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

(Incorporated in Bermuda with limited liability)

(Stock code: 111)

INTERIM RESULTS 2009

The Board of Directors (the "Board") of Cinda International Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") are pleased to announce the unaudited consolidated result of the Group for the six months ended 30th June 2009 as follow:

CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June 2009

	Note	Unaudited Six months ended 30th June 2009 HK$'000	2008 HK$'000 (restated)
Continuing operations			
Turnover	4	**31,255**	56,964
Other revenue	4	**99**	548
Other net income	4	**91**	319
		31,445	57,831
Staff costs	5(a)	**(19,771)**	(15,695)
Commission expenses		**(15,760)**	(21,981)
Operating leases for land and buildings		**(6,022)**	(7,122)
Other operating expenses		**(12,238)**	(14,477)
Total operating expenses		**(53,791)**	(59,275)
Operating loss		**(22,346)**	(1,444)
Finance costs	5(c)	**(31)**	(1,363)
Loss before taxation	5	**(22,377)**	(2,807)
Income tax	6	**—**	(74)
Loss for the period from continuing operations		**(22,377)**	(2,881)
Discontinued operations			
Profit for the period from discontinued operations	3	**—**	7,733
(Loss)/profit for the period		**(22,377)**	4,852

	Note	Unaudited Six months ended 30th June **2009** ***HK$'000***	2008 *HK$'000* (restated)
Attributable to:			
Equity holders of the Company		**(22,377)**	4,768
Minority interests		**—**	84
		(22,377)	4,852
(Loss)/earnings per share			
Basic			
— From continuing and discontinued operations	8(a)	**N/A**	HK1.15 cents
— From continuing operations	8(a)	**(HK5.30 cents)**	(HK0.69 cents)
— From discontinued operations	8(a)	**N/A**	HK1.84 cents
Diluted			
— From continuing and discontinued operations	8(b)	**N/A**	HK1.14 cents
— From continuing operations	8(b)	**N/A**	N/A
— From discontinued operations	8(b)	**N/A**	HK1.82 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2009

	Unaudited Six months ended 30th June	
	2009	2008
	HK$'000	*HK$'000*
(Loss)/profit for the period	**(22,377)**	4,852
Other comprehensive income for the period:		
Available-for-sale financial assets		
Change in fair value during the period	—	(1)
Transfer to profit or loss on disposal	—	(2,558)
Net movement in investment revaluation reserve	—	(2,559)
Exchange differences on translation of financial statements of overseas subsidiaries	—	3,219
	—	660
Total comprehensive (expense)/income for the period	**(22,377)**	5,512
Total comprehensive (expense)/income attributable to:		
Equity holders of the Company	**(22,377)**	5,428
Minority interests	—	84
Total comprehensive (expense)/income for the period	**(22,377)**	5,512

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30th June 2009 and 31st December 2008

	Note	**Unaudited 30th June 2009** *HK$'000*	Audited 31st December 2008 *HK$'000*
Non-current assets			
Intangible assets		**1,319**	1,319
Fixed assets		**6,123**	7,752
Other assets		**3,553**	3,600
		10,995	12,671
Current assets			
Financial assets at fair value through profit or loss		**1,924**	1,397
Taxation recoverable		**224**	177
Trade and other receivables	9	**164,686**	90,281
Bank balances and cash	10	**102,336**	188,130
		269,170	279,985
Current liabilities			
Trade and other payables	11	**74,914**	64,768
Current portion of obligations under finance lease		**246**	506
		75,160	65,274
Net current assets		**194,010**	214,711
Total assets less current liabilities		**205,005**	227,382
NET ASSETS		**205,005**	227,382
Capital and reserves			
Share capital		**42,230**	42,230
Other reserves		**136,204**	136,204
Retained earnings		**26,571**	48,948
TOTAL EQUITY		**205,005**	227,382

Notes:

1. BASIS OF PREPARATION

This unaudited condensed consolidated financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The condensed consolidated financial information is unaudited, but has been reviewed by KPMG 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 HKICPA.

Under the Group Reorganisation, as disclosed in note 3, the Distributed Business constituted discontinued operations under HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". As a result, certain comparative figures were restated so as to present the results for the continuing operations and discontinued operations.

2. ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of this condensed consolidated financial information are consistent with those used in the annual financial statements for the year ended 31st December 2008 except the following changes in accounting policies resulting from initial application of certain new and revised HKFRSs that are relevant to the Group's financial statements and first effective for the current accounting period of the Group:

- HKFRS 8, Operating segments
- HKAS 1 (revised), Presentation of financial statements

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. As this is the first period in which the Group has presented segment information in accordance with HKFRS 8, additional explanation has been included in the interim financial report which explains the basis of preparation of the information. 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. The new format for the consolidated statement of comprehensive income and the consolidated statement of changes in equity has been adopted in this interim financial report and 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.

3. GROUP REORGANISATION AND DISCONTINUED OPERATIONS

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

Pursuant to the resolution passed by the independent shareholders in the special general meeting held on 17th November 2008, the 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 continues to be a public listed company with its subsidiaries concentrating on carrying on the business of regulated activities under the SFO in Hong Kong, which include leveraged foreign exchange trading, securities broking and margin financing services, commodities and futures broking, financial planning, asset management and corporate finance services in Hong Kong (the "Retained Business"); (ii) Hantec Pacific Limited ("HPL") and its subsidiaries (the "HPL Group") continues to carry on the business of trading and broking of precious metal contracts, provision of financial related services outside of Hong Kong and investment in water plant business (the "Distributed Business"); and (iii) the shareholders of the Company received by way of a distribution in specie the shares of HPL on the basis of one share of HPL for one share of the Company held.

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

The results of the discontinued operations during the period ended 30 June 2008 are set out below. The discontinued operations ceased before 1 January 2009 and so there is no result presented for this current period.

	Note	Six months ended 30th June 2008 *HK$'000*
Turnover	4	125,664
Other revenue	4	73
Other net income	4	943
		126,680
Staff costs		(25,432)
Commission expenses		(62,606)
Operating leases for land and buildings		(3,272)
Other operating expenses		(26,249)
Total operating expenses		(117,559)
Operating profit		9,121
Finance costs		(84)
		9,037
Share of profits of associates		1,407
Profit before taxation		10,444
Income tax		
— Current taxation	6	(2,547)
— Deferred taxation	6	(164)
Profit for the period		7,733

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

From continuing operations	Six months ended 30th June 2009 HK$'000	2008 HK$'000 (restated)
Turnover		
Fees and commission	**24,747**	39,822
Net revenue from foreign currency option trading	**—**	5,208
Net premium income from insurance broking	**159**	203
Swap interest and foreign exchange trading revenue	**4,047**	5,942
Interest income	**1,206**	5,698
Underwriting commission	**1,096**	54
Management, subscription and advisory fee income	**—**	37
	31,255	56,964
Other revenue		
Dividend income from listed securities	**21**	48
Other income	**78**	500
	99	548
Other net income		
Net exchange (losses)/gains	**(436)**	891
Net realised gains on financial assets at fair value through profit or loss	**—**	48
Net unrealised gains/(losses) on financial assets at fair value through profit or loss	**527**	(620)
	91	319
	31,445	57,831

From discontinued operations	Six months ended 30th June 2009 HK$'000	2008 HK$'000 (restated)
Turnover		
Fees and commission	**—**	28,672
Net revenue from		
— foreign currency option trading	**—**	747
— bullion trading	**—**	48,969
Swap interest and foreign exchange trading revenue	**—**	31,561
Interest income	**—**	14,840
Management, subscription and advisory fee income	**—**	875
	—	125,664
Other revenue		
Dividend income from listed securities	**—**	48
Other income	**—**	25
	—	73
Other net income		
Net exchange losses	**—**	(1,533)
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	**—**	(603)
Profit on disposal of available-for-sale financial assets	**—**	3,072
	—	943
	—	126,680

Segment information

The Group manages its businesses by divisions. On first-time adoption of HKFRS 8, Operating segments, and in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

Continuing operations:

1. Securities broking — provision of broking services in securities, equity linked products, unit trusts and stock options traded in Hong Kong and selected overseas markets and margin financing services to those broking clients.

2. Corporate finance — provision of corporate finance and advisory services to companies listed in Hong Kong.

3. Leveraged foreign exchange trading/broking in Hong Kong — provision of dealing and broking in leveraged forex trading services on the world's major currencies.

4. Commodities and futures broking — provision of broking services in commodities and futures contracts traded in Hong Kong and selected overseas markets.

5. Financial planning and insurance broking in Hong Kong — acting as an agent for the sale of savings plans, unit trusts, general and life insurance and providing advisory services on securities investment and discretionary fund management.

6. Asset management — managing private funds.

Discontinued operations:

1. Leveraged foreign exchange trading/broking outside Hong Kong — provision of dealing and broking in leveraged forex trading services on the world's major currencies.

