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 2013

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 2013 as follow:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30th June 2013 — Unaudited

		Six months ended 30th June	
		2013	2012
	Notes	***HK$'000***	*HK$'000*
Continuing operations			
Turnover	4	**52,335**	34,625
Other revenue	4	**9,139**	5,691
Other gains/(losses)	4	**459**	(4,962)
		61,933	35,354
Staff costs	5(a)	**26,104**	27,570
Commission expenses		**8,998**	5,937
Operating leases for land and buildings		**7,378**	7,834
Other operating expenses		**13,394**	13,248
Total operating expenses		**55,874**	54,589
Operating profit/(loss)		**6,059**	(19,235)
Finance costs	5(c)	**(960)**	—
		5,099	(19,235)
Share of losses of associates	9(a)	**(8,620)**	(3,895)
Share of loss of a joint venture	9(b)	**(288)**	(70)
Loss before taxation		**(3,809)**	(23,200)
Income tax	6	**(13)**	(21)
Loss for the period from continuing operations		**(3,822)**	(23,221)
Discontinued operations			
Loss for the period from discontinued operations	3	**(1)**	(3)
Loss for the period		**(3,823)**	(23,224)

	Notes	Six months ended 30th June 2013 HK$'000	2012 HK$'000
Attributable to:			
Equity holders of the Company			
Continuing operations		**(3,705)**	(23,221)
Discontinued operations		**(1)**	(3)
		(3,706)	(23,224)
Non-controlling interests			
Continuing operations		**(117)**	—
		(3,823)	(23,224)
Basic loss per share attributable to equity holders of the Company			
— From continuing and discontinued operations	8	**(HK0.58 cent)**	(HK3.62 cents)
— From continuing operations	8	**(HK0.58 cent)**	(HK3.62 cents)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30th June 2013 — Unaudited

	Six months ended 30th June	
	2013	2012
	HK$'000	*HK$'000*
Loss for the period	**(3,823)**	(23,224)
Other comprehensive income for the period:		
Items that may be reclassified subsequently to profit or loss		
Share of an associate's investment revaluation reserve relating to available-for-sale securities:		
— Change in fair value	**(1,623)**	(794)
— Transfer to profit or loss on disposal	**—**	(2,047)
Net movement in investment revaluation reserve	**(1,623)**	(2,841)
Share of an associate's exchange difference	**(573)**	(986)
Share of a joint venture's exchange difference	**565**	—
Exchange differences on translation of financial statements of foreign operations	**334**	(84)
	326	(1,070)
Total comprehensive income for the period	**(5,120)**	(27,135)
Total comprehensive income attributable to:		
Equity holders of the Company	**(5,110)**	(27,135)
Non-controlling interests	**(10)**	—
	(5,120)	(27,135)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June 2013 — Unaudited

	Notes	30th June 2013 HK$'000	31st December 2012 HK$'000
Non-current assets			
Intangible assets		**1,439**	1,439
Fixed assets		**4,981**	5,552
Interest in associates	9(a)	**210,338**	221,154
Interest in a joint venture	9(b)	**21,881**	21,604
Other assets		**8,850**	4,579
Loan receivable		**70,000**	70,000
Note receivable		**—**	45,000
		317,489	369,328
Current assets			
Note receivable		**45,000**	—
Financial assets designated at fair value through profit or loss	10	**47,200**	—
Financial instruments held-for-trading	11	**30,200**	7,040
Trade and other receivables	12	**257,756**	312,075
Pledged bank deposits	13	**15,047**	15,042
Bank balances and cash	13	**141,042**	79,004
		536,245	413,161
Current liabilities			
Trade and other payables	14	**173,640**	165,770
Bank loans	15	**80,000**	60,000
Taxation payable		**13**	—
		253,653	225,770
Net current assets		**282,592**	187,391
Total assets less current liabilities		**600,081**	556,719
NET ASSETS		**600,081**	556,719
Capital and reserves			
Share capital		**64,121**	64,121
Other reserves		**473,450**	474,854
Retained earnings		**14,038**	17,744
Total equity attributable to equity holders of the Company		**551,609**	556,719
Non-controlling interests		**48,472**	—
TOTAL EQUITY		**600,081**	556,719

