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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 2014 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 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31ST DECEMBER 2014

	Notes	**2014** *HK$'000*	2013 *HK$'000*
Turnover	4	**132,453**	165,691
Other income	4	**22,719**	21,863
Other gains	4	**9,797**	3,206
		164,969	190,760
Staff costs		**70,839**	63,067
Commission expenses		**26,850**	18,889
Operating leases for land and buildings		**17,401**	16,005
Other operating expenses		**28,970**	28,154
Finance costs		**3,101**	2,184
		147,161	128,299
		17,808	62,461
Share of profits of associates	8(a)	**23,072**	16,618
Share of loss of a joint venture	8(b)	**(1,451)**	(201)
Profit before taxation		**39,429**	78,878
Income tax	5	**(3,192)**	(8,002)
Profit for the year		**36,237**	70,876
Attributable to:			
Equity holders of the Company		**28,230**	68,254
Non-controlling interests		**8,007**	2,622
		36,237	70,876
Basic earnings per share attributable to equity holders of the Company	7	**HK4.40 cents**	HK10.64 cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014 HK$'000	2013 HK$'000
Profit for the year	**36,237**	70,876
Other comprehensive income for the year:		
Items that may be reclassified subsequently to profit or loss		
Change in fair value of available-for-sale financial assets	**(1,007)**	—
Share of an associate's investment revaluation reserve relating to available-for-sale securities:		
— Change in fair value	**44,046**	1,881
Share of a joint venture's investment revaluation reserve relating to available-for-sale securities:		
— Change in fair value	**—**	380
— Transfer to profit or loss on disposal	**(380)**	—
Net movement in investment revaluation reserve	**42,659**	2,261
Share of an associate's exchange difference	**(12,043)**	3,248
Exchange differences on translation of:		
— Financial statements of a joint venture	**(534)**	836
— Financial statements of foreign operations	**(377)**	529
	(12,954)	4,613
	29,705	6,874
Total comprehensive income for the year	**65,942**	77,750
Total comprehensive income attributable to:		
Equity holders of the Company	**58,081**	74,946
Non-controlling interests	**7,861**	2,804
	65,942	77,750

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Intangible assets		**1,439**	1,439
Property and equipment		**4,990**	4,529
Available-for-sale financial assets	9	**3,387**	4,162
Interests in associates	8(a)	**297,976**	242,901
Interest in a joint venture	8(b)	**20,254**	22,619
Other assets		**10,698**	10,773
Loans receivable		**48,000**	118,000
		386,744	404,423
Current assets			
Loans receivable		**70,000**	—
Note receivable		**—**	45,000
Available-for-sale financial assets	9	**247,071**	—
Financial assets designated at fair value through profit or loss	10	**55,000**	49,400
Financial instruments held-for-trading	11	**22,000**	22,500
Trade and other receivables	12	**394,786**	355,028
Pledged bank deposits	13	**15,062**	15,052
Bank balances and cash	13	**135,957**	91,464
		939,876	578,444
Current liabilities			
Trade and other payables	14	**314,413**	224,416
Borrowings	15	**191,218**	35,000
Taxation payable		**387**	7,795
		506,018	267,211
Net current assets		**433,858**	311,233
Total assets less current liabilities		**820,602**	715,656
Capital and reserves			
Share capital		**64,121**	64,121
Other reserves		**511,397**	481,546
Retained earnings		**114,228**	85,998
Total equity attributable to equity holders of the Company		**689,746**	631,665
Non-controlling interests		**53,734**	49,991
TOTAL EQUITY		**743,480**	681,656
Non-current liabilities			
Bonds issued		**76,000**	34,000
Deferred tax liability		**1,122**	—
		820,602	715,656

NOTES:

1. STATEMENT OF COMPLIANCE

This financial report has been prepared on a basis consistent with the accounting policies adopted in the Group's 2014 annual financial statements. The Group's 2014 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 (Cap. 622). 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 2014, 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 certain financial instruments that are stated at their fair value at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following new and revised HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK (IFRIC) — INT 21	Levies

