



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)

2017

First Quarterly Report
第一季業績報告

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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 (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

重要事項

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）的特色

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

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

香港交易及結算有限公司及聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告乃遵照創業板證券上市規則（「創業板上市規則」）而刊載，旨在提供有關恒芯中國控股有限公司（「本公司」）的資料。本公司各董事（「董事」）願就本報告所載的資料共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均為準確及完備，沒有誤導或欺詐成份，且並無遺漏任何其他事項，足以令致本報告或其所載任何陳述產生誤導。

RESULTS

The board of Directors (the "Board") of Heng Xin China Holdings Limited (the "Company", together with its subsidiaries, the "Group") announces the unaudited condensed consolidated results of the Group for the three months ended 31 March 2017, together with the comparative unaudited figures for the corresponding period in 2016 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2017

業績

恒芯中國控股有限公司(「本公司」，連同其附屬公司統稱「本集團」)董事會(「董事會」)公佈本集團截至二零一七年三月三十一日止三個月之未經審核簡明綜合業績，連同二零一六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入表

截至二零一七年三月三十一日止三個月

		Three months ended 31 March	
		截至三月三十一日止三個月	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
CONTINUING OPERATIONS	持續經營業務		
Revenue	收益	159	3,747
Cost of sales	銷售成本	(72)	(2,651)
Gross profit	毛利	87	1,096
Other income	其他收入	11	304
Selling and marketing expenses	銷售及市場推廣開支	(131)	(212)
Other operating expenses	其他經營費用	(10,472)	(13,718)
Finance costs	融資成本	(205)	(3,489)
Loss before taxation	除稅前虧損	(10,710)	(16,019)
Income tax expenses	所得稅開支	-	(6)
Loss for the period from continuing operations	持續經營業務期內虧損	(10,710)	(16,025)
DISCONTINUED OPERATIONS	已終止經營業務		
Loss for the period from discontinued operations	已終止經營業務期內虧損	(255)	(4,520)
LOSS FOR THE PERIOD	期內虧損	(10,965)	(20,545)

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

For the three months ended 31 March 2017

簡明綜合損益及其他全面收入
表(續)

截至二零一七年三月三十一日止三個月

		Three months ended 31 March 截至三月三十一日止三個月	
		2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)
LOSS FOR THE PERIOD	期內虧損	(10,965)	(20,545)
Other comprehensive income/(loss):	其他全面收入/(虧損):		
Items that may be reclassified subsequently to profit or loss:	其後可重新分類至損益之項目:		
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	1,125	1,972
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	期內全面虧損總額	(9,840)	(18,573)

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

For the three months ended 31 March 2017

簡明綜合損益及其他全面收入
表(續)

截至二零一七年三月三十一日止三個月

		Three months ended 31 March 截至三月三十一日止三個月	
		2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)
		Note 附註	
LOSS FOR THE PERIOD	以下人士應佔期內虧損：		
ATTRIBUTABLE TO:			
Owners of the Company	本公司擁有人		
Loss from continuing operations	持續經營業務虧損	(10,710)	(15,480)
Loss from discontinued operations	已終止經營業務虧損	(130)	(2,305)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(10,840)	(17,785)
Non-controlling interests	非控股股東權益	(125)	(2,760)
		(10,965)	(20,545)
Total comprehensive loss for the period attributable to:	以下人士應佔期內全面虧損總額：		
Owners of the Company	本公司擁有人	(9,715)	(15,813)
Non-controlling interests	非控股股東權益	(125)	(2,760)
		(9,840)	(18,573)
		HK Cent 港仙	HK Cent 港仙
LOSS PER SHARE	每股虧損	7	
From continuing and discontinued operations	來自持續及已終止經營業務		
– Basic and diluted	– 基本及攤薄	(0.13)	(0.27)
From continuing operations	來自持續經營業務		
– Basic and diluted	– 基本及攤薄	(0.13)	(0.23)
From discontinued operations	來自己終止經營業務		
– Basic and diluted	– 基本及攤薄	(0.00)	(0.04)

Notes:

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in Bermuda on 9 September 2002 under the Companies Act 1981 of Bermuda (as amended). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is Suite 3604, 36/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

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

The principal activities of the Group are engaged in digital cable television business, wireless digital television value-added services, wireless digital audio integrated circuits business and securities brokerage business.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the three months ended 31 March 2017 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values. The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the financial statements for the year ended 31 December 2016. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's annual report for the year ended 31 December 2016. Those new accounting standards, amendments to accounting standards and interpretations which are mandatory for financial year ending 31 December 2017 have no material impact on the Group.