Notes:

1. BASIS OF PREPARATION

This unaudited condensed consolidated financial statements have 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 statements are unaudited, but have been reviewed by Messrs. Deloittle Touche Tohmatsu 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 Group has applied the following accounting policies for the derivative financial instruments entered in the current interim period.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

In the current interim period, the Group has applied, for the first time, certain new or revised HKFRSs issued by the HKICPA that are mandatorily effective for the current interim period:

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current interim period, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements and HK(SIC)-Int 12 "Consolidation — Special purpose entities". HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

HKFRS 10 is effective for the Group for annual period beginning on 1st January 2013. After assessment of the adoption of the HKFRS 10, the directors of the Company consider that no additional investees ought to be consolidated and no investees which were previously consolidated ought to be deconsolidated in accordance with the new definition of control under HKFRS 10. Accordingly, the application of HKFRS 10 does not have material impact on the condensed consolidated financial statements.

Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 "Interests in joint ventures", and the guidance contained in a related interpretation, HK(SIC)-INT 13 "Jointly controlled entities — Non-monetary contributions by venturers", has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements — joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 had three types of joint arrangements — jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

HKFRS 11 is effective for the Group for annual period beginning on 1st January 2013. After assessment of the adoption of the HKFRS 11, the directors of the Company consider that the jointly controlled entity of the Group previously under HKAS 31 is regarded as a joint venture under HKFRS 11. Since it was previously accounted for using the equity method, there is no change in accounting methodology under HKFRS 11. Accordingly, the application of HKFRS 11 does not have material impact on the condensed consolidated financial statements.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Amendments to HKFRS 7 Disclosures — Offsetting financial assets and financial liabilities

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

Except as described above, the application of the other new and revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated 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	
		2013	2012
	Note	***HK$'000***	*HK$'000*
Other operating expenses		**1**	3
Total operating expenses		**1**	3
Loss before taxation		**(1)**	(3)
Income tax	6	**—**	—
Loss for the period		**(1)**	(3)

4. TURNOVER, OTHER REVENUE, OTHER GAINS/(LOSSES) AND SEGMENT INFORMATION

	Six months ended 30th June	
	2013	2012
	HK$'000	*HK$'000*
From continuing operations		
Turnover		
Fees and commission	**35,978**	29,323
Interest income	**4,976**	3,129
Underwriting commission	**9,817**	1,966
Management fee income	**1,374**	—
Net premium income from insurance broking	**190**	207
	52,335	34,625
Other revenue		
Loan interest income	**7,659**	4,481
Other income	**1,480**	1,210
	9,139	5,691
Other gains/(losses)		
Net exchange gains	**439**	31
Net gain/(loss) on financial assets at fair value through profit or loss	**20**	(4,993)
	459	(4,962)
	61,933	35,354

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 and other unlisted corporate.

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 — provision of advisory and management services for 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.

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 interests in associates and a joint venture and other corporate assets. Segment liabilities include trade creditors, accruals and bank loans 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 items not specifically attributed to individual segments, such as share of profits or losses of associates and a joint venture and other head office or corporate administration costs or other revenue.

Six months ended 30th June 2013

	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	**9,876**	**28,877**	**4,057**	**2,825**	**1,375**	**47,010**	**—**	**47,010**
Turnover from an associate	**—**	**—**	**—**	**—**	**4,888**	**4,888**	**—**	**4,888**
Inter-segment turnover	**—**	**—**	**—**	**—**	**546**	**546**	**—**	**546**
Reportable segment turnover	**9,876**	**28,877**	**4,057**	**2,825**	**6,809**	**52,444**	**—**	**52,444**
Reportable segment results (EBIT)	**(3,373)**	**4,741**	**(1,291)**	**(567)**	**1,120**	**630**	**(1)**	**629**

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)

As at 30th June 2013

	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*
Reportable segment assets	**17,507**	**258,505**	**62,538**	**2,033**	**8,095**	**348,678**	**68**	**348,746**
Reportable segment liabilities	**2,365**	**140,897**	**52,377**	**1,112**	**1,047**	**197,798**	**60**	**197,858**

