

CNC HOLDINGS LIMITED 中國新華電視控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

Stock code 股份代號: 8356



FIRST QUARTERLY REPORT
2015/2016
第一季度報告

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

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This report, for which the directors (the “Directors”) of CNC 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.

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

創業板乃為較於聯交所上市之其他公司帶有更高投資風險之公司提供上市之市場。有意投資者應瞭解投資於該等公司之潛在風險，並應經過審慎周詳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。

基於創業板上市公司之新興性質，在創業板買賣之證券可能會承受較於聯交所主板買賣之證券為高之市場波動風險，亦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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本報告載有根據聯交所創業板證券上市規則（「創業板上市規則」）而提供有關中國新華電視控股有限公司（「本公司」）之資料，本公司各董事（「董事」）願就本報告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，就彼等所知及所信，本報告所載資料在所有重大方面均屬準確、完整及並無誤導或欺詐成份，且本文或本報告並無遺漏任何其他事項致使當中任何聲明有所誤導。

HIGHLIGHTS

- The Group's revenue for the three months ended 30 June 2015 increased by approximately 14.2% to approximately HK\$77.6 million (2014: approximately HK\$67.9 million).
- Loss attributable to owners of the Company for the three months ended 30 June 2015 increased by approximately 9.1% to HK\$17.8 million (2014: approximately HK\$16.3 million).
- Basic loss per Share for the three months ended 30 June 2015 was approximately HK0.48 cent (2014: approximately HK0.78 cent).
- The Board does not recommend the payment of any dividend for the three months ended 30 June 2015.

摘要

- 本集團截至二零一五年六月三十日止三個月的收益增加約14.2%至約77,600,000港元(二零一四年:約67,900,000港元)。
- 截至二零一五年六月三十日止三個月本公司擁有人應佔虧損增加約9.1%至約17,800,000港元(二零一四年:約16,300,000港元)。
- 截至二零一五年六月三十日止三個月的每股基本虧損為約0.48港仙(二零一四年:約0.78港仙)。
- 董事會不建議就截至二零一五年六月三十日止三個月派發任何股息。

The board of Directors (the "Board") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months ended 30 June 2015, together with the unaudited comparative figures for the corresponding period in 2014, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three months ended 30 June 2015

董事會(「董事會」)欣然宣佈本公司及其附屬公司(統稱「本集團」)截至二零一五年六月三十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如下:

簡明綜合損益及其他全面收益表 (未經審核)

截至二零一五年六月三十日止三個月

| | | Three months ended 30 June 截至六月三十日止三個月 | |
|--|----------------------------------|---|----------------------------------|
| | | 2015 二零一五年 HK\$'000 千港元 | 2014 二零一四年 HK\$'000 千港元 |
| Revenue | 收益 | 77,581 | 67,905 |
| Cost of services | 服務成本 | <u>(75,586)</u> | <u>(64,851)</u> |
| Gross profit | 毛利 | 1,995 | 3,054 |
| Other income | 其他收入 | 128 | 1,686 |
| Other gains and losses | 其他收益及虧損 | 546 | 463 |
| Amortisation expenses | 攤銷開支 | (5,764) | (5,676) |
| Selling and distribution expenses | 銷售及分銷開支 | (43) | - |
| Administrative expenses | 行政開支 | <u>(7,857)</u> | <u>(7,352)</u> |
| Loss from operations | 營運虧損 | (10,995) | (7,825) |
| Finance costs | 融資成本 | <u>(8,639)</u> | <u>(9,435)</u> |
| Loss before income tax | 除所得稅前虧損 | (19,634) | (17,260) |
| Income tax | 所得稅 | 1,860 | 967 |
| Loss for the period | 期內虧損 | <u>(17,774)</u> | <u>(16,293)</u> |
| Other comprehensive income: Items that may be classified subsequently to profit or loss: | 其他全面收益: 其後可能分類至損益之 項目: | | |
| Exchange differences on translating foreign operations | 換算境外業務之 匯兌差額 | 127 | 4 |
| Other comprehensive income for the period | 期內其他全面收入 | <u>127</u> | <u>4</u> |
| Total comprehensive loss for the period | 期內全面虧損總額 | <u>(17,647)</u> | <u>(16,289)</u> |
| Loss for the period attributable to owners of the Company | 本公司擁有人 應佔期內虧損 | <u>(17,774)</u> | <u>(16,293)</u> |
| Total comprehensive loss for the period attributable to owners of the Company | 本公司擁有人應佔期內 全面虧損總額 | <u>(17,647)</u> | <u>(16,289)</u> |
| Loss per Share attributable to owners of the Company - Basic and diluted (HK cent) | 本公司擁有人 應佔每股虧損 - 基本及攤薄 (港仙) | 10 <u>(0.48)</u> | <u>(0.78)</u> |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

簡明綜合權益變動表 (未經審核)

For the three months ended 30 June 2015 截至二零一五年六月三十日止三個月

| | | Share capital | Share premium | Capital reserves | Convertible notes equity reserves | Foreign currency translation reserves | Other reserves | Accumulated losses | Total equity |
|--|-----------------------|---------------|------------------|------------------|-----------------------------------|---------------------------------------|----------------|--------------------|------------------|
| | | 股本 | 溢價 | 資本儲備 | 可換股票據權益儲備 | 外幣換算儲備 | 其他儲備 | 累計虧損 | 總權益 |
| | | 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 |
| As at 1 April 2015 | 於二零一五年四月一日 | 3,693 | 1,155,013 | - | 67,505 | 153 | 9,868 | (1,265,198) | (28,966) |
| Loss for the period | 期內虧損 | - | - | - | - | - | - | (17,774) | (17,774) |
| Other comprehensive income for the period: | 期內其他全面收入: | | | | | | | | |
| Items that may be classified subsequently to profit or loss: | 其後可能分類至損益之項目: | | | | | | | | |
| Exchange differences on translating foreign operations | 換算境外業務之匯兌差額 | - | - | - | - | 127 | - | - | 127 |
| Total comprehensive income/(loss) for the period | 期內全面收入/(虧損)總額 | - | - | - | - | 127 | - | (17,774) | (17,647) |
| Waiver of debts by a shareholder | 一名股東豁免債務 | - | - | 2,758 | - | - | - | - | 2,758 |
| As at 30 June 2015 (unaudited) | 於二零一五年六月三十日 (未經審核) | <u>3,693</u> | <u>1,155,013</u> | <u>2,758</u> | <u>67,505</u> | <u>280</u> | <u>9,868</u> | <u>(1,282,972)</u> | <u>(43,855)</u> |
| As at 1 April 2014 | 於二零一四年四月一日 | 1,980 | 795,912 | - | 15,663 | 45 | 9,868 | (1,231,407) | (407,939) |
| Loss for the period | 期內虧損 | - | - | - | - | - | - | (16,293) | (16,293) |
| Other comprehensive income for the period: | 期內其他全面收入: | | | | | | | | |
| Items that may be classified subsequently to profit or loss: | 其後可能分類至損益之項目: | | | | | | | | |
| Exchange differences on translating foreign operations | 換算境外業務之匯兌差額 | - | - | - | - | 4 | - | - | 4 |
| Total comprehensive income/(loss) for the period | 期內全面收入/(虧損)總額 | - | - | - | - | 4 | - | (16,293) | (16,289) |
| Issue of Shares pursuant to conversion of convertible notes | 根據兌換可換股票據發行股份 | 281 | 56,045 | - | (1,575) | - | - | - | 54,751 |
| As at 30 June 2014 (unaudited) | 於二零一四年六月三十日 (未經審核) | <u>2,261</u> | <u>851,957</u> | <u>-</u> | <u>14,088</u> | <u>49</u> | <u>9,868</u> | <u>(1,247,700)</u> | <u>(369,477)</u> |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

未經審核簡明綜合財務報表附註

For the three months ended 30 June 2015 截至二零一五年六月三十日止三個月

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 15 March 2010 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The registered office and principal place of business of the Company are located at the offices of Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Rooms 2601-2605, 26/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong respectively.

The Company's ordinary shares (the "Share(s)") were listed on GEM of the Stock Exchange on 30 August 2010 by way of placing.

The principal activities of the Company are investment holding and television broadcasting business. The subsidiaries are engaged in the provision of waterworks engineering services for the public sector in Hong Kong, television broadcasting business in the Asia-Pacific region (excluding the People's Republic of China (the "PRC")) in return for advertising and related revenue and large outdoor display screen advertisement business in the PRC.

2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated first quarterly financial statements for the three months ended 30 June 2015 (the "Quarterly Financial Statements") have been prepared to comply with the disclosure requirements of the GEM Listing Rules.

1. 一般資料

本公司於二零一零年三月十五日根據開曼群島第22章公司法（一九六一年法例3，經綜合及修訂）於開曼群島註冊成立為獲豁免有限責任公司。本公司之註冊辦事處及主要營業地點分別為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands及香港灣仔港灣道26號華潤大廈26樓2601-2605室。

本公司普通股（「股份」）於二零一零年八月三十日以配售方式在聯交所創業板上市。

本公司的主要業務為投資控股及電視播放業務，而附屬公司在香港為公營部門提供水務工程服務，並於亞太區（不包括中華人民共和國（「中國」））從事電視播放業務以取得廣告及相關收益及於中國從事大型戶外顯示屏廣告業務。

2. 呈列基準及主要會計政策

吾等已編製截至二零一五年六月三十日止三個月之未經審核簡明綜合第一季度財務報表（「季度財務報表」）以遵守創業板上市規則的披露規定。

2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

The accounting policies and method of the computation used in the preparation of the Quarterly Financial Statements are consistent with those used in the annual report for the year ended 31 March 2015. The Group has adopted new or revised standards, amendments to standards and interpretation of Hong Kong Financial Reporting Standards (“HKFRSs”) which are effective for accounting periods commencing on or after 1 April 2015. The adoption of such new or revised standards, amendments to standards and interpretation does not have material impact on the Quarterly Financial Statements and does not result in substantial changes to the Group’s accounting policies.

