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 2021 INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Cinda International Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") are pleased to announce the unaudited consolidated results of the Group for the six months ended 30th June 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30th June 2021 – Unaudited

		Six months ended 30th June	
		2021	2020
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**112,396**	113,573
Other income	*3*	**25,290**	28,569
Other losses, net	*3*	**(227)**	(1,120)
		137,459	141,022
Staff costs	*4(a)*	**60,963**	51,702
Commission expenses		**16,272**	15,911
Other operating expenses	*4(b)*	**24,697**	33,441
Finance costs	*4(c)*	**11,599**	14,761
		113,531	115,815
		23,928	25,207
Share of profits of associates and a joint venture, net		**35,858**	7,804

	Notes	Six months ended 30th June **2021** ***HK$'000***	 2020 *HK$'000*
Profit before taxation		**59,786**	33,011
Income tax	*5*	**(6,465)**	(5,499)
Profit for the period		**53,321**	27,512
Attributable to:			
Equity holders of the Company		**53,321**	26,544
Non-controlling interests		**–**	968
		53,321	27,512
Basic and diluted earnings per share attributable to equity holders of the Company	*7*	**HK$8.32 cents**	HK4.14 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2021 – Unaudited

	Six months ended 30th June	
	2021	2020
	HK$'000	*HK$'000*
Profit for the period	**53,321**	27,512
Other comprehensive income for the period:		
Items that may be reclassified subsequently to profit or loss		
Debt instruments at fair value through other comprehensive income:		
– Change in fair value	**(6,443)**	4,884
– Change in impairment allowances charge to profit or loss	**(3,592)**	3,902
– Reclassification adjustments on disposal	**(5,598)**	1,801
	(15,633)	10,587
Share of an associate's investment revaluation reserve		
– Change in fair value	**(251)**	–
Net movement in investment revaluation reserve	**(15,884)**	10,587
Share of associates' exchange difference	**1,178**	(1,846)
Exchange differences on translation of:		
– Financial statements of a joint venture	**107**	(153)
– Financial statements of foreign operations	**2,086**	(2,269)
Net movement in exchange difference	**3,371**	(4,268)

	Six months ended 30th June	
	2021	2020
	HK$'000	*HK$'000*
Items that will not be reclassified subsequently to profit or loss		
Share of a joint venture's capital reserve	**212**	–
Net movement in capital reserve	**212**	–
Other comprehensive income for the period	**(12,301)**	6,319
Total comprehensive income for the period	**41,020**	33,831
Total comprehensive income attributable to:		
Equity holders of the Company	**41,020**	32,791
Non-controlling interests	**–**	1,040
	41,020	33,831

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June 2021 – Unaudited

	Notes	**Unaudited 30th June 2021 *HK$'000***	Audited 31st December 2020 *HK$'000*
Non-current assets			
Intangible assets		**1,439**	1,439
Property and equipment		**8,256**	7,453
Financial assets at fair value through profit or loss	*10*	**14,014**	15,557
Interests in associates and a joint venture	*8*	**448,830**	417,246
Other assets		**10,477**	17,810
Right-of-use assets	*15*	**37,864**	44,129
Deferred tax assets		**179**	104
		521,059	503,738
Current assets			
Debt instruments at fair value through other comprehensive income	*9*	**444,495**	621,861
Financial assets at fair value through profit or loss	*10*	**23,854**	1
Trade and other receivables	*11*	**1,005,033**	609,314
Taxation recoverable		**–**	246
Pledged bank deposits	*12*	**12,138**	12,137
Bank balances and cash	*12*	**733,250**	804,471
		2,218,770	2,048,030

	Notes	Unaudited 30th June 2021 *HK$'000*	Audited 31st December 2020 *HK$'000*
Current liabilities			
Trade and other payables	*13*	**407,873**	517,696
Borrowings	*14*	**686,890**	394,414
Taxation payable		**4,501**	4,120
Lease liabilities	*15*	**24,444**	24,768
Bonds issued		**32,000**	42,000
		1,155,708	982,998
Net current assets		**1,063,062**	1,065,032
Total assets less current liabilities		**1,584,121**	1,568,770
Capital and reserves			
Share capital		**64,121**	64,121
Other reserves		**469,887**	482,188
Retained earnings		**476,877**	442,792
TOTAL EQUITY		**1,010,885**	989,101
Non-current liabilities			
Bonds issued		**10,000**	10,000
Lease liabilities	*15*	**14,436**	20,869
Borrowings	*14*	**548,800**	548,800
		573,236	579,669
		1,584,121	1,568,770

Notes:

1. BASIS OF PREPARATION

These 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 unaudited condensed consolidated financial statements were approved by the Board for issue on 19th August 2021.

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31st December 2020, except for the adoption of following revised Hong Kong Financial Reporting Standards ("**HKFRSs**") for the first time for the current period's financial information. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

In the current interim period, the Group has applied, for the first time, the following revised HKFRSs issued by the Hong Kong Institute of Certified Public Accounts ("**HKICPA**") that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	*Interest Rate Benchmark Reform – Phase 2*
Amendment to HKFRS 16	*Covid-19-Related Rent Concessions*

The nature and impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("**RFR**"). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

The Group had certain interest-bearing bank and other borrowings denominated in Hong Kong dollars and foreign currencies based on the Hong Kong Interbank Offered Rate and the London Interbank Offered Rate ("**LIBOR**") as at 30 June 2021. Since the interest rates of these borrowings were not replaced by RFRs during the period, the amendment did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings provided that the "economically equivalent" criterion is met.

(b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted. The amendments did not have any impact on the financial position and performance of the Group.

3. REVENUE, OTHER INCOME, OTHER LOSSES, NET AND SEGMENT INFORMATION

	Unaudited Six months ended 30th June	
	2021	2020
	HK$'000	*HK$'000*
Revenue		
Revenue from contracts with customers		
Fees and commission		
– Asset management	**8,548**	7,527
– Sales and trading business	**36,858**	20,655
– Corporate finance	**13,144**	31,772
	58,550	59,954
Underwriting income and placing commission		
– Corporate finance	**7,786**	12,240
Management fee and service fee income		
– Asset management	**32,949**	28,632
	99,285	100,826
Revenue from other sources		
Interest income		
– Asset management	**152**	79
– Sales and trading business	**12,947**	12,540
– Corporate finance	**8**	1
– Others	**4**	127
	13,111	12,747
	112,396	113,573

Analysis of the disaggregate revenue from contracts with customers by major service lines is as follows:

