

2014

Interim Report
中期報告



HENGXIN
恒芯中國

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)

* For identification purpose only 僅供識別

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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。

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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”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and six months ended 30 June 2014 together with the comparative unaudited figures for the corresponding periods in 2013.

業績

恒芯中國控股有限公司(「本公司」)董事會(「董事會」)公佈本公司及其附屬公司(統稱「本集團」)截至二零一四年六月三十日止三個月及六個月之未經審核綜合業績，連同二零一三年同期之未經審核比較數字。

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2014

簡明綜合損益表

截至二零一四年六月三十日止六個月

		Notes 附註	Three months ended 30 June 截至六月三十日 止三個月		Six months ended 30 June 截至六月三十日 止六個月	
			2014 二零一四年 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)	2014 二零一四年 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)
Revenue	收益	3	30,377	67,657	52,357	196,811
Cost of sales	銷售成本		(21,036)	(44,380)	(36,407)	(120,788)
Gross profit	毛利		9,341	23,277	15,950	76,023
Other income	其他收入	3	235	14	566	1,115
Selling and marketing expenses	銷售及市場推廣開支		(22)	(2,526)	(76)	(5,160)
Other operating expenses	其他經營費用		(24,694)	(16,286)	(43,540)	(32,770)
Finance costs	融資成本	4	(2,864)	(2,392)	(5,974)	(4,734)
Share of loss of an associate	分佔一間聯營公司虧損		(152)	–	(247)	–
(Loss)/profit before taxation	除稅前(虧損)/溢利	5	(18,156)	2,087	(33,321)	34,474
Taxation	稅項	6	(342)	(6,945)	(356)	(12,613)
(Loss)/profit for the period	期內(虧損)/溢利		(18,498)	(4,858)	(33,677)	21,861
(Loss)/profit attributable to:	以下人士應佔(虧損)/溢利：					
Owners of the Company	本公司擁有人		(17,995)	(4,858)	(32,511)	21,861
Non-controlling interests	非控股股東權益		(503)	–	(1,166)	–
			(18,498)	(4,858)	(33,677)	21,861
(Loss)/earnings per share (expressed in HK cent)	每股(虧損)/盈利 (以港仙列值)	7				
– basic	– 基本		(0.52)	(0.15)	(0.95)	0.69
– diluted	– 攤薄		–	–	–	–
Dividends	股息	8	–	–	–	–

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME 簡明綜合其他全面收入表

For the six months ended 30 June 2014

截至二零一四年六月三十日止六個月

		Three months ended		Six months ended	
		30 June		30 June	
		截至六月三十日		截至六月三十日	
		止三個月		止六個月	
		2014	2013	2014	2013
		二零一四年	二零一三年	二零一四年	二零一三年
		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)
(Loss)/profit for the period	期內(虧損)/溢利	(18,498)	(4,858)	(33,677)	21,861
Other comprehensive (loss)/income:	其他全面(虧損)/收入:				
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目:				
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	(3,055)	19,148	(16,355)	29,319
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	期內全面(虧損)/收入總額	(21,553)	14,290	(50,032)	51,180
Total comprehensive (loss)/income attributable to:	以下人士應佔全面(虧損)/收入總額:				
Owners of the Company	本公司擁有人	(21,050)	14,290	(48,866)	51,180
Non-controlling interests	非控股股東權益	(503)	–	(1,166)	–
		(21,553)	14,290	(50,032)	51,180

CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION

At 30 June 2014

簡明綜合財務狀況表

於二零一四年六月三十日

		Notes 附註	30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	100,633	94,144
Goodwill	商譽		267,061	267,061
Intangible assets	無形資產		7,448	14,642
Interest in an associate	於一間聯營公司之權益		40,665	40,992
Deposits for acquisition of non-current assets	收購非流動資產之按金		148,008	148,008
			563,815	564,847
Current assets	流動資產			
Inventories	存貨		254,329	257,859
Trade receivables	應收賬款	10	341,797	302,107
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項		439,036	484,536
Restricted bank deposits	有限制銀行存款		–	7,140
Cash and cash equivalents	現金及現金等價物		22,422	130,726
			1,057,584	1,182,368
Assets classified as held for sale	分類為持作出售之資產		171,678	171,678
			1,229,262	1,354,046
Current liabilities	流動負債			
Trade payables	應付賬款	11	266,357	265,901
Other payables and accruals	其他應付款項及應計費用		101,062	200,954
Receipts in advance	預收賬款		53,046	21,411
Obligations under finance leases	融資租約責任		–	26
Notes payable	應付票據		150,000	150,000
Short term loans	短期貸款		–	12,366
Tax payable	應繳稅項		52,890	55,334
			623,355	705,992
Net current assets	流動資產淨值		605,907	648,054
Total assets less current liabilities	總資產減流動負債		1,169,722	1,212,901
Non-current liabilities	非流動負債			
Receipts in advance	預收賬款		69,620	76,098
			69,620	76,098
Net assets	資產淨值		1,100,102	1,136,803
Capital and reserves	資本及儲備			
Share capital	股本	12	34,586	34,086
Reserves	儲備		1,040,990	1,077,025
Equity attributable to Owners of the Company	以下人士應佔權益 本公司擁有人		1,075,576	1,111,111
Non-controlling interests	非控股股東權益		24,526	25,692
Total equity	權益總額		1,100,102	1,136,803

CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

For the six months ended 30 June 2014

簡明綜合權益變動表

截至二零一四年六月三十日止六個月

Attributable to the owners of the Company
本公司擁有人應佔

		Share capital	Share premium	Capital reserve	Exchange fluctuation reserve	Other reserve	Share option reserve	Retained profits/ (accumulated losses)	Sub-total	Non-controlling interests	Total equity
		股本	股份溢價	資本儲備	匯兌儲備	其他儲備	購股權儲備	保留溢利/ (累計虧損)	小計	非控股股東權益	權益總額
		HK\$'000	HK\$'000	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	千港元	千港元
Balance at 1 January 2013 (audited)	於二零一三年一月一日之結餘 (經審核)	31,086	1,394,441	2,325	66,821	(79,992)	11,322	613,901	2,039,904	-	2,039,904
Issue of new shares	發行新股份	1,000	24,000	-	-	-	-	-	25,000	-	25,000
Share issue expenses	發行股份開支	-	(28)	-	-	-	-	-	(28)	-	(28)
Recognition of share-based payments	確認以股份為基礎付款	-	-	-	-	-	1,399	-	1,399	-	1,399
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	-	-	-
Disposal of subsidiaries	出售附屬公司	-	-	-	(29,034)	-	-	-	(29,034)	-	(29,034)
Total comprehensive income for the six months ended 30 June 2013	截至二零一三年六月三十日止六個月之全面收入總額	-	-	-	29,319	-	-	21,861	51,180	-	51,180
Balance at 30 June 2013 (unaudited)	於二零一三年六月三十日之結餘 (未經審核)	32,086	1,418,413	2,325	67,106	(79,992)	2,391	646,092	2,088,421	-	2,088,421
Balance at 1 January 2014 (audited)	於二零一四年一月一日之結餘 (經審核)	34,086	1,466,350	2,325	100,274	(79,992)	3,396	(415,328)	1,111,111	25,692	1,136,803
Recognition of share-based payments	確認以股份為基礎付款	-	-	-	-	-	831	-	831	-	831
Issue of new shares	發行新股份	500	12,000	-	-	-	-	-	12,500	-	12,500
Total comprehensive loss for the six months ended 30 June 2014	截至二零一四年六月三十日止六個月之全面虧損總額	-	-	-	(16,355)	-	-	(32,511)	(48,866)	(1,166)	(50,032)
Balance at 30 June 2014 (unaudited)	於二零一四年六月三十日之結餘 (未經審核)	34,586	1,478,350	2,325	83,919	(79,992)	4,227	(447,839)	1,075,576	24,526	1,100,102

