



Heng Xin China Holdings Limited 恒芯中國控股有限公司*

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 8046)

2009/2010

Interim Report
中期報告

IMPORTANT NOTICE

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重要事項

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

創業板的定位乃為相比起其他在聯交所上市之公司帶有較高投資風險之公司提供一個上市之市場。有意投資之人士應瞭解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他經驗豐富之投資者。

由於創業板上市公司新興之性質使然，在創業板買賣之證券可能會較於主板買賣之證券承受較大市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

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本報告乃遵照香港聯合交易所有限公司創業板證券上市規則（「創業板上市規則」）之規定提供有關本公司之資料。恒芯中國控股有限公司各董事（「董事」）對本報告所載資料願共同及個別承擔全部責任。各董事在作出一切合理查詢後確認，就彼等所深知及確信：(i)本報告所載資料在各主要方面均為準確及完整，且無誤導成份；(ii)本報告並無遺漏其他事項致使本報告所載內容有所誤導；及(iii)本報告所載一切意見已經審慎周詳考慮，並以公平及合理之基準與假設為基礎。

RESULTS

The board of Directors (the “Board”) of Heng Xin China Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and six months ended 31 December 2009 together with the comparative unaudited figures for the corresponding periods in 2008.

業績

恒芯中國控股有限公司(「本公司」)董事會(「董事會」)欣然公佈本公司及其附屬公司(統稱「本集團」)截至二零零九年十二月三十一日止三個月及六個月之未經審核綜合業績，連同二零零八年同期之未經審核比較數字如下：

CONDENSED CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME

簡明綜合全面收入表

		Three months ended 31 December 截至十二月三十一日止三個月		Six months ended 31 December 截至十二月三十一日止六個月	
		2009 二零零九年 (Unaudited) (未經審核) HK\$'000 千港元	2008 二零零八年 (Unaudited) (未經審核) HK\$'000 千港元	2009 二零零九年 (Unaudited) (未經審核) HK\$'000 千港元	2008 二零零八年 (Unaudited) (未經審核) HK\$'000 千港元
	Note 附註				
Turnover	營業額	3	160,640	58,807	65,088
Cost of sales	銷售成本		(94,184)	(9,929)	(15,578)
Gross profit	毛利		66,456	48,878	49,510
Other income	其他收入	3	266	4,409	9,131
Selling and marketing expenses	銷售及市場推廣開支		(1,486)	(804)	(950)
Other operating expenses	其他經營費用		(10,988)	(6,549)	(19,179)
Profit from operations	經營溢利		54,248	45,934	38,512
Impairment loss on available-for-sale investments	可供出售投資之 減值虧損		-	(619)	(2,462)
Finance costs	融資成本	4	(3,336)	(49)	(49)
Profit before taxation	除稅前溢利	5	50,912	45,266	36,001
Taxation	稅項	6	-	(4,096)	(4,096)
Profit for the period	期內溢利		50,912	41,170	31,905
Other comprehensive income:	其他全面收入：				
Exchange differences on translating foreign operations	因換算海外業務產生 之匯兌差額		181	275	275
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	期內全面收入總額		51,093	41,445	32,180

CONDENSED CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME (Continued)

簡明綜合全面收入表 (續)

		Three months ended 31 December 截至十二月三十一日止三個月		Six months ended 31 December 截至十二月三十一日止六個月	
		2009 二零零九年 (Unaudited) (未經審核) HK\$'000 千港元	2008 二零零八年 (Unaudited) (未經審核) HK\$'000 千港元	2009 二零零九年 (Unaudited) (未經審核) HK\$'000 千港元	2008 二零零八年 (Unaudited) (未經審核) HK\$'000 千港元
	Note 附註				
Profit attributable to:	應佔溢利：				
Owners of the parent	母公司擁有人	47,068	40,223	90,770	30,958
Non-controlling interests	非控股股東權益	3,844	947	7,300	947
		50,912	41,170	98,070	31,905
Total comprehensive income attributable to:	應佔全面收入總額：				
Owners of the parent	母公司擁有人	47,240	40,494	91,307	31,229
Non-controlling interests	非控股股東權益	3,853	951	7,328	951
		51,093	41,445	98,635	32,180
Earnings per share (expressed in HK cent)	每股盈利 (以港仙列值)				
	7				
- basic	- 基本	3.07	3.65	6.13	3.73
- diluted	- 攤薄	3.05	3.01	6.09	3.25
Dividends	股息	-	-	-	-
	8				

**CONDENSED CONSOLIDATED STATEMENT
OF FINANCIAL POSITION**

簡明綜合財務狀況表

			As at 31 December 2009 於二零零九年 十二月三十一日 (Unaudited) (未經審核) HK\$'000 千港元	As at 30 June 2009 於二零零九年 六月三十日 (Audited) (經審核) HK\$'000 千港元
		Note 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	7,934	1,926
Goodwill	商譽	10	753,146	284,846
Intangible assets	無形資產	11	32,407	18,415
Trade receivables	應收賬款	12	185,775	48,845
			979,262	354,032
Current assets	流動資產			
Inventories	存貨		3,345	4,004
Trade receivables	應收賬款	12	308,970	228,777
Prepayment, deposits and other receivables	預付款項、按金 及其他應收款項		12,268	21,923
Amount due from a related company	應收一間關連公司款項		1,977	1,974
Pledged deposits	已抵押存款		2,677	-
Cash at bank and in hand	銀行存款及現金		80,712	92,410
			409,949	349,088
Current liabilities	流動負債			
Trade payables	應付賬款	13	177,875	168,746
Other payables and accruals	其他應付款項及應計費用		22,266	9,232
Obligation under finance lease	融資租約責任		329	78
Short term loan	短期貸款		2,389	-
Loan from a shareholder	來自一名股東之貸款		30,000	30,000
Convertible notes	可換股票據	14	170,433	-
Tax payables	應繳稅項		6,185	5,549
			409,477	213,605
Net current assets	流動資產淨值		472	135,483
Total assets less current liabilities	總資產減流動負債		979,734	489,515
Non-current liabilities	非流動負債			
Obligation under finance lease	融資租約責任		1,062	349
Deferred tax liabilities	遞延稅項負債		2,713	2,713
			3,775	3,062
NET ASSETS	資產淨值		975,959	486,453
Capital and reserves	資本及儲備			
Share capital	股本	15	15,331	13,857
Reserves	儲備		938,894	463,167
Equity attributable to owners of the parent	母公司擁有人應佔權益		954,225	477,024
Non-controlling interests	非控股股東權益		21,734	9,429
TOTAL EQUITY	權益總額		975,959	486,453

CONSOLIDATED STATEMENT OF CHANGES
IN EQUITY

綜合權益變動表

		Unaudited 未經審核										
		Attributable to the owners of the parent 母公司擁有人應佔										
		(Accumulated losses)/ Retained earnings									Non- controlling interests	Total equity
		Share capital	Share premium	Capital reserve	Exchange fluctuation reserve	Investment valuation reserve	Share options reserve	Convertible notes reserve	(Accumulated losses)/ Retained earnings	Total	Non- controlling interests	Total equity
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	資本儲備 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	投資估值 儲備 HK\$'000 千港元	購股權 儲備 HK\$'000 千港元	可換股票據 儲備 HK\$'000 千港元	(累計虧損)/ 保留盈利 HK\$'000 千港元	總計 HK\$'000 千港元	權益 非控股股東 HK\$'000 千港元	權益總額 HK\$'000 千港元
Balance at 1 July 2008	於二零零八年 七月一日之結餘	5,580	110,320	(595)	45	5,834	-	(54,856)	66,328	-	66,328	
Issue of new shares	發行新股份	5,450	186,162	-	-	-	-	-	191,612	-	191,612	
Recognition of equity settled share-based payments	確認以權益結算及 以股份為基礎付款	-	-	-	-	-	5,825	-	5,825	-	5,825	
Transfer on disposal of available-for-sale investments	轉撥出售 可供出售投資	-	-	-	-	(5,640)	-	-	(5,640)	-	(5,640)	
Other comprehensive income:	其他全面收入：											
Exchange difference on translating foreign operations	換算海外業務 之匯兌差額	-	-	-	271	-	-	-	271	4	275	
Profit for the six months ended 31 December 2008	截至二零零八年 十二月三十一日 止六個月之溢利	-	-	-	-	-	-	30,958	30,958	947	31,905	
Balance at 31 December 2008	於二零零八年 十二月三十一日 之結餘	11,030	296,482	(595)	316	194	5,825	(23,898)	289,354	951	290,305	
Balance at 1 July 2009	於二零零九年 七月一日之結餘	13,857	396,560	702	(274)	-	4,512	61,667	477,024	9,429	486,453	
Issue of new shares	發行新股份	1,474	69,000	-	-	-	-	-	70,474	-	70,474	
Issue of convertible notes	發行可換股票據	-	-	-	-	-	300,800	-	300,800	-	300,800	
Recognition of share-based payments	確認以股份 為基礎付款	-	-	-	-	-	650	-	650	-	650	
Share options exercised	已行使之購股權	-	16,490	-	-	(1,506)	-	-	14,984	-	14,984	
Share issue expenses	發行股份開支	-	(2,039)	-	-	-	-	-	(2,039)	-	(2,039)	
Reserves arising from capital injection to a non-wholly owned subsidiary	來自一間非全資 附屬公司注資 之儲備	-	-	1,025	-	-	-	-	1,025	4,977	6,002	
Other comprehensive income:	其他全面收入：											
Exchange differences on translating foreign operations	換算海外業務 之匯兌差額	-	-	-	537	-	-	-	537	28	565	
Profit for the six months ended 31 December 2009	截至二零零九年 十二月三十一日 止六個月之溢利	-	-	-	-	-	-	90,770	90,770	7,300	98,070	
Balance at 31 December 2009	於二零零九年 十二月三十一日 之結餘	15,331	480,011	1,727	263	-	3,656	300,800	152,437	954,225	21,734	975,959