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Total *HK$'000*
Six months ended 30th June 2021 – Unaudited				
Revenue from contracts with customers				
Brokerage service	**–**	**36,858**	**–**	**36,858**
Underwriting and placing service	**–**	**–**	**7,786**	**7,786**
Corporate finance service	**–**	**–**	**13,144**	**13,144**
Asset management service	**41,497**	**–**	**–**	**41,497**
	41,497	**36,858**	**20,930**	**99,285**
Geographical markets				
Hong Kong	**17,670**	**36,858**	**20,930**	**75,458**
Mainland China	**23,827**	**–**	**–**	**23,827**
Total revenue from contracts with customers	**41,497**	**36,858**	**20,930**	**99,285**
Timing of revenue recognition				
Services transferred at a point in time	**–**	**36,858**	**16,054**	**52,912**
Services transferred over time	**41,497**	**–**	**4,876**	**46,373**
Total revenue from contracts with customers	**41,497**	**36,858**	**20,930**	**99,285**

	Asset management HK$'000	Sales and trading business HK$'000	Corporate finance HK$'000	Total HK$'000
Six months ended 30th June 2020 – Unaudited				
Revenue from contracts with customers				
Brokerage service	–	20,655	–	20,655
Underwriting and placing service	–	–	12,240	12,240
Corporate finance service	–	–	31,772	31,772
Asset management service	36,159	–	–	36,159
	36,159	20,655	44,012	100,826
Geographical markets				
Hong Kong	19,088	20,655	44,012	83,755
Mainland China	17,071	–	–	17,071
Total revenue from contracts with customers	36,159	20,655	44,012	100,826
Timing of revenue recognition				
Services transferred at a point in time	–	20,655	40,310	60,965
Services transferred over time	36,159	–	3,702	39,861
Total revenue from contracts with customers	36,159	20,655	44,012	100,826

The following table shows the amounts of revenue recognised in current reporting period that were included in the deferred revenue at the beginning of the reporting period:

	Unaudited Six months ended 30th June	
	2021	2020
	HK$'000	*HK$'000*
Revenue recognised that was included in deferred revenue at the beginning of the reporting period:		
Corporate finance service	**10,358**	19,220

	Unaudited Six months ended 30th June **2021** ***HK$'000***	 2020 *HK$'000*
Other income		
Loan interest income	**–**	4,383
Interest income from debt securities classified as:		
– Debt instruments at fair value through other comprehensive income	**19,358**	17,386
– Financial assets at fair value through profit or loss	**–**	2,534
Investment income	**3,367**	2,121
Dividend income	**–**	1
Government grants *(Note)*	**588**	451
Others	**1,977**	1,693
	25,290	28,569
Other losses, net		
Net exchange gains/(losses)	**2,628**	(2,777)
Net gains/(losses) on disposal of financial assets at fair value through profit or loss	**102**	(254)
Net losses on disposal of debt instruments at fair value through other comprehensive income	**(3,409)**	(3,349)
Gains from changes in fair value of financial assets at fair value through profit or loss	**452**	5,260
	(227)	(1,120)
	137,459	141,022

Note: The Group received government grants to support enterprises to implement business innovation and corporate transformation in Shanghai Province, Mainland China. There are no unfulfilled conditions or contingencies relating to these grants.

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 reportable segments. No operating segments have been aggregated to form the following reportable segments.

1. Asset management – provision of advisory service and related auxiliary services on fund management, managing private funds and provide other related proprietary investment.

2. Sales and trading business – provision of brokering services in securities, equity linked products, unit trusts and stock options commodities and futures contracts traded in Hong Kong and selected overseas markets, underwriting, placing and margin financing services to those brokering clients, and acting as an agent for the sale of savings plans, general and life insurance and other investment linked insurance products.

3. Corporate finance – provision of corporate finance service including underwriting and advisory services to companies listed or seeking listing in Hong Kong or other stock exchanges and other unlisted corporates, on both equity and debt financing.

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 unallocated head office and corporate assets. Segment liabilities include trade creditors, accruals and borrowings attributable to the operating activities of the individual segments with exception of unallocated head office and corporate liabilities.

The measures used for reporting segment results are earnings before finance costs and taxes ("**EBIT**"). Inter-segment revenue and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices. To arrive at the Group's profit for the period, the Group's reportable segment results are further adjusted for items not specifically attributed to individual segments, such as share of profits or losses of associates and a joint venture, finance costs, other head office expenses and other income.

Six months ended 30th June 2021 – Unaudited

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Total *HK$'000*
Revenue from external customers	38,384	49,803	20,938	109,125
Revenue from an associate *(Note1)*	3,267	–	–	3,267
Inter-segment revenue	–	202	–	202
Reportable segment revenue	41,651	50,005	20,938	112,594
Reportable segment results (EBIT)	38,581	13,518	(2,462)	49,637
Interest income from bank deposits	152	553	8	713
Interest expense	(7,727)	(2,238)	(270)	(10,235)
Depreciation of property and equipment for the period	(190)	(457)	(62)	(709)

As at 30th June 2021 – Unaudited

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Total *HK$'000*
Reportable segment assets	**958,718**	**1,193,631**	**60,272**	**2,212,621**
Additions to/(disposals of) non-current segment assets during the period *(Note2)*	**589**	**(2,478)**	**5**	**(1,884)**
Reportable segment liabilities	**783,556**	**773,433**	**11,300**	**1,568,289**

Six months ended 30th June 2020 – Unaudited

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Total *HK$'000*
Revenue from external customers	30,899	33,195	44,013	108,107
Revenue from an associate *(Note1)*	5,339	–	–	5,339
Inter-segment revenue	–	40	–	40
Reportable segment revenue	36,238	33,235	44,013	113,486
Reportable segment results (EBIT)	43,565	2,052	22,478	68,095
Interest income from bank deposits	79	2,401	1	2,481
Interest expense	(12,136)	(1,283)	(285)	(13,704)
Depreciation of property and equipment for the period	(283)	(519)	(67)	(869)

As at 31st December 2020 – Audited

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Total *HK$'000*
Reportable segment assets	1,089,908	880,014	70,751	2,040,673
Additions to non-current segment assets during the year *(Note1)*	17	6,069	5	6,091
Reportable segment liabilities	922,443	468,954	28,799	1,420,196

Note:

1. This represents service fee income received by the Group from an associate.

2. Non-current assets consist of additions to/(disposal of) property and equipment and other assets.

Reconciliations of reportable revenue

	Unaudited Six months ended 30th June	
	2021	2020
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**112,594**	113,486
Elimination of inter-segment revenue	**(202)**	(40)
Unallocated head office and corporate revenue	**4**	127
Consolidated revenue	**112,396**	113,573

Reconciliations of reportable results

	Unaudited Six months ended 30th June	
	2021	2020
	HK$'000	*HK$'000*
Results		
Reportable segment profit (EBIT)	**49,637**	68,095
Share of profits of associates and a joint venture, net	**35,858**	7,804
Finance costs	**(11,599)**	(14,761)
Unallocated head office and corporate expenses	**(14,110)**	(28,127)
Consolidated profit before taxation	**59,786**	33,011
Income tax	**(6,465)**	(5,499)
Profit for the period	**53,321**	27,512

