

CNC HOLDINGS LIMITED

中國新華電視控股有限公司

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

Stock code 股份代號: 8356

Third Quarterly Report
2017/2018
第三季度報告

The logo for CNC Holdings Limited features a stylized, flowing graphic on the left that resembles a 'C' or a signal wave, transitioning from yellow to orange to red. To the right of this graphic are three parallel, curved, leaf-like shapes in a gradient from red to yellow. Below these elements, the letters 'CNC' are written in a bold, white, sans-serif font with a slight shadow effect.

CNC

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

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

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

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This report, for which the directors (the “Director(s)”) of CNC Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

創業板乃為較於聯交所上市之其他公司帶有更高投資風險之公司提供上市之市場。有意投資者應了解投資於該等公司之潛在風險，並應經過審慎周詳考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他經驗豐富之投資者。

基於創業板上市公司之新興性質，在創業板買賣之證券可能會承受較於聯交所主板買賣之證券為高之市場波動風險，亦無法保證在創業板買賣之證券會有高流通量之市場。

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本報告載有根據聯交所創業板證券上市規則（「創業板上市規則」）而提供有關中國新華電視控股有限公司（「本公司」）之資料，本公司各董事（「董事」）願就本報告共同及個別承擔全部責任。董事在作出一切合理查詢後確認，就彼等所知及所信，本報告所載資料在所有重大方面均屬準確、完整及並無誤導或欺詐成份，且本文或本報告並無遺漏任何其他事項致使當中任何聲明有所誤導。

HIGHLIGHTS

- The Group's revenue for the nine months ended 31 December 2017 decreased by approximately 15.9% to approximately HK\$290.1 million (2016: approximately HK\$344.9 million).
- Loss attributable to owners of the Company for the nine months ended 31 December 2017 decreased by approximately 40.9% to approximately HK\$37.4 million (2016: approximately HK\$63.3 million).
- Basic loss per share for the nine months ended 31 December 2017 was approximately HK0.92 cents (2016: approximately HK1.56 cents).
- The Board does not recommend the payment of any dividend for the nine months ended 31 December 2017.

摘要

- 本集團截至二零一七年十二月三十一日止九個月的收益減少約15.9%至約290,100,000港元(二零一六年:約344,900,000港元)。
- 截至二零一七年十二月三十一日止九個月本公司擁有人應佔虧損減少約40.9%至約37,400,000港元(二零一六年:約63,300,000港元)。
- 截至二零一七年十二月三十一日止九個月的每股基本虧損約為0.92港仙(二零一六年:約1.56港仙)。
- 董事會不建議就截至二零一七年十二月三十一日止九個月派發任何股息。

The board of Directors (the "Board") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months and nine months ended 31 December 2017, together with the unaudited comparative figures for the corresponding periods in 2016, as follows:

董事會(「董事會」)欣然宣佈本公司及其附屬公司(統稱「本集團」)截至二零一七年十二月三十一日止三個月及九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:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
For the three months and nine months ended 31 December 2017

