



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)

2015

First Quarterly Report
第一季業績報告

IMPORTANT NOTICE

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This report, for which the directors (the “Directors”) of Heng Xin China Holdings Limited (the “Company”) 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 the Company. 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」）的特色

創業板的定位，乃為相比起其他在聯交所上市的公司帶有較高投資風險的公司提供一個上市的市場。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他老練投資者。

由於創業板上市公司新興的性質使然，在創業板買賣的證券可能會較於聯交所主板買賣之證券承受較大的市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

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不發表任何聲明，並明確表示概不就因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」）而刊載，旨在提供有關恒芯中國控股有限公司（「本公司」）的資料。本公司各董事（「董事」）願就本報告所載的資料共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均為準確及完備，沒有誤導或欺詐成份，且並無遺漏任何事項，足以令致本報告或其所載任何陳述產生誤導。

RESULTS

The board of Directors (the "Board") of Heng Xin China Holdings Limited announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months ended 31 March 2015 together with the comparative unaudited figures for the corresponding period in 2014.

業績

恒芯中國控股有限公司董事會(「董事會」)公佈本公司及其附屬公司(統稱為「本集團」)截至二零一五年三月三十一日止三個月之未經審核簡明綜合業績，連同二零一四年同期之未經審核比較數字。

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months ended 31 March 2015

簡明綜合損益表

截至二零一五年三月三十一日止三個月

		Three months ended 31 March	
		截至三月三十一日止三個月	
		2015	2014
		二零一五年	二零一四年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Revenue	收益	3	4,259
Cost of sales	銷售成本	3	(3,449)
Gross profit	毛利		810
Other income	其他收入	3	76
Selling and marketing expenses	銷售及市場推廣開支		(328)
Other operating expenses	其他經營費用		(19,446)
Finance costs	融資成本	4	(1,263)
Share of loss of associate	分佔聯營公司虧損		(42)
Loss before taxation	除稅前虧損		(20,193)
Taxation	稅項	5	(9)
Loss for the period	期內虧損	6	(20,202)
Loss attributable to	以下人士應佔虧損：		
Owners of the Company	本公司擁有人		(19,579)
Non-controlling interests	非控股股東權益		(623)
			(20,202)
Loss per share	每股虧損	7	HK cent 港仙
— Basic	— 基本		(0.47)
— Diluted	— 攤薄		N/A 不適用
Dividends	股息	8	—

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2015

簡明綜合其他全面收入表

截至二零一五年三月三十一日止三個月

		Three months ended 31 March 截至三月三十一日止三個月		
		2015 二零一五年 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)	
	Note 附註			
Loss for the period	期內虧損	6	(20,202)	(15,179)
Other comprehensive loss:	其他全面虧損：			
Items that may be reclassified subsequently to profit or loss:	其後可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		(5,880)	(13,300)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	期內全面虧損總額		(26,082)	(28,479)
Total comprehensive loss attributable to:	以下人士應佔全面虧損總額：			
Owners of the Company	本公司擁有人		(25,459)	(27,816)
Non-controlling interests	非控股股東權益		(623)	(663)
			(26,082)	(28,479)

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 and its principal place of business is Unit 2, 24/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.

The Company is an investment holding company. The shares of the Company have been listed on the GEM 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 three months ended 31 March 2015 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 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 condensed consolidated financial statements are consistent with those used in the financial statements for the year ended 31 December 2014. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's annual report for the year ended 31 December 2014. Those new accounting standards, amendments to accounting standards and interpretations which are mandatory for financial year ending 31 December 2015 have no material impact on the Group.

