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 2011

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 2011 as follows:

CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June 2011 — Unaudited

		Six months ended 30th June	
		2011	2010
	Note	***HK$'000***	*HK$'000*
Continuing operations			
Turnover	4	**24,916**	42,990
Other revenue	4	**309**	308
Other net income	4	**7,543**	434
		32,768	43,732
Staff costs	5(a)	**23,025**	19,884
Commission expenses		**7,147**	10,071
Operating leases for land and buildings		**7,179**	4,177
Other operating expenses		**11,359**	9,695
Total operating expenses		**48,710**	43,827
Operating loss		**(15,942)**	(95)
Finance costs	5(c)	**(7)**	(38)
		(15,949)	(133)
Share of (loss)/profit of associates	9	**(3,409)**	5,701
(Loss)/profit before taxation		**(19,358)**	5,568
Income tax	6	**—**	(753)
(Loss)/profit for the period from continuing operations		**(19,358)**	4,815

	Note	Six months ended 30th June 2011 HK$'000	2010 HK$'000
Discontinued operations			
Loss for the period from discontinued operations	3	**(145)**	(8,260)
Loss for the period		**(19,503)**	(3,445)
Attributable to:			
Equity holders of the Company		**(19,503)**	(3,445)
Loss per share			
Basic and diluted			
— From continuing and discontinued operations	8	**(HK3.47 cents)**	(HK0.64 cents)
— From continuing operations	8	**(HK3.45 cents)**	HK0.90 cents
— From discontinued operations	8	**(HK0.02 cents)**	(HK1.54 cents)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2011 — Unaudited

		Six months ended 30th June	
		2011	2010
		HK$'000	*HK$'000*
Loss for the period		**(19,503)**	(3,445)
Other comprehensive income for the period:			
Share of an associate's investment revaluation reserve relating to available-for-sale securities:			
— Change in fair value		**8,478**	(7,656)
— Transfer to profit or loss on disposal		**—**	(100)
Net movement in investment revaluation reserve		**8,478**	(7,756)
Exchange differences on translation of:			
— Share of an associate's exchange reserve		**1,778**	337
	9	**10,256**	(7,419)
Total comprehensive income for the period		**(9,247)**	(10,864)
Total comprehensive income attributable to:			
Equity holders of the Company		**(9,247)**	(10,864)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June 2011 — Unaudited

	Note	**30th June 2011** *HK$'000*	31st December 2010 *HK$'000*
Non-current assets			
Intangible assets		**1,439**	1,439
Fixed assets		**7,605**	5,270
Interest in associates	9	**157,005**	152,158
Other assets		**9,131**	8,171
		175,180	167,038
Current assets			
Financial assets at fair value through profit or loss		**24,970**	23,935
Trade and other receivables	10	**138,582**	139,353
Bank balances and cash	11	**287,540**	223,311
		451,092	386,599
Current liabilities			
Trade and other payables	12	**54,440**	89,055
Taxation payable		**533**	533
		54,973	89,588
Net current assets		**396,119**	297,011
Total assets less current liabilities		**571,229**	464,049
NET ASSETS		**571,229**	464,049
Capital and reserves			
Share capital		**64,121**	53,434
Other reserves		**488,332**	372,266
Retained earnings		**18,846**	38,349
TOTAL EQUITY		**571,299**	464,049

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.

2. CHANGES IN ACCOUNTING POLICIES

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

- HKAS 24 (revised 2009), *Related party disclosures*
- Improvements to HKFRSs (2010)
- HK(IFRIC) 19, *Extinguishing financial liabilities with equity instruments*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. HK(IFRIC) 19 has not yet had a material impact on the Group's financial statements as these changes will first be effective as and when the Group enters a relevant transaction. The remaining developments related primarily to clarification of certain disclosure requirements applicable to the Group's financial statements. These developments have no material impact on the contents of this interim financial report.

