



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

(Incorporated in Bermuda with limited liability)

Stock Code: 111



2012

Interim Report





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Management Discussion and Analysis

OVERALL PERFORMANCE

The distress caused by the European sovereign debt crisis had not been released in the first half of 2012. More importantly, more and more European countries like France, Italy and Germany have been implicated. We also saw even more trouble in Greece, with riots and chaos throughout the country. It is generally believed that the issue will not be satisfactorily resolved in the next few years, whilst European economies could hardly achieve any growth. Furthermore, the United States economy did not show any signs of recovery. Therefore the investment market has been inevitably adversely affected. Dampened by the global economic depression, China recorded a general decline in exports and the economy emerged signs of downturn. The reduction in deposit reserve rates and interest rates did not stop this downturn, which casted doubts about whether China's target economic growth forecast earlier in the year could be achieved.

The investment market in Hong Kong remained gloomy. Though property prices stood at an all-time high, the Hang Seng Index was not at the same pace, closing at only 19,441 points — 13% lower than 22,398 points a year ago. Turnover volume in the local stock market decreased significantly, with the average daily market turnover for the first half of the year standing at HK\$57 billion, a 23% decrease compared to HK\$74 billion for the same period last year. Inflation in Hong Kong continued to be as high as more than 4% over the period under review, thus there was significant pressure on our operation costs. As a result, turnover was HK\$35.4 million (2011: HK\$32.8 million) and a loss of HK\$23.2 million (2011: HK\$19.5 million) was reported.

CORPORATE FINANCE

Following the poor investment sentiment at the end of 2011, the initial public offering (“IPO”) market was quiet in the first half of the year. There were no large issuances, but a few post-IPO fundraisings, with funds raised in the market decreased substantially from HK\$175 billion to only HK\$31 billion. Some of the IPOs in the pipeline were unavoidably delayed. Hence, the division concentrated on advisory work which produced relatively stable income. Turnover in this segment increased to HK\$8.3 million (2011: HK\$6.5 million), while segment loss increased to HK\$9.4 million (2011: loss of HK\$8.4 million).

SECURITIES BROKING

We saw trading volume in the local stock market pick up in February and March, with average daily turnover in these two months reaching approximately HK\$66 billion. However, this was not sustained and a sharp decrease was recorded in the second quarter. The decrease was quite obvious, as the average daily turnover was only HK\$45 billion in June, compared to HK\$70 billion in June 2011, showing a contraction in the market. Though the market environment was harsh, competition remained keen, with overseas stockbrokers continuing to penetrate the market by establishing companies or subsidiaries in Hong Kong. As a result, commission income was further reduced. However, owing to the increase in interest income from the expanded loan portfolio, turnover was maintained at HK\$14.7 million (2011: HK\$11.8 million) and loss was reduced to HK\$1.8 million (2011: loss of HK\$6.8 million).

Management Discussion and Analysis

COMMODITIES AND FUTURES BROKING

Though competition in the market was still severe, the business in this segment improved in the first half of the year, mainly due to overseas clients trading commodities contracts in overseas markets, which was primarily attributed to our enhanced electronic trading platform which provides sophisticated functions. Turnover was HK\$3 million (2011: HK\$2 million) and segment loss reduced to HK\$1.3 million (2011: loss of HK\$2 million).

FINANCIAL PLANNING AND INSURANCE BROKING

Statistics showed that the business volume in investment-linked insurance policies decreased in the first quarter of the year, while the business volume of life insurance and general insurance increased. The growth came from liabilities insurance and medical insurance. As our business mainly came from investment-linked products, we were negatively affected by the general business volume decrease in this category. The turnover in this segment decreased to HK\$2.2 million (2011: HK\$4 million), while a loss of HK\$1.3 million (2011: loss of HK\$1.1 million) was recorded.

ASSET MANAGEMENT

As one of the major business focuses, the Group continued to develop its business in different ways. The incorporation of the associated company in asset management in Xiamen was completed and has commenced operation. The fund it manages has also finished its first phase of fundraising for the first stage. Besides the Xiamen company, we continued to act as the investment advisor for the funds managed by our associated company Cinda Plunkett. Due to the unfavourable investment environment, the associated company engaged in private equity investment was not able to post satisfactory results. Apart from managing others' funds, we also explored opportunities for our own fund. In the first half of the year, we subscribed a high-yield note. In addition, we engaged in certain advisory work. Turnover of HK\$6.2 million (2011: Nil) was recorded, a major part of which was the advisory fee received from our associated company. A loss of HK\$0.8 million (2011: loss of HK\$1.6 million) was also reported.

LOOKING FORWARD

Although the market situation has not improved much since the financial period-end, it has stabilised. European countries seem to have reached a consensus to rescue their member countries, rather than letting any of them go bankrupt. The market interest rate in Europe also returned to a lower level. It is expected that the US economy will not worsen and China's economy will probably have a soft landing. The economy is therefore expected to be better in the second half of the year than in the first half and there will not be any surprises.

Turning to our Group, due to the stagnant first half year, projects in the pipeline have had to be delayed to the second half of the year. The IPO we successfully sponsored in July is a typical example. We would speed up our projects on hand. For the asset management business, we will explore different types of funds to attract investors. Leveraging our parent company's background in the PRC, we are confident that there will be good investment opportunities for both our Group and our clients. For the brokerage business, we will explore more conduits to attract new clients.