The Quarterly Financial Statements have been prepared under the historical cost convention and are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

3. REVENUE

Revenue recognised during the three months ended 30 June 2015 and 2014 were as follows:

| | |
|--------------------|------|
| Construction works | 建築工程 |
| Advertising income | 廣告收入 |

2. 呈列基準及主要會計政策 (續)

編製季度財務報表所用之會計政策及計算方式與截至二零一五年三月三十一日止年度之年度報告所採用者一致。本集團已採納於二零一五年四月一日或之後開始之會計期間生效之香港財務報告準則(「香港財務報告準則」)之新訂或經修訂準則、準則修訂及詮釋。採納該等新訂或經修訂準則、準則修訂及詮釋不會對季度財務報表造成重大影響，且不會令本集團之會計政策出現重大變動。

季度財務報表乃根據歷史成本慣例編製，並以亦為本公司功能貨幣之港元(「港元」)呈列。

3. 收益

截至二零一五年及二零一四年六月三十日止三個月確認的收益如下：

Three months ended 30 June 截至六月三十日止三個月

| 2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元 | 2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元 |
|---|---|
| 75,535 | 66,113 |
| 2,046 | 1,792 |
| 77,581 | 67,905 |

4. OTHER INCOME

Other income recognised during the three months ended 30 June 2015 and 2014 were as follows:

| | |
|--|------------|
| Interest income | 利息收入 |
| Waiver of the interests on convertible notes | 免除可換股票據之利息 |
| Sundry income | 雜項收入 |

4. 其他收入

截至二零一五年及二零一四年六月三十日止三個月確認的其他收入如下：

Three months ended 30 June 截至六月三十日止三個月

| 2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元 | 2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元 |
|---|---|
| 80 | 2 |
| — | 1,683 |
| 48 | 1 |
| 128 | 1,686 |

5. OTHER GAINS AND LOSSES

Other gains and losses recognised during the three months ended 30 June 2015 and 2014 were as follows:

| | |
|--|-----------------------|
| Exchange (loss)/gain, net | 匯兌(虧損)/收益淨額 |
| Net gains on disposals of property, plant and equipment | 出售物業、廠房及設備之收益淨額 |
| Changes in fair value of financial assets at fair value through profit or loss | 透過損益按公平值入賬之金融資產之公平值變動 |

5. 其他收益及虧損

截至二零一五年及二零一四年六月三十日止三個月確認的其他收益及虧損如下：

Three months ended 30 June 截至六月三十日止三個月

| 2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元 | 2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元 |
|---|---|
| (119) | 3 |
| 565 | 477 |
| 100 | (17) |
| 546 | 463 |

6. SEGMENT INFORMATION

Information reported to the executive Directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided are:

- (i) Provision of waterworks engineering services – provision of waterworks engineering services, road works and drainage services and site formation works for public sector in Hong Kong;
- (ii) Television broadcasting business – the business of broadcasting television programmes on television channels operated by television broadcasting companies in the Asia-Pacific region (excluding the PRC) in return for advertising and related revenue; and
- (iii) Large outdoor display screen advertisement business – the business of broadcasting advertisements on large outdoor display screens in the PRC.

Each of these operating segments is managed separately as each of the products and service lines requires different resources as well as marketing approaches.

6. 分部資料

向執行董事（即主要營運決策者）所呈報以供其分配資源及評估分部表現之資料集中於所交付或提供之貨品或服務種類為：

- (i) 提供水務工程服務—為香港公營部門提供水務工程服務、道路工程及渠務服務，亦從事地盤平整工程；
- (ii) 電視播放業務—在位於亞太區（不包括中國）之電視播放公司所經營之電視頻道進行電視節目播放以取得廣告及相關收益之業務；及
- (iii) 大型戶外顯示屏廣告業務—在位於中國之大型戶外顯示屏播放廣告業務。

由於各個產品和服務類別需要不同的資源以及涉及不同的營運手法，上述各營運分部被分開管理。

6. SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment.

For the three months ended 30 June 2015

| | | |
|-----------------------------------|----------------|----------------|
| Revenue from external customers | 來自外部客戶之收益 | 75,535 |
| Inter-segment sales | 分部間銷售 | - |
| Other income and gains | 其他收入及收益 | 610 |
| Reportable segment revenue | 可呈報分部收益 | 76,145 |
| Reportable segment results | 可呈報分部業績 | 107 |
| Unallocated corporate income | 未分配企業收入 | |
| Unallocated corporate expenses | 未分配企業開支 | |
| Finance costs | 融資成本 | |
| Loss before income tax | 除所得稅前虧損 | (8,639) |

6. 分部資料 (續)

分部收益及業績

本集團按可呈報分部劃分的收益及業績分析如下。

截至二零一五年六月三十日止三個月

| Provision of waterworks engineering services | Television broadcasting business | Large outdoor display screen advertisement business | Elimination | Total |
|--|--|---|--|--|
| 提供水務工程服務 (Unaudited) (未經審核) HK\$'000 千港元 | 電視播放業務 (Unaudited) (未經審核) HK\$'000 千港元 | 大型戶外顯示屏廣告業務 (Unaudited) (未經審核) HK\$'000 千港元 | 對銷 (Unaudited) (未經審核) HK\$'000 千港元 | 總計 (Unaudited) (未經審核) HK\$'000 千港元 |
| 75,535 | 1,649 | 397 | - | 77,581 |
| - | 312 | - | (312) | - |
| 610 | 3 | - | - | 613 |
| 76,145 | 1,964 | 397 | (312) | 78,194 |
| 107 | (5,943) | (875) | | (6,711) |
| | | | | 180 |
| | | | | (4,464) |
| | | | | (8,639) |
| | | | | (19,634) |

For the three months ended 30 June 2014

| | | |
|-----------------------------------|----------------|----------------|
| Revenue from external customers | 來自外部客戶之收益 | 66,113 |
| Inter-segment sales | 分部間銷售 | - |
| Other income and gains | 其他收入及收益 | 477 |
| Reportable segment revenue | 可呈報分部收益 | 66,590 |
| Reportable segment results | 可呈報分部業績 | 1,762 |
| Unallocated corporate income | 未分配企業收入 | |
| Unallocated corporate expenses | 未分配企業開支 | |
| Finance costs | 融資成本 | |
| Loss before income tax | 除所得稅前虧損 | (9,435) |

截至二零一四年六月三十日止三個月

| Provision of waterworks engineering services | Television broadcasting business | Large outdoor display screen advertisement business | Elimination | Total |
|--|--|---|--|--|
| 提供水務工程服務 (Unaudited) (未經審核) HK\$'000 千港元 | 電視播放業務 (Unaudited) (未經審核) HK\$'000 千港元 | 大型戶外顯示屏廣告業務 (Unaudited) (未經審核) HK\$'000 千港元 | 對銷 (Unaudited) (未經審核) HK\$'000 千港元 | 總計 (Unaudited) (未經審核) HK\$'000 千港元 |
| 66,113 | 1,776 | 16 | - | 67,905 |
| - | 508 | - | (508) | - |
| 477 | - | 4 | - | 481 |
| 66,590 | 2,284 | 20 | (508) | 68,386 |
| 1,762 | (6,458) | (799) | | (5,495) |
| | | | | 1,686 |
| | | | | (4,016) |
| | | | | (9,435) |
| | | | | (17,260) |

6. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Segment revenue reported above represents revenue generated from external customers.

Segment profit/(loss) represents the profit earned/loss incurred by each segment without allocation of interest income, finance costs, changes in fair value of financial assets at fair value through profit or loss and income tax expense. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

7. LOSS FROM OPERATIONS

Loss from operations is arrived at after charging the following:

6. 分部資料 (續)

分部收益及業績 (續)

上文所呈報的分部收益指來自外部客戶之收益。

分部溢利／(虧損)即各分部在未分配利息收入、融資成本、透過損益按公平值入賬之金融資產公平值變動及所得稅開支前所賺取的溢利／產生的虧損。此乃向主要營運決策者呈報以供其分配資源及評估分部表現之基準。

7. 營運虧損

營運虧損乃經扣除以下各項後計算得出：

| | | Three months ended 30 June 截至六月三十日止三個月 | |
|--|----------------------|---|---|
| | | 2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元 | 2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元 |
| Amortisation of intangible assets (included in amortisation expenses) | 無形資產攤銷 (包括於攤銷開支中) | 5,475 | 5,475 |
| Amortisation of film rights (included in amortisation expenses) | 電影版權攤銷 (包括於攤銷開支中) | 289 | 201 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 4,375 | 4,447 |

8. INCOME TAX

The amount of income tax in the unaudited condensed consolidated statement of profit or loss and other comprehensive income represents:

8. 所得稅

未經審核簡明綜合損益及其他全面收益表之所得稅金額如下：

| | | Three months ended 30 June 截至六月三十日止三個月 | |
|--|---------------------------------------|--|--|
| | | 2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元 | 2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元 |
| Current tax – Hong Kong profits tax – current period | 當期稅項 – 香港利得稅 – 本期間 | 266 | (79) |
| Current tax – Macau Complementary Tax – current period – Over-provision in respect of prior years | 當期稅項 – 澳門所得補充稅 – 本期間 – 過往年度超額撥備 | – (34) | – – |
| | | (34) | – |
| Deferred tax – current period | 遞延稅項 – 本期間 | 232 (2,092) | (79) (888) |
| Income tax credit | 所得稅抵免 | (1,860) | (967) |

Hong Kong profits tax is calculated at 16.5% (2014: 16.5%) on the estimated assessable profits during the three months ended 30 June 2015 and 2014.

