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 2010

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 results of the Group for the six months ended 30th June 2010 as follows:

CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June 2010 — Unaudited

		Six months ended 30th June	
		2010	2009
	Note	***HK$'000***	*HK$'000*
			(restated)
Continuing operations			
Turnover	4	**42,990**	23,531
Other revenue	4	**308**	99
Other net income	4	**434**	450
		43,732	24,080
Staff costs	5(a)	**19,884**	16,826
Commission expenses		**10,071**	10,440
Operating leases for land and buildings		**4,177**	3,688
Other operating expenses		**9,695**	9,377
Total operating expenses		**43,827**	40,331
Operating loss		**(95)**	(16,251)
Finance costs	5(c)	**(38)**	(29)
		(133)	(16,280)
Share of profit of associate	9	**5,701**	—
Profit/(loss) before taxation		**5,568**	(16,280)
Income tax	6	**(753)**	—
Profit/(loss) for the period from continuing operations		**4,815**	(16,280)

CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the six months ended 30th June 2010 — Unaudited

		Six months ended 30th June	
		2010	2009
	Note	***HK$'000***	*HK$'000*
			(restated)
Discontinued operations			
Loss for the period from discontinued operations	3	**(8,260)**	(6,097)
Loss for the period		**(3,445)**	(22,377)
Attributable to:			
Equity holders of the Company		**(3,445)**	(22,377)
		HK cents	*HK cents*
			(restated)
Loss per share			
Basic and diluted			
— From continuing and discontinued operations	8	**(0.64)**	(5.30)
— From continuing operations	8	**0.90**	(3.86)
— From discontinued operations	8	**(1.54)**	(1.44)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2010 — Unaudited

	Note	Six months ended 30th June **2010** *HK$'000*	2009 *HK$'000*
Loss for the period		**(3,445)**	(22,377)
Other comprehensive income for the period:			
Share of associate's investment revaluation reserve relating to available-for-sale securities:			
— Change in fair value		**(7,656)**	—
— Transfer to profit or loss on disposal		**(100)**	—
Net movement in investment revaluation reserve		**(7,756)**	—
Exchange differences on translation of:			
— Share of associate's exchange reserve		**337**	—
	9	**(7,419)**	—
Total comprehensive income for the period		**(10,864)**	(22,377)
Total comprehensive income attributable to:			
Equity holders of the Company		**(10,864)**	(22,377)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June 2010 — Unaudited

	Note	**30th June 2010** *HK$'000*	31st December 2009 *HK$'000* (restated)
Non-current assets			
Intangible assets		**1,439**	1,319
Fixed assets		**5,651**	5,610
Interest in associate	9	**124,156**	125,874
Other assets		**7,678**	4,166
		138,924	136,969
Current assets			
Financial assets at fair value through profit or loss		**8,373**	2,491
Trade and other receivables	10	**88,875**	230,076
Bank balances and cash	11	**256,150**	160,181
		353,398	392,748
Current liabilities			
Trade and other payables	12	**61,013**	88,297
Taxation payable		**753**	—
		61,766	88,297
Net current assets		**291,632**	304,451
Total assets less current liabilities		**430,556**	441,420
NET ASSETS		**430,556**	441,420
Capital and reserves			
Share capital		**53,434**	53,434
Other reserves		**350,641**	358,060
Retained earnings		**26,481**	29,926
TOTAL EQUITY		**430,556**	441,420

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 ("Listing Rules").

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.

As disclosed in note 3, the provision of leveraged foreign exchange trading and broking services 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. CHANGES IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENT

(a) New accounting standards

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

- HKFRS 3 (revised 2008), *Business combinations*
- Amendments to HKAS 27, *Consolidated and separate financial statements*

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

The impact of the majority of the revisions to HKFRS 3 and HKAS 27 have not yet had a material effect on the Group's financial statements as these changes will first be effective as and when the Group enters into a relevant transaction (for example, a business combination) and there is no requirement to restate the amounts recorded in respect of previous such transactions.