Reconciliations of reportable assets and liabilities

	Unaudited At 30th June 2021 HK$'000	Audited At 31st December 2020 HK$'000
Assets		
Reportable segment assets	**2,212,621**	2,040,673
Elimination of inter-segment receivables	**(1,171)**	(93,009)
	2,211,450	1,947,664
Interests in associates and a joint venture	**448,830**	417,246
Deferred tax assets	**179**	104
Taxation recoverable	**–**	246
Unallocated head office and corporate assets	**79,370**	186,508
Consolidated total assets	**2,739,829**	2,551,768
Liabilities		
Reportable segment liabilities	**1,568,289**	1,420,196
Elimination of inter-segment payables	**(7,713)**	(54,355)
	1,560,576	1,365,841
Taxation payable	**4,501**	4,120
Unallocated head office and corporate liabilities	**163,867**	192,706
Consolidated total liabilities	**1,728,944**	1,562,667

Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers (including its associates) and (ii) the Group's property and equipment, intangible assets, rights-to-use assets, other assets and interests in associates and a joint venture ("specified non-current assets"). The geographical location of revenue from external 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 assets, in the case of property and equipment; and the location of the core operations in the case of other specified non-current assets.

	Revenue from external customers		Specified non-current assets	
	Six months ended 30th June		As at 30th June	As at 31st December
	2021	2020	**2021**	2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**88,418**	94,783	**209,987**	211,909
Mainland China	**23,978**	18,790	**296,879**	276,168
	112,396	113,573	**506,866**	488,077

4. PROFIT BEFORE TAXATION

Profit before taxation is arrived after charging/(crediting):

(a) Staff costs

	Unaudited Six months ended 30th June 2021 HK$'000	2020 HK$'000
Salaries and allowances	**59,678**	50,918
Defined contribution plans	**1,285**	784
	60,963	51,702

(b) Other operating expenses

	Unaudited Six months ended 30th June 2021 HK$'000	2020 HK$'000
Depreciation of right-of-use assets	**11,872**	10,878
Depreciation of property and equipment	**1,414**	1,859
Data service fee	**4,577**	4,037
Impairment allowances charged/(reversed) on:		
– debt instruments at fair value through other comprehensive income	**(3,592)**	3,902
– loans receivable	**–**	(316)
– trade and other receivables	**453**	(332)
Short-term lease payment not included in the measurement of lease liabilities	**–**	468

(c) Finance costs

	Unaudited Six months ended 30th June 2021 HK$'000	2020 HK$'000
Interest on borrowings – repayable on demand and within one year	**4,876**	7,251
Interest on borrowings – repayable in more than one year but not more than five years	**5,017**	5,732
Interest on bonds issued – repayable within one year	**727**	198
Interest on bonds issued – repayable in more than one year but not more than five years	**198**	835
Interest on lease liabilities *(note 15)*	**781**	745
	11,599	14,761

5. INCOME TAX

Under the Enterprise Income Tax Law of the People's Republic of China ("**PRC**"), the Corporate Income Tax Rate for domestic entities in PRC is 25% for the current and prior periods.

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

The amount of taxation charged/(credited) to the condensed consolidated statement of profit or loss:

	Unaudited Six months ended 30th June	
	2021	2020
	HK$'000	*HK$'000*
Current taxation:		
– Hong Kong Profits Tax	**856**	1,735
– PRC Corporate Income Tax	**5,684**	4,092
Deferred taxation		
– Hong Kong	**(75)**	(328)
	6,465	5,499

6. DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30th June 2021 (2020: nil).

Dividend payable to equity holder of the Company attributable to the previous financial year, approved but not paid during the period:

	Unaudited	Audited
	30th June	31st December
	2021	2020
	HK$'000	*HK$'000*
2020 Final dividend, approved but not paid:		
HK$3 cents per share (2019: Nil)	**19,236**	–

On 9th July 2021, the dividend payable of HK$19,236,168 was paid.

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$53,321,000 (2020: HK$26,544,000) and the number of 641,205,600 ordinary shares (2020: 641,205,600 ordinary shares) in issue during the period. The calculation is as follows:

Earnings attributed to equity holders of the Company

	Unaudited	
	Six months ended 30th June	
	2021	2020
	HK$'000	*HK$'000*
Earnings for the period attributable to equity holders of the Company	**53,321**	26,544

Number of ordinary shares

	Unaudited	
	Six months ended 30th June	
	2021	2020
Issued ordinary shares at 1st January and 30th June	**641,205,600**	641,205,600

(b) Diluted earnings per share

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

8. INTERESTS IN ASSOCIATES AND A JOINT VENTURE

	Unaudited	Audited
	30th June	31st December
	2021	2020
	HK$'000	*HK$'000*
Interests in associates	**432,885**	407,910
Interest in a joint venture	**15,945**	9,336
	448,830	417,246

Interests in associates

	Unaudited 30th June 2021 *HK$'000*	Audited 31st December 2020 *HK$'000*
Share of net assets at 1st January	**407,910**	366,721
Share of profits for the period/year, net	**29,568**	45,082
Share of other comprehensive income for the period/year	**927**	6,743
Dividend income from an associate	**(5,520)**	(10,636)
	24,975	41,189
Share of net assets at 30th June/31st December	**432,885**	407,910

Interest in a joint venture

	Unaudited 30th June 2021 *HK$'000*	Audited 31st December 2020 *HK$'000*
Share of net assets at 1st January	**9,336**	8,953
Share of profit for the period/year	**6,290**	1,376
Share of other comprehensive income for the period/year	**212**	138
Translation difference	**107**	502
Dividend income	**–**	(1,633)
	6,609	383
Share of net assets at 30th June/31st December	**15,945**	9,336

9. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Unaudited 30th June 2021 *HK$'000*	Audited 31st December 2020 *HK$'000*
Listed debt investments:		
– debt securities with fixed interest	**444,495**	621,861

As at 30th June 2021 and 31st December 2020, an analysis of the ending balance of the carrying amount in debt instruments at fair value through other comprehensive income subject to impairment allowances is as follows:

	Stage 1 *HK$'000*	Stage 2 *HK$'000*	Stage 3 *HK$'000*	Total *HK$'000*
Fair value as at 30th June 2021 – unaudited	**444,495**	**–**	**–**	**444,495**
Fair value as at 31st December 2020 – audited	621,861	–	–	621,861

An analysis of the maturity profile of listed debt securities of the Group analysed by the remaining period at the end of the reporting period to the contractual maturity date is as follows:

	Within 1 year *HK$'000*	Between 1 and 2 years *HK$'000*	Between 2 and 5 years *HK$'000*	Over 5 years *HK$'000*	Total *HK$'000*
30th June 2021 – unaudited	**226,878**	**157,066**	**58,807**	**1,744**	**444,495**
31st December 2020 – audited	206,251	241,389	172,466	1,755	621,861

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited 30th June 2021 ***HK$'000***	Audited 31st December 2020 *HK$'000*
Non-current:		
Unlisted private equity funds	**14,014**	15,557
Current:		
Unlisted private equity funds	**1**	1
Listed debt securities fund	**23,853**	–
	23,854	1
	37,868	15,558

11. TRADE AND OTHER RECEIVABLES

	Unaudited 30th June 2021 *HK$'000*	Audited 31st December 2020 *HK$'000*
Trade and other receivables	**1,022,498**	626,326
Less: impairment allowances for trade and other receivables	**(17,465)**	(17,012)
Total trade and other receivables	**1,005,033**	609,314

The carrying amounts of trade and other receivables approximate to their fair values. All of the trade and other receivables, other than margin loans arising from securities brokering, are expected to be recovered or realised within one year.

The movements in the impairment allowances for trade and other receivables during the period/year are as follows:

	HK$'000
At 1st January 2020 – audited	17,179
Reversal of impairment allowances	(167)
At 31st December 2020 and 1st January 2021 – audited	17,012
Impairment allowances provided	453
At 30th June 2021 – unaudited	17,465

As at 30th June 2021 and 31st December 2020, an analysis of the gross amount of trade and other receivables is as follows:

	Stage 1 *HK$'000*	**Stage 2 *HK$'000***	**Stage 3 *HK$'000***	**Simplified approach *HK$'000***	**Total *HK$'000***
Gross amount as at 30th June 2021– unaudited	**998,883**	**55**	**13,011**	**10,549**	**1,022,498**
Expected credit losses	**(1,080)**	**(1)**	**(13,011)**	**(3,373)**	**(17,465)**
	997,803	**54**	**–**	**7,176**	**1,005,033**

	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Gross amount as at 31st December 2020 – audited	597,384	306	13,011	15,625	626,326
Expected credit losses	(627)	(1)	(13,011)	(3,373)	(17,012)
	596,757	305	–	12,252	609,314

For trade receivables related to margin loans arising from securities brokering amounting to HK$230,687,000 (31st December 2020: HK$188,683,000), during the period, impairment allowances of HK$453,000 were provided (30th June 2020: HK$332,000 were reversed). As at 30th June 2021, impairment allowances of HK$14,010,000 (31st December 2020: HK$13,557,000) for the receivables from margin clients was provided. The margin clients of securities brokering business are required to pledge their shares to the Group for credit facilities for securities trading. No aging analysis is disclosed as in the opinion of the Directors, the aging analysis does not give additional value in view of the nature of revolving margin loan.

For trade receivables related to corporate finance of HK$10,549,000 (31st December 2020: HK$15,625,000), no additional impairment allowance was provided for the current period (30th June 2020: Nil). As at 30th June 2021, impairment allowances HK$3,373,000 (31st December 2020: HK$3,373,000) was provided. The settlement terms of trade receivables from corporate finance clients are usually 30 days from the date of invoice. The relevant aging analysis based on the date of invoice at the reporting date was as follows:

	Unaudited 30th June 2021	Audited 31st December 2020
	HK$'000	*HK$'000*
Current	**498**	8,042
30–60 days	**360**	360
Over 60 days	**9,691**	7,223
	10,549	15,625
Less: impairment allowances	**(3,373)**	(3,373)
	7,176	12,252

For trade receivables from clients arising from securities brokering amounting to HK$636,274,000 (31st December 2020: HK$277,710,000). The amounts represent outstanding unsettled trades due from clients as of period ended. It normally takes two to three days to settle after the trade date of those transactions. As at 30th June 2021, it included overdue balances of HK$13,211,000 (31st December 2020: HK$11,644,000). These overdue balances are either subsequently settled after the reporting date or fully collateralised by listed securities. The Directors of the Company did not consider there was a significant change in credit quality of the balance. No impairment allowances has been provided.

For trade receivables from clearing houses arising from securities brokering of HK$44,276,000 (31st December 2020: HK$56,477,000), the settlement terms of trade receivables from clearing houses are usually one to two days after the trade date.

The remaining trade receivables represent the margin and other deposits from brokers and financial institutions with specific agreed terms, no impairment allowances has been provided as the related allowances were considered to be immaterial and there was no credit default history.

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.

12. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

	Unaudited 30th June 2021	Audited 31st December 2020
	HK$'000	*HK$'000*
Cash in hand	**21**	21
Bank balances		
– pledged deposits	**12,138**	12,137
– general accounts	**733,229**	804,450
	745,367	816,587
	745,388	816,608
By maturity:		
Bank balances		
– current and savings accounts	**733,229**	804,450
– fixed deposits (maturing within three months)	**12,138**	12,137
	745,367	816,587

13. TRADE AND OTHER PAYABLES

	Unaudited 30th June 2021	Audited 31st December 2020
	HK$'000	*HK$'000*
Trade payables	**309,762**	405,541
Accruals, provision and other payables *(Note 1,2)*	**90,993**	96,797
Deferred revenue	**7,118**	15,358
Total trade and other payables	**407,873**	517,696

The carrying amounts of trade and other payables approximate to their fair values. The majority of trade and other payables are expected to be settled within one year. The trade payables are aged within 30 days.

The settlement terms of payables to clearing houses and securities trading clients from the ordinary course of business of brokering 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, which exceeded the margin maintenance requirement, were repayable on demand.

Note:

1. Cinda International Securities Limited ("**CISL**"), an indirectly wholly-owned subsidiary of the Company, as a defendant received a writ of summons on 12th November 2019, through its instructed solicitors, under action number HCA 2085/2019 issued in the High Court of Hong Kong by the solicitors acting for a client as a plaintiff. On 25th March 2021, CISL entered into a settlement agreement with the plaintiff. Hence, the plaintiff's claim against CISL in this action has been wholly discontinued. All the excess provision was reversed during the period.

2. The Group has dividend payable attributable to the previous financial year end, approved but not paid during the period of HK$19,236,168.