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2014

簡明綜合現金流量表

截至二零一四年六月三十日止六個月

		Six months ended	
		30 June	
		截至六月三十日止六個月	
		2014	2013
		二零一四年	二零一三年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Net cash used in operating activities	經營活動所用現金淨額	(120,553)	(445,961)
Net cash from investing activities	投資活動所得現金淨額	271	412,012
Net cash from financing activities	融資活動所得現金淨額	12,471	27,367
Net decrease in cash and cash equivalents	現金及現金等價物之減少淨額	(107,811)	(6,582)
Cash and cash equivalents at beginning of the period	於期初之現金及現金等價物	130,726	60,947
Effect of foreign exchange rate changes	匯率變動之影響	(493)	(8,768)
Cash and cash equivalents at end of the period	於期末之現金及現金等價物	22,422	45,597
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	22,422	45,597

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in Bermuda. The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, 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 television value-added services, wireless digital terrestrial 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 condensed consolidated financial statements for the six months ended 30 June 2014 have been prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values. 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 year ended 31 December 2013. These unaudited consolidated financial statements should be read in conjunction with the Company's annual report for the year ended 31 December 2013. Those new accounting standards, amendments to accounting standards and interpretations which are mandatory for financial year ending 31 December 2014 have no material impact on the Group.

The unaudited consolidated financial statements have not been audited by the auditor of the Company, but have been reviewed by the Company's audit committee and were approved for issue by the Board.

簡明綜合財務報表附註

1. 一般資料

本公司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 HM 11, 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一直在聯交所創業板上上市。

本集團之主要業務則包括從事有線數字電視業務、無線數字電視增值服務、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

截至二零一四年六月三十日止六個月之未經審核簡明綜合財務報表乃按香港會計師公會頒佈之香港會計準則(「香港會計準則」)第34號中期財務報告及創業板上上市規則第18章之適用披露規定編製。

未經審核簡明綜合財務報表乃根據歷史成本基準編製，惟若干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二零一三年十二月三十一日止年度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二零一三年十二月三十一日止年度之年報一併閱讀。須於截至二零一四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 AND SEGMENT INFORMATION

Revenue recognised by category during the three and six months ended 30 June 2014 are as follows:

3. 收益及分部資料

截至二零一四年六月三十日止三個月及六個月之收益分類確認如下：

		Three months ended 30 June 截至六月三十日 止三個月		Six months ended 30 June 截至六月三十日 止六個月	
		2014 二零一四年 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)	2014 二零一四年 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)
Revenue	收益				
Digital cable television business	有線數字電視業務	19,028	32,921	38,015	90,032
Wireless digital television value-added services	無線數字電視增值服務	2,955	22,175	5,935	33,134
Encrypted integrated circuits	加密芯片	8,394	4,199	8,394	11,897
Wireless digital audio integrated circuits	無線數字音頻芯片	–	8,061	13	15,189
Wireless digital terrestrial television network equipment integration	地面無線數字電視網絡設備集成	–	301	–	46,559
		30,377	67,657	52,357	196,811
Other income	其他收入				
Bank interest income	銀行利息收入	23	14	28	87
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	–	–	283	–
Sundry income	雜項收入	212	–	255	1,028
		235	14	566	1,115

3. REVENUE AND SEGMENT INFORMATION (Continued)

The segment results for the six months ended 30 June 2014 are as follows:

		Digital cable television business	Wireless digital television value-added services	Encrypted integrated circuits	Wireless digital audio integrated circuits	Wireless digital terrestrial television network equipment integration	Total
		有線數字電視業務 HK\$'000 千港元 (Unaudited) (未經審核)	無線數字電視增值服務 HK\$'000 千港元 (Unaudited) (未經審核)	加密芯片 HK\$'000 千港元 (Unaudited) (未經審核)	無線數字音頻芯片 HK\$'000 千港元 (Unaudited) (未經審核)	地面無線數字電視網絡設備集成 HK\$'000 千港元 (Unaudited) (未經審核)	總計 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	收益						
Segment revenue from external customers	來自外來客戶之分部收益	38,015	5,935	8,394	13	-	52,357
Segment results	分部業績	32,767	(32,340)	(5,449)	(3,531)	(344)	(8,897)
Unallocated income	未分配收入						566
Unallocated expenses	未分配開支						(18,769)
Share of loss of an associate	分佔一間聯營公司虧損						(247)
Finance costs	融資成本						(5,974)
Loss before taxation	除稅前虧損						(33,321)
Taxation	稅項						(356)
Loss for the six months ended 30 June 2014	截至二零一四年六月三十日止六個月之虧損						(33,677)

The segment results for the six months ended 30 June 2013 are as follows:

		Digital cable television business	Wireless digital television value-added services	Encrypted integrated circuits	Wireless digital audio integrated circuits	Wireless digital terrestrial television network equipment integration	Total
		有線數字電視業務 HK\$'000 千港元 (Unaudited) (未經審核)	無線數字電視增值服務 HK\$'000 千港元 (Unaudited) (未經審核)	加密芯片 HK\$'000 千港元 (Unaudited) (未經審核)	無線數字音頻芯片 HK\$'000 千港元 (Unaudited) (未經審核)	地面無線數字電視網絡設備集成 HK\$'000 千港元 (Unaudited) (未經審核)	總計 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	收益						
Segment revenue from external customers	來自外來客戶之分部收益	90,032	33,134	11,897	15,189	46,559	196,811
Segment results	分部業績	70,902	(16,785)	(1,675)	1,133	957	54,532
Unallocated income	未分配收入						1
Unallocated expenses	未分配開支						(15,325)
Finance costs	融資成本						(4,734)
Profit before taxation	除稅前溢利						34,474
Taxation	稅項						(12,613)
Profit for the six months ended 30 June 2013	截至二零一三年六月三十日止六個月之溢利						21,861

3. 收益及分部資料(續)

截至二零一四年六月三十日止六個月之分部業績如下：

截至二零一三年六月三十日止六個月之分部業績如下：

4. FINANCE COSTS

4. 融資成本

		Three months ended 30 June 截至六月三十日 止三個月		Six months ended 30 June 截至六月三十日 止六個月	
		2014 二零一四年 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)	2014 二零一四年 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)
Interest element of finance leases	融資租約之利息	-	3	-	8
Interest on bank and other loans	銀行及其他貸款之利息	29	145	271	263
Interest on redeemable notes	可贖回票據之利息	2,835	2,244	5,703	4,463
		2,864	2,392	5,974	4,734

5. (LOSS)/PROFIT BEFORE TAXATION

5. 除稅前(虧損)/溢利

(Loss)/profit for the period has been arrived at after charging/(crediting):

期內(虧損)/溢利乃經扣除/(抵免)下列各項
後列賬：

		Three months ended 30 June 截至六月三十日 止三個月		Six months ended 30 June 截至六月三十日 止六個月	
		2014 二零一四年 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)	2014 二零一四年 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)
Cost of inventories recognised as expense	確定為開支之 存貨成本	-	44,002	-	120,410
Depreciation	折舊	4,875	1,164	9,816	2,210
Exchange loss	匯兌虧損	-	8	-	8
Net loss/(gain) on disposal of a subsidiary	出售一間附屬公司之 虧損/(收益)淨額	-	6	-	(897)
Research and development costs	研究及開發成本	5,964	260	9,797	519
Staff costs (including Directors' emoluments)	員工成本 (包括董事酬金)				
- salaries and allowances	- 薪金及津貼	3,802	5,345	8,139	11,059
- retirement benefits scheme contributions	- 退休福利計劃供款	354	263	741	937
- Share based payment expenses	- 以股份支付款項	-	-	-	241

6. TAXATION

6. 稅項

		Three months ended 30 June 截至六月三十日 止三個月		Six months ended 30 June 截至六月三十日 止六個月	
		2014 二零一四年 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)	2014 二零一四年 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)
Current tax:	即期稅項：				
- Hong Kong	- 香港	-	-	-	-
- PRC Enterprise Income Tax	- 中國企業所得稅	342	6,805	356	12,473
Over provision in prior year:	過往年度超額撥備：				
- PRC Enterprise Income Tax	- 中國企業所得稅	-	140	-	140
		342	6,945	356	12,613

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。

7. (LOSS)/EARNINGS PER SHARE

7. 每股(虧損)/盈利

(a) Basic

Basic loss per share for the three months ended 30 June 2014 is calculated by dividing the consolidated loss attributable to the owners of the Company for the three months ended 30 June 2014 of HK\$17,995,000 (2013: HK\$4,858,000) by the weighted average number of 3,433,864,000 (2013: 3,185,257,000) ordinary shares in issue during the period.