**CONDENSED CONSOLIDATED STATEMENT
OF CASH FLOWS**

簡明綜合現金流量表

		Six months ended 31 December	
		截至十二月三十一日 止六個月	
		2009 二零零九年 Unaudited (未經審核) HK\$'000 千港元	2008 二零零八年 Unaudited (未經審核) HK\$'000 千港元
Net cash used in operating activities	經營活動所用現金淨額	(81,558)	(14,522)
Net cash (used in)/from investing activities	投資活動(所用)／所得現金淨額	(17,415)	7,405
Net cash from financing activities	融資活動所得現金淨額	86,772	-
Net decrease in cash and cash equivalents	現金及現金等價物之減少淨額	(12,201)	(7,117)
Cash and cash equivalents at 1 July	於七月一日之現金及現金等價物	92,410	23,688
Effect of foreign exchange rate changes	匯率變動之影響	503	-
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	80,712	16,571
Analysis of balances of cash and cash equivalents	現金及現金等價物之結餘分析		
Cash at bank and in hand	銀行存款及現金	80,712	16,571

Notes:

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in Bermuda on 9 September 2002 under the Companies Act 1981 of Bermuda (as amended). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company is an investment holding company. The shares of the Company were listed on the GEM of the Stock Exchange on 16 April 2003.

The principal activities of the subsidiaries of the Company are engaged in ground wireless digital television network equipment integrated business, research, design, development on and manufacturing of electronic message security products, integrated circuits, and the integrated circuit solutions and the related services.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited consolidated financial statements for the six months ended 31 December 2009 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and comply with the applicable disclosure provisions of the GEM Listing Rules.

The unaudited consolidated financial statements have been prepared on the historical cost basis except for the financial instruments, which are measured at fair value. The accounting policies and methods of computation used in the preparation of the unaudited consolidated financial statements are consistent with those used in the annual financial statements for the year ended 30 June 2009. These unaudited consolidated results should be read in conjunction with the Company's annual report for the year ended 30 June 2009. Those new accounting standards, amendments to accounting standards and interpretations which are mandatory for financial year ending 30 June 2010 have no material impact on the Group.

The unaudited consolidated accounts have not been audited by the auditors of the Company, but have been reviewed by the Company's audit committee.

附註：

1. 一般資料

本公司於二零零二年九月九日根據百慕達一九八一年公司法(經修訂)於百慕達註冊成立為受豁免有限公司。本公司註冊辦事處地址為 Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司為一間投資控股公司。本公司股份於二零零三年四月十六日於聯交所創業板上市。

本公司附屬公司之主要業務則包括從事地面無線數字電視網絡設備集成業務、研究、設計、開發及製造電子資訊安全產品、芯片，以及芯片之解決方案及相關服務。

2. 編製基準及會計政策

截至二零零九年十二月三十一日止六個月之未經審核綜合財務報表乃按香港會計師公會頒佈之香港會計準則第34號「中期財務報告」及遵守創業板上市規則之適用披露規定編製。

未經審核綜合財務報表乃根據歷史成本基準編製，惟金融工具乃以公平值計量。編製未經審核綜合財務報表所採用之會計政策及計算方法與編製截至二零零九年六月三十日止年度之全年財務報表所採用者一致。該等未經審核綜合業績應與本公司截至二零零九年六月三十日止年度之年報一併閱讀。須於截至二零一零年六月三十日止財政年度採用之新訂會計準則、會計準則之修訂及詮釋不會對本集團構成重大影響。

未經審核綜合賬目未經本公司核數師審核，但已經本公司之審核委員會審閱。

3. TURNOVER, REVENUE AND SEGMENT INFORMATION

3. 營業額、收益及分部資料

Turnover and revenue recognised by category during the three and six months ended 31 December 2009 are as follows:

截至二零零九年十二月三十一日止三個月及六個月之營業額及收益分類確認如下：

		Three months ended 31 December 截至十二月三十一日止三個月		Six months ended 31 December 截至十二月三十一日止六個月	
		2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)	2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)	2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)
Turnover	營業額				
Ground wireless digital television network equipment integration business	地面無線數字電視網絡設備集成業務	69,075	–	205,429	–
Encrypted integrated circuits and the derived integrated business	加密芯片及所產生之集成業務	56,107	22,785	76,894	22,785
Wireless digital audio products business	無線數字音頻產品業務	35,458	36,022	58,027	37,605
Sales of computer parts	電腦配件銷售	–	–	–	4,698
		160,640	58,807	340,350	65,088
Other income	其他收入				
Bank interest income	銀行利息收入	16	30	22	57
Other interest income	其他利息收入	43	–	206	–
Other income	其他收入	207	1,779	318	1,779
Realised gain on disposal of available-for-sale investments	出售可供出售投資之已變現收益	–	2,600	–	7,295
		266	4,409	546	9,131

3. TURNOVER, REVENUE AND SEGMENT INFORMATION (Continued)

The segment results for the six months ended 31 December 2009 are as follows:

3. 營業額、收益及分部資料(續)

截至二零零九年十二月三十一日止六個月之分部業績如下：

		Contracting revenue from ground wireless digital television	Encrypted integrated circuits	Wireless digital audio integrated circuits	Total
		地面無線 數字電視 之合約收益	加密芯片	無線數字 音頻芯片	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Revenue	收益				
Segment turnover from external customers	來自外來客戶之分部營業額	205,429	76,894	58,027	340,350
Segment results	分部業績	47,946	58,823	7,810	114,579
Unallocated income	未分配收入				546
Unallocated expenses	未分配開支				(12,443)
Profit from operations	營運溢利				102,682
Finance costs	融資成本				(3,759)
Profit before taxation	除稅前溢利				98,923
Taxation	稅項				(853)
Profit for the six months ended 31 December 2009	截至二零零九年十二月三十一日止六個月之溢利				98,070

3. TURNOVER, REVENUE AND SEGMENT INFORMATION (Continued)

3. 營業額、收益及分部資料 (續)

The segment results for the six months ended 31 December 2008 are as follows:

截至二零零八年十二月三十一日止六個月之分部業績如下：

		Encrypted integrated circuits 加密芯片 HK\$'000 千港元 (Unaudited) (未經審核)	Wireless digital audio integrated circuits 無線數字 音頻芯片 HK\$'000 千港元 (Unaudited) (未經審核)	Trading of computer parts 電腦配件 貿易 HK\$'000 千港元 (Unaudited) (未經審核)	Total 總計 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	收益				
Segment turnover from external customers	來自外來客戶之分部營業額	22,785	37,605	4,698	65,088
Segment results	分部業績	12,535	29,857	58	42,450
Unallocated income	未分配收入				9,131
Unallocated expenses	未分配開支				(13,069)
Profit from operations	營運溢利				38,512
Impairment loss on available-for-sale investments	可供出售投資減值虧損				(2,462)
Finance costs	融資成本				(49)
Profit before taxation	除稅前溢利				36,001
Taxation	稅項				(4,096)
Profit for the six months ended 31 December 2008	截至二零零八年十二月三十一日止六個月之溢利				31,905

4. FINANCE COSTS

4. 融資成本

		Three months ended 31 December 截至十二月三十一日止三個月		Six months ended 31 December 截至十二月三十一日止六個月	
		2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)	2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)	2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)
Effective interest expenses on convertible bonds (note 14)	可換股債券之 實際利息開支 (附註14)	2,933	–	2,933	–
Interest on loan from a shareholder	股東貸款之利息	397	–	794	–
Interest on other loans	其他貸款之利息	6	49	32	49
		3,336	49	3,759	49

5. PROFIT BEFORE TAXATION

5. 除稅前溢利

The Group's profit before taxation is arrived at after charging:

本集團除稅前溢利乃經扣除下列各項後列賬：

		Three months ended 31 December 截至十二月三十一日止三個月		Six months ended 31 December 截至十二月三十一日止六個月	
		2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)	2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)	2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)
Cost of inventories sold	存貨銷售成本	92,919	9,929	213,248	15,578
Depreciation	折舊	427	112	821	506
Impairment loss on available-for-sale investments	可供出售投資之 減值虧損	–	619	–	2,462
Operating lease charges-office premises	經營租賃費用 – 辦公室物業	610	1,512	1,560	1,401
Research and development costs	研究及開發成本	854	–	1,849	–
Staff costs (including Directors' remuneration)	員工成本 (包括董事酬金)				
– salaries and allowances	– 薪金及津貼	3,224	2,129	5,715	4,620
– pension scheme contributions	– 退休金計劃供款	339	132	348	164
– share-based payment expenses	– 以股份支付款項	–	–	–	5,825

6. TAXATION

6. 稅項

		Three months ended 31 December 截至十二月三十一日止三個月		Six months ended 31 December 截至十二月三十一日止六個月	
		2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)	2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)	2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)
Current tax:	即期稅項：				
Hong Kong	香港				
– charge for the period	– 本期間支出	–	–	310	–
Overseas	海外				
– charge for the period	– 本期間支出	–	4,096	543	4,096
		–	4,096	853	4,096

The provision for Hong Kong profits tax for the six months ended 31 December 2009 is calculated at 16.5% (2008: 16.5%) of the estimated assessable profits for the period.

Taxation arising in other jurisdictions, mainly the PRC, is calculated at the rates prevailing in the respective jurisdictions. The applicable enterprise income tax rate for the PRC is 25%.

In accordance with the approval from the relevant tax authorities, Beijing Jinqiao Hengtai Technology Company Limited (“Beijing Jinqiao”), a 93% owned subsidiary of the Group operating in the PRC, is entitled to two years’ exemption from the PRC corporate income tax (“CIT”) followed by three years’ 50% relief from the CIT. The year ended 31 December 2008 is the first profit-making year of Beijing Jinqiao for the purpose of CIT exemption. Accordingly, no CIT was provided for the six months ended 31 December 2009.

截至二零零九年十二月三十一日止六個月香港利得稅撥備以期內估計應課稅溢利按稅率 16.5% (二零零八年：16.5%) 計算。

在其他司法權區(主要在中國)產生之稅項乃按各司法權區之現行稅率計算。中國適用之企業所得稅稅率為25%。

根據有關稅務機關之批准，於中國經營之本集團擁有93%權益之附屬公司北京金橋恒泰科技有限公司(「北京金橋」)獲豁免繳納中國企業所得稅(「企業所得稅」)兩年，隨後三年則可享企業所得稅減半優惠。就豁免繳納企業所得稅而言，截至二零零八年十二月三十一日止年度為北京金橋首個獲利年度。因此，並無就截至二零零九年十二月三十一日止六個月之企業所得稅作出撥備。

7. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the parent by the weighted average number of ordinary shares in issue during the period.

7. 每股盈利

(a) 每股基本盈利

每股基本盈利乃按母公司擁有人應佔溢利除以期內已發行普通股加權平均數計算。

		Three months ended 31 December 截至十二月三十一日止三個月		Six months ended 31 December 截至十二月三十一日止六個月	
		2009 二零零九年 (Unaudited) (未經審核)	2008 二零零八年 (Unaudited) (未經審核)	2009 二零零九年 (Unaudited) (未經審核)	2008 二零零八年 (Unaudited) (未經審核)
Profit attributable to the owners of the parent (HK\$'000)	母公司擁有人應佔溢利 (千港元)	47,068	40,223	90,770	30,958
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數 (千股)	1,533,083	1,103,022	1,481,512	828,968
Basic earnings per share (HK cent)	每股基本盈利 (港仙)	3.07	3.65	6.13	3.73

7. EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to the owners of the parent by the total of the weighted average number of ordinary shares in issue during the period and the weighted average number of ordinary shares assumed to have been issued on the deemed conversion of all convertible notes and exercise of all share options outstanding during the period.

7. 每股盈利(續)

(b) 每股攤薄盈利

每股攤薄盈利乃按母公司擁有人應佔溢利，除以期內已發行普通股加權平均數與假設於期內被視為兌換全部尚未行使可換股票據及行使全部尚未行使購股權而發行之普通股加權平均數之總和計算。

		Three months ended 31 December 截至十二月三十一日止三個月		Six months ended 31 December 截至十二月三十一日止六個月	
		2009 二零零九年 (Unaudited) (未經審核)	2008 二零零八年 (Unaudited) (未經審核)	2009 二零零九年 (Unaudited) (未經審核)	2008 二零零八年 (Unaudited) (未經審核)
Profit attributable to the owners of the parent (HK\$'000)	母公司擁有人應佔溢利(千港元)	47,068	40,223	90,770	30,958
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(千股)	1,533,083	1,103,022	1,481,512	828,968
Weighted average number of ordinary shares in issue on the deemed conversion of all convertible notes and exercise of all share options outstanding during the period (thousands)	期內就被視為兌換全部尚未行使可換股票據及行使全部尚未行使購股權而發行之普通股加權平均數(千股)	7,651	233,581	8,156	124,997
		1,540,734	1,336,603	1,489,668	953,965
Diluted earnings per share (HK cent)	每股攤薄盈利(港仙)	3.05	3.01	6.09	3.25

8. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2009 (2008: Nil).

8. 中期股息

董事會不建議派發截至二零零九年十二月三十一日止六個月之中期股息(二零零八年：無)。

9. PROPERTY, PLANT AND EQUIPMENT

		31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 June 2009 二零零九年 六月三十日 HK\$'000 千港元 (Audited) (經審核)
Opening net book amount	期初賬面淨值	1,926	1,817
Acquisition of subsidiaries	收購附屬公司	-	1,051
Additions	添置	6,825	1,433
Disposals/write off	出售／撇銷	(2)	(1,577)
Depreciation	折舊	(821)	(793)
Exchange realignment	匯兌調整	6	(5)
Closing net book amount	期末賬面淨值	7,934	1,926

9. 物業、廠房及設備

10. GOODWILL

		31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 June 2009 二零零九年 六月三十日 HK\$'000 千港元 (Audited) (經審核)
Opening net book amount	期初賬面淨值	284,846	-
Acquisition of subsidiaries (Note below)	收購附屬公司 (見下文附註)	468,300	284,846
Closing net book amount	期末賬面淨值	753,146	284,846

10. 商譽

Note:

Pursuant to the circular of the Company dated 29 August 2008, and (i) a sale and purchase agreement dated 19 June 2008 entered into among the Group, Easy Mount Enterprises Limited ("Easy Mount"), Lomond Group Limited, Mr. Li Haoping and Mr. Ho Wai Jung (collectively the "Jinqiao Vendor") to acquire the entire equity interest of Star Hub Investments Limited at a total maximum consideration of HK\$215.05 million (the "Jinqiao Acquisition") and (ii) a sale and purchase agreement dated 19 June 2008 entered into among the Group, Mind Smart Group Limited ("Mind Smart"), Team Effort Investments Limited, Mr. Choi Chung Lam, and Mr. Lu Xing (collectively the "Maxium Vendor") to acquire the entire equity interest of Sino Will Limited at a total maximum consideration of HK\$334.4 million (the "Maxium Acquisition"), the balances of the total considerations for the Hengtai Acquisition and the Maxium Acquisition had been satisfied as to HK\$105.0 million and HK\$159.7 million by the issue of the convertible notes at the initial conversion price of HK\$0.34 on 4 December 2009 respectively. Details are set out in the announcement of the Company dated 4 December 2009.

附註：

根據本公司日期為二零零八年八月二十九日之通函，以及(i)本集團、Easy Mount Enterprises Limited (「Easy Mount」)、Lomond Group Limited、李浩平先生及何偉頌先生(合稱「金橋賣方」)所訂立日期為二零零八年六月十九日之買賣協議，內容有關以總代價最高215,050,000港元收購Star Hub Investments Limited全部股本權益(「金橋收購事項」)及(ii)本集團、Mind Smart Group Limited (「Mind Smart」)、Team Effort Investments Limited、蔡忠林先生及路行先生(合稱「明芯賣方」)所訂立日期為二零零八年六月十九日之買賣協議，內容有關以總代價最高334,400,000港元收購Sino Will Limited全部股本權益(「明芯收購事項」)，恒泰收購事項及明芯收購事項總代價之餘額105,000,000港元及159,700,000港元已分別於二零零九年十二月四日按初步兌換價0.34港元發行可換股票據支付。有關詳情載於本公司日期為二零零九年十二月四日之公告。

11. INTANGIBLE ASSETS

11. 無形資產

		31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 June 2009 二零零九年 六月三十日 HK\$'000 千港元 (Audited) (經審核)
Technology fee and development costs	技術費用及開發成本		
Opening net book amount	期初賬面淨值	18,415	-
Acquisition of subsidiaries	收購附屬公司	-	15,070
Additions	添置	13,967	4,550
Impairment	減值	-	(1,126)
Exchange realignment	匯兌調整	25	(79)
Closing net book amount	期末賬面淨值	32,407	18,415

12. TRADE RECEIVABLES

12. 應收賬款

The Group's credit terms are negotiated at terms determined and agreed with its customers.

