



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

Interim Report
中期報告

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」）之特色

創業板的定位乃為相比起其他在聯交所上市之公司帶有較高投資風險之公司提供一個上市之市場。有意投資之人士應瞭解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他經驗豐富之投資者。

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

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

RESULTS

The board of Directors (the "Board") of Heng Xin China Holdings Limited (the "Company") announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months and six months ended 30 June 2015 together with the comparative unaudited figures for the corresponding periods in 2014.

業績

恒芯中國控股有限公司(「本公司」)董事會(「董事會」)公佈本公司及其附屬公司(統稱「本集團」)截至二零一五年六月三十日止三個月及六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 six months ended 30 June 2015

簡明綜合損益表

截至二零一五年六月三十日止六個月

		Three months ended 30 June 截至六月三十日 止三個月		Six months ended 30 June 截至六月三十日 止六個月		
		Notes 附註	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)	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	3	5,532	30,377	9,791	52,357
Cost of sales	銷售成本		(4,316)	(21,036)	(7,765)	(36,407)
Gross profit	毛利		1,216	9,341	2,026	15,950
Other income	其他收入	3	195	235	271	566
Selling and marketing expenses	銷售及市場推廣開支		(724)	(22)	(1,052)	(76)
Other operating expenses	其他經營費用		(23,683)	(24,694)	(43,129)	(43,540)
Finance costs	融資成本	4	(2,938)	(2,864)	(4,201)	(5,974)
Share of loss of an associate	分佔一間聯營公司虧損		(42)	(152)	(84)	(247)
Loss before taxation	除稅前虧損	5	(25,976)	(18,156)	(46,169)	(33,321)
Taxation	稅項	6	(34)	(342)	(43)	(356)
Loss for the period	期內虧損		(26,010)	(18,498)	(46,212)	(33,677)
Loss attributable to:	以下人士應佔虧損：					
Owners of the Company	本公司擁有人		(23,527)	(17,995)	(43,106)	(32,511)
Non-controlling interests	非控股股東權益		(2,483)	(503)	(3,106)	(1,166)
			(26,010)	(18,498)	(46,212)	(33,677)
Loss per share	每股虧損	7	HK cent 港仙	HK cent 港仙	HK cent 港仙	HK cent 港仙
– Basic	– 基本		(0.53)	(0.52)	(1.00)	(0.95)
– Diluted	– 攤薄		–	–	–	–
Dividends	股息	8	–	–	–	–

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

For the six months ended 30 June 2015

截至二零一五年六月三十日止六個月

		Three months ended 30 June 截至六月三十日 止三個月		Six months ended 30 June 截至六月三十日 止六個月	
		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)	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)
Loss for the period	期內虧損	(26,010)	(18,498)	(46,212)	(33,677)
Other comprehensive loss:	其他全面虧損：				
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：				
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	(1,030)	(3,055)	(6,910)	(16,355)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	期內全面虧損總額	(27,040)	(21,553)	(53,122)	(50,032)
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	(24,557)	(21,050)	(50,016)	(48,866)
Non-controlling interests	非控股股東權益	(2,483)	(503)	(3,106)	(1,166)
		(27,040)	(21,553)	(53,122)	(50,032)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

簡明綜合財務狀況表

於二零一五年六月三十日

		Notes 附註	30 June 2015 二零一五年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2014 二零一四年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	38,516	47,946
Goodwill	商譽		95,618	95,618
Intangible assets	無形資產		39,234	46,973
Interest in an associate	於一間聯營公司之權益		40,241	40,325
Deposits for acquisition of non-current assets	收購非流動資產之按金		12,000	12,000
			225,609	242,862
Current assets	流動資產			
Inventories	存貨		185,226	177,779
Trade receivables	應收賬款	10	249,771	257,349
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		250,829	246,931
Restricted bank deposits	有限制銀行存款		—	—
Cash and cash equivalents	現金及現金等價物		3,587	7,107
			689,413	689,166
Current liabilities	流動負債			
Trade payables	應付賬款	11	36,185	34,730
Other payables and accruals	其他應付款項及應計費用		166,638	237,684
Receipts in advance	預收賬款		45,810	52,576
Bonds payable	應付債券		90,000	100,000
Short term loans	短期貸款		12,750	12,797
Tax payable	應繳稅項		59,004	60,094
			410,387	497,881
Net current assets	流動資產淨值		279,026	191,285
Total assets less current liabilities	總資產減流動負債		504,635	434,147
Non-current liabilities	非流動負債			
Receipts in advance	預收賬款		74,663	69,045
Deferred tax liabilities	遞延稅項負債		7,361	7,361
			82,024	76,406
Net assets	資產淨值		422,611	357,741
Capital and reserves	資本及儲備			
Share capital	股本	12	44,002	34,586
Reserves	儲備		360,676	302,116
Equity attributable to Owners of the Company	以下人士應佔權益			
Non-controlling interests	本公司擁有人 非控股股東權益		404,678 17,933	336,702 21,039
Total equity	權益總額		422,611	357,741

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

簡明綜合權益變動表

截至二零一五年六月三十日止六個月

Unaudited
未經審核

		Attributable to the owners of the Company 本公司擁有人應佔							Non-controlling interests 非控股股東權益	Total equity 權益總額	
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Exchange fluctuation reserve 匯兌儲備	Other reserve 其他儲備	Share option reserve 購股權儲備	Accumulated losses 累計虧損	Sub-total 小計		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Balance at 1 January 2014 (audited)	於二零一四年 一月一日之結餘 (經審核)	34,086	1,466,350	2,325	100,274	(79,992)	3,396	(415,328)	1,111,111	25,692	1,136,803
Recognition of share-based payments	確認以股份為 基礎付款	-	-	-	-	-	831	-	831	-	831
Issue of new shares	發行新股份	500	12,000	-	-	-	-	-	12,500	-	12,500
Total comprehensive loss for the six months ended 30 June 2014	截至二零一四年 六月三十日 止六個月之 全面虧損總額	-	-	-	(16,355)	-	-	(32,511)	(48,866)	(1,166)	(50,032)
Balance at 30 June 2014	於二零一四年 六月三十日之結餘	34,586	1,478,350	2,325	83,919	(79,992)	4,227	(447,839)	1,075,576	24,526	1,100,102
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	9,416	108,576	-	-	-	-	-	117,992	-	117,992
Total comprehensive loss for the six months ended 30 June 2015	截至二零一五年 六月三十日 止六個月之 全面虧損總額	-	-	-	(6,910)	-	-	(43,106)	(50,016)	(3,106)	(53,122)
Balance at 30 June 2015	於二零一五年 六月三十日之結餘	44,002	1,586,926	2,325	73,937	(79,992)	4,236	(1,226,756)	404,678	17,933	422,611

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

簡明綜合現金流量表

截至二零一五年六月三十日止六個月

Six months ended
30 June
截至六月三十日止六個月

		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)
Net cash used in operating activities	經營活動所用現金淨額	(37,558)	(120,553)
Net cash from investing activities	投資活動所得現金淨額	128	271
Net cash from financing activities	融資活動所得現金淨額	34,268	12,471
Net decrease in cash and cash equivalents	現金及現金等價物之減少淨額	(3,162)	(107,811)
Cash and cash equivalents at beginning of the period	於期初之現金及現金等價物	7,107	130,726
Effect of foreign exchange rate changes	匯率變動之影響	(358)	(493)
Cash and cash equivalents at end of the period	於期末之現金及現金等價物	3,587	22,422
Analysis of balances of cash and cash equivalents	現金及現金等價物之結餘分析		
Cash at bank and in hand	銀行存款及現金	3,587	22,422

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in Bermuda. The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company is an investment holding company. The shares of the Company have been listed on the GEM of the Stock Exchange since 16 April 2003.