As at 31st December 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*
Reportable segment assets	22,154	259,920	58,823	3,738	5,573	350,208	69	350,277
Reportable segment liabilities	3,638	112,956	49,371	2,250	1,146	169,361	60	169,421

Reconciliations of reportable turnover

	Six months ended 30th June	
	2013 *HK$'000*	2012 *HK$'000*
Turnover		
From continuing operations		
Reportable segment turnover	**52,444**	34,552
Elimination of inter-segment turnover	**(546)**	—
Unallocated head office and corporate turnover	**437**	73
Consolidated turnover	**52,335**	34,625

Reconciliations of reportable results

	Six months ended 30th June	
	2013	2012
	HK$'000	*HK$'000*
Results		
From continuing operations		
Reportable segment profit/(loss) derived from external customers	**630**	(14,558)
Share of losses of associates	**(8,620)**	(3,895)
Share of loss of a joint venture	**(288)**	(70)
Finance costs	**(960)**	—
Unallocated head office and corporate other revenue/(expense)	**5,429**	(4,677)
	(3,809)	(23,200)
From discontinued operations		
Reportable segment loss derived from external customers	**(1)**	(3)
Consolidated loss before taxation	**(3,810)**	(23,203)
Income tax	**(13)**	(21)
Loss for the period	**(3,823)**	(23,224)

Reconciliations of reportable assets and liabilities

	At 30th June	At 31st December
	2013	2012
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**348,746**	350,277
Elimination of inter-segment receivables	**(2,694)**	(3,737)
	346,052	346,540
Interest in associates	**210,338**	221,154
Interest in a joint venture	**21,881**	21,604
Unallocated head office and corporate assets	**275,463**	193,191
Consolidated total assets	**853,734**	782,489
Liabilities		
Reportable segment liabilities	**197,858**	169,421
Elimination of inter-segment payables	**(6,126)**	(7,792)
	191,732	161,629
Unallocated head office and corporate liabilities	**61,921**	64,141
Consolidated total liabilities	**253,653**	225,770

5. LOSS BEFORE TAXATION

Loss before taxation is arrived after charging:

(a) Staff costs

	Six months ended 30th June	
	2013	2012
	HK$'000	*HK$'000*
From continuing operations		
Salaries and allowances	**25,455**	26,967
Defined contribution plans	**649**	603
	26,104	27,570

(b) Other operating expenses

	Six months ended 30th June	
	2013	2012
	HK$'000	*HK$'000*
From continuing operations		
Auditor's remuneration	**1,232**	1,250
Underprovision of auditor's remuneration in prior year	**5**	301
Depreciation of fixed assets	**1,432**	1,507

(c) Finance costs

	Six months ended 30th June	
	2013	2012
	HK$'000	*HK$'000*
From continuing operations		
Interest on bank loans	**960**	—

6. INCOME TAX

The amount of taxation charged to the condensed consolidated statement of profit or loss:

	Continuing operations Six months ended 30th June		Discontinued operations Six months ended 30th June		Total Six months ended 30th June	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Current taxation:						
— Hong Kong Profits Tax for the period	**—**	21	**—**	—	**—**	21
— PRC Enterprise Income Tax for the period	**13**	—	**—**	—	**13**	—
	13	21	**—**	—	**13**	21

Under the Enterprise Income Tax Law of the People's Republic of China ("PRC"), the Enterprise Income Tax rate for domestic entities in PRC is 25% for the current period. No provision for Hong Kong Profits Tax has been made for the current period as the Group's entities either sustained a loss for taxation purposes or their tax losses brought forward exceed their estimated assessable profits for the period. Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for the prior period.

7. DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30th June 2013 (2012: nil).

8. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity holders of the Company of HK$3,706,000 (2012: loss of $23,224,000) and the number of 641,205,600 ordinary shares (2012: 641,205,600 ordinary shares) in issue during the period, calculated as follows:

(i) Loss attributed to equity holders of the Company

	Six months ended 30th June	
	2013	2012
	HK$000	*HK$000*
Loss for the period from continuing operations	**(3,705)**	(23,221)
Loss for the period from discontinued operations	**(1)**	(3)
Loss for the period attributable to equity holders of the Company	**(3,706)**	(23,224)

(ii) Number of ordinary shares

	Six months ended 30th June	
	2013	2012
Issued ordinary shares at 1st January and 30th June	**641,205,600**	641,205,600

(b) Diluted loss per share

No diluted loss per share was presented for both periods because there were no potential dilutive ordinary shares during both the current and prior periods.