本集團之信貸期乃經與客戶磋商及協定而訂立。

		31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 June 2009 二零零九年 六月三十日 HK\$'000 千港元 (Audited) (經審核)
Trade receivables due from related parties (Note 16(i))	應收有關連人士賬款 (附註16(i))	100	313
Other trade receivables	其他應收賬款	494,645	277,309
		494,745	277,622
Less: portion classified as current assets	減：分類為流動資產部份	(308,970)	(228,777)
Non-current portion	非流動部份	185,775	48,845

12. TRADE RECEIVABLES (Continued)

The ageing analysis of the trade receivables is as follows:

		31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 June 2009 二零零九年 六月三十日 HK\$'000 千港元 (Audited) (經審核)
0 - 30 days	零至三十日	210,669	97,289
31 - 90 days	三十一至九十日	11,400	82,005
91 - 180 days	九十一至一百八十日	149,220	96,810
Over 180 days	一百八十日以上	123,456	1,518
		494,745	277,622

The ageing analysis of trade receivables that were past due but not impaired is as follows:

		31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 June 2009 二零零九年 六月三十日 HK\$'000 千港元 (Audited) (經審核)
0 - 30 days	零至三十日	1,900	3,588
31 - 90 days	三十一至九十日	5,850	2,738
91 - 180 days	九十一至一百八十日	-	3,066
Over 180 days	一百八十日以上	189	313
		7,939	9,705

Except for the above past due amounts of approximately HK\$7.9 million, all other trade receivables were not yet due for settlements as at 31 December 2009 according to the contracts.

12. 應收賬款 (續)

應收賬款之賬齡分析如下：

逾期但並未減值之應收賬款賬齡分析如下：

根據有關合約，截至二零零九年十二月三十一日，除上述約7,900,000港元之逾期金額外，全部其他應收賬款尚未到期償還。

13. TRADE PAYABLES

13. 應付賬款

		31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 June 2009 二零零九年 六月三十日 HK\$'000 千港元 (Audited) (經審核)
Trade payables due to related parties (note 16(i))	應付有關連人士賬款 (附註16(i))	58,488	63,366
Other trade payables	其他應付賬款	119,387	105,380
		177,875	168,746

The ageing analysis of the trade payables is as follow:

應付賬款之賬齡分析如下：

		31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元 (Unaudited) (未經審核)	30 June 2009 二零零九年 六月三十日 HK\$'000 千港元 (Audited) (經審核)
0 - 30 days	零至三十日	95,237	58,298
31 - 90 days	三十一至九十日	9,040	57,920
91 - 180 days	九十一至一百八十日	38,121	50,663
Over 180 days	一百八十日以上	35,477	1,865
		177,875	168,746

14. CONVERTIBLE NOTES

On 4 December 2009, an aggregate of HK\$264,725,020 principal amount of redeemable convertible notes were issued upon fulfillment of the fourth payment condition of the “Jinqiao Acquisition” and “Maximum Acquisition”. Further details are set out in the Company’s announcement dated 4 December 2009.

The notes carry zero coupon and convertible into ordinary shares of the Company at an initial conversion price of HK\$0.34 per conversion share (subject to pro-rata adjustments on capital structure changes) at any time during the period commencing from the date of issue of convertible notes. Unless previously converted, lapsed or redeemed by the Company, any outstanding convertible notes shall be redeemed on the fifth anniversary of the issue date of the convertible notes.

The fair value of the liability component, included in the convertible notes, was calculated using a market interest rate for an equivalent non-convertible note. The fair value of the equity conversion component, which is included in shareholders’ equity in convertible notes reserve, was valued by the Black-Scholes-Merton option pricing model.

The liability component of the convertible notes recognised under non-current liabilities of the balance sheet are calculated as follows:

		HK\$'000 千港元 (Unaudited) (未經審核)
At 1 July 2009	於二零零九年七月一日	-
Issuance of notes by the Company	本公司發售票據	167,500
Effective interest expenses for the period	本期間之實際利息開支	2,933
At 31 December 2009	於二零零九年十二月三十一日	170,433

Interest expenses on the convertible notes issued are calculated using the effective interest method by applying the effective interest rate of approximately 22.8% to the liability components.

14. 可換股票據

於二零零九年十二月四日，於「金橋收購事項」及「明芯收購事項」第四期付款條件達成後已發行本金額合共264,725,020港元之可贖回可換股票據。進一步詳情載於本公司日期為二零零九年十二月四日之公告內。

該等票據為零票息，於可換股票據發行當日起計期間內任何時間可按每股換股股份0.34港元（可就資本架構變動按比例作出調整）之初步兌換價兌換為本公司普通股。除先前由本公司兌換、失效或贖回外，任何尚未兌換之可換股票據須於可換股票據發行日期之第五週年當日贖回。

可換股票據負債部份之公平值乃按同等不可換股票據之市場利率計算。權益兌換部份之公平值以柏力克-舒爾斯-默頓期權定價模型進行估值，並計入可換股票據儲備之股東權益內。

於資產負債表內非流動負債確認之可換股票據負債部份計算如下：

已發行之可換股票據之利息開支乃按實際利率法，就負債部份以約22.8%之實際利率計算。

15. SHARE CAPITAL

15. 股本

		Number of shares 股份數目	
		'000 千股	HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Authorised	法定		
At 30 June 2009	於二零零九年六月三十日		
and 31 December 2009	及二零零九年十二月三十一日	10,000,000	100,000
Issued and fully paid	已發行及繳足		
At 30 June 2009	於二零零九年六月三十日	1,385,683	13,857
Issue of shares upon Placing (Note below)	因配售事項而發行之股份 (見下文附註)	100,000	1,000
Issue of shares upon exercise of share options	行使購股權而發行之股份	47,400	474
As at 31 December 2009	於二零零九年十二月三十一日	1,533,083	15,331

Note:

On 27 August 2009, the Company, Team Effort Investments Limited ("Team Effort") and DBS Asia Capital Limited (the "Placing Agent") entered into a placing agreement pursuant to which Team Effort has agreed to place, and the Placing Agent has agreed to procure not less than six placees, on a best effort basis, for the purchase of up to 100,000,000 shares of the Company at the placing price of HK\$0.70 per placing shares ("Placing"). On the same date, the Company and Team Effort entered into a "top-up" subscription agreement pursuant to which Team Effort has agreed to subscribe for such number of subscription shares which is equivalent to the number of shares actually placed under the Placing, being a maximum number of 100,000,000 subscription shares at the subscription price of HK\$0.70 per subscription share (the "Subscription"). Details of these transactions are set out in the Company's announcement dated 27 August 2009. The Placing and the Subscription was completed on 1 September 2009 and 9 September 2009 respectively. A total of 100,000,000 new shares were issued and approximately HK\$68 million was raised for the general working capital of the Company and its subsidiaries.

附註：

於二零零九年八月二十七日，本公司、Team Effort Investments Limited (「Team Effort」) 與星展亞洲融資有限公司 (「配售代理」) 訂立配售協議，據此，Team Effort 同意配售，而配售代理同意盡最大努力促使不少於六名承配人按每股配售股份0.70港元之配售價購買最多100,000,000股本公司股份 (「配售事項」)。同日，本公司與Team Effort 訂立「以舊換新」認購協議，據此，Team Effort 同意按每股認購股份0.70港元之認購價認購相當於根據配售事項實際配售之股份數目之認購股份，即最多100,000,000股認購股份 (「認購事項」)。該等交易之詳情載於本公司日期為二零零九年八月二十七日之公告內。配售事項及認購事項分別已於二零零九年九月一日及二零零九年九月九日完成。合共100,000,000股新股份獲發行，並已籌集約68,000,000港元用作本公司及其附屬公司之一般營運資金。

16. RELATED PARTY TRANSACTIONS

- (i) The Group has carried out the following transactions with related parties:

		Six months ended	
		31 December	
		截至十二月三十一日止六個月	
		2009	2008
		二零零九年	二零零八年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Sales of goods/services to Beijing Hengtai Technologies Co., Ltd.	向北京華大恒泰科技有限責任公司銷售產品／服務	100	264
Purchase of goods/services from Beijing Hengtai Technologies Co., Ltd.	向北京華大恒泰科技有限責任公司購買產品／服務	141,515	-

Note:

Beijing Hengtai Technologies Co., Ltd. holds 7% equity interest of Beijing Jinqiao Hengtai Technology Company Limited. 93% of equity interest of Beijing Jinqiao Hengtai Technology Company Limited was owned by Cambridge International Development Limited, an indirect wholly owned subsidiary of the Company.

