



# 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

Third Quarterly Report  
第三季業績報告

## IMPORTANT NOTICE

### CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors of Heng Xin China Holdings Limited (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to Heng Xin China Holdings Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: i. the information contained in this report is accurate and complete in all material respects and not misleading; ii. there are no other matters the omission of which would make any statement in this report misleading; and iii. all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

## 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 nine months ended 31 March 2010 together with the comparative unaudited figures for the corresponding periods in 2009.

## 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」)截至二零一零年三月三十一日止三個月及九個月之未經審核綜合業績，連同二零零九年同期之未經審核比較數字如下：

		Note 附註	Three months ended 31 March 截至三月三十一日 止三個月		Nine months ended 31 March 截至三月三十一日 止九個月	
			2010 二零一零年 (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	2010 二零一零年 (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
Turnover	營業額	3	115,331	106,977	455,681	172,065
Cost of sales	銷售成本		(48,365)	(52,388)	(263,536)	(67,966)
Gross profit	毛利		66,966	54,589	192,145	104,099
Other income	其他收入	3	22	48	568	9,179
Selling and marketing expenses	銷售及市場推廣開支		(611)	(870)	(2,975)	(1,820)
Other operating expenses	其他經營費用		(8,009)	(15,020)	(28,688)	(34,199)
<b>Profit from operations</b>	<b>經營溢利</b>		<b>58,368</b>	<b>38,747</b>	<b>161,050</b>	<b>77,259</b>
Impairment loss on available-for-sale investments	可供出售投資之減值虧損		—	288	—	(2,174)
Loss on disposal of available-for-sale investments	出售可供出售投資之虧損		—	(791)	—	(791)
Finance costs	融資成本	4	(3,792)	(12)	(7,551)	(61)
<b>Profit before taxation</b>	<b>除稅前溢利</b>	5	<b>54,576</b>	<b>38,232</b>	<b>153,499</b>	<b>74,233</b>
Taxation	稅項	6	(98)	3,945	(951)	(151)
<b>Profit for the period</b>	<b>期內溢利</b>		<b>54,478</b>	<b>42,177</b>	<b>152,548</b>	<b>74,082</b>
<b>Other comprehensive income:</b>	<b>其他全面收入：</b>					
Exchange differences on translating foreign operations	因換算海外業務產生之匯兌差額		675	(1,031)	1,240	(756)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>期內全面收入總額</b>		<b>55,153</b>	<b>41,146</b>	<b>153,788</b>	<b>73,326</b>
<b>Profit attributable to:</b>	<b>應佔溢利：</b>					
Owners of the parent	母公司擁有人		50,043	39,398	140,813	70,356
Non-controlling interests	非控股股東權益		4,435	2,779	11,735	3,726
<b>Profit for the period</b>	<b>期內溢利</b>		<b>54,478</b>	<b>42,177</b>	<b>152,548</b>	<b>74,082</b>
<b>Total comprehensive income attributable to:</b>	<b>應佔全面收入總額：</b>					
Owners of the parent	母公司擁有人		50,683	38,416	141,990	69,643
Non-controlling interests	非控股股東權益		4,470	2,730	11,798	3,683
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>期內全面收入總額</b>		<b>55,153</b>	<b>41,146</b>	<b>153,788</b>	<b>73,326</b>
Earnings per share (expressed in HK cent)	每股盈利 (以港仙列值)					
— basic	— 基本	7	3.26	3.57	9.39	7.66
— diluted	— 攤薄		3.26	2.92	9.38	6.50
Dividends	股息	8	—	—	—	—

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 have been listed on the GEM of the Stock Exchange since 16 April 2003.

The principal activities of the subsidiaries of the Company are engaged in wireless digital terrestrial television (“DTT”) 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 results for the nine months ended 31 March 2010 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited consolidated accounts 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 accounts 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 and were approved for issue by the Board.