Management Discussion and Analysis

Our parent company, China Cinda Asset Management Co., Ltd. (“China Cinda”), has committed itself to the finance industry and has also strengthened both its shareholder and capital base by introducing certain prominent strategic investors in the first half of the year. China Cinda’s expansion will be fast. As a flagship of China Cinda in the international arena, we will further reinforce our synergy with the China Cinda group in Hong Kong and the PRC. Based on our experience and knowledge in the international market, we will take an active role in the internationalisation of our parent company. Therefore, we believe that enormous opportunities lie ahead. All in all, with our management’s efforts and the backing of our parent company, we are confident that we can overcome the current difficulties and improve our performance in the second half of the year.

FINANCIAL RESOURCES

The Group’s financial situation remained healthy throughout the reporting period. The Group did not have any borrowings as at the end of the reporting period. All the group companies licensed by Securities and Futures Commission met the necessary financial resource requirements.

CONTINGENT LIABILITIES

The Company has provided certain corporate guarantees for the banking facilities extended to some of its wholly-owned subsidiaries. Such banking facilities had not been utilised as at the end of the reporting period. Certain outstanding litigation cases have been indemnified by the then substantial shareholder. Therefore, the directors consider it unlikely that any claims will be made against the Company.

EXPOSURE TO FLUCTUATION IN FOREIGN EXCHANGE RATES

Currently, most of the Group’s assets and liabilities are denominated in Hong Kong Dollars or US Dollars. The only exposure to foreign exchange fluctuation is on the assets held in Renminbi, the exchange rate of which is comparatively stable. Hence, the Group’s exposure to fluctuation in foreign exchange rates is insignificant.

Corporate Governance and Other Information

INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30th June 2012 (2011: Nil).

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30th June 2012, the directors of the Company who held office and their respective associates did not hold any interest or short position in the shares and underlying shares or debentures of the Company, its holding company, subsidiaries and other associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register of directors’ interests and short positions required to be kept under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) contained in the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”).

INFORMATION ON SHARE OPTION

The current share option scheme was adopted in the annual general meeting of the Company held on 29th May 2006. As at 30th June 2012, there was no outstanding share option granted under the scheme.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE EQUITY OR DEBT SECURITIES

As at 30th June 2012, according to the register kept by the Company pursuant to section 336 of the SFO, and so far as was known to the directors and the chief executives of the Company, the following are details of the persons (other than directors or chief executives of the Company) who had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would need to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of substantial shareholder	Capacity	Number of shares or underlying shares held	Appropriate percentage of the Company's issued share capital
Sinoday Limited	Beneficial owner	409,546,200 (Note 1)	63.87%
Well Kent International Investment Company Limited (“WKII”)	Interest through a controlled corporation	409,546,200 (Note 1)	63.87%
China Cinda Asset Management Co., Ltd. (“China Cinda”)	Interest through a controlled corporation	409,546,200 (Note 1)	63.87%
Silver Grant International Securities Investment Limited (“Silver Grant”)	Beneficial owner	48,026,400 (Note 2)	7.49%
Silver Grant Securities Investment (BVI) Limited (“Silver Grant BVI”)	Interest through a controlled corporation	48,026,400 (Note 2)	7.49%
Silver Grant International Industries Limited (“Silver Grant International”)	Beneficial owner and interest through a controlled corporation	50,441,200 (Note 2)	7.87%

Corporate Governance and Other Information

Name of substantial shareholder	Capacity	Number of shares or underlying shares held	Appropriate percentage of the Company's issued share capital
CCB International Asset Management Limited ("CCBIAM")	Investment manager	59,621,200 (Note 3)	9.30%
CCB International (Holdings) Limited	Beneficial owner	59,621,200 (Note 3)	9.30%
CCB Financial Holdings Limited	Interest held by a controlled corporation	59,621,200 (Note 3)	9.30%
CCB International Group Holdings Limited	Interest held by a controlled corporation	59,621,200 (Note 3)	9.30%
China Construction Bank Corporation	Interest held by a controlled corporation	59,621,200 (Note 3)	9.30%
Central Huijin Investment Ltd.	Interest held by a controlled corporation	59,621,200 (Note 3)	9.30%
Atlantis Capital Holdings Limited ("Atlantis Capital")	Interest held through controlled corporations	44,500,000 (Note 4)	6.94%
Liu Yang	Interest held through a controlled corporation	44,500,000 (Note 4)	6.94%

Notes:

- (1) These shares were held by Sinoday Limited. The issued share capital of Sinoday Limited was wholly owned by WKII which was a wholly-owned subsidiary of China Cinda. By virtue of the provisions of the SFO, WKII and China Cinda were deemed to be interested in all the shares in which Sinoday Limited was interested.
- (2) These shares were held by Silver Grant and Silver Grant International as to 48,026,400 shares and 2,414,800 shares respectively. The issued share capital of Silver Grant was wholly owned by Silver Grant BVI, which was a wholly-owned subsidiary of Silver Grant International. By virtue of the provisions of the SFO, Silver Grant BVI and Silver Grant International were deemed to be interested in all the shares in which Silver Grant was interested.
- (3) These shares were held by CCBIAM in the capacity of an investment manager for the beneficial owner, CCB International (Holdings) Limited. CCB International (Holdings) Limited is a wholly-owned subsidiary of CCB Financial Holdings Limited which in turn is wholly owned by CCB International Group Holdings Limited. CCB International Group Holdings Limited is a wholly-owned subsidiary of China Construction Bank Corporation which in turn 57.13% of its interest is owned by Central Huijin Investment Ltd. Accordingly, CCB Financial Holdings Limited, CCB International Group Holdings Limited, China Construction Bank Corporation and Central Huijin Investment Ltd. were deemed to be interested in 59,621,200 ordinary shares in the Company by virtue of the provisions of the SFO.
- (4) These shares were controlled by Atlantis Capital through the controlled corporations namely Atlantis Fund Management (Ireland) Limited, Atlantis Investment Management (London) Limited and Atlantis Investment Management (Hong Kong) Limited. Atlantis Capital is 100% owned by Liu Yang. By virtue of the provisions of the SFO, Liu Yang is deemed to be interested in all the shares in which Atlantis Capital was interested.

