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

(Incorporated in Bermuda with limited liability)
(Stock code: 111)

ANNOUNCEMENT OF 2012 FINAL RESULTS

The board of directors (the "Board") of Cinda International Holdings Limited (the "Company") is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31st December 2012 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31st December 2012

	Note	2012 HK$'000	2011 HK$'000
Continuing operations			
Turnover	4	**100,214**	75,776
Other revenue	4	**14,611**	5,362
Other net (loss)/income	4	**(3,788)**	3,395
		111,037	84,533
Staff costs		**58,049**	51,565
Commission expenses		**13,149**	12,434
Operating leases for land and buildings		**14,680**	13,797
Other operating expenses		**27,162**	24,939
Total operating expenses		**113,040**	102,735
Operating loss		**(2,003)**	(18,202)
Finance costs		**(312)**	(7)
		(2,315)	(18,209)
Share of profits/(losses) of associates	9(a)	**8,764**	(12,775)
Share of profit of a jointly controlled entity	9(b)	**56**	—
Profit/(loss) before taxation		**6,505**	(30,984)
Income tax credit	5	**—**	45
Profit/(loss) for the year from continuing operations		**6,505**	(30,939)
Discontinued operations			
Profit/(loss) for the year from discontinued operations	6	**3,997**	(168)
Profit/(loss) for the year		**10,502**	(31,107)
Attributable to:			
Equity holders of the Company		**10,502**	(31,107)
Earnings/(loss) per share			
Basic and diluted			
— From continuing and discontinued operations	8	**HK1.64 cents**	(HK5.17 cents)
— From continuing operations	8	**HK1.02 cents**	(HK5.14 cents)
— From discontinued operations	8	**HK0.62 cents**	(HK0.03 cents)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2012

	2012	2011
	HK$'000	*HK$'000*
Profit/(loss) for the year	**10,502**	(31,107)
Other comprehensive income for the year:		
Share of an associate's investment revaluation reserve relating to available-for-sale securities:		
— Change in fair value	**4,758**	1,869
— Transfer to profit or loss on disposal	**(7,504)**	(6,844)
Net movement in investment revaluation reserve	**(2,746)**	(4,975)
Share of an associate's exchange reserve movement	**2,438**	2,290
Exchange differences on translation of:		
— financial statements of a jointly controlled entity	**(218)**	—
— financial statements of an overseas subsidiary	**(11)**	—
	(229)	—
	(537)	(2,685)
Total comprehensive income for the year	**9,965**	(33,792)
Total comprehensive income attributable to:		
Equity holders of the Company	**9,965**	(33,792)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31st December 2012

	Note	2012 HK$'000	2011 HK$'000
Non-current assets			
Intangible assets		**1,439**	1,439
Fixed assets		**5,552**	7,637
Interests in associates	9(a)	**221,154**	212,698
Interest in a jointly controlled entity	9(b)	**21,604**	—
Other assets		**4,579**	7,428
Note receivable		**45,000**	—
Loan receivable		**70,000**	—
		369,328	229,202
Current assets			
Financial assets at fair value through profit or loss		**7,040**	—
Trade and other receivables	10	**312,075**	93,189
Bank balances and cash	11	**94,046**	261,718
		413,161	354,907
Current liabilities			
Trade and other payables	12	**165,770**	37,355
Bank loan	13	**60,000**	—
Taxation payable		**—**	—
		225,770	37,355
Net current assets		**187,391**	317,552
Total assets less current liabilities		**556,719**	546,754
NET ASSETS		**556,719**	546,754
Capital and reserves			
Share capital		**64,121**	64,121
Other reserves		**474,854**	475,391
Retained earnings		**17,744**	7,242
TOTAL EQUITY		**556,719**	546,754

NOTES:

1. STATEMENT OF COMPLIANCE

This financial report has been prepared on a basis consistent with the accounting policies adopted in the Group's 2012 annual financial statements. The Group's 2012 annual financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The financial information set out in this report does not constitute the Group's statutory financial statements for the year ended 31st December 2012, but is derived from those financial statements.