簡明綜合損益及其他全面收益表(未經審核)
截至二零一七年十二月三十一日止三個月及九個月

		Nine months ended 31 December 截至十二月三十一日止 九個月		Three months ended 31 December 截至十二月三十一日止 三個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	290,115	344,913	69,617	119,520
Cost of services	服務成本	(264,455)	(346,468)	(70,092)	(123,836)
Gross profit/(loss)	毛利/(損)	25,660	(1,555)	(475)	(4,316)
Other income	其他收入	416	986	107	26
Other gains and losses	其他收益及虧損	1,718	2,969	2,720	1,007
Amortisation expenses	攤銷開支	(15,064)	(15,201)	(4,910)	(5,071)
Selling and distribution expenses	銷售及分銷開支	(100)	(426)	-	(80)
Administrative expenses	行政開支	(31,808)	(21,231)	(9,844)	(8,426)
Changes in fair value of financial assets at fair value through profit or loss	透過損益按公平值入賬之 金融資產之公平值變動	3,322	(5,257)	3,584	(3,753)
Loss from operations	營運虧損	(15,856)	(39,715)	(8,818)	(20,613)
Finance costs	融資成本	(25,909)	(27,408)	(6,601)	(9,389)
Loss before income tax	除所得稅前虧損	(41,765)	(67,123)	(15,419)	(30,002)
Income tax	所得稅	4,365	3,860	2,057	2,015
Loss for the period attributable to the owners of the Company	本公司擁有人應佔期內 虧損	(37,400)	(63,263)	(13,362)	(27,987)
Other comprehensive income/(loss): Items that may be classified subsequently to profit or loss:	其他全面收益/(虧損): 其後可分類至損益 之項目:				
Exchange differences on translating foreign operations	換算境外業務之 匯兌差額	1,329	(1,787)	266	(987)
Other comprehensive income/(loss) for the period	期內其他全面 收益/(虧損)	1,329	(1,787)	266	(987)
Total comprehensive loss for the period	期內全面虧損總額	(36,071)	(65,050)	(13,096)	(28,974)
Loss for the period attributable to the owners of the Company	本公司擁有人應佔期內 虧損	(37,400)	(63,263)	(13,362)	(27,987)
Total comprehensive loss for the period attributable to the owners of the Company	本公司擁有人應佔期內 全面虧損總額	(36,071)	(65,050)	(13,096)	(28,974)
Loss per share attributable to the owners of the Company	本公司擁有人應佔 每股虧損				
- Basic (HK cent(s))	- 基本 (港仙)	(0.92)	(1.56)	(0.33)	(0.69)
- Diluted (HK cent(s))	- 攤薄 (港仙)	(0.92)	(1.56)	(0.33)	(0.69)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

簡明綜合權益變動表（未經審核）

For the nine months ended 31 December 2017 截至二零一七年十二月三十一日止九個月

		Share capital	Share premium	Convertible notes equity reserves	Foreign currency translation reserves	Capital reserves	Other reserves	Accumulated losses	Total equity
		股本	股份溢價	可換股票據權益儲備	外幣換算儲備	資本儲備	其他儲備	累計虧損	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
As at 1 April 2017	於二零一七年四月一日	4,055	1,238,195	62,631	(3,074)	2,758	9,868	(1,416,168)	(101,735)
Loss for the period	期內虧損	-	-	-	-	-	-	(37,400)	(37,400)
Other comprehensive income/(loss) for the period:	期內其他全面收益/(虧損):								
Items that may be classified subsequently to profit or loss:	其後可分類至損益之項目:								
Exchange differences on translating foreign operations	換算境外業務之匯兌差額	-	-	-	1,329	-	-	-	1,329
Total comprehensive income/(loss) for the period	期內全面收益/(虧損)總額	-	-	-	1,329	-	-	(37,400)	(36,071)
Transfer to accumulated losses upon mature of convertible notes	於可換股票據到期後轉撥至累計虧損	-	-	(62,631)	-	-	-	62,631	-
As at 31 December 2017 (unaudited)	於二零一七年十二月三十一日 (未經審核)	4,055	1,238,195	-	(1,745)	2,758	9,868	(1,390,937)	(137,806)
As at 1 April 2016	於二零一六年四月一日	4,055	1,238,195	62,631	(1,235)	2,758	9,868	(1,311,641)	4,631
Loss for the period	期內虧損	-	-	-	-	-	-	(63,263)	(63,263)
Other comprehensive loss for the period:	期內其他全面虧損:								
Items that may be classified subsequently to profit or loss:	其後可分類至損益之項目:								
Exchange differences on translating foreign operations	換算境外業務之匯兌差額	-	-	-	(1,787)	-	-	-	(1,787)
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	(1,787)	-	-	(63,263)	(65,050)
As at 31 December 2016 (unaudited)	於二零一六年十二月三十一日 (未經審核)	4,055	1,238,195	62,631	(3,022)	2,758	9,868	(1,374,904)	(60,419)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

未經審核簡明綜合財務報表附註

For the nine months ended 31 December 2017 截至二零一七年十二月三十一日止九個月

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 15 March 2010 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The registered office and principal place of business of the Company are located at the offices of Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and rooms 2708-10, 27/F., Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong respectively.

