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 2022 INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Cinda International Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") announces the unaudited consolidated results of the Group for the six months ended 30th June 2022 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30th June 2022 – Unaudited

		Six months ended 30th June	
		2022	2021
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**66,312**	112,396
Other income	*3*	**14,164**	25,290
Other losses, net	*3*	**(15,224)**	(227)
		65,252	137,459
Staff costs	*4(a)*	**33,283**	60,963
Commission expenses		**7,324**	16,272
Other operating expenses	*4(b)*	**33,848**	24,697
Finance costs	*4(c)*	**7,461**	11,599
		81,916	113,531
		(16,664)	23,928
Share of (losses)/profits of associates and a joint venture, net		**(18,502)**	35,858

		Six months ended 30th June	
		2022	2021
	Notes	***HK$'000***	*HK$'000*
(Loss)/profit before taxation		**(35,166)**	59,786
Income tax	*5*	**(4,303)**	(6,465)
(Loss)/profit for the period		**(39,469)**	53,321
Attributable to:			
Equity holders of the Company		**(39,469)**	53,321
Basic and diluted (loss)/earnings per share attributable to equity holders of the Company	*7*	**HK$(6.16) cents**	HK$8.32 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2022 – Unaudited

	Six months ended 30th June	
	2022	2021
	HK$'000	HK$'000
(Loss)/profit for the period	**(39,469)**	53,321
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	**(9,092)**	(6,443)
– Change in impairment allowances charged/(credited) to profit or loss	**3,874**	(3,592)
– Reclassification adjustments to profit or loss on disposal	**5,798**	(5,598)
	580	(15,633)
Share of an associate's investment revaluation reserve		
– Change in fair value	**(805)**	(251)
Net movement in investment revaluation reserve	**(225)**	(15,884)
Share of associates' exchange reserve	**(6,914)**	1,178
Exchange differences on translation of:		
– Financial statements of a joint venture	**(412)**	107
– Financial statements of foreign operations	**(9,478)**	2,086
Net movement in exchange reserve	**(16,804)**	3,371

	Six months ended 30th June	
	2022	2021
	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	**(17,029)**	(12,301)
Total comprehensive income for the period	**(56,498)**	41,020
Total comprehensive income attributable to:		
Equity holders of the Company	**(56,498)**	41,020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June 2022 – Unaudited

	Notes	**Unaudited 30th June 2022 HK$'000**	Audited 31st December 2021 HK$'000
Non-current assets			
Intangible assets		**1,439**	1,439
Property and equipment		**9,696**	9,487
Financial assets at fair value through profit or loss	*10*	**37,812**	15,846
Interests in associates and a joint venture	*8*	**432,643**	459,276
Other assets		**18,850**	11,626
Right-of-use assets	*16*	**59,892**	25,571
Deferred tax assets		**72**	51
		560,404	523,296
Current assets			
Debt instruments at fair value through other comprehensive income	*9*	**250,779**	283,843
Financial assets at fair value through profit or loss	*10*	**95,602**	63,724
Trade and other receivables	*11*	**498,927**	441,540
Taxation recoverable		**767**	767
Pledged bank deposits	*12*	**12,139**	12,139
Bank balances and cash	*12*	**825,602**	781,142
		1,683,816	1,583,155

	Notes	Unaudited 30th June 2022 HK$'000	Audited 31st December 2021 HK$'000
Current liabilities			
Trade and other payables	*13*	**327,847**	276,972
Bank borrowings	*14*	**715,600**	–
Obligations under repurchase agreements	*15*	**172,667**	214,169
Taxation payable		**3,960**	7,965
Lease liabilities	*16*	**22,988**	15,575
Bonds issued		**10,000**	10,000
		1,253,062	524,681
Net current assets		**430,754**	1,058,474
Total assets less current liabilities		**991,158**	1,581,770
Capital and reserves			
Share capital		**64,121**	64,121
Other reserves		**460,140**	477,169
Retained earnings		**429,057**	481,350
TOTAL EQUITY		**953,318**	1,022,640
Non-current liabilities			
Lease liabilities	*16*	**37,840**	10,330
Bank borrowings	*14*	**–**	548,800
		37,840	559,130
		991,158	1,581,770

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 financial information relating to the year ended 31st December 2021 that is included in the unaudited interim financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements.

The unaudited condensed consolidated financial statements were approved by the Board for issue on 19th August 2022.

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 2021, 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 3	*Reference to the Conceptual Framework*
Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to HKAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to HKFRSs 2018–2020	*Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41*

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

(a) Amendments to HKFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1st January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

(b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1st January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1st January 2021, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1st January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(d) Annual Improvements to HKFRSs 2018–2020 sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

- HKFRS 9 Financial Instruments: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1st January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

- HKFRS 16 Leases: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

3. REVENUE, OTHER INCOME, OTHER GAINS/(LOSSES) AND SEGMENT INFORMATION

	Unaudited Six months ended 30th June	
	2022	2021
	HK$'000	*HK$'000*
Revenue		
Revenue from contracts with customers		
Fees and commission		
– Asset management	**6,675**	8,548
– Sales and trading business	**16,644**	36,858
– Corporate finance	**6,093**	13,144
	29,412	58,550
Underwriting income and placing commission		
– Corporate finance	**4,717**	7,786
Management fee and service fee income		
– Asset management	**24,074**	32,949
	58,203	99,285
Revenue from other sources		
Interest income		
– Asset management	**293**	152
– Sales and trading business	**7,668**	12,947
– Corporate finance	**–**	8
– Others	**148**	4
	8,109	13,111
	66,312	112,396