香港利得稅按截至二零一五年及二零一四年六月三十日止三個月之估計應課稅溢利之16.5% (二零一四年: 16.5%) 計算。

8. INCOME TAX (Continued)

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Company and its subsidiaries incorporated in the BVI are not subject to any income tax in the Cayman Islands and the BVI respectively.

No provision for Macau Complementary Tax has been made as the subsidiary incorporated in Macau has no assessable profits arising in Macau during the three months ended 30 June 2015 and 2014.

No provision for PRC Enterprise Income tax has been made as the subsidiary incorporated in the PRC has no assessable profits arising in the PRC during the three months ended 30 June 2015 and 2014.

9. DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 30 June 2015 and 2014.

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculations of basic loss per Share for the three months ended 30 June 2015 is based on the unaudited consolidated loss of approximately HK\$17,774,000 attributable to owners of the Company for the three months ended 30 June 2015 (three months ended 30 June 2014: approximately HK\$16,293,000) and the weighted average number of 3,693,309,131 Shares in issue for the three months ended 30 June 2015 (three months ended 30 June 2014: 2,091,869,550 Shares) as if they had been in issue throughout the periods.

8. 所得稅 (續)

根據開曼群島及英屬處女群島（「英屬處女群島」）規則及法規，本公司及其於英屬處女群島註冊成立之附屬公司毋須繳納開曼群島及英屬處女群島各自之任何所得稅。

截至二零一五年及二零一四年六月三十日止三個月，於澳門註冊成立之附屬公司並無於澳門產生應課稅溢利，故並無就澳門所得補充稅計提撥備。

截至二零一五年及二零一四年六月三十日止三個月，於中國註冊成立之附屬公司並無於中國產生應課稅溢利，故並無就中國企業所得稅計提撥備。

9. 股息

董事會不建議派付截至二零一五年及二零一四年六月三十日止三個月之任何股息。

10. 本公司擁有人應佔每股虧損

截至二零一五年六月三十日止三個月的每股基本虧損，按截至二零一五年六月三十日止三個月本公司擁有人應佔未經審核綜合虧損約17,774,000港元（截至二零一四年六月三十日止三個月：約16,293,000港元）與截至二零一五年六月三十日止三個月已發行股份加權平均數3,693,309,131股（截至二零一四年六月三十日止三個月：2,091,869,550股）計算，猶如該等股份於整個有關期間均已發行。

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (Continued)

Diluted loss per Share for the three months ended 30 June 2015 and 2014 were not presented as the potential ordinary Shares had an anti-dilutive effect on the basic loss per Share for the three months ended 30 June 2015 and 2014.

11. SHARE CAPITAL

10. 本公司擁有人應佔每股虧損(續)

截至二零一五年及二零一四年六月三十日止三個月之每股攤薄虧損並無呈列，乃由於潛在普通股對截至二零一五年及二零一四年六月三十日止三個月之每股基本虧損造成反攤薄影響。

11. 股本

| | | Number of Shares 股份數目 | Nominal value 面值 HK\$'000 千港元 |
|--|-------------------------------------|-----------------------------|---|
| Authorised: | 法定： | | |
| As at 1 April 2015 and 30 June 2015 (Unaudited) | 於二零一五年四月一日及 二零一五年六月三十日 (未經審核) | <u>500,000,000,000</u> | <u>500,000</u> |
| Issued and fully paid: | 已發行及繳足： | | |
| As at 1 April 2015 and 30 June 2015 (Unaudited) | 於二零一五年四月一日及 二零一五年六月三十日 (未經審核) | <u>3,693,309,131</u> | <u>3,693</u> |

12. EVENTS AFTER THE REPORTING PERIOD

- (a) On 8 December 2014, the Group entered into a sale and purchase agreement (the “S&P Agreement”) with an independent third party pursuant to which a wholly-owned subsidiary of the Company will acquire 60% of the issued share capital of Xinhua Afanti Asset Management Limited (formerly known as Afanti Asset Management Limited) at the consideration of HK\$1.0 million. Pursuant to note 3 to the S&P Agreement, the completion of the acquisition (the “Completion”) is conditional upon and subject to the fulfilment or waiver of certain conditions precedent to the completion (the “Conditions Precedent”) which should be fulfilled or waived at or before 5:00 p.m. on 30 June 2015. As the Conditions Precedent have not been fulfilled nor waived at or before 5:00 p.m. on 30 June 2015, the parties of the S&P Agreement entered into a termination agreement pursuant to which both parties mutually agreed to unconditionally and irrevocably terminate the S&P Agreement and the transactions contemplated thereunder with immediate effect. The provisions of the S&P Agreement shall have no effect and no party shall have any liability under them. The Board considers that the termination of the S&P Agreement will not have any material adverse impact on the business, operation and financial position of the Group.

12. 報告期後事項

- (a) 於二零一四年十二月八日，本集團與一名獨立第三方訂立買賣協議（「買賣協議」），據此，本公司之全資附屬公司將以代價1,000,000港元收購新華智盛資產管理有限公司（前稱為智盛資本管理有限公司）已發行股本之60%權益。根據買賣協議附註3，收購完成（「完成」）須待完成之若干先決條件（「先決條件」）獲達成或豁免，方可作實，並受其所規限，該等先決條件須於二零一五年六月三十日下午五時正或之前獲達成或豁免。由於先決條件未於二零一五年六月三十日下午五時正或之前獲達成及豁免，買賣協議之訂約方訂立終止協議，據此，各訂約方互相同意無條件及不可撤回終止買賣協議及其項下擬進行之交易，並即時生效。買賣協議之條文並無效力且訂約方概無承擔其項下任何責任。董事會認為，終止買賣協議將不會對本集團之業務、營運及財務狀況產生任何重大不利影響。

12. EVENTS AFTER THE REPORTING PERIOD (Continued)

(b) On 21 July 2015, the Company entered into a placing agreement with Ping An of China Securities (Hong Kong) Company Limited to place a maximum of 300,000,000 Shares to not less than six placees at an issue price of HK\$0.25 per placing Share and that the net price to the Company of each placing Share is approximately HK\$0.24375. The placing price represented (i) a discount of approximately 15.25% to the closing price of HK\$0.295 per Share as quoted on the Stock Exchange on 21 July 2015, being the last trading date of the placing agreement; and (ii) a discount of approximately 18.57% to the average closing price of HK\$0.307 per Share as quoted on the Stock Exchange for the five consecutive trading days preceding 21 July 2015. The placing Shares were placed to not less than six placees, who and whose ultimate beneficial owners are independent institutional, professional and/or individual investors and not concert parties with the controlling shareholder(s) (if any) (as defined under Hong Kong Code on Takeovers and Mergers), and not connected with any directors, chief executive or substantial shareholder (if any) of the Company or its subsidiaries and their respective associates. None of the placees and their respective associates became a substantial shareholder of the Company as a result of the placing. The Directors were of the view that the placing would strengthen the financial position of the Group, including its ability to meet any future obligations and further expand the Group's business. The Directors considered that the terms of the placing agreement, including the rate of the placing commission, were fair and reasonable based on the current market conditions. Accordingly, the Board considered that the placing was in the interests of the Company and the shareholders of the Company as a whole. The completion of the placing took place on 4 August 2015 and an aggregate of 260,000,000 placing Shares have been successfully placed to not less than six placees at issue price of HK\$0.25 per Share and raised gross proceeds of approximately HK\$65.0 million. The proceeds from the placing will be used for general working capital of the Company and development of business(es) in line with future development policy of Xinhua News Agency, the substantial shareholder of the Company and in the best interests of the Company and the shareholders of the Company as a whole. Further details were set out in the announcements of the Company dated 21 July 2015 and 4 August 2015 respectively.

12. 報告期後事項 (續)

(b) 於二零一五年七月二十一日，本公司與中國平安證券(香港)有限公司訂立配售協議，以按發行價每股配售股份0.25港元配售最多300,000,000股股份予不少於六名承配人，而對本公司而言每股配售股份之淨價為約0.24375港元。配售價較(i)股份於二零一五年七月二十一日(即配售協議之最後交易日)在聯交所報之收市價每股0.295港元折讓約15.25%；及(ii)股份於二零一五年七月二十一日前連續五個交易日在聯交所報之平均收市價每股0.307港元折讓約18.57%。配售股份已配售予不少於六名承配人，而承配人及其最終實益擁有人乃獨立機構、專業及／或個人投資者，且並非與控股股東(如有)(定義見香港公司收購及合併守則)一致行動之人士，與本公司或其附屬公司之任何董事、主要行政人員或主要股東(如有)及彼等各自之聯繫人士亦概無關連。概無承配人及彼等各自之聯繫人士於完成配售事項後成為本公司之主要股東。董事認為，配售事項將增強本集團之財務狀況(包括應對任何未來債務之能力及進一步擴張本集團之業務)。董事認為配售協議之條款(包括配售佣金之費用)根據現行市場狀況乃屬公平及合理。因此，董事會認為配售事項符合本公司及本公司股東之整體利益。配售事項已於二零一五年八月四日完成，並按發行價每股0.25港元成功配售合共260,000,000股配售股份予不少於六名承配人，並籌集所得款項總額約65,000,000港元。配售事項之所得款項將用作本公司的一般營運資金及開拓與本公司主要股東新華社之未來發展方針一致並符合本公司及本公司股東整體最佳利益之業務之用。進一步詳情分別載於本公司於二零一五年七月二十一日及二零一五年八月四日之公佈內。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in the provision of waterworks engineering services for the public sector in Hong Kong, television broadcasting business in the Asia-Pacific region (excluding the PRC) in return for advertising and related revenue and large outdoor display screen advertisement business in the PRC. During the three months ended 30 June 2015 (the "Period"), the Group continued to focus on rendering waterworks engineering services for the public sector in Hong Kong and develop its television broadcasting business and large outdoor display screen advertisement business.