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

附註：

1. 一般資料

本公司於二零零二年九月九日根據百慕達一九八一年公司法(經修訂)於百慕達註冊成立為獲豁免有限公司。本公司註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda，其主要營業地點為香港灣仔港灣道18號中環廣場36樓3604室。

本公司為一間投資控股公司。本公司股份自二零零三年四月十六日起於創業板上市。

本集團之主要業務則包括從事有線數位電視業務、無線數位電視增值服務、無線數位音頻芯片業務以及證券經紀業務。

2. 編製基準及會計政策

截至二零一七年三月三十一日止三個月之未經審核簡明綜合財務報表乃按香港會計師公會頒佈之香港財務報告準則(「香港財務報告準則」)及創業板上市規則之適用披露規定編製。

未經審核簡明綜合財務報表乃根據歷史成本基準編製，惟若干金融工具乃以公平值計量。編製未經審核簡明綜合財務報表所採用之會計政策及計算方法與編製截至二零一六年十二月三十一日止年度之財務報表所採用者一致。該等未經審核簡明綜合財務報表應與本公司截至二零一六年十二月三十一日止年度之年報一併閱讀。須於截至二零一七年十二月三十一日止財政年度強制採用之新訂會計準則、會計準則之修訂及詮釋不會對本集團構成重大影響。

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

3. REVENUE AND OTHER INCOME

Revenue recognised by category during the three months ended 31 March 2017 are as follows:

3. 收益及其他收入

截至二零一七年三月三十一日止三個月之收益分類確認如下：

		Three months ended 31 March 截至三月三十一日止三個月	
		2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 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	159	939
Wireless digital television value-added services business	無線數位電視增值服務業務	–	2,808
Wireless digital audio integrated circuits business	無線數位音頻芯片業務	–	–
Securities brokerage business	證券經紀業務	–	–
		159	3,747
Representing:	其中:		
– Continuing operations	– 持續經營業務	159	3,747
Other income	其他收入		
Bank interest income	銀行利息收入	11	1
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	–	–
Sundry income	雜項收入	–	303
		11	304
Representing:	其中:		
– Continuing operations	– 持續經營業務	11	304

4. FINANCE COSTS

4. 融資成本

		Three months ended 31 March 截至三月三十一日止三個月	
		2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)
Interest on convertible bonds	可換股債券之利息	–	2,356
Interest on short term loans	短期貸款之利息	205	391
Interest on redeemable bonds	可贖回債券之利息	–	742
		205	3,489
Representing:	其中:		
– Continuing operations	– 持續經營業務	205	3,489

5. LOSS BEFORE TAXATION

5. 除稅前虧損

Loss before taxation has been arrived at after charging:

除稅前虧損乃經扣除下列各項後列賬：

		Three months ended 31 March 截至三月三十一日止三個月	
		2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)
Depreciation	折舊	282	3,357
Operating lease charges on office premises	辦公室物業之經營租賃費用	813	807
Research and development costs	研究及開發成本	758	959
Staff costs (including Directors' emoluments)	員工成本(包括董事酬金)		
– salaries and allowances	– 薪金及津貼	4,739	4,407
– pension benefits scheme contributions	– 退休福利計劃供款	156	358

6. INCOME TAX EXPENSES

6. 所得稅開支

		Three months ended 31 March 截至三月三十一日止三個月	
		2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)
Current tax:	即期稅項:		
Hong Kong	香港		
– charge for the period	– 本期間支出	–	–
PRC	中國		
– charge for the period	– 本期間支出	–	6
		–	6
Representing:	其中:		
– Continuing operations	– 持續經營業務	–	6

The provision for Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%), no provision for Hong Kong Profits Tax has been made as the Group has no assessable profits. The PRC Enterprise Income Tax has been provided at a rate of 25% (2016: 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%(二零一六年: 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。中國企業所得稅按本集團旗下公司法定賬目所呈報的應課稅收入之25%(二零一六年: 25%)計提,本集團旗下公司之法定賬目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) From continuing and discontinued operations**(a) 來自持續及已終止經營業務**

Basic loss per share

每股基本虧損

The calculation of basic loss per share from continuing and discontinued operations is based on the loss attributable to owners of the Company for the three months ended 31 March 2017 of HK\$10,840,000 (2016: HK\$17,785,000) and the weighted average number of 8,304,538,000 (2016: 6,577,495,000) ordinary shares in issue during the period.

來自持續及已終止經營業務之每股基本虧損乃根據本公司擁有人於截至二零一七年三月三十一日止三個月應佔虧損10,840,000港元(二零一六年: 17,785,000港元)及期內已發行普通股加權平均數8,304,538,000股(二零一六年: 6,577,495,000股)計算。

Diluted loss per share

每股攤薄虧損

No diluted loss per share are presented as the Company did not have any dilutive potential ordinary shares during the three months ended 31 March 2017.

