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 2012

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 2012 as follow:

CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June 2012 — Unaudited

		Six months ended 30th June	
		2012	2011
	Note	***HK$'000***	*HK$'000*
Continuing operations			
Turnover	4	**34,625**	24,916
Other revenue	4	**5,691**	309
Other net (loss)/income	4	**(4,962)**	7,543
		35,354	32,768
Staff costs	5(a)	**27,570**	23,025
Commission expenses		**5,937**	7,147
Operating leases for land and buildings		**7,834**	7,179
Other operating expenses		**13,248**	11,359
Total operating expenses		**54,589**	48,710
Operating loss		**(19,235)**	(15,942)
Finance costs	5(c)	**—**	(7)
		(19,235)	(15,949)
Share of losses of associates	9(a)	**(3,895)**	(3,409)
Share of loss of jointly controlled entity	9(b)	**(70)**	—
Loss before taxation	5	**(23,200)**	(19,358)
Income tax	6	**(21)**	—
Loss for the period from continuing operations		**(23,221)**	(19,358)

	Note	Six months ended 30th June **2012** *HK$'000*	2011 *HK$'000*
Discontinued operations			
Loss for the period from discontinued operations	3	**(3)**	(145)
Loss for the period		**(23,224)**	(19,503)
Attributable to:			
Equity holders of the Company		**(23,224)**	(19,503)
Loss per share			
Basic and diluted			
— From continuing and discontinued operations	8	**(HK3.62 cents)**	(HK3.47 cents)
— From continuing operations	8	**(HK3.62 cents)**	(HK3.45 cents)
— From discontinued operations	8	**—**	(HK0.02 cents)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2012 — Unaudited

	Six months ended 30th June	
	2012	2011
	HK$'000	*HK$'000*
Loss for the period	**(23,224)**	(19,503)
Other comprehensive income for the period:		
Share of an associate's investment revaluation reserve relating to available-for-sale securities:		
— Change in fair value	**(794)**	8,478
— Transfer to profit or loss on disposal	**(2,047)**	—
Net movement in investment revaluation reserve	**(2,841)**	8,478
Exchange differences on translation of:		
— Share of an associate's exchange reserve	**(986)**	1,778
— Translation of foreign operations	**(84)**	—
	(1,070)	1,778
Total comprehensive income for the period	**(27,135)**	(9,247)
Total comprehensive income attributable to:		
Equity holders of the Company	**(27,135)**	(9,247)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June 2012 — Unaudited

	Note	30th June 2012 HK$'000	31st December 2011 HK$'000
Non-current assets			
Intangible assets		**1,439**	1,439
Fixed assets		**6,812**	7,637
Interest in associates	9(a)	**204,976**	212,698
Interest in jointly controlled entity	9(b)	**21,697**	—
Other assets		**4,030**	7,428
Note receivable	10	**45,000**	—
		283,954	229,202
Current assets			
Financial assets at fair value through profit or loss		**6,240**	—
Trade and other receivables	11	**250,255**	93,189
Bank balances and cash	12	**101,541**	261,718
		358,036	354,907
Current liabilities			
Trade and other payables	13	**122,350**	37,355
Taxation payable		**21**	—
		122,371	37,355
Net current assets		**235,665**	317,552
Total assets less current liabilities		**519,619**	546,754
NET ASSETS		**519,619**	546,754
Capital and reserves			
Share capital		**64,121**	64,121
Other reserves		**471,480**	475,391
Retained earnings		**(15,982)**	7,242
TOTAL EQUITY		**519,619**	546,754

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. ACCOUNTING POLICIES

The HKICPA has issued a few amendments to HKFRSs 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:

- Amendments to HKFRS 7, *Financial instruments: Disclosures — Transfers of financial assets*
- Amendments to HKAS 12, *Income taxes — Deferred tax: Recovery of underlying assets*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. These developments do not have a material impact on the Group's financial statements.