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。本公司股份自二零零三年四月十六日起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**

截至二零一零年三月三十一日止九個月之未經審核綜合業績乃按香港會計師公會頒佈之香港財務報告準則(「香港財務報告準則」)及創業板上市規則之適用披露規定編製。

未經審核綜合賬目乃根據歷史成本基準編製，惟金融工具乃以公平值計量。編製未經審核綜合賬目所採用之會計政策及計算方法與編製本集團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及經董事會批准刊發。

### 3. TURNOVER AND REVENUE

Turnover and revenue recognised by category during the three months and nine months ended 31 March 2010 are as follows:

### 3. 營業額及收益

截至二零一零年三月三十一日止三個月及九個月之營業額及收益分類確認如下：

		Three months ended 31 March 截至三月三十一日 止三個月		Nine months ended 31 March 截至三月三十一日 止九個月	
		2010 二零一零年 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)	2010 二零一零年 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)
Turnover	營業額				
Wireless digital terrestrial television network equipment integration business	地面無線數字電視網絡設備集成業務	55,913	—	261,342	—
Encrypted integrated circuits and the derived integrated business	加密芯片及所產生之集成業務	50,063	90,610	126,957	113,395
Wireless digital audio products business	無線數字音頻產品業務	9,355	16,367	67,382	53,972
Sales of computer parts	電腦配件銷售	—	—	—	4,698
		<b>115,331</b>	106,977	<b>455,681</b>	172,065
Other income	其他收入				
Bank interest income	銀行利息收入	22	3	44	60
Other interest income	其他利息收入	—	—	206	—
Gain on disposal of a subsidiary	出售附屬公司之收益	—	20	—	20
Realised gain on disposal of available-for-sale investments	出售可供出售投資之已變現收益	—	—	—	7,295
Other income	其他收入	—	25	318	1,804
		<b>22</b>	48	<b>568</b>	9,179

## 4. FINANCE COSTS

		Three months ended 31 March 截至三月三十一日 止三個月		Nine months ended 31 March 截至三月三十一日 止九個月	
		2010 二零一零年 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)	2010 二零一零年 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)
Effective interest expenses on convertible bonds	可換股債券之 實際利息開支	3,213	—	6,146	—
Interest on loan from a shareholder	股東貸款之利息	388	—	1,182	—
Interest on other loans	其他貸款之利息	191	12	223	61
		<b>3,792</b>	12	<b>7,551</b>	61

## 4. 融資成本

## 5. PROFIT BEFORE TAXATION

The Group's profit before taxation is arrived at after charging/  
(crediting):

		Three months ended 31 March 截至三月三十一日 止三個月		Nine months ended 31 March 截至三月三十一日 止九個月	
		2010 二零一零年 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)	2010 二零一零年 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)
Cost of inventories sold	存貨銷售成本	47,540	52,388	260,788	67,966
Depreciation	折舊	526	309	1,347	815
Impairment loss on available-for-sale investments	可供出售投資之 減值虧損	—	(288)	—	2,174
Loss on disposal of available-for-sale investments	出售可供出售 投資之虧損	—	791	—	791
Operating lease charges on premises	物業經營租賃費用	726	721	2,286	2,122
Research and development costs	研究及開發成本	354	—	2,203	—
Staff costs (including Directors' remuneration)	員工成本 (包括董事酬金)				
— salaries and allowances	— 薪金及津貼	2,396	1,974	8,111	6,758
— pension scheme contributions	— 退休金計劃供款	214	94	562	258
— share-based payment expenses	— 以股份支付款項	—	7,823	—	13,648

## 5. 除稅前溢利

本集團除稅前溢利乃經扣除／(計入)下列各項後列賬：

6. TAXATION

6. 稅項

	Three months ended 31 March 截至三月三十一日 止三個月		Nine months ended 31 March 截至三月三十一日 止九個月	
	2010 二零一零年 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)	2010 二零一零年 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)
Current tax:				
Hong Kong				
— charge for the period	—	—	310	—
Overseas				
— charge/(credit) for the period	98	(3,945)	641	151
	98	(3,945)	951	151

The provision for Hong Kong profits tax for the nine months ended 31 March 2010 is calculated at 16.5% (2009: 16.5%) of the estimated assessable profits for the period.

截至二零一零年三月三十一日止九個月香港利得稅撥備以期內估計應課稅溢利按稅率16.5% (二零零九年：16.5%) 計算。

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%.

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%。

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. CIT provided for the nine months ended 31 March 2010 is calculated at 12.5% of the estimated assessable profits.