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

The principal activity of the Company is investment holding. The subsidiaries are engaged in the provision of civil engineering services for the public sector in Hong Kong and television broadcasting business in the Asia-Pacific region (excluding the People's Republic of China (the "PRC")) in return for advertising and related revenue.

2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance

The unaudited condensed consolidated third quarterly financial statements for the nine months ended 31 December 2017 (the "Quarterly Financial Statements") have been prepared to comply with the disclosure requirements of the GEM Listing Rules.

1. 一般資料

本公司於二零一零年三月十五日根據開曼群島法律第22章公司法(一九六一年第3號法例,經綜合及修訂)於開曼群島註冊成立為獲豁免有限責任公司。本公司之註冊辦事處及主要營業地點分別為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands及香港灣仔告士打道108號光大中心27樓2708-10室。

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

本公司的主要業務為投資控股,而附屬公司在香港為公營部門提供土木工程服務及於亞太區(不包括中華人民共和國(「中國」))從事電視播放業務以取得廣告及相關收益。

2. 呈列基準及主要會計政策

(a) 遵例聲明

吾等已編製截至二零一七年十二月三十一日止九個月之未經審核簡明綜合第三季度財務報表(「季度財務報表」)以遵守創業板上市規則之披露規定。

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

(b) Basis of preparation

The accounting policies and method of the computation used in the preparation of the Quarterly Financial Statements are consistent with those used in the annual report for the year ended 31 March 2017. The Group has adopted new or revised standards, amendments to standards and interpretation of Hong Kong Reporting Standards (“HKFRSs”) which are effective for accounting periods commencing on or after 1 April 2017. The adoption of such new or revised standards, amendments to standard and interpretation does not have material impact on the Quarterly Financial Statements and does not result in substantial changes to the Group’s accounting policies.

The Quarterly Financial Statements have been prepared under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period and are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. 呈列基準及主要會計政策 (續)

(b) 編製基準

編製季度財務報表所用之會計政策及計算方式與截至二零一七年三月三十一日止年度之年度報告所採納者一致。本集團已採納於二零一七年四月一日或之後開始之會計期間生效之香港財務報告準則（「香港財務報告準則」）之新訂或經修訂準則、準則修訂及詮釋。採納該等新訂或經修訂準則、準則修訂及詮釋不會對季度財務報表造成重大影響，且不會令本集團之會計政策出現重大變動。

季度財務報表乃根據歷史成本慣例編製，惟若干金融工具按各報告期末之公平值計量，並以亦為本公司功能貨幣之港元（「港元」）呈列。

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

(c) Going concern

In preparing the Quarterly Financial Statements, the Directors have given careful consideration to the future liquidity of the Group notwithstanding that:

- The Group has incurred an unaudited net loss of approximately HK\$37,400,000 during the nine months ended 31 December 2017 and, as of that date, the Group had unaudited net current liabilities and unaudited net liabilities of approximately HK\$238,650,000 and HK\$137,806,000 respectively;
- As at 31 December 2017, the promissory note issued by the Group in principal amount of approximately HK\$45,040,000 which is due within the next twelve months after 31 December 2017; and
- As at 31 December 2017, the convertible notes which was issued by the Company in principal amount of approximately HK\$257,030,000 was overdue.