2. Financial planning outside Hong Kong — providing advisory services on securities investment and discretionary fund management.

3. Precious metal contracts trading/broking — provision of dealing and broking trading services on selected precious metals contracts.

In accordance with HKFRS 8, segment information has been prepared in a manner consistent with the information used by the Group's most senior executive management for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group's senior executive management monitors the assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of current and deferred tax assets and other corporate assets. Segment liabilities include trade creditors and accruals attributable to the operating activities of the individual segments.

The measure used for reporting segment results is earnings before finance costs and taxes ("EBIT"). To arrive at EBIT the Group's earnings are further adjusted for finance costs and items not specifically attributed to individual segments, such as share of profits less losses of associates and other head office or corporate administration costs.

Six months ended 30th June 2009

	Continuing operations							Discontinued operations				
	Securities broking	Corporate finance	Leveraged foreign exchange trading/ broking in Hong Kong	Commodities and futures broking	Financial planning/ insurance broking in Hong Kong	Asset Management	Sub-total	Leveraged foreign exchange trading/ broking outside Hong Kong	Financial planning outside Hong Kong	Precious metal contracts trading/ broking	Sub-total	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover from external customers/reportable segment turnover	14,707	2,782	7,724	2,589	3,452	—	31,254	—	—	—	—	31,254
Reportable segment results (EBIT)	(5,977)	(4,140)	(6,182)	(1,929)	(1,568)	(103)	(19,899)	—	—	—	—	(19,899)
Reportable segment assets	159,684	5,957	57,115	27,369	11,866	4,486	266,477	—	—	—	—	266,477
Reportable segment liabilities	67,846	830	1,393	6,959	3,979	20	81,027	—	—	—	—	81,027

Six months ended 30th June 2008

	Continuing operations							Discontinued operations				
	Securities broking	Corporate finance	Leveraged foreign exchange trading/ broking in Hong Kong	Commodities and futures broking	Financial planning/ insurance broking in Hong Kong	Asset Management	Sub-total	Leveraged foreign exchange trading/ broking outside Hong Kong	Financial planning outside Hong Kong	Precious metal contracts trading/ broking	Sub-total	Total
	HK$'000 (restated)	*HK$'000* (restated)	*HK$'000* (restated)	*HK$'000* (restated)	*HK$'000* (restated)	*HK$'000* (restated)	*HK$'000* (restated)	*HK$'000* (restated)	*HK$'000* (restated)	*HK$'000* (restated)	*HK$'000* (restated)	*HK$'000*
Turnover from external customers	21,615	2,657	12,974	6,473	13,130	52	56,901	37,129	869	87,515	125,513	182,414
Inter-segment turnover	21	300	—	—	—	—	321	794	—	110	904	1,225
Reportable segment turnover	21,636	2,957	12,974	6,473	13,130	52	57,222	37,923	869	87,625	126,417	183,639
Reportable segment results (EBIT)	3,919	(1,054)	(294)	487	603	(618)	3,043	2,856	(4,010)	8,850	7,696	10,739
Reportable segment assets	123,672	10,236	84,423	32,369	13,857	4,714	269,271	—	—	—	—	269,271
Reportable segment liabilities	45,332	966	3,016	10,030	7,353	145	66,842	—	—	—	—	66,842

Reconciliations of reportable turnover

Turnover	Six months ended 30th June **2009** ***HK$'000***	2008 *HK$'000* (restated)
From continuing operations		
Reportable segment turnover	**31,254**	57,222
Elimination of inter-segment turnover	—	(321)
Unallocated head office and corporate turnover	**1**	63
	31,255	56,964
From discontinued operations		
Reportable segment turnover	—	126,417
Elimination of inter-segment turnover	—	(904)
Unallocated head office and corporate turnover	—	151
	—	125,664
Consolidated turnover	**31,255**	182,628

Reconciliations of reportable results

Results	Six months ended 30th June 2009 *HK$'000*	 2008 *HK$'000* (restated)
From continuing operations		
Reportable segment (loss)/profit	**(19,899)**	3,043
Elimination of inter-segment profits	**—**	(2,993)
Reportable segment (loss)/profit derived from group's external customers	**(19,899)**	50
Finance costs	**(31)**	(1,363)
Unallocated head office and corporate expenses	**(2,447)**	(1,494)
	(22,377)	(2,807)
From discontinued operations		
Reportable segment profit	**—**	7,696
Elimination of inter-segment profits	**—**	(800)
Reportable segment profit derived from group's external customers	**—**	6,896
Share of profits less losses of associates	**—**	1,407
Finance costs	**—**	(84)
Unallocated head office and corporate revenues	**—**	2,225
	—	10,444
Consolidated (loss)/profit before taxation	**(22,377)**	7,637