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。截至二零一零年三月三十一日止九個月之企業所得稅撥備以估計應課稅溢利按稅率12.5%計算。

## 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 March 截至三月三十一日 止三個月		Nine months ended 31 March 截至三月三十一日 止九個月	
		2010 二零一零年 (Unaudited) (未經審核)	2009 二零零九年 (Unaudited) (未經審核)	2010 二零一零年 (Unaudited) (未經審核)	2009 二零零九年 (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)	50,043	39,398	140,813	70,356
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(千股)	1,533,587	1,103,022	1,498,955	918,658
Basic earnings per share (HK cent)	每股基本盈利(港仙)	3.26	3.57	9.39	7.66

## (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.

## (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。



7. EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share (Continued)

		Three months ended 31 March 截至三月三十一日 止三個月		Nine months ended 31 March 截至三月三十一日 止九個月	
		2010 二零一零年 (Unaudited) (未經審核)	2009 二零零九年 (Unaudited) (未經審核)	2010 二零一零年 (Unaudited) (未經審核)	2009 二零零九年 (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)	50,043	39,398	140,813	70,356
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(千股)	1,533,587	1,103,022	1,498,955	918,658
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)	2,354	245,137	2,483	164,316
		1,535,941	1,348,159	1,501,438	1,082,974
Diluted earnings per share (HK cent)	每股攤薄盈利(港仙)	3.26	2.92	9.38	6.50

7. 每股盈利(續)

(b) 每股攤薄盈利(續)

8. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 31 March 2010 (2009: Nil).

8. 中期股息

董事會不建議派發截至二零一零年三月三十一日止九個月之中期股息(二零零九年:無)。

## 9. RESERVES

## 9. 儲備

Attributable to the owners of the parent  
母公司擁有人應佔

							(Accumulated losses)/			
		Share premium	Capital reserve	Exchange fluctuation reserve	Investment valuation reserve	Share options reserve	Convertible notes reserve	Retained earnings	Total	
		股份溢價	資本儲備	匯兌儲備	投資儲備	購股權儲備	可換股票據儲備	(累計虧損)/ 保留盈利	總計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Balance at 1 July 2008	於二零零八年 七月一日之結餘	110,320	(595)	45	5,834	—	—	(54,856)	60,748	
Issue of new shares	發行新股份	186,162	—	—	—	—	—	—	186,162	
Recognition of equity settled share-based payments	確認以權益結算 及以股份為基礎付款	—	—	—	—	14,738	—	—	14,738	
Transfer on disposal of available-for-sale investments	轉撥出售可供出售投資	—	—	—	(5,362)	—	—	—	(5,362)	
Other comprehensive income: Exchange difference on translating foreign operations	其他全面收入： 換算海外業務 之匯兌差額	—	—	(714)	—	—	—	—	(714)	
Profit for the nine months ended 31 March 2009	截至二零零九年 三月三十一日止 九個月之溢利	—	—	—	—	—	—	70,356	70,356	
Balance at 31 March 2009	於二零零九年 三月三十一日之結餘	296,482	(595)	(669)	472	14,738	—	15,500	325,928	
Balance at 1 July 2009	於二零零九年 七月一日之結餘	396,560	702	(274)	—	4,512	—	61,667	463,167	
Issue of new shares	發行新股份	69,000	—	—	—	—	—	—	69,000	
Recognition of equity component of convertible notes issued	確認已發行可換股 票據之權益部份	—	—	—	—	—	265,302	—	265,302	
Recognition of share-based payments	確認以股份為基礎付款	—	—	—	—	650	—	—	650	
Share options exercised	已行使之購股權	17,698	—	—	—	(2,124)	—	—	15,574	
Share issue expenses	發行股份開支	(2,041)	—	—	—	—	—	—	(2,041)	
Reserves arising from capital injection to a non-wholly owned subsidiary	來自向一間非全資 附屬公司注資之儲備	—	1,025	—	—	—	—	—	1,025	
Other comprehensive income: Exchange differences on translation foreign operations	其他全面收入： 換算海外業務 之匯兌差額	—	—	1,178	—	—	—	—	1,178	
Profit for the nine months ended 31 March 2010	截至二零一零年 三月三十一日止 九個月之溢利	—	—	—	—	—	—	140,813	140,813	
Balance at 31 March 2010	於二零一零年 三月三十一日之結餘	481,217	1,727	904	—	3,038	265,302	202,480	954,668	

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial review

For the nine months ended 31 March 2010, the Group recorded a consolidated turnover of approximately HK\$455.7 million, representing an increase of approximately 164.8% when compared to approximately HK\$172.1 million for the corresponding period in the last financial year. Approximately 57% of the turnover is generated from the wireless digital terrestrial television network equipment integration business.