(b) Prior year adjustment

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

During the period from 11th December 2009 to 31st December 2009, Sino-Rock recorded a net profit of HK$60,115,000 which included a post-tax gain on disposal of certain available-for-sale investments of HK$58,586,000. This gain arose primarily from the recycling of a gain previously recorded in the investment revaluation reserve of Sino-Rock. Accordingly, as recorded in the Company's audited financial statements for the year ended 31st December 2009, a 40% share of the net profit of Sino-Rock of HK$24,046,000 was recognised by the Group, which included the Group's share of the gain on disposal of available-for-sale investments of HK$23,434,000. At the same time, a 40% share of the corresponding reversal of the investment revaluation reserve as reported by Sino-Rock was also recognised by the Group. However, the Company was recently informed by its auditors that the requirements of paragraph 23 of Hong Kong Accounting Standard ("HKAS") 28, Investments in associates, to make appropriate adjustments to these amounts reported by Sino-Rock to reflect the carrying values of the relevant assets at the date of the acquisition of Sino-Rock by the Group were inadvertently overlooked.

Consequently, the Group's consolidated profit for the year ended 31st December 2009 was overstated by HK$23,434,000, with an equal and opposite understatement of other comprehensive income. As both these amounts were reported within total comprehensive income for the same period, this oversight had no impact on the Group's reported total comprehensive income for the year ended 31st December 2009 or net assets/shareholders' equity as at 31st December 2009. There was also no impact on the comparative amounts reported in this interim report for the six months ended 30th June 2009, as the oversight related to transactions which occurred in December 2009.

In order to properly reflect the requirements of HKAS 28, the following adjustments have been made to restate the comparative amounts reported in respect of the year ended 31st December 2009:

	2009 As previously reported *HK$'000*	Adjustment *HK$'000*	2009 Restated *HK$'000*
Consolidated income statement			
Share of profit of associate	24,046	(23,434)	612
Profit/(loss) for the year	4,412	(23,434)	(19,022)
Basic earnings/(loss) per share	HK0.97 cents	(HK$5.14 cents)	(HK$4.17 cents)
Diluted earnings/(loss) per share	HK0.97 cents	(HK$5.14 cents)	(HK$4.17 cents)
Consolidated statement of comprehensive income			
Share of associate's investment revaluation reserve relating to available-for-sale securities:			
— Transfer to profit or loss on disposal	(23,883)	23,883	—
— Change in fair value	—	(449)	(449)
Other comprehensive income for the year	(23,862)	23,434	(428)
Consolidated statement of financial position			
Other reserves	334,626	23,434	358,060
Retained earnings	53,360	(23,434)	29,926

3. DISCONTINUED OPERATIONS

On 5th March 2010, the Board of Directors of the Company decided to cease providing leveraged foreign exchange trading services to its clients. The directors consider that the Group can utilize the resources saved from provision of leveraged foreign exchange trading business to develop the remaining businesses of the Group which the directors are of the view have higher business potential.

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

		Six months ended 30th June	
		2010	2009
	Note	***HK$'000***	*HK$'000*
			(restated)
Turnover	4	**2,848**	7,724
Other revenue	4	**3**	—
Other net loss	4	**(20)**	(359)
		2,831	7,365
Staff costs	5(a)	**1,710**	2,945
Commission expenses		**1,187**	5,320
Operating leases for land and buildings		**1,840**	2,334
Other operating expenses		**6,354**	2,861
Total operating expenses		**11,091**	13,460
Operating loss		**(8,260)**	(6,095)
Finance costs	5(c)	**—**	(2)
Loss before taxation		**(8,260)**	(6,097)
Income tax	6	**—**	—
Loss for the period		**(8,260)**	(6,097)

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

	Six months ended 30th June	
	2010	2009
	HK$'000	*HK$'000*
		(restated)
From continuing operations		
Turnover		
Fees and commission	**24,784**	21,102
Net premium income from insurance broking	**172**	159
Swap interest and foreign exchange trading revenue	**46**	—
Interest income	**2,866**	1,174
Underwriting commission	**15,122**	1,096
	42,990	23,531
Other revenue		
Dividend income from listed securities	**33**	21
Other income	**275**	78
	308	99
Other net income		
Net exchange losses	**(104)**	(77)
Net realised loss on financial assets at fair value through profit or loss	**(20)**	—
Net unrealised gains on financial assets at fair value through profit or loss	**558**	527
	434	450
	43,732	24,080

	Six months ended 30th June	
	2010	2009
	HK$'000	*HK$'000*
		(restated)
From discontinued operations		
Turnover		
Fees and commission	**681**	3,645
Net revenue from foreign currency option trading	**163**	—
Swap interest and foreign exchange trading revenue	**1,993**	4,047
Interest income	**11**	32
	2,848	7,724
Other revenue	**3**	—
Other net loss	**(20)**	(359)
	2,831	7,365

Segment information

The Group manages its businesses by divisions. 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. Corporate finance — provision of corporate finance and advisory services to companies listed or seeking listing in Hong Kong.