The unaudited condensed 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, 其主要營業地點為香港灣仔告士打道39號夏慤大廈24樓2室。

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創業板上市。

本集團之主要業務則包括從事有線數位電視業務、無線數位電視增值服務、地面無線數位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

截至二零一五年三月三十一日止三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。編製未經審核簡明綜合財務報表所採用之會計政策及計算方法與編製截至二零一四年十二月三十一日止年度之財務報表所採用者一致。該等未經審核簡明綜合財務報表應與本公司截至二零一四年十二月三十一日止年度之年報一併閱讀。須於截至二零一五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。

未經審核簡明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 ended 31 March 2015 are as follows:

3. 收益

截至二零一五年三月三十一日止三個月之收益分類確認如下：

		Three months ended 31 March 截至三月三十一日止三個月	
		2015 二零一五年 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)
Revenue	收益		
Digital cable television business	有線數位電視業務	1,193	18,987
Wireless digital television value-added services	無線數位電視增值服務	2,948	2,980
Encrypted integrated circuits	加密芯片	118	-
Wireless digital audio integrated circuits	無線數字音頻芯片	-	13
Wireless digital terrestrial television network equipment integrated business	地面無線數位電視網絡設備集成業務	-	-
		4,259	21,980
Other income	其他收入		
Bank interest income	銀行利息收入	1	5
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	75	283
Sundry income	雜項收入	-	43
		76	331

4. FINANCE COSTS

4. 融資成本

		Three months ended 31 March 截至三月三十一日止三個月	
		2015 二零一五年 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)
Interest on bank and other loans	銀行及其他貸款之利息	270	242
Interest on redeemable bonds	可贖回債券之利息	993	2,868
		1,263	3,110

5. TAXATION

5. 稅項

		Three months ended 31 March 截至三月三十一日止三個月	
		2015 二零一五年 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)
Current tax:	即期稅項：		
Hong Kong	香港		
– charge for the period	– 本期間支出	–	–
PRC	中國		
– charge for the period	– 本期間支出	9	14
		9	14

The provision for Hong Kong Profits Tax is calculated at 16.5%, no provision for Hong Kong Profits Tax has been made as the Group has no assessable profits (2014: 16.5%). The PRC Enterprise Income Tax has been provided at a rate of 25% (2014: 25%) on the taxable income as reported in the statutory accounts of the companies comprising the Group, which are prepared in accordance with the relevant PRC accounting standards, as adjusted for income and expense items which are not assessable or deductible for income tax purposes.

本集團香港利得稅撥備按16.5%計算，由於本集團並無應課稅溢利，故並未就香港利得稅計提撥備(二零一四年：16.5%)。中國企業所得稅按本集團旗下公司法定賬款所呈報的應課稅收入之25%(二零一四年：25%)計提，本集團旗下公司之法定賬款按相關中國會計準則編製，並就不可課稅或不可扣減所得稅之收入及開支作出調整。

6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

		Three months ended 31 March 截至三月三十一日止三個月	
		2015 二零一五年 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)
Depreciation	折舊	3,555	4,143
Operating lease charges on office premises	辦公室物業之經營租賃費用	587	2,071
Research and development costs	研究及開發成本	3,930	3,833
Staff costs (including Directors' emoluments)	員工成本(包括董事酬金)		
– salaries and allowances	– 薪金及津貼	4,161	4,337
– pension scheme contributions	– 退休金計劃供款	441	426

7. LOSS PER SHARE

(a) Basic

Basic loss per share for the three months ended 31 March 2015 is calculated by dividing the consolidated loss attributable to the owners of the Company for the three months ended 31 March 2015 of HK\$19,579,000 (2014: HK\$14,516,000) by the weighted average number of 4,192,412,000 (2014: 3,408,590,000) ordinary shares in issue during the period.

(b) Diluted

No diluted loss per share has been presented for the three months ended 31 March 2015 and 2014 as the exercise price of the Company's outstanding share options and warrants were higher than the average market price of the Company's shares for the period.

8. DIVIDENDS

The Board has resolved not to declare any interim dividend for the three months ended 31 March 2015 (2014: Nil).