2. 呈列基準及主要會計政策 (續)

(c) 持續經營

於編製季度財務報表時，董事已仔細考慮本集團之未來流動性，儘管：

- 截至二零一七年十二月三十一日止九個月，本集團產生未經審核淨虧損約37,400,000港元，及於該日，本集團分別錄得未經審核流動負債淨額約238,650,000港元及未經審核負債淨額約137,806,000港元；
- 於二零一七年十二月三十一日，本集團發行之承兌票據本金為約45,040,000港元，其將於二零一七年十二月三十一日後十二個月內到期；及
- 於二零一七年十二月三十一日，本公司發行之本金額約為257,030,000港元之可換股票據已逾期。

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

(c) Going concern (Continued)

The Directors adopted the going concern basis in the preparation of Quarterly Financial Statements and implemented the following measures in order to improve the working capital and liquidity and cash flow position of the Group:

- (1) China Xinhua News Network Co., Limited (“China Xinhua NNC”), one of the major shareholders of the Company and a convertible notes holder, has confirmed to provide financial support to the Group in a reasonable manner under relevant laws and regulatory requirements, to maintain the going concern of the Company. The financial support only refers to allow the Company to extend the repayment for the liabilities due to China Xinhua NNC to not earlier than 12 months commencing from 31 December 2017, including (1) the convertible notes in the principal amount of approximately HK\$257,030,000; (2) the interests payable on the convertible notes amounted to approximately HK\$33,284,000 as of 31 December 2017; and (3) the liabilities due to China Xinhua NNC of approximately HK\$13,587,000 as of 31 December 2017 in respect of annual fee for television broadcasting right, carriage fee payment and satellite transmission fee, if the repayment would cause the Company to be unable to settle its liabilities due to other parties when they fall due.

2. 呈列基準及主要會計政策 (續)

(c) 持續經營 (續)

董事於編製季度財務報表時已採納持續經營基準並已實施下列措施以改善本集團之營運資金及流動性以及現金流狀況：

- (1) 中國新華新聞電視網有限公司（「中國新華新聞電視網」，本公司之主要股東之一及可換股票據持有人），已確認以合理且符合有關法律和監管要求的方式向本集團提供財務支持，以維持本公司的持續經營，這些財務支持僅指在可能導致本公司無法償還其他債權人到期債務的情況下允許本公司延期至二零一七年十二月三十一日起十二個月後償還應付中國新華新聞電視網的債務，包括(1)可換股票據本金為約257,030,000港元；(2)截至二零一七年十二月三十一日止之可換股票據之應付利息為約33,284,000港元；及(3)截至二零一七年十二月三十一日止之關於電視播放權年費及代付傳輸費及衛星轉播費之應付中國新華新聞電視網的債務為約13,587,000港元。

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

(c) Going concern (Continued)

- (2) The Company had entered into an extension agreement with China Xinhua NNC on 13 December 2017 pursuant to which the maturity date of the convertible notes was extended to 9 December 2018 and the extended convertible notes would bear interest rate of 3% per annum. The amendment of terms and conditions has been approved by the shareholders of the Company at the Company's extraordinary general meeting on 6 February 2018 and will be subject to approval by the Stock Exchange.
- (3) The Group had entered into an extension agreement with the noteholder of the promissory note on 15 December 2017 pursuant to which the maturity date of the promissory note was extended to 31 December 2018 and the extended promissory note would bear interest rate of 3% per annum.
- (4) The Group is actively considering to raise new capital by carrying out fund raising activities including but not limited to rights issue, open offer and placing of new shares.
- (5) The Group will implement operation plans to control costs and generate adequate cash flows from the Group's operation.

2. 呈列基準及主要會計政策 (續)

(c) 持續經營 (續)

- (2) 於二零一七年十二月十三日，本公司與中國新華新聞電視網訂立延長協議，據此，可換股票據之到期日將延長至二零一八年十二月九日且經延長可換股票據按年利率3%計息。本公司股東已於本公司二零一八年二月六日舉行之股東特別大會上批准修訂條款及條件，而有關修訂須待聯交所批准後方可作實。
- (3) 於二零一七年十二月十五日，本集團與承兌票據之票據持有人訂立延長協議，據此，承兌票據之到期日延長至二零一八年十二月三十一日，且經延長之承兌票據按年利率3%計息。
- (4) 本集團正積極考慮通過開展集資活動以籌集新資本，包括但不限於供股、公開發售及配售新股份。
- (5) 本集團將實施營運計劃以控制成本及從本集團之營運中產生足夠現金流量。

