



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)

2013

Third Quarterly Report
第三季業績報告

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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 the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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聯交所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。

香港交易及結算所有限公司及聯交所對本報告之內容概不負責，對其準確性或完整性亦無發表聲明，且明確表示不會就本報告全部或任何部份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告乃遵照聯交所創業板證券上市規則(「創業板上市規則」)之規定提供有關恒芯中國控股有限公司之資料。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。董事在作出一切合理查詢後確認，就彼等所深知及確信，本報告所載資料在各主要方面均為準確及完整，且無誤導或欺詐成份，以及本報告並無遺漏其他事項致使本文件或本報告所載內容有所誤導。

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 30 September 2013 together with the comparative unaudited figures for the corresponding periods in 2012.

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»)截至二零一三年九月三十日止三個月及九個月之未經審核綜合業績，連同二零一二年同期之未經審核比較數字。

		Note 附註	Three months ended 30 September 截至九月三十日 止三個月		Nine months ended 30 September 截至九月三十日 止九個月	
			2013 二零一三年 (Unaudited) (未經審核) HK\$'000 千港元	2012 二零一二年 (Unaudited) (未經審核) HK\$'000 千港元	2013 二零一三年 (Unaudited) (未經審核) HK\$'000 千港元	2012 二零一二年 (Unaudited) (未經審核) HK\$'000 千港元
Revenue	收益	3	48,714	262,850	245,525	454,176
Cost of sales	銷售成本		(29,594)	(201,345)	(150,382)	(302,881)
Gross profit	毛利		19,120	61,505	95,143	151,295
Other income	其他收入	3	2,317	10,781	3,432	40,018
Selling and marketing expenses	銷售及市場推廣開支		(1,821)	(1,863)	(6,981)	(5,966)
Other operating expenses	其他經營費用		(16,649)	(21,352)	(49,418)	(109,979)
Finance costs	融資成本	4	(2,783)	(1,990)	(7,517)	(8,884)
Profit before taxation	除稅前溢利		184	47,081	34,659	66,484
Taxation	稅項	5	(5,734)	(4,501)	(18,347)	7,772
(Loss)/profit for the period	期內(虧損)/溢利	6	(5,550)	42,580	16,312	74,256
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		7,582	(4,236)	36,900	(5,983)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	期內全面收入總額		2,032	38,344	53,212	68,273
(Loss)/profit attributable to:	以下人士應佔(虧損)/溢利:					
Owners of the Company	本公司擁有人		(5,436)	42,580	16,426	74,256
Non-controlling interests	非控股股東權益		(114)	—	(114)	—
			(5,550)	42,580	16,312	74,256
Total Comprehensive income/(loss) attributable to:	以下人士應佔全面收入/(虧損)總額:					
Owners of the Company	本公司擁有人		2,195	38,344	53,375	68,273
Non-controlling interests	非控股股東權益		(163)	—	(163)	—
			2,032	38,344	53,212	68,273
(Loss)/earnings per share	每股(虧損)/盈利	7				
— basic	— 基本		(0.16) cent	1.52 cents	0.52 cent	2.85 cents
— diluted	— 攤薄		(0.16) cent	1.52 cents	0.52 cent	2.85 cents
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 Group are engaged in digital cable television business, wireless digital terrestrial television network equipment integrated business, wireless digital television value-added services, 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 nine months ended 30 September 2013 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 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 financial statements for the six months ended 31 December 2012. These unaudited consolidated financial statements should be read in conjunction with the Company's annual report for the six months ended 31 December 2012. Those new accounting standards, amendments to accounting standards and interpretations which are mandatory for financial year ending 31 December 2013 have no material impact on the Group.

The unaudited consolidated financial statements 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。

本集團之主要業務則包括從事有線數字電視業務、地面無線數字電視網絡設備集成業務、無線數字電視增值服務、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

截至二零一三年九月三十日止九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二零一二年十二月三十一日止六個月之財務報表所採用者一致。該等未經審核綜合財務報表應與本公司截至二零一二年十二月三十一日止六個月之年報一併閱讀。須於截至二零一三年十二月三十一日止財政年度強制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。

未經審核綜合財務報表未經本公司核數師審核，但已經本公司之審核委員會審閱並由董事會批准刊發。

3. REVENUE

Revenue recognised by category during the three months and nine months ended 30 September 2013 are as follows:

3. 收益

截至二零一三年九月三十日止三個月及九個月之收益分類確認如下：

		Three months ended 30 September 截至九月三十日 止三個月		Nine months ended 30 September 截至九月三十日 止九個月	
		2013 二零一三年 HK\$'000 千港元 (Unaudited) (未經審核)	2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (Unaudited) (未經審核)	2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	收益				
Digital cable television business	有線數字電視業務	35,692	79,982	125,724	159,893
Wireless digital television value-added services	無線數字電視增值服務	6,889	—	40,023	—
Encrypted integrated circuits and the derived integrated business	加密芯片及所產生之集成業務	695	104,183	12,592	157,952
Wireless digital audio products business	無線數字音頻產品業務	5,243	31,820	20,432	89,181
Wireless digital terrestrial television network equipment integration business	地面無線數字電視網絡設備集成業務	195	46,865	46,754	47,150
		48,714	262,850	245,525	454,176
Other income	其他收入				
Bank interest income	銀行利息收入	9	45	96	203
Gain on disposal of intangible assets	出售無形資產之收益	—	—	—	24,822
Other interest income	其他利息收入	—	—	—	3,754
Sundry income	雜項收入	2,308	10,736	3,336	11,239
		2,317	10,781	3,432	40,018

4. FINANCE COSTS

4. 融資成本

		Three months ended 30 September 截至九月三十日 止三個月		Nine months ended 30 September 截至九月三十日 止九個月	
		2013 二零一三年 HK\$'000 千港元 (Unaudited) (未經審核)	2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (Unaudited) (未經審核)	2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)
Effective interest expenses on straight bonds	普通債券之實際利息開支	2,268	—	6,732	—
Effective interest expenses on convertible notes	可換股票據之實際利息開支	—	1,965	—	8,836
Interest element of finance leases	融資租約之利息	1	25	9	23
Interest on bank loans	銀行貸款之利息	514	—	776	25
		2,783	1,990	7,517	8,884

5. TAXATION

5. 稅項

		Three months ended 30 September 截至九月三十日 止三個月		Nine months ended 30 September 截至九月三十日 止九個月	
		2013 二零一三年 HK\$'000 千港元 (Unaudited) (未經審核)	2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (Unaudited) (未經審核)	2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)
Current tax:	即期稅項：				
— Hong Kong	— 香港	—	—	—	316
— PRC Enterprise Income Tax	— 中國企業所得稅	5,733	4,501	18,206	(2,090)
Under/(over) provision in prior year:	過往年度不足/(超額)撥備：				
— PRC Enterprise Income Tax	— 中國企業所得稅	1	—	141	(5,998)
		5,734	4,501	18,347	(7,772)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. PRC Enterprise Income Tax is calculated at 25% of the estimated assessable profit for both periods. Pursuant to the relevant laws and regulations in the PRC, some of the Company's PRC subsidiaries are entitled to exemption from PRC income tax for the two years commencing from the first profit-making year of operation and thereafter, those subsidiaries will be entitled to a 50% relief from PRC income tax for the following three years.

香港利得稅以兩個期間之估計應課稅溢利按稅率16.5%計算。中國企業所得稅以兩個期間之估計應課稅溢利按稅率25%計算。根據中國相關法律及法規，本公司若干中國附屬公司獲豁免自其首個獲利經營年度起計兩年繳納中國所得稅，其後該等附屬公司於隨後三年則可享中國所得稅減半優惠。

6. PROFIT BEFORE TAXATION

6. 除稅前溢利

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

本集團除稅前溢利乃經(計入)/扣除下列各項後列賬：

		Three months ended 30 September 截至九月三十日 止三個月		Nine months ended 30 September 截至九月三十日 止九個月	
		2013 二零一三年 HK\$'000 千港元 (Unaudited) (未經審核)	2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (Unaudited) (未經審核)	2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)
Cost of inventories recognised as expense	確定為開支之存貨成本	24,673	178,712	145,083	274,133
Depreciation	折舊	1,042	1,106	3,252	10,260
Exchange loss	匯兌虧損	85	23	93	1,193
(Gain)/loss on fair value changes of financial assets at fair value through profit or loss	按公平值計入損益表之金融資產之公平值變動(收益)/虧損	—	(660)	—	1,110
Research and development costs	研究及開發成本	106	2,945	625	3,744
Staff costs (including Directors' emoluments)	員工成本(包括董事酬金)				
— salaries and allowances	— 薪金及津貼	4,902	5,945	15,961	19,232
— pension scheme contributions	— 退休金計劃供款	628	955	1,565	2,931
— share based payment expenses	— 以股份支付款項	—	241	241	563

7. EARNINGS/(LOSS) PER SHARE

7. 每股盈利/(虧損)

(a) Basic

(a) 基本

Basic loss per share for the three months ended 30 September 2013 is calculated by dividing the consolidated loss attributable to the owners of the Company for the three months ended 30 September 2013 of HK\$5,436,000 (2012: profit of HK\$42,580,000) by the weighted average number of 3,301,924,000 (2012: 2,808,590,000) ordinary shares in issue during the period.