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	
		2011	2010
	Note	***HK$'000***	*HK$'000*
Turnover	4	**1**	2,848
Other revenue	4	**—**	3
Other net income/(loss)	4	**15**	(20)
		16	2,831
Staff costs	5(a)	**—**	1,710
Commission expenses		**—**	1,187
Operating leases for land and buildings		**—**	1,840
Other operating expenses		**161**	6,354
Total operating expenses		**161**	11,091
Loss before taxation		**(145)**	(8,260)
Income tax	6	**—**	—
Loss for the period		**(145)**	(8,260)

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

	Six months ended 30th June	
	2011	2010
	HK$'000	*HK$'000*
From continuing operations		
Turnover		
Fees and commission	**20,936**	24,784
Net premium income from insurance broking	**184**	172
Swap interest and foreign exchange trading revenue	**—**	46
Interest income	**3,265**	2,866
Underwriting commission	**531**	15,122
	24,916	42,990
Other revenue		
Dividend income from listed securities	**—**	33
Other income	**309**	275
	309	308
Other net income		
Net exchange losses	**(14)**	(104)
Net gain on financial assets at fair value through profit or loss	**7,557**	538
	7,543	434
	32,768	43,732
From discontinued operations		
Turnover		
Fees and commission	**—**	681
Net revenue from foreign currency option trading	**—**	163
Swap interest and foreign exchange trading revenue	**—**	1,993
Interest income	**1**	11
	1	2,848
Other revenue	**—**	3
Other net income/(loss)	**15**	(20)
	16	2,831

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 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 associates 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 2011

	Continuing operations						Discontinued operations	
	Corporate finance	Securities broking	Commodities and futures broking	Financial planning/ insurance broking in Hong Kong	Asset management	Sub-total	Leveraged foreign exchange trading/ broking in Hong Kong	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover from external customers	6,193	11,816	2,027	4,009	—	24,045	1	24,046
Inter-segment turnover	300	25	—	—	—	325	—	325
Reportable segment turnover	6,493	11,841	2,027	4,009	—	24,370	1	24,371
Reportable segment results (EBIT)	(8,415)	(6,821)	(2,001)	(1,123)	(1,570)	(19,930)	(145)	(20,075)
Reportable segment assets	38,428	286,416	22,104	3,300	4,776	355,024	1,589	356,613
Reportable segment liabilities	15,630	42,646	7,925	2,779	68	69,048	60	69,108

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$'000*	Total *HK$'000*
Turnover from external customers	20,824	16,833	1,680	3,605	—	42,942	2,848	45,790
Inter-segment turnover	—	26	—	—	—	26	1	27
Reportable segment turnover	20,824	16,859	1,680	3,605	—	42,968	2,849	45,817
Reportable segment results (EBIT)	5,885	(995)	(1,429)	(1,117)	(187)	2,157	(7,355)	(5,198)
Reportable segment assets	35,570	189,790	23,567	10,688	7,235	266,850	24,692	291,542
Reportable segment liabilities	3,261	47,517	5,668	3,093	13	59,552	4,888	64,440

Reconciliations of reportable turnover

	Six months ended 30th June	
	2011	2010
	HK$'000	*HK$'000*
Turnover		
From continuing operations		
Reportable segment turnover	**24,370**	42,968
Elimination of inter-segment turnover	**(325)**	(26)
Unallocated head office and corporate turnover	**871**	48
	24,916	42,990
From discontinued operations		
Reportable segment turnover	**1**	2,849
Elimination of inter-segment turnover	**—**	(1)
	1	2,848
Consolidated turnover	**24,917**	45,838

Reconciliations of reportable results

	Six months ended 30th June	
	2011	2010
	HK$'000	*HK$'000*
Results		
From continuing operations		
Reportable segment (loss)/profit derived from external customers	**(19,930)**	2,157
Elimination of inter-segment profits	**(300)**	—
Share of (loss)/profit of associates	**(3,409)**	5,701
Finance costs	**(7)**	(38)
Unallocated head office and corporate other income/(expenses)	**4,288**	(2,252)
	(19,358)	5,568
From discontinued operations		
Reportable segment loss	**(145)**	(7,355)
Elimination of inter-segment losses	**—**	(905)
Reportable segment loss derived from external customers	**(145)**	(8,260)
Consolidated loss before taxation	**(19,503)**	(2,692)