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

4. TURNOVER, OTHER INCOME, OTHER GAINS AND SEGMENT INFORMATION

	2014	2013
	HK$'000	*HK$'000*
Turnover		
Fees and commission		
— Corporate finance	19,884	18,960
— Securities broking	37,191	32,446
— Commodities and futures broking	2,811	6,983
— Financial planning and insurance broking	4,186	3,714
— Asset management	18,619	10,554
— Others	240	989
	82,931	73,646
Underwriting income and placing commission		
— Corporate finance	—	4,720
— Securities broking	14,924	72,163
	14,924	76,883
Interest income		
— Corporate finance	37	14
— Securities broking	9,441	10,544
— Commodities and futures broking	1	1
— Financial planning and insurance broking	—	1
— Asset management	24	1
— Others	5	15
	9,508	10,576
Management fee and service fee income		
— Asset management	24,704	4,189
Gross premium income from financial planning and insurance broking	3,223	2,879
Less: Direct commission expenses incurred for financial planning and insurance broking	(2,837)	(2,482)
Net premium income from financial planning and insurance broking	386	397
	132,453	165,691

	2014	2013
	HK$'000	*HK$'000*
Other income		
Loan interest income	**11,649**	14,961
Interest income from debt securities	**8,965**	4,189
Dividend income from listed securities	**—**	320
Other income	**2,105**	2,393
	22,719	21,863
Other gains		
Net exchange (losses)/gains	**(451)**	378
Net gains on disposal of financial assets designated at fair value through profit or loss	**5,148**	1,128
Loss from changes in fair value of financial assets classified as held-for-trading	**(500)**	(500)
Gain from changes in fair value of financial assets designated at fair value through profit or loss	**5,600**	2,200
	9,797	3,206
	164,969	190,760

Segment information

The Group manages its businesses by divisions. Under HKFRS 8 Operating segments, and in a manner consistent with the way in which information is reported internally to the Group's most senior executive management, being the chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has identified the following operating and reportable segments. No operating segments have been aggregated to form the following reportable segments.

1. Corporate finance — provision of corporate finance and advisory services to companies listed or seeking listing in Hong Kong and other unlisted corporates.

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, underwriting, placing 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 — 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 and auxiliary services.

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 borrowings 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 income.

Segment information

Year ended 31st December 2014

	Corporate finance *HK$'000*	Securities broking *HK$'000*	Commodities and futures broking *HK$'000*	Financial planning/ insurance broking *HK$'000*	Asset management *HK$'000*	Total *HK$'000*
Turnover from external customers	**19,921**	**61,407**	**2,812**	**4,572**	**27,156**	**115,868**
Turnover from an associate	**—**	**—**	**—**	**—**	**15,360**	**15,360**
Inter-segment turnover	**—**	**149**	**—**	**—**	**831**	**980**
Reportable segment turnover	**19,921**	**61,556**	**2,812**	**4,572**	**43,347**	**132,208**
Reportable segment results (EBIT)	**(7,010)**	**4,192**	**(3,756)**	**(2,665)**	**28,385**	**19,146**
Interest income from bank deposits	**37**	**39**	**—**	**—**	**26**	**102**
Interest expense	**(345)**	**(1,400)**	**(47)**	**(78)**	**(452)**	**(2,322)**
Depreciation for the year	**(23)**	**(992)**	**(116)**	**(1)**	**(6)**	**(1,138)**
Reportable segment assets	**15,520**	**449,770**	**28,525**	**3,583**	**374,271**	**871,669**
Additions to non-current segment assets during the year	**29**	**2,116**	**19**	**—**	**57**	**2,221**
Reportable segment liabilities	**5,267**	**274,305**	**18,571**	**1,807**	**211,419**	**511,369**