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 2022 – Unaudited				
Revenue from contracts with customers				
Brokerage service	**–**	**16,644**	**–**	**16,644**
Underwriting and placing service	**–**	**–**	**4,717**	**4,717**
Corporate finance service	**–**	**–**	**6,093**	**6,093**
Asset management service	**30,749**	**–**	**–**	**30,749**
	30,749	**16,644**	**10,810**	**58,203**
Geographical markets				
Hong Kong	**13,368**	**16,644**	**10,810**	**40,822**
Mainland China	**17,381**	**–**	**–**	**17,381**
Total revenue from contracts with customers	**30,749**	**16,644**	**10,810**	**58,203**
Timing of revenue recognition				
Services transferred at a point in time	**–**	**16,644**	**6,717**	**23,361**
Services transferred over time	**30,749**	**–**	**4,093**	**34,842**
Total revenue from contracts with customers	**30,749**	**16,644**	**10,810**	**58,203**

	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

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	
	2022	2021
	HK$'000	*HK$'000*
Revenue recognised that was included in deferred revenue at the beginning of the reporting period:		
Corporate finance service	**3,250**	10,358

	Unaudited Six months ended 30th June **2022** ***HK$'000***	 2021 *HK$'000*
Other income		
Interest income from debt securities classified as:		
– Debt instruments at fair value through other comprehensive income	**7,667**	19,358
– Financial assets at fair value through profit or loss	**1,319**	–
Investment income	**3,541**	3,367
Government grants *(Note)*	**915**	588
Others	**722**	1,977
	14,164	25,290
Other losses, net		
Net exchange (losses)/gains	**(6,544)**	2,628
Net (losses)/gains on disposal of financial assets at fair value through profit or loss	**(1,127)**	102
Net losses on disposal of debt instruments at fair value through other comprehensive income	**(4,517)**	(3,409)
(Losses)/gains from changes in fair value of financial assets at fair value through profit or loss	**(3,036)**	452
	(15,224)	(227)
	65,252	137,459

Note: The Group received government grants to support enterprises to implement business innovation and corporate transformation in Shanghai, 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.

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 (loss)/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 2022 – Unaudited

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Total *HK$'000*
Revenue from external customers	**28,251**	**24,312**	**10,810**	**63,373**
Revenue from an associate *(Note 1)*	**2,791**	**–**	**–**	**2,791**
Reportable segment revenue	**31,042**	**24,312**	**10,810**	**66,164**
Reportable segment results (EBIT)	**16,552**	**(6,526)**	**(5,450)**	**4,576**
Interest income from bank deposits	**293**	**729**	**–**	**1,022**
Interest expense	**(3,196)**	**(749)**	**(31)**	**(3,976)**
Depreciation of property and equipment	**(247)**	**(571)**	**(56)**	**(874)**

As at 30th June 2022 – Unaudited

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Total *HK$'000*
Reportable segment assets	**778,233**	**743,398**	**39,658**	**1,561,289**
Additions to non-current segment assets during the period *(Note 2)*	**278**	**4,611**	**–**	**4,889**
Reportable segment liabilities	**634,355**	**389,161**	**3,735**	**1,027,251**

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 *(Note 1)*	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	(190)	(457)	(62)	(709)

As at 31st December 2021 – Audited

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Total *HK$'000*
Reportable segment assets	778,023	678,042	62,578	1,518,643
Additions to/(disposals of) non-current segment assets during the year *(Note 2)*	629	(984)	5	(350)
Reportable segment liabilities	644,639	324,220	10,655	979,514

Notes:

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

2. Non-current assets consist of additions to or disposal of property and equipment and other assets.

Reconciliations of reportable revenue

	Unaudited Six months ended 30th June	
	2022	2021
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**66,164**	112,594
Elimination of inter-segment revenue	**–**	(202)
Unallocated head office and corporate revenue	**148**	4
Consolidated revenue	**66,312**	112,396

Reconciliations of reportable results

	Unaudited Six months ended 30th June	
	2022	2021
	HK$'000	*HK$'000*
Results		
Reportable segment profit (EBIT)	**4,576**	49,637
Share of (losses)/profits of associates and a joint venture, net	**(18,502)**	35,858
Finance costs	**(7,461)**	(11,599)
Unallocated head office and corporate expenses	**(13,779)**	(14,110)
Consolidated (loss)/profit before taxation	**(35,166)**	59,786
Income tax	**(4,303)**	(6,465)
(Loss)/profit for the period	**(39,469)**	53,321

Reconciliations of reportable assets and liabilities

	Unaudited 30th June 2022 *HK$'000*	Audited 31st December 2021 *HK$'000*
Assets		
Reportable segment assets	**1,561,289**	1,518,643
Elimination of inter-segment receivables	**(710)**	(3,546)
	1,560,579	1,515,097
Interests in associates and a joint venture	**432,643**	459,276
Deferred tax assets	**72**	51
Taxation recoverable	**767**	767
Unallocated head office and corporate assets	**250,159**	131,260
Consolidated total assets	**2,244,220**	2,106,451
Liabilities		
Reportable segment liabilities	**1,027,251**	979,514
Elimination of inter-segment payables	**(5,524)**	(17,938)
	1,021,727	961,576
Taxation payable	**3,960**	7,965
Unallocated head office and corporate liabilities	**265,215**	114,270
Consolidated total liabilities	**1,290,902**	1,083,811

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, right-of-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**	
	Unaudited		**Unaudited**	Audited
	Six months ended 30th June		**30th June**	31st December
	2022	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**48,639**	88,418	**238,951**	209,140
Mainland China	**17,673**	23,978	**283,569**	298,259
	66,312	112,396	**522,520**	507,399

4. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived after charging/(crediting):

(a) Staff costs

	Unaudited Six months ended 30th June	
	2022	2021
	HK$'000	*HK$'000*
Salaries and allowances	**32,022**	59,678
Defined contribution plans	**1,261**	1,285
	33,283	60,963

(b) Other operating expenses

	Unaudited Six months ended 30th June	
	2022	2021
	HK$'000	*HK$'000*
Advertising and promotion	**342**	540
Auditor's remuneration	**1,580**	1,560
Bank charges	**50**	447
Cleaning expense	**163**	155
Computer expense	**180**	138
Data service fee	**4,023**	4,577
Depreciation of property and equipment	**1,754**	1,414
Depreciation of right-of-use assets *(note 16)*	**12,292**	11,872
Employee relation expense	**276**	616
Entertainment	**250**	713
Impairment allowances charged/(reversed) on:		
– debt instruments at fair value through other comprehensive income	**3,874**	(3,592)
– trade and other receivables	**129**	453
Insurance fee	**1,219**	1,137
Legal and professional fee	**1,169**	(3,095)
Printing and stationery fee	**266**	410
Property management and other related fee	**1,186**	2,320
Repair and maintenance fee	**1,187**	1,289
Service fee	**532**	586
Staff recruitment fee	**244**	114
Subscription fee	**162**	224
Telecommunication fee	**1,213**	1,199
Travelling expense	**252**	524
Water and electricity	**234**	226
Others	**1,271**	870
	33,848	24,697

(c) Finance costs

	Unaudited Six months ended 30th June	
	2022	2021
	HK$'000	*HK$'000*
Interest on borrowings – repayable on demand and within one year	**6,829**	4,876
Interest on borrowings – repayable in more than one year but not more than five years	**–**	5,017
Interest on bonds issued – repayable within one year	**198**	727
Interest on bonds issued – repayable in more than one year but not more than five years	**–**	198
Interest on lease liabilities *(note 16)*	**434**	781
	7,461	11,599

5. INCOME TAX

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.

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.

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

	Unaudited Six months ended 30th June	
	2022	2021
	HK$'000	*HK$'000*
Current taxation:		
– Hong Kong Profits Tax	**22**	856
– PRC Corporate Income Tax	**4,302**	5,684
Deferred taxation		
– Hong Kong	**(21)**	(75)
	4,303	6,465

6. DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30th June 2022 (2021: nil).

Dividend payable to equity holder of the Company attributable to the previous financial year, approved and paid during the period:

	Six months ended 30th June	
	2022	2021
	HK$'000	HK$'000
	Unaudited	Unaudited
2021 final dividend declared and paid: HK$2 cents (2020 final: HK$3 cents) per ordinary share	**12,824**	19,236

7. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity holders of the Company of HK$39,469,000 (2021: profit of HK$53,321,000) and the number of 641,205,600 ordinary shares (2021: 641,205,600 ordinary shares) in issue during the period. The calculation is as follows:

(Loss)/earnings attributed to equity holders of the Company

	Six months ended 30th June	
	2022	2021
	HK$'000	*HK$'000*
	Unaudited	Unaudited
(Loss)/earnings for the period attributable to equity holders of the Company	**(39,469)**	53,321

Number of ordinary shares

	Six months ended 30th June	
	2022	2021
	Unaudited	Unaudited
Issued ordinary shares at 1st January and 30th June	**641,205,600**	641,205,600

(b) Diluted (loss)/earnings per share

No diluted (loss)/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 30th June 2022 *HK$'000*	Audited 31st December 2021 *HK$'000*
Interests in associates	**418,262**	444,317
Interest in a joint venture	**14,381**	14,959
	432,643	459,276

Interests in associates

	Unaudited 30th June 2022 *HK$'000*	Audited 31st December 2021 *HK$'000*
Share of net assets at 1st January	**444,317**	407,910
Share of (losses)/profits for the period/year, net	**(18,336)**	47,147
Share of other comprehensive income for the period/year	**(7,719)**	3,294
Dividend income from an associate	**–**	(14,034)
	(26,055)	36,407
Share of net assets at 30th June/31st December	**418,262**	444,317

Interest in a joint venture

	Unaudited 30th June 2022 *HK$'000*	Audited 31st December 2021 *HK$'000*
Share of net assets at 1st January	**14,959**	9,336
Share of (loss)/profit for the period/year	**(166)**	4,759
Share of other comprehensive income for the period/year	**–**	529
Translation difference	**(412)**	335
	(578)	5,623
Share of net assets at 30th June/31st December	**14,381**	14,959

9. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Unaudited 30th June 2022 ***HK$'000***	Audited 31st December 2021 *HK$'000*
Listed debt securities with fixed interest	**250,779**	283,843

As at 30th June 2022 and 31st December 2021, 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 2022 – unaudited	**239,984**	**–**	**10,795**	**250,779**
Fair value as at 31st December 2021 – audited	267,999	–	15,844	283,843

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 2022 – unaudited	**70,457**	**91,117**	**89,205**	**–**	**250,779**
31st December 2021 – audited	117,051	90,990	75,802	–	283,843

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited 30th June 2022 *HK$'000*	Audited 31st December 2021 *HK$'000*
Non-current:		
Unlisted private equity funds	**37,812**	15,846
Current:		
Unlisted equity securities	**1**	1
Listed debt securities fund	**22,479**	23,676
Listed debt securities	**64,526**	40,047
Listed equity securities fund	**8,596**	–
	95,602	63,724
	133,414	79,570