The HKICPA has issued certain new and revised HKFRSs, that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

2. BASIS OF PREPARATION

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

— financial instruments classified as available-for-sale or as financial assets at fair value through profit or loss

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued several 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*

These amendments do not have significant impact on the Group's and the Company's results of operations and financial position. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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

	2012	2011
	HK$'000	*HK$'000*
From continuing operations		
Turnover		
Fees and commission	**82,594**	68,319
Underwriting commission	**9,694**	2,710
Interest income	**7,523**	4,346
Net premium income from insurance broking	**403**	401
	100,214	75,776
Other revenue		
Loan interest income	**11,835**	4,436
Dividend income from listed securities	**533**	—
Other income	**2,243**	926
	14,611	5,362
Other net (loss)/income		
Net exchange gains	**262**	813
Net (losses)/gains on financial assets at fair value through profit or loss	**(4,050)**	2,582
	(3,788)	3,395
	111,037	84,533
From discontinued operations		
Turnover	**—**	—
Other revenue		
Other income	**4,000**	—
Other net income		
Interest income	**—**	1
Net gains on financial assets at fair value through profit or loss	**—**	15
	—	16
	4,000	16

Other revenue represents the indemnification received in respect of the fine paid by Cinda International FX Limited to the Securities and Futures Commission ("SFC") in 2010.

Segment information

Year ended 31st December 2012

	Continuing operations						Discontinued operations	
	Corporate finance 2012 *HK$'000*	Securities broking 2012 *HK$'000*	Commodities and futures broking 2012 *HK$'000*	Financial planning/ insurance broking in Hong Kong 2012 *HK$'000*	Asset management 2012 *HK$'000*	Sub-total 2012 *HK$'000*	Leveraged foreign exchange trading/ broking in Hong Kong 2012 *HK$'000*	Total 2012 *HK$'000*
Turnover from external customers	**34,820**	**41,408**	**7,430**	**4,358**	**1**	**88,017**	**—**	**88,017**
Turnover from associates	**—**	**—**	**—**	**—**	**11,371**	**11,371**	**—**	**11,371**
Reportable segment turnover	**34,820**	**41,408**	**7,430**	**4,358**	**11,372**	**99,388**	**—**	**99,388**
Reportable segment results (EBIT)	**861**	**1,431**	**(2,828)**	**(2,044)**	**(1,886)**	**(4,466)**	**3,997**	**(469)**
Interest income from bank deposits	**18**	**64**	**—**	**—**	**1**	**83**	**—**	**83**
Interest expense	**—**	**(77)**	**(2)**	**—**	**—**	**(79)**	**—**	**(79)**
Depreciation for the year	**(123)**	**(732)**	**(177)**	**(4)**	**(3)**	**(1,039)**	**—**	**(1,039)**
Reportable segment assets	**22,154**	**259,920**	**58,823**	**3,738**	**5,573**	**350,208**	**69**	**350,277**
Additions to non-current segment assets during the year	**—**	**202**	**503**	**—**	**—**	**705**	**—**	**705**
Reportable segment liabilities	**3,638**	**112,956**	**49,371**	**2,250**	**1,146**	**169,361**	**60**	**169,421**

Year ended 31st December 2011

	Continuing operations						Discontinued operations	
	Corporate finance 2011 *HK$'000*	Securities broking 2011 *HK$'000*	Commodities and futures broking 2011 *HK$'000*	Financial planning/ insurance broking in Hong Kong 2011 *HK$'000*	Asset management 2011 *HK$'000*	Sub-total 2011 *HK$'000*	Leveraged foreign exchange trading/ broking in Hong Kong 2011 *HK$'000*	Total 2011 *HK$'000*
Turnover from external customers	33,931	23,309	4,638	5,615	—	67,493	—	67,493
Turnover from an associate	—	—	—	—	8,116	8,116	—	8,116
Inter-segment turnover	300	28	—	—	—	328	—	328
Reportable segment turnover	34,231	23,337	4,638	5,615	8,116	75,937	—	75,937
Reportable segment results (EBIT)	(3,604)	(9,982)	(3,900)	(1,992)	(1,965)	(21,443)	(168)	(21,611)
Interest income from bank deposits	13	31	—	—	—	44	1	45
Interest expense	—	(7)	—	—	—	(7)	—	(7)
Depreciation for the year	(136)	(822)	(215)	(8)	(12)	(1,193)	—	(1,193)
Reportable segment assets	47,753	160,483	25,270	3,070	6,632	243,208	72	243,280
Additions to non-current segment assets during the year	3	678	339	—	—	1,020	—	1,020
Reportable segment liabilities	10,099	19,874	12,990	1,418	319	44,700	60	44,760