2. 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.

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

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

5. Asset management — managing private funds.

Discontinued operations:

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

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 interest in associate 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 2010

	Continuing operations						Discontinued operations		
	Corporate finance HK$'000	Securities broking HK$'000	Commodities and futures broking HK$'000	Financial planning/ insurance broking in Hong Kong HK$'000	Asset management HK$'000	Sub-total HK$'000	Leveraged foreign exchange trading/broking in Hong Kong HK$'000	Sub-total HK$'000	Total HK$'000
Turnover from external customers	20,824	16,833	1,680	3,605	—	42,942	2,848	2,848	45,790
Inter-segment turnover	—	26	—	—	—	26	1	1	27
Reportable segment turnover	20,824	16,859	1,680	3,605	—	42,968	2,849	2,849	45,817
Reportable segment results (EBIT)	5,885	(995)	(1,429)	(1,117)	(187)	2,157	(7,355)	(7,355)	(5,198)
Reportable segment assets	35,570	189,790	23,567	10,688	7,235	266,850	24,692	24,692	291,542
Reportable segment liabilities	3,261	47,517	5,668	3,093	13	59,552	4,888	4,888	64,440

Six months ended 30th June 2009 (restated)

	Continuing operations						Discontinued operations		
	Corporate finance HK$'000	Securities broking HK$'000	Commodities and futures broking HK$'000	Financial planning/ insurance broking in Hong Kong HK$'000	Asset management HK$'000	Sub-total HK$'000	Leveraged foreign exchange trading/broking in Hong Kong HK$'000	Sub-total HK$'000	Total HK$'000
Turnover from external customers	2,782	14,707	2,589	3,452	—	23,530	7,724	7,724	31,254
Reportable segment turnover	2,782	14,707	2,589	3,452	—	23,530	7,724	7,724	31,254
Reportable segment results (EBIT)	(4,140)	(5,977)	(1,929)	(1,568)	(103)	(13,717)	(6,182)	(6,182)	(19,899)
Reportable segment assets	25,014	252,603	23,878	18,171	4,435	324,101	70,115	70,115	394,216
Reportable segment liabilities	10,837	76,296	4,550	6,660	26	98,369	1,316	1,316	99,685

Reconciliations of reportable turnover

	Six months ended 30th June	
	2010	2009
	HK$'000	*HK$'000*
		(restated)
Turnover		
From continuing operations		
Reportable segment turnover	**42,968**	23,530
Elimination of inter-segment turnover	**(26)**	—
Unallocated head office and corporate turnover	**48**	1
	42,990	23,531
From discontinued operations		
Reportable segment turnover	**2,849**	7,724
Elimination of inter-segment turnover	**(1)**	—
	2,848	7,724
Consolidated turnover	**45,838**	31,255

Reconciliations of reportable results

	Six months ended 30th June	
	2010	2009
	HK$'000	*HK$'000*
		(restated)
Results		
From continuing operations		
Reportable segment profit/(loss) derived from external customers	**2,157**	(13,717)
Share of profit of associate	**5,701**	—
Finance costs	**(38)**	(29)
Unallocated head office and corporate expenses	**(2,252)**	(2,534)
	5,568	(16,280)
From discontinued operations		
Reportable segment loss	**(7,355)**	(6,182)
Elimination of inter-segment (profits)/losses	**(905)**	87
Reportable segment loss derived from external customers	**(8,260)**	(6,095)
Finance costs	**—**	(2)
	(8,260)	(6,097)
Consolidated loss before taxation	**(2,692)**	(22,377)