The principal activities of the Group are engaged in digital cable television business, wireless digital television value-added services, wireless digital terrestrial television network equipment integrated business, research, design, development on and manufacturing of electronic message security products, integrated circuits, and the integrated circuit solutions and the related services.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values. The accounting policies and methods of computation used in the preparation of the unaudited consolidated financial statements are consistent with those used in the financial statements for the year ended 31 December 2014. These unaudited 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 consolidated financial statements have not been audited by the auditor of the Company, but have been reviewed by the Company's audit committee and were approved for issue by the Board.

簡明綜合財務報表附註

1. 一般資料

本公司於百慕達註冊成立為受豁免有限公司。本公司註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本公司為一間投資控股公司。本公司股份自二零零三年四月十六日一直在聯交所創業板上上市。

本集團之主要業務則包括從事有線數位電視業務、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

截至二零一五年六月三十日止六個月之未經審核簡明綜合財務報表乃按香港會計師公會頒佈之香港會計準則(「香港會計準則」)第34號中期財務報告及創業板上規例第18章之適用披露規定編製。

未經審核簡明綜合財務報表乃根據歷史成本基準編製，惟若干金融工具乃以公平值計量。編製未經審核綜合財務報表所採用之會計政策及計算方法與編製截至二零一四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。

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

3. REVENUE AND SEGMENT INFORMATION

Revenue recognised by category during the three and six months ended 30 June 2015 are as follows:

3. 收益及分部資料

截至二零一五年六月三十日止三個月及六個月之收益分類確認如下：

		Three months ended 30 June 截至六月三十日 止三個月		Six months ended 30 June 截至六月三十日 止六個月	
		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)	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	1,841	19,028	3,034	38,015
Wireless digital television value-added services	無線數位電視增值服務	2,948	2,955	5,896	5,935
Encrypted integrated circuits	加密芯片	–	8,394	118	8,394
Wireless digital audio integrated circuits	無線數字音頻芯片	–	–	–	13
Wireless digital terrestrial television network equipment integration	地面無線數位電視網絡設備集成	743	–	743	–
		5,532	30,377	9,791	52,357
Other income	其他收入				
Bank interest income	銀行利息收入	2	23	3	28
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	50	–	125	283
Sundry income	雜項收入	143	212	143	255
		195	235	271	566

3. REVENUE AND SEGMENT INFORMATION (Continued)

The segment results for the six months ended 30 June 2015 are as follows:

3. 收益及分部資料(續)

截至二零一五年六月三十日止六個月之分部業績如下：

		Digital cable television business	Wireless digital television value-added services	Encrypted integrated circuits	Wireless digital audio integrated circuits	Wireless digital terrestrial television network equipment integration	Total
		有線數位電視業務 HK\$'000 千港元 (Unaudited) (未經審核)	無線數位電視增值服務 HK\$'000 千港元 (Unaudited) (未經審核)	加密芯片 HK\$'000 千港元 (Unaudited) (未經審核)	無線數字音頻芯片 HK\$'000 千港元 (Unaudited) (未經審核)	地面無線數位電視網絡設備集成 HK\$'000 千港元 (Unaudited) (未經審核)	總計 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	收益						
Segment revenue from external customers	來自外來客戶之分部收益	3,034	5,896	118	–	743	9,791
Segment results	分部業績	(12,601)	(2,113)	(5,965)	(2,791)	(8)	(23,478)
Unallocated income	未分配收入						271
Unallocated expenses	未分配開支						(18,677)
Share of loss of an associate	分佔一間聯營公司虧損						(84)
Finance costs	融資成本						(4,201)
Loss before taxation	除稅前虧損						(46,169)
Taxation	稅項						(43)
Loss for the six months ended 30 June 2015	截至二零一五年六月三十日止六個月之虧損						(46,212)

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

截至二零一四年六月三十日止六個月之分部業績如下：

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

4. FINANCE COSTS

4. 融資成本

		Three months ended 30 June 截至六月三十日 止三個月		Six months ended 30 June 截至六月三十日 止六個月	
		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)	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	29	540	271
Interest on redeemable bonds	可贖回債券之利息	2,668	2,835	3,661	5,703
		2,938	2,864	4,201	5,974

5. LOSS BEFORE TAXATION

5. 除稅前虧損

Loss for the period has been arrived at after charging:

期內虧損乃經扣除下列各項後列賬：

		Three months ended 30 June 截至六月三十日 止三個月		Six months ended 30 June 截至六月三十日 止六個月	
		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)	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	3,577	4,875	7,132	9,816
Research and development costs	研究及開發成本	3,912	5,964	7,842	9,797
Staff costs (including Directors' emoluments)	員工成本 (包括董事酬金)				
– salaries and allowances	– 薪金及津貼	4,788	3,802	8,949	8,139
– retirement benefits scheme contributions	– 退休福利計劃供款	1,179	354	1,620	741

6. TAXATION

6. 稅項

		Three months ended 30 June 截至六月三十日 止三個月		Six months ended 30 June 截至六月三十日 止六個月	
		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)	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	-	-	-	-
- PRC Enterprise Income Tax	- 中國企業所得稅	34	342	43	356
		34	342	43	356

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。

7. LOSS PER SHARE

7. 每股虧損

(a) Basic

Basic loss per share for the three months ended 30 June 2015 is calculated by dividing the consolidated loss attributable to the owners of the Company for the three months ended 30 June 2015 of HK\$23,527,000 (2014: HK\$17,995,000) by the weighted average number of 4,400,190,000 (2014: 3,433,864,000) ordinary shares in issue during the period.

Basic loss per share for the six months ended 30 June 2015 is calculated by dividing the consolidated loss attributable to the owners of the Company for the six months ended 30 June 2015 of HK\$43,106,000 (2014: HK\$32,511,000) by the weighted average number of 4,297,443,000 (2014: 3,421,297,000) ordinary shares in issue during the period.

(b) Diluted

No diluted loss per share has been presented for the three months and six months ended 30 June 2015 and 2014 as the exercise prices of the Company's outstanding share options and warrants were higher than the average market price of the Company's shares for the periods.

(a) 基本

截至二零一五年六月三十日止三個月之每股基本虧損乃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綜合虧損23,527,000港元(二零一四年：17,995,000港元)除以期內已發行普通股加權平均數4,400,190,000(二零一四年：3,433,864,000股)計算。

截至二零一五年六月三十日止六個月之每股基本虧損乃按截至二零一五年六月三十日止六個月本公司擁有人應佔綜合虧損43,106,000港元(二零一四年：32,511,000港元)除以期內已發行普通股加權平均數4,297,443,000股(二零一四年：3,421,297,000股)計算。

(b) 攤薄

由於截至二零一五及二零一四年六月三十日止三個月及六個月本公司尚未行使購股權及認股權證之行使價高於本公司股份之平均市價，因此期內並無呈列每股攤薄虧損。

8. DIVIDENDS

The Board does not declare the payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, there are no acquisition of property, plant and equipment of the Group (2014: HK\$16,779,000). During the period, the Group disposed of certain items of property, plant and equipment with a total carrying amount of approximately HK\$70,000 (2014: HK\$18,000).

10. TRADE RECEIVABLES

	30 June 2015 二零一五年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2014 二零一四年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Trade receivables 應收賬款	452,400	459,978
Less: allowance for doubtful debts 減：呆賬撥備	(202,629)	(202,629)
	249,771	257,349

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

	30 June 2015 二零一五年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2014 二零一四年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days 三十日內	-	-
31 – 90 days 三十一至九十日	-	37,983
91 – 180 days 九十一至一百八十日	-	-
Over 180 days 一百八十日以上	249,771	219,366
	249,771	257,349

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

Most of the receivables that were past due but not impaired related to a number of independent customers that have a good track record maintained with the Group. The Group will evaluate the recoverability of these trade receivable aging over 1 year. Continuous actions will be taken by the directors to pursue settlement of receivable.