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	
		2012	2011
	Note	***HK$'000***	*HK$'000*
Turnover	4	**—**	1
Other net income	4	**—**	15
		—	16
Other operating expenses		**3**	161
Total operating expenses		**3**	161
Loss before taxation		**(3)**	(145)
Income tax	6	**—**	—
Loss for the period		**(3)**	(145)

4. TURNOVER, OTHER REVENUE, OTHER NET (LOSS)/INCOME AND SEGMENT INFORMATION

	Six months ended 30th June	
	2012	2011
	HK$'000	*HK$'000*
From continuing operations		
Turnover		
Fees and commission	**29,323**	20,936
Net premium income from insurance broking	**207**	184
Interest income	**3,129**	3,265
Underwriting commission	**1,966**	531
	34,625	24,916
Other revenue		
Loan interest income	**4,481**	—
Other income	**1,210**	309
	5,691	309
Other net (loss)/income		
Net exchange gains/(losses)	**31**	(14)
Net (loss)/gain on financial assets at fair value through profit or loss	**(4,993)**	7,557
	(4,962)	7,543
	35,354	32,768
From discontinued operations		
Turnover		
Interest income	**—**	1
Other net income	**—**	15
	—	16

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 other investment linked insurance products.

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 jointly controlled entity and other head office or corporate administration costs.

Six months ended 30th June 2012

	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	**8,328**	**14,730**	**3,040**	**2,226**	**—**	**28,324**	**—**	**28,324**
Turnover from an associate	**—**	**—**	**—**	**—**	**6,228**	**6,228**	**—**	**6,228**
Reportable segment turnover	**8,328**	**14,730**	**3,040**	**2,226**	**6,228**	**34,552**	**—**	**34,552**
Reportable segment results (EBIT)	**(9,425)**	**(1,805)**	**(1,292)**	**(1,252)**	**(784)**	**(14,558)**	**(3)**	**(14,561)**

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)

As at 30th June 2012

	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***
Reportable segment assets	**16,338**	**245,073**	**24,831**	**3,351**	**6,287**	**295,880**	**69**	**295,949**
Reportable segment liabilities	**3,109**	**106,269**	**13,843**	**1,071**	**757**	**125,049**	**60**	**125,109**

As at 31st December 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*
Reportable segment assets	47,753	160,483	25,270	3,070	6,632	243,208	72	243,280
Reportable segment liabilities	10,099	19,874	12,990	1,418	319	44,700	60	44,760

Reconciliations of reportable turnover

	Six months ended 30th June	
	2012	2011
	HK$'000	*HK$'000*
Turnover		
From continuing operations		
Reportable segment turnover	**34,552**	24,370
Elimination of inter-segment turnover	**—**	(325)
Unallocated head office and corporate turnover	**73**	871
	34,625	24,916
From discontinued operations		
Reportable segment turnover	**—**	1
Consolidated turnover	**34,625**	24,917

Reconciliations of reportable results

	Six months ended 30th June	
	2012	2011
	HK$'000	*HK$'000*
Results		
From continuing operations		
Reportable segment loss derived from external customers	**(14,558)**	(19,930)
Elimination of inter-segment profits	**—**	(300)
Share of losses of associates	**(3,895)**	(3,409)
Share of loss of jointly controlled entity	**(70)**	—
Finance costs	**—**	(7)
Unallocated head office and corporate other (expenses)/income	**(4,677)**	4,288
	(23,200)	(19,358)
From discontinued operations		
Reportable segment loss derived from external customers	**(3)**	(145)
Consolidated loss before taxation	**(23,203)**	(19,503)

Reconciliations of reportable assets and liabilities

	At **30 June** **2012** ***HK$'000***	At 31 December 2011 *HK$'000*
Assets		
Reportable segment assets	**295,949**	243,280
Elimination of inter-segment receivables	**—**	(5,057)
	295,949	238,223
Interest in associates	**204,976**	212,698
Interest in jointly controlled entity	**21,697**	—
Unallocated head office and corporate assets	**119,368**	133,188
Consolidated total assets	**641,990**	584,109
Liabilities		
Reportable segment liabilities	**125,109**	44,760
Elimination of inter-segment payables	**(4,712)**	(9,213)
	120,397	35,547
Unallocated head office and corporate liabilities	**1,974**	1,808
Consolidated total liabilities	**122,371**	37,355