Corporate Governance and Other Information

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the six months ended 30th June 2012. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the six months ended 30th June 2012.

SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER

On 26th June 2012, the Company as borrower, entered into a facility agreement ("Facility Agreement") with a bank in relation to a HK\$70,000,000 revolving term loan facility ("Loan Facility"). Pursuant to the Facility Agreement, application by the Company to use the Loan Facility is conditional upon the undertakings rendered by the controlling shareholder, Well Kent International Investment Company Limited ("Well Kent") who being a continuing guarantor of the Loan Facility, (i) Well Kent remains the largest single shareholder of the Company throughout the availability of the Loan Facility which has a beneficial ownership (directly or indirectly) of not less than 51 per cent in the issued share capital of the Company; (ii) the minimum consolidated tangible net worth and the consolidated net gearing ratio of Well Kent is over HK\$3 billion and not exceeding 0.6X respectively. Failing to comply with the undertakings will trigger an event of default. If an event of default under the Facility Agreement occurs, the bank may declare the Facility Agreement be cancelled and/or demand repayment in full all outstanding advances together with the interest accrued thereon and all other sums payable by the Company under the Facility Agreement. The final maturity date of the Loan Facility is 31st August 2013.

As at 30th June 2012, the Loan Facility had not been drawn.

CORPORATE GOVERNANCE

The Company has always strived to enhance its corporate governance and transparency by adopting and implementing appropriate corporate governance practices. The Company has also complied with all the code provisions as set out in the Code on Corporate Governance Practices during the period from 1st January 2012 to 31st March 2012 and the Corporate Governance Code during the period from 1st April 2012 to 30th June 2012 as set out in Appendix 14 of the Listing Rules.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct for directors dealing in its shares. All directors confirmed that they had complied with the required standards at all times throughout the six months ended 30th June 2012.

Corporate Governance and Other Information

CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS

Changes in directors' biographical details since the date of the Annual Report 2011 of the Company which are required to be disclosed pursuant to Rule 13.51(2) and Rule 13.51B(1) of the Listing Rules, are set out below.

Mr. Hung Muk Ming

Position held with the Company

- Appointed as the Chairman of Remuneration Committee effective from 1st April 2012 (before the new appointment, he is a member of Remuneration Committee)

Mr. Wang Tongsan

Position held with the Company

- Appointed as the Chairman of Nomination Committee effective from 1st April 2012 (before the new appointment, he is a member of Nomination Committee)

Mr. Gao Guanjiang

Position held with the Company

- Ceased to be the Chairman of Nomination Committee but remains as a member of Nomination Committee effective from 1st April 2012

Mr. Chow Kwok Wai

Position held with the Company

- Ceased to be the Chairman of Remuneration Committee but remains as a member of Remuneration Committee effective from 1st April 2012

Other than those disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee 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 financial report for the six months ended 30th June 2012. The Group's external auditors have carried out a review of the unaudited interim financial report 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.

On behalf of the Board

Chen Xiaozhou

Chairman

24th August 2012

Consolidated Income Statement

For the six months ended 30th June 2012 — Unaudited

	Note	Six months ended 30th June	
		2012 HK\$'000	2011 HK\$'000
Continuing operations			
Turnover	4	34,625	24,916
Other revenue	4	5,691	309
Other net (loss)/income	4	(4,962)	7,543
		35,354	32,768
Staff costs	5(a)	27,570	23,025
Commission expenses		5,937	7,147
Operating leases for land and buildings		7,834	7,179
Other operating expenses		13,248	11,359
Total operating expenses		54,589	48,710
Operating loss		(19,235)	(15,942)
Finance costs	5(c)	—	(7)
		(19,235)	(15,949)
Share of losses of associates	10(a)	(3,895)	(3,409)
Share of loss of jointly controlled entity	10(b)	(70)	—
Loss before taxation	5	(23,200)	(19,358)
Income tax	6	(21)	—
Loss for the period from continuing operations		(23,221)	(19,358)
Discontinued operations			
Loss for the period from discontinued operations	3	(3)	(145)
Loss for the period		(23,224)	(19,503)
Attributable to:			
Equity holders of the Company		(23,224)	(19,503)
Loss per share			
Basic and diluted			
— From continuing and discontinued operations	8	(HK3.62 cents)	(HK3.47 cents)
— From continuing operations	8	(HK3.62 cents)	(HK3.45 cents)
— From discontinued operations	8	—	(HK0.02 cents)

The notes on pages 14 to 31 form part of this interim financial report.