截至二零一三年九月三十日止三個月每股基本虧損乃按截至二零一三年九月三十日止三個月本公司擁有人應佔綜合虧損5,436,000港元(二零一二年：溢利42,580,000港元)除以期內已發行普通股加權平均數3,301,924,000股(二零一二年：2,808,590,000股)計算。

Basic earnings per share for the nine months ended 30 September 2013 is calculated by dividing the consolidated profit attributable to the owners of the Company for the nine months ended 30 September 2013 of HK\$16,426,000 (2012: HK\$74,256,000) by the weighted average number of 3,183,315,000 (2012: 2,608,777,000) ordinary shares in issue during the period.

截至二零一三年九月三十日止九個月每股基本盈利乃按截至二零一三年九月三十日止九個月本公司擁有人應佔綜合溢利16,426,000港元(二零一二年：74,256,000港元)除以期內已發行普通股加權平均數3,183,315,000股(二零一二年：2,608,777,000股)計算。

7. EARNINGS/(LOSS) PER SHARE (Continued)

(b) Diluted

No diluted earnings/(loss) per share has been presented for the three months and nine months ended 30 September 2013 and three months ended 30 September 2012 as the exercise prices of the Company's outstanding share options and warrants were higher than the average market price of the Company's shares for the periods.

Diluted earnings per share for the nine months ended 30 September 2012 is calculated by dividing the profit attributable to the owners of the Company for the nine months ended 30 September 2012 by the total of the weighted average number of ordinary shares of 2,608,953,000 outstanding during the period, after adjusting for the effects of all dilutive potential ordinary shares.

8. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2013 (2012: Nil).

7. 每股盈利／(虧損) (續)

(b) 攤薄

由於截至二零一三年九月三十日止三個月及九個月，以及截至二零一二年九月三十日止三個月本公司尚未行使購股權及認股權證之行使價高於本公司股份期內之平均市價，因此期內並無呈列每股攤薄盈利／(虧損)。

截至二零一二年九月三十日止九個月之每股攤薄盈利乃按截至二零一二年九月三十日止九個月之本公司擁有人應佔溢利除以期內已發行普通股加權平均數2,608,953,000股之總額，經調整所有攤薄潛在普通股之影響後計算。

8. 中期股息

董事會不建議派發截至二零一三年九月三十日止九個月之中期股息(二零一二年：無)。

9. RESERVES

9. 儲備

		Unaudited 未經審核									
		Attributable to the owners of the Company 本公司擁有人應佔									
		Share premium	Capital reserve	Exchange fluctuation reserve	Other reserve	Share option reserve	Convertible notes reserve	Retained profits	Total	Non- controlling interests	Total reserve
		股份溢價	資本儲備	匯兌儲備	其他儲備	認股權 儲備	可換股票據 儲備	保留溢利	總計	股東權益 非控股	儲備總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Balance at 1 January 2012	於二零一二年 一月一日之結餘	1,107,946	2,325	64,239	(79,992)	11,215	134,254	565,476	1,805,463	–	1,805,463
Conversion of convertible notes	兌換可換股票據	198,811	–	–	–	–	(119,337)	–	79,474	–	79,474
Recognition of share-based payments	確認以股份為 基礎付款	–	–	–	–	562	–	–	562	–	562
Share issue expenses	發行股份開支	(3)	–	–	–	–	–	–	(3)	–	(3)
Share options exercised	已行使之購股權	1,006	–	–	–	(215)	–	–	791	–	791
Transfer to retained profits upon expiry of share options	於購股權屆滿後 撥入保留溢利	–	–	–	–	(670)	–	670	–	–	–
Total comprehensive income for the nine months ended 30 September 2012	截至二零一二年 九月三十日 止九個月之 全面收入總額	–	–	(5,983)	–	–	–	74,256	68,273	–	68,273
Balance at 30 September 2012	於二零一二年 九月三十日 之結餘	1,307,760	2,325	58,256	(79,992)	10,892	14,917	640,402	1,954,560	–	1,954,560
Balance at 1 January 2013	於二零一三年 一月一日之結餘	1,394,441	2,325	66,821	(79,992)	11,322	–	613,901	2,008,818	–	2,008,818
Exchange difference on translation into presentation currency	換算為呈報貨幣之 匯兌差額	–	–	36,949	–	–	–	36,949	36,949	(49)	36,900
Profit for the period	期內溢利	–	–	–	–	–	–	16,426	16,426	(114)	16,312
Total comprehensive income for the nine months ended 30 September 2013	截至二零一三年 九月三十日止九個月之 全面收入總額	–	–	36,949	–	–	–	16,426	53,375	(163)	53,212
Issue of new shares	發行新股份	72,000	–	–	–	–	–	–	72,000	–	72,000
Share issue expenses	發行股份開支	(91)	–	–	–	–	–	–	(91)	–	(91)
Recognition of share-based payments	確認以股份為 基礎付款	–	–	–	–	1,987	–	–	1,987	–	1,987
Transfer to retained profits upon expiry of share options	於購股權屆滿後 撥入保留溢利	–	–	–	–	(10,330)	–	10,330	–	–	0
Acquisition of subsidiary	收購附屬公司	–	–	–	–	–	–	–	–	25,620	25,620
Disposal of subsidiaries	出售附屬公司	–	–	(29,034)	–	–	–	–	(29,034)	–	(29,034)
Balance at 30 September 2013	於二零一三年 九月三十日之結餘	1,466,350	2,325	74,736	(79,992)	2,979	–	640,657	2,107,055	25,457	2,132,512