Reconciliations of reportable turnover

	2012	2011
	HK$'000	*HK$'000*
Turnover		
From continuing operations		
Reportable segment turnover	**99,388**	75,937
Elimination of inter-segment turnover	**—**	(328)
Unallocated head office and corporate turnover	**826**	167
	100,214	75,776
From discontinued operations		
Reportable segment turnover	**—**	—
Consolidated turnover	**100,214**	75,776

Reconciliation of reportable results

	2012	2011
Results		
From continuing operations		
Reportable segment loss	**(4,466)**	(21,443)
Elimination of inter-segment profits	**—**	(300)
Reportable segment loss derived from Group's external customers	**(4,466)**	(21,743)
Share of profits/(losses) of associates	**8,764**	(12,775)
Share of profits of a jointly controlled entity	**56**	—
Finance costs	**(312)**	(7)
Unallocated head office and corporate income	**2,463**	3,541
	6,505	(30,984)
From discontinued operations		
Reportable segment profit/(loss)	**3,997**	(168)
Finance costs	**—**	—
	3,997	(168)
Consolidated profit/(loss) before taxation	**10,502**	(31,152)

Reconciliations of reportable assets and liabilities

	2012 *HK$'000*	2011 *HK$'000*
Assets		
Reportable segment assets	**350,277**	243,280
Elimination of inter-segment receivables	**(3,737)**	(5,057)
	346,540	238,223
Interests in associates	**221,154**	212,698
Interest in a jointly controlled entity	**21,604**	—
Unallocated head office and corporate assets	**193,191**	133,188
Consolidated total assets	**782,489**	584,109
Liabilities		
Reportable segment liabilities	**169,421**	44,760
Elimination of inter-segment payables	**(7,792)**	(9,213)
	161,629	35,547
Unallocated head office and corporate liabilities	**64,141**	1,808
Consolidated total liabilities	**225,770**	37,355

Geographic information

The following table sets out information about the geographical location of (i) the Group's turnover from external customers and (ii) the Group's fixed assets, intangible assets and interests in associates and jointly controlled entity ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of fixed assets; and the location of the core operations, in the case of other specified non-current assets.

	Turnover from external customers		**Specified non-current assets**	
	2012 ***HK$'000***	2011 *HK$'000*	**2012** ***HK$'000***	2011 *HK$'000*
Hong Kong	**99,216**	75,776	**83,486**	86,286
Mainland China	**998**	—	**166,263**	135,488
	100,214	75,776	**249,749**	221,774

5. INCOME TAX

No provision for Hong Kong Profits Tax has been made for both the current and prior years as the Group's companies either sustained a loss for taxation purposes or their tax losses brought forward exceeded their estimated assessable profits for both years. Prior year's taxation represented over-provision of Hong Kong Profits Tax in respect of prior years.

Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:

	Continuing operations		**Discontinued operations**		**Total**	
	2012	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Profit/(loss) before taxation	**6,505**	(30,984)	**3,997**	(168)	**10,502**	(31,152)
Notional tax on profit/(loss) before taxation, calculated at the rates applicable to profits in the countries concerned	**974**	(5,113)	**660**	(28)	**1,634**	(5,141)
Tax effect of income not subject to taxation purposes	**(2,320)**	(297)	**(660)**	—	**(2,980)**	(297)
Tax effect of expenses not deductible for taxation purposes	**1,373**	2,621	**—**	—	**1,373**	2,621
Utilisation of previously unrecognised tax losses and other temporary differences	**(1,207)**	(590)	**—**	—	**(1,207)**	(590)
Tax losses for which no deferred income tax assets were recognised	**1,180**	3,379	**—**	28	**1,180**	3,407
Over-provision in respect of prior years	**—**	(45)	**—**	—	**—**	(45)
Taxation credit	**—**	(45)	**—**	—	**—**	(45)