Provision of waterworks engineering services

During the Period, the Group has been undertaking two main contracts and five subcontracts. Among seven contracts, four are related to provision of waterworks engineering services and the remaining contracts are related to provision of drainage services. Details of the contracts undertaken are set out below:

業務回顧

本集團主要為香港公營部門提供水務工程服務、於亞太區（不包括中國）進行電視播放業務以取得廣告及相關收益以及於中國進行大型戶外顯示屏廣告業務。截至二零一五年六月三十日止三個月（「本期間」），本集團繼續專注於在香港為公營部門提供水務工程服務，並開展其電視播放業務及大型戶外顯示屏廣告業務。

提供水務工程服務

於本期間內，本集團一直進行兩項主合約及五項分包合約。該七項合約中，其中四項與提供水務工程服務有關，其餘合約則與提供渠務服務有關。所承接合約之詳情載列如下：

| | Contract number 合約編號 | Particulars of contract 合約詳情 |
|-----------------------|-------------------------|--|
| Main contracts 主合約 | 8/WSD/11 | Construction of Pak Shek Kok Fresh Water Service Reservoir Extension |
| | 8/WSD/11 | 白石角食水配水庫之擴建工程 |
| | 3/WSD/13 | Mainlying near She Shan Tsuen, Tai Po |
| | 3/WSD/13 | 大埔區山村附近管敷設工程 |

| | Contract number 合約編號 | Particulars of contract 合約詳情 |
|----------------------|--------------------------------|--|
| Subcontracts 分包合約 | 8/WSD/10 | Replacement and rehabilitation of water mains, stage 4 phase 1 – mains in Tuen Mun, Yuen Long, North District and Tai Po |
| | 8/WSD/10 | 更換及修復水管工程第4階段第1期－屯門、元朗、北區及大埔水管工程 |
| | DC/2012/04 | Sewerage in Kau Lung Hang San Wai, Kau Lung Hang Lo Wai and Tai Hang |
| | DC/2012/04 | 九龍坑新圍、九龍坑老圍及泰亨污水收集系統 |
| | DC/2012/07 | Lam Tsuen Valley Sewerage — village sewerage, stage 2, phase 1 |
| | DC/2012/07 | 林村谷污水收集系統－第2階段第1期 |
| | DC/2012/08 | Lam Tsuen Valley Sewerage — village sewerage, stage 2, phase 2 |
| | DC/2012/08 | 林村谷污水收集系統－第2階段第2期 |
| | 5/WSD/13 | Replacement and rehabilitation of water mains, stage 4 phase 1 and stage 4 phase 2 – mains in northern and eastern New Territories |
| | 5/WSD/13 | 更換及修復水管工程第4階段第1期及第4階段第2期－新界北部及東部水管工程 |

During the Period, the two contracts with contracts numbered 5/WSD/13 and DC/2012/07 were the main contributors to the Group's revenue, which generated approximately HK\$37.1 million and HK\$13.6 million, constituting approximately 47.8% and 17.5% of the Group's total revenue respectively.

於本期間內，合約編號5/WSD/13及DC/2012/07之兩項合約是本集團之主要收益來源，分別產生約37,100,000港元及13,600,000港元，佔本集團總收益約47.8%及17.5%。

Television broadcasting business

The Group has developed a broadcasting network of television channels with relatively extensive scale. Currently, it is broadcasting the television programmes relating to information contents from Xinhua News Agency in Hong Kong, Thailand, Mongolia, Malaysia, Laos and Australia. The Group maintained good relationship with those television service providers that are currently working with and in the meantime, actively sought for cooperation opportunities with other strategic partners in order to give customers a unique viewing experience and expand in the worldwide coverage of the China Xinhua News Network Channel and China Xinhua News Network World Channel (collectively the "CNC Channels"). Expect for broadcasting television programmes in the CNC Channels, the Group has currently produced several self-produced television feature programmes according to different social themes. The Company is now preparing to produce a documentary television feature programme regarding the background and history of The University of Macau which is estimated to be completed in year 2015. With its continued brand strength and established reputation, the Group will strive to leverage every opportunity for business expansion so as to further extend our market share and deliver positive returns to the shareholders of the Company.

Large outdoor display screen advertisement business

Large outdoor display screen advertisement business segment continues to make steady development during the Period. Under the ever-changing market and industry in the PRC, the Group aims to form joint operation arrangements with other parties, such as advertising agents, in order to implement effective cost controls in operating the LED displays in Sichuan Chengdu, Jiangsu Xuyi, Jiangsu Kunshan and Yangzhou. As such, the Group is able to maximize overall profitability by lowering of construction and operational costs through joint operation arrangements. The Directors consider that it is a more effective way to boost the Group's advertising income. Going forward, the Group will continue to negotiate with potential customers, including but not limited to commercial real estate developers, PRC government authorities and other potential partners for cooperation in order to balance the risk and return of this competitive segment.

電視播放業務

本集團已發展一個規模龐大的電視頻道播放網絡。現時，本集團正於香港、泰國、蒙古、馬來西亞、老撾及澳洲播放有關來自新華社的資訊內容的電視節目。本集團與現時合作的該等電視服務供應商維持良好關係，同時積極尋求與其他策略夥伴合作的機會，以給予客戶獨一無二的觀賞體驗，並擴大中國新華電視中文台及中國新華電視英語台（統稱「該等CNC頻道」）的全球覆蓋範圍。除於該等CNC頻道播放電視節目外，本集團目前已根據不同社會主題自行製作若干電視專題節目。本公司現時將以澳門大學之背景及歷史為主題製作一部電視紀錄片，其預期將於二零一五年完成。憑藉本集團與日俱增之品牌實力及昭著聲譽，本集團將致力利用每個機會擴展業務，進一步擴大本公司之市場份額及為本公司股東帶來理想回報。

大型戶外顯示屏廣告業務

大型戶外顯示屏廣告業務分部於本期間內繼續錄得穩定發展。在變幻莫測之中國市場及行業背景下，本集團將與其他各方（如廣告代理）訂立合營安排，以對於四川成都、江蘇盱眙、江蘇昆山及揚州之LED顯示屏營運進行有效成本控制。因此，本集團能夠透過合營安排減低建築及營運成本以盡量提高整體盈利能力。董事認為此乃促進本集團廣告收入增長更為有效之方法。展望未來，本集團將繼續與潛在客戶（包括但不限於商業地產開發商、中國政府機構及其他潛在合作夥伴）磋商以開展合作，平衡此競爭分部之風險及回報。

Aimed at maximising profit and return for the Group and the shareholders of the Company, the Group is exploring new business opportunity to broaden its source of income and expand the business operations.

FINANCIAL REVIEW

Revenue

For the Period, the Group reported a revenue of approximately HK\$77.6 million (2014: approximately HK\$67.9 million), representing an increase of approximately 14.2% as compared with that for the same period of the previous year. The revenue derived from provision of waterworks engineering services and television broadcasting business as well as large outdoor display screen advertisement business constituted approximately 97.4% and 2.6% of the Group's total revenue respectively. The increase in revenue was mainly due to the increase in works from the replacement and rehabilitation of water mains stage 4 phase 1 and stage 4 phase 2 – mains in northern and eastern New Territories. The Group derived aggregate advertising revenue of approximately HK\$2.0 million (2014: approximately HK\$1.8 million) from television broadcasting business and large outdoor display screen advertisement business.

During the Period, the revenue of the Group was primarily generated from the undertaking of waterworks contracts in the capacity of a subcontractor. The subcontracting revenue amounted to approximately HK\$54.0 million (2014: approximately HK\$46.8 million), representing approximately 69.6% (2014: approximately 69.0%) of the total revenue for the Period. On the other hand, the revenue generated from the undertaking of waterworks contracts in the capacity of a main contractor and jointly controlled operator amounted to approximately HK\$21.6 million (2014: approximately HK\$19.3 million), representing approximately 27.8% (2014: approximately 28.4%) of the total revenue for the Period.

為盡量提高本集團及本公司股東之溢利和回報，本集團正開拓新商機以擴闊其收入來源和擴充其業務營運。

財務回顧

收益

於本期間，本集團錄得收益約77,600,000港元（二零一四年：約67,900,000港元），較去年同期增加約14.2%。提供水務工程服務及電視播放業務連同大型戶外顯示屏廣告業務產生之收益分別佔本集團總收益約97.4%及2.6%。收益增加主要由於更換及修復水管工程第4階段第1期及第4階段第2期—新界北部及東部水管工程增加所致。本集團自電視播放業務及大型戶外顯示屏廣告業務產生廣告收益總額約2,000,000港元（二零一四年：約1,800,000港元）。

於本期間內，本集團收益主要來自以分包商身份承接之水務工程合約。分包收益為約54,000,000港元（二零一四年：約46,800,000港元），佔本期間總收益約69.6%（二零一四年：約69.0%）。另一方面，以主承建商及共同控制營運商身份承接水務工程合約產生收益約21,600,000港元（二零一四年：約19,300,000港元），佔本期間總收益約27.8%（二零一四年：約28.4%）。

Cost of services

The Group's cost of services increased by approximately 16.6% to approximately HK\$75.6 million for the Period (2014: approximately HK\$64.9 million) as compared with that for the same period of the previous year. The Group's cost of services mainly includes costs of construction services, costs of television broadcasting business and direct costs attributable to large outdoor display screen advertisement business. Costs of construction services mainly comprise raw materials, direct labour and subcontracting fee for services provided by the subcontractors. Costs of television broadcasting business mainly comprise transmission costs and broadcasting fee. Transmission costs comprise satellite transmission fee and carriage fee payable to satellite operators while broadcasting fee comprises annual fee payable to media broadcasting providers and China Xinhua News Network Co., Limited ("China Xinhua NNC"), the substantial shareholder of the Company. Direct costs attributable to large outdoor display screen advertisement business mainly comprise depreciation charges of LED display screens and control room.