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

For the nine months ended 30 September 2013, the Group recorded a consolidated revenue of approximately HK\$245.6 million, representing a decrease of approximately 46% when compared to approximately HK\$454.2 million for the corresponding period in the last year.

Gross profit margin of the Group increased from approximately 33.3% for the corresponding period of last financial year to approximately 38.8% for the current nine-month period, resulting from the change of business mix.

Other income amounted to HK\$3.4 million for the nine months ended 30 September 2012, representing a decrease of about 91% when compared to approximately HK\$40.0 million for the corresponding period of the last year. As far as the Group develops its businesses, the Group found that some of its intellectual properties were not applicable to the Group's business. The Group therefore transferred its self-developed software and technology to its clients who need them, which substantially enhanced the sundry income for the nine months ended 30 September 2012.

Other operating expenses amounted to HK\$49.4 million for the nine months ended 30 September 2013, representing a decrease of 55% when compared to approximately HK\$110.0 million for the corresponding period of the last year. The decrease was principally due to the inclusion of the loss on fair value changes of securities held, the expansion of the digital cable television business units and the increase of research and developments costs and general administration costs such as staff salaries during the nine months ended 30 September 2012.

The profit attributable to owners of the Company amounted to approximately HK\$16.4 million for the nine months ended 30 September 2013, representing a decrease of approximately 78% when compared to HK\$74.3 million over the corresponding period in the previous year. Basic earnings per share was approximately HK\$0.0052 for the nine months ended 30 September 2013, representing a decrease of approximately 82% compared to approximately HK\$0.0285 for the corresponding period of the last year.

As at 30 September 2013, the cash and bank balances of the Group amounted to approximately HK\$19.3 million, representing a decrease of approximately 58% when compared to approximately HK\$45.6 million as at 30 June 2013. Cash was mainly used for the purchases of inventories for resale. The gearing ratio of the Group, calculated as total borrowings over total assets, was approximately 0.06 (30 June 2013: 0.06).

管理層討論及分析

財務回顧

於截至二零一三年九月三十日止九個月，本集團錄得綜合收益約245,600,000港元，較上一年度同期之約454,200,000港元減少約46%。

本九個月期間本集團之毛利率由上一財政年度同期之約33.3%上升至約38.8%，乃由於業務組合變動所致。

截至二零一二年九月三十日止九個月之其他收入為3,400,000港元，較上一年度同期之約40,000,000港元下降約91%。隨著本集團業務之發展，本集團發現其部份知識產權並不適用於本集團之業務。因此，本集團將其自有之軟件及技術轉讓予其有需求之客戶，令截至二零一二年九月三十日止九個月之雜項收入大幅增加。

截至二零一三年九月三十日止九個月之其他經營費用為49,400,000港元，較上一年度同期之約110,000,000港元下降55%。此下降主要由於截至二零一二年九月三十日止九個月期間，計入所持證券之公平值變動虧損、拓展有線數字電視業務單元以及研發成本及一般行政成本（如員工工資）增加所致。

截至二零一三年九月三十日止九個月，本公司擁有人應佔溢利約為16,400,000港元，較上一年度同期之74,300,000港元下降約78%。截至二零一三年九月三十日止九個月之每股基本盈利約為0.0052港元，較去年同期之約0.0285港元減少約82%。

於二零一三年九月三十日，本集團之現金及銀行結餘約為19,300,000港元，較於二零一三年六月三十日之約45,600,000港元減少約58%。現金主要用於購買轉售存貨。本集團之資本負債比率（總借款除以總資產）約為0.06（二零一三年六月三十日：0.06）。

Subscription of new shares

On 26 March 2013, the Company entered into a conditional subscription agreement with each of the two independent investors respectively. Pursuant to the subscription agreements, the subscribers have conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 100,000,000 subscription shares at a price of HK\$0.25 per subscription share. The subscription was completed on 8 April 2013 and net proceeds amounted to approximately HK\$24.9 million, thereby providing the Group with additional cash resources for its operations.