The Directors are of the opinion that the above transactions were carried out in the ordinary course of the Group's business based on normal commercial terms.

- (ii) Compensation of key management personnel of the Group:

16. 有關連人士交易

- (i) 本集團與有關連人士進行之交易如下：

		Six months ended	
		31 December	
		截至十二月三十一日止六個月	
		2009	2008
		二零零九年	二零零八年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Sales of goods/services to Beijing Hengtai Technologies Co., Ltd.	向北京華大恒泰科技有限責任公司銷售產品／服務	100	264
Purchase of goods/services from Beijing Hengtai Technologies Co., Ltd.	向北京華大恒泰科技有限責任公司購買產品／服務	141,515	-

附註：

北京華大恒泰科技有限責任公司持有北京金橋恒泰科技有限責任公司7%之股權。本公司之間接全資附屬公司金橋國際發展有限公司擁有北京金橋恒泰科技有限責任公司93%之股權。

董事認為，上述交易乃於本集團日常經營過程中按照一般商業條款進行。

- (ii) 本集團主要管理人員之薪酬：

		Six months ended	
		31 December	
		截至十二月三十一日止六個月	
		2009	2008
		二零零九年	二零零八年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Fees, salaries and other short-term employee benefits	袍金、薪金及其他短期僱員福利	2,233	881
Pension costs-defined contribution plans	退休金成本 — 定額供款計劃	8	12
		2,241	893

MANAGEMENT DISCUSSIONS AND ANALYSIS

Financial review

For the six months ended 31 December 2009, the Group recorded a consolidated turnover of approximately HK\$340.4 million, representing an increase of approximately 423% when compared to approximately HK\$65.1 million for the corresponding period in the last financial year. Turnover for the three months ended 31 December 2009 amounted to approximately HK\$160.6 million, representing a decrease of approximately 11% when compared to HK\$179.7 million of the last quarter as resources were allocated to set up the Hubei mobile TV project.

Gross profit margin of the Group dropped from approximately 76.1% for the corresponding period of last financial year to 36.8% for the current six-month period. Given that the products/services mix of the Group changes over the phases of the underlying contracts, the profit margin of the Group may fluctuate due to the nature of such sales mix. The Group's second mobile TV project had kicked off in Hubei since the last quarter and as a consequence, initial costs had been incurred.

Other income amounted to approximately HK\$0.5 million for the current six-month period, representing a drop of 94% when compared to approximately HK\$9.1 million for the corresponding period in last year. The drop is attributable to the fact that no gain on disposal of available-for-sale investments was recorded during the current period as all the available-for-sale investments have been disposed of in the previous financial year. For the same reason, no impairment loss on available-for-sale investments was recorded in the current period compared to approximately HK\$2.5 million loss was recorded in the same period of last year.

Other operating expenses amounted to approximately HK\$20.7 million for the six months ended 31 December 2009, representing a slight increase of 8% when compared to HK\$19.2 million for the six months ended 31 December 2008. The increase was mainly due to the increase in general and administration costs including staff costs as a result of the expansion of the size of the Group.

Finance costs amounted to approximately HK\$3.8 million, of which approximately HK\$2.9 million represents effective interest expenses on convertible notes issued by the Company in December 2009.

管理層討論及分析

財務回顧

於截至二零零九年十二月三十一日止六個月，本集團錄得綜合營業額約340,400,000港元，較上一財政年度同期之約65,100,000港元增加約423%。由於資源分配至建立湖北流動電視項目，截至二零零九年十二月三十一日止三個月之營業額約為160,600,000港元，較上一季度之179,700,000港元下降約11%。

本集團之毛利率由上一財政年度同期之約76.1%下降至當前六個月期間之36.8%。由於本集團之產品／服務組合根據各期之相關合約而變動，因此，本集團之利潤率或會因有關銷售組合之性質而出現波動。本集團第二個流動電視項目已自上一季度起在湖北展開，因此已產生初步成本。

於當前六個月期間內，其他收入約為500,000港元，較去年同期約9,100,000港元下跌94%。下跌乃由於全部可供出售投資已於上個財政年度出售，故本期間並無錄得可供出售投資之收益所致。基於相同理由，本期間並無錄得可供出售投資之減值虧損，而去年同期則錄得虧損約2,500,000港元。

截至二零零九年十二月三十一日止六個月之其他經營費用約為20,700,000港元，較截至二零零八年十二月三十一日止六個月之19,200,000港元輕微增加8%。該增加主要是由於本集團規模擴大導致一般及行政成本(包括員工成本)增加所致。

融資成本約為3,800,000港元，其中約2,900,000港元為本公司於二零零九年十二月發行之可換股票據產生之實際利息開支。

The profit attributable to the owners of the parent amounted to approximately HK\$90.8 million for the six months ended 31 December 2009, representing an increase of approximately 193% compared to approximately HK\$31.0 million in the corresponding period in the previous financial year. The profit attributable to the owners of the parent amounted to approximately HK\$47.1 million for the current three-month period ended 31 December 2009, representing an increase of approximately 8% compared to approximately HK\$43.7 million in the previous quarter.

Basic earnings per share for the six months ended 31 December 2009 was approximately HK6.13 cents, compared to HK3.73 cents for the corresponding period of the last year.

Business review and prospects

During the second quarter, attempts were also made to apply the Group's technology to other areas while continuing its mobile TV integration business for broadening the revenue base of the Group. The Group has attained highly satisfactory results when compared to the corresponding period of the previous year.

(i) Ground wireless digital TV network equipment integration business

Approximately HK\$205.4 million or 60% of the total turnover of the Group in the six months ended 31 December 2009 was derived from the construction project of the ground wireless digital television operating platform.

In line with the actual development of ground digital TV in Hubei province, Hubei Chutian CTV Network Co., Ltd. (湖北省楚天中視網絡有限責任公司) was provided with main equipment and auxiliary equipment for its four transmitters and additional auxiliary equipment for its early stage of transmitters. The number of terminal set-top boxes increased by 150,000 new sets.

With the anticipation of the slight delay in the construction of the broadcasting base station in Hunan, and for the purpose of reducing the initial stocks, the supply cycle of the set-top boxes was thus slowed down in the second quarter, and the construction of base station for the provincial network was still in progress.

截至二零零九年十二月三十一日止六個月，母公司擁有人應佔溢利約為90,800,000港元，較上一財政年度同期之約31,000,000港元增加約193%。截至二零零九年十二月三十一日止當前三個月期間之母公司擁有人應佔溢利約為47,100,000港元，較上一季度之約43,700,000港元增加約8%。

截至二零零九年十二月三十一日止六個月之每股基本盈利約為6.13港仙，而去年同期則為3.73港仙。

業務回顧及前景

第二季度，在繼續其流動電視集成業務同時，本集團亦嘗試將技術應用於其他領域，以擴闊本集團之收入基礎。與去年同期相比，本集團錄得十分理想之業績。

(i) 地面無線數字電視網絡設備集成業務

本集團截至二零零九年十二月三十一日止六個月之總營業額約205,400,000港元或60%來自地面無線數字電視運營平台搭建項目。

根據湖北地面數字電視的發展實際情況，為湖北省楚天中視網絡有限責任公司提供了4個發射台站的主設備、配套設備以及前期發射站新增配套設備。新增終端機頂盒15萬台。

由於湖南廣電基站建設與預期進度有些滯後，以及為了消化前期庫存，導致第二季度機頂盒供貨週期拖延，全省網絡基站建設在繼續進行中。

(ii) Information safety products business

The turnover for the six months ended 31 December 2009 generated from the information safety products business and the related technical services amounted to approximately HK\$76.9 million or approximately 23% of the total turnover.

While putting a great effort in the research and development of products for wireless TV market, the Group also focused on the research and development and sales of products for cable TV market. It has developed the cable TV two-way upgrade products (MoCA and EPON) with free intellectual property right and were manufactured under OEM. The products were sold in Yichang, Sichuan, Zhejiang. The contracted amount for the first contract was approximately RMB10 million.

Taking advantages of the existing technology of the Group with integration of the technology resources from other parties, the Group entered into sale contracts for Ministry of Health's project for the provision of medical services to the rural areas in the second quarter after a long period of development and negotiation. Products include audio and video diagnosis terminals for medical use, PIN management products, digitization equipment for medical data, human medical data collector. The project has started to contribute to the Group's revenue and profit for this quarter.

During the second quarter, the Group has strengthened its sales to the government and successfully completed the first contract for large amount purchase by Beijing University of Technology in the short period of time for software products, IP core, data collection products, simulators for research and development. The profit margin of those products was as high as 45%.