9. INTEREST IN ASSOCIATES AND A JOINT VENTURE

(a) Interest in associates

	Unaudited 30th June 2013 *HK$'000*	31st December 2012 *HK$'000*
Share of net assets at 1st January	**221,154**	212,698
Share of associates' results for the period/year	**(8,620)**	8,764
Share of associates' other comprehensive income for the period/year	**(2,196)**	(308)
	(10,816)	8,456
Share of net assets at 30th June/31st December	**210,338**	221,154

(b) Interest in a joint venture

	Unaudited 30th June 2013 *HK$'000*	31st December 2012 *HK$'000*
Share of net assets at 1st January	**21,604**	—
Investment in a joint venture	**—**	21,766
Share of a joint venture's results for the period/year	**(288)**	56
Share of a joint venture's other comprehensive income for the period/year	**565**	(218)
Share of net assets at 30th June/31st December	**21,881**	21,604

10. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited 30th June 2013 *HK$'000*	31st December 2012 *HK$'000*
Debt securities	**47,200**	—

11. FINANCIAL INSTRUMENTS HELD-FOR-TRADING

	Unaudited 30th June 2013 *HK$'000*	31st December 2012 *HK$'000*
Equity securities listed in Hong Kong	**7,200**	7,040
Derivatives — warrants	**23,000**	—
	30,200	7,040

12. TRADE AND OTHER RECEIVABLES

	Unaudited 30th June 2013 *HK$'000*	31st December 2012 *HK$'000*
Trade receivables	**195,540**	254,711
Other receivables	**62,216**	57,364
	257,756	312,075

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

As at 30th June 2013, the aging analysis of the trade receivables based on date of invoice/contract note at the reporting date was as follows:

	Unaudited 30th June 2013 *HK$'000*	31st December 2012 *HK$'000*
Current	**192,546**	253,233
Past due:		
30–60 days	**1,283**	315
Over 60 days	**1,711**	1,163
	195,540	254,711

13. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

	Unaudited 30th June 2013 *HK$'000*	31st December 2012 *HK$'000*
Cash in hand	**32**	35
Bank balances	**156,057**	94,011
	156,089	94,046
By maturity		
Bank balances		
— Current and savings accounts	**141,010**	78,969
— Fixed deposits (maturing within three months)	**15,047**	15,042
	156,057	94,011

14. TRADE AND OTHER PAYABLES

	Unaudited 30th June 2013 *HK$'000*	31st December 2012 *HK$'000*
Trade and other payables	**173,640**	165,770

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.

15. BANK LOANS

At 30th June 2013, the bank loans were repayable as follows:

	Unaudited 30th June 2013 *HK$'000*	31st December 2012 *HK$'000*
Within one year	**80,000**	60,000

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

In the first half of the year, the world's major economies were not stable. Economic performance of different nations varied significantly. We saw improvement in the economy of the United States of America (the "US") — real Gross Domestic Product ("GDP") growth of 1.7% in the second quarter and a reduction in the unemployment rate down from 10% in the previous years to about 7.5%. However, such solid data increased the chance of the Federal Reserve to taper its purchase of asset. There were also more calls for the withdrawal of quantitative easing (the "QE") in the US. These worries caused shocks in the investment market. The Dow Jones Index became more volatile than before though it continuously broke historical records in the first half of 2013. The sovereign debt crisis in Europe has though not worsen, it has not improved much. The European economies were dragged and did not perform well as it lacks the dynamics to grow. Certain countries even reported negative economic growth. Concerning China, the economic growth has much slowed down. There were uncertainties on the sustainability of the high economic growth in China. A lot of products have been over-supplied. The pressure of economic downturn was increasing. The pessimism on recovery of China's economy was probably reflected in its stock market. Shanghai Composite A Shares Index fell by 12.8% in the first half of 2013. The performance was behind the major markets in the world as most indices recorded an increase for the period. More importantly, the crisis of liquidity broke up in June. This caused a sudden tighten-up of the liquidity in China.