On 10 September 2013, the Company entered into another conditional subscription agreement with an independent investor. Pursuant to the subscription agreement, the subscriber has conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 200,000,000 subscription shares at a price of HK\$0.25 per subscription share. The subscription was completed on 17 September 2013 and net proceeds amounted to approximately HK\$50.0 million, thereby providing the Group with additional cash resources for any possible acquisition and its operations.

Disposal of subsidiaries

On 20 November 2012, America Assets Holding Group Limited (“America Assets”) and Star Hub Investments Limited (“Star Hub”), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement, pursuant to which Star Hub conditionally agreed to sell to America Assets, and America Assets conditionally agreed to purchase from Star Hub, the entire issued share capital of Magic Golden Limited, at a cash consideration of RMB328 million (equivalent to approximately HK\$413.3 million). The disposed group includes 北京中廣視通科技有限公司 (Beijing Zhongguang Shitong Technology Co., Ltd (“Beijing Zhongguang”)) which engages principally in the wireless digital terrestrial television network equipment integrated business, and research, design, manufacturing and trading of information safety products. Details of the disposal are set out in the Company’s circular dated 17 December 2012. The disposal was completed on 24 January 2013. The net loss on disposal was approximately HK\$27 million, of which loss of around HK\$28 million has been recognised in the financial statement for the six months ended 31 December 2012 and the balance was recognised in the financial statement for the nine months ended 30 September 2013.

認購新股份

於二零一三年三月二十六日，本公司與兩名獨立投資者分別訂立有條件認購協議。根據認購協議，認購人有條件同意認購，而本公司有條件同意按每股認購股份0.25港元之價格配發及發行合共100,000,000股認購股份。認購事項已於二零一三年四月八日完成，所得款項淨額約為24,900,000港元，為本集團之業務提供額外現金資源。

於二零一三年九月十日，本公司與一名獨立投資者訂立另一份有條件認購協議。根據認購協議，認購人有條件同意認購，而本公司有條件同意按每股認購股份0.25港元之價格配發及發行合共200,000,000股認購股份。認購事項已於二零一三年九月十七日完成，所得款項淨額約為50,000,000港元，為本集團之任何潛在收購及業務提供額外現金資源。

出售附屬公司

於二零一二年十一月二十日，America Assets Holding Group Limited (「America Assets」) 與本公司之間接全資附屬公司 Star Hub Investments Limited (「Star Hub」) 訂立買賣協議，據此，Star Hub有條件同意向America Assets出售，而America Assets有條件同意向Star Hub購買Magic Golden Limited之全部已發行股本，現金代價為人民幣328,000,000元（相當於約413,300,000港元）。已出售集團包括北京中廣視通科技有限公司（「北京中廣」），主要從事地面無線數字電視網絡設備集成業務，以及研究、設計、製造及買賣資訊安全產品。出售事項之詳情載於本公司日期為二零一二年十二月十七日之通函。出售事項於二零一三年一月二十四日完成。出售事項之虧損淨額約27,000,000港元，其中虧損約28,000,000港元已於截至二零一二年十二月三十一日止六個月之財務報表確認，而餘額已於截至二零一三年九月三十日止九個月之財務報表確認。

Acquisition of Zhong Kuang

On 22 July 2013, 北京金橋恒泰科技有限公司 (Beijing Jinqiao Hengtai Technology Co., Ltd (“Beijing Jinqiao”)), an indirect wholly-owned subsidiary of the Company and Mr. Wang Long and Ms. Zhou Mei (the “Vendors”) entered into a sale and purchase agreement, pursuant to which the Vendors agreed to sell to Beijing Jinqiao, and Beijing Jinqiao agreed to purchase from the Vendors in aggregate 51% of the equity interests in the 中礦京資投資有限公司 (Zhong Kuang Jing Zi Investment Co., Ltd) (“Zhong Kuang”) at a total cash consideration of RMB25.5 million (equivalent to approximately HK\$32.1 million). Zhong Kuang is principally engaged in (i) project investment; (ii) investment management; (iii) investment consulting; and (iv) the sale and trading of metal materials and mineral products. Further details of the acquisition are set out in the Company’s announcement dated 22 July 2013. The acquisition was completed on 30 August 2013, which Zhong Kuang has become an indirect non-wholly-owned subsidiary of the Company and its financial results have been consolidated into the Group’s financial results.