8. 股息

董事會不宣派截至二零一五年六月三十日止六個月之中期股息(二零一四年：無)。

9. 物業、廠房及設備

截至二零一五年六月三十日止六個月，本集團概無收購任何物業、廠房及設備(二零一四年：16,779,000港元)。期內，本集團已出售總賬面值約為70,000港元(二零一四年：18,000港元)之若干物業、廠房及設備項目。

10. 應收賬款

	30 June 2015 二零一五年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2014 二零一四年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Trade receivables 應收賬款	452,400	459,978
Less: allowance for doubtful debts 減：呆賬撥備	(202,629)	(202,629)
	249,771	257,349

逾期但並未減值之應收賬款(扣除呆賬撥備後)賬齡分析如下：

	30 June 2015 二零一五年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2014 二零一四年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days 三十日內	-	-
31 – 90 days 三十一至九十日	-	37,983
91 – 180 days 九十一至一百八十日	-	-
Over 180 days 一百八十日以上	249,771	219,366
	249,771	257,349

本集團給予其貿易客戶之信貸期一般為三十日至一百八十日。

大部分逾期但並未減值之應收款項與本集團存有良好交易記錄之多名獨立客戶有關。本集團將評估該等賬齡超過1年之應收賬款之可收回性。董事將持續採取行動，以尋求清償應收款項。

10. TRADE RECEIVABLES (Continued)

Among these receivables, an amount of approximately RMB112 million (HK\$140 million) was due from Beijing Huashi. After careful assessment of these receivable balance's recoverability by taking into account of Beijing Huashi expressing their sincerity to resolve the outstanding debt by various settlement proposals to the Company, of which was still under consideration, during the period under review, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has been no significant change in credit quality and the balances are still considered fully recoverable. The directors of the Company will continue closely monitor and evaluate the progress regularly and should there be any adverse changes holding back recovery of these receivables, the directors will determine the appropriate level of provisions to be made and action to be taken including legal proceedings whenever necessary and appropriate to recover all these receivables.

11. TRADE PAYABLES

The ageing analysis of the trade payables is as follow:

		30 June 2015 二零一五年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2014 二零一四年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days	三十日以內	12,384	5,025
31 – 60 days	三十一至六十日	179	–
61 – 90 days	六十一至九十日	166	1,937
Over 90 days	九十日以上	23,456	27,768
		36,185	34,730

12. SHARE CAPITAL

10. 應收賬款(續)

於該等應收款項中，約人民幣112,000,000元(140,000,000港元)乃應收北京華視款項。經考慮北京華視已向本公司提出多種還款方案(本公司仍在考慮中)，表現出彼等償還債務之誠意，本公司對該等應收款項結餘之可收回性進行審慎評估後，於回顧期間內，本公司董事認為，毋須就該等結餘計提減值撥備，原因是信貸質素概無重大變動，該等結餘仍被視為可悉數收回。本公司董事將繼續定期密切監察及評估有關進度，倘任何不利變動妨礙該等應收款項的可收回性，董事將釐定於必要及適當時作出撥備的適當水平及將採取的行動(包括法律程序)，以收回該等全部應收款項。

11. 應付賬款

應付賬款之賬齡分析如下：

12. 股本

		30 June 2015 二零一五年六月三十日 Number of shares 股份數目 '000 千股 HK\$'000 千港元 (Unaudited) (未經審核)		31 December 2014 二零一四年十二月三十一日 Number of shares 股份數目 '000 千股 HK\$'000 千港元 (Audited) (經審核)	
Authorised: Ordinary shares of HK\$0.01 each	法定： 每股面值0.01港元 之普通股	10,000,000	100,000	10,000,000	100,000
Issued and fully paid: At beginning of period/year Issue of shares upon share subscriptions	已發行及繳足： 於期／年初 因股份認購事項而 發行之股份	3,458,590	34,586	3,408,590	34,086
		941,600	9,416	50,000	500
At end of period/year	於期／年末	4,400,190	44,002	3,458,590	34,586

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

For the six months ended 30 June 2015, the Group recorded a consolidated revenue of approximately HK\$9.8 million, representing a decrease of approximately 81.3% when compared to approximately HK\$52.4 million for the corresponding period of last year. Revenue for the three months ended 30 June 2015 amounted to approximately HK\$5.5 million, representing a decrease of approximately 81.9% when compared to HK\$30.4 million of the corresponding quarter of last year.

Gross profit margin of the Group for the period was approximately 20.7%, representing a decrease by 9.8% from approximately 30.5% of the corresponding period of last year.

Other income amounted to approximately HK\$0.3 million for the six months ended 30 June 2015, and amounted to approximately HK\$0.6 million for the corresponding period of last year. For the six months ended 30 June 2015, other income mainly arised from the gain on disposal of fixed assets.

Other operating expenses amounted to approximately HK\$43.1 million for the six months ended 30 June 2015, representing a decrease of 1% when compared to HK\$43.5 million for the six months ended 30 June 2014. Other operating expenses mainly comprised of the depreciation of property, plant and equipment, staff cost, research and development cost, and rental cost of office.

Finance costs for the six months ended 30 June 2015 amounted to approximately HK\$4.2 million, of which approximately HK\$3.6 million represents effective interest expenses on redeemable bonds.

The loss attributable to the owners of the Company amounted to approximately HK\$43.1 million for the six months ended 30 June 2015 while the loss attributable to the owners of the Company amounted to approximately HK\$32.5 million in the corresponding period of the previous financial year.

Basic loss per share for the six months ended 30 June 2015 was approximately HK1 cent, while basic loss per share was approximately HK0.95 cent for the corresponding period of last year.

管理層討論及分析

財務回顧

於截至二零一五年六月三十日止六個月，本集團錄得綜合收益約9,800,000港元，較去年同期之約52,400,000港元減少約81.3%。截至二零一五年六月三十日止三個月之收益約為5,500,000港元，較去年同期之30,400,000港元減少約81.9%。

本期間本集團之毛利率約為20.7%，較去年同期約30.5%減少9.8%。

截至二零一五年六月三十日止六個月之其他收入約為300,000港元，去年同期則約為600,000港元。截至二零一五年六月三十日止六個月之其他收入主要來自出售固定資產之收益。

截至二零一五年六月三十日止六個月之其他經營費用約為43,100,000港元，較截至二零一四年六月三十日止六個月之43,500,000港元減少1%。其他經營費用主要包括物業、廠房及設備折舊、員工成本、研究及開發成本以及辦公室租賃成本。

截至二零一五年六月三十日止六個月之融資成本約為4,200,000港元，其中約3,600,000港元為可贖回債券之實際利息開支。

截至二零一五年六月三十日止六個月，本公司擁有人應佔虧損約為43,100,000港元，而上一財政年度同期本公司擁有人應佔虧損則約為32,500,000港元。

截至二零一五年六月三十日止六個月之每股基本虧損約為1港仙，而去年同期每股基本虧損則約為0.95港仙。

Business review

(i) Digital cable television business

Revenue for the six months ended 30 June 2015 amounted to approximately HK\$3 million (2014: HK\$38 million) or 31% (2014: 73%) of the total revenue. The drop of revenue in this segment was mainly due to the record of revenue RMB30 million from 北京華視星源科技有限公司 (Beijing Huashi Xinyuan Technology Limited*) in the first half of 2014 while no such revenue was recorded in the first half of 2015. In the first half 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 televisions of Xinji, Dongguang and Qing County in Hebei province to develop a cable television network that cover the three counties, had generated revenue of approximately HK\$3 million.