Reconciliations of reportable assets and liabilities

	At 30 June	At 31 December
	2011	2010
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**356,613**	331,020
Elimination of inter-segment receivables	**(12,060)**	(13,840)
	344,553	317,180
Interest in associates	**157,005**	152,158
Unallocated head office and corporate assets	**124,714**	84,299
Consolidated total assets	**626,272**	553,637
Liabilities		
Reportable segment liabilities	**69,108**	106,216
Elimination of inter-segment payables	**(16,099)**	(18,042)
	53,009	88,174
Unallocated head office and corporate liabilities	**1,964**	1,414
Consolidated total liabilities	**54,973**	89,588

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	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Salaries and allowances	**22,511**	19,379	—	1,657	**22,511**	21,036
Defined contribution plans	**514**	505	—	53	**514**	558
	23,025	19,884	—	1,710	**23,025**	21,594

(b) Other operating expenses

	Six months ended 30th June	
	2011	2010
	HK$'000	*HK$'000*
From continuing operations		
Auditors' remuneration	**1,321**	1,003
Depreciation of fixed assets	**1,522**	1,232
From discontinued operations		
Auditors' remuneration	—	245
Depreciation of fixed assets	—	566

(c) Finance costs

	Six months ended 30th June	
	2011	2010
	HK$'000	*HK$'000*
From continuing operations		
Interest on bank loans	**7**	38
	7	38

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	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Current taxation:						
— Hong Kong profits tax for the period	**—**	753	**—**	—	**—**	753

No Hong Kong profits tax has been made for the current period as the Group companies either sustained a loss for taxation purposes or their tax losses brought forward exceeded their assessable profits for the current period. Hong Kong profits tax had been provided at the rate of 16.5% in prior period on the estimated assessable profits.

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

	Continuing operations Six months ended 30th June		Discontinued operations Six months ended 30th June		Total Six months ended 30th June	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Loss before taxation (excluding share of loss/ profit of associates)	**(15,949)**	(133)	**(145)**	(8,260)	**(16,094)**	(8,393)
Notional tax on loss before taxation, calculated at the rate applicable to Hong Kong profits tax of 16.5%	**(2,632)**	(22)	**(24)**	(1,363)	**(2,656)**	(1,385)
Tax effect of income not subject to taxation	**(135)**	(58)	**—**	(2)	**(135)**	(60)
Tax effect of expenses not deductible for taxation purposes	**26**	11	**—**	701	**26**	712
Utilisation of previously unrecognised tax losses	**(935)**	(234)	**—**	—	**(935)**	(234)
Tax effect of tax losses not recognised	**3,814**	1,043	**30**	511	**3,844**	1,554
Others	**(138)**	13	**(6)**	153	**(144)**	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 2011 (2010: 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 HK$19,503,000 (2010: loss of $3,445,000) and the weighted average of 561,497,722 ordinary shares (2010: 534,338,000 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	
	2011	2010
	HK$000	*HK$000*
(Loss)/profit for the period from continuing operations	**(19,358)**	4,815
Loss for the period from discontinued operations	**(145)**	(8,260)
Loss for the period attributable to equity holders of the Company	**(19,503)**	(3,445)

(ii) Weighted average number of ordinary shares

	Six months ended 30th June	
	2011	2010
Issued ordinary shares at 1 January	**534,338,000**	534,338,000
Effect of new shares issued during the period	**27,159,722**	—
Weighted average number of ordinary shares at 30 June	**561,497,722**	534,338,000

(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 ASSOCIATES

	Unaudited 30th June 2011	31st December 2010
	HK$'000	*HK$'000*
Share of net assets at 1st January	**152,158**	125,874
Share of associates' results for the period/year	**(3,409)**	15,070
Share of associates' other comprehensive income for the period/year	**10,256**	14,206
Transfer of available-for-sale investments by the Group's associate to the Social Security Fund	**—**	(2,992)
Dividend income from an associate	**(6,000)**	—
	847	26,284
Cost of investment of an associate established during the period	**4,000**	—
Share of net assets at 30th June/31st December	**157,005**	152,158

10. TRADE AND OTHER RECEIVABLES

	Unaudited 30th June 2011 HK$'000	31st December 2010 HK$'000
Trade receivables	**97,339**	135,064
Other receivables	**41,243**	4,289
	138,582	139,353