Reconciliations of reportable assets and liabilities

	At 30 June 2010 HK$'000	At 31 December 2009 HK$'000
Assets		
Reportable segment assets	**291,542**	394,216
Elimination of inter-segment receivables	**(301)**	(4,796)
	291,241	389,420
Interest in associate	**124,156**	125,874
Unallocated head office and corporate assets	**76,925**	14,423
Consolidated total assets	**492,322**	529,717
Liabilities		
Reportable segment liabilities	**64,440**	99,685
Elimination of inter-segment payables	**(3,719)**	(13,086)
	60,721	86,599
Unallocated head office and corporate liabilities	**1,045**	1,698
Consolidated total liabilities	**61,766**	88,297

5. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) 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	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000* (restated)	***HK$'000***	*HK$'000* (restated)	***HK$'000***	*HK$'000*
Salaries and allowances	**19,379**	16,489	**1,657**	2,846	**21,036**	19,335
Defined contribution plans	**505**	337	**53**	99	**558**	436
	19,884	16,826	**1,710**	2,945	**21,594**	19,771

(b) Other operating expenses

	Six months ended 30th June	
	2010	2009
	HK$'000	*HK$'000*
		(restated)
From continuing operations		
Auditors' remuneration	**1,003**	938
Depreciation of fixed assets	**1,232**	1,148
From discontinued operations		
Auditors' remuneration	**245**	290
Depreciation of fixed assets	**566**	790

(c) Finance costs

	Six months ended 30th June	
	2010	2009
	HK$'000	*HK$'000*
		(restated)
From continuing operations		
Interest on bank overdrafts	**—**	6
Interest on bank loans	**38**	13
Interest on obligation under finance lease	**—**	10
	38	29
From discontinued operations		
Interest on obligation under finance lease	**—**	2
	—	2

6. INCOME TAX

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	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(restated)		(restated)		
Current taxation:						
— Hong Kong profits tax for the period	**753**	—	**—**	—	**753**	—

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the current period.

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

Reconciliation between tax expense and accounting profit at applicable tax rates:

	Continuing operations Six months ended 30th June		**Discontinued operations Six months ended 30th June**		**Total Six months ended 30th June**	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000* (restated)	***HK$'000***	*HK$'000* (restated)	***HK$'000***	*HK$'000*
Loss before taxation (excluding share of profit of associates)	**(133)**	(16,280)	**(8,260)**	(6,097)	**(8,393)**	(22,377)
Notional tax on loss before taxation, calculated at the rate applicable to Hong Kong profits tax of 16.5%	**(22)**	(2,686)	**(1,363)**	(1,006)	**(1,385)**	(3,692)
Tax effect of income not subject to taxation	**(58)**	(96)	**(2)**	(5)	**(60)**	(101)
Tax effect of expenses not deductible for taxation purposes	**11**	37	**701**	—	**712**	37
Utilisation of previously unrecognised tax losses	**(234)**	(10)	**—**	—	**(234)**	(10)
Tax effect of tax losses not recognised	**1,043**	2,740	**511**	1,026	**1,554**	3,766
Others	**13**	15	**153**	(15)	**166**	—
Taxation expense	**753**	—	**—**	—	**753**	—

7. DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30th June 2010 (2009: nil).

8. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of $3,445,000 (2009: $22,377,000) and the weighted average of 534,338,000 ordinary shares (2009: 422,303,000 ordinary shares) in issue during the period, calculated as follows:

(i) Loss attributed to ordinary equity shareholders of the Company

	Six months ended 30th June	
	2010	2009
	HK$000	*HK$000* (restated)
Earnings/(loss) for the period from continuing operations	**4,815**	(16,280)
Loss for the period from discontinued operations	**(8,260)**	(6,097)
Loss for the period attributable to equity holders of the Company	**(3,445)**	(22,377)

(ii) Weighted average number of ordinary shares

	Six months ended 30th June	
	2010	2009
Issued ordinary shares at 30 June	**534,338,000**	422,303,000
Weighted average number of ordinary shares at 30 June	**534,338,000**	422,303,000

(b) Diluted loss per share

Diluted loss per share are the same as basic loss per share because there were no potential dilutive ordinary shares during both the current and prior periods.