Consolidated Statement of Comprehensive Income

For the six months ended 30th June 2012 — Unaudited

	Six months ended 30th June	
	2012 HK\$'000	2011 HK\$'000
Loss for the period	(23,224)	(19,503)
Other comprehensive income for the period:		
Share of an associate's investment revaluation reserve relating to available-for-sales securities:		
— Change in fair value	(794)	8,478
— Transfer to profit or loss on disposal	(2,047)	—
Net movement in investment revaluation reserve	(2,841)	8,478
Exchange differences on translation of:		
— Share of an associate's exchange reserve	(986)	1,778
— Translation of foreign operations	(84)	—
	(1,070)	1,778
Total comprehensive income for the period	(27,135)	(9,247)
Total comprehensive income attributable to:		
Equity holders of the Company	(27,135)	(9,247)

The notes on pages 14 to 31 form part of this interim financial report.

Consolidated Statement of Financial Position

As at 30th June 2012 — Unaudited

	<i>Note</i>	30th June 2012 HK\$'000	31st December 2011 HK\$'000
Non-current assets			
Intangible assets	9	1,439	1,439
Fixed assets	9	6,812	7,637
Interest in associates	10(a)	204,976	212,698
Interest in jointly controlled entity	10(b)	21,697	—
Other assets		4,030	7,428
Note receivable	11	45,000	—
		283,954	229,202
Current assets			
Financial assets at fair value through profit or loss		6,240	—
Trade and other receivables	12	250,255	93,189
Bank balances and cash	13	101,541	261,718
		358,036	354,907
Current liabilities			
Trade and other payables	14	122,350	37,355
Taxation payable		21	—
		122,371	37,355
Net current assets		235,665	317,552
Total assets less current liabilities		519,619	546,754
NET ASSETS		519,619	546,754
Capital and reserves			
Share capital	15	64,121	64,121
Other reserves		471,480	475,391
Retained earnings		(15,982)	7,242
TOTAL EQUITY		519,619	546,754

The notes on pages 14 to 31 form part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30th June 2012 — Unaudited

	Share Capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Investment revaluation reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1st January 2012	64,121	421,419	42,879	5,773	5,320	7,242	546,754
Total comprehensive income for the period	—	—	—	(2,841)	(1,070)	(23,224)	(27,135)
At 30th June 2012	64,121	421,419	42,879	2,932	4,250	(15,982)	519,619

	Share Capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Investment revaluation reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1st January 2011	53,434	315,909	42,579	10,748	3,030	38,349	464,049
Total comprehensive income for the period	—	—	—	8,478	1,778	(19,503)	(9,247)
Shares issued	10,687	105,810	—	—	—	—	116,497
At 30th June 2011	64,121	421,719	42,579	19,226	4,808	18,846	571,299

The notes on pages 14 to 31 form part of this interim financial report.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30th June 2012 — Unaudited

	<i>Note</i>	Six months ended 30th June	
		2012 HK\$'000	2011 HK\$'000
Net cash outflow from operating activities		(73,420)	(19,497)
Net cash outflow from investing activities		(88,685)	(32,774)
Net cash inflow from financing activities		—	116,497
Net (decrease)/increase in cash and cash equivalents		(162,105)	64,226
Cash and cash equivalents at 1st January		246,700	211,303
Effect of foreign exchange rate changes		(84)	—
Cash and cash equivalents at 30th June	13	84,511	275,529
Analysis of balances of cash and cash equivalents:			
Bank balances — general accounts and cash in hand	13	84,511	275,529
		84,511	275,529

The notes on pages 14 to 31 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

1. BASIS OF PREPARATION

This unaudited interim financial report has 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, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The unaudited interim financial report has been approved for issue by the Board of Directors on 24th August 2012.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2011 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2012 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2011 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. KPMG’s review report to the Board of Directors is included on page 32.

2. CHANGES IN ACCOUNTING POLICIES

New accounting standards

The HKICPA has issued a few amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group’s financial statements:

- Amendments to HKFRS 7, *Financial instruments: Disclosures — Transfers of financial assets*
- Amendments to HKAS 12, *Income taxes — Deferred tax: Recovery of underlying assets*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. These developments do not have a material impact on the Group’s financial statements.

Notes to the Unaudited Interim Financial Report

3. DISCONTINUED OPERATIONS

On 5th March 2010, the Board of Directors of the Company decided to cease providing leveraged foreign exchange trading services to its clients. The directors consider that the Group can utilize the resources saved from provision of leveraged foreign exchange trading business to develop the remaining businesses of the Group which the directors are of the view have higher business potential.

The results of the discontinued operations during the period are set out below.

		Six months ended 30th June	
	Note	2012 HK\$'000	2011 HK\$'000
Turnover	4	—	1
Other net income	4	—	15
		—	16
Other operating expenses		3	161
Total operating expenses		3	161
Loss before taxation		(3)	(145)
Income tax	6	—	—
Loss for the period		(3)	(145)

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

The Company is an investment holding company. The Group is principally engaged in the provision of corporate financial advisory services, securities broking, commodities and futures broking, financial planning and insurance broking and asset management.

Notes to the Unaudited Interim Financial Report

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

As disclosed in note 3, the provision of leveraged foreign exchange trading and broking services constituted discontinued operations under HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”.