Basic (loss)/earnings per share for the six months ended 30 June 2014 is calculated by dividing the consolidated loss attributable to the owners of the Company for the six months ended 30 June 2014 of HK\$32,511,000 (2013: profit HK\$21,861,000) by the weighted average number of 3,421,297,000 (2013: 3,154,988,000) ordinary shares in issue during the period.

(b) Diluted

No diluted earnings per share has been presented for the three months and six months ended 30 June 2014 and 2013 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.

(a) 基本

截至二零一四年六月三十日止三個月之每股基本虧損乃按截至二零一四年六月三十日止三個月本公司擁有人應佔綜合虧損17,995,000港元(二零一三年: 4,858,000港元)除以期內已發行普通股加權平均數3,433,864,000(二零一三年: 3,185,257,000股)計算。

截至二零一四年六月三十日止六個月之每股基本(虧損)/盈利乃按截至二零一四年六月三十日止六個月本公司擁有人應佔綜合虧損32,511,000港元(二零一三年: 溢利21,861,000港元)除以期內已發行普通股加權平均數3,421,297,000股(二零一三年: 3,154,988,000股)計算。

(b) 攤薄

由於截至二零一四及二零一三年六月三十日止三個月及六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之平均市價，因此期內並無呈列每股攤薄盈利。

8. INTERIM DIVIDEND

The Board does not declare the payment of an interim dividend for the six months ended 30 June 2014 (2013: Nil).

9. PROPERTY, PLANT AND EQUIPMENT

During six months ended 30 June 2014, addition of property, plant and equipment of the Group amounted to approximately HK\$16,779,000 (six months ended 30 June 2013: HK\$8,407,000).

10. TRADE RECEIVABLES

8. 中期股息

董事會不宣派截至二零一四年六月三十日止六個月之中期股息(二零一三年：無)。

9. 物業、廠房及設備

截至二零一四年六月三十日止六個月，本集團物業、廠房及設備之添置為約16,779,000港元(截至二零一三年六月三十日止六個月：8,407,000港元)。

10. 應收賬款

	30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Trade receivables 應收賬款	443,608	403,918
Less: allowance for doubtful debts 減：呆賬撥備	(101,811)	(101,811)
	341,797	302,107

The ageing analysis of trade receivables (net of allowance for doubtful debts) that were past due but not impaired is as follows:

逾期但並未減值之應收賬款(扣除呆賬撥備後)賬齡分析如下：

	30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days 三十日內	-	-
31 – 90 days 三十一至九十日	-	-
91 – 180 days 九十一至一百八十日	-	24,390
Over 180 days 一百八十日以上	265,848	240,422
	265,848	264,812

The Group generally allows credit periods ranging from 30 days to 180 days to its trade customers.

本集團給予其貿易客戶之信貸期一般為三十日至一百八十日。

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record maintained with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

逾期但並未減值之應收款項與本集團存有良好交易記錄之多名獨立客戶有關。根據過往經驗，本公司董事認為毋須就該等結餘作出減值撥備，因該等客戶之信貸質素並無重大轉變，而結餘依然被認為可以全數收回。本集團並無就該等結餘持有任何抵押品或其他改善信貸項目。

11. TRADE PAYABLES

The ageing analysis of the trade payables is as follow:

		30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days	三十日以內	-	227,207
31 – 60 days	三十一至六十日	1,245	94
61 – 90 days	六十一至九十日	2,581	2,698
91 – 180 days	九十一至一百八十日	104	35,902
Over 180 days	一百八十日以上	262,427	-
		266,357	265,901

11. 應付賬款

應付賬款之賬齡分析如下：

12. SHARE CAPITAL

12. 股本

		30 June 2014 二零一四年六月三十日		31 December 2013 二零一三年十二月三十一日	
		Number of shares 股份數目	HK\$'000 千港元	Number of shares	HK\$'000
		'000 千股	(Unaudited) (未經審核)	'000 千股	(Audited) (經審核)
Authorised:	法定：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元 之普通股	10,000,000	100,000	10,000,000	100,000
Issued and fully paid:	已發行及繳足：				
At beginning of year/period	於年／期初	3,408,590	34,086	3,108,590	31,086
Issue of shares upon subscription (Note)	因認購事項而 發行之股份(附註)	50,000	500	300,000	3,000
At end of year/period	於年／期末	3,458,590	34,586	3,408,590	34,086

12. SHARE CAPITAL (Continued)

Note:

On 7 May 2014, the Company entered into a conditional subscription agreement with Mr. Zhao Yong (趙勇) as the subscriber, pursuant to which the subscriber conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 50,000,000 new shares of HK\$0.01 each of the Company with aggregate nominal value of HK\$0.5 million at a price of HK\$0.25 per subscription share, representing a premium of approximately 113.7% to the closing price of HK\$0.117 per share of the Company as quoted on the Stock Exchange on 7 May 2014. The net price to the Company of each subscription share is approximately HK\$0.25. The proceeds was intended to be used for the general working capital of the Group. The reasons for carrying out the subscription was to present an opportunity for the Company to strengthen the financial position (in particular the working capital and cash flow position) of the Group. The subscription was completed on 15 May 2014. The net proceeds amounted to approximately HK\$12.5 million was fully utilised as general working capital of the Group as to approximately 40% for loan repayment, approximately 21% for operating expenses in China, approximately 20% for staff cost, approximately 12% for finance cost and the remaining was for other operating expenses. Relevant disclosure was made in the announcements of the Company dated 7 May 2014 and 15 May 2014.

On 26 March 2013, the Company entered into a conditional subscription agreement with each of Easy Team Investment Limited, a company incorporated in Hong Kong, and Mr. Tian Wei (田偉) as subscribers, pursuant to which the subscribers conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 100,000,000 new shares of HK\$0.01 each of the Company with an aggregate nominal value of HK\$1,000,000 at a price of HK\$0.25 per subscription share, representing a discount of approximately 2.0% to the closing price of HK\$0.255 per share of the Company as quoted on the Stock Exchange on 26 March 2013. The net price to the Company of each subscription share is approximately HK\$0.25. The proceeds was intended to be used for the general working capital of the Group. The reasons for carrying out the subscriptions were to strengthen the financial position (in particular the working capital and cash flow position) of the Group, enable the Group to enhance its capital base with a view to create more buffer to mitigate the business and financial risk and enhance the financial flexibility of the Group, and improve the cash reserve for the on-going development of the Group. The subscription was completed on 8 April 2013. The net proceeds amounted to approximately HK\$24.9 million was fully utilised as general working capital of the Group as to approximately 26% for purchase of software, approximately 26% for purchase cost for trading goods, approximately 18% for staff cost, approximately 13% for China operating expenses, approximately 6% for finance cost, and the remaining was for other operating expenses. Relevant disclosure was made in the announcements of the Company dated 26 March 2013, 8 April 2013 and 5 August 2014 and the 2013 Annual Report.