3. REVENUE

Revenue recognised during the three months and nine months ended 31 December 2017 and 31 December 2016 were as follows:

3. 收益

截至二零一七年十二月三十一日及二零一六年十二月三十一日止三個月及九個月確認之收益如下：

		Nine months ended 31 December 截至十二月三十一日止 九個月		Three months ended 31 December 截至十二月三十一日止 三個月	
		2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元	2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元	2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元	2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元
Construction works	建築工程	289,045	334,668	69,601	115,750
Advertising income*	廣告收入*	1,070	10,245	16	3,770
		290,115	344,913	69,617	119,520

* Publication income of nil and approximately HK\$45,000 (three months and nine months ended 31 December 2016: nil and nil respectively) was included in advertising income during three months and nine months ended 31 December 2017.

* 截至二零一七年十二月三十一日止三個月及九個月之出版收入分別為零港元及約45,000港元(截至二零一六年十二月三十一日止三個月及九個月:分別為零港元及零港元)已計入廣告收入。

4. OTHER INCOME

Other income recognised during the three months and nine months ended 31 December 2017 and 31 December 2016 were as follows:

4. 其他收入

截至二零一七年十二月三十一日及二零一六年十二月三十一日止三個月及九個月確認之其他收入如下：

	Nine months ended 31 December 截至十二月三十一日止 九個月		Three months ended 31 December 截至十二月三十一日止 三個月	
	2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元	2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元	2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元	2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元
Interest income	17	310	5	26
Dividend income	295	-	3	-
Sundry income	104	676	99	-
	416	986	107	26

5. OTHER GAINS AND LOSSES

Other gains and losses recognised during the three months and nine months ended 31 December 2017 and 31 December 2016 were as follows:

		Nine months ended 31 December 截至十二月三十一日止 九個月	Three months ended 31 December 截至十二月三十一日止 三個月
		2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元	2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元
Exchange (loss)/gain, net	匯兌(虧損)/收益淨額	(1,369)	1,835
Gains arising on extension of promissory note	承兌票據延期產生之收益	2,320	-
Net gains on disposal of property, plant and equipment	出售物業、廠房及設備之收益淨額	767	1,134
		1,718	2,969

5. 其他收益及虧損

截至二零一七年十二月三十一日及二零一六年十二月三十一日止三個月及九個月確認的其他收益及虧損如下：

		2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元	2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元
		(320)	1,007
		2,320	-
		720	-
		2,720	1,007

6. SEGMENT INFORMATION

The Group's segment information is presented on the basis of internal reports that are regularly reviewed by the executive Directors, being the chief operating decision maker in order to allocate resources to the segments and assess their performance. For each of the Group's reportable segments, the executive Directors reviews internal management reports on a regular basis.

6. 分部資料

本集團之分部資料按由執行董事(即主要營運決策者)定期檢討以供分配資源至各分部及評估各分部表現之內部報告基準呈報。就本集團各可呈報分部而言,執行董事定期審閱內部管理報告。

6. SEGMENT INFORMATION (Continued)

Under the segment structure implemented during the nine months ended 31 December 2017, information reported to the executive Directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided are:

- (i) Provision of civil engineering services – Provision of waterworks engineering services, road works, drainage services and site formation works for public sector in Hong Kong; and
- (ii) Television broadcasting business – the business of broadcasting television programmes on television channels operated by television broadcasting companies in the Asia-Pacific region (excluding the PRC) in return for advertising and related revenue; and

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

6. 分部資料 (續)

根據於截至二零一七年十二月三十一日止九個月實施之分部架構，向執行董事（即主要營運決策者）呈報以供其分配資源及評估分部表現之資料集中於以下各類所交付之商品或所提供之服務：

- (i) 提供土木工程服務—為香港公營部門提供水務工程服務、道路工程、渠務服務及地盤平整工程；及
- (ii) 電視播放業務—在位於亞太區（不包括中國）之電視播放公司所經營之電視頻道進行電視節目播放以取得廣告及相關收益之業務；及