9. INTEREST IN ASSOCIATE

	Unaudited 30th June 2010 *HK$'000*	31st December 2009 *HK$'000* (restated)
Share of net assets at 1st January	**125,874**	—
Share of associate's results for the period/year	**5,701**	612
Share of associate's other comprehensive income for the period/year	**(7,419)**	(428)
Acquisition of an associate	**—**	125,690
Share of net assets at 30th June/31st December	**124,156**	125,874

10. TRADE AND OTHER RECEIVABLES

	Unaudited 30th June 2010 *HK$'000*	31st December 2009 *HK$'000*
Trade receivables	**85,655**	221,355
Other receivables	**3,220**	8,721
	88,875	230,076

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

As at 30th June 2010, the aging analysis of the trade receivables was as follows:

	Unaudited 30th June 2010 *HK$'000*	31st December 2009 *HK$'000*
Current	**70,707**	212,121
30–60 days	**5,677**	511
Over 60 days	**9,271**	8,723
	85,655	221,355

11. BANK BALANCES AND CASH

	Unaudited 30th June 2010 *HK$'000*	31st December 2009 *HK$'000*
Cash in hand	**15**	14
Bank balances		
— pledged	**12,002**	12,001
— general accounts	**244,133**	148,166
	256,135	160,167
	256,150	160,181
By maturity		
Bank balances		
— Current and savings accounts	**244,133**	148,166
— Fixed deposits (maturing within three months)	**12,002**	12,001
	256,135	160,167

12. TRADE AND OTHER PAYABLES

	Unaudited 30th June 2010 *HK$'000*	31st December 2009 *HK$'000*
Total trade and other payables	**61,013**	88,297

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 were repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

The financial market experienced drastic changes in the first half of 2010. Following the recovery from the global economic crisis in 2009, we had a prosperous beginning in the first quarter of 2010. The daily average turnover in the local equity market was HK$78 billion in January 2010. However, following the regional financial crisis in Europe, confidence in the investment market worldwide turned sour. The daily average turnover fell to HK$64 billion, representing a 17.9 percent decrease. Though property prices soared a lot in the first half and the price of luxurious residential properties hit new highs, it did not serve as a driving force for the equity market. Conversely, the uncertain policy on the tightening of bank loans and new regulations in the PRC property market adversely impacted the market. As a result, the Hang Seng Index could only hover between 22,416 to 18,971 points. More importantly, the atmosphere in the initial public offering market cooled down. Only 4 IPOs were successfully launched in the market in June 2010. All in all, our first quarter results were good but they were drowned by the loss suffered in the second quarter. The turnover recorded was HK$45.8 million (2009: HK$31.3 million), while the recorded loss stood at HK$3.4 million (2009: HK$22.4 million).

Corporate Finance

As mentioned in the preceding annual report, corporate finance will become one of the core businesses to develop. This segment has been the most encouraging one. We have made a number of advancements compared to last year's corresponding period. We were appointed as sponsor for a number of upcoming IPOs, acted as agent for equity placement issues, compliance advisor for listed companies, and financial advisors and independent financial advisors. All the IPOs are in good progress and their income for the second half of 2010 and the following year is expected. The growing corporate finance business is expected to be one of the drivers for the Group's expansion and will result in a synergy effect to the other business units. We managed to turn around the result of this segment. Turnover in this segment increased approximately seven times to HK$20.8 million from HK$2.8 million in the corresponding period last year. Segment result of HK$5.9 million was also recorded (2009: loss HK$4.1 million).

Securities Broking

Securities broking has been one of the major businesses of the Group. The local equity market in the first quarter of 2010 looked promising, but did not extend into the second quarter. Market turnover decreased following a sharp decrease in the number of IPOs which resulted in a significant setback in our business. As a result, turnover only slightly increased to HK$16.8 million (2009: HK$14.7 million), and loss narrowed to HK$1 million (2009: loss HK$6 million). During this same time, the Group successfully launched a new trading system with stronger capabilities and capacity for a larger number of clients. The new system improved the internet trading facilities. Client can enjoy convenient and efficient trading services irrespective of their physical location. The institutional and corporate sales team has been on its track and an encouraging result is envisaged if the sentiment for the primary and secondary market improves.

Asset Management

The associated company acquired in 2009 contributed positively to the result of the period under review. Certain investments held by the associated company have matured and gone public. The Group's asset management business in Hong Kong will commence in the second half of 2010 after the intake of appropriate personnel. During the period under review, we incurred only a minimal cost for maintaining the licence. A loss of HK$0.2 million was recorded (2009: loss HK$0.1 million).