Year ended 31st December 2013

	Corporate finance *HK$'000*	Securities broking *HK$'000*	Commodities and futures broking *HK$'000*	Financial planning/ insurance broking *HK$'000*	Asset management *HK$'000*	Total *HK$'000*
Turnover from external customers	23,694	115,132	6,984	4,112	2,786	152,708
Turnover from an associate	—	—	—	—	10,554	10,554
Inter-segment turnover	—	21	—	—	1,404	1,425
Reportable segment turnover	23,694	115,153	6,984	4,112	14,744	164,687
Reportable segment results (EBIT)	(1,911)	55,185	(2,616)	(1,911)	(3,772)	44,975
Interest income from bank deposits	14	2,624	—	—	1	2,639
Interest expense	—	(214)	—	—	—	(214)
Depreciation for the year	(67)	(737)	(137)	(3)	(4)	(948)
Reportable segment assets	20,952	356,913	49,872	2,506	25,795	456,038
Additions to non-current segment assets during the year	87	3,191	34	—	42	3,354
Reportable segment liabilities	1,883	176,631	39,331	1,049	9,022	227,916

Reconciliations of reportable turnover

	2014	2013
	HK$'000	*HK$'000*
Turnover		
Reportable segment turnover	**132,208**	164,687
Elimination of inter-segment turnover	**(980)**	(1,425)
Unallocated head office and corporate turnover	**1,225**	2,429
Consolidated turnover	**132,453**	165,691

Reconciliations of reportable results

	2014	2013
Results		
Reportable segment results	**19,146**	44,975
Elimination of inter-segment profits	**(28)**	—
Reportable segment profit derived from external customers	**19,118**	44,975
Share of profits of associates	**23,072**	16,618
Share of loss of a joint venture	**(1,451)**	(201)
Finance costs	**(3,101)**	(2,184)
Unallocated head office and corporate income	**1,791**	19,670
	39,429	78,878
Consolidated profit before taxation	**39,429**	78,878
Income tax	**(3,192)**	(8,002)
Profit for the year	**36,237**	70,876

Reconciliations of reportable assets and liabilities

	2014	2013
Assets		
Reportable segment assets	**871,669**	456,038
Elimination of inter-segment receivables	**(4,571)**	(2,597)
	867,098	453,441
Interests in associates	**297,976**	242,901
Interest in a joint venture	**20,254**	22,619
Unallocated head office and corporate assets	**141,292**	263,906
Consolidated total assets	**1,326,620**	982,867
Liabilities		
Reportable segment liabilities	**511,369**	227,916
Elimination of inter-segment payables	**(11,695)**	(7,986)
	499,674	219,930
Unallocated head office and corporate liabilities	**83,466**	81,281
Consolidated total liabilities	**583,140**	301,211

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 property and equipment, intangible assets, available-for-sale financial assets and interests in associates and a joint venture ("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 property and equipment; and the location of the core operations in the case of other specified non-current assets.

	Turnover from external customers		**Specified non-current assets**	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**103,114**	162,993	**95,582**	85,493
Mainland China	**29,339**	2,698	**232,464**	190,157
	132,453	165,691	**328,046**	275,650

Information about major customer:

Turnover from customers contributing over 10% of the total sales of the Group are as follows:

	2014	2013
	HK$'000	*HK$'000*
Customer from asset management segment	**19,902**	—
Customer (an associate) from asset management segment	**15,360**	9,574
Customer (ultimate holding company) from corporate finance and securities broking segments	**—**	57,744
	35,262	67,318

5. INCOME TAX

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 and prior years.

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for the current and prior years.

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

	2014	2013
	HK$'000	*HK$'000*
Current taxation		
— Hong Kong Profits Tax	**1,999**	7,776
— PRC Enterprise Income Tax	**71**	226
	2,070	8,002
Deferred taxation		
— Hong Kong Profits Tax	**1,122**	—
	3,192	8,002

6. DIVIDENDS

The directors do not recommend the payment of the final dividend for the year ended 31st December 2014 (2013: nil).

7. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of HK$28,230,000 (2013: HK$68,254,000) and the number of 641,205,600 ordinary shares (2013: 641,205,600 ordinary shares) in issue during the year, calculated as follows:

(i) Earnings attributable to equity holders of the Company

	2014	2013
	HK$'000	*HK$'000*
Earnings for the year attributable to equity holders of the Company	**28,230**	68,254

(ii) Number of ordinary shares

	2014	2013
Issued ordinary shares at 1st January and at 31st December	**641,205,600**	641,205,600

(b) Diluted earnings per share

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

8. INTERESTS IN ASSOCIATES AND A JOINT VENTURE

(a) Interests in associates

	2014	2013
	HK$'000	*HK$'000*
Share of net assets at 1st January	**242,901**	221,154
Share of associates' results for the year	**23,072**	16,618
Share of associates' other comprehensive income for the year	**32,003**	5,129
	55,075	21,747
Share of net assets at 31st December	**297,976**	242,901

(b) Interest in a joint venture

	2014	2013
	HK$'000	*HK$'000*
Share of net assets at 1st January	**22,619**	21,604
Share of a joint venture's results for the year	**(1,451)**	(201)
Share of a joint venture's other comprehensive income for the year	**(914)**	1,216
Share of net assets at 31st December	**20,254**	22,619

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2014 *HK$'000*	2013 *HK$'000*
Non-current:		
Unlisted equity investments:		
— Equity securities	**1**	1
— Private equity funds	**3,386**	4,161
	3,387	4,162
Current:		
Listed debt investment:		
— Debt securities with fixed interest	**247,071**	—
	250,458	4,162

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

	2014 *HK$'000*	2013 *HK$'000*
Debt securities	**55,000**	49,400

11. FINANCIAL INSTRUMENTS HELD-FOR-TRADING

	2014 *HK$'000*	2013 *HK$'000*
Derivatives-warrants	**22,000**	22,500

12. TRADE AND OTHER RECEIVABLES

	2014 *HK$'000*	2013 *HK$'000*
Trade receivables	**373,192**	346,018
Other receivables	**21,594**	9,010
Total trade and other receivables	**394,786**	355,028

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

As at 31st December 2014 and 2013, the aging analysis of trade receivables arising from corporate finance and underwriting services based on the date of invoice of the reporting date was as follows:

	2014 *HK$'000*	2013 *HK$'000*
Current	**1,639**	60,073
30–60 days	**113**	30
Over 60 days	**180**	—
	1,932	60,103

For those cash securities trading clients, it normally takes two to three days to settle after trade date of those transactions. These outstanding unsettled trades due from clients are reported as trade receivables from clients.

The settlement terms of margin and other deposits from brokers and financial institutions are at specific agreed terms. The settlement terms of trade receivables from corporate finance clients are usually 30 days from the date of invoice.

The margin clients of the securities broking business are required to pledge their shares to the Group for credit facilities for securities trading.

The settlement terms of trade receivables from clearing houses are usually one to two days after the trade date.

Credits are extended to brokerage 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 required before trading and thereafter clients are required to keep the equity position at a prescribed maintenance margin level.

13. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

	2014	2013
	HK$'000	*HK$'000*
Cash in hand	**33**	32
Bank balances		
— pledged	**15,062**	15,052
— general accounts	**135,924**	91,432
	150,986	106,484
	151,019	106,516
By maturity:		
Bank balances		
— current and savings accounts	**130,634**	90,143
— fixed deposits (maturing within three months)	**16,352**	16,341
— fixed deposits (maturing over three months)	**4,000**	—
	150,986	106,484

14. TRADE AND OTHER PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Trade and other payables	**314,413**	224,416

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

The settlement terms of payable to brokers, 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 and other deposits received from clients for their trading of commodities and futures contracts were payable on demand.