由於截至二零一七年三月三十一日止三個月本公司並無任何攤薄潛在普通股,故並無呈列每股攤薄虧損。

The diluted loss per share for the three months ended 31 March 2016 is the same as the basic loss per share as the conversion of the outstanding convertible bonds would have an anti-dilutive effect to the basic loss per share.

截至二零一六年三月三十一日止三個月之每股攤薄虧損與每股基本虧損相同,是由於轉換尚未轉換可換股債券會對每股基本虧損具有反攤薄影響。

(b) From continuing operations

Basic loss per share

The calculation of basic loss per share from continuing operations is based on the loss from continuing operations attributable to owners of the Company for the three months ended 31 March 2017 of HK\$10,710,000 (2016: HK\$15,480,000) and the weighted average number of 8,304,538,000 (2016: 6,577,495,000) ordinary shares in issue during the period.

Diluted loss per share

No diluted loss per share are presented as the Company did not have any dilutive potential ordinary shares during the three months ended 31 March 2017.

The diluted loss per share for the three months ended 31 March 2016 is the same as the basic loss per share as the conversion of the outstanding convertible bonds would have an anti-dilutive effect to the basic loss per share.

(c) From discontinued operations

Basic loss per share

The calculation of basic loss per share from discontinued operations is based on the loss for from discounted operations attributable to owners of the Company for the three months ended 31 March 2017 of HK\$130,000 (2016: HK\$2,305,000) and the weighted average number of 8,304,538,000 (2016: 6,577,495,000) ordinary shares in issue during the period.

Diluted loss per share

No diluted loss per share are presented as the Company did not have any dilutive potential ordinary shares during the three months ended 31 March 2017.

The diluted loss per share for the three months ended 31 March 2016 is the same as the basic loss per share as the conversion of the outstanding convertible bonds would have an anti-dilutive effect to the basic loss per share.

8. DIVIDENDS

The Board has resolved not to declare any interim dividend for the three months ended 31 March 2017 (2016: Nil).

(b) 來自持續經營業務

每股基本虧損

來自持續經營業務之每股基本虧損乃根據本公司擁有人於截至二零一七年三月三十一日止三個月應佔來自持續經營業務之虧損 10,710,000 港元(二零一六年：15,480,000 港元)及期內已發行普通股加權平均數 8,304,538,000 股(二零一六年：6,577,495,000 股)計算。

每股攤薄虧損

由於截至二零一七年三月三十一日止三個月本公司並無任何攤薄潛在普通股，故並無呈列每股攤薄虧損。

截至二零一六年三月三十一日止三個月之每股攤薄虧損與每股基本虧損相同，是由於轉換尚未轉換可換股債券會對每股基本虧損具有反攤薄影響。

(c) 來自已終止經營業務

每股基本虧損

來自已終止經營業務之每股基本虧損乃根據本公司擁有人於截至二零一七年三月三十一日止三個月應佔來自已終止經營業務之虧損 130,000 港元(二零一六年：2,305,000 港元)及期內已發行普通股加權平均數 8,304,538,000 股(二零一六年：6,577,495,000 股)計算。