Gross profit margin of the Group dropped from approximately 60.5% for the corresponding period of last financial year to approximately 42.2% for the current nine-month period. The Group's second mobile TV project had kicked off in Hubei since the first quarter of the current financial year and as a consequence, initial costs had been incurred.

Other operating expenses amounted to HK\$28.7 million for the nine months ended 31 March 2010, representing a drop of 16% when compared to approximately HK\$34.2 million for the corresponding period of the last financial year. The drop is partially due to the fact that the other operating expenses of last year included non-cash costs of equity-settled share options of approximately HK\$13.6 million related to the grants of share options under the share option scheme of the Company.

The profit attributable to owners of the parent amounted to approximately HK\$140.8 million for the nine months ended 31 March 2010, representing an increase of 100% when compared to HK\$70.4 million over the corresponding period in the previous financial year. Basic earnings per share was approximately HK\$0.0939 for the nine months ended 31 March 2010, representing an increase of approximately 23% compared to approximately HK\$0.0766 for the corresponding period of the last year.

## 管理層討論及分析

### 財務回顧

於截至二零一零年三月三十一日止九個月，本集團錄得綜合營業額約455,700,000港元，較上一財政年度同期之約172,100,000港元增加約164.8%。約57%之營業額來自地面無線數字電視網絡設備集成業務。

本集團之毛利率由上一財政年度同期之約60.5%下降至當前九個月期間之約42.2%。本集團第二個流動電視項目已自本財政年度首季起在湖北展開，因此已產生初步成本。

截至二零一零年三月三十一日止九個月之其他經營費用約為28,700,000港元，較上一財政年度同期之約34,200,000港元下降16%。該下降部份是由於去年之其他經營費用包括與根據本公司購股權計劃授出購股權有關之以權益結算購股權之非現金成本約13,600,000港元所致。

截至二零一零年三月三十一日止九個月，母公司擁有人應佔溢利約為140,800,000港元，較上一財政年度同期之70,400,000港元增加100%。截至二零一零年三月三十一日止九個月之每股基本盈利約為0.0939港元，較去年同期之約0.0766港元增加約23%。

As at 31 March 2010, the cash and bank balances of the Group amounted to approximately HK\$95.6 million, representing an increase of approximately 18% when compared to approximately HK\$80.7 million as at 31 December 2009. The gearing ratio of the Group, calculated as total borrowings over total assets, was approximately 0.03 (31 March 2009: Nil).

## Business review

The Company put in enormous efforts in developing its principal businesses during the nine months ended 31 March 2010 and attained satisfactory sales performance.

### (i) Wireless digital terrestrial TV network equipment integration business

Approximately HK\$261.3 million or 57% of the total turnover of the Group in the nine months ended 31 March 2010 was derived from the construction project of the wireless digital terrestrial television operating platform.

The overall wireless digital terrestrial television construction solution of Hubei Chutian CTV Network Co., Ltd. (湖北省楚天中視網絡有限責任公司) further optimised and improved during the quarter. During the third quarter, 200,000 sets of set-top boxes were supplied. Taking advantages of the established mobile TV projects in Hunan and Hubei, the Group is well prepared to expand its market share in the overall solution for the new wireless television market.

### (ii) Information safety products business

The turnover for the nine months ended 31 March 2010 generated from the information safety products business and the related technical services amounted to approximately HK\$127.0 million or approximately 28% of the total turnover.