6. 期內虧損

期內虧損乃經扣除下列各項後列賬：

Three months ended 31 March 截至三月三十一日止三個月

	2015 二零一五年 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)
折舊	3,555	4,143
辦公室物業之經營租賃費用	587	2,071
研究及開發成本	3,930	3,833
員工成本(包括董事酬金)		
– 薪金及津貼	4,161	4,337
– 退休金計劃供款	441	426

7. 每股虧損

(a) 基本

截至二零一五年三月三十一日止三個月之每股基本虧損乃按截至二零一五年三月三十一日止三個月本公司擁有人應佔綜合虧損 19,579,000 港元(二零一四年：14,516,000 港元)除以期內已發行普通股加權平均數 4,192,412,000 股(二零一四年：3,408,590,000 股)計算。

(b) 攤薄

由於截至二零一五年及二零一四年三月三十一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之平均市價，因此期內並無呈列每股攤薄虧損。

8. 股息

董事會議決不宣派截至二零一五年三月三十一日止三個月之任何中期股息(二零一四年：無)。

9. SHARE CAPITAL AND RESERVES

9. 股本及儲備

		Unaudited 未經審核									
		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	股東權益 非控股	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 2014	於二零一四年一月一日之結餘	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	-	-	-	-	-	417	-	417	-	417
Total comprehensive loss for the three months ended 31 March 2014	截至二零一四年三月三十一日止三個月之全面虧損總額	-	-	-	(13,300)	-	-	(14,516)	(27,816)	(663)	(28,479)
Balance at 31 March 2014	於二零一四年三月三十一日之結餘	34,086	1,466,350	2,325	86,974	(79,992)	3,813	(429,844)	1,083,712	25,029	1,108,741
Balance at 1 January 2015	於二零一五年一月一日之結餘	34,586	1,478,350	2,325	80,847	(79,992)	4,236	(1,183,650)	336,702	21,039	357,741
Issue of new shares	發行新股份	8,416	92,576	-	-	-	-	-	100,992	-	100,992
Total comprehensive loss for the three months ended 31 March 2015	截至二零一五年三月三十一日止三個月之全面虧損總額	-	-	-	(5,880)	-	-	(19,579)	(25,459)	(623)	(26,082)
Balance at 31 March 2015	於二零一五年三月三十一日之結餘	43,002	1,570,926	2,325	74,967	(79,992)	4,236	(1,203,229)	412,235	20,416	432,651

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

For the three months ended 31 March 2015, the Group recorded a consolidated revenue of approximately HK\$4.3 million, representing a decrease of approximately 81% when compared to approximately HK\$22 million for the corresponding period in 2014.

Gross profit margin of the Group for the current three-month period decreased by approximately 11% from that recorded in the corresponding period of the last financial year to approximately 19%, resulting from the change of business mix.

Other income amounted to approximately HK\$76,000 for the three months ended 31 March 2015, representing a decrease of about 77% when compared to approximately HK\$0.3 million for the corresponding period of the last financial year. For the three months ended 31 March 2015, other income mainly arised from the gain on disposal of fixed assets.

Other operating expenses amounted to approximately HK\$19.4 million for the three months ended 31 March 2015, representing an increase of approximately 3% when compared to approximately HK\$18.8 million for the corresponding period of the last financial year. The increase was mainly attributable to increase in legal and professional fees both incurred in Hong Kong and China.

The loss attributable to owners of the Company amounted to approximately HK\$19.6 million for the three months ended 31 March 2015, while loss attributable to the owners of the Company amounted to approximately HK\$14.5 million over the corresponding period of the last financial year. Basic loss per share was approximately HK0.47 cent for the three months ended 31 March 2015, while basic loss per share was approximately HK0.43 cent for the three months ended 31 March 2014.

As at 31 March 2015, the cash and bank balances of the Group (including the restricted bank deposits) amounted to approximately HK\$7.6 million, representing an increase of approximately 6.3% when compared to that of approximately HK\$7.1 million as at 31 December 2014. As at 31 March 2015, the gearing ratio of the Group, calculated as total notes payable and short term loans over shareholders' funds, was approximately 0.15 (31 December 2014: 0.31).