11. TRADE AND OTHER RECEIVABLES

	Unaudited 30th June 2022 *HK$'000*	Audited 31st December 2021 *HK$'000*
Trade and other receivables	**515,667**	458,151
Less: impairment allowances for trade and other receivables	**(16,740)**	(16,611)
Total trade and other receivables	**498,927**	441,540

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 2021 – audited	17,012
Reversal of impairment allowances	(319)
Written off of impairment allowances	(82)
At 31st December 2021 and 1st January 2022 – audited	16,611
Provision of impairment allowances	129
At 30th June 2022 – unaudited	16,740

As at 30th June 2022 and 31st December 2021, 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 2022 – unaudited	**492,064**	**101**	**12,929**	**10,573**	**515,667**
Expected credit losses	**(438)**	**–**	**(12,929)**	**(3,373)**	**(16,740)**
	491,626	**101**	**–**	**7,200**	**498,927**

	Stage 1 *HK$'000*	Stage 2 *HK$'000*	Stage 3 *HK$'000*	Simplified approach *HK$'000*	Total *HK$'000*
Gross amount as at 31st December 2021 – audited	430,092	99	12,929	15,031	458,151
Expected credit losses	(309)	–	(12,929)	(3,373)	(16,611)
	429,783	99	–	11,658	441,540

For trade receivables related to margin loans arising from securities brokering amounting to HK$160,741,000 (31st December 2021: HK$181,572,000), during the period, impairment allowances of HK$129,000 were provided (for the six months ended 30th June 2021: HK$453,000). As at 30th June 2022, impairment allowances of HK$13,367,000 (31st December 2021: HK$13,238,000) 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 ageing analysis is disclosed as in the opinion of the management, the ageing analysis does not give additional value in view of the nature of revolving margin loan.

For trade receivables related to corporate finance of HK$10,573,000 (31st December 2021: HK$15,031,000), no additional impairment allowance was provided for the current period (30th June 2021: Nil). As at 30th June 2022, impairment allowances HK$3,373,000 (31st December 2021: 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 ageing analysis based on the date of invoice at the reporting date was as follows:

	Unaudited 30th June 2022 ***HK$'000***	Audited 31st December 2021 *HK$'000*
Current	**–**	2,948
30 – 60 days	**300**	2,451
Over 60 days	**10,273**	9,632
	10,573	15,031
Less: impairment allowances	**(3,373)**	(3,373)
	7,200	11,658

For trade receivables from clients arising from securities brokering amounting to HK$223,999,000 (31st December 2021: HK$141,392,000), 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 2022, it included overdue balances of HK$7,874,000 (31st December 2021: HK$17,423,000). 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$9,307,000 (31st December 2021: HK$19,439,000), 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 2022	Audited 31st December 2021
	HK$'000	*HK$'000*
Cash in hand	**21**	21
Bank balances		
– pledged deposits	**12,139**	12,139
– time deposits with original maturity less than three months	**9,553**	–
– general accounts	**816,028**	781,121
	837,720	793,260
	837,741	793,281
By maturity:		
Bank balances		
– current and savings accounts	**816,028**	781,121
– fixed deposits (maturing within three months)	**21,692**	12,139
	837,720	793,260

13. TRADE AND OTHER PAYABLES

	Unaudited 30th June 2022	Audited 31st December 2021
	HK$'000	*HK$'000*
Trade payables	**282,520**	207,083
Accruals, provision and other payables	**43,309**	62,939
Deferred revenue	**2,018**	6,950
Total trade and other payables	**327,847**	276,972

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.

14. BANK BORROWINGS

		Unaudited 30th June 2022 HK$'000	Audited 31st December 2021 HK$'000
Non-current portion	*Note*	**–**	548,800
Current portion	*Note*	**715,600**	–
		715,600	548,800

Note:

At 30th June 2022 and 31st December 2021, the bank borrowings were repayable and carried interest with reference to HIBOR/LIBOR or other relevant measures as follows:

	Unaudited 30th June 2022 HK$'000	Audited 31st December 2021 HK$'000
Within a period not exceeding one year	**715,600**	–
Within a period of more than one year but not exceeding two years	**–**	548,800
Within a period of more than two year but not exceeding five years	**–**	–
	715,600	548,800

As at 30th June 2022, the Group had total banking facilities of HK$2,188,000,000 (31st December 2021: HK$1,954,000,000).

Among these banking facilities, HK$200,000,000 (31st December 2021: HK$200,000,000) of it was secured by pledged deposits with principals of HK$12,000,000 (31st December 2021: HK$12,000,000).

Further, HK$1,932,000,000 (31st December 2021: HK$1,620,000,000) 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 2022, HK$715,600,000 (31st December 2021: HK$548,800,000) was drawn from the banking facilities under specific performance obligation. Among these banking facilities, US$30,000,000 (equivalent to HK$234,000,000) (31st December 2021: US$24,000,000 (equivalent to HK$187,200,000)) was drawn in US dollars.

As at 30th June 2022 and 31st December 2021, the Group has not utilised any of the banking facilities secured by the pledged deposits.

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

15. OBLIGATIONS UNDER REPURCHASE AGREEMENTS

	Unaudited 30th June 2022 ***HK$'000***	Audited 31st December 2021 *HK$'000*
Current portion	**172,667**	214,169

Note: 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$22,137,000 (equivalent to HK$172,667,000) (31st December 2021: US$27,458,000 (equivalent to HK$214,169,000)). 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$22,137,000 (equivalent to HK$172,667,000) (31st December 2021: US$27,458,000 (equivalent to HK$214,169,000)) plus interest at variable rates calculated with reference to LIBOR upon the termination of the agreements. As at 30th June 2022, the obligations under repurchase agreements were collateralised by the Group's debt securities with a fair value of HK$214,895,000 (31st December 2021: HK$293,147,000).