On 10 September 2013, the Company entered into a conditional subscription agreement with Mr. Yang Kui (楊魁) as subscriber, pursuant to which the subscriber conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 200,000,000 new shares of HK\$0.01 each of the Company with an aggregate nominal value of HK\$2,000,000 at a price of HK\$0.25 per subscription share, representing a premium of approximately 18.5% to the closing price of HK\$0.211 per share as quoted on the Stock Exchange on 10 September 2013. The net price to the Company of subscription share is approximately HK\$0.25. The proceeds was intended to be used for the general working capital of the Group. The reasons for carrying out the subscription were to strengthen the financial position (in particular the working capital and cash flow position) of the Group and improve the cash reserve for the on-going development of the Group. The subscription was completed on 17 September 2013. The net proceeds amounted to approximately HK\$50 million was fully utilised as general working capital of the Group as to approximately 16% for loan repayment, approximately 10% for staff cost, approximately 9% for finance cost, approximately 5% for other operating expenses, and the remaining approximately 60% proceeds were placed with Bank and reserved for future project cost. Relevant disclosure was made in the announcements of the Company dated 10 September 2013, 17 September 2013 and 5 August 2014 and the 2013 Annual Report.

12. 股本(續)

附註：

於二零一四年五月七日，本公司與趙勇先生(作為認購人)訂立有條件認購協議。據此，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(其面值總額為500,000港元)之價格(即較本公司股份於二零一四年五月七日在聯交所所報收市價每股股份0.117港元溢價約113.7%)配發及發行合共50,000,000股本公司每股面值0.01港元之新股份。本公司每股認購股份淨價約為0.25港元。所得款項擬用作本集團之一般營運資金。進行認購之理由為向本公司提供機會，以鞏固本集團之財務狀況(特別是營運資金及現金流量狀況)。認購事項已於二零一四年五月十五日完成。所得款項淨額約為12,500,000港元，已悉數用作本集團之一般營運資金，約40%用於償還貸款，約21%用作中國經營費用，約20%用作員工成本，約12%用作融資成本，而剩餘所得款項則用作其他經營費用。有關披露載於本公司日期為二零一四年五月七日及二零一四年五月十五日之公告內。

於二零一三年三月二十六日，本公司與Easy Team Investment Limited(一間於香港註冊成立之公司)及田偉先生(均為認購人)分別訂立有條件認購協議。據此，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(其面值總額為1,000,000港元)之價格(即較本公司股份於二零一三年三月二十六日在聯交所所報之收市價每股股份0.255港元折讓約2.0%)配發及發行合共100,000,000股本公司每股面值0.01港元之新股份。本公司每股認購股份之淨價約為0.25港元。所得款項擬用作本集團之一般營運資金。進行認購之理由為鞏固本集團之財務狀況(特別是營運資金及現金流量狀況)，鞏固本集團之股本基礎，有助於提供更多能降低業務及財務風險之緩衝，並提高本集團之財務靈活性及改善本集團之現金儲備作持續發展。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，已悉數用作本集團之一般營運資金，約26%用於購買軟件，約26%用作交易商品之購買成本，約18%用作員工成本，約13%用作中國經營費用，約6%用作融資成本，而剩餘所得款項則用作其他經營費用。有關披露載於本公司日期為二零一三年三月二十六日、二零一三年四月八日及二零一四年八月五日之公告以及二零一三年年報內。

於二零一三年九月十日，本公司與楊魁先生(作為認購人)訂立有條件認購協議。據此，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(其面值總額為2,000,000港元)之價格(即較股份於二零一三年九月十日在聯交所所報之收市價每股0.211港元溢價約18.5%)配發及發行合共200,000,000股本公司每股面值0.01港元之新股份。本公司認購股份之淨價約為0.25港元。所得款項擬用作本集團之一般營運資金。進行認購事項之理由為鞏固本集團之財務狀況(特別是營運資金及現金流量狀況)，以及改善本集團之現金儲備作持續發展。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，已悉數用作本集團之一般營運資金，約16%用於償還貸款，約10%用作員工成本，約9%用作融資成本，約5%用作其他經營費用，而剩餘約60%之所得款項則存入銀行及保留用於未來項目成本。有關披露載於本公司日期為二零一三年九月十日、二零一三年九月十七日及二零一四年八月五日之公告以及二零一三年年報內。

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

For the six months ended 30 June 2014, the Group recorded a consolidated revenue of approximately HK\$52.4 million, representing a decrease of approximately 73.3% when compared to approximately HK\$196.8 million for the corresponding period in the last year. Revenue for the three months ended 30 June 2014 amounted to approximately HK\$30.4 million, representing a decrease of approximately 55.1% when compared to HK\$67.7 million of the preceding quarter.

Gross profit margin of the Group for the period was approximately 30.5%, representing a decrease by 8.1% from approximately 38.6% of the corresponding period of last year.

Other income amounted to approximately HK\$0.6 million, compared to approximately HK\$1.1 million for the corresponding period in the last year. For the six months ended 30 June 2014, other income mainly arised from the gain on disposal of fixed assets.

Other operating expenses amounted to approximately HK\$43.5 million for the six months ended 30 June 2014, representing an increase of 32.9% when compared to HK\$32.8 million for the six months ended 30 June 2013. The increase was principally due to higher depreciation expense arising from significant construction of transmission and network equipment completed during 2013 and there was increase in research and development cost.

Finance costs amounted to approximately HK\$6 million, of which approximately HK\$5.7 million represents effective interest expenses on straight bonds.

The loss attributable to the owners of the Company amounted to approximately HK\$32.5 million for the six months ended 30 June 2014 while the profit attributable to the owners of the Company amounted to approximately HK\$21.9 million in the corresponding period in the previous financial year.

Basic loss per share for the six months ended 30 June 2014 was approximately HK0.95 cent, while basic earnings per share was approximately HK0.69 cent for the corresponding period of the last year.

Subscription of new shares

On 26 March 2013, the Company entered into a conditional subscription agreement with each of Easy Team Investment Limited, a company incorporated in Hong Kong, and Mr. Tian Wei (田偉) as subscribers, pursuant to which the subscribers conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 100,000,000 new shares of HK\$0.01 each of the Company with an aggregate nominal value of HK\$1,000,000 at a price of HK\$0.25 per subscription share, representing a discount of approximately 2.0% to the closing price of HK\$0.255 per share of the Company as quoted on the Stock Exchange on 26 March 2013. The net price to the Company

管理層討論及分析

財務回顧

於截至二零一四年六月三十日止六個月，本集團錄得綜合收益約52,400,000港元，較去年同期之約196,800,000港元減少約73.3%。截至二零一四年六月三十日止三個月之收益約為30,400,000港元，較上一季度之67,700,000港元減少約55.1%。

本期間本集團之毛利率約為30.5%，較去年同期約38.6%減少8.1%。

其他收入約為600,000港元，上一年度同期則約為1,100,000港元。截至二零一四年六月三十日止六個月之其他收入主要來自出售固定資產之收益。

截至二零一四年六月三十日止六個月之其他經營費用約為43,500,000港元，較截至二零一三年六月三十日止六個月之32,800,000港元增加32.9%。此增加主要由於大量建造於二零一三年完成之傳輸及網絡設備產生之折舊費用增加所致，而研發成本亦有所增加。

融資成本約為6,000,000港元，其中約5,700,000港元為普通債券之實際利息開支。

截至二零一四年六月三十日止六個月，本公司擁有人應佔虧損約為32,500,000港元，而上一財政年度同期本公司擁有人應佔溢利則約為21,900,000港元。

截至二零一四年六月三十日止六個月之每股基本虧損約為0.95港仙，而去年同期每股基本盈利則約為0.69港仙。

認購新股份

於二零一三年三月二十六日，本公司與Easy Team Investment Limited（一間於香港註冊成立之公司）及田偉先生（均為認購人）分別訂立有條件認購協議。據此，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（其面值總額為1,000,000港元）之價格（即較本公司股份於二零一三年三月二十六日在聯交所所報之收市價每股股份0.255港元折讓約2.0%）配發及發行合共100,000,000股本公司每股面值0.01港元之新股份。本公司每股認購

of each subscription share is approximately HK\$0.25. The proceeds was intended to be used for the general working capital of the Group. The reasons for carrying out the subscriptions were to strengthen the financial position (in particular the working capital and cash flow position) of the Group, enable the Group to enhance its capital base with a view to create more buffer to mitigate the business and financial risk and enhance the financial flexibility of the Group, and improve the cash reserve for the on-going development of the Group. The subscription was completed on 8 April 2013. The net proceeds amounted to approximately HK\$24.9 million was fully utilised as general working capital of the Group as to approximately 26% for purchase of software, approximately 26% for purchase cost for trading goods, approximately 18% for staff cost, approximately 13% for China operating expenses, approximately 6% for finance cost, and the remaining was for other operating expenses. Relevant disclosure was made in the announcements of the Company dated 26 March 2013, 8 April 2013 and 5 August 2014 and the 2013 Annual Report.