(ii) Wireless digital television value-added services business

Revenue for the six months ended 30 June 2015 amounted to approximately HK\$5.9 million (2014: HK\$5.9 million) or around 60% (2014: 11%) 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 six months ended 30 June 2015 generated from the encrypted integrated circuits business amounted to HK\$118,000 (2014: HK\$8.4 million) or around 1% (2014: 16%) of the total revenue. The revenue from software sales and technical solution provision of this segment was adversely affected due to decrease in market demand and development cycles issues.

(iv) Wireless digital audio integrated circuits business

There was no revenue generated from this segment for the six months ended 30 June 2015. The amount of approximately HK\$13,000 or around 0.02% of the total revenue was generated from this segment for the six months ended 30 June 2014.

(v) Wireless digital terrestrial television network equipment integrated business

Revenue for the six months ended 30 June 2015 generated from this sector amounted to HK\$743,000 (2014: Nil) or around 8% (2014: Nil) of the total revenue. The Group is struggling to explore business in this sector.

業務回顧

(i) 有線數位電視業務

截至二零一五年六月三十日止六個月，收益約為3,000,000港元(二零一四年：38,000,000港元)或佔總收益31%(二零一四年：73%)。此分部收益下降乃主要由於於二零一四年上半年錄得來自北京華視星源科技有限公司之收益人民幣30,000,000元，而於二零一五年上半年並無錄得該項收益。於二零一五年上半年，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3,000,000港元。

(ii) 無線數位電視增值服務業務

截至二零一五年六月三十日止六個月，收益約為5,900,000港元(二零一四年：5,900,000港元)或佔總收益約60%(二零一四年：11%)。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

截至二零一五年六月三十日止六個月，來自加密芯片業務之收益為118,000港元(二零一四年：8,400,000港元)或佔總收益約1%(二零一四年：16%)。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

截至二零一五年六月三十日止六個月，此分部並無產生任何收益。截至二零一四年六月三十日止六個月，來自此分部之收益約13,000港元或佔總收益約0.02%。

(v) 地面無線數位電視網絡設備集成業務

截至二零一五年六月三十日止六個月，本產業產生之收益為743,000港元(二零一四年：無)或佔總收益約8%(二零一四年：無)。本集團正努力物色該行業的業務。

Prospects

In the year 2015, the Group still focus on its existing business, at the same time, the Board considered that it is beneficial for the Group to seek suitable investment opportunities to develop and expand its existing business portfolio and engage various new line of business with growth potential and broaden its source of income and profit.

Liquidity and Financial Resources

As at 30 June 2015, the cash and bank balances of the Group amounted to approximately HK\$3.6 million (31 December 2014: HK\$7.1 million).

During the six months ended 30 June 2015, the Group has net cash outflow from its operating activities of approximately HK\$37.6 million, and net cash inflow from its investing activities and financing activities of approximately HK\$0.1 million and HK\$34.3 million respectively.

As at 30 June 2015, the gearing ratio of the Group, calculated as total of bonds payable and short term loans over total equity, was approximately 0.24 (31 December 2014: 0.31).

Foreign Exchange Exposure

During the six months ended 30 June 2015, the majority of the Group's incomes and expenses were denominated in Renminbi and Hong Kong dollars. Up to 30 June 2015, the management of the Company is of the opinion that the Group has insignificant exposure to foreign exchange risk. As a result, the Group did not use any financial instruments for hedging against fluctuation in foreign exchange during the six months ended 30 June 2015. Nevertheless, the management of the Company will closely monitor and from time to time reassess the exchange risk exposures of the Group and enter into non-speculative hedging arrangements if considered necessary.

Charge on Group Assets

As at 30 June 2015, No assets of the Group (31 December 2014: Nil) have been pledged to banks for loans or borrowings.

Contingent Liabilities

As at 30 June 2015, the Group had no significant contingent liabilities. In June 2014, a subsidiary of the group received notice that it was being sued by a supplier called Gospell Digital Technology Co., Ltd. in respect of a long outstanding purchase amounts due. If the subsidiary is found to be liable, the total expected monetary penalty may amount to approximately HK\$1.9 million. Based on legal advice, the Directors do not believe it is probable that the court will levy a fine against them. No provision has therefore been made in respect of this claim.

前景

二零一五年本集團仍專注發展其現有業務，同時董事會認為尋找適合投資商機以發展及擴大其現有業務組合以及從事具增長潛力之新型業務以及擴闊其收入及溢利來源對本集團有利。

流動資金及財務資源

於二零一五年六月三十日，本集團之現金及銀行結餘約為3,600,000港元(二零一四年十二月三十一日：7,100,000港元)。

截至二零一五年六月三十日止六個月，本集團經營活動所得現金流出淨額約為37,600,000港元，而投資活動及融資活動所得現金流入淨額分別約為100,000港元及34,300,000港元。

於二零一五年六月三十日，本集團之資本負債比率(應付債券及短期貸款總額除以權益總額)約為0.24(二零一四年十二月三十一日：0.31)。

外匯風險

截至二零一五年六月三十日止六個月，本集團之大部分收入及開支均以人民幣及港元列值。直至二零一五年六月三十日，本公司管理層認為本集團所面對之外匯風險較微。因此，本集團於截至二零一五年六月三十日止六個月並無運用任何金融工具以對沖外匯波動帶來之影響。然而，本公司管理層將密切監察及不時重估本集團所面對之外匯風險，並在必要時訂立非投機性對沖安排。

集團資產之抵押

於二零一五年六月三十日，並無本集團資產(二零一四年十二月三十一日：無)抵押予銀行以獲取貸款或借款。

或然負債

於二零一五年六月三十日，本集團並無重大或然負債。於二零一四年六月，本集團一間附屬公司收到通知，通知其遭名為高斯貝爾數碼科技有限公司的供應商以長期拖欠到期採購款項起訴。倘該附屬公司被證實存在責任，則預期貨幣罰金總額將約為1,900,000港元。根據法律意見，董事認為，法院不太可能向本集團徵收罰金。因此，本集團並無就該項索償作出撥備。

Capital Structure

January Subscription

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.

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 HK\$0.01 each in share the capital of the Company (the "Shares") with an aggregate nominal value of HK\$5,416,000 at a price of HK\$0.12 per subscription share (the "January Subscription"), 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 net subscription price, after deduction of relevant expenses, is estimated to be approximately HK\$0.12 per subscription share.

The reasons for carrying out the January Subscription was to raise additional funding for the Group's business operation, strengthen the financial position (in particular the working capital and cash flow position) of the Group for its future business developments, broaden the shareholder base of the Company, and to improve the cash reserve for the on-going development of the Group.

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.

資本結構

一月認購事項

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)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本公司股本中每股面值0.01港元之合共541,600,000股新股份(「股份」)，總面值為5,416,000港元(「一月認購事項」)，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。淨認購價(經扣除相關費用)估計為每股認購股份約0.12港元。

進行一月認購事項旨在為本集團之業務營運籌集額外資金、為其日後業務發展加強本集團財務狀況(尤其是營運資金及現金流量狀況)、擴大本公司股東基礎及提高本集團持續發展的現金儲備。

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港元用作本集團之一般營運資金(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。

March Subscription

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 with an aggregate nominal value of HK\$3,000,000 at the price of HK\$0.12 per subscription share (the "March Subscription"), 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. The net subscription price, after deduction of relevant expenses, is estimated to be approximately HK\$0.12 per subscription share.