15. BORROWINGS

	2014	2013
	HK$'000	*HK$'000*
Bank loan *(note (a))*	**86,000**	35,000
Margin loan from a broker *(note (b))*	**105,218**	—
	191,218	35,000

(a) At 31st December 2014 and 2013, the bank loan was repayable and carried interest with reference to HIBOR as follows:

	2014	2013
	HK$'000	*HK$'000*
Within 1 year	**86,000**	35,000

At 31st December 2014, the bank loan of HK$86,000,000 (31st December 2013: HK$35,000,000) was drawn under a banking facility of the Company, amounting to HK$150,000,000 (31st December 2013: HK$70,000,000). An intermediate holding company of the Company (the "Guarantor") provided a corporate guarantee to support this banking facility.

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.

The effective interest rate on the bank loan is also equal to contracted interest rate.

(b) At 31st December 2014, the margin loan from a broker was secured by the Group's debt securities of HK$247,071,000 (31st December 2013: HK$nil), and was repayable and carried interest with reference to LIBOR as follows:

	2014	2013
	HK$'000	*HK$'000*
Within 1 year	**105,218**	—

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

The world's major economies began to see some positive signs in economic performance in 2014, while some of them are still struggling with challenges that they encountered over the past few years. In the United States (the "U.S."), unemployment rate fell to 5.7% by the end of December and is the lowest level since 2008. Consumption confidence hiked to a high level in the last quarter of the year leading to a boom atmosphere. The rising interest rate outlook in the U.S. and massive quantitative easing in Europe and Japan led to capital flow to the U.S. and thus its stock markets performed well with various indexes saw new highs. In Europe, the dismal employment situation and the deflationary pressure prompted the European Central Bank to start the bond purchase program. Yet, the debt problem in Greece continues to be the biggest threat to the unity of the European Union.

In China, the consumption and investment figures remained weak. The growth in consumer spending dropped and the urban fixed asset investment growth cooled down to 15.7% from 19.6% in 2013. China experienced economic slowdown which has not been seen for over a decade. The economic growth in 2014 could barely touch 7.4% which is 10 basis point below what was estimated. The growth was the lowest in the past 24 years. The slow appreciation in the value of Renminbi ("RMB") since nearly a decade ago came to a halt as RMB slight devalued in the year. The People's Bank of China turned its stance towards a relatively ease monetary policy and started to reduce interest rate and deposit reserve ratio in the fourth quarter.

Turning to the financial market, the China and United States markets performed well. China stock market surged significantly in the last quarter leading the Shanghai Stock Exchange Composite Index to close at 3,234 points which represented 52.9% rise in the year with daily market turnover broke through RMB1,000 billion. The Dow Jones Industrial Average Index ("DJI") finished at 17,983 which is a 8.4% growth. But more importantly, the DJI continued to trade at high level during the year. As for the Hong Kong financial market, the Hang Seng Index (the "HSI") closed at 23,605 points which only recorded insignificant year-on-year growth of 1.3%. The HSI has once dipped at 21,182 resulting from the loss of momentum in China's economic growth. Leveraging on the prosperous China market, the market turnover in the last quarter in Hong Kong also soared as the daily market turnover reached HK$97 billion. Yet the Shanghai Hong Kong Stock Connect started on 17th November 2014 did not result hot response as transaction turned out to be low. There were 122 companies newly listed on The Stock Exchange of Hong Kong Limited (the "SEHK") raising HK$227.7 billion during the year.