On 10 September 2013, the Company entered into a conditional subscription agreement with Mr. Yang Kui (楊魁) as subscriber, pursuant to which the subscriber conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 200,000,000 new shares of HK\$0.01 each of the Company with an aggregate nominal value of HK\$2,000,000 at a price of HK\$0.25 per subscription share, representing a premium of approximately 18.5% to the closing price of HK\$0.211 per share as quoted on the Stock Exchange on 10 September 2013. The net price to the Company of subscription share is approximately HK\$0.25. The proceeds was intended to be used for the general working capital of the Group. The reasons for carrying out the subscription were to strengthen the financial position (in particular the working capital and cash flow position) of the Group and improve the cash reserve for the on-going development of the Group. The subscription was completed on 17 September 2013. The net proceeds amounted to approximately HK\$50 million was fully utilised as general working capital of the Group as to approximately 16% for loan repayment, approximately 10% for staff cost, approximately 9% for finance cost, approximately 5% for other operating expenses, and the remaining approximately 60% proceeds were placed with Bank and reserved for future project cost. Relevant disclosure was made in the announcements of the Company dated 10 September 2013, 17 September 2013 and 5 August 2014 and the 2013 Annual Report.

On 7 May 2014, the Company entered into a conditional subscription agreement with Mr. Zhao Yong (趙勇) as the subscriber, pursuant to which the subscriber conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 50,000,000 new shares of HK\$0.01 each of the Company with aggregate nominal value of HK\$0.5 million at a price of HK\$0.25 per subscription share, representing a premium of approximately 113.7% to the closing price of HK\$0.117 per share of the Company as quoted on the Stock Exchange on 7 May 2014. The subscription was completed on 15 May 2014. The net price to the Company of each subscription share is approximately HK\$0.25. The proceeds was intended to be used for the general working capital of the Group. The reasons for carrying out the subscription was

股份之淨價約為0.25港元。所得款項擬用作本集團之一般營運資金。進行認購之理由為鞏固本集團之財務狀況(特別是營運資金及現金流量狀況),鞏固本集團之股本基礎,有助於提供更多能降低業務及財務風險之緩衝,並提高本集團之財務靈活性及改善本集團之現金儲備作持續發展。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,已悉數用作本集團之一般營運資金,約26%用於購買軟件、約26%用作交易商品之購買成本、約18%用作員工成本、約13%用作中國經營費用、約6%用作融資成本,而剩餘所得款項則用作其他經營費用。有關披露載於本公司日期為二零一三年三月二十六日、二零一三年四月八日及二零一四年八月五日之公告以及二零一三年年報內。

於二零一三年九月十日,本公司與楊魁先生(作為認購人)訂立有條件認購協議。據此,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(其面值總額為2,000,000港元)之價格(即較股份於二零一三年九月十日之收市價每股0.211港元溢價約18.5%)配發及發行合共200,000,000股本公司每股面值0.01港元之新股份。本公司認購股份之淨價約為0.25港元。所得款項擬用作本集團之一般營運資金。進行認購事項之理由乃為鞏固本集團之財務狀況(特別是營運資金及現金流量狀況),以及改善本集團之現金儲備作持續發展。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,已悉數用作本集團之一般營運資金,約16%用於償還貸款、約10%用作員工成本、約9%用作融資成本、約5%用作其他經營費用,而剩餘約60%之所得款項則存入銀行及保留用於未來項目成本。有關披露載於本公司日期為二零一三年九月十日、二零一三年九月十七日及二零一四年八月五日之公告以及二零一三年年報內。

於二零一四年五月七日,本公司與趙勇先生(作為認購人)訂立有條件認購協議。據此,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(其面值總額為500,000港元)之價格(即較本公司股份於二零一四年五月七日之收市價每股0.117港元溢價約113.7%)配發及發行合共50,000,000股本公司每股面值0.01港元之新股份。認購事項已於二零一四年五月十五日完成。本公司每股認購股份淨價約為0.25港元。所得款項擬用作本集團之一般營運資金。進行認購之理由為向本公司提供機會,以鞏固本集團之財務狀況(特別是

to present an opportunity for the Company to strengthen the financial position (in particular the working capital and cash flow position) of the Group. The net proceeds amounted to approximately HK\$12.5 million was fully utilised as general working capital of the Group as to approximately 40% for loan repayment, approximately 21% for operating expenses in China, approximately 20% for staff cost, approximately 12% for finance cost and the remaining was for other operating expenses. Relevant disclosure was made in the announcements of the Company dated 7 May 2014 and 15 May 2014.

Business review

Affected by the overall weak domestic economy, the results of the business of the Group in the second quarter dropped.

(i) Digital cable television service business

During the period under review, the Group continued to progress with the business development and implementation in the digital cable TV operational and value-added business. Revenue for the six months ended 30 June 2014 amounted to approximately HK\$38.0 million (2013: HK\$90.0 million) or 73% (2013: 46%) of the total revenue.

(ii) Wireless digital television value-added services

Revenue for the six months ended 30 June 2014 amounted to approximately HK\$5.9 million (2013: HK\$33.1 million) or 10% (2013: 17%) of the total revenue.

The segment recorded loss of approximately HK\$32.3 million (2013: HK\$16.8 million) for the six months ended 30 June 2014 was mainly due to the profit guarantee paid to the contracted party.

(iii) Information safety products business

The Group has expanded distribution channel for encrypted integrated circuits. The revenue for the six months ended 30 June 2014 generated from the encrypted integrated circuits and the derived integrated business amounted to approximately HK\$8.4 million (2013: HK\$11.9 million) representing approximately 16% (2013: 6%) of the total revenue.

The revenue from software sales and technical solution provision of this segment was adversely affected due to less market demand and development cycles issues.

(iv) Wireless digital audio products business

The revenue for the six months ended 30 June 2014 generated from the wireless digital audio products business and the related technical services amounted to approximately HK\$13,000 (2013: HK\$15.2 million) or approximately 0.02% (2013: 8%) of the total revenue. During the period, the demand from both domestic and overseas markets was getting worse.

(v) Wireless digital terrestrial TV network equipment integration business

No revenue for the six months ended 30 June 2014 was generated from wireless digital terrestrial TV network equipment integration business as a result of the disposal of Magic Golden Limited and its subsidiaries in January 2013.