Gross profit

The gross profit of the Group for the Period decreased by approximately 34.7% to approximately HK\$2.0 million (2014: approximately HK\$3.1 million) as compared with that for the same period of the previous year. The gross profit margin of the Group decreased to approximately 2.6% for the Period (2014: approximately 4.5%). The decrease in gross profit and gross profit margin was largely due to large portion of revenue and gross margin derived from certain projects recognised at the early stage in the prior years.

Other income

The Group's other income for the Period decreased by approximately 92.4% to approximately HK\$128,000 (2014: approximately HK\$1.7 million) as compared with that for the same period of the previous year. The decrease in other income was mainly due to the recognition of one-off item, i.e., the waiver of convertible notes interests from a noteholder during the three month ended 30 June 2014.

服務成本

本集團於本期間之服務成本為約75,600,000港元(二零一四年:約64,900,000港元),較去年同期增加約16.6%。本集團之服務成本主要包括建築服務成本、電視廣播業務成本以及大型戶外顯示屏廣告業務應佔之直接成本。建築服務成本主要包括原材料、直接勞工及分包商提供服務之分包費用。電視播放業務成本主要包括傳送成本及播放費用。傳送成本包括衛星傳送費用及應付衛星營運商之傳輸費用,而播放費用則包括應付予媒體播放供應商及本公司主要股東中國新華新聞電視網有限公司(「中國新華新聞電視網」)之年費。大型戶外顯示屏廣告業務應佔之直接成本主要包括LED顯示屏及控制室之折舊費用。

毛利

本集團於本期間之毛利為約2,000,000港元(二零一四年:約3,100,000港元),較去年同期減少約34.7%。本集團於本期間之毛利率減少至約2.6%(二零一四年:約4.5%)。毛利及毛利率之減少主要由於若干項目產生之大部份收益及毛利已於過往年度之初期階段確認所致。

其他收入

本集團於本期間之其他收入為約128,000港元(二零一四年:約1,700,000港元),較去年同期減少約92.4%。其他收入減少主要由於截至二零一四年六月三十日止三個月內確認之一次性項目(即一名票據持有人免除可換股票據利息)所致。

Other gains and losses

The Group's other gains and losses for the Period increased by approximately 17.9% to approximately HK\$546,000 (2014: approximately HK\$463,000) as compared with that for the same period of the previous year. Other gains and losses mainly consisted of net gains on disposals of property, plant and equipment for the Period.

Amortisation expenses

The Group's amortisation expenses for the Period increased by approximately 1.6% to approximately HK\$5.8 million (2014: approximately HK\$5.7 million) as compared with that for the same period of the previous year. The amortisation expenses mainly consisted of amortisation of television broadcasting right and film rights for the television broadcasting business.

Selling and distribution expenses

The Group's selling and distribution expenses for the Period amounted to approximately HK\$43,000 (2014: nil). The selling and distribution expenses mainly consisted of advertising expenses for the television broadcasting business.

Administrative expenses

The Group's administrative expenses for the Period increased by approximately 6.9% to approximately HK\$7.9 million (2014: approximately HK\$7.4 million) as compared with that for the same period of the previous year. The administrative expenses mainly consisted of legal and professional fees, staff costs (including Directors' remuneration), depreciation expenses and rental expenses.

其他收益及虧損

本集團於本期間之其他收益及虧損為約546,000港元(二零一四年:約463,000港元),較去年同期增加約17.9%。其他收益及虧損主要包括於本期間出售物業、廠房及設備之收益淨額。

攤銷開支

本集團於本期間之攤銷開支為約5,800,000港元(二零一四年:約5,700,000港元),較去年同期增加約1.6%。攤銷開支主要包括電視播放業務之電視播放權及電影版權之攤銷。

銷售及分銷開支

本集團於本期間之銷售及分銷開支為約43,000港元(二零一四年:無)。銷售及分銷開支主要包括電視播放業務之廣告費。

行政開支

本集團於本期間之行政開支為約7,900,000港元(二零一四年:約7,400,000元),較去年同期增加約6.9%。行政開支主要包括法律和專業費用、員工成本(包括董事薪酬)、折舊開支以及租金開支。

Finance costs

The Group's finance costs for the Period decreased by approximately 8.4% to approximately HK\$8.6 million (2014: approximately HK\$9.4 million) as compared with that for the same period of the previous year. The finance costs mainly consisted of interest expenses for the promissory note and convertible notes. The decrease in finance costs was mainly due to decrease in interest expenses of convertible notes as certain convertible notes holders exercised their conversion rights for the year ended 31 March 2015.

Net Loss

The net loss attributable to owners of the Company for the Period increased by approximately 9.1% to approximately HK\$17.8 million (2014: approximately HK\$16.3 million) as compared with that for the same period of the previous year. The increase in net loss was mainly due to decrease in gross profit margin for the Period.

Loss per Share

The basic loss per Share was approximately HK0.48 cent (2014: approximately HK0.78 cent).

PROSPECTS

During the Period, the Group's provision of waterworks engineering services remains the major revenue contributor to the Group while the Group continues to devote efforts to further develop its television broadcasting business and large outdoor display screen advertisement business. To deal with the unstable global market situation, the Group has reallocated resources to diversify existing business segments and explore potential business opportunities. The Group will keep on cultivating the business cluster in terms of sales strategy, service capability and clientele development and explore the synergy with emerging business segments so as to maintain and expand the market share.

融資成本

本集團於本期間之融資成本為約8,600,000港元(二零一四年:約9,400,000港元),較去年同期減少約8.4%。融資成本主要包括承兌票據及可換股票據之利息開支。融資成本減少主要由於截至二零一五年三月三十一日止年度內若干可換股票據持有人行使其兌換權而導致可換股票據之利息開支減少所致。

淨虧損

於本期間之本公司擁有人應佔淨虧損為約17,800,000港元(二零一四年:約16,300,000港元),較去年同期增加約9.1%。淨虧損增加主要由於本期間毛利率減少所致。

每股虧損

每股基本虧損為約0.48港仙(二零一四年:約0.78港仙)。

前景

於本期間內,本集團之提供水務工程服務仍為本集團之主要收入來源,同時本集團繼續努力進一步發展其電視播放業務及大型戶外顯示屏廣告業務。為應對不穩定之全球市場狀況,本集團已重新分配資源將現有業務分部多元化及發掘潛在業務機會。本集團將從銷售策略、服務能力及客戶開發之多重角度繼續發展業務集群,發掘與新興業務分部之協同效應,以維持及擴大市場份額。

Provision of waterworks engineering services

The Group's waterworks engineering services remains the major source of revenue of the Group. In the coming years, it is believed that the replacement and rehabilitation programme of water mains (the "R&R Programme") launched by Water Supplies Department of the government of Hong Kong ("WSD") will continue to open up numerous waterworks opportunities to the Group. According to WSD, Stage 4 Phase 1 of the R&R Programme had commenced in March 2011 and will be completed in 2015. About 500 kilometres of water mains will be replaced and rehabilitated at this stage. Stage 4 Phase 2 of the R&R Programme had commenced in January 2012 and will be completed in 2015. About 350 kilometres of water mains will be replaced and rehabilitated at this stage.

In view of the lackluster economy outlook, intense competition and threats from rising construction costs, the Group takes a cautious approach in cost management so as to streamline our cost structure. Although the Group was affected by fierce industry competition, high cost of production and shortage of labour supply, the Group has still maintained a positive gross profit margin during the Period. Currently, the Group has formed a broad consensus in response to the key improvement areas in the existing business operation and market expansion in order to further enhance the Group's overall competitiveness. We believe that the Group is able to take up more contracts and capture more potential business opportunities. Going forward, the Group will continue to improve its quality of service and enhance management capabilities and competitiveness for bidding for more rewarding contracts in Hong Kong and to further scale up the Group's business. The Group will continue to seek improvement in cost savings, efficiency and profitability and identify opportunities for joint ventures or strategic alliances in a bid to drive its strategy of vertical as well as horizontal expansion.

提供水務工程服務

本集團之水務工程服務仍然是本集團收益之主要來源。未來數年，相信香港政府水務署（「水務署」）推行之更換及修復水管計劃（「更換及修復計劃」）將持續為本集團提供眾多水務工程機會。按水務署之計劃，更換及修復計劃第4階段第1期已於二零一一年三月展開，並將於二零一五年完成，該階段將更換及修復約500公里之水管。更換及修復計劃第4階段第2期已於二零一二年一月展開，並將於二零一五年完成，該階段將更換及修復約350公里之水管。

鑑於經濟前景不樂觀、競爭激烈以及工程成本上漲帶來之挑戰，本集團於成本管理方面採取審慎方式以精簡本集團之成本架構。儘管本集團受行業競爭激烈、生產成本高昂及勞工供應短缺之影響，惟本集團於本期間內仍維持正毛利率。現時，本集團已就應對現有業務營運及市場拓展之重要改進範疇達成共識，藉以進一步增強本集團之整體競爭力。我們相信，本集團有能力承接更多合約及把握更多潛在業務機會。展望未來，本集團將不斷提升服務質素、強化管理實力及競爭力，在香港競投更多有利可圖之工程合約，進一步擴展本集團業務。本集團將繼續尋求改善成本節省、效率及盈利能力，並物色成為合營公司或策略聯盟之機會，力求推進其策略的縱向及橫向擴展。

Television broadcasting business

Recently, the layout of the advertising market experienced great changes and the scale effect of internet continued to grow, which hindered the income distribution of advertising platforms. Television broadcasting business is now under overwhelming competitive pressure due to the rapid growth of the media technologies. In face of the difficult operation environment, the Group is actively sought to increase the coverage of the CNC Channels by strengthening and rejuvenating its marketing and sales team internally. Besides, the Group will seek for new type of co-operation arrangements with television service providers so as to lower the cost of operation which in turn to improve its profitability. With the Group's media business as its rock-solid foundation, we are getting well prepared to keep abreast of the rapid change in media industry and believe that we could grasp the growth momentum when opportunities arise. Also, the Group will continue to produce information contents according to different social themes.