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

As at 30th June 2011, the aging analysis of the trade receivables was as follows:

	Unaudited 30th June 2011 HK$'000	31st December 2010 HK$'000
Current	**74,177**	125,346
30–60 days	**1,748**	2,493
Over 60 days	**21,414**	7,225
	97,339	135,064

11. BANK BALANCES AND CASH

	Unaudited 30th June 2011 HK$'000	31st December 2010 HK$'000
Cash in hand	**15**	15
Bank balances		
— pledged	**12,011**	12,008
— general accounts	**275,514**	211,288
	287,525	223,296
	287,540	223,311
By maturity		
Bank balances		
— Current and savings accounts	**175,508**	211,288
— Fixed deposits (maturing within three months)	**112,017**	12,008
	287,525	223,296

12. **TRADE AND OTHER PAYABLES**

	Unaudited 30th June 2011 *HK$'000*	31st December 2010 *HK$'000*
Trade and other payables	**54,440**	89,055

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

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 commodities and futures contracts were repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

During the first half of 2011, the continuance of quantitative easing, the debt crisis in Greece which has spread to Europe, and the Japan earthquake have all created great uncertainty in the investment market. Investors have cast doubt on the economic growth of the world's major markets. The fear of credit default and an interest rate rebound have further hampered investment sentiment. In Hong Kong, the high property prices resulting in skyrocketing rental prices and political issues have caused disharmony in society, and the investment market cannot prosper. We have seen some initial public offerings ("IPO") withdrew, despite the offers already having begun. Thus a negative atmosphere has been created, especially from the second quarter. As a financial service provider, we have been affected by these adverse sentiments. The Group's turnover recorded a decrease from HK$43.7 million to HK$32.8 million.

Inflation in the first half of the year was astonishing and the most severe it has been since the beginning of this era. Consequently, the property rental and the cost in attracting high calibre personnel soared substantially. Thus, there was great pressure on the cost of operations. Excluding the commission expenses which were a rebate from the commission income, the cost of operations increased by 23% from HK$33.8 million to HK$41.6 million.

The associated company engaging in private equity investment was affected by the poor market too. It hardly contributed any profit to the Group for the first six months. All in all, the Group's loss increased to HK$19.5 million (2010: loss HK$3.4 million).

Corporate Finance

This segment was restructured in the second quarter by recruiting professionals in the market. The corporate finance team is now equipped with an equity capital market team to enhance its ability to handle larger projects. Efforts will be put into IPOs, with larger fund size to be raised compared to those in the past years. Apart from IPOs which will take a relatively long time to complete, the corporate finance division continues to act as compliance advisor, financial advisor and independent financial advisor in order to maintain a stable income. Turnover in this segment decreased, as income from underwriting slumped. Turnover for the period was HK$6.5 million (2010: HK$20.8 million). Certain non-recurring costs were incurred for the restructuring, which further worsened the results. Counting in the costs, the result turned into a loss of HK$8.4 million (2010: profit HK$5.9 million).

Securities Broking

Following the pattern of the corresponding period, the investment sentiment for the first quarter was stable, with daily market turnover of approximately HK$76 billion. But the market turnover of the second quarter decreased. In addition, the cut-throat commission offered in the market continued and caused the income to decrease. As a result, turnover recorded a setback of 30 percent to HK$11.8 million (2010: HK$16.8 million). Loss has been widened to HK$6.8 million (2010: loss HK$1 million).

Commodities and Futures Broking

The business in this segment remained highly competitive with low commission offered by our peers in the market. Through the upgrade to the new system in the last quarter of last year, our business ability has been enhanced. Our business in the overseas market showed some improvement in the first half of the year as a result of the enhanced new system. Turnover was HK$2 million (2010: HK$1.7 million) and the segment loss that resulted was HK$2 million (2010: loss HK$1.4 million). This was mainly due to the increase in cost associated with the provision of products in overseas markets. The cost efficiency will be enhanced if more customers use the system.

Financial Planning and Insurance Broking

The wealth effect created by the soar in property prices stimulated the demand for wealth management products. In addition, as landed property was not recognised as eligible investment under the Capital Investment Entrant Scheme, potential investors turned to other investment linked products. We saw the turnover under this segment increased to HK$4 million (2010: HK$3.6 million). However, the business remained competitive as the commission earned was thin and the operation costs were increasing. As a result, the loss of HK$1.1 million (2010: loss HK$1.1 million) was the same as that incurred in the corresponding period.