Total revenue recognised during the period is as follows:

	Six months ended 30th June	
	2012 HK\$'000	2011 HK\$'000
From continuing operations		
Turnover		
Fees and commission	29,323	20,936
Net premium income from insurance broking	207	184
Interest income	3,129	3,265
Underwriting commission	1,966	531
	34,625	24,916
Other revenue		
Loan interest income	4,481	—
Other income	1,210	309
	5,691	309
Other net (loss)/income		
Net exchange gains/(losses)	31	(14)
Net (loss)/gain on financial assets at fair value through profit or loss	(4,993)	7,557
	(4,962)	7,543
	35,354	32,768
From discontinued operations		
Turnover		
Interest income	—	1
Other net income	—	15
	—	16

Notes to the Unaudited Interim Financial Report

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

Segment information

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

Continuing operations:

1. Corporate finance — provision of corporate finance and advisory services to companies listed or seeking listing in Hong Kong.
2. Securities broking — provision of broking services in securities, equity linked products, unit trusts and stock options traded in Hong Kong and selected overseas markets and margin financing services to those broking clients.
3. Commodities and futures broking — provision of broking services in commodities and futures contracts traded in Hong Kong and selected overseas markets.
4. Financial planning and insurance broking in Hong Kong — acting as an agent for the sale of savings plans, general and life insurance and other investment linked insurance products.
5. Asset management — managing private funds.

Discontinued operations:

1. Leveraged foreign exchange trading/broking in Hong Kong — provision of dealing and broking in leveraged forex trading services on the world's major currencies.

In accordance with HKFRS 8, segment information has been prepared in a manner consistent with the information used by the Group's most senior executive management for the purposes of assessing segment performance and allocating resources between segments. In this regard, 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 interest in associates and other corporate assets. Segment liabilities include trade creditors and accruals attributable to the operating activities of the individual segments.

The measure used for reporting segment results is earnings before finance costs and taxes ("EBIT"). To arrive at EBIT the Group's earnings are further adjusted for finance costs and items not specifically attributed to individual segments, such as share of profits less losses of associates and jointly controlled entity and other head office or corporate administration costs.

Notes to the Unaudited Interim Financial Report

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

Segment information (Continued)

Six months ended 30th June 2012

	Continuing operations						Discontinued operations	
	Corporate finance HK\$'000	Securities broking HK\$'000	Commodities and futures broking HK\$'000	Financial planning/ insurance broking in Hong Kong HK\$'000	Asset management HK\$'000	Sub-total HK\$'000	Leveraged foreign exchange trading/ broking in Hong Kong HK\$'000	Total HK\$'000
Turnover from external customers	8,328	14,730	3,040	2,226	—	28,324	—	28,324
Turnover from an associate	—	—	—	—	6,228	6,228	—	6,228
Reportable segment turnover	8,328	14,730	3,040	2,226	6,228	34,552	—	34,552
Reportable segment results (EBIT)	(9,425)	(1,805)	(1,292)	(1,252)	(784)	(14,558)	(3)	(14,561)

Six months ended 30th June 2011

	Continuing operations						Discontinued operations	
	Corporate finance HK\$'000	Securities broking HK\$'000	Commodities and futures broking HK\$'000	Financial planning/ insurance broking in Hong Kong HK\$'000	Asset management HK\$'000	Sub-total HK\$'000	Leveraged foreign exchange trading/ broking in Hong Kong HK\$'000	Total HK\$'000
Turnover from external customers	6,193	11,816	2,027	4,009	—	24,045	1	24,046
Inter-segment turnover	300	25	—	—	—	325	—	325
Reportable segment turnover	6,493	11,841	2,027	4,009	—	24,370	1	24,371
Reportable segment results (EBIT)	(8,415)	(6,821)	(2,001)	(1,123)	(1,570)	(19,930)	(145)	(20,075)

Notes to the Unaudited Interim Financial Report

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

Segment information (Continued)

As at 30th June 2012

	Continuing operations						Discontinued operations	Total HK\$'000
	Corporate finance HK\$'000	Securities broking HK\$'000	Commodities and futures broking HK\$'000	Financial planning/ insurance broking in Hong Kong HK\$'000	Asset management HK\$'000	Sub-total HK\$'000	Leveraged foreign exchange trading/ broking in Hong Kong HK\$'000	
Reportable segment assets	16,338	245,073	24,831	3,351	6,287	295,880	69	295,949
Reportable segment liabilities	3,109	106,269	13,843	1,071	757	125,049	60	125,109

As at 31st December 2011

	Continuing operations						Discontinued operations	Total HK\$'000
	Corporate finance HK\$'000	Securities broking HK\$'000	Commodities and futures broking HK\$'000	Financial planning/ insurance broking in Hong Kong HK\$'000	Asset management HK\$'000	Sub-total HK\$'000	Leveraged foreign exchange trading/ broking in Hong Kong HK\$'000	
Reportable segment assets	47,753	160,483	25,270	3,070	6,632	243,208	72	243,280
Reportable segment liabilities	10,099	19,874	12,990	1,418	319	44,700	60	44,760

Notes to the Unaudited Interim Financial Report

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

Reconciliations of reportable turnover

	Six months ended 30th June	
	2012 HK\$'000	2011 HK\$'000
Turnover		
From continuing operations		
Reportable segment turnover	34,552	24,370
Elimination of inter-segment turnover	—	(325)
Unallocated head office and corporate turnover	73	871
	34,625	24,916
From discontinued operations		
Reportable segment turnover	—	1
Consolidated turnover	34,625	24,917