管理層討論及分析

財務回顧

於截至二零一五年三月三十一日止三個月，本集團錄得綜合收益約4,300,000港元，較二零一四年同期之約22,000,000港元減少約81%。

本三個月期間本集團之毛利率由上一財政年度同期之毛利率減少約11%至約19%，乃由於業務組合變動所致。

截至二零一五年三月三十一日止三個月之其他收入約為76,000港元，較上一財政年度同期之約300,000港元減少約77%。截至二零一五年三月三十一日止三個月，其他收入主要來自出售固定資產之收益。

截至二零一五年三月三十一日止三個月之其他經營費用約為19,400,000港元，較上一財政年度同期之約18,800,000港元增加約3%。該增加乃主要由於香港及中國產生之法律及專業費用均有所增加所致。

截至二零一五年三月三十一日止三個月，本公司擁有人應佔虧損約為19,600,000港元，而上一財政年度同期之本公司擁有人應佔虧損則約為14,500,000港元。截至二零一五年三月三十一日止三個月之每股基本虧損約為0.47港仙，而截至二零一四年三月三十一日止三個月之每股基本虧損則約0.43港仙。

於二零一五年三月三十一日，本集團之現金及銀行結餘(包括有限制銀行存款)約為7,600,000港元，較二零一四年十二月三十一日之約7,100,000港元增加約6.3%。於二零一五年三月三十一日，本集團之資本負債比率(應付票據及短期貸款總額除以股東資金)約為0.15(二零一四年十二月三十一日：0.31)。

Subscription of New Shares

On 18 December 2014, the Company entered into two separate conditional subscription agreements with Lincy Global Limited and Mr. Zhu Yan Biao (朱燕標) as subscriber respectively. On the same day, the Company also entered into a conditional subscription agreement (as amended and supplemented by a supplemental letter dated 19 January 2015 and a supplemental agreement dated 28 January 2015) with Elite Fortune Global Limited as subscriber (together with Lincy Global Limited and Mr. Zhu Yan Biao (朱燕標), collectively the "Subscribers"). Pursuant to the aforesaid subscription agreements, the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 541,600,000 new shares of the Company (the "Shares") at the price of HK\$0.12 per subscription share, representing a discount of approximately 17.24% to the closing price of HK\$0.145 per Share as quoted on the Stock Exchange on 18 December 2014.

The subscription of an aggregate of 416,600,000 new Shares by Lincy Global Limited and Mr. Zhu Yan Biao (朱燕標) was completed on 9 January 2015 and the subscription of 125,000,000 new Shares by Elite Fortune Global Limited was completed on 30 January 2015 respectively. The net proceeds amounted to approximately HK\$65 million was used by the Company (i) as to approximately HK\$53 million (81%) for reduction of the Group's level of debt; and (ii) as to approximately HK\$12 million for general working capital of the Group as to approximately 7% for operating expenses in China, approximately 1% for staff cost and the remaining 11% was for other operating expenses. Relevant disclosure was made in the announcements of the Company dated 18 December 2014, 9 January 2015, 19 January 2015 and 28 January 2015.

On 12 March 2015, the Company entered into four separate conditional subscription agreements with China Wish Limited, Ms. Zhang Wan Qiu (張婉秋), Mr. Ma Jia Tao (馬佳濤) and Mr. Chen Wen Cai (陳文財) as subscriber respectively. Pursuant to the subscription agreements, the subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 300,000,000 new Shares at the price of HK\$0.12 per subscription share, representing a discount of approximately 13.67% to the closing price of HK\$0.139 per Share as quoted on the Stock Exchange on 12 March 2015.

Completion of the aforesaid subscription has taken place on 25 March 2015 and the net proceeds amounted to approximately HK\$36 million was used by the Company (i) as to approximately HK\$10 million (28%) for the repayment of trade creditor, and approximately HK\$10 million (28%) for the reduction of the Group's level of debt; and (ii) as to approximately HK\$16 million for general working capital of the Group as to approximately HK\$6 million (17%) for the purchase of trading materials, and HK\$2.5 million (7%) for the finance cost, and approximately HK\$2 million (6%) for staff cost, and the remaining 14% of net proceeds was for operating expenses. Relevant disclosure was made in the announcements of the Company dated 12 March 2015 and 25 March 2015.