The Group kept on concentrating in the three core business and to supplement by some alternate investment and financing opportunities. The business in asset management posted an encouraging result. It was also the growth driver of the year. The business in corporate finance and brokerage recorded setback, one blatant reason was the non-occurrence of the income brought by the listing of the shares of China Cinda Asset Management Co., Ltd. ("China Cinda"), the controlling shareholder of the Company. Turnover was therefore reduced to HK$132.5 million (2013: HK$165.7 million). Other revenue and income increased to HK$32.5 million (2013: HK$25.1 million) which was mainly due to the return on the seed monies injected into the funds the Group managed and the return from other investment and financing opportunities. The cost of operation excluding commission expenses increased by 10% due to the high inflationary pressure in Hong Kong. As a result, profit for the year was reduced to HK$36.2 million (2013: HK$70.9 million) and profit attributable to equity holder was HK$28.2 million (2013: HK$68.3 million).

Corporate Finance

Due to the weaken market atmosphere subsisted in the middle of the year, some sponsorship engagements have been slowed down pending the improvement of the market. Hence, the initial public offerings ("IPO") have been delayed. As a result, the corporate finance segment only sponsored one IPO raising HK$250 million in the first quarter of the year. However, the IPO received hot response and the public offer tranche received subscription of 2,187 times of the shares offered which is also a record for the Group's IPOs. Apart from the sponsorship business, the team continued to act as financial advisor and compliance advisor for listed companies. The cost on manpower also went up significantly because of more new players in the market compete for high calibre personnel. As a result turnover was HK$19.9 million (2013: HK$23.7 million), representing a decrease of 16%. Loss was increased to HK$7 million (2013: loss HK$1.9 million).

Brokerage Business

The securities broking business remained very competitive as there were still a number of new players penetrating into the market. However, the daily market turnover could hardly broke through the psychological barrier of HK$100 billion. In addition, the call for commission reduction has never paused. The Group therefore sought to enlarge its margin loan portfolio. Underwriting commission decreased sharply due to the non-occurrence of commission from the listing of the H shares of China Cinda and the slowdown in the corporate finance segment. Turnover in this segment reported a decrease to HK$61.4 million (2013: HK$115.1 million). Segment profit of HK$4.2 million (2013: HK$55.2 million) was resulted.

Turning to futures and commodities broking, oil price and currencies dropped significantly during the year. For instance, crude oil price fell from the highest in the year of approximately US$107 a barrel to the lowest of below US$50 a barrel. The exchange rate of Euro to US Dollars fell below per Euro for US$1.1 and it continues to seek its bottom. A large number of investors suffered substantial losses and hence the business in futures and commodities trading was further deteriorated. Coupled with downward pressure on the commission charged, turnover decreased seriously. Furthermore, the pressure on the cost of operation was not eased due to the increase in human and information technology cost. As a result, turnover in this segment recorded a sharp decrease to HK$2.8 million (2013: HK$7.0 million), a segment loss of HK$3.8 million was recorded (2013: loss HK$2.6 million).

Due to the harsh regulations on selling investment link products and insurance policies, business in financial planning and insurance broking segment has been constrained. The turnover of this segment has not improved materially. But the profit margin was further narrowed down due to increase in compliance cost. The business was still operated under a tight cost environment. This segment could therefore be treated as a supplement to the Group as it provides retail products which are not covered by other segments. As a result, turnover amounted to HK$4.6 million (2013: HK$4.1 million) and a loss of HK$2.7 million (2013: loss HK$1.9 million) was resulted.

Asset Management

After several years' effort and input, this segment recorded good improvement in its result. A private equity fund invested in the cultural industry matured in the second half of the year. The Group successfully withdrew as general partner of the fund and earned a considerable sum on the performance fee. In addition, the retail fund posted a good return for the seed money invested as a result of the exercise of the warrant received by the fund. The Group believes that the setting up of new funds with its own fund as seed money could be the direction of expanding asset management business as it enhances the confidence of investors. During the second half of the year, we have injected a certain amount of our own fund as seed money into the new funds which we planned to establish. The subsidiary in Fujian was in the course of facilitating investment and return could be seen at a later stage.