營運資金及現金流量狀況)。所得款項淨額約為12,500,000港元，已悉數用作本集團之一般營運資金，約40%用於償還貸款、約21%用作中國經營費用、約20%用作員工成本、約12%用作融資成本，而剩餘所得款項則用作其他經營費用。有關披露載於本公司日期為二零一四年五月七日及二零一四年五月十五日之公告內。

業務回顧

受國內整體經濟疲弱影響，本集團業務在第二季度業績下滑。

(i) 有線數字電視服務業務

於回顧期內，本集團繼續致力於有線數字電視營運及增值業務之業務發展及實行。截至二零一四年六月三十日止六個月，收益約為38,000,000港元(二零一三年：90,000,000港元)或佔總收益73%(二零一三年：46%)。

(ii) 無線數字電視增值服務

截至二零一四年六月三十日止六個月，收益約為5,900,000港元(二零一三年：33,100,000港元)或佔總收益10%(二零一三年：17%)。

該分部於二零一四年六月三十日止六個月錄得虧損約32,300,000港元(二零一三年：16,800,000港元)，主要因向已簽約方支付溢利保證金所致。

(iii) 資訊安全產品業務

本集團已拓闊加密芯片之分銷渠道。加密芯片及所產生之集成業務於截至二零一四年六月三十日止六個月產生之收益約為8,400,000港元(二零一三年：11,900,000港元)，約佔總收益之16%(二零一三年：6%)。

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

截至二零一四年六月三十日止六個月，來自無線數字音頻產品業務及相關技術服務之收益約為13,000港元(二零一三年：15,200,000港元)，佔總收益約0.02%(二零一三年：8%)。本期間，國內外市場之需求均轉弱。

(v) 地面無線數字電視網絡設備集成業務

地面無線數字電視網絡設備集成業務於截至二零一四年六月三十日止六個月並無產生收益，此乃由於於二零一三年一月出售Magic Golden Limited及其附屬公司所致。

Approximately HK\$46.5 million or around 23% of the total revenue of the Group in the six months ended 30 June 2013 was derived from the trading of the wireless digital terrestrial television related products.

Prospects

In the past year, the Group had invested its resources in the acquisition of new business and was prepared to enter into new business segments. In the foreseeable future, 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. Moreover, the Group will expand the market share of existing products to optimize the profit and explore new business to establish new profit drivers and enhance the shareholders' value of the Company.

Liquidity and Financial Resources

As at 30 June 2014, the cash and bank balances of the Group amounted to approximately HK\$22.4 million (31 December 2013: HK\$130.7 million).

During the six months ended 30 June 2014, the Group has net cash outflow from its operating activities of approximately HK\$120.6 million, and cash inflow from its investing activities and financing activities of approximately HK\$0.3 million and HK\$12.5 million respectively.

As at 30 June 2014, the gearing ratio of the Group, calculated as total borrowings over shareholders' funds, was approximately 0.09 (31 December 2013: 0.06).

Foreign Exchange Exposure

During the six months ended 30 June 2014, the majority of the Group's income and expenses were denominated in Renminbi and Hong Kong dollars. Up to 30 June 2014, the management of the Company is of the opinion that the Group has insignificant exposure to foreign exchange risk. As a result, the Group did not use any financial instruments for hedging against fluctuation in foreign exchange for the six months ended 30 June 2014. Nevertheless, the management of the Company will closely monitor and from time to time reassess the exchange risk exposures of the Group and enter into non-speculative hedging arrangements if considered necessary.

Charge on Group Assets

As at 30 June 2014, No bank deposits (31 December 2013: HK\$7,140,000) have been pledged to banks for short term loans (31 December 2013: HK\$12,366,000) granted to subsidiaries of the Company. (The Company has also provided guarantee to the extent of HK\$4,000,000 at 31 December 2013).

截至二零一三年六月三十日止六個月，本集團之收益總額約46,500,000港元或約23%來自買賣地面無線數字電視相關產品。

前景

本集團去年致力將資源投放在收購新業務，並準備開拓新的業務分部。於可見將來，本集團將繼續鞏固及用心服務已簽約之廣電用戶，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。

流動資金及財務資源

於二零一四年六月三十日，本集團之現金及銀行結餘約為22,400,000港元(二零一三年十二月三十一日：130,700,000港元)。

截至二零一四年六月三十日止六個月，本集團經營活動所得現金流出淨額約為120,600,000港元，而投資活動及融資活動所得現金流入分別約為300,000港元及12,500,000港元。

於二零一四年六月三十日，本集團之資本負債比率(總借款除以股東資金)約為0.09(二零一三年十二月三十一日：0.06)。

外匯風險

截至二零一四年六月三十日止六個月，本集團之大部份收入及開支均以人民幣及港元列值。直至二零一四年六月三十日，本公司管理層認為本集團所面對之外匯風險較微。因此，本集團於截至二零一四年六月三十日止六個月並無運用任何金融工具以對沖外匯波動帶來之影響。然而，本公司管理層將密切監察及不時重估本集團所面對之外匯風險，並在必要時訂立非投機性對沖安排。

集團資產之抵押

於二零一四年六月三十日，並無銀行存款(二零一三年十二月三十一日：7,140,000港元)抵押予銀行以獲取授予本公司附屬公司之短期貸款(二零一三年十二月三十一日：12,366,000港元)。短期貸款4,000,000港元亦已於二零一三年十二月三十一日由本公司作擔保。

Contingent Liabilities

As at 30 June 2014, the Group had no significant contingent liabilities (31 December 2013: Nil).

Capital Structure

On 7 May 2014, the Company entered into a conditional subscription agreement with Mr. Zhao Yong (趙勇) as the subscriber, pursuant to which the subscriber conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 50,000,000 new shares of HK\$0.01 each of the Company (the "Subscription") with aggregate nominal value of HK\$12.5 million at a price of HK\$0.25 per subscription share, representing a premium of approximately 113.7% to the closing price of HK\$0.117 per share of the Company as quoted on the Stock Exchange on 7 May 2014. The reasons for carrying out the Subscription was to present an opportunity for the Company to strengthen the financial position (in particular the working capital and cash flow position) of the Group. The Subscription would also improve the cash reserve for the on-going development of the Group. In accordance with the terms and conditions of such subscription agreement, the Company allotted and issued a total of 50,000,000 shares of the Company to the subscriber on 15 May 2014 under the general mandate approved in the annual general meeting of the Company held on 21 June 2013. The net proceeds amounted to approximately HK\$12.5 million (equivalent to a net price of approximately HK\$0.25 per subscription share) intended to be used for general working capital of the Group. For further details of the Subscription, please refer to the announcements of the Company dated 7 May 2014 and 15 May 2014.

During the six months ended 30 June 2014, an aggregate of 50,000,000 new shares were issued by the Company.

Acquisition/Disposal and Significant Investments

Disposal of assets

深圳中澤明芯集團有限公司 (Shenzhen Champion Maxiumic Group Co., Limited) ("Shenzhen Champion"), an indirect wholly-owned subsidiary of the Company, as vendor (the "Vendor") and 河北廣電網絡投資有限公司 (Hebei Guangdian Network Investment Limited) as purchaser (the "Purchaser") entered into a conditional termination agreement on 31 December 2013 (the "Termination Agreement") for the sale and purchase of the telecommunication equipment in relation to digital cable television broadcasting network and the termination of the cooperation agreement (the "Cooperation Agreement") (being the business cooperation agreement dated 26 November 2010 made between the Vendor and 河北廣電信息網絡集團股份有限公司 (Hebei Television Broadcasts and Information Network Group Co., Ltd) ("Hebei TV") together with the subsequent subsidiary contracts made between the Vendor and the Purchaser (which performed the Cooperation Agreement for Hebei TV) with detailed terms on the technical cooperation and the construction and operation of the networks between the parties). The Termination Agreement and the transactions contemplated thereunder had been approved by the shareholders of the Company at the special general meeting held on 10 March 2014 and the completion of which has not yet taken place as at the date of this report. Details of the Termination Agreement were set out in the circular of the Company dated 21 February 2014.