5. LOSS BEFORE TAXATION

Loss before taxation is arrived after charging:

(a) Staff costs

	Six months ended 30th June	
	2012 ***HK$'000***	2011 *HK$'000*
From continuing operations		
Salaries and allowances	**26,967**	22,511
Defined contribution plans	**603**	514
	27,570	23,025

(b) Other operating expenses

	Six months ended 30th June	
	2012 ***HK$'000***	2011 *HK$'000*
From continuing operations		
Auditors' remuneration	**1,551**	1,321
Depreciation of fixed assets	**1,507**	1,522

(c) Finance costs

	Six months ended 30th June	
	2012	2011
	HK$'000	*HK$'000*
From continuing operations		
Interest on bank loans	**—**	7
	—	7

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	
	2012	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Current taxation:						
— Hong Kong profits tax for the period	**21**	—	**—**	—	**21**	—

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for current period. No Hong Kong profits tax has been made for the prior period as the Group companies either sustained a loss for taxation purposes or their tax losses brought forward exceeded their 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	
	2012	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Loss before taxation (excluding share of losses of associates and jointly controlled entity)	**(19,235)**	(15,949)	**(3)**	(145)	**(19,238)**	(16,094)
Notional tax on loss before taxation, calculated at the rate applicable to profits in the countries concerned	**(3,274)**	(2,632)	**—**	(24)	**(3,274)**	(2,656)
Tax effect of income not subject to taxation	**(257)**	(135)	**—**	—	**(257)**	(135)
Tax effect of expenses not deductible for taxation purposes	**414**	26	**—**	—	**414**	26
Utilisation of previously unrecognised tax losses	**(21)**	(935)	**—**	—	**(21)**	(935)
Tax effect of tax losses not recognised	**3,006**	3,814	**—**	30	**3,006**	3,844
Others	**153**	(138)	**—**	(6)	**153**	(144)
Taxation expense	**21**	—	**—**	—	**21**	—

7. DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30th June 2012 (2011: 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$23,224,000 (2011: loss of HK$19,503,000) and the weighted average of 641,205,600 ordinary shares (2011: 561,497,722 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	
	2012	2011
	HK$000	*HK$000*
Loss for the period from continuing operations	**(23,221)**	(19,358)
Loss for the period from discontinued operations	**(3)**	(145)
Loss for the period attributable to equity holders of the Company	**(23,224)**	(19,503)

(ii) Weighted average number of ordinary shares

	Six months ended 30th June	
	2012	2011
Issued ordinary shares at 1st January	**641,205,600**	534,338,000
Effect of new shares issued during the period	**—**	27,159,722
Weighted average number of ordinary shares at 30th June	**641,205,600**	561,497,722

(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 AND JOINTLY CONTROLLED ENTITY

(a) Interest in associates

	Unaudited 30th June 2012	31st December 2011
	HK$'000	*HK$'000*
Share of net assets at 1st January	**212,698**	152,158
Acquisition of associates	**—**	82,000
Share of associates' results for the period/year	**(3,895)**	(12,775)
Share of associates' other comprehensive income for the period/year	**(3,827)**	(2,685)
Dividend income from an associate	**—**	(6,000)
	(7,722)	(21,460)
Share of net assets at 30th June/31st December	**204,976**	212,698

(b) Interest in jointly controlled entity

	Unaudited 30th June 2012 HK$'000	31st December 2011 HK$'000
Acquisition of jointly controlled entity	**21,767**	—
Share of jointly controlled entity's results for the period	**(70)**	—
Share of net assets at 30th June	**21,697**	—

10. NOTE RECEIVABLE

The note receivable from an independent third party is secured, interest bearing and not repayable within the next twelve months.