新股份之認購

於二零一四年十二月十八日，本公司分別與 Lincy Global Limited 及朱燕標先生(作為認購人)訂立兩份單獨的有條件認購協議。同日，本公司亦與 Elite Fortune Global Limited(作為認購人)(連同 Lincy Global Limited 及朱燕標先生，統稱為「認購人」)訂立有條件認購協議(經日期為二零一五年一月十九日的補充函件及日期為二零一五年一月二十八日的補充協議修訂及補充)。根據上述認購協議，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 0.12 港元之價格配發及發行合共 541,600,000 股本公司新股份(「股份」)，相當於二零一四年十二月十八日聯交所報收市價每股 0.145 港元約 17.24% 之折讓。

Lincy Global Limited 及朱燕標先生已於二零一五年一月九日完成認購合共 416,600,000 股新股份，而 Elite Fortune Global Limited 已於二零一五年一月三十日完成認購 125,000,000 股新股份。所得款項淨額約 65,000,000 港元已由本公司用作下列用途：(i) 約 53,000,000 港元(81%) 用作扣減本集團的債務水平；及(ii) 約 12,000,000 港元用作本集團的一般營運資金(約 7% 用作於中國之經營費用、約 1% 用作員工成本及餘下 11% 用作其他經營費用)。已於本公司日期為二零一四年十二月十八日、二零一五年一月九日、二零一五年一月十九日及二零一五年一月二十八日之公告作出相關披露。

於二零一五年三月十二日，本公司分別與漢志有限公司、張婉秋女士、馬佳濤先生及陳文財先生(均作為認購人)訂立四份單獨的有條件認購協議。根據認購協議，認購人已有條件同意認購而本公司已有條件同意配發及發行合共 300,000,000 股新股份，價格為每股認購股份 0.12 港元，相當於二零一五年三月十二日聯交所報收市價每股 0.139 港元約 13.67% 之折讓。

上述認購已於二零一五年三月二十五日完成，而所得款項淨額約 36,000,000 港元已由本公司用作下列用途：(i) 約 10,000,000 港元(28%) 用作償還貿易債權人款項及約 10,000,000 港元(28%) 用作扣減本集團的債務水平；及(ii) 約 16,000,000 港元用作本集團的一般營運資金(約 6,000,000 港元(17%) 用作購買交易材料、2,500,000 港元(7%) 用作融資成本及約 2,000,000 港元(6%) 用作員工成本以及所得款項淨額的餘下 14% 用作經營費用)。已於本公司日期為二零一五年三月十二日及二零一五年三月二十五日之公告作出相關披露。

Capital Injection

On 26 January 2015, 北京凱僑立盛科技有限公司 (Beijing Kaiqiao Lisheng Technology Company Limited*) (“Beijing Kaiqiao”), a wholly-owned subsidiary of the Company, entered into a capital injection agreement with the original shareholders of 山西中澤恒遠生物科技有限公司 (Shanxi Zhongze Heng Yuan Biological Technology Company Limited*) (“Shanxi Zhongze”) namely 中祥恒遠投資管理有限公司 (Zhong Xiang Heng Yuan Investment Management Company Limited*) (“Zhong Xiang”) and 胡國勝 (Hu Guosheng), whereby Beijing Kaiqiao agreed to inject a sum of RMB52 million into Shanxi Zhongze, of which RMB31.23 million and RMB20.77 million will be recognized as the registered capital and capital reserve of Shanxi Zhongze respectively. Shanxi Zhongze is a company incorporated in the PRC and is principally engaged in research and development, manufacturing and selling of castor seeds, manufacturing and selling of castor beans, research and development of technology of biological products, research and development of technology of new technology of castor industry, promotion of technology, application of technology and selling of castor oil. Upon completion of the capital injection, the equity holding of Beijing Kaiqiao in Shanxi Zhongze will be 51% and Shanxi Zhongze will become a non-wholly owned subsidiary of the Company.

As at the date of this report, the transaction is subject to fulfilment of certain conditions precedent and has not been completed. Further details of this transaction are set out in the Company's announcement dated on 26 January 2015.