或然負債

於二零一四年六月三十日，本集團並無重大或然負債(二零一三年十二月三十一日：無)。

資本結構

於二零一四年五月七日，本公司與趙勇先生(作為認購人)訂立有條件認購協議，據此，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50,000,000股每股面值0.01港元之本公司新股份(「認購事項」)，面值總額為12,500,000港元。認購價較本公司股份於二零一四年五月七日在聯交所所報收市價每股股份0.117港元溢價約113.7%。進行認購事項之理由旨在為本公司創造機會，以鞏固本集團之財務狀況(尤其是營運資金及現金流狀況)。認購事項亦將改善本集團之現金儲備作持續發展。按照有關認購協議之條款及條件，本公司於二零一四年五月十五日根據本公司於二零一三年六月二十一日舉行之股東週年大會上批准之一般授權，向認購人配發及發行合共50,000,000股本公司股份。所得款項淨額約12,500,000港元(相當於每股認購股份淨價約0.25港元)擬用作本集團之一般營運資金。有關認購事項之進一步詳情，請參閱本公司日期為二零一四年五月七日及二零一四年五月十五日之公告。

截至二零一四年六月三十日止六個月，本公司合共已發行50,000,000股新股份。

收購／出售及重大投資

出售資產

於二零一三年十二月三十一日，本公司之間接全資附屬公司深圳中澤明芯集團有限公司(「深圳中澤」)(作為賣方(「賣方」))與河北廣電網絡投資有限公司(作為買方(「買方」))就買賣有線數位電視廣播網絡之電訊設備訂立有條件終止協議(「終止協議」)，及終止合作協議(「合作協議」)(即賣方與河北廣電信息網絡集團股份有限公司(「河北廣電」)所訂立日期為二零一零年十一月二十六日之業務合作協議，連同賣方與買方(已為河北廣電履行合作協議)其後所訂立之附屬合約，以訂明訂約方之技術合作及網絡之建設及營運之詳細條款)。終止協議及其項下擬進行之交易已於二零一四年三月十日舉行之股東特別大會上獲本公司股東批准，而於本報告日期，有關交易尚未完成。有關終止協議之詳情載於本公司日期為二零一四年二月二十一日之通函。

Possible acquisition

On 17 January 2014, the Company entered into a letter of intent with an independent third party pursuant to which the Company intended to acquire the entire equity interest of 山西經作蓖麻科技有限公司 (Shanxi Jingzuo Bima Technology Limited*) (the "Target Company"), a company incorporated in the People's Republic of China (the "PRC") and principally engaged in research and development on the application technologies and genetic engineering of castor seeds, manufacturing and selling of castor seed, castor oil and other related products such as biodiesel, Nylon 11 plastics, lubricants and so on (the "Possible Acquisition"). As at the date of this report, the Company has been conducting due diligence exercise on the Target Company and its business and affairs and no formal agreement in relation to the Possible Acquisition has been entered into.

Save as disclosed above, the Group had no material acquisition or disposal and significant investments during the six months ended 30 June 2014.

Employee Information

As at 30 June 2014, the Group employed a total of 54 (31 December 2013: 124) full-time employees. The Group's remuneration policy remained the same as detailed in the Annual Report for the year ended 31 December 2013.

Subsequent Event – Share Acquisition

On 15 July 2014, 深圳中澤明芯集團有限公司 (Shenzhen Champion Maxiumic Group Co., Limited) an indirect wholly-owned subsidiary of the Company, as purchaser, and 北京華視星源科技有限公司 (Beijing Huashi Xinyuan Technology Limited) ("Beijing Huashi"), as vendor, entered into the share purchase agreement, pursuant to which Beijing Huashi agreed to transfer 100% equity interests in the 北京亞澳博視技術有限公司 (Beijing Yao Boshi Technology Limited) to Shenzhen Champion as purchaser at a consideration of RMB80,000,000 (equivalent to approximately HK\$100,000,000).

As at the date of this report, the completion of which has not yet taken place. Details of the share acquisition were set out in the announcement of the Company dated 15 July 2014.

可能收購事項

於二零一四年一月十七日，本公司與獨立第三方訂立意向書，據此，本公司擬收購山西經作蓖麻科技有限公司(「目標公司」)(一間於中華人民共和國(「中國」)註冊成立之公司)之全部股權，其主要從事研發蓖麻籽應用技術及基因工程、生產及銷售蓖麻籽、蓖麻油及其他有關產品，例如生物柴油、尼龍11塑料、潤滑油等(「可能收購事項」)。於本報告日期，本公司已對目標公司及其業務及事務進行盡職審查，且並無就有關可能收購事項訂立任何正式協議。

除上文所披露者外，截至二零一四年六月三十日止六個月，本集團並無任何重大收購或出售及重大投資。

僱員資料

於二零一四年六月三十日，本集團聘有合共54名(二零一三年十二月三十一日：124名)全職僱員。本集團之薪酬政策與本公司截至二零一三年十二月三十一日止年度之年報所詳述者一致。

其後事項 - 股份收購

於二零一四年七月十五日，本公司之間接全資附屬公司深圳中澤明芯集團有限公司(作為買方)與北京華視星源科技有限公司(「北京華視」)(作為賣方)訂立股份購買協議，據此，北京華視同意向深圳中澤(作為買方)轉讓北京亞澳博視技術有限公司之全部權益，代價為人民幣80,000,000元(相當於約100,000,000港元)。

於本報告日期，交易尚未完成。有關股份收購之詳情載於本公司日期為二零一四年七月十五之公告。

OTHER INFORMATION

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 June 2014, the interests and short positions of the Directors, the chief executive of the Company 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 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange were as follows:

Interests and short positions in shares, underlying shares and debentures of the Company

Name	Capacity	Long position/ short position	Number of shares	Approximate percentage of interests in the issued share capital
名稱	身份	好倉／淡倉	股份數目	佔已發行股本權益之概約百分比
Mr. Xiao Yan 肖彥先生	Beneficial owner 實益擁有人	Long position 好倉	2,273,334	0.07%
Mr. Qiu Bin 仇斌先生	Beneficial owner 實益擁有人	Long position 好倉	2,408,000	0.07%

Save as disclosed above, none of the Directors and chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules as at 30 June 2014, and at no time during the six months ended 30 June 2014 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.

其他資料

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淡倉

於二零一四年六月三十日，本公司董事及主要行政人員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淡倉（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淡倉）；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淡倉；或根據有關董事進行證券交易之創業板上市規則第5.46條須知會本公司及聯交所之權益及淡倉如下：

於本公司之股份、相關股份及債權證之權益及淡倉

除上文所披露者外，於二零一四年六月三十日，本公司董事及主要行政人員概無於本公司及其相聯法團之股份、相關股份及債權證中擁有任何本公司根據證券及期貨條例第352條存置之登記冊所記錄之權益及淡倉，或根據創業板上市規則第5.46條所述董事進行交易之規定準則須知會本公司及聯交所之權益及淡倉，且本公司或其任何附屬公司於截至二零一四年六月三十日止六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/OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2014, the register of substantial shareholders/other persons maintained by the Company under Section 336 of the SFO showed that the following shareholders had notified the Company of relevant interests in the Company's issued share capital:

Long positions 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 權益之概約百分比
Choi Chung Lam ("Mr. Choi") (Note) 蔡忠林(「蔡先生」)(附註)	623,542,451	Interest in controlled corporation 受控法團權益	18.03%
Team Effort Investments Limited ("Team Effort") (Note) Team Effort Investments Limited ("Team Effort") (附註)	623,542,451	Beneficial owner 實益擁有人	18.03%
Yang Kui 楊魁	200,000,000	Beneficial owner 實益擁有人	5.78%

Note: Mr. Choi is the legal and beneficial owner of the entire issued share capital of Team Effort. Hence, Mr. Choi is deemed to be interested in 623,542,451 shares through the shareholding interest of Team Effort in the Company.