每股攤薄虧損

由於截至二零一七年三月三十一日止三個月本公司並無任何攤薄潛在普通股，故並無呈列每股攤薄虧損。

截至二零一六年三月三十一日止三個月之每股攤薄虧損與每股基本虧損相同，是由於轉換尚未轉換可換股債券會對每股基本虧損具有反攤薄影響。

8. 股息

董事會議決不宣派截至二零一七年三月三十一日止三個月之任何中期股息(二零一六年：無)。

9. SHARE CAPITAL AND RESERVES

9. 股本及儲備

		Unaudited 未經審核										
		Attributable to the owners of the Company 本公司擁有人應佔										
		Share capital	Share premium	Capital reserve	Exchange fluctuation reserve	Other reserve	Share option reserve	Convertible bonds equity reserve	Accumulated losses	Sub-total	Non-controlling interests	Total Equity
		股本	股份溢價	資本儲備	匯兌儲備	其他儲備	購股權儲備	可換股債券權益儲備	累計虧損	小計	股東權益非控股	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 January 2016 (audited)	於二零一六年一月一日之結餘 (經審核)	52,602	1,667,276	2,325	56,679	(79,992)	4,236	-	(1,635,744)	67,382	59,687	127,069
Issue of new shares	發行新股份	17,400	182,700	-	-	-	-	-	-	200,100	-	200,100
Convertible bonds – equity component	可換股債券 – 權益部份	-	-	-	-	-	-	18,244	-	18,244	-	18,244
Conversion of convertible bonds	兌換可換股債券	7,826	82,963	-	-	-	-	(11,120)	-	79,669	-	79,669
Share options lapsed during the period	期內已失效之購股權	-	-	-	-	-	(4,236)	-	4,236	-	-	-
Total comprehensive loss for the three months ended 31 March 2016	截至二零一六年三月三十一日止三個月之全面虧損總額	-	-	-	1,972	-	-	-	(17,785)	(15,813)	(2,760)	(18,573)
Balance at 31 March 2016 (unaudited)	於二零一六年三月三十一日之結餘 (未經審核)	77,828	1,932,939	2,325	58,651	(79,992)	-	7,124	(1,649,293)	349,582	56,927	406,509
Balance at 1 January 2017 (audited)	於二零一七年一月一日之結餘 (經審核)	83,045	2,001,360	2,325	45,553	(79,992)	-	-	(1,685,348)	366,943	10,451	377,394
Total comprehensive loss for the three months ended 31 March 2017	截至二零一七年三月三十一日止三個月之全面虧損總額	-	-	-	1,125	-	-	-	(10,840)	(9,715)	(125)	(9,840)
Balance at 31 March 2017 (unaudited)	於二零一七年三月三十一日之結餘 (未經審核)	83,045	2,001,360	2,325	46,678	(79,992)	-	-	(1,669,188)	357,228	10,326	367,554

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

For the three months ended 31 March 2017, the Group recorded a consolidated revenue of approximately HK\$159,000, representing a decrease of approximately 96% when compared to approximately HK\$3.7 million for the corresponding period in 2016.

Gross profit margin of the Group for the current three-month period increased by approximately 26% from that recorded in the corresponding period of the last financial year to approximately 55%, resulting from the change of business mix.

Other income amounted to approximately HK\$11,000 for the three months ended 31 March 2017, which is arised from bank interests, representing a decrease of approximately 96% as compared to around HK\$304,000 for the corresponding period of the last financial year. For the three months ended 31 March 2016, other income mainly arised from (Beijing Yaaos Boshi Technology Limited*) (“Beijing Yaaos”), an indirect wholly-owned subsidiary of the Company.

Other operating expenses amounted to approximately HK\$10.5 million for the three months ended 31 March 2017, representing a decrease of approximately 24% as compared to approximately HK\$13.7 million for the corresponding period of the last financial year. As was the decrease for last corresponding period, the decrease was mainly attributable to the tighter cost control implemented by the Group.

The loss attributable to owners of the Company amounted to approximately HK\$10.8 million for the three months ended 31 March 2017, while loss attributable to owners of the Company amounted to approximately HK\$17.8 million for the corresponding period of the last financial year. Basic loss per share was approximately HK0.13 cent for the three months ended 31 March 2017, while basic loss per share was approximately HK0.27 cent for the three months ended 31 March 2016.

As at 31 March 2017, the cash and bank balances of the Group (including the restricted bank deposits) amounted to approximately HK\$67.4 million, representing a decrease of approximately 20% as compared to which of approximately HK\$84.4 million as at 31 December 2016. As at 31 March 2017, the gearing ratio of the Group, calculated as total of short term loans over total equity, was approximately 0.01 (31 December 2016: 0.01).

管理層討論及分析

財務回顧

於截至二零一七年三月三十一日止三個月，本集團錄得綜合收益約159,000港元，較二零一六年同期之約3,700,000港元減少約96%。

本三個月期間本集團之毛利率由上一財政年度同期之毛利率增加約26%至約55%，乃由於業務組合變動所致。

截至二零一七年三月三十一日止三個月之其他收入約為11,000港元，較上一財政年度同期之約304,000港元減少約96%，有關收入來自銀行利息。截至二零一六年三月三十一日止三個月，其他收入主要來自本公司之間接全資附屬公司北京亞澳博視技術有限公司（「北京亞澳」）。

截至二零一七年三月三十一日止三個月之其他經營費用約為10,500,000港元，較上一財政年度同期之約13,700,000港元減少約24%。如同去年同期之減少，該減少是主要由於本集團實施更為嚴格之成本控制所致。

截至二零一七年三月三十一日止三個月，本公司擁有人應佔虧損約為10,800,000港元，而上一財政年度同期之本公司擁有人應佔虧損則約為17,800,000港元。截至二零一七年三月三十一日止三個月之每股基本虧損約為0.13港仙，而截至二零一六年三月三十一日止三個月之每股基本虧損則約為0.27港仙。

於二零一七年三月三十一日，本集團之現金及銀行結餘（包括有限制銀行存款）約為67,400,000港元，較二零一六年十二月三十一日之約84,400,000港元減少約20%。於二零一七年三月三十一日，本集團之資本負債比率（短期貸款總額除以權益總額）約為0.01（二零一六年十二月三十一日：0.01）。

Business review

The Group still recorded a net loss for the three months ended 31 March 2017 as compared to the net loss recorded in the corresponding period in 2016. Affected by the overall uncertain domestic economy, the business of the Group in the first quarter still facing challenges.