Commodities and Futures Broking

The cut-throat competition among brokers offering very low commission to locally traded products makes the business barely profitable. Our business in the overseas markets showed no improvement in the first half of the year. This phenomenon resulted in turnover further decreasing to HK$1.7 million from HK$2.6 million and resulting segment loss was HK$1.4 million (2009: loss HK$1.9 million). The Group will upgrade its electronic trading system in futures trading in the second half of the year with a hope to explore oversea markets and increase its trading capability.

Financial Planning & Insurance Broking

In the aftermath of the mini-bond and accumulator scandal, the business in distribution of unit trusts and funds has dropped sharply. After analysing the costs and benefits, management decided to cease its business in this area and will surrender the relevant license. The Group decided to concentrate on the business of financial planning which covers estate planning, insurance planning, retirement planning, taxation planning and other asset planning. Focus will be put on marketing investment linked insurance products, property insurance, life insurance and investment products eligible under Capital Investment Entrant Scheme. Turnover for the period under review was HK$3.6 million (2009: HK$3.5 million). The segment results slightly decreased to a loss of HK$1.1 million (2009: loss HK$1.6 million).

Leveraged Foreign Exchange Trading

The business ceased after it stopped taking client orders. The operation loss was HK$7.4 million (2009: loss HK$6.2 million). Resources from this segment will be devoted to other business units.

Looking Forward

The Chinese economy is sustaining a satisfactory growth despite the weak US and European economies, which are fearful of a double dip recession and the sovereign debt crisis. The Chinese economy is also under increasing pressure in regards to the continuous upsurge of property and asset prices, which has resulted in China's government introducing a series of austerity programmes. The market sentiment during the first half of 2010 was highly impacted by such conditions, and carried over into the second quarter, causing IPOs to pull out, the equity market witnessed lower turnover volume and the PRC faced liquidity pressures. Inevitably, our core business, which is highly dependent on the equity market, was adversely affected. However, we are optimistic that the situation will stabilise in the second half of the year. An economic rebound is ahead and the market will be fuelled with potentials. Certain IPOs in the pipeline will be completed, and turnover volume in the equity market will resume to its normal level.

The transformation of our controlling shareholder China Cinda Asset Management Company Limited ("China Cinda"), upon approval by the State Council, into a joint stock limited company has completed. The Group is provided with ample room for cooperation, given the registered capital of China Cinda amounting to RMB25.1 billion, a nationwide network, as well as its extensive business coverage spanning the whole spectrum in the financial industry. China Cinda would focus its core business in the financial industry and the Group acting as the only overseas platform in the China Cinda group would benefit from the synergies with different business units of its parent company. It is expected that a close tie with China Cinda will help the Group explore more opportunities in the PRC.

Financial Resources

During the first half of 2010, the financial situation of the Group remained healthy. The Group did not have any borrowings. All the group companies licensed by the Securities and Futures Commission met the promulgated financial resources requirement. The cessation of the leveraged foreign exchange business further released financial resources for the usage by other business segments.

Contingent Liabilities

Other than the corporate guarantees given on the banking facilities extended to our wholly owned subsidiaries, the Group has not entered into any guarantee or surety agreements. At the end of the reporting period, the directors considered that it was unlikely that any material claim against the Company will crystallise. Certain litigation cases have been indemnified by the former substantial shareholder.

Exposure to Fluctuation in Foreign Exchange Rates

Subsequent to the cessation of the leveraged foreign exchange business of the Group, all the businesses are conducted in either HK Dollars or US Dollars. All assets and liabilities are denominated in HK Dollars or US Dollars. Hence, the Group's exposure to fluctuation in foreign exchange rates is insignificant.

Remuneration and Human Resources Development

During the first half of 2010, after launching the new securities system and the redirection of resources, manpower of the supporting staff have been saved up. The Group continues to recruit staff on the main business focus, i.e. corporate finance, asset management and securities broking. Attractive packages, some of which are performance-based and some with other fringe benefits, are offered to the Group's staff of all level. We hope the growth in the remuneration of our staff will align with the growth of the Group's performance.

INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30th June 2010 (2009: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the six months ended 30th June 2010. 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 2010.

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.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 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 2010.

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 2010 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 2010 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
Lau Mun Chung
Executive Director

Hong Kong, 27th August 2010

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

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

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