Business review

The Group still recorded a net loss for the three months ended 31 March 2015 as compared to the net loss recorded in the corresponding period in 2014. Affected by the overall weak domestic economy, the results of the business of the Group in the first quarter still facing difficulties.

(i) Digital cable television business

Revenue for the three months ended 31 March 2015 amounted to approximately HK\$1.2 million (2014: HK\$19.0 million) or 28% (2014: 86%) of the total revenue. The drop of revenue in this segment was mainly due to the record of revenue RMB15 million from 北京華視星源科技有限公司 (Beijing Huashi Xinyuan Technology Limited*) in the first quarter of 2014 while no such revenue was recorded in the first quarter of 2015. In the first quarter of 2015, 北京亞澳博視技術有限公司 (Beijing Yao Boshi Technology Limited*), which is a company cooperated with local television stations of Xinji, Dongguang and Qing County in Hebei province to develop a cable television network that cover the three counties, has generated revenue of approximately HK\$1 million.

* For identification purposes only

注資

於二零一五年一月二十六日，本公司之一間全資附屬公司北京凱僑立盛科技有限公司（「北京凱僑」）與山西中澤恒遠生物科技有限公司（「山西中澤」）之原股東中祥恒遠投資管理有限公司（「中祥」）及胡國勝訂立一份注資協議，據此，北京凱僑同意向山西中澤資本注入人民幣52,000,000元，其中人民幣31,230,000元及人民幣20,770,000元將分別被確認為山西中澤之註冊股本及資本儲備。山西中澤為一間於中國註冊成立之公司，其主要從事蓖麻種子的研發、生產及銷售；蓖麻籽的生產與銷售；生物產品的技術研發；蓖麻產業新技術的技術研發、技術推廣、技術應用；及蓖麻油的銷售。於注資完成後，北京凱僑將擁有山西中澤51%股權，而山西中澤將成為本公司之非全資附屬公司。

於本報告日期，該交易須待若干先決條件達成後方可作實，故尚未完成。有關該交易之進一步詳情載於本公司日期為二零一五年一月二十六日之公告。

業務回顧

與於二零一四年同期錄得淨虧損相比，本集團於截至二零一五年三月三十一日止三個月仍錄得淨虧損。受國內整體經濟疲弱影響，本集團業務在第一季度之業績仍面臨諸多困難。

(i) 有線數位電視業務

截至二零一五年三月三十一日止三個月，收益約為1,200,000港元（二零一四年：19,000,000港元）或佔總收益28%（二零一四年：86%）。此分部收益下降乃主要由於於二零一四年第一季度錄得來自北京華視星源科技有限公司之收益人民幣15,000,000元，而於二零一五年第一季度並無錄得該項收益。於二零一五年第一季度，北京亞澳博視技術有限公司（為一間已與河北省辛集縣、東光縣及青縣當地電視台進行合作，以發展覆蓋上述三縣之有線電視網絡之公司）錄得收益約1,000,000港元。

(ii) Wireless digital television value-added services

Revenue for the three months ended 31 March 2015 amounted to approximately HK\$2.9 million (2014: HK\$3 million) or around 69% (2014: 14%) of the total revenue. The Group had signed contracts on wireless mobile digital television operation in Hebei province, which includes 6,000 advertising display panels in public areas.

(iii) Encrypted integrated circuits business

Revenue for the three months ended 31 March 2015 generated from the encrypted integrated circuits business amounted to HK\$118,000 (2014: Nil) or around 3% (2014: Nil) of the total revenue. The revenue from software sales and technical solution provision of this segment was still adversely affected due to less market demand and development cycles issues.

(iv) Wireless digital audio integrated circuits business

There was no revenue generated from this segment for the three months ended 31 March 2015. Approximately HK\$13,000 or around 0.1% of the total revenue generated from this segment for the three months ended 31 March 2014.

(v) Wireless digital terrestrial television network equipment integrated business

There was no revenue generated from this sector in the first quarter of 2015 and 2014. The domestic market for this sector was not optimistic, but the Group will find ways to explore the market for it.