11. TRADE AND OTHER RECEIVABLES

	Unaudited 30th June 2012 HK$'000	31st December 2011 HK$'000
Trade receivables	**198,108**	56,012
Other receivables	**52,147**	37,177
	250,255	93,189

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

As at 30th June 2012, the aging analysis of the trade receivables was as follows:

	Unaudited 30th June 2012 HK$'000	31st December 2011 HK$'000
Current	**194,269**	52,127
30–60 days	**1,722**	1,414
Over 60 days	**2,117**	2,471
	198,108	56,012

12. BANK BALANCES AND CASH

	Unaudited 30th June 2012 *HK$'000*	31st December 2011 *HK$'000*
Cash in hand	**20**	15
Bank balances		
— pledged	**15,030**	15,018
— general accounts	**86,491**	246,685
	101,521	261,703
	101,541	261,718
By maturity		
Bank balances		
— Current and savings accounts	**84,491**	221,469
— Fixed deposits (within three months at acquisition)	**15,030**	40,234
— Fixed deposits (over three months at acquisition)	**2,000**	—
	101,521	261,703

13. TRADE AND OTHER PAYABLES

	Unaudited 30th June 2012 *HK$'000*	31st December 2011 *HK$'000*
Trade and other payables	**122,350**	37,355

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 commodities and futures contracts were repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

The distress caused by the European sovereign debt crisis had not been released in the first half of 2012. More importantly, more and more European countries like France, Italy and Germany have been implicated. We also saw even more trouble in Greece, with riots and chaos throughout the country. It is generally believed that the issue will not be satisfactorily resolved in the next few years, whilst European economies could hardly achieve any growth. Furthermore, the United States economy did not show any signs of recovery. Therefore the investment market has been inevitably adversely affected. Dampened by the global economic depression, China recorded a general decline in exports and the economy emerged signs of downturn. The reduction in deposit reserve rates and interest rates did not stop this downturn, which casted doubts about whether China's target economic growth forecast earlier in the year could be achieved.

The investment market in Hong Kong remained gloomy. Though property prices stood at an all-time high, the Hang Seng Index was not at the same pace, closing at only 19,441 points — 13% lower than 22,398 points a year ago. Turnover volume in the local stock market decreased significantly, with the average daily market turnover for the first half of the year standing at HK$57 billion, a 23% decrease compared to HK$74 billion for the same period last year. Inflation in Hong Kong continued to be as high as more than 4% over the period under review, thus there was significant pressure on our operation costs. As a result, turnover was HK$35.4 million (2011: HK$32.8 million) and a loss of HK$23.2 million (2011: HK$19.5 million) was reported.

Corporate Finance

Following the poor investment sentiment at the end of 2011, the initial public offering ("IPO") market was quiet in the first half of the year. There were no large issuances, but a few post-IPO fundraisings, with funds raised in the market decreased substantially from HK$175 billion to only HK$31 billion. Some of the IPOs in the pipeline were unavoidably delayed. Hence, the division concentrated on advisory work which produced relatively stable income. Turnover in this segment increased to HK$8.3 million (2011: HK$6.5 million), while segment loss increased to HK$9.4 million (2011: loss of HK$8.4 million).

Securities Broking

We saw trading volume in the local stock market pick up in February and March, with average daily turnover in these two months reaching approximately HK$66 billion. However, this was not sustained and a sharp decrease was recorded in the second quarter. The decrease was quite obvious, as the average daily turnover was only HK$45 billion in June, compared to HK$70 billion in June 2011, showing a contraction in the market. Though the market environment was harsh, competition remained keen, with overseas stockbrokers continuing to penetrate the market by establishing companies or subsidiaries in Hong Kong. As a result, commission income was further reduced. However, owing to the increase in interest income from the expanded loan portfolio, turnover was maintained at HK$14.7 million (2011: HK$11.8 million) and loss was reduced to HK$1.8 million (2011: loss of HK$6.8 million).

Commodities and Futures Broking

Though competition in the market was still severe, the business in this segment improved in the first half of the year, mainly due to overseas clients trading commodities contracts in overseas markets, which was primarily attributed to our enhanced electronic trading platform which provides sophisticated functions. Turnover was HK$3 million (2011: HK$2 million) and segment loss reduced to HK$1.3 million (2011: loss of HK$2 million).