於二零一零年三月三十一日，本集團之現金及銀行結餘約為95,600,000港元，較二零零九年十二月三十一日之約80,700,000港元增加約18%。本集團之資本負債比率（總借款除以總資產）約為0.03（二零零九年三月三十一日：零）。

## 業務回顧

本公司於截至二零一零年三月三十一日止九個月內大力發展其主要業務，並獲得滿意之銷售業績。

### (i) 地面無線數字電視網絡設備集成業務

本集團截至二零一零年三月三十一日止九個月之總營業額約261,300,000港元或57%來自地面無線數字電視運營平台搭建項目。

本季度內，湖北省楚天中視網絡有限責任公司之整體地面無線數字電視建設方案得到進一步優化及改善。於第三季度供應之機頂盒達200,000台。憑藉在湖南及湖北已建立之流動電視項目，本集團已充份準備提升其於新興無線電視市場之整體解決方案之市場份額。

### (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二零一零年三月三十一日止九個月產生之營業額約為127,000,000港元，約佔總營業額之28%。

While experiencing significant breakthroughs in the sales of proprietary software products, the Group also generated higher profit by capitalising on its pre-stage technological reserves and technological and R&D strengths of its business partner, as well as good customer relationships, which enabled it to provide customers with software related technical services and technical development.

### (iii) Wireless digital audio products business

The turnover for the nine months ended 31 March 2010 generated from the wireless digital audio products business and the related technical services amounted to approximately HK\$67.4 million or approximately 15% of the total turnover, mainly contributed by the revenues from domestic customers.

While revenue is mainly contributed from domestic customers, the overseas markets recovered considerably after the endeavours made by the Group. During the third quarter, business demand of the Group expanded given that there was a further increase in domestic and overseas demand. Besides, the market share has been growing as more domestic customers were secured, as well as the positive impact brought by the government's policy, provided the Group with more protection and became a profit driver for the years to come. The results of the Group recovered to a certain extent and new products to customers attained favourable results as the global economy rebounded further.

由於在專有軟件產品銷售方面取得重大突破，本集團錄得較高溢利，並利用其預先準備的技術儲備及其業務夥伴之技術及研發實力以及良好的客戶關係，向客戶提供軟件相關技術服務及技術開發。

### (iii) 無線數字音頻產品業務

截至二零一零年三月三十一日止九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67,400,000港元，約佔總營業額之15%，主要還是國內客戶帶來的收益。

雖然收益主要來自國內客戶，但在本集團的努力下，海外市場亦大幅回升。在第三季度，由於國內及國外需求進一步增大，令本集團之業務需求量擴大。此外，由於獲得更多國內客戶，加上政府政策帶來的正面影響，本集團市場份額不斷擴大，並為本集團提供更多保障及在未來年度成為本集團之利潤增長點。隨著全球經濟進一步復甦，本集團之業績回升至一定水平，且提供予客戶之新產品錄得不俗業績。

## Prospects

The Group will further develop the existing wireless market to meet the demand of customers while exploring business opportunities in the new provincial markets.

The Group will also develop technology and products to cater for the cable market that meet the integration of the telecommunication network, broadcasting TV network and internet platforms (三網融合) by taking advantage of its own technological strength to cooperate with the partners. The Group has developed “two-way conversion products” (EPON and EOC) with its own intellectual property right, which has commenced production and sales. It has organised its first product promotion and technological exchange in the third quarter, the date of opening of the “CCBN” — China Content Broadcasting Network Expo, which was well received.

As announced by the Company on 23 April 2010 and 3 May 2010 respectively, the Group has entered into business cooperation agreements to provide cable digital television two-way conversion equipment and services and develop and operate value-added services in Jiangxi and Anhui Provinces, PRC in return for revenue sharing. The cooperation builds the foundation for the Group to become the exclusive partner with the Anhui and Jiangxi Provinces for the two-way conversion and value-added services. It also enables the Group to become an operator and extend its presence in the cable digital TV conversion market and the three networks integrated markets. The management expects that the cooperation will benefit to the Company's revenue and profit in the future.