Reconciliations of reportable results

	Six months ended 30th June	
	2012 HK\$'000	2011 HK\$'000
Results		
From continuing operations		
Reportable segment loss derived from external customers	(14,558)	(19,930)
Elimination of inter-segment profits	—	(300)
Share of losses of associates	(3,895)	(3,409)
Share of loss of jointly controlled entity	(70)	—
Finance costs	—	(7)
Unallocated head office and corporate other (expenses)/income	(4,677)	4,288
	(23,200)	(19,358)
From discontinued operations		
Reportable segment loss derived from external customers	(3)	(145)
Consolidated loss before taxation	(23,203)	(19,503)

Notes to the Unaudited Interim Financial Report

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

Reconciliations of reportable assets and liabilities

	At 30th June 2012 HK\$'000	At 31st December 2011 HK\$'000
Assets		
Reportable segment assets	295,949	243,280
Elimination of inter-segment receivables	—	(5,057)
	295,949	238,223
Interest in associates	204,976	212,698
Interest in jointly controlled entity	21,697	—
Unallocated head office and corporate assets	119,368	133,188
Consolidated total assets	641,990	584,109
Liabilities		
Reportable segment liabilities	125,109	44,760
Elimination of inter-segment payables	(4,712)	(9,213)
	120,397	35,547
Unallocated head office and corporate liabilities	1,974	1,808
Consolidated total liabilities	122,371	37,355

5. LOSS BEFORE TAXATION

Loss before taxation is arrived after charging:

(a) Staff costs

	Six months ended 30th June	
	2012 HK\$'000	2011 HK\$'000
From continuing operations		
Salaries and allowances	26,967	22,511
Defined contribution plans	603	514
	27,570	23,025

Notes to the Unaudited Interim Financial Report

5. LOSS BEFORE TAXATION (CONTINUED)

(b) Other operating expenses

	Six months ended 30th June	
	2012 HK\$'000	2011 HK\$'000
From continuing operations		
Auditors' remuneration	1,551	1,321
Depreciation of fixed assets	1,507	1,522

(c) Finance costs

	Six months ended 30th June	
	2012 HK\$'000	2011 HK\$'000
From continuing operations		
Interest on bank loans	—	7
	—	7

6. INCOME TAX

The amount of taxation charged to the consolidated income statement:

	Continuing operations Six months ended 30th June		Discontinued operations Six months ended 30th June		Total Six months ended 30th June	
	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
Current taxation:						
— Hong Kong profits tax for the period	21	—	—	—	21	—

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for current period. No Hong Kong profits tax has been made for the prior period as the Group companies either sustained a loss for taxation purposes or their tax losses brought forward exceeded their assessable profits.

Notes to the Unaudited Interim Financial Report

6. INCOME TAX (CONTINUED)

Reconciliation between tax expense and accounting loss at applicable tax rates:

	Continuing operations		Discontinued operations		Total	
	Six months ended 30th June		Six months ended 30th June		Six months ended 30th June	
	2012	2011	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss before taxation (excluding share of losses of associates and jointly controlled entity)	(19,235)	(15,949)	(3)	(145)	(19,238)	(16,094)
Notional tax on loss before taxation, calculated at the rate applicable to profits in the countries concerned	(3,274)	(2,632)	—	(24)	(3,274)	(2,656)
Tax effect of income not subject to taxation	(257)	(135)	—	—	(257)	(135)
Tax effect of expenses not deductible for taxation purposes	414	26	—	—	414	26
Utilisation of previously unrecognised tax losses	(21)	(935)	—	—	(21)	(935)
Tax effect of tax losses not recognised	3,006	3,814	—	30	3,006	3,844
Others	153	(138)	—	(6)	153	(144)
Taxation expense	21	—	—	—	21	—

7. DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30th June 2012 (2011: Nil).

8. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK\$23,224,000 (2011: loss of HK\$19,503,000) and the weighted average of 641,205,600 ordinary shares (2011: 561,497,722 ordinary shares) in issue during the period, calculated as follows:

(i) Loss attributed to ordinary equity shareholders of the Company

	Six months ended 30th June	
	2012	2011
	HK\$000	HK\$000
Loss for the period from continuing operations	(23,221)	(19,358)
Loss for the period from discontinued operations	(3)	(145)
Loss for the period attributable to equity holders of the Company	(23,224)	(19,503)

Notes to the Unaudited Interim Financial Report

8. LOSS PER SHARE (CONTINUED)

(a) Basic loss per share (Continued)

(ii) Weighted average number of ordinary shares

	Six months ended 30th June	
	2012	2011
Issued ordinary shares at 1st January	641,205,600	534,338,000
Effect of new shares issued during the period	—	27,159,722
Weighted average number of ordinary shares at 30th June	641,205,600	561,497,722

(b) Diluted loss per share

Diluted loss per share are the same as basic loss per share because there were no potential dilutive ordinary shares during both the current and prior periods.

9. INTANGIBLE AND FIXED ASSETS

	Club Membership HK\$'000	Stock Exchange trading rights HK\$'000	Futures Exchange trading rights HK\$'000	Total intangible assets HK\$'000	Fixed assets HK\$'000
Six months ended 30th June 2012					
Net book value at 1st January 2012	120	913	406	1,439	7,637
Additions	—	—	—	—	687
Write-off	—	—	—	—	(129)
Depreciation charge	—	—	—	—	(1,507)
Depreciation written back	—	—	—	—	124
Net book value at 30th June 2012	120	913	406	1,439	6,812
Six months ended 30th June 2011					
Net book value at 1st January 2011	120	913	406	1,439	5,270
Additions	—	—	—	—	3,857
Depreciation charge	—	—	—	—	(1,522)
Net book value at 30th June 2011	120	913	406	1,439	7,605