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

6. SEGMENT INFORMATION (Continued)

Segment revenue and results

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

For the nine months ended 31 December 2017

6. 分部資料 (續)

分部收益及業績

本集團按可呈報分部劃分的收益及業績分析如下。

截至二零一七年十二月三十一日止九個月

		Provision of civil engineering services 提供土木 工程服務 (Unaudited) (未經審核) HK\$'000 千港元	Television broadcasting business 電視播放 業務 (Unaudited) (未經審核) HK\$'000 千港元	Others 其他 (Unaudited) (未經審核) HK\$'000 千港元	Total 總計 (Unaudited) (未經審核) HK\$'000 千港元
Revenue from external customers	來自外部客戶之收益	289,045	1,070	-	290,115
Other income and gains	其他收入及收益	809	-	-	809
Reportable segment revenue	可呈報分部收益	289,854	1,070	-	290,924
Reportable segment results	可呈報分部業績	14,617	(22,586)		(7,969)
Unallocated corporate income	未分配企業收入				6,056
Unallocated corporate expenses	未分配企業開支				(13,943)
Finance costs	融資成本				(25,909)
Loss before income tax	除所得稅前虧損				(41,765)

6. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the nine months ended 31 December 2016

		Provision of civil engineering services 提供土木 工程服務 (Unaudited) (未經審核) HK\$'000 千港元	Television broadcasting business 電視播放 業務 (Unaudited) (未經審核) HK\$'000 千港元	Others 其他 (Unaudited) (未經審核) HK\$'000 千港元	Total 總計 (Unaudited) (未經審核) HK\$'000 千港元
Revenue from external customers	來自外部客戶之收益	334,668	10,212	33	344,913
Other income and gains	其他收入及收益	676	-	-	676
Reportable segment revenue	可呈報分部收益	335,344	10,212	33	345,589
Reportable segment results	可呈報分部業績	(9,476)	(14,017)		(23,493)
Unallocated corporate income	未分配企業收入				2,711
Unallocated corporate expenses	未分配企業開支				(18,933)
Finance costs	融資成本				(27,408)
Loss before income tax	除所得稅前虧損				(67,123)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the nine months ended 31 December 2017 and 31 December 2016.

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

6. 分部資料 (續)

分部收益及業績 (續)

截至二零一六年十二月三十一日止九個月

上文所呈報的分部收益指來自外部客戶之收益。截至二零一七年十二月三十一日及二零一六年十二月三十一日止九個月概無分部間銷售。

分部溢利／(虧損)為各分部在未分配中央行政成本、利息收入、股息收入、承兌票據延期產生之收益、融資成本、透過損益按公平值入賬之金融資產公平值變動及所得稅前所賺取的溢利／產生的虧損。此乃向主要營運決策者呈報以供其分配資源及評估分部表現之計量方式。

7. LOSS FROM OPERATIONS

Loss from operations is arrived at after charging the following:

7. 營運虧損

營運虧損乃經扣除以下各項後計算得出：

	Nine months ended 31 December 截至十二月三十一日止 九個月		Three months ended 31 December 截至十二月三十一日止 三個月	
	2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元	2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元	2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元	2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元
Amortisation of intangible assets (included in amortisation expenses)	13,800	13,800	4,617	4,617
Amortisation of film rights (included in amortisation expenses)	1,264	1,401	293	454
Depreciation of property, plant and equipment	13,968	13,780	4,833	4,843

8. INCOME TAX

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

8. 所得稅

未經審核簡明綜合損益及其他全面收益表之所得稅金額如下：

	Nine months ended 31 December 截至十二月三十一日止 九個月		Three months ended 31 December 截至十二月三十一日止 三個月	
	2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元	2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元	2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元	2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元
Current tax – Hong Kong profits tax – current period	2,352	193	(371)	(443)
Current tax – PRC Enterprise Income tax – current period	–	954	–	269
Deferred tax – current period	(6,717)	(5,007)	(1,686)	(1,841)
Income tax	(4,365)	(3,860)	(2,057)	(2,015)

8. INCOME TAX (Continued)

Hong Kong profits tax is calculated at 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong during each of three months and nine months ended 31 December 2017 and 31 December 2016.