The absolute return fund managed by Cinda Plunket International Capital Management Limited, an associated company posted very good result in the year. It outperformed the peers in the market to record a net return of approximately 11%, compared to the market average of approximately 7%. This return was the best annual return since the inception of the fund. As a result, the performance of the management company improved along with the return on the seed money injected. Sino-Rock Investment also recorded an encouraging result that it contributed HK$13.6 million (2013: HK$13.7 million) to the Group. It was mainly due to the investment return and servicing income on managing funds. The investments managed by the associated company in Xiamen is yet to be matured and hence it takes further time for the company to have contribution to the Group's result.

As a continuing business, the asset management team also looked for financing and investment opportunities for the Group to enhance the return on its financial resources as a whole. The Group recognizes market instability and volatility, and struck a balance between the risk and return. During the year, a loan was fully repaid by the borrower with interest accrued on maturity. The revenue generated from this aspect was recorded as the Group's other revenue and gains. This segment recorded a turnover of HK$43.3 million (2013: HK$14.7 million) which was derived from management fee, performance fee and the advisory fee receivable from the associated company engaged in managing private funds and a segment profit of HK$28.4 million was recorded (2013: loss HK$3.8 million).

Financial Resources

The Group has maintained sound financial ability throughout the year. All the subsidiaries licensed by the Securities and Futures Commission (the "SFC") have maintained more than sufficient the liquid capital required. The Group recognized the need to leverage its fund in order to expand its business and hence continues to seek for different means of finance. The banking facility secured under the corporate guarantee of our holding company continued. As at the end of the year, a total of HK$86 million was drawn. Furthermore, HK$42 million of the Group's fixed rate medium term bond was issued during the year at par value, making the total principal outstanding as at the end of the year at HK$76 million.

Fluctuation in Foreign Exchange

A significant portion of the Group's assets and liabilities are denominated in Hong Kong ("HK") Dollars and US Dollars to which HK Dollars are pledged. The Group only exposes to the fluctuation in the exchange rate of RMB against Hong Kong Dollars because of its operation in China and holding of certain financial assets denominated in RMB. No hedging has been made against the devaluation of RMB as the size of assets held is not sufficiently large to make the hedging economically feasible.

Remuneration and Human Resources Development

During the year, the Group continues to recruit and maintain personnel of high calibre to support its business need and to meet the tightened regulatory requirement. As at the end of the year, 113 persons were employed. Employees are remunerated by a fixed monthly salary with discretionary bonus calculated in accordance to the performance of both the Group and the staff. Incentive schemes are in place to motivate front line staff. Performance of supporting staff are appraised at least annually to provide a basis for deciding bonus. The Group adopted multi-dimension appraisal policy.

The Group also provides regulatory training to the staff and the account executives to enable them to have updated knowledge. Education allowance was also provided to staff for attending relevant pre-approved courses.

The Group's staff remuneration committee comprising the top management staff regularly review the remuneration policy and decide on the remuneration package of each staff member. The remuneration package of executive directors are decided by the Group's Remuneration Committee, the majority members of which are independent non-executive directors.

Contingent Liabilities

The Group continues to provide corporate guarantees to its subsidiaries to secure banking and trading facilities. At the end of the year, it is unlikely that any material claims would arise. Outstanding litigation cases are reviewed on its merits on a case-by-case basis together with the indemnity the Group secured. Impairment will be made if economic outflow is imminent.

Looking Forward

After gaining a lot of momentum since mid 2014, it is believed that the US economy will continue to grow. It is estimated that it will grow 3% for the first time in ten years. Consumption and unemployment will be much improved. Soft commodity prices are expected to persist. It is generally believed that the U.S. Dollar will remain strong at least in the short term. The weak economic growth forecast in Europe, Japan and China give further force to a strong U.S. Dollars. However, the continuing strong U.S. Dollar will weaken the profitability of U.S. enterprises. The sign of surge in Treasury Yield was not seen in the past years. There are more concerns on the beginning of interest rise by the second quarter. For Europe, though the bond purchase scheme commenced in March 2015, there is still a long way ahead of recovery. The further devaluation of Euro may explain the difficulties exist in Europe.