Turning to Hong Kong, Hang Seng Index closed at 20,803 points at the end of June which was only slightly over the half year's lowest that recorded at 19,426 in June. It fell by 8% compared to the opening in the year which stood at 22,657. In February, the Hang Seng Index has once climbed to 23,945 point but it could not be sustained. The difference between the highest and lowest was 4,519 points. Turnover volume in the Hong Kong stock market was however improved with average daily turnover of HK$68.3 billion, represented an increase of 20% comparing with the last corresponding period of HK$56.7 billion. The initial public offering ("IPO") market remained sluggish. There were only 23 new listings in the Hong Kong Stock Exchange ("HKSE"), compared with 32 in the same period last year, it represented 28% decrease. The amount raised was approximately HK$39.4 billion. Though certain large IPOs accomplished their listing, some sizeable ones were pulled out as a result of insufficient subscription.

Turning to our group, though the market was not satisfactory, we strived to expand in our three core business and improved our performance in the first half of the year. We succeed in sponsoring three IPOs, increased the transaction volume for our brokerage business and increased the asset under our management. The group's turnover was HK$61.9 million (2012: HK$35.4 million), represented an increase of 75%. Under our stringent control, the operation cost was maintained at similar level as that of the previous year though we are confronting with the high inflationary pressure on rental and labour. The operating expenses excluding commission payout was HK$46.9 million (2012: HK$48.7 million), a slight decrease of 4% was recorded. Operating profit after finance costs was HK$5.1 million (2012: loss HK$19.2 million), which was a big improvement. However the share of losses from associated companies and a joint venture increased to HK8.9 million (2012: loss HK$4 million). As a result, loss attributable to equity holders was sharply reduced to HK$3.8 million (2012: loss HK$23.2 million).

Corporate Finance

Although the IPO market in the first half was disappointing, we managed to capture the window to assist our clients to list their shares in the HKSE. We succeed to sponsor three IPOs, two in the Main Board and one in the GEM Board in the first half of the year. The IPOs received overwhelming responses and in one IPO over subscription of exceeding 1,000 times of the shares publicly offered was recorded. Two IPOs recorded the highest soar in the closing price in the first day of trading compared to the IPO price in the Main Board and the GEM Board respectively. As a result, the segment recorded turnover of HK$9.9 million (2012: HK$8.3 million) and the segment loss was reduced to HK$3.4 million (2012: HK$9.4 million).

Brokerage Business

The Group's securities broking business has been benefited from the improved market turnover volume. We managed to double our turnover volume in the first half of the year compared to the last corresponding period. This was result of the generally increase in turnover volume of the existing clients, the introduction of new sales teams and the underwriting of the IPOs in the first half of the year. As a result, turnover was substantially improved to HK$28.9 million (2012: HK$14.7 million). Segment profit of HK$4.7 million (2012: loss HK$1.8 million) was recorded.

The enhanced commodities and futures trading system continued to perform its function that it allows clients to trade efficiently with the sophisticated yet user-friendly platform. As a result, overseas clients' trading volume in commodities contracts in major overseas market increased. However, we were also confronting with the more severe price competition from our peers. Profit margin hence becomes even thinner. As a result, segment turnover was increased to HK$4.1 million (2012: HK$3 million) and segment result was loss HK$1.3 million (2012: HK$1.3 million).

Business in the segment of financial planning and insurance broking did not show much sign of improvement as the market in investment linked products was still stagnant. Turnover in this segment slightly increased to HK$2.8 million (2012: HK$2.2 million). Loss was however narrowed down to HK$0.6 million (2012: loss HK$1.3 million) due to the reshuffle in the manpower of this segment to save up its operation cost.