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

No provision for PRC Enterprise Income tax has been made as the subsidiary incorporated in the PRC has no assessable profits arising in the PRC during each of three months and nine months ended 31 December 2017. The provision for PRC Enterprise Income tax was calculated on the estimated assessable profits of the subsidiary incorporated in the PRC at 15% for each of three months and nine months ended 31 December 2016.

9. DIVIDENDS

The Board does not recommend the payment of any dividend for each of the three months and nine months ended 31 December 2017 respectively (2016: Nil).

8. 所得稅 (續)

香港利得稅按截至二零一七年十二月三十一日及二零一六年十二月三十一日止三個月及九個月各期間於香港產生之估計應課稅溢利之16.5% (二零一六年: 16.5%) 計算。

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

截至二零一七年十二月三十一日止三個月及九個月各期間,於中國註冊成立之附屬公司並無於中國產生應課稅溢利,故並無就中國企業所得稅計提撥備。截至二零一六年十二月三十一日止三個月及九個月各期間,中國企業所得稅按於中國註冊成立之附屬公司之估計應課稅溢利以15%計提撥備。

9. 股息

董事會不建議派付截至二零一七年十二月三十一日止三個月及九個月各期間之任何股息(二零一六年:無)。

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculations of basic loss per Share for the three months and nine months ended 31 December 2017 are based on the unaudited consolidated loss of approximately HK\$13,362,000 and approximately HK\$37,400,000 attributable to the owners of the Company for each of the three months and nine months ended 31 December 2017 respectively (unaudited consolidated loss of three months and nine months ended 31 December 2016: approximately HK\$27,987,000 and approximately HK\$63,263,000 respectively) and the weighted average number of 4,055,349,947 Shares and 4,055,349,947 Shares in issue for the three months and nine months ended 31 December 2017 (weighted average number of Shares in issue for the three months and nine months ended 31 December 2016: 4,055,349,947 and 4,055,349,947 respectively) as if they had been in issue throughout the periods.

Diluted loss per share for the three months and nine months ended 31 December 2017 and 2016 are the same as the basic loss per share. The computation of diluted loss per share for the three months and nine months ended 31 December 2017 and 2016 does not assume the Company's outstanding convertible notes since the assumed conversion of convertible notes would result in a decrease in loss per share.

10. 本公司擁有人應佔每股虧損

截至二零一七年十二月三十一日止三個月及九個月的每股基本虧損乃按截至二零一七年十二月三十一日止三個月及九個月各期間本公司擁有人應佔未經審核綜合虧損分別約13,362,000港元及約37,400,000港元(截至二零一六年十二月三十一日止三個月及九個月未經審核綜合虧損:分別為約27,987,000港元及約63,263,000港元)與截至二零一七年十二月三十一日止三個月及九個月已發行股份加權平均數分別為4,055,349,947股及4,055,349,947股(截至二零一六年十二月三十一日止三個月及九個月已發行股份加權平均數:分別為4,055,349,947股及4,055,349,947股)計算,猶如該等股份於整個有關期間均已發行。

截至二零一七年及二零一六年十二月三十一日止三個月及九個月,每股攤薄虧損與每股基本虧損相同。由於假設兌換可換股票據將導致每股虧損減少,因此計算截至二零一七年及二零一六年十二月三十一日止三個月及九個月之每股攤薄虧損並無計及本公司尚未兌換之可換股票據。

11. SHARE CAPITAL

11. 股本

		Number of Shares 股份數目	Nominal value 面值 HK\$'000 千港元
Authorised:	法定：		
As at 1 April 2017 (Audited) and 31 December 2017 (Unaudited)	於二零一七年四月一日（經審核）及 二零一七年十二月三十一日 （未經審核）	500,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
As at 1 April 2017 (Audited) and 31 December 2017 (Unaudited)	於二零一七年四月一日（經審核）及 二零一七年十二月三十一日 （未經審核）	4,055,349,947	4,055