## 前景

本集團將進一步發展現有無線市場以滿足客戶需求的同時，並開拓省級市場之商機。

本集團亦將因應有線市場之需求開發技術及產品，透過利用其本身的技術優勢與合作夥伴合作，實現電信網絡、廣播電視網絡及互聯網平台的融合(三網融合)。本集團已開發出擁有知識產權的「雙向轉換產品」(EPON及EOC)，該產品已投產及銷售。於第三季度，本集團在中國國際廣播電視信息網絡展覽會(「CCBN」)開幕當日組織了首次產品宣傳及技術交流活動，反應不錯。

如本公司分別於二零一零年四月二十三日及二零一零年五月三日刊發之公佈，本集團已訂立業務合作協議，在中國江西及安徽兩省提供有線數字電視雙向轉換設備及服務，並發展及經營增值服務，以分佔收益。是項合作為本集團成為安徽及江西兩省雙向轉換及增值服務之獨家合夥人打好基礎，並令本集團可成為運營商並擴大有線數字電視轉換市場及三網融合市場之佔有率。管理層預期，是項合作將為本公司日後之收益及溢利帶來貢獻。

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

## 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

As at 31 March 2010, 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:

於二零一零年三月三十一日，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 shares 股份	Number of underlying shares 相關股份 (Note) (附註)	Approximate percentage of interests in the issued share capital 已發行股本中 權益概約 百分比
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.

Save as disclosed above, at no time during the nine months ended 31 March 2010 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 March 2010, 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:

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。

除上文所披露者外，本公司或其任何附屬公司於截至二零一零年三月三十一日止九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，於二零一零年三月三十一日，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：



## Interests in the shares of the Company

## 於本公司股份之權益

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)	649,844,706 (L)	Interest in controlled corporation 受控法團權益	42.33%
Team Effort Investments Limited (Note 1) (附註1)	647,844,706 (L)	Interest in controlled corporation 受控法團權益	42.20%
Mind Smart Group Limited (Note 1) (附註1)	469,706,000 (L)	Beneficial owner 實益擁有人	30.60%
Li Haoping (Note 2) 李浩平 (附註2)	348,351,353 (L)	Interest in controlled corporation 受控法團權益	22.69%
Lomond Group Limited (Note 2) (附註2)	348,151,353 (L)	Interest in controlled corporation 受控法團權益	22.68%
Easy Mount Enterprises Limited (Note 2) (附註2)	308,897,000 (L)	Beneficial owner 實益擁有人	20.12%
Atlantis Investment Management Limited (Note 3) (附註3)	166,430,000 (L)	Investment manager 投資經理	10.84%

L: Long Position

L : 長倉

## Notes:

1. 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 178,138,706 shares held by Team Effort Investments Limited.
2. 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 39,254,353 shares held by Lomond Group Limited.
3. Subsequent to 31 March 2010, Atlantis Investment Management Limited has been reduced its interest under 5%.

Save as disclosed above, as at 31 March 2010, 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.

## 附註：

1. 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於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178,138,706股股份中擁有權益。
2. 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於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39,254,353股股份中擁有權益。
3. 於二零一零年三月三十一日後，Atlantis Investment Management Limited將其權益減至5%以下。

除上文所披露者外，於二零一零年三月三十一日，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，擁有證券及期貨條例第336條所載之任何權益或短倉。

## 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 March 2010 with respect to their share options granted under the scheme:

Participants 參與者	Number of Shares (Note) 股份數目(附註)				As of	Date of Grant 授出日期	Exercise period 行使期	Subscription Price 認購價
	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	31 March 2010 截至二零一零年 三月三十一日			
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	0.37

Note:

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

## 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二零一零年三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 referred to 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.

## 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。

The Plaintiff claims (the "Claim") against (1) the Company in the total sum of HK\$5,000,000 together with interest and costs 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 afore-mentioned 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 its shareholders 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 March 2010.

## 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.

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，於二零一零年三月三十一日，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（定義見創業板上市規則）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-yearly 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.

## 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 nine months ended 31 March 2010. 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 nine months ended 31 March 2010.

## 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。

## 董事進行證券交易守則

於截至二零一零年三月三十一日止九個月內，本公司已採納創業板上市規則第5.48條至第5.67條所規定之交易必守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，得悉截至二零一零年三月三十一日止九個月內，並無任何違反董事進行證券交易規定之交易必守標準之事宜。

## 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 nine months ended 31 March 2010.

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

Hong Kong, 14 May 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.*

## 購買、出售或贖回本公司之上市 證券

截至二零一零年三月三十一日止九個月，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，二零一零年五月十四日

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。



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

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