China targeted the economic growth forecast of 7% in 2015. The now-ubiquitous phrase, the "new normal" was used by government official to reassure that a lower forecast of 7% was natural and would be in place for a few years. The fast economic growth as evidenced in the past two decades has to slow down. The austerity program also threatened the consumer market. However, the China government aims to maintain a proper balance between ensuring steady growth and making structural adjustments. The reduction in bank's reserve ratio and interest could counteract the risk of economic downturn. It is generally believed that the recent measures would create short term pain in return for long term health development. Consequently, deflationary pressure emerges as a result of the managed slowdown in China's economic growth. To conclude, the year ahead is a challenging year and volatility in the financial market is expected to be high.

Turning to the Group, China Cinda has initiated a series of corporate actions, including listing its H shares in the SEHK in 2013 and issuing certain medium term bonds in 2014. The Group has been benefited from providing services to China Cinda in her corporate actions. Leveraged on its relationship with China Cinda, the synergy between the two as seen in the past years would be further enhanced as the Group plays the role of China Cinda's overseas listed platform. The Group will seek more opportunities on business collaboration with China Cinda especially in the area of asset management and financial servicing.

In the coming year, expansion will continue in the three main core business areas. The corporate finance team will strike to complete more IPO brought forward from the last year. As the business operation of the potential listed issuers are larger, it is expected that the size of fund to be raised will be larger so that revenue could be higher. In addition, new projects will be recruited to build up a reserve so that the number of completion of IPO projects could be more even on a year-to-year basis. The Group will also explore more opportunities on merger and acquisition business as a means of diversification. The brokerage division will continue to look for more sales and marketing personnel to strengthen the client base. More financial resources will be put on the provision of margin financing to supplement the broking business. Systems will also be enhanced to suit clients' more sophisticated needs. The Group will also explore more products and markets so that a more completed product mix would be offered to clients. Collaboration with the Group's corporate finance team and the Group's counterpart in China will be further reinforced. For asset management, the Group will also explore to set up funds of different types and in different industries. The mode of co-investment with clients will continue not only to give client more confidence but also to give the Group a considerable return. The "One Belt, One Road" strategy proposed by China government recently will benefit China to expand the overseas market further in the long run. Policies on investment by domestic residents and corporations in foreign countries will be relaxed. Therefore, the Group may benefit from the provision of offshore financial services. The Group will continue to seek for more opportunities through co-operation with the China Cinda group. Building on the basis currently the Group have, we hope the result for the coming year will be further improved.

FINAL DIVIDEND

The directors do not recommend the payment of a final dividend for the year ended 31st December 2014 (2013: nil).

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31st December 2014 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year ended 31st December 2014. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year ended 31st December 2014.

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 SEHK ("Listing Rules") under Appendix 14 (the Corporate Governance Code and Corporate Governance Report ("CG Code")).

Throughout the financial year 2014, the Group has complied with all the code provisions set out in the CG Code save for the deviations from code provisions specified below:

- Provision A.1.1 of the 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 (the "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 regular meetings were sufficient to deal with matters of the Company. In addition, apart from the physical meetings, consent of Directors on issues was also sought through circulating written resolutions.

- 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. 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 25th June 2014 as they have other engagements.

- Provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. Due to other business engagements, the Chairman had not attended the annual general meeting of the Company held on 25th June 2014.

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 year ended 31st December 2014.

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 2014.

PUBLICATION OF RESULT AND ANNUAL REPORT

This announcement is published on the website of the SEHK at http://www.hkex.com.hk and the Company's website at http://www.cinda.com.hk. The 2014 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
Zhao Hongwei
Chairman

Hong Kong, 27th March 2015

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

Executive Directors:	Mr. Zhao Hongwei	*(Chairman)*
	Mr. Gong Zhijian	*(Managing Director)*
	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