(i) Digital cable television business

Revenue for the three months ended 31 March 2017 amounted to approximately HK\$159,000 (2016: HK\$0.9 million) or 100% (2016: 25%) of the total revenue. In the first quarter of 2017, Beijing Yaa, which is a company cooperated with local television stations of Xinji, Dongguang and Qing County in Hebei province to develop a cable television network that covers the three counties, has generate revenue of approximately HK\$159,000.

(ii) Wireless digital television value-added services business

There was no revenue generate from this segment for the three months ended 31 March 2017 (2016: HK\$2,808,000).

(iii) Wireless digital audio integrated circuits business

There was no revenue generated from this segment for the three months ended 31 March 2017 (2016: Nil).

(iv) Securities brokerage business

There was no revenue recognised during the first three months of the year 2017 (2016: Nil).

業務回顧

與於二零一六年同期錄得淨虧損相比，本集團於截至二零一七年三月三十一日止三個月仍錄得淨虧損。受國內整體經濟不明朗影響，本集團業務在第一季度仍面臨諸多挑戰。

(i) 有線數位電視業務

截至二零一七年三月三十一日止三個月，收益約為159,000港元(二零一六年：900,000港元)或佔總收益100%(二零一六年：25%)。於二零一七年第一季度，北京亞澳(為一間已與河北省辛集縣、東光縣及青縣當地電視台合作，以發展覆蓋上述三縣之有線電視網絡之公司)產生收益約159,000港元。

(ii) 無線數位電視增值服務業務

截至二零一七年三月三十一日止三個月，本業務分部並無產生任何收益(二零一六年：2,808,000港元)。

(iii) 無線數位音頻芯片業務

截至二零一七年三月三十一日止三個月，本業務分部並無產生任何收益(二零一六年：無)。

(iv) 證券經紀業務

於二零一七年首三個月並無確認任何收益(二零一六年：無)。

Material Acquisition, Disposal and Significant Investments Held During the Period under Review

Acquisition of the entire issued share capital of JTI Securities Limited

On 7 June 2016 (after trading hours), Perfect Capital Global Limited ("Perfect Capital"), an indirect wholly-owned subsidiary of the Company, as purchaser and Ace Vantage Investments Limited ("Ace Vantage"), an independent third party, as vendor entered into a sale and purchase agreement (the "Sale and Purchase Agreement"), pursuant to which Perfect Capital has conditionally agreed to acquire and Ace Vantage has conditionally agreed to sell, 14,500,000 issued and fully paid up shares of JTI Securities Limited ("JTI Securities") in the name of and beneficially owned by Ace Vantage, representing the entire issued and fully-paid share capital of JTI Securities (the "Acquisition of JTI Securities"). JTI Securities is principally engaged in securities brokerage business. It is a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") to carry out Type 1 (dealing in securities) regulated activities and is a China Connect Exchange Participant and a Hong Kong Stock Exchange Participant.

On 23 March 2017, Perfect Capital and Ace Vantage entered into a supplemental agreement to amend certain terms of the Sale and Purchase Agreement. Completion of the Acquisition of JTI Securities took place on 23 March 2017 in accordance with the terms and condition of the Sale and Purchase Agreement (as supplemented by the aforesaid supplemental agreement). Final consideration, being the sum of the agreed premium of HK\$13 million and the amount of the net asset value of JTI Securities as at 28 February 2017, has been determined at approximately HK\$22.8 million and has been paid by Perfect Capital on completion.

Upon the completion on 23 March 2017, JTI Securities has become an indirect wholly-owned subsidiary of the Company and the Group has commenced securities brokerage business, which are believed by the Company to have the potential to make future contribution to the Group and help the Group develop sustainably.

Relevant disclosure was made in the Company's announcements dated 7 June 2016 and 23 March 2017.

Save as disclosed above, the Group had no material acquisition and disposal of subsidiaries or associated companies and no significant investment held during the period under review.

Prospects

The Group is principally engaged in digital cable television business, wireless digital television value-added services business and wireless digital audio integrated circuits business.