Financial Planning and Insurance Broking

Statistics showed that the business volume in investment-linked insurance policies decreased in the first quarter of the year, while the business volume of life insurance and general insurance increased. The growth came from liabilities insurance and medical insurance. As our business mainly came from investment-linked products, we were negatively affected by the general business volume decrease in this category. The turnover in this segment decreased to HK$2.2 million (2011: HK$4 million), while a loss of HK$1.3 million (2011: loss of HK$1.1 million) was recorded.

Asset Management

As one of the major business focuses, the Group continued to develop its business in different ways. The incorporation of the associated company in asset management in Xiamen was completed and has commenced operation. The fund it manages has also finished its first phase of fundraising for the first stage. Besides the Xiamen company, we continued to act as the investment advisor for the funds managed by our associated company Cinda Plunkett. Due to the unfavourable investment environment, the associated company engaged in private equity investment was not able to post satisfactory results. Apart from managing others' funds, we also explored opportunities for our own fund. In the first half of the year, we subscribed a high-yield note. In addition, we engaged in certain advisory work. Turnover of HK$6.2 million (2011: Nil) was recorded, a major part of which was the advisory fee received from our associated company. A loss of HK$0.8 million (2011: loss of HK$1.6 million) was also reported.

Looking Forward

Although the market situation has not improved much since the financial period-end, it has stabilised. European countries seem to have reached a consensus to rescue their member countries, rather than letting any of them go bankrupt. The market interest rate in Europe also returned to a lower level. It is expected that the US economy will not worsen and China's economy will probably have a soft landing. The economy is therefore expected to be better in the second half of the year than in the first half and there will not be any surprises.

Turning to our Group, due to the stagnant first half year, projects in the pipeline have had to be delayed to the second half of the year. The IPO we successfully sponsored in July is a typical example. We would speed up our projects on hand. For the asset management business, we will explore different types of funds to attract investors. Leveraging our parent company's background in the PRC, we are confident that there will be good investment opportunities for both our Group and our clients. For the brokerage business, we will explore more conduits to attract new clients.

Our parent company, China Cinda Asset Management Co., Ltd. ("China Cinda"), has committed itself to the finance industry and has also strengthened both its shareholder and capital base by introducing certain prominent strategic investors in the first half of the year. China Cinda's expansion will be fast. As a flagship of China Cinda in the international arena, we will further reinforce our synergy with the China Cinda group in Hong Kong and the PRC. Based on our experience and knowledge in the international market, we will take an active role in the internationalisation of our parent company. Therefore, we believe that enormous opportunities lie ahead. All in all, with our management's efforts and the backing of our parent company, we are confident that we can overcome the current difficulties and improve our performance in the second half of the year.

Financial Resources

The Group's financial situation remained healthy throughout the reporting period. The Group did not have any borrowings as at the end of the reporting period. All the group companies licensed by SFC met the necessary financial resource requirements.

Contingent Liabilities

The Company has provided certain corporate guarantees for the banking facilities extended to some of its wholly owned subsidiaries. Such banking facilities had not been utilised as at the end of the reporting period. Certain outstanding litigation cases have been indemnified by the then substantial shareholder. Therefore, the directors consider it unlikely that any claims will be made against the Company.

Exposure to Fluctuation in Foreign Exchange Rates

Currently, most of the Group's assets and liabilities are denominated in Hong Kong Dollars or US Dollars. The only exposure to foreign exchange fluctuation is on the assets held in Reminbi, the exchange rate of which is comparatively stable. Hence, the Group's exposure to fluctuation in foreign exchange rates is insignificant.

INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30th June 2012 (2011: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the six months ended 30th June 2012. 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 2012.

CORPORATE GOVERNANCE

The Company has always strived to enhance its 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 during the period from 1st January 2012 to 31st March 2012 and the Corporate Governance Code during the period from 1st April 2012 to 30th June 2012 as set out in 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 2012.

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 report for the six months ended 30th June 2012. The Group's external auditors have carried out a review of the unaudited interim financial report 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 INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

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 2012 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, 24th August 2012

As 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