In view of these uncertainties for this business segment, the Group remains cautiously optimistic and continues to execute our business strategies while keeping a close eye on the latest developments of the market. The Group is still optimistic in its business prospects and is looking forward to an overall improvement in performance in the future.

電視播放業務

近期，廣告市場格局出現大變動，互聯網規模效應繼續放大，這對廣告平台收入分佈造成影響。由於媒體技術之迅速發展，電視播放業務正面臨巨大之競爭壓力。為應對艱難之營商環境，本集團積極尋求透過加強及提升其內部市場推廣及銷售團隊以擴大CNC頻道之覆蓋範圍。此外，本集團將尋求與電視服務供應商達成新型合作安排，以降低營運成本，從而提升其盈利能力。憑藉本集團穩健之媒體業務基礎，我們已作好準備緊貼傳媒業日新月異之變化，並深信可在機會來臨時把握增長勢頭。另外，本集團將繼續根據不同之社會主題製作資訊內容。

鑑於此業務分部之該等不明朗因素，本集團在密切關注市場之最新發展之同時，仍保持審慎樂觀並繼續執行本集團之業務策略。本集團對其業務前景仍感到樂觀並期望日後之表現有整體提升。

Large outdoor display screen advertisement business

Upon completion of construction and installation of LED displays in Sichuan Chengdu, Jiangsu Xuyi, Jiangsu Kunshan and Yangzhou, the Group aims at constructing more LED displays in other PRC cities so as to increase the attractiveness to the potential advertising customers. With the view of fierce industry competition, the Group is committed to improve the operational and financial efficiency in this business segment, in particular, staying cautious and keeping tight control on costs continuously. By doing so, the Group will continue to adopt the strategy of forming joint operation arrangements or other effective co-operation arrangements with potential partners in respect of construction and operation of LED displays so as to increase the cost-effectiveness of this segment. Going forward, with years of experience in the media industry, the Group plans to expand its business segment based on combination of synergies of the strengths of the existing reputation and joint operation arrangements. Meanwhile, the Group will look for new business opportunities from time to time to strengthen its market position.

大型戶外顯示屏廣告業務

於四川成都、江蘇盱眙、江蘇昆山及揚州完成建造及安裝LED顯示屏後，本集團銳意於中國其他城市建造更多LED顯示屏，以增加對潛在廣告客戶之吸引力。考慮到激烈的行業競爭，本集團致力提升此業務分部之營運及財務效率，尤其是保持審慎及持續嚴格控制成本。藉此，本集團將繼續採取就建造及經營LED顯示屏與潛在合作夥伴訂立合營安排或其他有效合作安排之策略，以增加此分部之成本效益。展望未來，憑藉於傳媒業之多年經驗，本集團計劃基於結合現有聲譽之優勢與訂立合營安排之協同效應而擴大其業務分部。與此同時，本集團將不時尋求新商機以增強其市場地位。

Despite the challenges ahead, the Group will remain focused on driving revenue growth and strengthening the Group's market position. The Group will continue to reinforce its business strategies and strive for higher productivity and profitability, while at the same time, maintain ongoing vigilance overall operating costs. Going forward, the Group will actively seek suitable investment opportunities for business diversification and explore into different industry sectors so as to expand and diversify the scope of the Group's business.

DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 30 June 2015.

SHARE OPTION SCHEME

A share option scheme was adopted and approved by the shareholders of the Company on 11 August 2010. No share options have been granted pursuant to the share option scheme during the Period.

儘管未來挑戰重重，本集團將仍專注於推動收入增長及鞏固本集團之市場地位。本集團將繼續加強其業務策略，並在持續嚴控整體經營成本之同時致力提高生產效率及盈利能力。展望未來，本集團將積極尋求合適投資機會令業務多元化，並探索不同行業以擴大及多元化本集團之業務範圍。

股息

董事會不建議就截至二零一五年六月三十日止三個月派付任何股息。

購股權計劃

本公司股東已於二零一零年八月十一日採納及批准一項購股權計劃。於本期間內，並無根據購股權計劃授出購股權。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2015, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which have 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 in which they are taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be 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, were as follows:

Long position in the Shares:

| Name | Capacity/Nature of interest | Number of Shares held | Percentage of aggregate interests to total issued share capital 總權益佔全部已發行股本的百分比 |
|--|--|-----------------------|--|
| 姓名 | 身份／權益性質 | 所持股份數目 | |
| Dr. Lee Yuk Lun, JP ("Dr. Lee") (Note a) 李銻麟博士，太平紳士（「李博士」）（附註a） | Interest in controlled corporation 於受控制法團權益 | 140,000,000 | 3.79% |
| Mr. Kan Kwok Cheung ("Mr. Kan") (Note b) 簡國祥先生（「簡先生」）（附註b） | Interest in controlled corporation 於受控制法團權益 | 69,000,000 | 1.87% |
| Mr. Chia Kar Hin, Eric John ("Mr. Chia") 謝嘉軒先生（「謝先生」） | Beneficial owner 實益擁有人 | 5,500,000 | 0.15% |

董事及行政總裁於本公司及其相聯法團的股份、相關股份或債權證的權益及淡倉

於二零一五年六月三十日，董事及本公司行政總裁於本公司或其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例的有關條文彼等被當作或視作擁有的權益及淡倉）；或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益及淡倉；或根據創業板上市規則第5.46條所述董事進行交易的規定標準須知會本公司及聯交所的權益及淡倉如下：

於股份之好倉：

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

Notes:

- (a) Dr. Lee, the then executive Director as at 30 June 2015, is the sole beneficial owner of Proud Glory Investments Limited ("Proud Glory"), which was interested in 140,000,000 Shares. Under the SFO, Dr. Lee is deemed to be interested in all the Shares held by Proud Glory.
- (b) Mr. Kan is the sole beneficial owner of Shunleetat (BVI) Limited ("Shunleetat"), which was interested in 69,000,000 Shares. Under the SFO, Mr. Kan is deemed to be interested in all the Shares held by Shunleetat.
- (c) Details of the convertible notes were set out in the circulars of the Company dated 19 November 2011 and 6 January 2015.

Saved as disclosed above, as at 30 June 2015, none of the Directors and chief executive of the Company had any other interests or short positions in any Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the 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 or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be 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.

董事及行政總裁於本公司及其相聯法團的股份、相關股份或債權證的權益及淡倉 (續)

附註：

- (a) 李博士（於二零一五年六月三十日為當時之執行董事）為傲榮投資有限公司（「傲榮」）之唯一實益擁有人，而傲榮擁有140,000,000股股份之權益。根據證券及期貨條例，李博士被視為擁有傲榮所持全部股份之權益。
- (b) 簡先生為Shunleetat (BVI) Limited（「Shunleetat」）的唯一實益擁有人，而Shunleetat擁有69,000,000股股份之權益。根據證券及期貨條例，簡先生被視為擁有Shunleetat所持全部股份之權益。
- (c) 可換股票據的詳情載於本公司日期為二零一一年十一月十九日及二零一五年一月六日之通函內。

除上文披露者外，於二零一五年六月三十日，概無董事及本公司行政總裁於本公司或其相聯法團（定義見證券及期貨條例第XV部）的任何股份、相關股份及債權證中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的任何其他權益或淡倉（包括根據證券及期貨條例的有關條文彼等被當作或視作擁有的權益或淡倉）；或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益或淡倉；或根據創業板上市規則第5.46條所述董事進行交易的規定標準須知會本公司及聯交所的權益或淡倉。

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

So far as was known to the Directors, as at 30 June 2015, the following persons/entities (other than the Directors or chief executive of the Company) had, or are deemed to have, interests or short positions in the Shares, underlying Shares or debentures 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 or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or who/which were recorded in the register required to be kept by the Company under Section 336 of the SFO with details as follows:

Long position in the Shares:

主要股東及其他人士於本公司股份及相關股份的權益及淡倉

就董事所知，於二零一五年六月三十日，下列人士／實體（董事或本公司行政總裁除外）擁有或被視作擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露的本公司股份、相關股份或債權證的權益或淡倉，或直接或間接擁有可於任何情況下在本集團任何成員公司的股東大會上投票的任何類別股本面值5%或以上的權益或淡倉，或擁有記錄於本公司根據證券及期貨條例第336條所存置之登記冊之權益或淡倉，詳情如下：

於股份之好倉：

| Name | Number of Shares held | | Number of underlying Shares under convertible notes (Note a) | | Total interests | Percentage of aggregate interests to total issued share capital |
|------------------------------------|---------------------------|------------------------------------|--|------------------------------------|-----------------|---|
| | Beneficial owner | Interest in controlled corporation | Beneficial owner | Interest in controlled corporation | | |
| 名稱 | 實益擁有人 | 於受控制法團之權益 | 實益擁有人 | 於受控制法團之權益 | 總權益 | 總權益佔全部已發行股本之百分比 |
| China Xinhua NNC | 1,086,580,561 (Note b) | - | 1,413,419,439 (Note b) | - | 2,500,000,000 | 67.69% |
| 中國新華新聞電視網 | 1,086,580,561 (附註b) | - | 1,413,419,439 (附註b) | - | 2,500,000,000 | 67.69% |
| 中國新華新聞電視網有限公司 ("CNC China") | - | 1,086,580,561 (Note b) | - | 1,413,419,439 (Note b) | 2,500,000,000 | 67.69% |
| 中國新華新聞電視網有限公司 ([中國新華新聞電視網(中國)]) | - | 1,086,580,561 (附註b) | - | 1,413,419,439 (附註b) | 2,500,000,000 | 67.69% |

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

Notes:

- (a) Details of the convertible notes were set out in the circulars of the Company dated 19 November 2011 and 6 January 2015.
- (b) China Xinhua NNC is wholly and beneficially owned by CNC China. Accordingly, CNC China is deemed to be interested in the 1,086,580,561 Shares and 1,413,419,439 underlying Shares held by China Xinhua NNC under the SFO.