14. BORROWINGS

		Unaudited 30th June 2021 *HK$'000*	Audited 31st December 2020 *HK$'000*
Non-current			
Bank loans	*Note (a)*	**548,800**	548,800
Current			
Bank loans	*Note (a)*	**555,000**	185,000
Borrowings under repurchase agreements	*Note (b)*	**131,890**	209,414
		686,890	394,414
		1,235,690	943,214

Notes:

(a) At 30th June 2021 and 31st December 2020, the bank loans were repayable and carried interest with reference to HIBOR/LIBOR/other relevant measures as follows:

	Unaudited 30th June 2021 *HK$'000*	Audited 31st December 2020 *HK$'000*
Within one year	**555,000**	185,000
More than one year	**548,800**	548,800
	1,103,800	733,800

As at 30th June 2021, the Group had total banking facilities of HK$1,954,000,000 (31st December 2020: HK$2,054,000,000).

Among these banking facilities, HK$200,000,000 (31st December 2020: HK$200,000,000) of it was secured by pledged deposits with principals of HK$12,000,000 (31st December 2020: HK$12,000,000).

Further, HK$1,620,000,000 (31st December 2020: HK$1,720,000,000) was under specific performance obligation on the Company's controlling shareholder which the current controlling shareholder shall hold over 50% (or 51% in one of the facilities) of the entire issued share capital of the Company.

As at 30th June 2021, HK$683,800,000 (31st December 2020: HK$658,800,000) was drawn from the banking facilities under specific performance obligation. Among these banking facilities, US$24,000,000 (equivalent to HK$187,200,000) (31st December 2020: HK$187,200,000) was drawn in US dollars.

As at 30th June 2021 and 31st December 2020, the Group has not utilised any of the banking facilities secured by the pledged deposits.

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

(b) The Group has entered into several repurchase agreements with financial institutions in which the Group sold a portfolio of debt securities it held to the financial institutions in exchange for cash considerations of US$16,909,000 (equivalent to HK$131,890,000) (31st December 2020: US$26,848,000 (equivalent to HK$209,414,000)). There are no maturity dates stated in the agreements and the interests are calculated with reference to LIBOR. The Group is required to repurchase the debt securities at US$16,909,000 (equivalent to HK$131,890,000) (31st December 2020: US$26,848,000 (equivalent to HK$209,414,000)) plus interest at variable rates calculated with reference to LIBOR upon the termination of the agreements. As at 30th June 2021, the borrowings under repurchase agreements were collateralised by the Group's debt securities with a fair value of HK$185,575,000 (31st December 2020: HK$280,703,000).

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of land and buildings used in its operations. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

Right-of-use assets and lease liabilities

The carrying amounts of the Groups right-of-use assets and lease liabilities and movements during the period/year are as follows:

	Right-of-use assets Land and buildings *HK$'000*	**Lease liabilities** *HK$'000*
As at 1st January 2020 – audited	43,188	44,627
Addition	23,990	23,990
Depreciation expenses	(23,049)	–
Interest expense	–	1,726
Payments	–	(24,216)
Rent concessions from lessor	–	(490)
At 31st December 2020 and 1st January 2021 – audited	44,129	45,637
Addition	5,607	5,607
Depreciation expenses	(11,872)	–
Interest expense *(note (4(c))*	–	781
Payments	–	(13,145)
At 30th June 2021 – unaudited	37,864	38,880

	Unaudited 30th June 2021 *HK$'000*	Audited 31st December 2020 *HK$'000*
Lease liabilities analysed into:		
Current portion	**24,444**	24,768
Non-current portion	**14,436**	20,869
	38,880	45,637

16. EVENTS AFTER THE REPORTING PERIOD

On 9th July 2021, the Group paid final dividend of HK$0.03 per ordinary share for the year ended 31st December 2020 of HK$19,236,168.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Conditions

The COVID-19 pandemic continued to spread globally in early 2021 and affected the economic activities. Nonetheless, with successful vaccine research and development, vaccination for citizens has been carried out for certain countries since the first quarter of 2021. Some countries began to relax their pandemic prevention measures after vaccination was implemented. Thus, the economic activities in these countries resumed. The worry in the market on the risk of economic slowdown was reduced. The resumption of economic activities rekindled the hopes of some enterprises and investors who looked forward to the economy returning to normal. Central banks of major countries continued to introduce large-scale monetary stimulus policies to support economic growth, including substantial cut in interest rates and relaunch of quantitative easing. In particular, the Federal Reserve ("**Fed**") of the United States of America ("**US**") announced infinite quantitative easing and even bought junk bonds in secondary markets for the first time in history. All these factors have led to a drop in debenture interests and supported all the three major US stock indexes to hit new highs, among which, the Dow Jones Industrial Average Index reached its new high in history at 35,091 points in May; and the Nasdaq Index and the S&P 500 Index also reached their new highs at 14,535 points and 4,302 points in June, respectively. To sum up for the first half of this year, the three major US stock indexes increased by 12.5% to 14.4%. As for the currency performance of US dollars, the US dollar index retreated from its high of 93.437 in March. Then, driven by the expectation that the US economic recovery would possibly gather pace, the US dollar index recovered part of its loss, which rebounded from the lowest level of 89.535 in May to 92.436 at the end of June. With the decline in the second quarter being narrowed to 0.9%, the US dollar index increased by 2.8% to sum up for the first half of the year.

As for the bond market, the market concerned that the US inflation was expected to overheat, which may trigger the Fed to tighten the monetary policies earlier, leading to a rapid increase in the yield of the US government bonds. As a result, the bond market fell at the beginning and picked up later, among which, Markit iBoxx Asian Chinese US Dollar Bond Index rebounded from its low in the middle of April, with performance remained largely level in the first half of the year. The J.P. Morgan Emerging Market Bond Index also rebounded by 4.3% from the end of March.

In the Mainland China, with the COVID-19 pandemic generally under control, economic growth rate started to recover continuously since the middle of last year. In the first quarter of 2021, the economy continued to rebound, the gross domestic product ("**GDP**") increased by 18.3% year-on-year, and by 0.6% quarter-on-quarter. Entering the second quarter, due to the high base of data of the corresponding period of 2020, together with the relapse of pandemic in some countries and certain provinces in China, the growth rate of major macro-economic indicators slowed down year-on-year; the growth rates of the foreign trade, fixed assets investment, industrial value added and total retail sales of consumer goods in May were all lower than market comprehensive expectation. Even though there was relapse of pandemic in certain areas in the Mainland China, after quarter-on-quarter comparison on the average values of both the Mainland manufacturing Purchasing Managers Index ("**PMI**") and Caixin manufacturing PMI in the second quarter, the economic activities in the Mainland China remained robust. As for the capital market in the Mainland China, with expectation in the market that the pandemic would be under control in the Mainland China and the People's Bank of China would continue to lower the deposit reserve ratio, the capital flew into the A share market constantly. Stock Connect trading volumes recorded quarterly highs in the first quarter with Northbound average daily turnover being 63% and 33% higher than the first quarter of 2020 and the fourth quarter of 2020, respectively. Driven by these factors, SSE Index kept rising in the second quarter and reached its peak at 3,629 points in June and finally closed at 3,591 points, rising by 4.3% quarter-on-quarter. To sum up for the first half of the year, it rose by 3.4% accumulatively. As for Renminbi ("**RMB**"), since April, RMB exchange rate had shown a strengthening trend, and the exchange rate of onshore RMB ("**CNY**") and offshore RMB ("**CNH**") against US dollar reached 6.3570 and 6.3525, respectively in May, both of which were new historical highs for more than three years. However, faced with the speeding up of the US dollar index recovery in the middle of June, the increase of exchange rate of RMB has been narrowed in the second quarter, with the rate of CNY and CNH increased by 1.5% and 1.4%, respectively. To sum up for the first half of the year, CNY and CNH increased by 1.1% and 0.5%, respectively.