Reconciliations of reportable assets and liabilities

	At 30 June 2009 *HK$'000*	At 31 December 2008 *HK$'000*
Assets		
Reportable segment assets	**266,477**	269,271
Elimination of inter-segment receivables	**(9,323)**	(6,082)
	257,154	263,189
Tax recoverable	**224**	177
Unallocated head office and corporate assets	**22,787**	29,290
Consolidated total assets	**280,165**	292,656
Liabilities		
Reportable segment liabilities	**81,027**	66,842
Elimination of inter-segment payables	**(9,323)**	(6,082)
	71,704	60,760
Unallocated head office and corporate liabilities	**3,456**	4,514
Consolidated total liabilities	**75,160**	65,274

5. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived after charging:

(a) Staff costs

	Continuing operations Six months ended 30th June		Discontinued operations Six months ended 30th June		Total Six months ended 30th June	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000* (restated)	***HK$'000***	*HK$'000* (restated)	***HK$'000***	*HK$'000*
Salaries and allowances	**19,335**	14,815	**—**	24,837	**19,335**	39,652
Equity-settled share-based payments	**—**	403	**—**	(36)	**—**	367
Defined contribution plans	**436**	477	**—**	631	**436**	1,108
	19,771	15,695	**—**	25,432	**19,771**	41,127

(b) Other operating expenses

	Six months ended 30th June	
	2009	2008
	HK$'000	*HK$'000* (restated)
From continuing operations		
Auditors' remuneration	**1,228**	1,356
Bad debts written off	**—**	10
Depreciation of fixed assets	**1,938**	2,268
(Reversal)/charge for impairment loss on trade receivables	**(201)**	132
Legal and professional fee	**702**	1,795
Loss on disposal of fixed assets	**2**	53

(c) Finance costs

	Six months ended 30th June	
	2009	2008
	HK$'000	*HK$'000* (restated)
From continuing operations		
Interest on bank overdrafts	**6**	94
Interest on bank loans	**13**	466
Interest on loan notes	**—**	793
Interest on obligation under finance lease	**12**	10
	31	1,363

6. INCOME TAX

No provision for Hong Kong profits tax has been made for the current period as the Group sustained a loss for taxation purposes.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the prior period. Taxation on overseas profits has been calculated on the estimated assessable profits at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the consolidated income statement:

	Continuing operations Six months ended 30th June		**Discontinued operations Six months ended 30th June**		**Total Six months ended 30th June**	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000* (restated)	***HK$'000***	*HK$'000* (restated)	***HK$'000***	*HK$'000*
Current taxation:						
— Hong Kong profits tax	—	116	—	1,510	—	1,626
— Overseas taxation	—	—	—	850	—	850
— Under-provision for taxation	—	40	—	187	—	227
Deferred taxation:						
— Origination and reversal of temporary differences	—	(134)	—	169	—	35
— Effect of decrease in tax rate on deferred tax balances at 1 January	—	52	—	(5)	—	47
	—	74	—	2,711	—	2,785

7. DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30th June 2009 (2008: nil).

	Six months ended 30th June	
	2009	2008
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the period, of nil cents (2008: HK2.5 cents) per ordinary share	—	10,415

8. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

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

	Six months ended 30th June	
	2009	2008
	HK$'000	*HK$'000*
(Loss)/earnings		
Loss for the period from continuing operations	**(22,377)**	(2,881)
Earnings for the period from discontinued operations	**—**	7,649
(Loss)/earnings for the period attributable to equity holders of the Company	**(22,377)**	4,768

	2009	2008
Number of shares		
Weighted average number of ordinary shares	**422,303,000**	415,490,054

Basic (loss)/earnings per share is calculated based on the (loss)/earnings attributable to equity holders of the Company and the weighted average number of ordinary shares detailed above.

(b) Diluted earnings per share

	Six months ended 30th June	
	2009	2008
Diluted earnings per share		
— From continuing and discontinued operations	**N/A**	HK1.14 cents
— From continuing operations	**N/A**	N/A
— From discontinued operations	**N/A**	HK1.82 cents

Diluted earnings per share for the current period have not been disclosed as the Group did not have dilutive potential ordinary shares outstanding during the period.