主要股東／其他人士於本公司之股份及相關股份之權益及淡倉

於二零一四年六月三十日，本公司根據證券及期貨條例第336條存置之主要股東／其他人士之登記冊顯示，下列股東已知會本公司其於本公司已發行股本中之有關權益：

於本公司股份之好倉

附註：蔡先生為Team Effort 全部已發行股本之合法實益擁有人。因此，蔡先生被視為透過Team Effort 於本公司之股權擁有623,542,451股股份之權益。

Save as disclosed above, as at 30 June 2014, the Directors were not aware that there was any person (not being a Director or chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and was recorded in the register kept by the Company pursuant to section 336 of the SFO.

除上文所披露者外，於二零一四年六月三十日，董事概不知悉有任何人士（並非本公司董事或主要行政人員）於本公司之股份或相關股份中擁有或被視為擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露及按本公司根據證券及期貨條例第336條須予存置登記冊所記錄之權益或淡倉。

EMPLOYEE SHARE OPTION SCHEME

Under the share option scheme of the Company adopted on 13 March 2003 (the "2003 Scheme"), the board of Directors (the "Board") may, at its discretion, grant options to the Directors and eligible participants (as defined in the 2003 Scheme) pursuant to the 2003 Scheme to enable them to subscribe for shares of the Company as incentives or rewards for their contribution to the Group.

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 30 December 2011, a new share option scheme (the "2011 Scheme") was adopted by the Company. A total of 3,000,000 share options have been granted under 2011 Scheme since its adoption.

The 2003 Scheme expired on 12 March 2013, while the 2011 Scheme will remain in force before 29 December 2021.

The following table disclosed movements in the Company's share options granted under 2011 Scheme during the six months ended 30 June 2014:

Participants	Number of Shares (Note)					As of 30 June 2014 截至 二零一四年 六月三十日	Date of grant	Exercise period	Exercise price per Share HK\$ 每股行使價 港元
	As of 1 January 2014 截至 二零一四年 一月一日	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period				
Other participants 其他參與者	3,000,000	-	-	-	-	3,000,000	29/02/2012	01/03/2013- 29/02/2016	0.84
Total 總計	3,000,000	-	-	-	-	3,000,000			

Note: Number of shares in the Company over which options granted under the 2011 Scheme is exercisable.

員工購股權計劃

根據本公司於二零零三年三月十三日所採納之購股權計劃(「二零零三年計劃」)，董事會(「董事會」)可酌情授予董事及合資格參與者(定義見二零零三年計劃)可認購本公司股份之購股權，作為彼等對本集團所作貢獻之獎勵或回報。

根據本公司於二零一一年十二月三十日舉行之股東週年大會上通過之一項普通決議案，本公司採納一項新購股權計劃(「二零一一年計劃」)。自採納之日起，合共3,000,000份購股權根據二零一一年計劃授出。

二零零三年計劃已於二零一三年三月十二日屆滿，而二零一一年計劃將於二零二一年十二月二十九日前保持有效。

下表披露本公司截至二零一四年六月三十日止六個月內根據二零一一年計劃授出之購股權之變動：

附註：根據二零一一年計劃授出而可予行使之購股權所涉及之本公司股份數目。

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or the management shareholders of the Company nor any of their associates (as defined in the GEM Listing Rules) had any interest in a business, which competes or may compete with the business of the Group, or has any other conflict of interests with the Group.

董事於競爭業務之權益

本公司董事或管理層股東或彼等之任何聯繫人(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任何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 (the “Audit Committee”) with written terms of reference in compliance with 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 auditor on an annual basis as well as to ensure independence of the continuing auditor.

The Audit Committee has reviewed the unaudited consolidated results of the Group for the six months ended 30 June 2014.

CORPORATE GOVERNANCE PRACTICES

The corporate governance principles of the Company emphasize a quality board, sound internal controls, transparency and accountability to all shareholders. The Company has applied the code provisions set out in the Corporate Governance Code and Corporate Governance Report (“CG Code”) contained in Appendix 15 of the GEM Listing Rules. Except for the deviations from code provisions A.2.1, A.6.7 and E.1.2 which are explained below, the Company was in compliance with all code provisions set out in the CG Code during the six months ended 30 June 2014.

Distinctive Roles of Chairman and Chief Executive Officer

Code provision A.2.1 of the CG Code 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. Mr. Xiao Yan as the chief executive officer of the Company (“CEO”), supported by the senior management of the Company, is responsible for managing the Group’s businesses and responsibilities, implementing major strategies, executing Board decisions and coordinating the daily operations of the Group. Up to the date of this report, the position of chairman remained vacant. In view of the current operations of the Group, the management considered that there is no imminent need to change the arrangement.

審核委員會

本公司已遵照創業板上市規則成立具明文職權範圍之審核委員會（「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。

審核委員會已審閱本集團截至二零一四年六月三十日止六個月之未經審核綜合業績。

企業管治常規

本公司之企業管治原則著重高質素的董事會、健全的內部監控，以及對全體股東的透明度及問責性。本公司已採用載於創業板上市規則附錄十五之企業管治守則及企業管治報告（「企業管治守則」）所載之守則條文。除下文闡述有關偏離守則條文第A.2.1條、第A.6.7條及第E.1.2條外，截至二零一四年六月三十日止六個月，本公司已遵守企業管治守則所載的所有守則條文。

主席與行政總裁之分工

企業管治守則之守則條文第A.2.1條規定，主席與行政總裁之角色應有區分，並不應由一人同時擔任。主席與行政總裁間之職責分工應明確界定並以書面形式列載。肖彥先生獲本公司高級管理層推薦出任本公司行政總裁（「行政總裁」），彼負責管理本集團業務及職責、實施主要策略、執行董事會決策以及協調本集團之日常營運。直至本報告日期，主席一職仍然懸空。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。

Attendance of general meeting

Code provision A.6.7 of the CG Code provides that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. Code provision E.1.2 of the CG Code requires that the chairman of the board should attend the annual general meeting. He should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend the annual general meeting.

Due to their temporary business activities and unexpected engagement, Mr. Xu Lei, a non-executive Director, and Mr. Hu Dingdong, an independent non-executive Director, were unable to attend the special general meeting held on 10 March 2014 and the annual general meeting held on 8 May 2014 ("2014 AGM") which did not comply with the code provision A.6.7.

Due to his temporary activities and unexpected engagement, Mr. Leung Wo Ping JP, an independent non-executive Director and the chairman of each of the Audit Committee, nomination committee and remuneration committee of the Company, was unable to attend the 2014 AGM, which did not comply with code provisions A.6.7 and E.1.2.

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 30 June 2014. 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 30 June 2014.

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 30 June 2014.

By Order of the Board
Heng Xin China Holdings Limited
Xiao Yan
Chief Executive Officer

Hong Kong, 14 August 2014

As at the date of this report, the Board comprises Mr. Xiao Yan (Chief Executive Officer), 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.

出席股東大會

企業管治守則之守則條文第A.6.7條規定，獨立非執行董事及其他非執行董事須出席股東大會，對股東之意見有公正之瞭解。企業管治守則之守則條文第E.1.2條規定，董事會主席須出席股東周年大會。彼亦須邀請審核委員會、薪酬委員會、提名委員會及任何其他委員會(如適用)主席出席股東週年大會。

由於臨時業務活動及預期外應酬，本公司非執行董事徐雷先生及獨立非執行董事胡定東先生未克出席於二零一四年三月十日舉行之股東特別大會及於二零一四年五月八日舉行之股東週年大會(「二零一四年股東週年大會」)，故未遵守守則條文第A.6.7條之規定。

由於臨時業務活動及預期外應酬，獨立非執行董事兼本公司審核委員會、提名委員會及薪酬委員會各自之主席梁和平先生，太平紳士未克出席二零一四年股東週年大會，故未遵守守則條文第A.6.7條及第E.1.2條之規定。

董事進行證券交易之操守準則

截至二零一四年六月三十日止六個月，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之操守準則。本公司經向全體董事作出具體查詢後，得悉截至二零一四年六月三十日止六個月，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

截至二零一四年六月三十日止六個月，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，二零一四年八月十四日

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。



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