The reasons for carrying out the March Subscription was to raise additional funding for the Group's business operation, strengthen the financial position (in particular the working capital and cash flow position) of the Group for its future business developments, broaden the shareholder base of the Company, and to improve the cash reserve for the on-going development of the Group.

The subscription of an aggregate of 300,000,000 Shares by 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) was completed on 25 March 2015.

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.

三月認購事項

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按每股認購股份0.12港元之價格配發及發行合共300,000,000股新股份，總面值為3,000,000港元(「三月認購事項」)，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。淨認購價(經扣除相關費用)估計為每股認購股份約0.12港元。

進行三月認購事項旨在為本集團之業務營運籌集額外資金、為其日後業務發展加強本集團財務狀況(尤其是營運資金及現金流量狀況)、擴大本公司股東基礎及提高本集團持續發展的現金儲備。

漢志有限公司、張婉秋女士、馬佳濤先生及陳文財先生已於二零一五年三月二十五日完成認購合共300,000,000股股份。

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。

May Subscription

On 14 May 2015, the Company entered into a conditional subscription agreement with Elite Fortune Global Limited as the subscriber.

Pursuant to the subscription agreement, the subscriber have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 100,000,000 new Shares with an aggregate nominal value of HK\$1,000,000 at the price of HK\$0.17 per subscription share (the "May Subscription"), representing a discount of approximately 9.09% to the closing price of HK\$0.187 per Share as quoted on the Stock Exchange on 14 May 2015. The net subscription price, after deduction of relevant expenses, is estimated to be approximately HK\$0.17 per subscription share.

The reasons for carrying out the May Subscription was to raise funding for the Group's business operation, strengthen the financial position (in particular the working capital and cash flow position) of the Group for its future business developments, broaden the shareholder base of the Company, and to improve the cash reserve for the on-going development of the Group.

The subscription of 100,000,000 Shares by Elite Fortune Global Limited was completed on 10 June 2015.

The net proceeds amounted to approximately HK\$17 million was used by the Company (i) as to approximately HK\$14 million (82%) for the repayment of other payables, and approximately HK\$3 million (18%) for general working capital of the Group. Relevant disclosure was made in the announcements of the Company dated 14 May 2015 and 10 June 2015.

On 14 May 2015, the Company also entered into two separate conditional subscription agreements (as amended and supplemented by a supplemental letter dated 12 June 2015 and a supplemental agreement dated 15 June 2015) with Mr. Wang Jinjun (王晉軍) and Ms. Ma Yue Jiao (馬月皎) as subscriber respectively. As the conditions precedent under each of the subscription agreements have not been fulfilled by the respective long stop date, the subscription agreements were terminated.

During the six months ended 30 June 2015, an aggregate of 941,600,000 new Shares were issued by the Company.

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 up to 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.

五月認購事項

於二零一五年五月十四日，本公司與Elite Fortune Global Limited作為認購人訂立有條件認購協議。

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按每股認購股份0.17港元之價格配發及發行100,000,000股新股份，總面值為1,000,000港元（「五月認購事項」），相當於二零一五年五月十四日聯交所報收市價每股0.187港元約9.09%之折讓。淨認購價（經扣除相關費用）估計為每股認購股份約0.17港元。

進行五月認購事項旨在為本集團之業務營運籌集資金、為其日後業務發展加強本集團財務狀況（尤其是營運資金及現金流量狀況）、擴大本公司股東基礎及提高本集團持續發展的現金儲備。

Elite Fortune Global Limited已於二零一五年六月十日完成認購100,000,000股股份。

所得款項淨額約17,000,000港元已由本公司用作下列用途：(i)約14,000,000港元（82%）用作償還其他應付款項，及約3,000,000港元（18%）用作本集團的一般營運資金。已於本公司日期為二零一五年五月十四日及二零一五年六月十日之公告作出相關披露。

於二零一五年五月十四日，本公司亦與王晉軍先生及馬月皎女士（作為認購人）分別訂立兩份獨立有條件認購協議（經日期為二零一五年六月十二日之補充函件及日期為二零一五年六月十五日之補充協議修訂及補充）。由於各認購協議之先決條件於相關最後完成日期尚未達成，認購協議已告終止。

截至二零一五年六月三十日止六個月，本公司已發行合共941,600,000股新股份。

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最多為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后十二（12）個月后日期屆滿贖回。

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.

Material Acquisition/Disposal and Significant Investments Held

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 (the "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 (胡國勝), 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 (the "Capital Injection"). Shanxi Zhongze is a company incorporated in the PRC with limited liability 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 additional time is required for fulfilment of the conditions precedent set out in the Capital Injection Agreement, Beijing Kaiqiao, Zhong Xiang and Hu Guosheng (胡國勝) have agreed in writing on 29 May 2015 to extend the long stop date to 31 July 2015, and agreed in writing on 31 July 2015 to further extend the long stop date to 30 September 2015.

As at the date of this report, The Capital Injection is subject to fulfilment of certain conditions precedent and has not been completed. Further details of the Capital Injection are set out in the Company's announcements dated on 26 January 2015, 29 May 2015 and 31 July 2015.

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。

持有之重大收購／出售及重大投資

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（「注資協議」），據此，北京凱僑同意向山西中澤注入資本人民幣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（「注資」）。山西中澤為一間於中國註冊成立之有限公司，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。

由於需要更多時間達成注資協議所載之先決條件，北京凱僑、中祥及胡國勝已於二零一五年五月二十九日書面協定將最後完成日期延長至二零一五年七月三十一日，並於二零一五年七月三十一日書面協定將最後完成日期進一步延長至二零一五年九月三十日。

於本報告日期，注資須待若干先決條件達成後方可作實，故尚未完成。有關注資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、二零一五年五月二十九日及二零一五年七月三十一日之公告。

Disposal of assets

深圳中澤明芯集團有限公司 (Shenzhen Champion Maxiumic Group Co., Limited*) (“Shenzhen Champion”), an indirect wholly-owned subsidiary of the Company, as vendor and 河北廣電網絡投資有限公司 (Hebei Guangdian Network Investment Limited*) as purchaser (the “Hebei Guangdian”) entered into a conditional termination agreement on 31 December 2013 (the “Termination Agreement”) for the sale and purchase of the telecommunication equipment in relation to digital cable television broadcasting network and the termination of the cooperation agreement (the “Cooperation Agreement”) (being the business cooperation agreement dated 26 November 2010 made between Shenzhen Champion and 河北廣電信息網絡集團股份有限公司 (Hebei Television Broadcasts and Information Network Group Co., Ltd*) (“Hebei TV”) together with the subsequent subsidiary contracts made between Shenzhen Champion and Hebei Guangdian (which performed the Cooperation Agreement for Hebei TV) with detailed terms on the technical cooperation and the construction and operation of the networks between the parties). The Termination Agreement and the transactions contemplated thereunder had been approved by the shareholders of the Company at the special general meeting held on 10 March 2014.

On 1 December 2014, Shenzhen Champion has initiated a civil action against Hebei Guangdian concerning Shenzhen Champion's claim for payment by Hebei Guangdian concerning the claim for payment in accordance with the terms of the Termination Agreement of (i) the overdue payment penalty of approximately HK\$756,000 (RMB597,000) due to the delay in settlement of the first payment amounting to approximately HK\$38 million (RMB30 million) (ii) the second payment amounting to approximately HK\$25.3 million (RMB20 million) and the relevant default interest accrued on the second payment; and (iii) the court costs of the above civil action. As at the date of this report, the case is still under legal proceedings.

The PRC lawyer will act on behalf of the Company to claim for the payment and default interest under the instruction from the Company.