Diluted earnings per share for the previous period and diluted earning per share from discontinued operations for the previous period is calculated based on the adjusted weighted average number of 419,212,105 ordinary shares which is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares in respect of share options. The calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Diluted earnings per share from continuing operations for the previous period has not been disclosed as the continuing operations of the Group sustained a loss for the previous period and the potential ordinary shares were anti-dilutive.

9. TRADE AND OTHER RECEIVABLES

	Unaudited 30th June 2009 *HK$'000*	Audited 31st December 2008 *HK$'000*
Trade receivables	**160,111**	85,415
Other receivables	**4,575**	4,866
	164,686	90,281

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

As at 30th June 2009, the aging analysis of the trade receivables was as follows:

	Unaudited 30th June 2009 *HK$'000*	Audited 31st December 2008 *HK$'000*
Current	**159,702**	85,091
30–60 days	**92**	183
Over 60 days	**317**	141
	160,111	85,415

10. BANK BALANCES AND CASH

	Unaudited 30th June 2009 *HK$'000*	Audited 31st December 2008 *HK$'000*
Cash in hand	**14**	12
Bank balances		
— pledged	**11,708**	16,335
— general accounts	**90,614**	171,783
	102,322	188,118
	102,336	188,130
By maturity		
Bank balances		
— Current and savings accounts	**90,614**	171,783
— Fixed deposits (maturing within three months)	**11,708**	16,335
	102,322	188,118

11. TRADE AND OTHER PAYABLES

	Unaudited 30th June 2009 *HK$'000*	Audited 31st December 2008 *HK$'000*
Trade and other payables	**74,914**	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 payable within one month.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

The Group experienced a difficult period in the first half of the year as the financial crisis which began in 2008 spread over into 2009. The market sentiment for the first quarter was poor since the market was full of negative news, such as corporate lay-offs, scaling down of operations, new lows in the stock market, and poor investor sentiment. The situation did not improve until the end of the second quarter. Furthermore, after the completion of the group reorganisation in the last quarter of 2008, certain profitable operations were distributed out of the Group. The combination of these two major factors caused the results of the Group for the period under review to be far from satisfactory. The Group also had to invest in developing and promoting its brand in the market. Costs have been relatively inelastic as the Group needs to maintain its capacity to provide a wide range of financial services to its clients. Overall, turnover of the Group for the first half of 2009 declined from HK$57.0 million to HK$31.3 million. The Group as a whole moved from a profit of HK$4.8 million to a loss of HK$22.4 million, all of which came from continuing operations (2008: loss from continuing operations HK$2.9 million).

Securities Broking

The Hang Seng Index hit 11,344 points on 9 March 2009 which was not much of an improvement over the low of 10,676 recorded on 27 October 2008 after the financial crisis intensified. Average daily turnover dropped from 86,979 million to 58,118 million. Despite the decline in both index and turnover, the Group strived to maintain its share of the market. During an unclear market situation, commission income as well as interest income slid as the margin loan contracted. Turnover decreased to HK$14.7 million from HK$21.6 million. A loss of HK$6.0 million was recorded (2008: profit HK$3.9 million).

Corporate Finance

There were very few business opportunities in corporate finance in the market due to the financial crisis. There were very few initial public offerings ("IPO") and merger and acquisitions transactions in the period under review. However, the corporate finance division succeeded in acting as placing agent for both the Company and another listed company. Acting as compliance advisor and financial advisor for listed companies remain the usual business, but profitability has deteriorated. Costs increased as the Group hired new personnel to plan for expansion. Consequently, turnover was HK$2.8 million (2008: HK$3.0 million), with losses increasing from HK$1.1 million to HK$4.1 million.

Leveraged Foreign Exchange Trading

The market was still competitive. During the period under review, the Group continued its prudent policy in foreign exchange trading as a means to avoid market risk. Most of the positions held by Group were hedged with financial institutions. In addition, as interest rate was low during the period, profit on the interest spread narrowed significantly. As a result, turnover declined to HK$7.7 million (2008: HK$13.0 million) and a loss of HK$6.2 million was recorded (2008: loss HK$0.3 million).