(ii) 無線數位電視增值服務

截至二零一五年三月三十一日止三個月，收益約為2,900,000港元(二零一四年：3,000,000港元)或佔總收益約69%(二零一四年：14%)。本集團在河北省簽約了無線移動數位電視運營協定，包含6,000塊公共位置之廣告顯示屏幕。

(iii) 加密芯片業務

截至二零一五年三月三十一日止三個月，來自加密芯片業務之收益為118,000港元(二零一四年：無)或佔總收益約3%(二零一四年：無)。此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仍受到不利影響。

(iv) 無線數字音頻芯片業務

截至二零一五年三月三十一日止三個月，本業務分部並無產生任何收益。截至二零一四年三月三十一日止三個月，來自本業務分部之收益約13,000港元或佔總收益約0.1%。

(v) 地面無線數位電視網絡設備集成業務

本產業於二零一五年及二零一四年第一季度並無產生任何收益。雖然本產業的國內市場並不樂觀，但本集團仍將尋求方法為其開拓市場。

Prospects

In year 2015, the Group will further consolidate and serve its contracted broadcasting television subscribers, and build a foundation for achieving the overall objectives of development of the Group. More importantly, the Group will seek cooperation opportunities in new provinces while expand its business in the provinces in which cooperation has been established, so as to create more promising profit growth and the long-term value for the Group.

Whilst the Group remains focused on developing its existing businesses, the Board considered that it was beneficial for the Group to seek suitable investment opportunities from time to time to develop its existing business portfolio and engage in a new line of business with growth potential and broaden its source of income.

前景

二零一五年本集團將進一步鞏固和建設運營好已經簽約之廣電用戶，為完成本集團之總體發展目標奠定基礎。更重要的是，本集團將在新的省份獲得一些合作機會，已合作之省份之業務也將進行擴展，為本集團帶來較好之利潤增長和長遠價值。

本集團於專注發展其現有業務之餘，董事會認為不時尋找適合投資商機以發展其現有業務組合及從事具增長潛力之新型業務以及擴闊其收入來源對本集團有利。

Subsequent event – Issue of Bond

On 12 January 2015, the Company and National United Resources Holdings Limited (“NUR”) entered into a conditional subscription agreement, pursuant to which NUR has conditionally agreed to subscribe for and the Company has conditionally agreed to issue to NUR the 11% coupon bond in an aggregate principal amount of HK\$80,000,000 (the “Bond”). The Bond will mature for redemption on the date immediately following twelve (12) months after the date of its issuance.

On 3 March 2015, the Company and NUR, after arm’s length negotiation, entered into a supplemental agreement to extend the date for the fulfilment of the conditions precedent to the subscription to 27 April 2015.

Completion of the subscription of the Bond in an aggregate principal amount of HK\$70 million has taken place on 2 April 2015. Details are set out in the announcements of the Company dated 12 January 2015 and 3 March 2015.

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

As at 31 March 2015, the interests and short positions of the Directors and the chief executives 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 Rule 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:

期後事項 – 發行債券

於二零一五年一月十二日，本公司與國家聯合資源控股有限公司（「國家聯合資源」）訂立有條件認購協議，據此，國家聯合資源已有條件同意認購而本公司已有條件同意向國家聯合資源發行合共本金額為80,000,000港元票息為11%之債券（「債券」）。債券將於緊隨其發行日期後十二（12）個月後日期屆滿贖回。

於二零一五年三月三日，本公司及國家聯合資源按公平磋商原則訂立一份補充協議，以延長認購事項之先決條件的達成日期至二零一五年四月二十七日。

認購合共本金額為70,000,000港元之債券已於二零一五年四月二日完成。有關詳情載於本公司日期為二零一五年一月十二日及二零一五年三月三日之公告。

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

於二零一五年三月三十一日，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：

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

於本公司之股份、相關股份及債權證之權益及淡倉

Name of Directors	Capacity	Long position/ short position	Number of Shares held 持有之 股份數目	Approximate percentage of interests in the issued share capital of the Company 佔本公司已發行股本 權益之概約百分比
董事姓名	身份	好倉／淡倉		
Mr. Xiao Yan 肖彥先生	Beneficial owner 實益擁有人	Long position 好倉	2,273,334	0.05%
Mr. Qiu Bin 仇斌先生	Beneficial owner 實益擁有人	Long position 好倉	2,408,000	0.06%

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 31 March 2015, and at no time during the three months ended 31 March 2015 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 or underlying shares in, or debentures of, the Company or its associated corporation.