As at the date of this report, the completion of the Termination Agreement has yet taken place. For details of the above matters, please refer to the Company's circular dated 21 February 2014 and the Company's announcement dated 3 December 2014.

Employee Information

As at 30 June 2015, the Group employed a total of 102 (31 December 2014: 154) full-time employees. The Group's remuneration policy remained the same as detailed in the Annual Report for the year ended 31 December 2014.

出售資產

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

於二零一四年十二月一日，深圳中澤對河北廣電網絡發起民事訴訟，以就河北廣電網絡按終止協議條款支付(i)因逾期支付金額約為38,000,000港元(人民幣：30,000,000元)之首期付款而產生之逾期付款違約金約756,000港元(人民幣597,000元)；(ii)金額約為25,300,000港元(人民幣：20,000,000元)之第二期付款，及第二期付款應計之相關違約利息；及(iii)上述民事訴訟的訴訟費提出申索。於本報告日期，該案件仍在進行中。

中國律師將按照本公司之指示，代表本公司就有關付款及違約利息提出申索。

於本報告日期，終止協議尚未完成。有關上述事宜詳情，請參閱本公司日期為二零一四年二月二十一日之通函及本公司日期為二零一四年十二月三日之公告。

僱員資料

於二零一五年六月三十日，本集團聘有合共102名(二零一四年十二月三十一日：154名)全職僱員。本集團之薪酬政策與截至二零一四年十二月三十一日止年度之年報所詳述者一致。

Additional Information in respect of the Audit Qualification for the year ended 31 December 2014

On 1 November 2011, the Company's subsidiary Shenzhen Champion entered into a project development cooperation agreement ("Cooperation Agreement") with 北京華視星源科技有限公司 (Beijing Huashi Xinyuan Technology Limited*) ("Beijing Huashi") relating to the construction and operation of television networks and subscription of television channels and sharing of operating revenue between the Group and Beijing Huashi. According to the Cooperation Agreement, the Group and Beijing Huashi shall share the revenue from TV subscribers received by Beijing Huashi. The minimum guaranteed amount of the Group's share of the revenue shall be RMB5 million per month. Duration of the Cooperation Agreement is 15 years. Beijing Huashi shall pay to Shenzhen Champion its shared revenue for each month before the 5th day of the following month. The shared revenue under the Cooperation Agreement was recognized based on the terms of the Cooperation Agreement and the Company's assessment on the recoverability of such revenue.

On 15 July 2014, Shenzhen Champion and Beijing Huashi entered into a share purchase agreement ("Share Purchase Agreement") pursuant to which Shenzhen Champion shall purchase 北京亞澳博視技術有限公司 (Beijing Yao Boshi Technology Limited*) ("Beijing Yao") from Beijing Huashi at the consideration of RMB80 million which shall be set off against part of the trade receivables due from Beijing Huashi. Details of the acquisition are set out in the Company's announcement dated 15 July 2014. Beijing Yao was part of the business operations under the Cooperation Agreement. Hence the revenue under the Cooperation Agreement included those coming from Beijing Yao. Completion of the Share Purchase Agreement did not render the Cooperation Agreement terminated. It has the effect of excluding the revenue of Beijing Yao from sharing under the Cooperation Agreement. No supplemental agreement is required to be entered into.

As at 30 June 2014, the revenue from Beijing Huashi was RMB30 million which represented the Group's share of revenue under the Cooperation Agreement for the 6 months ended 30 June 2014. In view of the partial set off of the outstanding receivables pursuant to the Share Purchase Agreement which was entered into on 15 July 2014, the Company was still in the course of negotiating with Beijing Huashi on settlement of the remaining receivables. Hence the Company considered that it would be prudent to recognize only the shared revenue up to 30 June 2014.

有關截至二零一四年十二月三十一日止年度之審核保留意見之其他資料

於二零一一年十一月一日，本公司之附屬公司深圳中澤與北京華視星源科技有限公司(「北京華視」)就電視網絡興建與營運、電視頻道訂購及本集團與北京華視之營運收益分成訂立項目發展合作協議(「合作協議」)。根據合作協議，本集團與北京華視將享有北京華視自電視用戶收取的收益。本集團分佔收益的最低保證金額為每月人民幣5,000,000元。合作協議為期15年。北京華視應於隨後一個月第五日前向深圳中澤支付其每月所享有的收益。根據合作協議，所享有的收益乃按合作協議之條款及本公司對有關收益之可收回性之評估確認。

於二零一四年七月十五日，深圳中澤與北京華視訂立股份購買協議(「股份購買協議」)，據此，深圳中澤將向北京華視購買北京亞澳博視技術有限公司(「北京亞澳」)，代價為人民幣80,000,000元，用於抵銷北京華視應付之部分應收賬款。有關收購之詳情載於本公司日期為二零一四年七月十五日之公告。北京亞澳為合作協議下業務營運之一部分。因此，合作協議下之收益包括來自北京亞澳之收益。股份購買協議之完成並不表示合作協議告終止，惟會導致北京亞澳之收益不再計入合作協議下之分成。毋須訂立補充協議。

於二零一四年六月三十日，來自北京華視之收益為人民幣30,000,000元，相當於本集團截至二零一四年六月三十日止六個月分佔合作協議下之收益。鑒於根據於二零一四年七月十五日訂立之股份購買協議已抵銷部分尚未收回應收款項，本公司與北京華視仍在磋商餘下應收款項之結算。因此，本公司認為僅需審慎確認二零一四年六月三十日之前所享有收益。

The detail reasons for the audit qualification for the year ended 31 December 2014 are as follows:

- (a) Revenue from Beijing Huashi was not booked for the fourth quarter of 2013. As a result, the auditors considered that the booking of the revenue in 2014 was not valid unless further written documentation, signed by both the Company and Beijing Huashi, can be presented to them regarding the arrangement;
- (b) During 2014, the Company acquired 100% equity interest of Beijing Yao by off-setting RMB80 million of the trade receivables due from Beijing Huashi. No further settlement of the remaining outstanding trade receivables was made. There was no mentioning of the settlement arrangement for the remaining balance in the Share Purchase Agreement. The auditors questioned the recoverability of the balance;
- (c) Since the total outstanding trade receivable balance exceeds the revenue for 2014, i.e. no settlement was made for the current year's revenue, and in view of the non-booking of the revenue in the fourth quarter of 2013, the auditors queried the validity of the revenue recognition in 2014;
- (d) The confirmation from Beijing Huashi for the revenue and year-end trade receivable balance as stated above was received by the Company and then passed on to the auditors. The auditors pointed out that this is not satisfactory according to their auditing standards. The confirmation has to be sent directly from Beijing Huashi to their office. Furthermore, they are not satisfied with the fact that the confirmation were without signatures and only bears the company chop of Beijing Huashi.

The audit committee of the Company did not agree with the audit qualification on the following grounds:

- (a) The Group were negotiating with Beijing Huashi relating to settlement of the outstanding receivables by the end of 2013 and due to uncertainty of the negotiation the receivables for the last quarter of 2013 was not booked out of prudence;
- (b) The negotiation with Beijing Huashi became more concrete during the second quarter of 2014 and the Share Purchase Agreement was finally entered into in July 2014 pursuant to which part of the receivables in the sum of RMB80 million was settled by way of set off under the Share Purchase Agreement. The Company considered that the revenue from Beijing Huashi for the first 6 months of 2014 should be recognized because Beijing Huashi was willing and able to settle part of the outstanding receivables. However the Company did not recognize the revenue thereafter accrued out of prudence due to the uncertainty of recoverability of such revenue.