(iii) Wireless digital audio products business

The turnover for the six months ended 31 December 2009 generated from the wireless digital audio products business and the related technical services amounted to approximately HK\$58.0 million or approximately 17% of the total turnover, mainly contributed by the revenues from domestic customers. However, with the effort of the Group, overseas sales recovered to a certain extent.

(ii) 資訊安全產品業務

資訊安全產品業務及相關技術服務於截至二零零九年十二月三十一日止六個月產生之營業額約為76,900,000港元，約佔總營業額之23%。

本集團在大力發展無線電視市場的同時兼顧有線電視的市場產品的研發及銷售，開發出了具有自由知識產權的有線電視雙向改造產品(MoCA及EPON)，並且以OEM形式生產，開始在宜昌、四川、浙江銷售，第一單合同額約為人民幣1,000萬元。

利用本集團已有的技術優勢整合多方技術資源，經過較長時間開發及談判後終於於第二季度就衛生部醫療下鄉項目達成銷售合同，應用產品包括：醫療用音視頻診斷終端、密碼管理產品、醫療信息數字化儀器、人體醫學數據採集儀等，該項目開始為本集團於本季度收益及利潤的增長提供了較大的支持。

第二季度，本集團加強了對政府採購項目的銷售力度，並在短時間內圓滿完成了北京工業大學的第一單大額採購合同，包括：軟件產品、IP核、數據採集產品、研發用仿真器等，其利潤率高達45%。

(iii) 無線數字音頻產品業務

截至二零零九年十二月三十一日止六個月來自無線數字音頻產品業務及相關技術服務之營業額約為58,000,000港元，約佔總營業額之17%，主要還是以國內客戶帶來的收益，但是在公司努力下國外市場也有一定復蘇。

During the second quarter, as there was a further increase in domestic demand, demand from domestic customers of the Group was rising further, which provided the Group with an effective protection and profit driver for high revenue for the years to come.

With further recovery of the global economy, the segment's overseas business operation also experienced a rebound and both the new projects from the clients and sales orders also increased. All of its customers have confidence in the prospects of the wireless product market and accelerate the progress of their projects, which are undergoing a fast pace. All of the overseas customers are speeding up the research and development of their new projects in 2010 while some of the suspended projects have also been restarted. The number of customers in the export segment has been significantly increased.

Prospects

Looking forward, the Group will continue to strengthen its existing businesses.

In addition, the Group continues to identify new business opportunity and actively carries out marketing activities specially for the operators in the mainland China. By taking advantages of the government's favorable policy on broadcasting and the successful experience, the Group will be able to capture such prime opportunity to expand its cable TV market. It is expected that the Group will cooperate and enter into contract(s) with one to two provincial government(s) and generate sales in the coming quarter. During the second quarter, the Group has strengthened the cooperation with a number of provinces for cable TV markets, the negotiations with Jiangxi, Shanxi and Yunnan governments are at the final stages.

With the implementation of integration of the telecommunication network, broadcasting TV network and internet, it is estimated that the scale of national investment will reach 60 billion by the end of 2015. The integration of the three networks will force the broadcasting operators to accelerate their inter-regional integration, to upgrade their networks and to operate in a more market oriented way. To capture such good opportunity, the Group will actively carry out specific, high value-added product development, production and sales so as to gain its presence in cable TV markets and the three networks integrated market in the future.

在第二季度，由於國內內需進一步增大，本集團國內客戶的需求量在進一步增大，為本集團在今後的高額收益提供了一個有效保障和利潤增長點。

隨著全球經濟的進一步的復蘇，該分部的國際業務有一定恢復，客戶新項目和銷售訂單都在恢復中。所有客戶對無線市場的方向充滿信心，並且大力加大了項目進度，且項目開展較快，國外客戶都為二零一零年的新項目加緊研發，且一些暫停項目也重新啓動。外銷新客戶數量有大幅度增加。

前景

展望未來，本集團將繼續鞏固其現有業務。

此外，本集團繼續物色新業務機會，積極開展營銷工作，尤其是針對中國內地的運營商。借助國家對廣電的利好政策，利用以往成功經驗，不失時機大力開拓有線電視市場，預計下一季度將與一至二個省市合作簽約並可以產生銷售。第二季度，本集團就有線電視市場加強與若干省份的合作，而與江西、山西及雲南政府的協商已進入最終階段。

針對電信網、廣播電視網和互聯網三網融合政策的實施，全國預計二零一五年底將產生600億投資規模，三網融合將迫使廣電運營商加快跨區域整合、網絡改造和更市場化運作。面臨這樣的契機，本集團將積極開展有針對性、高附加價值的產品開發、生產及銷售，爭取日後在有線電視市場以及三網合一市場上佔有一席之地。

The Group will draw on its existing advantages in technology and social resources, focusing on government procurement business and group purchase business. Those technical products developed by the Group, such as EPON products (the optical access technology in metropolitan-area networks) and MOCA technical products (coaxial cable high-speed and effective access technology), can also be used by such customers as China Mobile, China Unicom and China Telecom. Currently, negotiations with these customers are under way. The business potential would be significant if co-operation with even some of these parties could materialise.

With the introduction of the state's energy saving and emission reduction policy, the demand for green energy saving products has been in rapid increase. Taking advantage with its existing technology and technology being developed and their cooperation with the hardware manufacturers, the Group will carry out its marketing activities targeting the PRC's three largest operators, namely China Mobile, China Unicom, China Telecom and such other customers as Agricultural Bank of China and Bank of China, and orders are expected in the near future.

For home wireless multimedia products, such as wireless stereo headphones and education products, while retaining its existing major customers, such as Philips, the Group strives to strengthen its marketing effort to further increase its market shares and build up its brand recognition among high-end customers. The Group will employ similar cooperation model with Philips to introduce its product design with certain famous domestic brands in the home wireless multimedia market.

Though the Group has established strategic cooperation with the world's largest wireless accessory solution providers in the game market, it did not record a significant growth of business due mainly to the adverse effect of the global financial crisis. The Group will put hold more promotion activities to bring its products into the games and PC market.

Liquidity and Financial Resources

As at 31 December 2009, the cash and bank balances of the Group amounted to approximately HK\$80.7 million (30 June 2009: 92.4 million). The Renminbi denominated balances of HK\$70.3 million were placed with licensed banks in the PRC and the conversion of these balances into foreign currencies is subject to the rules and regulation of foreign exchange control promulgated by the PRC government.

積極利用集團現有的技術優勢和社會資源優勢，著力於政府採購和集團採購業務。本集團已開發的技術產品，例如EPON產品(城域網光接入技術)和MOCA技術產品(同軸電纜快速有效接入技術)等也同樣可以應用於中國移動、中國聯通、中國電信等客戶，現正在積極洽談中。倘與上述各公司中的若干公司的合作可以落實，業務潛力將十分巨大。

依照國家節能減排政策，各行業對綠色節能產品的需求正迅速增加，本集團利用現有技術和正在開發的技術，融合硬件生產廠家，將在中國移動、中國聯通、中國電信三大運營商以及農行及中行等客戶內大力開展營銷工作，預計近期將會有訂單產生。

就家庭無線多媒體產品而言，如無線音響耳機，及教學產品，會在本集團現有飛利浦等重要客戶的前提下，加大市場的開拓。進一步提高在高端客戶的市場佔有率和品牌知名度。本集團還會以和飛利浦的合作模式，引領國內外一些知名品牌進入家庭無線多媒體市場。

雖然本集團和全球最大的遊戲市場無線配件的方案提供商建立了戰略合作經營，但是由於經濟危機使業務進展不大。本集團將加大客戶推廣，使其產品進入遊戲和PC市場。

流動資金及財務資源

於二零零九年十二月三十一日，本集團之現金及銀行結餘約為80,700,000港元(二零零九年六月三十日：92,400,000港元)。以人民幣計值之結餘70,300,000港元存於中國之持牌銀行，而將該等結餘兌換為外幣須受中國政府頒佈之外匯管制法規所規限。

During the six months ended 31 December 2009, the Group has net cash outflow of approximately HK\$81.6 million and HK\$17.4 million for its operating activities and investing activities respectively and cash inflow of approximately HK\$86.8 million from financing activities.

As at 31 December 2009, the gearing ratio of the Group, calculated as total borrowings over shareholders' funds, was approximately 0.03 (30 June 2009: 0.06).

Exposure to fluctuations in exchange rates and related hedges

The Company's revenues and expenses are primarily transacted in Hong Kong dollar and Renminbi. As at 31 December 2009, the Group has no outstanding foreign currency hedge contract.

Charge on Group Assets

As at 31 December 2009, the Group did not have any charge on its assets.

Contingent liabilities

Apart from the actions against the Company disclosed in the "Litigation" section of this report, there were no other material outstanding writs and litigations against the Group and/or the Company.

