and mortgage loans receivable.



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Interim Dividend

The Directors do not recommend an interim dividend for the six months period ended 30 June 2008 (2007: HK\$0.05 per share).

Material acquisitions, disposals of subsidiaries and associated companies and business transaction

On 4 February 2008, the Group through its wholly owned subsidiary, Goodwill Investment (BVI) Limited, entered into a sale and purchase agreement to dispose of the Group's directly owned 40% interest in SBI E2-Capital Asia Holdings Pte Ltd ("SBI E2-Capital Asia"), an associate of the Group, at a consideration of approximately HK\$42,000,000. On the same date, the Group's 49% owned jointly controlled entity, SBI E2-Capital Limited ("SBI E2"), through its 97.1% owned subsidiary, SBI E2-Capital Asia Securities Group Limited, also entered into a sale and purchase agreement to dispose of its entire 60% interest in SBI E2-Capital Asia, a subsidiary of SBI E2, at a consideration of approximately HK\$63,000,000. The disposals were completed on 31 March 2008.

On 21 February 2008, the Group entered into a sale and purchase agreement to dispose of its entire 49% interest in SBI E2 at a consideration of approximately HK\$17,604,000. The disposal was completed on 8 April 2008.

On 22 February 2008, the Group entered into a sale and purchase agreement to dispose of its entire 70% interest in Bright Advise Holdings Limited ("Bright Advise") and its wholly owned subsidiaries at a consideration of approximately HK\$500,000. Bright Advise and its subsidiaries carried out all of the Group's industrial and management operating services. The disposal was completed on 31 March 2008.

On 28 January 2008, the Group disposed of its entire 100% interest in E2-Capital Technologies Holdings Limited and its subsidiary at a consideration of approximately HK\$7,000,000.

On 4 February 2008, the Group disposed of its entire 100% interest in and shareholder's loan to Sinojet Projects Limited and its subsidiary at a consideration of approximately HK\$50,000,000.

On 22 February 2008, the Group disposed of its entire 100% interest in AWJ Asset Management Limited, e2 Biotech Advisory Group Limited, e2-Capital Investment Limited, E2-Capital Holdings Sdn. Bhd., Paper Rich Investments Limited and Winslow Asset Management Limited at a consideration of approximately HK\$13,500,000.

On 22 February 2008, the Group disposed of its entire 100% interest in e2-Capital Venture Limited at a consideration of approximately HK\$1,400,000.

On 9 July 2008, the Group, as the lender, entered into a US\$7,000,000 (equivalent to approximately HK\$54,000,000) loan agreement with an independent third party, Forever Capital Assets Management Limited.



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The new management

The Chairman of the new Board of Directors is Mr. Dou Jianzhong who is an executive director and vice president of CITIC Group and a director and chief executive officer of CITIC International Financial Holdings Limited. Mr. Dou has been working in CITIC Group for over 29 years and was formerly the president of China CITIC Bank Corporation Limited (formerly known as CITIC Industrial Bank).

Mr. Lo Wing Yat Kelvin is the Executive Vice-chairman and Chief Executive Officer of the Company. He is a director and managing director of CITIC International Financial Holdings Limited, and a director of CITIC Ka Wah Bank Limited. Prior to joining CITIC International Financial Holdings Limited, Mr. Lo worked in Bank of China Hongkong-Macau Regional Office and was a partner in Linklaters who specialized in banking and project financing primarily in the PRC.

Mr. Fung Ka Pun is the Vice-chairman of the Company. Mr. Fung was the co-chairman of former E2-Capital (Holdings) Limited. He has extensive business network in Hong Kong, with over 30 years of experience in finance, securities, commodities trading and corporate finance. The retention of Mr. Fung in the management adds tremendous value to help successful execution of our business plan.

Other Board members, in particular, the independent non-executive directors, are being carefully selected and nominated with reference to their professionalism, business network or "China knowledge".

Business strategy

All loss making businesses, including the brokerage business, investment banking's merger and acquisition advisory and equity capital market businesses, as well as the industrial management business were sold in the first half of 2008. The direct investment and property businesses are retained during the restructuring. Although most of the private equity investments brought forward from 2007 were divested in the first half of 2008, the cash will be recycled to invest as described above under the header of "Financial Position".

The management believes strong deal origination and execution capability, as well as extensive business network in the Greater China are the strength of this new business platform. We will leverage these advantages not only to invest and make capital gain for our shareholders, but to earn recurring fee and share profits from managing third party private equity funds. The Company will accelerate building its asset base under management to maximise the return of its capabilities.



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Employees

Number of employees dropped from over 50 to less than 10 due to the disposal of brokerage and investment banking business. All employees under the property team remain in the Group. The Group will foresee the number of employees back to level of 50 after the consolidation of CIAM platform as mentioned earlier.

Due to the fine tuning of business lines and change of employee composition, the Nomination and Remuneration Committee has reviewed and endorsed the new compensation strategy being proposed by the management. The whole reward and incentive scheme has been redefined to align with the market practice to ensure our competitiveness to recruit and retain capable employees. Apart from the existing annual discretionary bonus and share option schemes, the Group will launch a carried interest scheme to reward employees on investment related activities.

Currency exposure and exchange risk

As at 30 June 2008, the Group had no material exposure to foreign exchange, since the majority of the Group's assets, except for certain foreign currencies bank deposits and fund investments, were denominated in Hong Kong dollars. Currency exposure to Renminbi ("RMB") may arise when the Group executes its China focus strategy on investments and the Group's RMB denominated assets increase. However, the management believes that the Group will benefit from the moderate appreciation of the RMB against the US dollars, and nevertheless will closely monitor the situation if hedging is needed for such exposure.