Notes to the Unaudited Interim Financial Report

10. INTEREST IN ASSOCIATES AND JOINTLY CONTROLLED ENTITY

(a) Interest in associates

	Unaudited 30th June 2012 HK\$'000	31st December 2011 HK\$'000
Share of net assets at 1st January	212,698	152,158
Acquisition of associates	—	82,000
Share of associates' results for the period/year	(3,895)	(12,775)
Share of associates' other comprehensive income for the period/year	(3,827)	(2,685)
Dividend income from an associate	—	(6,000)
	(7,722)	(21,460)
Share of net assets at 30th June/31st December	204,976	212,698

Details of the Group's interest in unlisted associates are as follows:

Name	Particulars of issued shares held	Country of incorporation	Effective equity interest to the Group
Sino-Rock Investment Management Company Limited ("Sino-Rock")	18,000,000 ordinary shares of HK\$1 each	Hong Kong	40%
Cinda Plunkett International Holdings Limited ("CPHL")	4,000,000 ordinary shares of HK\$1 each	Cayman Islands	40%
Cinda Plunkett International Asia Absolute Return Fund ("CPIAAR Fund")	100,000 units of US\$100 each	Cayman Islands	33%

(b) Interest in jointly controlled entity

	Unaudited 30th June 2012 HK\$'000	31st December 2011 HK\$'000
Acquisition of jointly controlled entity	21,767	—
Share of jointly controlled entity's results for the period	(70)	—
Share of net assets at 30th June	21,697	—

Notes to the Unaudited Interim Financial Report

10. INTEREST IN ASSOCIATES AND JOINTLY CONTROLLED ENTITY (CONTINUED)

(b) Interest in jointly controlled entity (Continued)

Details of the Group's interest in unlisted jointly controlled entity is as follows:

	Particulars of share capital held	Country of incorporation	Effective equity interest to the Group
JianXinJinYuan (Xiamen) Equity Investment Management Limited	RMB17,500,000	People Republic of China	35%

11. NOTE RECEIVABLE

The note receivable from an independent third party is secured, interest bearing and not repayable within the next twelve months.

12. TRADE AND OTHER RECEIVABLES

	Unaudited 30th June 2012 HK\$'000	31st December 2011 HK\$'000
Trade receivables from clients	35,231	21,161
Margin and other trade related deposits with brokers and financial institutions	13,440	12,414
Margin finance loans	90,857	21,568
Trade receivables from clearing houses	58,580	1,196
Less: impairment allowance for trade receivables	—	(327)
Total trade receivables	198,108	56,012
Loan receivables	37,999	27,999
Deposits	3,782	429
Prepayments and other receivables	11,255	8,831
Less: impairment allowance for other receivables	(889)	(82)
Total trade and other receivables	250,255	93,189

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

The Group maintains designated accounts with The SEHK Options Clearing House Limited ("SEOCH") and HKFE Clearing Corporation Limited ("HKFECC") as a result of its normal business transactions. At 30th June 2012, the designated accounts with SEOCH and HKFECC not otherwise dealt with in these accounts amounted to HK\$1,582,237 (31st December 2011: HK\$1,098,267) and HK\$18,327,469 (31st December 2011: HK\$16,023,067) respectively.

Notes to the Unaudited Interim Financial Report

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 30th June 2012, the aging analysis of the trade receivables was as follows:

	Unaudited 30th June 2012 HK\$'000	31st December 2011 HK\$'000
Current	194,269	52,127
30–60 days	1,722	1,414
Over 60 days	2,117	2,471
	198,108	56,012

13. BANK BALANCES AND CASH

	Unaudited 30th June 2012 HK\$'000	31st December 2011 HK\$'000
Cash in hand	20	15
Bank balances		
— pledged	15,030	15,018
— general accounts	86,491	246,685
	101,521	261,703
	101,541	261,718
By maturity		
Bank balances		
— Current and savings accounts	84,491	221,469
— Fixed deposits (within three months at acquisition)	15,030	40,234
— Fixed deposits (over three months at acquisition)	2,000	—
	101,521	261,703

As at 30th June 2012, bank deposits amounting to HK\$15,030,159 (31st December 2011: HK\$15,017,546) have been pledged to various banks as security for the provision of securities broking facilities for a total amount of HK\$70 million (31st December 2011: HK\$70 million). As at 30th June 2012, none of these banking facilities was utilised (31st December 2011: Nil).

Certain subsidiaries of the Group maintained segregated trust accounts with authorised institutions as a result of their respective business activities. As at 30th June 2012, segregated trust accounts not otherwise dealt with in these accounts amounted to HK\$231,735,163 (31st December 2011: HK\$181,531,877).

Notes to the Unaudited Interim Financial Report

13. BANK BALANCES AND CASH (CONTINUED)

Cash and cash equivalents

	Unaudited 30th June 2012 HK\$'000	31st December 2011 HK\$'000
Cash in hand	20	15
Bank balances		
— pledged	15,030	15,018
— general accounts	86,491	246,685
Cash and cash equivalents in the consolidated statement of financial position	101,541	261,718
Bank balances		
— pledged	(15,030)	(15,018)
— fixed deposits (over three months at acquisition)	(2,000)	—
	(17,030)	(15,018)
Cash and cash equivalents in the condensed consolidated statement of cash flows	84,511	246,700

14. TRADE AND OTHER PAYABLES

	Unaudited 30th June 2012 HK\$'000	31st December 2011 HK\$'000
Trade payables to securities trading clients	98,322	12,726
Margin and other deposits payable to clients	13,384	12,265
Trade payables to brokers and clearing houses	4,871	4,677
Total trade payables	116,577	29,668
Accruals and other payables	5,773	7,687
Total trade and other payables	122,350	37,355

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

The settlement terms of payables to clearing houses and securities trading clients from the ordinary course of business of broking in securities range from two to three days after the trade date of those transactions. Margin deposits received from clients for their trading of commodities and futures contracts were repayable on demand.