Capital Structure

During the six months ended 31 December 2009, an aggregate of 147,400,000 new shares were issued by the Company, of which 100,000,000 from share placements and 47,400,000 from exercise of share options.

Acquisition/Disposal and Significant Investments

The Group had no material acquisition or disposal of subsidiaries during the six months ended 31 December 2009.

Employee Information

As at 31 December 2009, the Group employed a total of 113 (30 June 2009: 83) full-time employees. The Group's remuneration policy remained the same as detailed in the Annual Report for the year ended 30 June 2009.

於截至二零零九年十二月三十一日止六個月內，本集團經營活動及投資活動之淨現金流出分別約為81,600,000港元及17,400,000港元，而融資活動之現金流入約為86,800,000港元。

於二零零九年十二月三十一日，本集團之資本負債比率(總借款除以股東資金)約為0.03(二零零九年六月三十日：0.06)。

匯率波動之風險及相關對沖

本公司之收益及開支主要以港元及人民幣計值。於二零零九年十二月三十一日，本集團並無任何未平倉之外匯對沖合約。

集團資產之抵押

於二零零九年十二月三十一日，本集團並無就其資產進行任何抵押。

或然負債

除本報告內「訴訟」一節所披露之針對本公司之訴訟外，概無任何其他針對本集團及/或本公司之未了結傳訊及訴訟。

資本結構

截至二零零九年十二月三十一日止六個月，本公司合共已發行147,400,000股新股份，其中100,000,000股因股份配售而發行，47,400,000股因行使購股權而發行。

收購/出售及重大投資

截至二零零九年十二月三十一日止六個月，本集團並無任何有關附屬公司之重大收購或出售。

僱員資料

於二零零九年十二月三十一日，本集團共聘有113名(二零零九年六月三十日：83名)全職僱員。本集團之薪酬政策保持不變，詳情請參閱截至二零零九年六月三十日止年度之年報。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2009, the interests and short positions of the Directors, the chief executive of the Company or their respective associates (as defined in the GEM Listing Rules) in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange were as follows:

董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債權證之權益及短倉

於二零零九年十二月三十一日，本公司董事、主要行政人員或彼等各自之聯繫人(定義見創業板上市規則)於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及第8分部規定須知會本公司及聯交所之權益及短倉(包括彼等根據證券及期貨條例有關條文被當作或視為擁有之權益及短倉)；或根據證券及期貨條例第352條須記錄於該條所述登記冊內之權益及短倉；或根據創業板上市規則有關董事進行證券交易之第5.46條至5.67條須知會本公司及聯交所之權益及短倉如下：

Name 姓名	Position 職務	Capacity 身份	Number of 數目		Approximate percentage of interests in the issued share capital 已發行股本中 權益概約 百分比
			shares 股份	underlying shares 相關股份 (Note) (附註)	
Mr. Xiao Yan 肖彥先生	Chief Executive Officer/ Executive Director 行政總裁／執行董事	Beneficial owner 實益擁有人	–	2,200,000	0.14%
Mr. Feng Yongming 馮永明先生	Executive Director 執行董事	Beneficial owner 實益擁有人	–	1,000,000	0.07%
Mr. Wu Fred Fong 胡晃先生	Chief Financial Officer 財務總裁	Beneficial owner 實益擁有人	1,000,000	4,000,000	0.33%

Note: The Directors and the chief executives of the Company were granted share options at the exercise price of HK\$0.37 per share on 18 February 2009. The share options would be exercisable during the period from 18 March 2009 to 17 October 2012. These individuals were deemed to be interested in shares of HK\$0.01 each which would fall to be issued upon exercise of their respective share options of the Company under the share option scheme adopted by the Company on 13 March 2003.

附註：於二零零九年二月十八日，本公司董事及主要行政人員獲授行使價為每股0.37港元之購股權。該等購股權可於二零零九年三月十八日至二零一二年十月十七日期間行使。該等人士被視為於根據本公司於二零零三年三月十三日採納之購股權計劃彼等各自獲授之本公司購股權獲行使而須予發行之每股面值0.01港元之股份中擁有權益。

Save as disclosed above, at no time during the six months ended 31 December 2009 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or its associated corporation.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 31 December 2009, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital:

Interests in the shares of the Company

Name of shareholder 股東名稱	Number or attributable number of shares or underlying shares held 持有之股份或相關股份數目或應佔數目	Type of interests 權益類別	Approximate percentage of interests 權益概約百分比
Choi Chung Lam (Note 1) 蔡忠林(附註1)	647,236,706 (L)	Interest in controlled corporation 受控法團權益	42.22%
Team Effort Investments Limited (Note 1) (附註1)	645,236,706 (L)	Interest in controlled corporation 受控法團權益	42.09%
Mind Smart Group Limited (Note 1) (附註1)	469,706,000 (L)	Beneficial owner 實益擁有人	30.64%
Li Haoping (Note 2) 李浩平(附註2)	346,687,353 (L)	Interest in controlled corporation 受控法團權益	22.61%
Lomond Group Limited (Note 2) (附註2)	345,687,353 (L)	Interest in controlled corporation 受控法團權益	22.55%
Easy Mount Enterprises Limited (Note 2) (附註2)	308,897,000 (L)	Beneficial owner 實益擁有人	20.15%
Atlantis Investment Management Limited	170,494,000 (L)	Investment manager 投資經理	10.50%

L: Long Position

除上文所披露者外，本公司或其任何附屬公司於截至二零零九年十二月三十一日止六個月內任何時間概無以合約其中一方的身份訂立任何安排，致使本公司董事及主要行政人員可藉收購本公司或其相聯法團的股份或債權證而獲得利益。

主要股東於本公司之股份及相關股份之權益及短倉

根據證券及期貨條例第336條置存之主要股東登記冊所載，於二零零九年十二月三十一日，本公司已知悉下列持有本公司已發行股本5%或以上之主要股東權益及短倉：

於本公司股份之權益

L: 長倉

Notes:

- The entire issued share capital of Mind Smart Group Limited is owned as to 85% by Team Effort Investments Limited and 15% by Mr. Lu Xing. Team Effort Investments Limited is wholly owned by Mr. Choi Chung Lam. Team Effort Investments Limited and Mr. Choi Chung Lam are deemed to be interested in the 469,706,000 shares to be issued upon the exercising of the conversion rights attaching to convertible notes. Mr. Choi Chung Lam is also deemed to be interested in the 175,530,706 shares held by Team Effort Investments Limited.
- The entire issued share capital of Easy Mount Enterprises Limited is owned as to 85% by Lomond Group Limited and 15% by Mr. Ho Wai Jung. Lomond Group Limited is wholly owned by Mr. Li Haoping. Lomond Group Limited and Mr. Li Haoping are deemed to be interested in the 308,897,000 shares to be issued upon the exercising of the conversion rights attaching to convertible notes. Mr. Li Haoping is also deemed to be interested in the 36,790,353 shares held by Lomond Group Limited.

Save as disclosed above, as at 31 December 2009, the Directors or chief executives of the Company were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company under Section 336 of the SFO.

EMPLOYEE SHARE OPTION SCHEME

Details of the employee share option scheme ("Share Option Scheme") approved by the then sole shareholder of the Company on 13 March 2003 were disclosed in the annual report of the Company for the year ended 30 June 2009. The following shows the outstanding positions of the eligible persons as at 31 December 2009 with respect to their share options granted under the scheme:

Number of Shares (Note)
股份數目 (附註)

Participants 參與者	As of 1 July 2009 截至 二零零九年 七月一日	Exercised during the period 於期內 行使	Cancelled during the period 於期內 註銷	Lapsed during the period 於期內 失效	As of 31 December 2009 截至 二零零九年 十二月三十一日	Date of Grant 授出日期	Exercise period 行使期	Subscription Price 認購價
	Eligible persons 合資格人士	35,920,000	15,400,000	-	-	20,520,000	18/02/2009	18/03/2009- 17/03/2012

Note:

Number of shares in the Company over which options granted under the Share Option Scheme are exercisable.