Asset Management

The asset management business in fund management was restarted. We have formed an associated company engaging in fund management with a team of professionals who worked for a prominent financial conglomerate before joining us. An absolute return fund has been established. Apart from this, we have moved into the direct investment market on our own, leveraged on our parent company's network. We aimed for some short to medium investment with good returns. As it takes time for the funds to perform and the investment projects to mature, contributions to the Group may not have crystallised in the recent reporting periods. The segment did not record any turnover in the period under review, but rather a reportable segment loss of HK$1.6 million was reported (2010: loss HK$0.2 million). The loss was mainly incurred in the maintenance of the licence.

Looking Forward

The recent instability in the world's major financial markets resulted from the downgrading of the US credit rating, may remain for some time. Coupled with the European debt crisis and the tightening of credit in the PRC, the liquidity in the market is reducing. Bond yields have spiked to their highest in the decade, meaning that investor confidence is weakening. The fear of recession is obvious and investors are chasing safe havens such as the Swiss franc, gold and the Japanese Yen. We expect the volatility in the financial markets will continue. The Group's strategy for carrying on its business in the three main core areas will not change. We are confident to cope with the poor sentiment but a more prudent approach will be employed.

As the parent company of the Group, China Cinda Asset Management Co., Ltd is firmly committed to the financial business, the Group will leverage its relationship to explore more opportunities in the PRC. The Group believes that the PRC provides a firm investment environment despite the recent setbacks. The vast market in the PRC contains a lot of opportunities. The recent setbacks are expected to be temporary and good investments at more reasonable costs will emerge. The Group will endeavour to look for suitable investments to provide medium-term return.

Financial Resources

During the first half of 2011, the Group's financial situation remained healthy. The Group did not have any borrowings. All the Group companies licensed by the Securities and Futures Commission (SFC) met the financial resources requirement promulgated. In order to strengthen the capital base and provide funding to support the asset management business, the Company issued 106,867,600 new shares at a price of HK$1.1 each, on the basis of allotting one new share for every five existing shares held. Net proceeds raised were approximately HK$116.5 million.

Contingent Liabilities

Other than the corporate guarantees given to the banking facilities extended to our wholly owned subsidiaries, the Group has not entered into any guarantee or surety agreements. As the financial resources available have been sufficient to support the Group's business activities, such facilities have not been frequently utilised. At the end of the reporting period, the directors considered it is not probable that a possible claim will be made against the Company. Certain litigation cases were indemnified by the then substantial shareholder.

Exposure to Fluctuation in Foreign Exchange Rates

Subsequent to the cessation of the business of the leveraged foreign exchange business of the Group, all business was conducted in either HK dollars or US dollars. All assets and liabilities are also 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 2011, the Group reshuffled its manpower to expand its business. New staff joined in corporate finance, asset management and securities broking. To cope with the competition for capable staff in the market, the Group raised the general salary level of its staff in the first quarter. Attractive packages, some of which are performance based and have other fringe benefits, are offered to the Group's staff at all levels.

INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30th June 2011 (2010: Nil).

RIGHTS ISSUE

The Company raised approximately HK$116.5 million (net of related expenses) by way of a rights issue of 106,867,600 new ordinary shares of HK$0.1 each in the capital of the Company at a price of HK$1.10 per share for every five existing shares held on 15th April 2011. The rights issue was over-subscribed and 106,867,600 ordinary shares were issued on 16th May 2011.

PURCHASE, SALE OR REDEMPTION OF SHARES

Save as disclosed, the Company did not redeem any of its shares during the six months ended 30th June 2011. 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 2011.

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. The Company has also 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 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 had complied with the required standards at all times throughout the six months ended 30th June 2011.

AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and practices adopted by the Group with the management, and discussed the internal controls and financial reporting matters with the directors, including a review of the unaudited interim financial statements for the six months ended 30th June 2011. 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 2011 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, 25th August 2011

At the date of this announcement, the Board comprises:

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