16. 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 2021 – audited	**44,129**	**45,637**
Addition	**5,606**	**5,606**
Depreciation expenses	**(24,164)**	**–**
Interest expense	**–**	**1,417**
Payments	**–**	**(26,755)**
At 31st December 2021 and 1st January 2022 – audited	**25,571**	**25,905**
Addition	**46,613**	**46,613**
Depreciation expenses *(note 4(b))*	**(12,292)**	**–**
Interest expense *(note (4(c))*	**–**	**434**
Payments	**–**	**(12,124)**
At 30th June 2022 – unaudited	**59,892**	**60,828**

	Unaudited 30th June 2022 *HK$'000*	Audited 31st December 2021 *HK$'000*
Lease liabilities analysed into:		
Current portion	**22,988**	15,575
Non-current portion	**37,840**	10,330
	60,828	25,905

17. EVENTS AFTER THE REPORTING PERIOD

References are made to the announcements of the Company dated 24th June 2022 and 25th July 2022. The Company is in the process of disposing the 35% equity interest in a joint venture, namely JianXinGuoMao (Xiamen) Private Equity Fund Management Limited. The Company will provide further information as and when appropriate in accordance with the applicable Listing Rules, laws and regulations.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET CONDITIONS

The variant of COVID-19 pandemic continued to spread globally in the first half of 2022, coupled with Russia-Ukraine conflict and sanctions against Russia imposed by European and American countries have stricken the global supply chains causing a sluggish recovery progress in economic activities and striking inflation. Major central banks picked up the pace of raising interest rates with a tightened market liquidity and triggered the slump on both stocks and bonds. The Personal Consumption Expenditure (PCE) Price Index, a core inflation indicator which the Federal Reserve of the United States of America ("**Fed**" and "**US**") attaches importance to, rose by 4.7% year-on-year in May, hovering at high levels in near 40 years, and was well above 2%, the target inflation level of the Fed, for 13 consecutive months. To this end, the Fed has raised interest rates by a total of 1.5% in the first half of the year, and the latest interest rate trend suggests that the Fed will increase the interest rate by above 3% by the end of 2022, indicating that there will be a single interest rate hike of at least 0.5% among the three Fed's meetings for the rest of the year.

In the first half of 2022, the labour market in the US recovered as expected, together with further rise on local inflation pressure, for which the Fed scaled down bond purchases while initiating interest rate hike driving the ascending in US dollar index at rapid speed in the first half of the year and soaring over the 100 index point. The US dollar index rebounded from a low of 94.633 since January to a high of 105.79 in the middle of June, the highest since January 2003, up 6.5% in the second quarter and up 9.4% for the first half of 2022. In the meantime, the yield of various term treasury bonds rose sharply, among which, the yield of 10-years treasury bonds peaked at 3.49% in mid-June, a record-breaking high since October 2018. The three major US stock indices were under pressure in the second quarter, with S&P Index and Nasdaq Index even entering a technical bear market. The three major US stock indices fell by between 11.3% and 22.4% in the second quarter, and fell by between 15.3% and 29.5% in the first half of the year. In Europe, due to the slower pace in tapering by the European Central Bank as compared to other major central banks, European stocks oscillated downwards during the period, with the pan-European Stoxx 600 and German, French and British stocks declining between 2.9% and 19.5% for the first half of the year.

As to the bond market, in the first half of 2022, the market was concerning about the further increasing pressure on inflation of the US, causing the Fed to pick up the pace of raising interest rate and reducing bond purchases and leading to a rapid increase in the yield of the US treasury bonds, and the JPM Emerging Markets Government Bond Index fell 13.0%. In addition, in the first half of 2022, the market in real estate sales in the Mainland China remained weak and market continued to concern about the risk of default by certain real estate companies. Offshore Chinese US dollar bonds were further under pressure, among which, Markit iBoxx Asian Chinese US Dollar Bond Index fell by 6.7% as compared to the end of 2021, Markit iBoxx Asian Chinese US Dollar High-yield Bond Index and Markit iBoxx Asian Chinese US Dollar Real Estate Bond Index fell by 22.2% and 32.5%, respectively.

In the Mainland China, in the first quarter of 2022, the economy has got off to a good start, the gross domestic product ("**GDP**") increased by 4.8% year-on-year, and by 1.3% quarter-on-quarter. Entering the second quarter, due to the high base of data of the corresponding period of 2021, together with the relapse of pandemic in some countries and certain provinces in China, the growth rate of major macro-economic indicators considerably 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 June, alongside with the successive resumption on work and production in organized manner in the Mainland China, were all higher than market comprehensive expectation. After quarter-on-quarter comparison on the average values of both the Mainland China 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, the market was concerning about the increased economic downward pressure and the People's Bank of China lowered the deposit reserve ratio and the rate of Medium-term Lending Facility (MLF) and Loan Prime Rate (LPR) in the first half of the year, with capital kept flowing into A-share market which recorded total volume of transactions of RMB114 trillion in the first half of the year, up 6.5% year-on-year. Although the volume of transaction of Stock Connect trading volumes recorded a year-on-year decrease of 10% to RMB11.5 trillion in the first half of the year, foreign capital continued to be optimistic towards A-share market. The net capital inflow of Northbound was RMB71.8 billion for the period, among which, the net capital inflow of Northbound Shanghai Connect recorded RMB68.0 billion in the second quarter, up 2.7 folds quarter-on-quarter, with Northbound Shenzhen Connect even converting into net capital inflow of RMB28.1 billion.