Asset Management

During the first half of year, we have successfully enlarged the assets under our management. We placed our emphasis on the management of private equity funds. We have set up two private equity funds during the same period. One fund aimed at investing in cultural enterprises in Fujian province whilst the other one aimed at investing in retail business. They have finished their registration and recruitment of funds. The mineral fund which was established last year has finished its investment. Another private equity fund aiming at investing in Taiwan has also finished its recruitment of fund and investment after the financial period end. Turning to the associated companies, the one engaging in fund management has slightly improved its result due to the increase in the asset under management and the improvement in the performance of the fund managed. The investments held by the associated company in Xiamen can contribute well when they are mature. Another associated company, Sino Rock suffered a loss in the first half of the year. As a very large portion of its investments was located in China, it was affected significantly by the slowdown of the economic growth in China. The quality of the investments it held is high and it could contribute to the Group when the economy of China recovers. We continued to look for investment of high quality for itself to enhance the overall return of our funding. Such return on investment was recorded as other income and revenue of the Company. Consequently, this segment recorded reportable turnover of HK$6.8 million (2012:

HK$ 6.2 million), which was mainly derived from advisory services from the associated company engaged in managing private funds. The segment turned into profit of HK$1.1 million (2012: loss HK$ 0.8 million).

Looking Forward

The market sentiment in the recent months seemed smoothed out. There are more and more views that the QE will not be ended with a hard landing that would harm the US economy. The sovereign debt crisis in Europe seemed to be stabilized. China has also implemented a series of measures to improve its economy, inter alia, further regulating and opening up its financial market, providing certain tax concessions, simplifying approval procedures for exporting companies and creating more channels to fulfill railway development plans. Certain controls over interest rate has been lessened and the range in the movement of exchange rate is widened. RMB interest rate and exchange rate will become more and more market oriented. It is expected that the benefit on the economic measures implemented could be gradually crystallized.

Our parent company, China Cinda Asset Management Co., Ltd. ("China Cinda") expands its business under the three areas of distress asset operation, asset management and financial services business. Strategically, China Cinda will go international and develop into a comprehensive financial group. As its flagship in the equity market outside the Mainland China, we will explore more opportunities to co-operate with China Cinda. We expect more and more support from and synergies with China Cinda.

The atmosphere in the local market has improved and we hope we will further be benefited. Inflation seemed to be alleviated as the increase in the consumer price index has been much mild in the recent months. We will continue to expand our three main cores of business. With the improved local market, it is expected that the IPO market will gradually be more active and the cases in the pipeline can succeed in listing their shares. Hopefully the size of the fund raised could be larger. The brokerage business could maintain a steady growth if the present market condition sustain till the end of the year. After accumulating certain experience in managing private equity investments, we will further develop in this area. We shall explore more investment opportunities for our clients. In case where the risk and return of an investment suits our requirement, we will participate in the investment, not only to enhance our return but also strengthen the confidence of our clients. Coupling with the improved marco-economic environment and the local market sentiment, we endeavor to further advance our improvement on the foundation built in the first half of the year and deliver a satisfactory result for the year as a whole.

Financial Resources

The Group's financial ability remained healthy throughout the period. The subsidiaries licensed by the Securities and Future Commission were able to maintained liquid capital in excess of the amount so required. At the end of the reporting period, loan in the amount of HK$80 million was utilized to finance our investment and working capital in securities broking business. Out of this amount, HK$60 million was secured under the corporate guarantee of our holding company. The Group is exploring the possibility to issue certain long term bonds to strengthen its funding base.

Contingent Liabilities

Other than corporate guarantee given to its subsidiaries to secure banking facilities for their operation, the Company did not entered into any guarantee or surety. At the end of the reporting period, it is unlikely that any material claim would arise from these corporate guarantees. Outstanding litigation cases are considered case-by-case on a periodic basis. Should any case involve any economic outflow, provision will be made.

Exposure to Fluctuation in Foreign Exchange Rates

The Group's assets were mainly denominated in Hong Kong Dollars ("HKD"), Renminbi ("RMB") and the United States Dollars ("USD"), whilst its liabilities were all in Hong Kong Dollars. In view of the current slow continuous appreciation of RMB and the pegged exchange rate between HKD and USD, the change of the exchange rates of the relevant currencies against HKD would not have a material impact on the Group's financial position.

INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30th June 2013 (2012: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company did not redeem any of its shares during the six months ended 30th June 2013. 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 2013.

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 Corporate Governance Code during the period from 1st January 2013 to 30th June 2013 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 2013.

AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and practices adopted by the Group with the management, and discussed 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 2013. The Group's external auditor has 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 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 2013 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

27 August 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