附註：

- Mind Smart Group Limited之全部已發行股本中由Team Effort Investments Limited擁有85%及由路行先生擁有15%。Team Effort Investments Limited由蔡忠林先生全資擁有。Team Effort Investments Limited及蔡忠林先生分別被視為因可換股票據所附之換股權獲行使而須予發行之469,706,000股股份中擁有權益。蔡忠林先生亦被視為於Team Effort Investments Limited持有之175,530,706股股份中擁有權益。
- Easy Mount Enterprises Limited之全部已發行股本中由Lomond Group Limited擁有85%及由何偉頌先生擁有15%。Lomond Group Limited由李浩平先生全資擁有。Lomond Group Limited及李浩平先生分別被視為因可換股票據所附之換股權獲行使而須予發行之308,897,000股股份中擁有權益。李浩平先生亦被視為於Lomond Group Limited持有之36,790,353股股份中擁有權益。

除上文所披露者外，於二零零九年十二月三十一日，本公司董事或主要行政人員概不知悉有任何其他人士(本公司董事或主要行政人員除外)於本公司之股份或相關股份中，擁有任何證券及期貨條例第336條項下之權益或短倉。

員工購股權計劃

於二零零三年三月十三日當時本公司唯一股東批准之員工購股權計劃(「購股權計劃」)之詳情於本公司截至二零零九年六月三十日止年度之年報中披露。合資格人士根據購股權計劃獲授予之購股權於二零零九年十二月三十一日之結餘情況如下：

附註：

根據購股權計劃授出而可予行使之購股權所涉及之本公司股份數目。

LITIGATION

The Company was served on 20 December 2007 a writ of summons (the “Writ”) whereby Mr. Chan Hak Kim, the plaintiff (the “Plaintiff”) is claiming against Precision Assets Limited, being the first defendant, Mr. Tony Hoo, being the second defendant (the “2nd Defendant”) and the Company, being the third defendant (together called the “Defendants”). The Plaintiff claims against the Company under a forbearance agreement which was allegedly made partly orally and partly in writing between the Plaintiff and the 2nd Defendant for and on behalf of the Defendants. Mr. Tony Hoo was a former executive Director who was appointed on 11 September 2002 and resigned on 5 June 2007.

The Plaintiff claims (the “Claim”) against (1) the Company in the total sum of HK\$5,000,000 together with interest and cost by way of two cheques of the Company each being in the amount of HK\$2,500,000 respectively dated 30 June 2007 and 31 October 2007 given to the Plaintiff by the 2nd Defendant which were dishonoured due to account close; and (2) against the Defendants jointly and severally damages in the sum of HK\$25,000,000 and further or in the alternative, the total sum of HK\$5,000,000 due under the aforementioned cheques together with interest and costs.

The Company has been advised by its legal adviser that the Plaintiff had no grounds for the Claim and the Company filed its defence on 28 March 2008 and witness statement on 30 July 2009. Since then, witness statements had been exchanged. The trial hearing has been scheduled on 24 November 2010 to 9 December 2010. The Company will keep shareholders of the Company and potential investors informed of any further significant developments.

Save as disclosed above, the Group was not engaged in any litigation or arbitration or claims of material importance which is known to the Directors to be pending or threatened by or against the Group as at 31 December 2009.

DIRECTORS’ INTEREST IN COMPETING BUSINESS

None of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) have any interest in a business, which competes or may compete with the business of the Group or had any other conflict of interests with the Group.

訴訟

本公司於二零零七年十二月二十日接獲一份傳訊令狀（「令狀」），據此，原告人陳克儉先生（「原告」）向首被告Precision Assets Limited、第二被告胡棟良先生（「次被告」）及第三被告本公司（統稱為「被告人」）提出索償。原告根據一份據稱由原告與次被告（代表被告人）部份以口頭方式及部份以書面形式訂立之延期償付協議向本公司提出索償。胡棟良先生乃前任執行董事，於二零零二年九月十一日獲委任並於二零零七年六月五日辭任。

原告(1)透過兩張由次被告開出予原告日期分別為二零零七年六月三十日及二零零七年十月三十一日金額各為2,500,000港元之本公司支票，該兩張支票均由於戶口已取消而未能兌現，向本公司提出索償總金額5,000,000港元連同利息及費用；及(2)向被告共同及個別提出索償損害賠償金額25,000,000港元及進一步或選擇在上述支票所欠付之總金額5,000,000港元連同利息及費用（「索償」）。

本公司已獲其法律顧問告知，原告在索償方面並無任何理據，而本公司已於二零零八年三月二十八日提交抗辯書並於二零零九年七月三十日提交證人陳述書。此後，已交換證人陳述書。審訊定於二零一零年十一月二十四日至二零一零年十二月九日進行。本公司將會就任何進一步的重大事態發展通知本公司股東及潛在投資者。

除上文所披露者外，於二零零九年十二月三十一日，據董事所知，本集團概無涉及任何重大訴訟、仲裁或索償，而本集團亦無提出或面臨任何重大訴訟、仲裁或索償。

董事於競爭業務之權益

本公司各董事或管理層股東（定義見創業板上規規則）概無於與本集團業務出現或可能出現競爭或與本集團權益中出現任何其他衝突之業務中擁有任何權益。

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. As at the date of this report, the audit committee comprises three independent non-executive Directors, namely, Mr. Leung Wo Ping JP (Chairman), Mr. Dong Shi and Mr. Hu Dingdong.

The duties of the audit committee include reviewing the Group's annual reports and accounts, half-year reports and quarterly reports and providing advice and comments thereon to the Board. The audit committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Company, and to review the appointment of external auditors on an annual basis as well as to ensure independence of the continuing auditor.

CORPORATE GOVERNANCE REPORT

Throughout the six months ended 31 December 2009, the Group has applied the principles set out in the Code on Corporate Governance Practices ("HKSE Code") contained in Appendix 15 of the GEM Listing Rules except the code provisions A2.1 and A4.1 stipulated in the following paragraph.

Distinctive Roles of Chairman and Chief Executive Officer

The code provision A2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

The Board has appointed Mr. Xiao Yan as the Chief Executive Officer of the Company with effect from 1 March 2009 being responsible for the management of the daily operations of the Group and the execution of the Board decisions. Up to the date of this report, the Board has not appointed individual to the post of Chairman. In view of the current operations of the Group, the management considered that there is no imminent need to change the arrangement. Further announcement will be made by the Company with regard to the new appointment of Chairman of the Company in due course.

審核委員會

本公司已遵照創業板上市規則第5.28至5.29條成立具明文職權範圍之審核委員會。於本報告日期，審核委員會由梁和平先生，太平紳士（主席）、董石先生及胡定東先生三位獨立非執行董事組成。

審核委員會之職責包括審閱本集團年報及賬目、半年報告及季度報告，並就此向董事會提供建議及意見。審核委員會亦負責檢討及監督本公司之財務申報程式及內部控制制度，以及按年度基準檢討外聘核數師之委任及確保繼任核數師之獨立性。

企業管治報告

截至二零零九年十二月三十一日止六個月內，本集團已遵守載於創業板上市規則附錄十五之企業管治常規守則（「香港聯交所守則」）所載之原則，惟以下各段中規定之守則條文A2.1及A4.1除外。

主席與行政總裁之分工

守則條文A2.1規定，主席與行政總裁之職責應分離，不應由同一人擔任。主席與行政總裁間之職責劃分應明確制定並以書面形式列示。

董事會已委任肖彥先生為本公司行政總裁，由二零零九年三月一日起生效，彼負責本集團之日常營運管理及執行董事會決策。直至本報告日期，董事會並未委任個人擔任主席一職。考慮到本集團現時之營運狀況，管理層認為不必立即更改此安排。本公司將於適當時候就委任本公司之主席發出進一步公佈。

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its Code of Conduct for Securities Transactions by Directors throughout the six months ended 31 December 2009. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by Directors during the six months ended 31 December 2009.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2009.

By Order of the Board
HENG XIN CHINA HOLDINGS LIMITED
Xiao Yan
Chief Executive Officer

Hong Kong, 12 February 2010

As at the date of this report, the Board comprises Mr. Xiao Yan (CEO), Mr. Feng Yongming and Mr. Li Tao as executive Directors; Mr. Xu Lei as non-executive Director; Mr. Leung Wo Ping JP, Mr. Dong Shi and Mr. Hu Dingdong as independent non-executive Directors.

This report will remain on the GEM website on the "Latest Company Announcement" page for at least 7 days from the date of its posting and on the website of the Company at www.hengxinchina.com.hk.

董事進行證券交易守則

於截至二零零九年十二月三十一日止六個月內，本公司已採納創業板上市規則第5.48條至第5.67條所規定之交易標準作為董事進行證券交易守則。本公司經向全體董事作出具體查詢後，得悉截至二零零九年十二月三十一日止六個月內，並無任何違反董事進行證券交易規定交易標準之事宜。

購買、出售或贖回本公司之上市證券

截至二零零九年十二月三十一日止六個月，本公司或其任何附屬公司並無購買、出售或贖回本公司之任何上市證券。

承董事會命
恒芯中國控股有限公司
行政總裁
肖彥

香港，二零一零年二月十二日

於本報告日期，董事會由執行董事肖彥先生（行政總裁）、馮永明先生及李濤先生；非執行董事徐雷先生；獨立非執行董事梁和平先生，太平紳士、董石先生及胡定東先生組成。

本報告將由刊登日期起計最少一連七天載於創業板網站之「最新公司公告」一頁內及本公司網站www.hengxinchina.com.hk。



Heng Xin China Holdings Limited
恒芯中國控股有限公司

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