Acquisition of Yunnan Diqing

On 26 September 2013, Beijing Jinqiao and Mr. Lin Anming (“Mr. Lin”) entered into a sale and purchase agreement, pursuant to which Mr. Lin agreed to sell to Beijing Jinqiao, and Beijing Jinqiao agreed to purchase from Mr. Lin in aggregate 70% of the equity interests in 雲南迪慶泰安礦業有限公司 (Yunnan Diqing Taian Mining Co., Ltd) (“Yunnan Diqing”), at a total cash consideration of RMB100 million (equivalent to approximately HK\$126 million). Yunnan Diqing was incorporated in the PRC on 19 December 2007 with a paid-up registered capital of RMB80 million and is principally engaged in the ore and tailing treatment and processing, and trading of mineral products. It has obtained the production safety permit and pollutant emission permit from relevant local regulatory bodies. Yunnan Diqing has a wholly-owned subsidiary with a paid up registered capital of RMB20 million, which owns a lead-zinc and copper mine in Yunnan with a valid mining license covering a total area of 3.1003 sq.km. for a period from 26 August 2010 to 26 August 2017. The acquisition is yet to be completed.

收購中礦

於二零一三年七月二十二日，本公司之間接全資附屬公司北京金橋恒泰科技有限公司（「北京金橋」）與王龍先生及周玫女士（「賣方」）訂立買賣協議，據此，賣方同意向北京金橋出售，而北京金橋同意向賣方購買中礦京資投資有限公司（「中礦」）合共51%之股權，總現金代價為人民幣25,500,000元（相當於約32,100,000港元）。中礦主要從事(i)項目投資；(ii)投資管理；(iii)投資諮詢；及(iv)銷售金屬材料及礦產品。有關收購事項之進一步詳情載於本公司日期為二零一三年七月二十二日之公告。於二零一三年八月三十日，收購事項已完成，中礦已成為本公司之間接全資附屬公司，其財務業績已於本集團之財務業績綜合入賬。

收購雲南迪慶

於二零一三年九月二十六日，北京金橋與蘭安鳴先生（「蘭先生」）訂立買賣協議，據此，蘭先生同意向北京金橋出售，而北京金橋同意向蘭先生購買雲南迪慶泰安礦業有限公司（「雲南迪慶」）合共70%之股權，總現金代價為人民幣100,000,000元（相當於約126,000,000港元）。雲南迪慶於二零零七年十二月十九日於中國註冊成立，其繳足註冊股本為人民幣80,000,000元，主要從事礦資源及尾礦精選加工及礦產品貿易，並已自相關當地監管機構取得安全生產許可證及污染物排放許可證。雲南迪慶有一間全資附屬公司，其繳足註冊股本為人民幣20,000,000元，在雲南省擁有一座鉛、鋅及銅礦，其有效開採許可證可開採範圍總面積3.1003平方公里，年期由二零一零年八月二十六日至二零一七年八月二十六日止。收購尚未完成。

Termination of the acquisition of Yantai Xinchao

On 7 December 2012, Beijing Jinqiao and 煙台新潮實業股份有限公司 (Yantai Xinchao Industry Co., Ltd (“Xinchao”)) entered into a sale and purchase agreement, pursuant to which Xinchao agreed to sell to Beijing Jinqiao, and Beijing Jinqiao agreed to purchase from Xinchao, 25% equity interests in 煙台新牟電纜有限公司 (Yantai Xinmu Cable Co., Ltd (“Xinmu”)) at a cash consideration of RMB139 million (equivalent to approximately HK\$175.1 million). As an investor did not acquire the equity interests in Xinmu as anticipated by Xinchao and Beijing Jinqiao, Xinchao and Beijing Jinqiao considered that it is no longer in the parties’ interest to carry on with the acquisition and reached an agreement on 31 July 2013 to terminate the relevant sale and purchase agreement. Details of the transactions are set out in the Company’s announcements dated 17 December 2012 and 31 July 2013 respectively. The deposit of RMB10,000,000 (equivalent to approximately HK\$12.6 million), after netting off professional expenses, has been received by the Group.

Business review

(i) Digital cable television business

The Group has achieved stable progress for its network construction project in the integration of the three networks and revenue for the digital cable television operational business in rural areas. The revenues in the nine months ended 30 September 2013 amounted to approximately HK\$125.7 million (around 51% of the total revenue of the Group). The revenue comprised operational revenues from basic subscription and other value added technology as well as market service income arising from the 1,000,000 subscribers of the Hebei rural television network and sales of digital cable television business related products.