於回顧期間之重大收購、出售及持有之重大投資

收購金唐國際證券有限公司全部已發行股本

於二零一六年六月七日(交易時段後)，本公司之間接全資附屬公司Perfect Capital Global Limited(「Perfect Capital」)(作為買方)與獨立第三方Ace Vantage Investments Limited(「Ace Vantage」)(作為賣方)訂立買賣協議(「買賣協議」)，據此，Perfect Capital已有條件同意收購，而Ace Vantage已有條件同意出售，以Ace Vantage名義及由Ace Vantage實益擁有之14,500,000股金唐國際證券有限公司(「金唐國際證券」)已發行及全數繳足股份，相當於金唐國際證券全部已發行及全數繳足股本(「金唐國際證券收購事項」)。金唐國際證券主要從事證券經紀業務。該公司為一間根據證券及期貨條例(香港法例第571章)(「證券及期貨條例」)可進行第一類(證券交易)受規管活動之持牌法團，以及中華通交易所參與者及香港聯交所參與者。

於二零一七年三月二十三日，Perfect Capital及Ace Vantage訂立一份補充協議，以修訂買賣協議之若干條款。金唐國際證券收購事項之完成已於二零一七年三月二十三日根據買賣協議(經上述補充協議補充)之條款及條件落實。最終代價(即協定之溢價13,000,000港元加上金唐國際證券於二零一七年二月二十八日之資產淨值之數額)釐定為約22,800,000港元，並已由Perfect Capital於完成時支付。

於二零一七年三月二十三日完成後，金唐國際證券已成為本公司之間接全資附屬公司，且本集團已開展證券經紀業務，本公司深信該業務具有向本集團作出未來貢獻及協助本集團持續發展之潛力。

相關披露已於本公司日期為二零一六年六月七日及二零一七年三月二十三日之公告作出。

除上文所披露者外，本集團於回顧期間概無重大收購及出售附屬公司或聯繫公司，亦無持有重大投資。

前景

本集團主要從事有線數位電視業務、無線數位電視增值服務業務及無線數位音頻芯片業務。

In March 2017, the completion of the acquisition of the entire issued share capital of JTI Securities took place. It provides a prime opportunity for the Group to tap into the business of financial services which, going forward, is expected to increase the shareholder's value and benefit the Company and the shareholders of the Company (the "Shareholders") as a whole.

In 2017, the Group is looking forward to spinning-off its traditional cable television and electronic integrated circuits businesses and gain a foothold in advantageous sector such as financial products and services in order to foster maximum benefits for the Shareholders.

UPDATE ON THE SUSPECTED MISAPPROPRIATION OF FUNDS IN A DECONSOLIDATED SUBSIDIARY

Reference is made to the Company's announcements dated 14 November 2016 and 23 February 2017 in relation to the suspected misappropriation of funds (the "Suspected Misappropriation") 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") and the deconsolidation of the financial information of Shanxi Zhongze from the Group's accounts as a result thereof. As disclosed previously, the Company has instructed its legal advisers to pursue after any improper or illegal conducts of any individuals or entities suspected to be involved in the Suspected Misappropriation (the "Suspected Wrongdoers"), including the commencement of civil and criminal actions against the Suspected Wrongdoers. These actions are still ongoing. The Company will make further announcement to update Shareholders on the progress of these actions as and when appropriate.

UPDATE ON THE PROGRESS OF THE LEGAL ACTION TO RECOVER REFUNDABLE DEPOSIT

Reference is made to the disclosure contained in the Company's annual report for the year ended 31 December 2016 regarding the refundable deposit of RMB30,000,000 (HK\$36,000,000) (the "Deposit") paid by the Group to Mr. Qu Yong Bo (曲勇波) (the "Vendor") pursuant to the memorandum of understanding dated 1 December 2015 in respect of the possible acquisition of 100% equity interest in 大慶澳瑞生物能源有限公司 (Daqing AORUI Bioenergy Co., Ltd.*), which was eventually aborted on 31 May 2016. As disclosed in the Company's announcement dated 24 March 2017, the Company commenced legal action against the Vendor and Jiashunda Trading Limited (the nominee which was appointed by the Vendor as the recipient to the Deposit) at the Court of First Instance in the High Court of Hong Kong on 24 March 2017 to claim for the return of the Deposit and interest. As certain defendant may have addresses outside Hong Kong, the Company was required to make Court applications for service outside jurisdiction. These Court procedures are still ongoing. The Company will make further announcement to update the Shareholders on the progress of the legal action as and when appropriate.