Shanghai Composite Index continued to rebound from the bottom at 2,864 points in April and eventually marked at 3,399 points, up 4.5% on quarterly basis and accumulative decrease of 6.6% in the first half of the year. As to Renminbi, the People's Bank of China announced in late April to lower 1 percentage point of foreign exchange reserve ratio to 8.0% by improving financial institutions' utility on foreign exchange funds and easing the pressure on substantial depreciation in RMB exchange rate. RMB exchange rate declined at the beginning followed by stabilization in the second quarter. The US dollar against the CNY and CNH bottomed at 6.8125 and 6.8380 in May, respectively, hitting a new low over the past two years. Alongside with the subsequent forward effectuation of macro policies in the Mainland China coupled with the giving-back of US dollar index and narrowed decline in RMB exchange rate in a quarter, the CNH and CNY against the dollar declined 5.1% and 5.4%, respectively.

In Hong Kong, entering into the beginning of 2022, the number of confirmed cases of the fifth wave of Covid-19 pandemic totaled more than 1.29 million, resulting in the strictest anti-pandemic measures implemented by HKSAR Government than ever before and a severe strike to the Hong Kong economic activities. With the increased vaccine coverage and fell back on infection cases in the city, some pandemic prevention measures have been relaxed, which enabled the economic activities to restart. The GDP of Hong Kong in the first quarter contracted by 4.0% year-on-year. Meanwhile, the unemployment rate of Hong Kong remained uncovered to pre-pandemic levels, the seasonally adjusted unemployment rate was 4.7% from April to June, representing a decrease of 0.4 percentage point compared with 5.1% from March to May, and the underemployment rate dropped by 0.5 percentage point to 3.0%.

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 25,051 points at the end of February and then substantially fell to 18,235 points at a time in March, the lowest in near 10 years, and Hang Seng TECH Index recorded a low of 3,463 points at a time, a record-breaking low in history, due to the geopolitical instability and sanctions against Russia by European and American countries coupled with delisting risk lists of certain China Concept Stock by the US Securities and Exchange Commission since mid-March and a resulting slump arising from the incident for the stock price of China Concept Stock whose shares are listed in the US which caused a correlative and significant pressure on Hong Kong stocks. To sum up for the first half of the year, the Hang Seng Index closed at 21,860 points, declined by 6.6% as compared with that at the end of 2021. The Hang Seng China Enterprises Index closed at 7,667 points, decreased by 6.9% as compared with that at the end of 2021, while the Hang Seng TECH Index closed at 4,870 points, fell by 14.1% as compared with that at the end of 2021. The trading volume of Hong Kong stocks had also risen initially but then dropped, among which, the daily average transaction volume of Hong Kong stocks reached a high of HK$174.8 billion and mitigated to fall back in March, in particular, there were four trading days with daily transaction volume below HK$100 billion in the second quarter. The daily average transaction volume of the first six months was HK$138.3 billion, representing a decrease of 26.5% year-on-year.

In the new stock market in Hong Kong, as affected by the adverse factors such as interest rate hike by global central banks and geopolitical instability, the fund-raising activities trends to be tranquil. To sum up the first half of the year, only 26 companies were newly listed on the Main Board, as compared to 44 companies year-on-year; with fund raised for HK$19.734 billion, representing a substantial decline of 41% and 91%, respectively. The number of new stocks with fund-raising amounts below HK$1.0 billion recorded a year-on-year decrease of 28.5% in terms of financing amount, among which the number of Main Board enterprises with fund-raising amounts ranging from HK$100 million to HK$200 million even substantially decreased by 70% year-on-year.

In the market of the US dollar bonds issued by Chinese enterprises, the information reflected that under the background of the rising interest rate of US treasury bonds and the widening interest spread of enterprise bonds, the willingness of enterprises to issue US dollar bonds has been greatly reduced under the circumstances of rising bond interest rates, whilst investors still concern about the current volatile market environment and the credit issues in certain industries. In addition, the negative impact of credit risk events occurred in the first half of the year even affected certain enterprises with good quality, resulting in corresponding rating downgrades and continuous and significant fluctuations in market prices. In the first half of the year, the total issuance size of offshore bonds issued by Chinese enterprises amounted to US$95.26 billion, representing a decrease of 39.1% year-on-year.

OVERALL PERFORMANCE

In the first half of 2022, the Group adhered to the previous operation strategy and as the only fully licensed securities company established outside the Mainland China within the system of China Cinda Asset Management Co., Ltd. ("**China Cinda**", together with its associates, the "**China Cinda Group**"), we continued to serve the China Cinda Group and provide cross-border businesses covering major markets. 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). Affected by the adverse conditions in the global financial market during the period, the revenue of the three core business segments dropped sharply. Together with the share of losses of associates mainly due to investment losses, the overall loss after tax of the Group for the first half of the year was HK$39.47 million, as compared to the profit after tax of HK$53.32 million year-on-year. The total revenue in the first half of the year amounted to HK$65.25 million (2021: HK$137.46 million), representing a decrease of 53% year-on-year, among which, the turnover was HK$66.31 million (2021: HK$112.4 million), representing a decrease of 41% year-on-year. Other income amounted to HK$14.16 million (2021: HK$25.29 million), representing a decrease of 44% year-on-year. Other net loss amounted to HK$15.22 million (2021: HK$0.23 million). As for expenses, the Group endeavored to control cost, staff costs decreased significantly by 45% year-on-year; apart from the increase in legal and professional fees and impairment provision, other expenses decreased. As a result, operating expenses (excluding commission expenses and finance costs) amounted to HK$67.13 million (2021: HK$85.66 million), representing a decrease of 22% year-on-year, and finance cost reduced by 36% year-on-year, mainly due to the decrease in the overall borrowing size and certain bank loans were replaced by repurchase agreements with lower cost.