6. 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 year are set out below:

	Note	**2012** *HK$'000*	2011 *HK$'000*
Other revenue	4	**4,000**	—
Other net income	4	**—**	16
		4,000	16
Operating expenses		**3**	184
Operating profit/(loss)		**3,997**	(168)
Finance costs		**—**	—
Profit/(loss) before taxation		**3,997**	(168)
Income tax		**—**	—
Profit/(loss) for the year		**3,997**	(168)

The net cash flows from the discontinued operations are as follows:

	2012 *HK$'000*	2011 *HK$'000*
Operating activities	**(3)**	(18,879)
Investing activities	**—**	1
Financing activities	**—**	—
Net cash outflow	**(3)**	(18,878)

7. DIVIDENDS

The directors do not recommend the payment of the final dividend for the year ended 31st December 2012 (2011: nil).

8. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to ordinary equity shareholders of the Company of HK$10,502,000 (2011: loss of HK$31,107,000) and the weighted average of ordinary shares 641,205,600 (2011: 601,679,000 ordinary shares) in issue during the year, calculated as follows:

(i) Earnings/(loss) attributed to ordinary equity shareholders of the Company

	2012	2011
	HK$000	*HK$000*
Earnings/(loss) for the year from continuing operations	**6,505**	(30,939)
Earnings/(loss) for the year from discontinued operations	**3,997**	(168)
Earnings/(loss) for the year attributable to equity shareholders of the Company	**10,502**	(31,107)

(ii) Weighted average number of ordinary shares

	2012	2011
Issued ordinary shares at 1st January	**641,205,600**	534,338,000
Effect of new shares issued during the year	**—**	67,341,000
Weighted average number of ordinary shares at 31st December	**641,205,600**	601,679,000

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share are the same as basic earnings/(loss) per share because there were no potential dilutive ordinary shares during both the current and prior years.

9. INTERESTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITY

(a) Interests in associates

	Group	
	2012	2011
	HK$'000	*HK$'000*
Share of net assets at 1st January	**212,698**	152,158
Investment in associates	**—**	82,000
Share of associates' results for the year	**8,764**	(12,775)
Share of associates' other comprehensive income for the year	**(308)**	(2,685)
Dividend income received from an associate	**—**	(6,000)
	8,456	(21,460)
Share of net assets at 31st December	**221,154**	212,698

(b) Interests in a jointly controlled entity

	2012	2011
	HK$'000	*HK$'000*
Investment in a jointly controlled entity	**21,766**	—
Share of jointly controlled entity's results for the year	**56**	—
Exchange difference on translation of financial statements of a jointly controlled entity	**(218)**	—
Share of net assets at 31st December	**21,604**	—

10. TRADE AND OTHER RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**254,711**	56,012
Other receivables	**57,364**	37,177
Total trade and other receivables	**312,075**	93,189

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

As at 31st December 2012, the aging analysis of the trade receivables was as follows:

	2012	2011
	HK$'000	*HK$'000*
Current	**253,233**	52,127
30–60 days	**315**	1,414
Over 60 days	**1,163**	2,471
	254,711	56,012

The margin clients of the securities broking business are required to pledge their shares to the Group for credit facilities for securities trading. The amount of credit facilities granted to them is determined by the discounted value of shares acceptable by the Group after making reference to industry practices.

Credits are extended to other clients on a case-by-case basis in accordance with the financial status of clients such as their financial conditions, trading records, business profile and collateral available to the Group. Clients trading in commodities and futures contracts and obtaining securities margin financing from the Group are required to observe the Group's margin policies. For commodities and futures contracts, initial margins are normally required before trading and thereafter clients are normally required to keep the equity position at a prescribed maintenance margin level.