於二零一七年三月，完成收購金唐國際證券之全部已發行股本落實。其為本集團打進金融服務業務提供最佳機遇，放眼未來，此舉預期將增加股東價值且對本公司及本公司股東(「股東」)整體有利。

本集團將尋求在二零一七年剝離其傳統之有線電視及電子芯片業務，立足於金融產品及服務等優勢領域，以為股東帶來最大利益。

有關涉嫌挪用一間取消綜合入賬附屬公司資金之最新情況

茲提述本公司日期為二零一六年十一月十四日及二零一七年二月二十三日之公告，內容有關涉嫌挪用山西中澤恒遠生物科技有限公司(「山西中澤」)之資金(「涉嫌挪用」)及就此將山西中澤之財務資料自本集團賬目中取消綜合入賬。誠如之前所披露，本公司已指示其法律顧問追查涉嫌挪用牽涉的任何個人或實體(「涉嫌過失方」)的任何不當或違法行為，包括針對涉嫌過失方提起民事及刑事訴訟。有關行動仍在進行中。本公司將於適當時候刊發進一步公告，以知會股東有關行動的最新進展。

有關收回可退還按金之法律行動進展之最新情況

茲提述本公司截至二零一六年十二月三十一日止年度之年報所載有關本集團根據日期為二零一五年十二月一日之諒解備忘錄就可能收購大慶澳瑞生物能源有限公司100%之股本權益向曲勇波先生(「賣方」)支付人民幣30,000,000元(36,000,000港元)之可退回按金(「按金」)之披露，而該諒解備忘錄最終於二零一六年五月三十一日終止。誠如本公司日期為二零一七年三月二十四日之公告所披露，本公司已於二零一七年三月二十四日於香港高等法院原訟庭對賣方及佳順達貿易有限公司(由賣方指定為收悉按金之代理人)展開法律行動，以就收回按金及利息提出索償。由於若干被告之地址可能位於香港境外，本公司須向法院申請在司法管轄權範圍外送達令狀。有關法院程序仍在進行中。本公司將於適當時候刊發進一步公告，以知會股東有關法律行動的最新進展。

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 31 March 2017, the interests and short positions of the Directors and the chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) in the shares (the "Shares"), underlying shares and debentures of the Company or any of 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 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 position in Shares, underlying shares and debentures of the Company

Name of Director	Capacity	Long position/ short position	Number of Shares held	Approximate percentage of interests in the issued share capital of the Company 佔本公司已發行 股本權益之 概約百分比
董事姓名	身份	好倉／淡倉	所持股份數目	
Tan Sri Dato' Lim Tong Yong 丹斯里拿督林東洋*	Beneficial owner 實益擁有人	Long position 好倉	865,596,000	10.42%

Save as disclosed above, none of the Directors and chief executives of the Company nor their associates had any interests and short positions in the Shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules as at 31 March 2017, and at no time during the three months ended 31 March 2017 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company to acquire benefits by means of the acquisition of Shares or underlying shares in, or debentures of, the Company or its associated corporation.

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

於二零一七年三月三十一日，本公司董事、主要行政人員或彼等各自之聯繫人（定義見創業板上市規則）於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份（「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、相關股份及債權證中擁有權益及淡倉

除上文所披露者外，於二零一七年三月三十一日，本公司董事及主要行政人員及彼等之聯繫人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二零一七年三月三十一日止三個月內任何時間概無訂立任何安排，致使本公司董事及主要行政人員可藉收購本公司或其相聯法團之股份、相關股份或債權證而獲得利益。

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

As at 31 March 2017, the following persons (other than the Directors and the chief executives of the Company) had interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Long positions in the Shares

Name of shareholders	Type of interests	Number of Shares held / interested in	Approximate percentage of interest in the issued share capital of the Company
股東姓名／名稱	權益類別	持有之股份數目／ 擁有權益之股份數目	佔本公司已發行股本權益之概約百分比
Tang Hanbo 唐漢博	Beneficial owner 實益擁有人	2,004,020,000	24.13%
Sino King Trading (HK) Co., Limited	Beneficial owner 實益擁有人	434,782,608	5.24%
Chan Lai Pan (Note) (附註)	Interest in controlled corporation 受控法團權益	434,782,608	5.24%

Note:

Chan Lai Pan is the legal and beneficial owner of the entire issued share capital of Sino King Trading (HK) Co., Limited. By virtue of the provisions of Part XV of the SFO, Chan Lai Pan is deemed to be interested in these 434,782,608 Shares which Sino King Trading (HK) Co., Limited is interested.

Save as disclosed above, as at 31 March 2017, the Directors were not aware that there was any person (not being a Director or chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and was recorded in the register kept by the Company pursuant to section 336 of the SFO.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or their respective associates (as defined in the GEM Listing Rules) had an interest in a business, which competes or may compete with the business of the Group, or has any other conflicts of interests with the Group.