(ii) Wireless digital television value-added services

Revenue for the nine months ended 30 September 2013 amounted to approximately HK\$40.0 million or 16% of the total revenue. The Group has signed contracts on wireless mobile digital television operation in Hebei province, which includes operation for value-added businesses such as 6,000 advertising display panels in public areas.

終止收購煙台新潮

於二零一二年十二月七日，北京金橋與煙台新潮實業股份有限公司(「新潮」)訂立買賣協議，據此，新潮同意向北京金橋出售，而北京金橋同意向新潮收購於煙台新牟電纜有限公司(「新牟」)之25%股權，現金代價為人民幣139,000,000元(相當於約175,100,000港元)。由於投資者未有如新潮及北京金橋預期般收購新牟之股權，故新潮及北京金橋認為，訂約方已不再有興趣進行收購事項，並於二零一三年七月三十一日達成協議，以終止有關買賣協議。有關交易之詳情分別載於本公司日期為二零一二年十二月十七日及二零一三年七月三十一日之公告。本集團已收取按金人民幣10,000,000元(相當於約12,600,000港元)(經扣除專業費用後)。

業務回顧

(i) 有線數字電視業務

本集團之網絡建設項目於三網融合方面以及農村地區之有線數字電視經營業務取得之收益取得穩步發展。截至二零一三年九月三十日止九個月之收益約為125,700,000港元(佔本集團總收益約51%)。收益包括河北農村電視網絡1,000,000用戶之基本認購及其他增值技術以及市場服務收入而產生之營運收入以及銷售有線數字電視業務相關產品。

(ii) 無線數字電視增值服務

截至二零一三年九月三十日止九個月之收益約為40,000,000港元或佔總收益16%。本集團在河北省簽訂了無線移動數字電視運營協議，包含6,000塊公共廣告顯示屏等增值業務之經營。

(iii) Encrypted integrated circuits and the derived integrated business

The revenue for the nine months ended 30 September 2013 generated from the encrypted integrated circuits and the derived integrated business and the related technical services amounted to approximately HK\$12.6 million or approximately 5% of the total revenue. During the third quarter ended 30 September 2013, the revenue from software sales and technical solution provision of this segment was materially affected due to less market demands and development cycle issues.

(iv) Wireless digital audio products business

The revenue for the nine months ended 30 September 2013 generated from the wireless digital audio products business and the related technical services amounted to approximately HK\$20.4 million or approximately 8% of the total revenue. During the first three quarters in 2013, the demand of the Group's products from both domestic and overseas markets was mediocre.

(v) Wireless digital terrestrial TV network equipment integration business

Approximately HK\$46.8 million or 20% of the total revenue of the Group in the nine months ended 30 September 2013 was derived from the construction projects of the wireless digital terrestrial television operating platform and the sales of related products.

(iii) 加密芯片及所產生之集成業務

加密芯片及所產生之集成業務及相關技術服務於截至二零一三年九月三十日止九個月產生之收益約為12,600,000港元或佔總收益約5%。截至二零一三年九月三十日止第三季度，該分部軟件銷售及提供技術解決方案之收益，由於市場需求減少及開發週期問題而受到嚴重影響。

(iv) 無線數字音頻產品業務

截至二零一三年九月三十日止九個月，來自無線數字音頻產品業務及相關技術服務之收益約為20,400,000港元或佔總收益約8%。於二零一三年首三個季度，國內外對本集團產品之需求一般。

(v) 地面無線數字電視網絡設備集成業務

截至二零一三年九月三十日止九個月，本集團總收益中約46,800,000港元或20%來自地面無線數字電視營運平台之建設項目及相關產品之銷售。

Prospects

During the past months, the Group has been investing its resources in the acquisition of new business and was prepared to enter into new business segments. In the coming year, the Group will continue to consolidate and better serve its contracted broadcasting television subscribers, and build a foundation for achieving the overall objectives of development of the Group. Besides, the Group will continue to expand the market share of existing products to optimize the profit and explore new businesses to establish new profit drivers and enhance the shareholders' value of the Company.

前景

過去多個月以來，本集團一直將資源投放在收購新業務，並準備好營運新業務分部。於來年，本集團將繼續鞏固及用心服務已經簽約之廣電用戶，為本集團之總體發展目標奠定基礎。此外，本集團將繼續擴大現有產品的市場份額，以提高利潤，並拓展新業務領域，力爭新利潤增長點及提高本公司股東之價值。

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

As at 30 September 2013, 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

於二零一三年九月三十日，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 名稱	Capacity 身份	Number of shares 股份數目	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	Beneficial owner 實益擁有人	2,273,334	0.07%
Mr. Qiu Bin 仇斌先生	Beneficial owner 實益擁有人	2,408,000	0.07%

Save as disclosed above, at no time during the nine months ended 30 September 2013 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.