In Hong Kong, the economy was not much improved at the beginning of 2021, and necessary pandemic prevention measures remained effective, which had a material impact on the wide range of economic activities in Hong Kong and supply chains in the region. However, with the increased vaccine coverage and decreased infection cases in the city, some pandemic prevention measures had been relaxed, which enabled the economic activities to restart. The GDP of Hong Kong in the first quarter increased by 7.9% year-on-year. Meanwhile, the unemployment rate of Hong Kong continued to drop, the seasonally adjusted unemployment rate was 6.0% from March to May, representing a decrease of 0.4 percentage point compared with 6.4% from February to April; the underemployment rate dropped by 0.5 percentage point to 2.8%.

As to Hong Kong stock market, in the first half of the year, Hong Kong stock prices had risen initially but then dropped. Benefited from the favorable A share market in the Mainland China, together with the continued popularity of new economy stocks, the Hang Seng Index reached a high of 31,183 points at the end of February, hitting a new high for the past three years. After then, as the US debenture interests rose in the first quarter and the Mainland has strengthened the regulation over the internet platform enterprises, which triggered the drops of technology and internet stocks, the Hang Seng Index entered a period of adjustment. To sum up for the first half of the year, the Hang Seng Index closed at 28,827 points, rising by 5.8% as compared with that at the end of 2020. The Hang Seng China Enterprises Index closed at 10,663 points, decreased slightly by 0.7% as compared with that at the end of 2020, while the Hang Seng TECH Index closed at 8,155 points, falling by 3.2% as compared with that at the end of 2020. As for the trading volume of Hong Kong stocks, the volume of shares traded had also risen initially but then dropped, among which, the daily average transaction volume of Hong Kong stocks reached its monthly new high of HK$245.7 billion in January, in particular, there were five trading days with daily transaction volume exceeding HK$300 billion in the first quarter. After then, the transaction volume has gradually decreased, and the daily average transaction volume of the first six months was HK$188.2 billion, representing an increase of 60% year-on-year.

In the market of the US dollar bonds issued by Chinese enterprises, volatilities in the market was high as it was affected by the US dollar's liquidity. According to the statistics from Bloomberg, in the first half of 2021, Chinese enterprises issued US dollar bonds amounting to US$118.067 billion. Although there was a slight increase when compared with the corresponding period in 2020, it was lower than the level of the period before the pandemic in 2019. In the first half of 2021, the net increase in the issue volume amounted to US$53.8 billion, representing a slight improvement as compared with 2020, but still dropped by 29% when compared with US$75.3 billion for the corresponding period in 2019, indicating the concerns of investors about the current volatile market environment and the credit issues in certain industries. As a result of the expectation that the Fed policy would be marginally tightened and the negative impact of credit risk events occurring in the first half of the year, certain enterprises with good quality were also impacted, and their corresponding ratings were adjusted downward and the market prices oscillated materially.

Overall Performance

In the first half of 2021, Hong Kong economy benefited from the easement of COVID-19 pandemic prevention measures. The Group adhered to the operation strategy developed at the beginning of this year. The Group is the only fully licensed securities company established outside the Mainland within the system of China Cinda Asset Management Co., Ltd. ("**China Cinda**", together with its associates, the "**China Cinda Group**"). As the hub connecting to international capital markets and overseas asset management center of the China Cinda ecosphere, the Group masterminds integrated financial services available for both domestic and overseas markets together with Cinda Securities Co., Ltd. ("**Cinda Securities**"), the parent company, and provides cross border businesses covering major markets around the world with China concept as its focus. During the period, the Group continued with the development of the three core business segments (i.e. asset management business, corporate finance business and sales and trading business). By strictly controlling risks and ensuring compliance with laws and regulations in the course of operation, the Group grasped opportunities of the signs of economic recovery in Hong Kong with respect to sales and trading segment during the period. Together with the increase in the profit contribution from associates and joint ventures, the overall performance of the first half of the year realized a satisfactory increase year-on-year. The total revenue in the first half of the year amounted to HK$137.46 million (2020: HK$141.02 million), representing a slight decrease of 3% year-on-year, among which, the turnover was HK$112.4 million (2020: HK$113.57 million), approximate to the corresponding period of last year. Other income and gains amounted to HK$25.06 million (2020: HK$27.45 million), representing a decrease of 9% year-on-year. As for expenses, the Group endeavored to control costs, and except that the lease and staff costs increased, other operation expenses decreased. As a result, operating expenses (excluding commission expenses and finance costs) amounted to HK$85.66 million (2020: HK$85.14 million), representing an increase of only approximately 1% year-on-year, and finance cost reduced by 21% year-on-year, mainly due to the decrease in the overall borrowing size and market rates as well as certain bank loans replaced by repurchase agreements with low cost.

The Group recorded a share of profits from associates and a joint venture amounting to HK$35.86 million (2020: HK$7.80 million), representing an increase of more than three times year-on-year, which was mainly contributed by the increase in profit contribution by an associate engaging in private equity investment and another associate engaging in fund management the Group invested in. As a result, the Group's profit before tax for the first half of the year amounted to HK$59.79 million (2020: HK$33.01 million). Profit after tax attributable to equity holders amounted to HK$53.32 million (2020: HK$26.54 million), representing a significant increase of 101% year-on-year.

Asset Management

In the first half of 2021, the operations of the asset management segment of the Group continued to be stable. The turnover was HK$41.65 million (2020: HK$36.24 million), representing an increase of 15% year-on-year. Currently, the Group operates under light-asset strategy and remains the overseas asset management service center of China Cinda ecosphere connected with the international capital markets. The Group proactively developed its business revolving around the main business of China Cinda Group, concentrated its efforts to branch out to the troubled asset business, and actively explored innovative cross-border distressed asset business by strengthening marketized asset management business operations. The segment developed a special opportunity investment fund with offshore US dollar bonds issued by Chinese enterprises and some domestic troubled asset funds during the period, leading to an increase in the scale of assets under management by 14% as compared with the end of last year. Profit from this segment decreased by 11% to HK$38.58 million as the scales of bond investments and other structured product investments contracted slightly under the strict risk controlling measures during the period.