The Group recorded a share of losses from associates and a joint venture amounting to HK$18.5 million (2021: profit of HK$35.86 million), representing a decrease of 152% as compared with last year. The loss was mainly due to the investment losses of the absolute return fund and another associate engaging in private equity investment in fund management invested by the Group. As a result, the Group's loss before tax for the first half of the year amounted to HK$35.17 million (2021: profit of HK$59.79 million). Loss after tax attributable to equity holders amounted to HK$39.47 million (2021: profit of HK$53.32 million).

ASSET MANAGEMENT

In the first half of 2022, the asset management segment of the Group continued to operate under light-asset strategy. As 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 two special asset management projects on offloading overseas stocks and some domestic troubled asset funds. However, due to the impact of the pandemic during the period, the progress of new projects slowed down significantly. Coupled with the withdrawal of some projects, the operating revenue of the segment was HK$31.04 million (2021: HK$41.65 million), representing a year-on-year decrease of 25%. In addition, due to the rising market interest rate and uncertainties in the capital market, the bond investment income recorded a loss after deducting the disposal loss and the decrease in fair value of assets during the period, resulting in a decrease of 57% in the profit from this segment to HK$16.55 million.

The Group actively cooperated with associates and joint venture to expand diversified businesses. With the negative impact of capital markets during the period, the Group recorded a share of losses from associates and a joint venture amounting to HK$18.5 million in the first half of the year (2021: profit of HK$35.86 million), mainly attributable to the decrease in fair value of an absolute return fund invested as compared to the beginning of the year. In addition, an associate engaged in fund management and private equity investment incurred losses due to investment losses.

CORPORATE FINANCE

The corporate finance business continued to serve clients with equity and debt issuances, but was still deeply affected by the blockage of the border between Hong Kong and the Mainland China for nearly two and a half years, resulting in a slow progress of cases on hand and inability to increase project reserves. In addition, following the trend of the global initial public offering ("**IPO**") market, the Hong Kong IPO market in the first half of 2022 saw a significant decline in both the total amount and volume of financing during the period, with the number of new listing and the total amount of financing both at their lowest level since 2013. The number of new listing with funds raised less than HK$1 billion decreased by 28.5% year-on-year. Among them, the number of enterprises listed on the Main Board with funds raised amounting between HK$100 million to HK$200 million decreased significantly by 70% year-on-year, and there was no new listing on the GEM, which had a serious impact on small and medium-sized enterprises' financing. As a result, the overall performance was not satisfactory. The equity business was still in progress during the period, including several sponsorship projects for the proposed IPO in Hong Kong for some small-sized enterprises, several financial advisory and compliance advisory projects. With respect to debt issuance business, the Group successfully completed four Chinese enterprises offshore US dollar bond issuance projects in the year, totaling US$1.834 billion, representing a decrease of 27% year-on-year. As a result, the operating revenue of this segment was only HK$10.81 million, representing a decrease of 48% from HK$20.94 million for the same period last year, and the segment recorded a loss of HK$5.45 million (2021: HK$2.46 million).

SALES AND TRADING BUSINESS

The Hong Kong stock market was highly volatile in the first half of 2022, the Hang Seng Index dropped sharply to 18,235 points in March, hitting a new low for nearly ten years since early June 2012. The Hang Seng TECH Index hit a record low of 3,463 points and the trading volume fell in line with the market. The average daily turnover decreased by 27% year-on-year to HK$138.3 billion. As a result, the operating revenue decreased by 51% to HK$24.31 million during the period from HK$50.01 million for the same period of last year, of which the Group recorded a commission of HK$16.64 million (2021: HK$36.86 million) and interest from securities financing and other income of HK$7.67 million (2021: HK$12.95 million). In view of the continuing uncertainty in the capital market, the Group remained prudent in margin loans through strict risk control, instead of expanding the scale, with no bad or doubtful debts occurred throughout the period. Facing fierce competition from online trading platform securities firms, the Group continued to optimise its trading platforms and mobile trading programmes during the period. On the one hand, the segment strengthened its collaboration with its parent company, Cinda Securities Co., Ltd. ("**Cinda Securities**") during the period; in addition, 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 segment recorded a loss of HK$6.53 million (2021: profit of HK$13.52 million).

LOOKING FORWARD

With the resurgence of the COVID-19 cases and persistently high inflation, the external environment will remain complex and volatile in the second half of 2022. Information available shows that manufacturing activities in Europe and the US have slowed down significantly and the downward consumer confidence continues recently. However, the rapid rise in inflation and interest rates will continue to depress local wage and consumption growth in the US, which may affect the economic recovery. In Europe, the lockdown measures have been basically lifted, but the high energy prices in the region due to the war between Russia and Ukraine have dampened the production activities of enterprises in the region and may lead to an energy crisis in the second half of the year. Coupled with the imbalanced recovery of economic activities in some highly indebted economies in the Eurozone, Europe and the US will continue to face a series of uncertainties and increase downward pressures in the second half of 2022.