除上文所披露者外，於二零一五年三月三十一日，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二零一五年三月三十一日止三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相關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

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

As at 31 March 2015, 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:

於二零一五年三月三十一日，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：

Long positions in the Shares and underlying shares of the Company 於本公司股份及相關股份之好倉

Name of shareholders 股東名稱	Number or attributable number of Shares held 持有之股份數目或應佔數目	Type of interests 權益類別	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比
Choi Chung Lam ("Mr. Choi") (Note 1) 蔡忠林(「蔡先生」)(附註1)	623,542,451	Interest in controlled corporation 受控法團權益	14.50%
Team Effort Investments Limited ("Team Effort") (Note 1) (「Team Effort」)(附註1)	623,542,451	Beneficial owner 實益擁有人	14.50%
Bao Yu ("Mr. Bao") (Note 2) 暴宇(「暴先生」)(附註2)	333,300,000	Interest in controlled corporation 受控法團權益	7.75%
Long Joy Holdings Limited ("Long Joy") (Note 2) (「Long Joy」)(附註2)	333,300,000	Interest in controlled corporation 受控法團權益	7.75%
Lincy Global Limited ("Lincy Global") (Note 2) (「Lincy Global」)(附註2)	333,300,000	Beneficial owner 實益擁有人	7.75%

Notes:

- 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.
- These 333,300,000 Shares are held by Lincy Global, which is wholly owned by Long Joy, which in turn is wholly owned by Mr. Bao. Hence, each of Long Joy and Mr. Bao is deemed to be interested in these Shares in which Lincy Global is interested.

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。
- 該等333,300,000股股份由Lincy Global持有，Lincy Global由Long Joy全資擁有，而後者則由暴先生全資擁有。因此，Long Joy及暴先生各自被視為於Lincy Global擁有權益之該等股份中擁有權益。

Save as disclosed above, as at 31 March 2015, 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，於二零一五年三月三十一日，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。

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors, the management shareholders of the Company nor any of their close associates (as defined in the GEM Listing Rules) had an 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.

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 Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the three months ended 31 March 2015.

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 auditor 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 three months ended 31 March 2015. 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 three months ended 31 March 2015.

董事於競爭業務之權益

本公司董事、管理層股東或彼等之任何緊密聯繫人(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權益衝突之業務中擁有任何權益。

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，即梁和平太平紳士(主席)、董石先生及胡定東先生。審核委員會已審閱本集團截至二零一五年三月三十一日止三個月之未經審核簡明綜合業績。

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。

董事進行證券交易之操守準則

於截至二零一五年三月三十一日止三個月內，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，得悉截至二零一五年三月三十一日止三個月內，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。

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 three months ended 31 March 2015.

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

Hong Kong, 14 May 2015

As at the date of this report, the Board comprises Mr. Xiao Yan (Chief Executive Officer), Mr. Qiu Bin, Mr. Li Tao and Mr. Wang Kun as executive Directors; Mr. Xu Lei as non-executive Director; and Mr. Leung Wo Ping JP, Mr. Dong Shi, Mr. Hu Dingdong and Mr. Lei Yong as independent non-executive Directors.

購買、出售或贖回本公司之上市證券

截至二零一五年三月三十一日止三個月，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，二零一五年五月十四日

於本報告日期，董事會由執行董事肖彥先生（行政總裁）、仇斌先生、李濤先生及王坤先生；非執行董事徐雷先生；及獨立非執行董事梁和平、董石先生、胡定東先生及雷勇先生組成。



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

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