Saved as disclosed above, as at 30 June 2015, the Directors were not aware of any other person/entity (other than the Directors or chief executive as disclosed in the paragraph headed "Directors' and chief executive's interests and short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations" above) who/which had, or is deemed to have, interests or short positions in the Shares, underlying Shares or debentures 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 or who/which were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or who/which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, none of the Directors and their respective associates including spouses and children under 18 years of age was granted by the Company or its subsidiaries any right to acquire Shares or debentures of the Company or any other body corporate, or had exercised any such right during the Period.

主要股東及其他人士於本公司股份及相關股份的權益及淡倉 (續)

附註：

- (a) 可換股票據的詳情載於本公司日期為二零一一年十一月十九日及二零一五年一月六日的通函。
- (b) 中國新華新聞電視網由中國新華新聞電視網(中國)全資及實益擁有。因此，根據證券及期貨條例，中國新華新聞電視網(中國)被視為擁有中國新華新聞電視網所持有的1,086,580,561股股份及1,413,419,439股相關股份的權益。

除上文披露者外，於二零一五年六月三十日，就董事所知，概無任何其他人士／實體（並非上文「董事及行政總裁於本公司及其相聯法團的股份、相關股份或債權證的權益及淡倉」一段所披露之董事或本公司行政總裁）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分部的條文須向本公司披露的本公司股份、相關股份或債權證的權益或淡倉，或直接或間接擁有可於任何情況下在本集團任何成員公司的股東大會上投票的任何類別股本面值5%或以上的權益或淡倉，或擁有記錄於本公司根據證券及期貨條例第336條所存置之登記冊之權益或淡倉。

董事購買股份或債權證的權利

除本報告所披露者外，於本期間內，概無董事及彼等各自的聯繫人（包括配偶及未滿18歲的子女）獲本公司或其附屬公司授出任何權利可購買本公司或任何其他法人團體的股份或債權證，亦無行使任何有關權利。

PURCHASE, SALE OR REDEMPTION OF THE SHARES

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Shares.

CONNECTED TRANSACTIONS

During the Period, the Group entered into following continuing connected transactions:

Television Broadcasting Right Agreement

On 5 September 2011, Xinhua TV Asia-Pacific Operating Co., Limited (“Xinhua TV Asia-Pacific”) entered into a television broadcasting right agreement (the “Television Broadcasting Right Agreement”) with China Xinhua NNC, pursuant to which China Xinhua NNC granted the television broadcasting right in respect of broadcasting information contents from Xinhua News Agency under CNC Channels on television channels in the Asia-Pacific region (excluding the PRC) to the Group for an annual fee of HK\$1.0 million prior to 31 December 2016 and HK\$3.0 million with effective from 1 January 2017. The Television Broadcasting Right Agreement has a term of 120 months from 1 September 2011 to 31 August 2021. Since China Xinhua NNC is a substantial shareholder of the Company, and therefore a connected person of the Company within the meaning of the GEM Listing Rules, the transactions contemplated under the Television Broadcasting Right Agreement constitute continuing connected transactions for the Company pursuant to Chapter 20 of the GEM Listing Rules.

CRU Framework Agreement

On 19 December 2012, CNC China and the Ministry of Commerce of the PRC (“MOFCOM”) Department of Foreign Investment Administration (商務部外國投資管理司) entered into an advertisement broadcasting agreement (the “MOFCOM Advertisement Broadcasting Agreement”) in relation to the provision of advertising resources of the television channels controlled by CNC China to broadcast advertisements of the MOFCOM Department of Foreign Investment Administration.

購買、出售或贖回股份

於本期間內，本公司或其任何附屬公司概無購買、出售或贖回任何股份。

關連交易

於本期間內，本集團訂立以下持續關連交易：

電視播放權協議

於二零一一年九月五日，新華電視亞太台運營有限公司（「新華電視亞太台」）與中國新華新聞電視網訂立一份電視播放權協議（「電視播放權協議」），據此，中國新華新聞電視網向本集團授出於亞太地區（不包括中國）之電視頻道播放新華社之CNC頻道下之資訊內容之電視播放權，於二零一六年十二月三十一日前之年費為1,000,000港元及自二零一七年一月一日起之年費為3,000,000港元。電視播放權協議為期120個月，自二零一一年九月一日起至二零二一年八月三十一日止。由於中國新華新聞電視網為本公司之主要股東，故為本公司之關連人士（定義見創業板上市規則），根據創業板上市規則第20章，根據電視播放權協議擬進行之交易構成本公司之持續關連交易。

頻道資源佔用框架協議

於二零一二年十二月十九日，中國新華新聞電視網（中國）與中國商務部（「商務部」）外國投資管理司訂立廣告播放協議（「商務部廣告播放協議」），內容有關就播放商務部外國投資管理司之廣告提供由中國新華新聞電視網（中國）控制之電視頻道之廣告資源。

CONNECTED TRANSACTIONS (Continued)

CRU Framework Agreement (Continued)

On 25 December 2012, Sichuan Branch of Xinhua News Agency and Yibin Wuliangye Liquor Sales Co., Ltd entered into an advertisement broadcasting agreement (the “Wuliangye Advertisement Broadcasting Agreement”) in relation to the provision of advertising resources of the television channels controlled by CNC China to broadcast advertisements of Yibin Wuliangye Liquor Sales Co., Ltd. On 22 July 2013, CNC China and Sichuan Branch of Xinhua News Agency entered into the advertisement broadcasting authorisation agreement (the “Wuliangye Advertisement Broadcasting Authorisation Agreement”) in relation to the provision of advertising resources of the television channels controlled by CNC China to broadcast advertisements of Yibin Wuliangye Liquor Sales Co., Ltd.

To support the operation of the Company, on 22 July 2013, the Company and CNC China entered into a channel resources usage framework agreement (the “CRU Framework Agreement”), pursuant to which the Company will and will procure its subsidiaries to provide advertising resources on the television channels controlled by the Company to CNC China and its associates for the advertisement business of independent third party clients undertaken by them. As consideration, CNC China and its associates will pay advertisement broadcasting fees to the Company and its subsidiaries. The CRU Framework Agreement will have a term of 3 years ending on 31 March 2016.

In order to implement the CRU Framework Agreement, on 22 July 2013, Xinhua TV Asia-Pacific entered into the channel resources usage agreement (the “MOFCOM CRU Agreement”) with CNC China, pursuant to which Xinhua TV Asia-Pacific agreed to provide advertising resources on its television channels for broadcasting advertisements of the MOFCOM Department of Foreign Investment Administration. On the same day, Xinhua TV Asia-Pacific entered into the channel resources usage agreement (the “Wuliangye CRU Agreement”) with CNC China, pursuant to which Xinhua TV Asia-Pacific agreed to provide advertising resources on its television channels for broadcasting advertisements of Yibin Wuliangye Liquor Sales Co., Ltd. Both MOFCOM CRU Agreement and Wuliangye CRU Agreement became effective on 22 July 2013 and will end on 31 March 2016.

關連交易 (續)

頻道資源佔用框架協議 (續)

於二零一二年十二月二十五日，新華社四川分社與宜賓五糧液酒類銷售有限責任公司訂立廣告播放協議（「五糧液廣告播放協議」），內容有關就播放宜賓五糧液酒類銷售有限責任公司之廣告提供由中國新華新聞電視網（中國）控制之電視頻道之廣告資源。於二零一三年七月二十二日，中國新華新聞電視網（中國）與新華社四川分社訂立廣告播放授權協議（「五糧液廣告播放授權協議」），內容有關就播放宜賓五糧液酒類銷售有限責任公司之廣告提供由中國新華新聞電視網（中國）控制之電視頻道之廣告資源。

為支持本公司之營運，於二零一三年七月二十二日，本公司與中國新華新聞電視網（中國）訂立頻道資源佔用框架協議（「頻道資源佔用框架協議」），據此，本公司將並將促使其附屬公司向中國新華新聞電視網（中國）及其聯營公司就彼等承接之獨立第三方客戶之廣告業務提供由本公司控制之電視頻道之廣告資源。作為代價，中國新華新聞電視網（中國）及其聯營公司將向本公司及其附屬公司支付廣告播放費。頻道資源佔用框架協議將於二零一六年三月三十一日終止，為期三年。

為實施頻道資源佔用框架協議，於二零一三年七月二十二日，新華電視亞太台與中國新華新聞電視網（中國）訂立頻道資源佔用協議（「商務部頻道資源佔用協議」），據此，新華電視亞太台同意提供其電視頻道之廣告資源，用於播放商務部外國投資管理司的廣告。同日，新華電視亞太台與中國新華新聞電視網（中國）訂立頻道資源佔用協議（「五糧液頻道資源佔用協議」），據此，新華電視亞太台同意提供其電視頻道之廣告資源，用於播放宜賓五糧液酒類銷售有限責任公司的廣告。商務部頻道資源佔用協議及五糧液頻道資源佔用協議均於二零一三年七月二十二日起生效並將於二零一六年三月三十一日終止。

CONNECTED TRANSACTIONS (Continued)

CRU Framework Agreement (Continued)

As consideration for using such advertising resources, CNC China will pay the Group 50% of the advertisement broadcasting fees (after deducting applicable PRC taxes) it receives from the MOFCOM Department of Foreign Investment Administration under the MOFCOM Advertisement Broadcasting Agreement (including those received before the effectiveness of the MOFCOM CRU Agreement); and 50% of the advertisement broadcasting fees (after deducting applicable PRC taxes) it receives from Sichuan Branch of Xinhua News Agency under the Wuliangye Advertisement Broadcasting Authorisation Agreement (including those received before the effectiveness of the Wuliangye CRU Agreement). Such advertisement broadcasting fees that CNC China are entitled to equal to 30% of the advertisement broadcasting fees that Sichuan Branch of Xinhua News Agency receives from Yibin Wuliangye Liquor Sales Co., Ltd. under the Wuliangye Advertisement Broadcasting Agreement (including those received before the effectiveness of the Wuliangye Advertisement Broadcasting Authorisation Agreement).