截至二零一四年十二月三十一日止年度之審核保留意見之理由詳情如下：

- (a) 二零一三年第四季度來自北京華視之收益並無入賬。因此，核數師認為二零一四年之收益賬目須待彼等獲提供經本公司與北京華視簽署之有關安排之進一步書面文件後，方為有效；
- (b) 於二零一四年，本公司透過抵銷應收北京華視之應收賬款人民幣80,000,000元收購北京亞澳之100%權益。而餘下之尚未償還應收賬款概無獲進一步償還。股份購買協議亦無提及餘款之還款安排。核數師就結餘之可收回性提出質疑；
- (c) 由於尚未償還之應收賬款結餘總額超過二零一四年之收益，即概無就本年度之收益作出任何還款，及鑒於二零一三年第四季度之收益並無入賬，核數師就二零一四年收益確認之有效性提出質疑；
- (d) 本公司已接獲北京華視就上述收益及年結日應收賬款結餘發出之確認書，並隨後轉交予核數師。核數師指出其不符合彼等的審核標準。確認書應直接由北京華視寄至核數師辦事處。此外，彼等對確認書未經簽署，並僅加蓋北京華視之公章不盡滿意。

本公司審核委員會不同意審核保留意見，原因如下：

- (a) 本集團與北京華視曾於二零一三年年底就未償還應收賬款之還款進行磋商，鑒於磋商存在不明朗因素，故為審慎起見並無將應收賬款入賬至二零一三年第四季度；
- (b) 於二零一四年第二季度，與北京華視之磋商更加具體化，並最終於二零一四年七月訂立股份購買協議，據此，為數人民幣80,000,000元之應收賬款部分透過根據股份購買協議加以抵銷之方式償還。本公司認為應確認二零一四年首六個月來自北京華視之收益，原因是北京華視願意並有能力償還部分未償還應收賬款。然而，由於其後應計收益之可收回性存在不明朗因素，故為審慎起見本公司並未確認有關收益。

(c) Recognition of the revenue from Beijing Huashi was not based on the confirmation from Beijing Huashi. It was based on the terms of the Cooperation Agreement and the recoverability of the revenue.

As at 31 December 2014, the trade receivables from Beijing Huashi was RMB111,695,000 which represented the aggregate amount of the Group's share of revenue receivable under the Cooperation Agreement as at year end 2014. Since the Cooperation Agreement became effective, Beijing Huashi has settled the shared revenue in the total sum of RMB31.6 million. The Company understood from Beijing Huashi that they were unable to settle the outstanding receivables due to their cashflow problem. In view of the prospective long term cooperation with Beijing Huashi, the Company has not taken any legal action against it. The Company has been in constant negotiation with Beijing Huashi on settlement of the outstanding receivables and will continue to seek amicable settlement of the same.

The Company has not recognized the shared revenue from Beijing Huashi since 1 July 2014 due to the uncertainty of recoverability of such revenue. Hence no shared revenue was booked for the six months ended 30 June 2015. The recognition of revenue has been agreed with the auditors. The trade receivables from Beijing Huashi as at 30 June 2015 remained at RMB111,695,000.

After careful assessment of these receivable balance's recoverability by taking into account of Beijing Huashi expressing their sincerity to resolve the outstanding debt by various settlement proposals to the Company, of which was still under consideration, during the period under review, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has been no significant change in credit quality and the balances are still considered fully recoverable. The Directors will continue closely monitor and evaluate the progress regularly and should there be any adverse changes holding back recovery of these receivables, the Directors will determine the appropriate level of provisions to be made and action to be taken including legal proceedings whenever necessary and appropriate to recover all these receivables.

The Company will ensure that proper confirmation will be obtained from Beijing Huashi regarding the trade receivables for auditors' review in the forthcoming annual audit.

(c) 確認來自北京華視之收益並非以北京華視之確認書為依據，而是根據合作協議之條款及收益之可收回性確認。

於二零一四年十二月三十一日，來自北京華視之應收賬款為人民幣111,695,000元，相當於本集團於二零一四年年結日分佔合作協議下應收收益之全部數額。自合作協議生效以來，北京華視已償還分佔收益合共人民幣31,600,000元。本公司自北京華視獲悉因其現金流量問題而無法結清未償還應收款項。鑒於與北京華視之潛在長期合作，本公司並未對其採取任何法律行動。本公司與北京華視就償還未償還應收款項持續進行磋商，並將繼續尋求和平解決方式。

本公司自二零一四年七月一日起並無確認分佔來自北京華視之收益，原因是有關收益的可收回性存在不明朗因素。因此，本公司概無於截至二零一五年六月三十日止六個月入賬任何分佔收益。收益確認已取得核數師同意。於二零一五年六月三十日，來自北京華視之應收賬款仍然為人民幣111,695,000元。

經考慮北京華視已向本公司提出多種還款方案（本公司仍在考慮中），表現出彼等償還債務之誠意，本公司對該等應收款項結餘之可收回性進行審慎評估後，於回顧期間內，董事認為，毋須就該等結餘計提減值撥備，原因是信貸質素概無重大變動，該等結餘仍被視為可悉數收回。董事將繼續定期密切監察及評估有關進度，倘任何不利變動妨礙該等應收款項的可收回性，董事將釐定於必要及適當時作出撥備的適當水平及將採取的行動（包括法律程序），以收回該等全部應收款項。

本公司將確保自北京華視取得有關應收賬款的適當確認書，以供核數師於即將到來的年度審核中進行審閱。

OTHER INFORMATION

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

As at 30 June 2015, the interests and short positions of the Directors, the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or pursuant to 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:

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

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

Save as disclosed above, none of the Directors and chief executives of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules as at 30 June 2015, and at no time during the six months ended 30 June 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 in, or debentures of, the Company or its associated corporations.

其他資料

董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉

於二零一五年六月三十日，本公司董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及第8分部規定須知會本公司及聯交所之權益及淡倉(包括彼等根據證券及期貨條例有關條文被當作或視為擁有之權益及淡倉)；或根據證券及期貨條例第352條須記錄於該條所述登記冊內之權益及淡倉；或根據有關董事進行證券交易之創業板上市規則第5.46條須知會本公司及聯交所之權益及淡倉如下：

於本公司之股份、相關股份及債權證之權益及淡倉

除上文所披露者外，於二零一五年六月三十日，本公司董事及主要行政人員概無於本公司及其相聯法團之股份、相關股份及債權證中擁有任何本公司根據證券及期貨條例第352條存置之登記冊所記錄之權益及淡倉，或根據創業板上市規則第5.46條所述董事進行交易之規定準則須知會本公司及聯交所之權益及淡倉，且本公司或其任何附屬公司於截至二零一五年六月三十日止六個月內任何時間概無訂立任何安排，致使本公司董事及主要行政人員可藉收購本公司或其相聯法團之股份或債權證而獲得利益。

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

As at 30 June 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:

Long positions in the Shares

Name of shareholder	Number or attributable number of Shares held	Type of interests	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
股東名稱	持有之股份數目或應佔數目	權益類別	
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	14.17%
Team Effort Investments Limited ("Team Effort") (Note 1)(附註1)	623,542,451	Beneficial owner 實益擁有人	14.17%
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	7.57%
Long Joy Holdings Limited ("Long Joy") (Note 2)(附註2)	333,300,000	Interest in controlled corporation 受控法團權益	7.57%
Lincy Global Limited ("Lincy Global") (Note 2)(附註2)	333,300,000	Beneficial owner 實益擁有人	7.57%

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.

Save as disclosed above, as at 30 June 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 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.