11. BANK BALANCES AND CASH

	2012 *HK$'000*	2011 *HK$'000*
Cash in hand	**35**	15
Bank balances		
— pledged	**15,042**	15,018
— general accounts	**78,969**	246,685
	94,011	261,703
	94,046	261,718

By maturity:

	2012 *HK$'000*	2011 *HK$'000*
Bank balances		
— current and savings accounts	**78,969**	221,469
— fixed deposits (maturing within three months)	**15,042**	40,234
	94,011	261,703

12. TRADE AND OTHER PAYABLES

	2012 *HK$'000*	2011 *HK$'000*
Trade and other payables	**165,770**	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 payable on demand.

13. BANK LOAN

At 31st December 2012, the bank loan was repayable as follows:

	2012 *HK$'000*	2011 *HK$'000*
Within 1 year	**60,000**	—

At 31st December 2012, the banking facility of the Group and the Company, amounting to HK$70,000,000, was secured by a corporate guarantee from an intermediate holding company of the Group ("the Guarantor").

The banking facility is subject to the fulfilment of covenants relating to certain of the Guarantor's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Guarantor was to breach the covenants, the drawn down facility would become payable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

In 2012, the major world economies remained unstable, and the sovereign debt crisis in Europe further dampened the economic environment. The high unemployment rate, slow economic growth and perceived inflation continued to affect the confidence of consumers and entrepreneurs, and overall the financial system became more vulnerable. China's exports which rely to a great degree on the United States and European economies recorded single-digit growth of 7.9 percent, which is well below the target of 10 percent. In addition, 2012 was an election year, with changes in both the United States' presidency and China's leadership. Economic policies could therefore not be implemented until these changes were complete. The interest rate and deposit reserve ratio have only been slightly reduced, resulted the money supply remained tight. China's investment market clearly reflected this phenomenon. The Shanghai A-Share Composite Index fell below the psychological threshold of 2,000 points, reaching its lowest point for the year in December at 1,949.

The Hong Kong stock market has also been heavily impacted by the stock market in China. There were 64 newly listed companies which raised HK$89.8 billion in 2012, compared with 101 newly listed companies which raised HK$259.8 billion in 2011, a decrease of 37 percent and 65 percent in the number of companies listed and the amounts raised respectively. This slack also caused the daily turnover in the Hong Kong stock market to plummet. The lowest market turnover was in July, with an average of only HK$43.5 billion transacted daily. The average daily turnover hovered between HK$50 billion and HK$60 billion per day thereafter until December when the figure just crossed the HK$60 billion mark. Hence, our business was much affected. In addition Hong Kong also experienced a change in government and continuous high inflationary pressure. With both rental and human resources costs at a high level, the business environment worsened even further.

During 2012, we stuck to our three core business areas — corporate finance, broking and asset management and exercised robust risk management. Our Asset Management team further assisted the Group to enhance the return on its owned funding by exploring alternative investment and financing opportunities. As a result, we were able to increase our turnover to HK$100.2 million (2011: HK$75.8 million), representing a 32 percent increase. Other revenue and other net income totalled HK$14.8 million (2011: HK$8.8 million), which was mainly contributions from other investments and financing. On the expenses side, staff costs represented the most significant increase of 13 percent because of the competition for capable manpower in the market. The result was an operating profit of HK$2 million (2011: loss HK$18.4 million), and taking into account the share of profits from associates and jointly controlled entity, the profit attributable to shareholders was HK$10.5 million (2011: loss HK$31.1 million).

Corporate Finance

The initial public offering market lacked dynamism for most of the year. The market only started recovering at the end of the year when The People's Insurance Company (Group) of China Limited successfully listed H shares on the Hong Kong Stock Exchange ("HKSE"). Despite the poor market sentiment, we were able to successfully sponsor a company to list its shares on the Main Board of the HKSE in July. With contribution from the advisory team, we managed to maintain a slight increase in turnover in this segment with turnover of HK$34.8 million (2011: HK$33.9 million), making a profit of HK$0.9 million (2011: loss HK$3.6 million) mainly because of the slight reduction in costs.