Contingent liabilities and pledge of assets

As at 30 June 2008, prepaid lease payments and properties for development/sale with an aggregate value of approximately HK\$360,851,000 have been pledged to secure banking facilities of HK\$227,440,000 granted to Group companies for its acquisition and possible developments.

Outlook

The Group is in the mid-way to fine tune business strategy as well as completing the internal restructuring works. The management believes the new platform being formed with a team blended with China business expertises and multinational professionals will be one of the unique and successful China focus asset management companies in Asia.



SUPPLEMENTARY INFORMATION

Directors' and Chief Executive's interests

As at 30 June 2008, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), or which were required to be entered on the register required to be kept by the Company pursuant to Section 352 of the SFO, were as follows:-

(i) *Long positions in shares of the Company*

Name of directors	Number of shares held			Total number of shares held	Percentage of the issued share capital (Note 1)
	Beneficial owner	Held by controlled corporation	Other interests		
Fung Ka Pun	-	1,862,303 (Note 2)	-	1,862,303	0.46%
Lo Wing Yat Kelvin	35,000	-	-	35,000	0.01%

Notes:-

- The percentage is calculated based on the total number of issued shares of the Company of 400,633,217 ordinary shares as at 30 June 2008.
- Mr. Fung Ka Pun has beneficial interests in Bo Hing Limited, which was interested in 1,862,303 ordinary shares of the Company as at 30 June 2008, representing approximately 0.46% in the issued share capital of the Company.



SUPPLEMENTARY INFORMATION (continued)

(ii) Long positions in shares of associated corporation of the Company

Name of associated corporation	Name of director	Capacity	Total number of shares held	Percentage of the issued share capital
Boxmore Limited	Fung Ka Pun	Held by controlled person	2,000 (Note)	20%

Note:

The spouse of Mr. Fung Ka Pun has beneficial interest in 2,000 shares of Boxmore Limited, representing approximately 20% in the issued share capital of Boxmore Limited as at 30 June 2008.

Save as disclosed above, as at 30 June 2008, none of the directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or the Model Code, or which were required to be entered on the register required to be kept by the Company pursuant to Section 352 of the SFO.



SUPPLEMENTARY INFORMATION (continued)**Substantial shareholders' interests**

As at 30 June 2008, so far as was known to any directors or chief executive of the Company, the following persons (not being a director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital:—

Long positions in shares of the Company

Name of shareholders	Capacity	Total number of shares held	Percentage of the issued share capital <i>(Note 1)</i>
Right Precious Limited ("RPL")	Beneficial owner	362,555,154 <i>(Note 2)</i>	90.49%
CITIC International Assets Management Limited ("CIAM")	Held by controlled corporation <i>(Note 3)</i>	362,555,154	90.49%
CITIC International Financial Holdings Limited ("CIFH")	Held by controlled corporation <i>(Note 3)</i>	362,555,154	90.49%
CITIC Group	Held by controlled corporation <i>(Note 3)</i>	362,555,154	90.49%

Notes:—

1. The percentage is calculated based on the total number of issued shares of the Company of 400,633,217 ordinary shares as at 30 June 2008.



SUPPLEMENTARY INFORMATION (continued)

2. The shareholding of RPL includes the 288,455,917 ordinary shares acquired upon the completion of the Share Purchase Agreement and the Other Purchase Agreements on 8 April 2008 regarding its acquisition of shares in the Company from Goodwill International (Holdings) Limited, e2-Capital Inc., Dato' Wong Sin Just, Newmark Capital Corporation Limited, NAPA Macao Commercial Offshore Limited, Mr. Leung Wing Shing Len and an individual resident in Hong Kong and the 74,099,237 ordinary shares tendered for acceptance of the Offer.
3. RPL is a wholly-owned subsidiary of CIAM which is held as to 40% by CIFH. CIFH is a 55%-owned subsidiary of CITIC Group.

Save as disclosed above, as at 30 June 2008, there is no persons (not being a director or chief executive of the Company) known to the directors or chief executive of the Company who had or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or had any options in respect of such capital.

Share option scheme

No options was granted or exercised since adoption of the share option scheme.

Purchase, sale or redemption of the Company's listed securities

The Company has not redeemed any of its listed securities during the six months ended 30 June 2008. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities during the six months ended 30 June 2008.

Corporate governance

The Company is committed to maintaining high standards of corporate governance. Throughout the six months ended 30 June 2008, the Company has complied with the Code Provisions in the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules except for the deviation on Code Provision A.2.1.



SUPPLEMENTARY INFORMATION (continued)

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The problem of over concentration of roles and responsibilities on one individual did not exist for the period from 1 January 2008 to 30 May 2008 since the Board was co-managed by two executive directors who were the Executive co-chairmen of the Company. With effect from 31 May 2008, Mr. Dou Jianzhong was appointed as a director and further elected as the Chairman of the Company while Mr. Lo Wing Yat Kelvin was appointed as the Executive Vice-chairman and chief executive officer of the Company.

Compliance with the “Model Code for Securities Transactions by Directors of Listed Issuers”

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Company (the “Code of Conduct”). Having made specific enquiry of the directors of the Company, all directors of the Company had complied with the required standards as set out in the Code of Conduct during the six months ended 30 June 2008.

Review of interim financial report

The interim financial report is unaudited but has been reviewed by Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagement 2410 “Review of interim financial information performed by the independent auditor of the entity” issued by the Hong Kong Institute of Certified Public Accountants, and the Company’s Audit Committee, which comprises three Independent Non-executive Directors and one Non-executive Director of the Company.

By Order of the Board
CIAM Group Limited
Dou Jianzhong
Chairman

Hong Kong, 12 September 2008