The Group actively cooperated with associates and joint ventures to expand diversified businesses. With the favorable effect of the revival of capital markets, during the period, the Group recorded a share of profits from associates and a joint venture amounting to HK$35.86 million (2020: HK$7.80 million), mainly attributable to the increase in the fair values of the stocks traded on the Shanghai Stock Exchange held through funds by an associate engaged in private equity investment and a joint venture as compared with the beginning of the year. Moreover, the profit contribution by an associate engaged in fund management and an absolute return fund it managed of which the Group invested in also recorded a notable growth year-on-year.

Corporate Finance

As adversely affected by the progress of certain projects, the corporate finance business did not record satisfactory performance in the first half of 2021, with operating revenue amounting to only HK$20.94 million, representing a decrease of 52% as compared with HK$44.01 million in the corresponding period of last year, and segment loss amounted to HK$2.46 million (2020: profit of HK$22.48 million). In the first half of the year, the Group continued to provide equity issuance and debt issuance services to clients. With respect to equity issuance business, it acted as sponsor and underwriter in the initial public offering ("**IPO**") of a company engaged in property management in Hangzhou which successfully listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), with fund raised amounting to HK$200 million. Number of deals decreased when compared with three projects completed in the corresponding period of the previous year. During the period, some projects of the segment that are still in progress include several sponsorship projects for listing on the Stock Exchange, several compliance advisory projects and a financial advisory project on the privatization of a state-owned H share company listed on the Stock Exchange. With respect to debt issuance business, the Group successfully completed three Chinese enterprises offshore US dollar bond issuance projects in the first half of the year, totaling US$2.51 billion, representing an increase of 9% year-on-year.

Sales and Trading Business

Although the Hong Kong stock market was highly volatile in the first half of the year, the trading volume rose instead of falling. The Group benefited from the increase in stock trading volume and the expansion of its own business scale, leading to an increase in its market share. As a result, the operating revenue increased by 50% to HK$50.01 million during the period from HK$33.24 million in the first half of 2020, of which the Group recorded commission of HK$36.86 million (2020: HK$20.66 million) and interest from securities financing and other income of HK$12.95 million

(2020: HK$12.54 million). In view of the continuing uncertainty in the market, the Group prudently maintained securities financing loans during the period and focused on improving the quality of loans through strict risk management and control, with no bad or doubtful debts occurred throughout the period. Although the average size of the Group's conventional securities financing loans fell slightly year-on-year, the Group expanded the scale of its IPO margin financing during the period to mitigate the impact of the decline in conventional margin financing revenue. Facing fierce price competition from online trading platform securities firms, on one hand, the segment strengthened its collaboration with its parent company, Cinda Securities, on the other hand it actively explored institutional clients and high net worth customers, in order to provide a China concept focused service to contend with the securities firms that operated with the strategy of reduction of commission. In the end, the Group recorded segment profit of HK$13.52 million in the first half of the year (2020: profit of HK$2.05 million), representing a substantial increase of approximately six times.

Looking Forward

The external environment will remain complex and uncertain in the second half of 2021. New coronavirus variants are raging throughout Europe and the unsatisfactory pace of vaccination in some countries will slow down the global economic recovery. The relationship between the US and China is at its worst since the Cold War, which has raised concern that the US may take further steps to damage the relationship between both parties, causing market turmoil, making Hong Kong a battleground for Sino-US rivalry. However, as Hong Kong's economy continues to recover, in particular, assuming that the local pandemic continues to be under control and as benefited from the launch of consumption coupons, the pressure on the local labor market should gradually ease. Hong Kong stock market is expected to stabilize as the vaccination rate increases, and the expected border resumption between the Mainland and Hong Kong in the second half of the year will stimulate the Hong Kong economy as a whole. In addition, the unfriendly attitude of the US towards China concept stocks has caused many companies to withdraw from the listing in the US stock market and return to Hong Kong for listing or secondary listing, bringing opportunities to Hong Kong financial market. It is bound to become a bright spot in the Hong Kong market in the second half of 2021, and is expected to further increase the trading volume of Hong Kong stocks. Furthermore, Hong Kong's economic prospect is positive as it continues to benefit from the sustained development of the Mainland and the prevailing trend of shifting the global economic center from west to east. China's economy will continue to improve during the period of the "14th Five-Year Plan", and the entering into of the Regional Comprehensive Economic Partnership Agreement will also further promote economic integration in the region, and Hong Kong will play a unique role as a gateway and intermediary to integrate into the overall development of the country and actively participate in the country's economic strategy of "dual circulation", and grasp the opportunities brought by the development of the Guangdong-Hong Kong-Macao Greater Bay Area and the "Belt and Road" initiative, which may open up a broader space for development.

In Europe and the US, despite the gradual reboot of the US economy, COVID-19 pandemic has rebounded again in some regions, and the labor market continued to remain weak in the US, which in turn depress the local wage and consumption growth continuously. Whilst, another problem is inflationary pressure in the US. Market concerns that the upward inflation data will affect the job market; and some investors worry that the US may raise interest rates earlier to curb inflation, which may be an impediment to economic recovery. In Europe, nearly half of adults in the region have received at least one dose of COVID-19 vaccine, and the rate of infection has dropped significantly, and the entire Europe is gradually lifting their lockdowns. The increase in human mobility has led to the growth in certain business segments. However, the pandemic has rebounded after hosting large-scale sports games in the United Kingdom and other places. While social distancing has been relaxed, and the development of the pandemic remains to be observed. In this respect, Europe and the US will still face a series of uncertainties in the second half of 2021, which may impede economic rebound.

In China, the COVID-19 pandemic has been under control and economic activities have returned to normal. The National Development and Reform Commission issued the "Notice on Action Plan of Deepening the Reform of the Price Mechanism During the Period of the '14th Five-Year Plan'" late in the period, proposing to strengthen and improve the price-control on commodities, to improve the monitoring, forecasting and early warning system for key commodities, and to prevent wild price fluctuations. This reflects the Mainland's concern about the rise in commodity prices in recent months, and the rise in commodity prices also reflects the rising inflationary pressure. According to the National Bureau of Statistics, the global economy is recovering unevenly, and the foundation of economic recovery in the Mainland is not yet solid, coupled with new challenges in economic operation, such as the rise in global commodity prices, pulling up the prices of raw materials, which may bring pressure on the operation of some downstream enterprises. In the next stage, the Mainland shall consolidate the foundation of economic recovery, keep the economy operating in a reasonable range, focus on promoting high-quality development, and strive to build a new development pattern to promote sustainable and healthy economic and social development. In terms of the Mainland stock market, the reform and pilot registration system of the Science and Technology Innovation Board and the Growth Enterprise Market of A shares, together with the Main Board registration system to be launched soon, will speed up the approval of A share IPOs and significantly increase the number of new issues, which is expected to push up the trading volume of A shares.