Since CNC China is a substantial shareholder and a connected person of the Company within the meaning of the GEM Listing Rules, the transactions contemplated under the CRU Framework Agreement constitute continuing connected transactions for the Company pursuant to Chapter 20 of the GEM Listing Rules.

Announcement Posting Agreements

On 6 May 2015 and 11 June 2014, the Company entered into agreements (the "Announcement Posting Agreements") with Hong Kong Listco Limited ("HKLC") pursuant to which HKLC will provide the Company with the service of dissemination of announcements including hosting and posting of announcements, press releases or other documents as required by the GEM Listing Rules on the website(s) of the Group at a monthly service fee of HK\$750 for a term of one year commencing from 1 July 2015 and 1 July 2014 respectively. HKLC is a company incorporated in Hong Kong and is wholly and beneficially owned by Mr. Chia. The Company considers it more cost effective to engage a professional firm to take up this report posting obligation after listing.

關連交易 (續)

頻道資源佔用框架協議 (續)

作為佔用該等廣告資源之代價，中國新華新聞電視網（中國）將向本集團支付其根據商務部廣告播放協議自商務部外國投資管理司收取之廣告播放費（經扣除適用之中國稅項後）（包括於商務部頻道資源佔用協議生效前已收取之費用）之50%；及其根據五糧液廣告播放授權協議自新華社四川分社收取之廣告播放費（經扣除適用之中國稅項後）（包括於五糧液頻道資源佔用協議生效前已收取之費用）之50%。中國新華新聞電視網（中國）可獲得之該等廣告播放費等於新華社四川分社根據五糧液廣告播放協議自宜賓五糧液酒類銷售有限責任公司收取之廣告播放費（包括於五糧液廣告播放授權協議生效前已收取之費用）之30%。

由於中國新華新聞電視網（中國）為本公司主要股東及關連人士（定義見創業板上市規則），故根據創業板上市規則第20章，頻道資源佔用框架協議項下擬進行的交易構成本公司之持續關連交易。

刊登公佈協議

於二零一五年五月六日及二零一四年六月十一日，本公司與公司資訊網有限公司（「公司資訊網」）訂立協議（「刊登公佈協議」），據此，公司資訊網將向本公司提供公佈發佈服務，包括於本集團網站上安排及刊登公佈、媒體報道或創業板上市規則規定之其他文件，每月服務費為750港元，分別自於二零一五年七月一日及二零一四年七月一日起為期一年。公司資訊網為一間在香港註冊成立的公司，由謝先生全資實益擁有。本公司認為於上市後委聘一間專業公司承擔公佈刊登之責任更具成本效益。

CONNECTED TRANSACTIONS (Continued)

GEM Listing Rules Implications

Pursuant to Rule 20.41 of the GEM Listing Rules, the transactions contemplated under the Television Broadcasting Right Agreement are subject to the applicable reporting, annual review and disclosure requirements under Chapter 20 of the GEM Listing Rules. The Company will comply with the applicable reporting, disclosure and independent shareholders' approval requirements, as the case may be, under Chapter 20 of the GEM Listing Rules upon any variation or renewal of the Television Broadcasting Right Agreement.

Also pursuant to Rule 20.41 of the GEM Listing Rules, the transactions contemplated under the CRU Framework Agreement are subject to the applicable reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules because the highest applicable percentage ratio of the annual caps, calculated on an annual basis, is more than 0.1% but less than 5%. The Company will comply with the applicable reporting, disclosure and independent shareholders' approval requirements, as the case may be, under Chapter 20 of the GEM Listing Rules upon any variation or renewal of the CRU Framework Agreement.

As the annual service fee payable under the Announcement Posting Agreements referred to above is less than HK\$1.0 million and none of the percentage ratios, on an annual basis, equals or exceeds 5%, and that the Announcement Posting Agreements were entered into in the ordinary and usual course of business of the Group, the transactions under the Announcement Posting Agreements are exempt continuing connected transactions of the Company pursuant to Rule 20.33(3)(c) of the GEM Listing Rules, which are exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Save as disclosed above, none of the Directors, controlling shareholders of the Company and their respective associates has any other connected transaction with the Group during the Period.

關連交易 (續)

創業板上市規則的涵義

根據創業板上市規則第20.41條，根據電視播放權協議項下擬進行之交易須受到創業板上市規則第20章項下適用的申報、年度審閱及披露規定規管。於修改或更新電視播放權協議後，本公司將遵守創業板上市規則第20章項下適用的申報、披露及獨立股東批准之規定（視乎情況而定）。

此外，根據創業板上市規則第20.41條，由於按年計算之年度上限之最高適用百分比率超過0.1%但低於5%，因此根據頻道資源佔用框架協議項下擬進行之交易須受到創業板上市規則第20章項下適用的申報、公告及年度審閱規定規管，但豁免獨立股東批准規定。於修改或更新頻道資源佔用框架協議後，本公司將遵守創業板上市規則第20章項下適用的申報、披露及獨立股東批准之規定（視乎情況而定）。

由於上文所述根據刊登公佈協議應付之年度服務費低於1,000,000港元且概無年度百分比率等於或超過5%，以及刊登公佈協議乃於本集團日常及一般業務過程中訂立，根據創業板上市規則第20.33(3)(c)條，刊登公佈協議項下之交易為本公司之獲豁免持續關連交易，獲豁免遵守創業板上市規則第20章之申報、年度審閱、公告及獨立股東批准之規定。

除上文披露者外，於本期間內，董事、本公司控股股東及彼等各自的聯繫人概無與本集團有任何其他關連交易。

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms which are the same as the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company periodically issues notices to its Directors reminding them of the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of financial results. The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the required standards of dealings throughout the Period. The Company was not aware of any non-compliance in this respect during the Period.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders and enhance the performance of the Group. The Company has applied the principles and code provisions in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 to the GEM Listing Rules. In the opinion of the Board, the Company has complied with the Code during the Period.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established on 11 August 2010 with terms of reference in compliance with paragraph C.3.3 of the Code. The primary duties of the Audit Committee include, among other things, reviewing and supervising the financial reporting process and internal control systems, as well as the overall risk management of the Group, reviewing the financial statements and the quarterly, interim and annual reports of the Group, and reviewing the terms of engagement and scope of audit work of the external auditors.

董事進行證券交易之行為守則

本公司按與創業板上市規則第5.48至5.67條所載交易必守標準相同的條款採納董事進行證券交易之行為守則。本公司定期向董事發出通知，提醒彼等於刊發財務業績公佈前之禁制期內買賣本公司上市證券之一般禁制規定。本公司向全體董事作出特別查詢後確認，全體董事於本期間一直遵守交易必守標準。據本公司所知，於本期間內並無任何違規事宜。

企業管治常規守則

本公司一直致力維持高水平之企業管治，務求保障股東利益及提高本集團之表現。本公司已應用創業板上市規則附錄15所載之企業管治常規守則（「守則」）之原則及守則條文。董事會認為，本公司於本期間內一直遵守守則。

審核委員會

本公司於二零一零年八月十一日成立審核委員會（「審核委員會」），其職權範圍符合守則第C.3.3條所載規定。審核委員會的主要職責為（其中包括）審閱及監督本集團的財務申報程序、內部監控制度及整體風險管理，審閱本集團的財務報表及季度報告、中期報告及年報，以及審閱外部核數師的聘用條款及審核工作範圍。

AUDIT COMMITTEE (Continued)

As at 30 June 2015, the members of the Audit Committee were Mr. Wong Chung Yip, Kenneth, Dr. Li Yong Sheng, The Hon. Ip Kwok Him, GBS, JP, Mr. Wan Chi Keung, Aaron, BBS, JP and Mr. Jin Hai Tao. Mr. Wong Chung Yip, Kenneth was the chairman of the Audit Committee. The Audit Committee had reviewed the unaudited condensed consolidated results of the Group for the Period and is of the opinion that the preparation of such results complied with the applicable accounting standards and that adequate disclosures have been made.

By Order of the Board
CNC Holdings Limited
Li Yuet Tai
Company secretary

Hong Kong, 11 August 2015

As at the date of this report, the Directors are Mr. Zhang Hao¹ (Chairman), Mr. Zou Chen Dong¹ (Vice Chairman and Chief Executive Officer), Mr. Kan Kwok Cheung¹, Mr. Chia Kar Hin, Eric John¹, Dr. Li Yong Sheng², The Hon. Ip Kwok Him, GBS, JP³, Mr. Wan Chi Keung, Aaron, BBS, JP³, Mr. Jin Hai Tao³ and Mr. Wong Chung Yip, Kenneth³.

¹ Executive Director

² Non-executive Director

³ Independent non-executive Director

審核委員會 (續)

於二零一五年六月三十日，審核委員會的成員包括王忠業先生、李永升博士、葉國謙議員，金紫荊星章、太平紳士、尹志強先生、銅紫荊星章、太平紳士及靳海濤先生。王忠業先生為審核委員會主席。審核委員會已審閱本集團於本期間之未經審核簡明綜合業績，並認為該等業績的編製符合適用會計準則並已作出充分披露。

承董事會命
中國新華電視控股有限公司
公司秘書
李月弟

香港，二零一五年八月十一日

於本報告日期，董事為張浩先生¹（主席）、鄧陳東先生¹（副主席兼行政總裁）、簡國祥先生¹、謝嘉軒先生¹、李永升博士²、葉國謙議員，金紫荊星章、太平紳士³、尹志強先生，銅紫荊星章、太平紳士³、靳海濤先生³及王忠業先生³。

¹ 執行董事

² 非執行董事

³ 獨立非執行董事



CNC HOLDINGS LIMITED
中國新華電視控股有限公司