Securities Broking

The average daily market turnover hit its lowest point for 2012 at HK$43.5 billion in July, then stayed around HK$50 billion to HK$60 billion a day from September until the year end. The average daily turnover for the year was only HK$53.8 billion, a decrease of 23 percent compared with HK$69.7 billion in 2011. Despite the poor market volume, new stockbrokers continued to establish their business in Hong Kong, making competition even fiercer. Even though the operational costs soared, because of the competition from the newcomers for human resources, premises and technology, commission became even thinner. Hence, we resorted to increase our income from the enlarged loan portfolio and commission on primary market dealings. Turnover in this segment reported important growth to HK$41.4 million (2011: HK$23.3 million), turning it around to record a profit of HK$1.4 million (2011: loss HK$10 million).

Commodities and Futures Broking

Competition in commission on locally traded futures contracts remained very intense and in the market commission charged on round-trip Hang Seng Index futures contracts was often below HK$10. Business opportunities in the commodities futures market decreased as the role of brokers continued to fade out. Overseas futures and commodities exchanges were lowering their admission criteria and making it more convenient for potential clients to participate in the market. Consequently, although turnover in this segment improved to HK$7.4 million (2011: HK$4.6 million), a segment loss of HK$2.8 million was recorded (2011: HK$3.9 million), representing a moderate decrease.

Financial Planning and Insurance Broking

The business volume further decreased as a result of the consolidation of business in this segment, and there was no improvement in the sale of investment-linked products. In addition, certain staff members in this segment asked to be transferred to other business segments in the Group to seek for other opportunities. Turnover therefore reduced further to HK$4.4 million (2011: HK$5.6 million), resulting in a loss of HK$2 million (2011: HK$2 million).

Asset Management

In the second half of the year, the associated company that was engaged in fund management enlarged the assets under management. However, the financial effect could not be reflected at the end of the year. The jointly controlled entity company in Xiamen completed its registration and raised the first tranche of funds; however, as it is involved in private equity investment the contribution will only crystallise when the investments have matured, which may take several years. Another associated company, Sino Rock Investment Management Company Limited ("Sino-Rock") remained the main contributor of all the associated companies because it held good quality investments which are matured. In addition, we established a mineral fund during the year, acting as fund manager and general partner. Other than managing fund from third parties, the asset management team also devoted its efforts to exploring alternative investments and financing opportunities for the Group. Hence the Group could enhance the return on its financial resources as a whole and such revenue was recorded as other income and revenue of the Group. This segment recorded reportable turnover of HK$11.4 million (2011: HK$8.1 million), which was mainly derived from the advisory fee received from the associated company engaged in managing private funds, and a loss of HK$1.9 million was incurred (2011: HK$2 million).

Financial Resources

The Group's financial ability remained strong throughout the year and all the subsidiaries licensed by the SFC maintained more than the liquid capital required. In order to expand its business scale, the Group leveraged its bank borrowings to finance its working capital, and a banking facility was secured under the corporate guarantee of our holding company. At the end of the year, a total of HK$60 million had been utilised and the Group was able to maintain a healthy financial situation. Adjusted net debt-to-capital ratio as at the reporting date was 26.4 percent (2011: N/A).

Fluctuation in Foreign Exchange

The Group's assets were mainly denominated in Hong Kong dollars ("HKD"), Renminbi ("RMB") and the United States dollars ("USD"), whilst its liabilities of accrual and accounts payable were denominated in HKD. In light of the continuous, mild appreciation of the RMB against the HKD and the pegging of HKD against the USD remains, the Group is of the opinion that the exposure to foreign exchange will not have a material impact on its financial position.

Remuneration and Human Resources Development

The Group employed approximately 110 employees as at 31st December 2012. The employees are remunerated on a fixed salary basis, with a discretionary bonus calculated with reference to both the performance of the business they engage in and their own performance. The Group also provides its staff with on-the-job training and organises regulatory seminars for the staff and account executives as part of their continuing professional training. An education allowance is available to all staff members to attend courses approved by the Group. The Group recognises that the business it operates depends on the strength of its human resources and ensures that it provides appropriate remuneration packages to retain high-calibre individuals.

The Staff Remuneration Committee, consisting of the top management and the head of Human Resources, regularly reviews the Group's remuneration policy and decides on the remuneration package for each employee. The remuneration packages for the executive directors are decided by the Group's Remuneration Committee, which comprises a majority of independent non-executive directors.