除上文所披露者外，本公司或其任何附屬公司於截至二零一三年九月三十日止九個月內任何時間概無訂立任何安排，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之股份或債權證而獲得利益。

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 30 September 2013, 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) 蔡忠林(附註)	623,542,451 (L)	Interest in controlled corporation 受控法團權益	18.29%
Team Effort Investments Limited (Note)(附註)	623,542,451 (L)	Beneficial owner 實益擁有人	18.29%
Yang Kui 楊魁	200,000,000 (L)	Beneficial owner 實益擁有人	5.87%

L: Long Position

L: 長倉

Note:

附註:

Team Effort Investments Limited is wholly owned by Mr. Choi Chung Lam. Mr. Choi Chung Lam is deemed to be interested in the shares held by Team Effort Investments Limited.

Team Effort Investments Limited由蔡忠林先生全資擁有。蔡忠林先生被視為於Team Effort Investments Limited持有之股份中擁有權益。

Save as disclosed above, as at 30 September 2013, 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.

除上文所披露者外，於二零一三年九月三十日，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。

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條存置之主要股東登記冊所載，於二零一三年九月三十日，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

EMPLOYEE SHARE OPTION SCHEME

Details of the employee share option schemes (“Share Option Schemes”) of the Company were disclosed in the annual report of the Company for the six months ended 31 December 2012. The following shows the outstanding positions of the eligible persons as at 30 September 2013 with respect to their share options granted under the Share Option Schemes:

員工購股權計劃

本公司員工購股權計劃(「購股權計劃」)之詳情於本公司截至二零一二年十二月三十一日止六個月之年報中披露。合資格人士根據購股權計劃獲授予之購股權於二零一三年九月三十日之未行使情況如下：

Participants 參與者	Number of Shares (Note) 股份數目(附註)					As of 30 September 2013 截至 二零一三年 九月三十日	Date of grant 授出日期	Exercise period 行使期	Exercise price per share 每股 行使價 HK\$ 港元
	As of 1 January 2013 截至 二零一三年 一月一日	Granted during the period 於期內授出	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				
Directors 董事									
Mr. Xiao Yan 肖彥先生	1,500,000	-	-	-	(1,500,000)	-	13/04/2011	14/05/2011- 12/03/2013	1.54
Mr. Li Tao 李濤先生	1,500,000	-	-	-	(1,500,000)	-	13/04/2011	14/05/2011- 12/03/2013	1.54
Mr. Xu Lei 徐雷先生	800,000	-	-	-	(800,000)	-	13/04/2011	14/05/2011- 12/03/2013	1.54
Mr. Leung Wo Ping 梁和平先生	800,000	-	-	-	(800,000)	-	13/04/2011	14/05/2011- 12/03/2013	1.54
Mr. Dong Shi 董石先生	800,000	-	-	-	(800,000)	-	13/04/2011	14/05/2011- 12/03/2013	1.54
Mr. Hu Dingdong 胡定東先生	800,000	-	-	-	(800,000)	-	13/04/2011	14/05/2011- 12/03/2013	1.54
Subtotal 小計	6,200,000	-	-	-	(6,200,000)	-			
Other participants 其他參與者	23,800,000	-	-	-	(23,800,000)	-	13/04/2011	14/05/2011- 12/03/2013	1.54
	3,000,000	-	-	-	-	3,000,000	29/02/2012	01/03/2013- 29/02/2016	0.84
Total 總計	33,000,000	-	-	-	(30,000,000)	3,000,000			

Note:

Number of shares in the Company over which options granted under the Share Option Schemes is exercisable.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or the controlling 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.

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。

董事於競爭業務之權益

本公司董事或控股股東(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有其他利益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 30 September 2013. 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 30 September 2013.

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 30 September 2013.

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

Hong Kong, 14 November 2013

As at the date of this report, the Board comprises Mr. Xiao Yan (CEO), Mr. Li Tao and Mr. Qiu Bin 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.

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，審核委員會由三位獨立非執行董事組成，即梁和平先生，太平紳士(主席)、董石先生及胡定東先生。

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序及內部控制制度，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

於截至二零一三年九月三十日止九個月內，本公司已採納創業板上市規則第5.48至5.67條所規定之交易必守標準作為其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，得悉截至二零一三年九月三十日止九個月內，並無任何違反有關董事進行證券交易之交易必守標準之事宜。

購買、出售或贖回本公司之上市證券

截至二零一三年九月三十日止九個月，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，二零一三年十一月十四日

於本報告日期，董事會由執行董事肖彥先生(行政總裁)、李濤先生及仇斌先生；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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