The Group will further enhance the business integration with Cinda Securities, and jointly mastermind and open up domestic and foreign integrated financial services, and play the role as an outside border business platform of Cinda Securities well. We will focus on the investment banking businesses including outside border issuance of US dollar bonds by domestic institutions, IPO of domestic companies in Hong Kong and outside border restructuring of major assets of domestic institutions, the cross-border brokerage business on the full circulation of H shares, the creation of cross-border asset management products, and the establishment of a mechanism in which research departments of the two institutions to share their research resources to expand the cross-border integrated investment banking service.

Meanwhile, the Group will continue to focus on the main business of China Cinda Group and serve as the only fully licensed outside border securities company of the China Cinda ecosphere. The Group will continue to promote the development of the three core business segments. On one hand, we will further boost the development of our synergistic businesses, continue to optimize the internal management and enhance our asset capacity, as well as continue to maintain stable and compliant operation. On the other hand, we will deepen the cooperation with Cinda Securities and China Cinda ecosphere in a bid to achieve win-win results. In respect of the sales and trading business, we will continue to consolidate the market position of the traditional industry, strengthen the collaboration and interaction with the parent company, Cinda Securities, take initiative to explore retail customers and expand institutional, corporate and high net worth clients; develop towards the direction of wealth management and diversify the products to cover stocks, futures, bonds as well as products with fixed income, asset management and insurance so as to satisfy the customers' need in asset allocation. In terms of asset management business, we will focus on capitalising on market opportunities, especially the occasion for supporting China Cinda ecosphere in handling troubled assets by emphatically setting up asset management products with different characteristics such as the troubled asset fund, merger and acquisition fund and special opportunity fund. We will deepen our understanding of individual projects, further explore the highlights of the Group's market-oriented businesses and provide unique corporate value points in order to enhance customer stickiness. As for corporate finance business, we will maintain the parallel development of both equity and debt businesses. For the equity-related business, we will proactively provide sponsor and underwriting services and expand merger and acquisition and restructuring financial advisor business. As for debt-related business, the Group will explore demands for debt issuance of domestic and Hong Kong customers of China Cinda Group and provide tailor-made issuance plans and services to such customers and catch issuing windows to serve the clients, so as to achieve the "equity-debt" integration. In addition, the Group believes that for the rest of the year, the external economy will be improving and positive market sentiment will be maintained. The Group will strengthen the synergy and expand its market-oriented businesses through different measures by virtue of the solid foundations the Group has laid so far. The Group would endeavor to capitalise on various market opportunities to further enhance the results during the second half of 2021 and bring satisfactory returns to our shareholders.

Financial Resources

The Group maintained sound financial strength during the period, and all subsidiaries licensed by the Securities and Futures Commission of Hong Kong had liquid capital in excess of regulatory requirements. As of 30th June 2021, the Group had term loan facility of HK$549 million (or US dollar equivalent) from banks, which were fully utilised. In addition, as of 30th June 2021, the Group had revolving loans and overdrafts facilities of HK$1,404 million from banks, of which, a total of HK$145 million were utilised. As of 30th June 2021, the Group had IPO financing loan of HK$410 million. In addition, during the period, the Group repaid fixed-rate medium-term bonds of HK$10 million, and the Group had outstanding principal amount of HK$42 million. The Group did not issue any bond during the period.

Fluctuation in Foreign Exchange Rates

A majority of assets and liabilities of the Group are denominated in Hong Kong dollar and US dollar to which Hong Kong dollar is pegged with. Some assets are denominated in RMB, mainly because the Group has two wholly-owned subsidiaries incorporated and operated in the Mainland China which account for all their assets and incomes in RMB. During the period, the exchange rate of RMB against US dollar increased as affected by the growth of China's economy, the information on the import and export, the measures for domestic economic protection and other factors. The Group considered that the trend of exchange rate of RMB remained positive within the year, and hedging was not carried out for such fluctuation in the exchange rate of RMB.

Remuneration and Human Resources

As at 30th June 2021, the Group had a total number of 126 employees, of which 59 were male and 67 were female, 124 were full-time employees and 2 were part-time employees, and 116 were based in Hong Kong office and 10 were based in our offices in the Mainland China. The total remuneration costs of the Group for the six months ended 30th June 2021 are set out in note 4(a) to the condensed consolidated financial statements.

The Group has always valued the nurturing of capable personnel and has taken various measures to recruit and retain personnel of high calibre, which ensures sufficient support for steady operations amidst business development. The remuneration of the employees provided by the Group consists of basic salary and discretionary bonus. To encourage employees to deliver better performance and strengthen risk management and control, the Group has set up an incentive mechanism, according to which, performance and work targets for the year are set for each business department and middle and back-end supporting department at the beginning of each year and staff assessment is carried out both in the middle and at the end of each year so as to provide a basis for bonus. Besides, the Group also gives due weight to staff trainings and provides the employees with educational allowances and leave, such as leave for professional examinations. During the period, the Group organized professional training courses and lectures for the staff and account executives in furtherance of their comprehension of the updated knowledge pertinent to their work, certain of which were conducted through video means. The Group has established a staff remuneration committee comprising the top management to conduct regular reviews over the remuneration policy of the Group and determine the remuneration package of each staff member, thereby ensuring that such pay and benefits are market-based.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30th June 2021 (2020: nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company had not redeemed any of its shares during the six months ended 30th June 2021. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares during the six months ended 30th June 2021.

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 set out in the Corporate Governance Code under Appendix 14 to the Listing Rules during the period from 1st January 2021 to 30th June 2021.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to 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 2021.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group with the management, and discussed the internal controls and financial reporting matters with the Directors, including a review of the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30th June 2021. The Group's external auditors have carried out a review of the unaudited interim condensed consolidated financial statements of the Group 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 HKEXNEWS WEBSITE

This announcement is published on the HKEXnews website at http://www.hkexnews.hk and the Company's website at http://www.cinda.com.hk. The 2021 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
Zhu Ruimin
Chairman

Hong Kong, 19th August 2021

As at the date hereof, the Board comprises:

Executive Directors:	Ms. Zhu Ruimin	*(Chairman)*
	Mr. Zhang Yi	*(Chief Executive Officer)*
	Mr. Lau Mun Chung	*(Deputy Chief Executive Officer)*
Non-executive Director:	Mr. Chow Kwok Wai	
Independent Non-executive Directors:	Mr. Hung Muk Ming	
	Mr. Xia Zhidong	
	Mr. Liu Xiaofeng	

Website: http://www.cinda.com.hk