主要股東／其他人士於本公司之股份及相關股份之權益及淡倉

於二零一五年六月三十日，本公司根據證券及期貨條例第336條存置之主要股東／其他人士之登記冊顯示，下列股東已知會本公司其於本公司已發行股本中之有關權益：

於股份之好倉

Name of shareholder	Number or attributable number of Shares held	Type of interests	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
股東名稱	持有之股份數目或應佔數目	權益類別	
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	14.17%
Team Effort Investments Limited ("Team Effort") (Note 1)(附註1)	623,542,451	Beneficial owner 實益擁有人	14.17%
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	7.57%
Long Joy Holdings Limited ("Long Joy") (Note 2)(附註2)	333,300,000	Interest in controlled corporation 受控法團權益	7.57%
Lincy Global Limited ("Lincy Global") (Note 2)(附註2)	333,300,000	Beneficial owner 實益擁有人	7.57%

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。

除上文所披露者外，於二零一五年六月三十日，董事概不知悉有任何人士（並非本公司董事或主要行政人員）於股份或相關股份中擁有或被視為擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露及按本公司根據證券及期貨條例第336條須予存置登記冊所記錄之權益或淡倉。

EMPLOYEE SHARE OPTION SCHEME

Under the share option scheme of the Company adopted on 30 December 2011 (the "Share Option Scheme"), the Board may, at its discretion, grant options to the Directors and eligible participants (as defined in the Share Option Scheme) pursuant to the Share Option Scheme to enable them to subscribe for Shares as incentives or rewards for their contributions to the Group.

A total of 3,000,000 share options have been granted under Share Option Scheme since its adoption.

The Share Option Scheme will remain in force before 29 December 2021.

The following table disclosed movements in the Company's share options granted under the Share Option Scheme during the six months ended 30 June 2015:

Participants	Number of Shares (Note)					As of 30 June 2015 截至 二零一五年 六月三十日	Date of grant	Exercise period	Exercise price per Share
	As of 1 January 2015 截至 二零一五年 一月一日	Granted during the period 於期內授出	Exercised during the period 於期內行使	Cancelled during the period 於期內註銷	Lapsed during the period 於期內失效				
Other participant 其他參與者	3,000,000	-	-	-	-	3,000,000	29/02/2012	01/03/2013- 29/02/2016	0.84
Total 總計	3,000,000	-	-	-	-	3,000,000			

Note:

Number of Shares over which options granted under the Share Option Scheme is exercisable.

DIRECTORS' INTEREST IN COMPETING BUSINESS

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

員工購股權計劃

根據本公司於二零一一年十二月三十日所採納之購股權計劃(「購股權計劃」)，董事會可酌情授予董事及合資格參與者(定義見購股權計劃)可根據購股權計劃認購股份之購股權，作為彼等對本集團所作貢獻之獎勵或回報。

自採納之日起，合共3,000,000份購股權根據購股權計劃授出。

購股權計劃將於二零二一年十二月二十九日前保持有效。

下表披露本公司截至二零一五年六月三十日止六個月內根據購股權計劃授出之購股權之變動：

附註：

根據購股權計劃授出而可予行使之購股權所涉及之股份數目。

董事於競爭業務之權益

本公司董事或管理層股東或彼等之任何聯繫人(定義見創業板上市規則)概無於與本集團業務出現或可能出現競爭或與本集團有任何其他利益衝突之業務中擁有任何權益。

AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) with written terms of reference in compliance with the GEM Listing Rules. As at the date of this report, the Audit Committee comprises three independent non-executive Directors, namely, Mr. Leung Wo Ping *JP* (Chairman), Mr. Dong Shi and Mr. Hu Dingdong.

The duties of the Audit Committee include reviewing the Group’s annual reports and accounts, half-year reports and quarterly reports and providing advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Company, and to review the appointment of external auditor on an annual basis as well as to ensure independence of the continuing auditor.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2015.

CORPORATE GOVERNANCE PRACTICES

The corporate governance principles of the Company emphasize a quality board, sound internal controls, transparency and accountability to all shareholders. The Company has applied the code provisions set out in the Corporate Governance Code and Corporate Governance Report (“CG Code”) contained in Appendix 15 of the GEM Listing Rules. Except for the deviations from code provisions A.2.1 and C.1.2 of the CG Code which are explained below, the Company was in compliance with all code provisions set out in the CG Code during the six months ended 30 June 2015.

Distinctive Roles of Chairman and Chief Executive Officer

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Mr. Xiao Yan as the chief executive officer of the Company, supported by the senior management of the Company, is responsible for managing the Group’s businesses and responsibilities, implementing major strategies, executing Board decisions and coordinating the daily operations of the Group. Up to the date of this report, the position of chairman remained vacant. In view of the current operations of the Group, the management considered that there is no imminent need to change the arrangement.

審核委員會

本公司已遵照創業板上市規則成立具明文職權範圍之審核委員會（「審核委員會」）。於本報告日期，審核委員會由三位獨立非執行董事組成，即梁和平 *太平紳士*（主席）、董石先生及胡定東先生。

審核委員會之職責包括審閱本集團年報及賬目、半年報告及季度報告，並就此向董事會提供建議及意見。審核委員會亦負責檢討及監督本公司之財務申報程序及內部控制制度，以及按年度基準檢討外聘核數師之委任及確保繼任核數師之獨立性。

審核委員會已審閱本集團截至二零一五年六月三十日止六個月之未經審核簡明綜合財務報表。

企業管治常規

本公司之企業管治原則著重高質素的董事會、健全的內部監控，以及對全體股東的透明度及問責性。本公司已採用載於創業板上市規則附錄十五之企業管治守則及企業管治報告（「企業管治守則」）所載之守則條文。除下文闡述有關偏離企業管治守則之守則條文第A.2.1條及第C.1.2條外，截至二零一五年六月三十日止六個月，本公司已遵守企業管治守則所載的所有守則條文。

主席與行政總裁之分工

企業管治守則之守則條文第A.2.1條規定，主席與行政總裁之角色應有區分，並不應由一人同時擔任。主席與行政總裁間之職責分工應明確界定並以書面形式列載。本公司行政總裁肖彥先生，獲本公司高級管理層輔助，負責管理本集團業務及職責、實施主要策略、執行董事會決策以及協調本集團之日常營運。直至本報告日期，主席一職仍然懸空。考慮到本集團現時之營運狀況，管理層認為不必立即更改此安排。

Code provision C.1.2 of the CG Code provides that management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties under Rule 5.01 and Chapter 17 of the GEM Listing Rules. During the six months ended 30 June 2015, the management of the Company did not provide regular monthly update to all members of the Board, but the management keeps providing information and update to the members of the Board irregularly.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its code of conduct for Securities Transactions by Directors throughout the six months ended 30 June 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 six months ended 30 June 2015.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2015.

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

Hong Kong, 14 August 2015

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

企業管治守則之守則條文第C.1.2條規定，管理層應每月向董事會所有成員提供更新資料，列載有關發行人表現、狀況及前景的公正易懂的詳細評估，讓董事會全體及各董事可履行創業板上市規則第5.01條及第17章項下之相關職務。截至二零一五年六月三十日止六個月，儘管本公司管理層並無定期向董事會所有成員提供每月更新資料，惟管理層持續不定期向董事會成員提供資料及更新資料。

董事進行證券交易之操守準則

於截至二零一五年六月三十日止六個月內，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六月三十日止六個月內，並無任何違反有關董事進行證券交易之交易必守標準之事宜。

購買、出售或贖回本公司之上市證券

截至二零一五年六月三十日止六個月，本公司或其任何附屬公司並無購買、出售或贖回本公司之任何上市證券。

承董事會命
恒芯中國控股有限公司
行政總裁
肖彥

香港，二零一五年八月十四日

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



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恒芯中國控股有限公司

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