Contingent Liabilities

The Group only provides corporate guarantees to its subsidiaries to secure banking facilities for them. At the end of the year, it is unlikely that any material claims would arise. The outstanding litigation with the then controlling shareholder has been totally resolved and the claims has been withdrawn with the action discontinued. Other outstanding litigation cases are considered on a case-by-case basis. Should any case involve economic outflow, provision will be made.

Looking Forward

The economy in the United States (the "US") is recovering slowly, but there are more views on the possible withdrawal of Quantitative Easing ("QE") which could cause interest rate on the USD to rebound. The current strong USD could lead to a contraction in the money supply, while the issue of the fiscal cliff is yet to be resolved. Concerning the European economies, focus has been on the negative growth in 2013 due to the unresolved debt crisis; China's export growth is estimated to be 8–9 percent in 2013, only slightly faster than in 2012. China's GDP growth for 2013 was targeted at 7.5 percent which is the same as that of 2012. The Hong Kong economy has long been influenced by both the US and China economies, making it difficult to have significant growth. In addition, the Hong Kong Government's determination to lower the property market with strong measures coupled with expectations of an interest rate hike, may further hinder the growth. It is expected that 2013 will be rife with uncertainty and the investment market will be very volatile.

Our parent company, China Cinda Asset Management Co., Ltd. ("China Cinda"), has completed the introduction of certain strategic investors in 2012 both to strengthen its capital base and enhance business opportunities. China Cinda is currently consolidating its business and one of its themes is to internationalise. Leveraging on our international experience and relationships, we should be able to provide a wide range of services to China Cinda, mainly including financial advisory and investment management. We believe there is strong synergy with the China Cinda group which will bring enormous benefit to the Group.

As a financial group, we are dependent on the performance of the investment market. The local investment atmosphere in the first two months of 2013 has been promising, with significant increases in turnover in the equity market. Capturing this window, we have successfully sponsored two companies to list their shares on the Main Board of the HKSE. However, it is doubtful whether this market sentiment will continue throughout the year. The tightening rules and regulations, the extended trading hours and the further enhancement of the HKSE's trading system mean an increase in the cost of operation. We will continue to expand our three core business segments, corporate finance, broking and asset management and in addition, will explore more short to medium term investment and financing opportunities by collaborating with our controlling shareholder to enhance the return on our assets. Although 2013 will probably not be easy, we hope to deliver a satisfactory performance to our shareholders.

FINAL DIVIDEND

The directors do not recommend the payment of a final dividend for the year ended 31st December 2012 (2011: nil).

SCOPE OF WORK OF KPMG

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st December 2012 have been compared by the Company's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this announcement.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year ended 31st December 2012. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year ended 31st December 2012.

CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with the principles and code provisions set out from time to time in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange" and "Listing Rules", respectively) under Appendix 14 (the Code on Corporate Governance Practices ("Former CG Code") which was amended as the Corporate Governance Code ("CG Code") with most of the amended provisions becoming effective on 1st April 2012).

Throughout the financial year 2012, the Group has complied with all the code provisions respectively set out in (a) the Former CG Code for the period from 1st January 2012 to 31st March 2012 and (b) the CG Code for the period from 1st April 2012 to 31st December 2012 save for the deviations from code provisions specified below.

Provision A.1.1 of the Former CG Code and CG Code, the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. During the year, a total of three regular meetings of the board of directors of the Company (the "Board") were held in the first quarter, third quarter and the fourth quarter respectively. The Board considers that the three meetings were sufficient to deal with matters of the Company. Apart from Board meetings, consent of directors on issues was also sought through circulating written resolutions.

In the three regular Board meetings held during the year, all the directors of the Company (the "Director(s)") at the relevant time were present at the meetings.

Provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. However, Mr. Wang Tongsan and Mr. Chen Gongmeng, the independent non-executive directors, were unable to attend the annual general meeting of the Company held on 18th May 2012 as they have other engagement.

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 financial year 2012.

AUDIT COMMITTEE

The Audit Committee has reviewed the internal controls and financial reporting matters of the Group together with a review of the annual results for the year ended 31st December 2012.

PUBLICATION OF RESULT AND ANNUAL 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 2012 Annual 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, 27th March 2013

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. 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