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

於二零一七年三月三十一日，以下人士（本公司之董事及主要行政人員除外）於本公司股份或相關股份中擁有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：

於股份之好倉

Name of shareholders	Type of interests	Number of Shares held / interested in	Approximate percentage of interest in the issued share capital of the Company
股東姓名／名稱	權益類別	持有之股份數目／ 擁有權益之股份數目	佔本公司已發行股本權益之概約百分比
Tang Hanbo 唐漢博	Beneficial owner 實益擁有人	2,004,020,000	24.13%
Sino King Trading (HK) Co., Limited	Beneficial owner 實益擁有人	434,782,608	5.24%
Chan Lai Pan (Note) (附註)	Interest in controlled corporation 受控法團權益	434,782,608	5.24%

附註：

Chan Lai Pan 為 Sino King Trading (HK) Co., Limited 全部已發行股本之合法實益擁有人。根據證券及期貨條例第 XV 部之條文，Chan Lai Pan 被視為於該等 434,782,608 股股份（Sino King Trading (HK) Co., Limited 於其中擁有權益）中擁有權益。

除上文所披露者外，於二零一七年三月三十一日，董事概不知悉有任何人士（並非本公司董事或主要行政人員）於本公司之股份或相關股份中擁有或被視為擁有根據證券及期貨條例第 XV 部第 2 及第 3 分部之條文須向本公司披露及按本公司根據證券及期貨條例第 336 條須予存置登記冊所記錄之權益或淡倉。

董事於競爭業務之權益

各董事或彼等各自之聯繫人（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出現任何其他權益衝突之業務中擁有權益。

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the GEM Listing Rules. The principal duties of the Audit Committee are to review the quarterly, interim and annual reports and the financial statements of the Group and to review significant financial reporting judgements contained in them; to oversight and review the financial reporting system, risk management and internal control systems of the Company; to review the financial and accounting policies and practices of the Group; and to make recommendation to the Board on the appointment, re-appointment and removal of the external auditor as well as to ensure independence of the continuing auditor and corporate governance related matters. As at the date of this report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Wong Chi Keung (as chairman), Mr. Xu Haiou and Mr. Chau Sen Chung.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the three months ended 31 March 2017 and is of the opinion that such statements have complied with the applicable accounting standards and disclosure requirements.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its code of conduct for securities transactions by Directors throughout the three months ended 31 March 2017. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by Directors during the three months ended 31 March 2017.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months ended 31 March 2017.

By Order of the Board
Heng Xin China Holdings Limited
Lim Tong Yong
Chairman

Hong Kong, 12 May 2017

As at the date of this report, the Board comprises Tan Sri Dato' Lim Tong Yong (Chairman), Mr. Chen Rongbin (Vice Chairman and Chief Executive Officer), Mr. Qiu Bin, Mr. Gao Yang, Mr. Hu Qixian and Mr. Chen Xi as executive Directors, and Mr. Wong Chi Keung, Mr. Xu Haiou and Mr. Chau Sen Chung as independent non-executive Directors.

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」)。審核委員會之主要職責為審閱本集團之季度、中期及年度報告以及財務報表並審閱其中所載之重大財務申報判斷；監管並檢討本公司之財務申報系統、風險管理及內部監控制度；檢討本集團之財務及會計政策以及常規；就有關外部核數師之委任、續聘及免職以及確保繼任核數師之獨立性，以及就企業管治相關事宜向董事會提出推薦意見。於本報告日期，審核委員會由三位獨立非執行董事組成，即黃之強先生(擔任主席)、許海鷗*先生及周晨仲先生。

審核委員會已審閱本集團截至二零一七年三月三十一日止三個月之未經審核簡明綜合業績，並認為該等報表已遵守適用會計準則及披露要求。

董事進行證券交易之操守準則

於截至二零一七年三月三十一日止三個月內，本公司已採納創業板上市規則第5.48至5.67條所規定之交易必守標準作為其董事進行證券交易之操守準則。本公司經向全體董事作出具體查詢後，得悉截至二零一七年三月三十一日止三個月內，並無任何違反有關董事進行證券交易之交易必守標準之事宜。

購買、出售或贖回本公司之上市證券

截至二零一七年三月三十一日止三個月，本公司或其任何附屬公司並無購買、出售或贖回本公司之任何上市證券。

承董事會命
恒芯中國控股有限公司
主席
林東洋*

香港，二零一七年五月十二日

於本報告日期，董事會由執行董事丹斯里拿督林東洋*(主席)、陳榮斌先生(副主席及行政總裁)、仇斌先生、高揚先生、胡其賢先生及陳希先生；及獨立非執行董事黃之強先生、許海鷗*先生及周晨仲先生組成。



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

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