Commodities and Futures Broking

In the past fluctuations in the market created business volume in this division. This was not the case in the first half of 2009. Clients could not endure the losses resulting from the unfavourable positions they held, and instead opted to refrain from the market. Transaction volume dropped by more than half compared to the corresponding period last year. Turnover recorded was HK$2.6 million, representing a decrease of 60% over the HK$6.5 million recorded in the same period last year, which led to a loss of HK$1.9 million (2008: profit HK$0.5 million). As competition in the local futures market is keen, efforts have been made to recruit new customers to trade in overseas commodities markets.

Financial Planning

The default of mini-bonds issued by a leading investment bank in 2008 dampened investor confidence in financial products. Clients not only stopped putting new money into these products but also redeemed the funds they already held. Hence, business in this industry dropped significantly in the first half of the year. In addition, the more complicated procedures in selling financial products to retail customers as recommended by the regulatory bodies created more difficulties in the industry. As a result, turnover dropped over 73% from HK$13.1 million to HK$3.5 million, and a loss of HK$1.6 million was incurred compared to a profit of HK$0.6 million in the corresponding period last year.

Looking Forward

Although the Group suffered considerable losses during the first half of 2009, it is still optimistic in the medium term. Management has formulated certain business strategies aimed at improving the present situation. On the brokerage business, the Group will strengthen the existing client base by satisfying both the needs of clients and marketing personnel. The Group will further develop into the retail market and penetrate into the corporate and institutional market. The Group will also seek for more participation in distribution of shares through cooperation with peers in the industry. Corporate finance is another business to expand and offers strategic positions as it can bring opportunities to both the brokerage and asset management business. On the asset management side, the Group is actively considering resuming the business, as it is another area of promising profitability. The Group will leverage on the strong background of its ultimate controlling shareholder in Mainland China to introduce business opportunities to the corporate finance division. With the recovery of the market, the Group has managed to participate in the underwriting of an IPO after the period under review. The Group anticipates that this IPO is one of the hottest of 2009, and will contribute well to the profit of the corporate finance division. The Group envisages business opportunities ahead due to the growing economy of Mainland China.

The success in raising funds through placing of new shares after the interim period end provides an important financial support for the Group to strengthen and further develop its business. With the new funding, the Group is capable of looking to other new investments and merger and acquisition opportunities to expand its business scale. Last but not the least, to develop into a leading financial institution remains the long term objective of the Group, and management will work diligently towards achieving this goal.

Financial Resources

In spite of the loss recorded in the first half of 2009, the Group's financial position remains healthy. As a prudent player, the Group did not borrow any funds during the period under review. The subsidiaries licensed by the Securities and Futures Commission have complied with the financial resources requirements. To further improve its financial resources, the Company has successfully issued 84,460,000 new ordinary shares to certain institutional, professional and individual investors to raise approximately HK$164 million for the general working capital of the Group.

Contingent liabilities

Except for the guarantees issued by the Company against facilities provided by certain financial institutions to the subsidiaries of the Group and outstanding litigation cases which have been indemnified by previous controlling shareholders, the Group is not exposed to any contingent liabilities.

Exposure to fluctuation in foreign exchange rates

The assets and liabilities of the Group are mostly denominated in Hong Kong Dollars and United States Dollars to which the Hong Kong Dollar is pegged. Only certain foreign exchange positions are denominated in other currencies to which the Group is exposed to fluctuation in foreign exchange rates. The treasury function of the Group will manage the risk exposure under the guidelines laid down by management.

INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30th June 2009 (2008: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the six months ended 30th June 2009. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the six months ended 30th June 2009.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has always strived to enhance our corporate governance and transparency by adopting and implementing appropriate corporate governance practices; and the Company has complied with all the code provisions as set out in the Code on Corporate Governance Practices, Appendix 14 of the Listing Rules with the following exception:

Code Provision A.2.1

This provision states that the roles of chairman and chief executive officer should be separated 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.

Mr. Chen Xiaozhou was appointed the chairman of the Company on 2nd December 2008 and there was no other person designated as chief executive officer. On 18th January 2009, Mr. Zhao Hongwei was appointed as the managing director of the Company and is responsible for the overall operation of the Group and performs the role of chief executive officer.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct for directors' dealing in its shares. All directors confirmed that they have complied with the required standards at all times throughout the six months ended 30th June 2009.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim financial statements for the six months ended 30th June 2009 with the directors. The Group's external auditors have carried out a review of the unaudited interim financial statements 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.

PUBLICATION OF RESULT AND INTERIM 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 Interim 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, 16th September 2009

At the date of this announcement, the Board comprises 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. Wang Tongsan	
	Mr. Chen Gongmeng	
	Mr. Hung Muk Ming	

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