At the same time, the Fed continues to maintain its aggressive pace of interest rate hikes, and there are concerns that the risk of stagflation is increasing, which may further dampen global investment sentiment. In addition, the relationship between the US and China has not yet seen ease, which has raised concern that the US may take further steps to damage the relationship between both parties, causing market turmoil. Although the economic activities of Hong Kong have gradually recovered, the unemployment rate has not yet fallen back to its pre-pandemic level. Recent retail figures show that the drive of consumer coupon on the economy is gradually weakening. However, the relaxation of entry quarantine measures by the HKSAR Government earlier may bring support to the Hong Kong economy in the second half of the year, while relieving the pressure on the local labour market. In the Mainland China, more efforts may be devoted to stabilise the economy in the second half of the year, but the wealth effect will recede and it will take time for the real estate market to recover, coupled with the fact that the third quarter of 2022 and the first quarter of 2023 will see a peak in the repayment of US dollar-denominated bonds issued by Chinese enterprises, the redemption risks of individual enterprise will continue to cause volatility to the Hong Kong stock market and the market of US dollar-denominated bonds issued by Chinese enterprises.

In China, the COVID-19 pandemic is under control and economic activities are gradually recovering in the Mainland China. However, according to the National Bureau of Statistics, the recovery of the global economy is imbalanced and the foundation for the economic recovery of the Mainland China is not yet solid, coupled with new challenges in economic operation, such as the rise in global commodity prices, which has pushed up the prices of raw materials and may put pressure on the operations of some enterprises downstream. As to the stock market in the Mainland China, the SSE and SZSE ranked first and second in the world in terms of IPO financing scale in the first half of 2022 respectively, driven by years of deepening reforms, encouraging the return of red-chip enterprises to the stock market at home from abroad and the reform of the registration system for new share issues. The continued deepening reforms of the capital market in the Mainland China will give impetus to the performance of the A-share market in the second half of the year, with the issuance of new shares expected to accelerate in the second half of the year, which is expected to push up the trading volume of A-shares.

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 shining point in the Hong Kong market in the second half of 2022. However, facing possible acceleration of capital outflows, tightening liquidity and a tight capital chain in the real estate market in the Mainland China, the risk appetite and trading intention of investors will continue to be dampened, making it difficult to make a major breakthrough in the Hong Kong stock market in the second half of the year. In terms of economy, Hong Kong's economic prospect is positive as it continues to benefit from the sustained development of the Mainland China and the prevailing trend of shifting the global economic center from west to east in the mid-and-long term. 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.

The Group will continue to enhance the business integration with Cinda Securities, whose IPO application has been approved by the Issuance Examination Committee of China Securities Regulatory Commission on 30th June of this year, and we will intensify our efforts to 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 cross-border issuance of US dollar bonds by domestic institutions, IPO of domestic companies in Hong Kong and cross-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, externally, 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 strive to increase our business volume and market share in a prudent and risk-averse manner, strengthen the collaboration and interaction with Cinda Securities, take initiative to explore retail customers and expand institutional, corporate and high net worth clients; the securities company under the Group has been granted the license to carry out Type 4 (advising on securities) regulated activity by the Securities and Futures Commission of Hong Kong ("**SFC**") in July this year, we will therefore develop towards the direction of wealth management and diversify the products to cover stocks, futures, bonds as well as products with fixed income, and asset management so as to satisfy the customers' need in asset allocation. In terms of the asset management business, we will further identify the opportunities in the capital markets and investment opportunities in related sectors 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 continue to deepen our market-oriented transformation and actively explore equity assets management business in specific sectors, while continuing to consolidate and improve our market-oriented assets management product line on debts instruments. As for the 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 the acquisition and merger financial advisor business. As for the 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 market sentiment will be positive. 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 down. The financial position of the Group remains sound and the Group is prepared to respond to the current difficult environment. In the second half of the year, the Group would endeavor to capitalise on various market opportunities to strengthen the results of the Group for the whole year and bring satisfactory returns to our shareholders.

FINANCIAL RESOURCES

The Group maintained sound financial strength during the period, and all subsidiaries licensed by the SFC had liquid capital in excess of regulatory requirements. As of 30th June 2022, the Group had term loan facility of HK$550 million from banks, which were fully utilised. In addition, as of 30th June 2022, the Group had revolving loans and overdrafts facilities of HK$1,490 million from banks, of which, a total of HK$170 million were utilised. In addition, as of 30th June 2022, the Group had an outstanding bond principal amount of HK$10 million which will mature within this year. 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 rise in the exchange rate of US dollar against RMB was due to the acceleration of climbing in the US dollar index. Given the current favourable statistics on export and foreign direct investment in the Mainland China, the Group considered that the decline in exchange rate of RMB would be temporary and hedging was not carried out for such fluctuation in the exchange rate of RMB, let alone the mean cost-effectiveness of hedging.

REMUNERATION AND HUMAN RESOURCES

As at 30th June 2022, the Group had a total number of 110 full-time employees, of which 55 were male and 55 were female, and 100 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 2022 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 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 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. The Group also implemented a "New Employee Mentorship Programme" and organized professional training courses and lectures for the staff and account executives from time to time in furtherance of their comprehension of the updated knowledge pertinent to their work, certain of which were conducted through electronic and 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 2022 (2021: nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company had not redeemed any of its shares during the six months ended 30th June 2022. 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 2022.

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 ("**CG Code**") under Appendix 14 to the Listing Rules during the period from 1st January 2022 to 30th June 2022 save for the deviation from code provisions specified below:

– Provision C.1.6 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. Chow Kwok Wai, the non-executive Director, was unable to attend the annual general meeting of the Company held on 12th May 2022 as he had other engagements.

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 2022.

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 2022. 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 2022 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 2022

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