Notes to the Unaudited Interim Financial Report

15. SHARE CAPITAL

	Authorised	
	Ordinary shares of HK\$0.10 each	
	No. of shares	Nominal value
	'000	HK\$'000
At 30th June 2012 and 31st December 2011	1,000,000	100,000

	Issued and fully paid	
	Ordinary shares of HK\$0.10 each	
	No. of shares	Nominal value
	'000	HK\$'000
At 30th June 2012 and 31st December 2011	641,206	64,121

16. CONTINGENT LIABILITIES

16.1 Outstanding litigation cases

The following litigation cases are outstanding up to the date of this report. Based on the merits of each case, the directors considered that it was unlikely that any material claim against the Company will crystallize and hence no provision has been made.

- (a) A company named Hantec Investment Limited which is unrelated to the Group filed a writ to the Company on 28th July 2000 seeking for an injunction to restrain the Company from using the plaintiff's alleged trade name and damages. The plaintiff has not taken further action after the Company filed a defence.
- (b) An indirect wholly-owned subsidiary of the Company received a writ of summons dated 25th March 2006 from two clients jointly as plaintiffs claiming for damages against it and two of its licensed representatives for an amount of HK\$20,600,000 together with cost as a result of a number of leverage exchange trading transactions. Defence action has commenced and there has been no further development up to the date of this report.

Under the share sale agreement dated 13th August 2008 (the "Agreement"), Hantec Holdings Investment Limited ("HHIL", formerly known as Hantec Holdings Limited) and the then chairman of the Company, Mr. Tang Yu Lap ("Mr. Tang"), have undertaken to indemnify and keep indemnified the Company on a fully indemnified basis of any loss or liability suffered by the Group as a result of or in connection with the outstanding litigation cases set out in 16.1(a) and (b) above.

Notes to the Unaudited Interim Financial Report

16. CONTINGENT LIABILITIES (CONTINUED)

16.2 Settled litigation case

On 10th August 2010, the Company received a High Court writ of summons (the “Writ”) issued by Mr. Tang and HHIL (the “plaintiffs”) who claimed, inter alia, certain damages and remuneration for Mr. Tang being a responsible officer of the Group’s asset management company at the relevant time.

On 20th July 2012, the Company and the plaintiffs entered into a settlement agreement to settle the case and discontinued the action under High Court Action case no. HCA 1218 of 2010. No loss was incurred by the Company in this case.

16.3 Financial guarantees issued

- (a) As at the end of the reporting period, a subsidiary of the Company engaging in securities broking and providing securities margin financing has secured banking facilities from certain authorised institutions for a total amount of HK\$155 million (31st December 2011: HK\$228 million). The Company has issued corporate guarantees for a total principal amount of HK\$153 million (31st December 2011: HK\$176 million) for these facilities. As at 30th June 2012, none of these banking facilities was utilised (31st December 2011: Nil).
- (b) As at the end of the reporting period, the directors do not consider it probable that a claim will be made against the Company under any of the guarantees. The Company has not recognised any deferred income in respect of the guarantees as their fair value cannot be reliably measured and the transaction price was nil.

17. LEASE AND CAPITAL COMMITMENTS

(a) Lease commitments

At 30th June 2012, the Group had total future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings	
	Unaudited 30th June 2012 HK\$'000	31st December 2011 HK\$'000
Within one year	12,028	12,784
After one year but within five years	1,162	6,384
	13,190	19,168

Notes to the Unaudited Interim Financial Report

17. LEASE AND CAPITAL COMMITMENTS (CONTINUED)

(b) Capital commitments

Capital commitments outstanding and not provided for in the interim financial report are as follows:

	At 30th June 2012 HK\$'000	At 31st December 2011 HK\$'000
Contracted but not provided for	181	26,531

18. MATERIAL RELATED PARTY TRANSACTIONS

The following is a summary of significant related party transactions which were carried out in the normal course of the Group's business:

	Six months ended 30th June	
	2012 HK\$'000	2011 HK\$'000
Broking commission for securities dealing <i>(note (a))</i>	24	15
Advisory service income <i>(note (b))</i>	6,228	—
Underwriting commission expense <i>(note (c))</i>	—	(222)

- (a) During the period, the Group received commission income from its immediate holding, its associate and its directors for providing securities broking services. In prior period, the Group received commission income from a related company for providing securities broking services.
- (b) During the period, the Group received advisory service income from its associates for providing administrative supporting services.
- (c) In prior period, an immediate holding company charged an underwriting commission to the Group for the right issue of shares.

Review Report



REVIEW REPORT TO THE BOARD OF DIRECTORS OF CINDA INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 9 to 31 which comprises the consolidated statement of financial position of Cinda International Holdings Limited (the “Company”) as of 30th June 2012 and the related consolidated income statement, consolidated statement of comprehensive income and consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30th June 2012 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, Interim financial reporting.

KPMG

Certified Public Accountants
8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong

24th August 2012