12. EVENTS AFTER THE REPORTING PERIOD

On 13 December 2017, the Company entered into a supplemental deed with China Xinhua NNC, pursuant to which the maturity date of the outstanding convertible notes of principal amount of HK\$257,030,210 will be extended to 9 December 2018. The amendment of terms and conditions has been approved by the shareholders of the Company at the extraordinary general meeting on 6 February 2018. The above-said amendment of terms and conditions will be subject for approval by the Stock Exchange. Further details of the amendment of terms and conditions were set out in the Company's announcement dated 13 December 2017 and the Company's circular dated 17 January 2018.

12. 報告期後事項

於二零一七年十二月十三日，本公司與中國新華新聞電視網訂立補充契據，據此，本金額為257,030,210港元之尚未兌換可換股票據之到期日將延期至二零一八年十二月九日。修訂之條款及條件已經本公司股東於二零一八年二月六日舉行之股東特別大會上批准。上述修訂之條款及條件須待聯交所批准後方可作實。有關修訂之條款及條件的進一步詳情，載於本公司日期為二零一七年十二月十三日之公佈及本公司日期為二零一八年一月十七日之通函內。

13. COMPARATIVE FINANCIAL INFORMATION

Certain comparative figures have been restated to conform with current period's presentation.

13. 比較財務資料

若干比較數字已重列，以符合本期間賬目之編列。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in the provision of civil engineering services for the public sector in Hong Kong and television broadcasting business in the Asia-Pacific region (excluding the PRC) in return for advertising and related revenue. During the nine months ended 31 December 2017 (the "Period"), the Group continued to focus on rendering waterworks engineering services to the public sector in Hong Kong and develop its television broadcasting business.

Provision of civil engineering services

During the Period, the Group has been undertaking three main contracts and nine subcontracts. Among the twelve contracts, four are related to provision of waterworks engineering services and the remaining is related to provision of drainage services and site formation services. Details of the contracts undertaken are set out below:

業務回顧

本集團主要於香港為公營部門提供土木工程服務、於亞太區（不包括中國）進行電視播放業務以取得廣告及相關收益。截至二零一七年十二月三十一日止九個月（「本期間」），本集團繼續專注於在香港向公營部門提供水務工程服務，並開展其電視播放業務。

提供土木工程服務

於本期間內，本集團進行三項主合約及九項分包合約。該十二項合約中，其中四項與提供水務工程服務有關，其餘合約則與提供渠務服務及土地平整服務有關。所承接合約之詳情載列如下：

	Contract number 合約編號	Particulars of contract 合約詳情
Main contracts 主合約	8/WSD/11	Construction of Pak Shek Kok Fresh Water Service Reservoir Extension 白石角食水配水庫之擴建工程
	8/WSD/11	白石角食水配水庫之擴建工程
	3/WSD/13	Mainlying near She Shan Tsuen, Tai Po 大埔社山村附近水管敷設工程
	3/WSD/13	大埔社山村附近水管敷設工程
	DC/2013/09	Advance Works for Shek Wu Hui Sewage Treatment Works – Further Expansion Phase 1A and Sewerage Works at Ping Che Road 石湖墟污水處理廠前期工程—進一步擴建第1A期及坪輦路的污水渠工程
	DC/2013/09	石湖墟污水處理廠前期工程—進一步擴建第1A期及坪輦路的污水渠工程

Subcontracts
分包合約

Contract number 合約編號	Particulars of contract 合約詳情
8/WSD/10	Replacement and rehabilitation of water mains, stage 4 phase 1 – mains in Tuen Mun, Yuen Long, North District and Tai Po
8/WSD/10	更換及修復水管工程第4階段第1期－屯門、元朗、北區及大埔水管工程
DC/2012/04	Sewerage in Kau Lung Hang San Wai, Kau Lung Hang Lo Wai and Tai Hang
DC/2012/04	九龍坑新圍、九龍坑老圍及泰亨污水收集系統
DC/2012/07	Lam Tsuen Valley Sewerage – village sewage, stage 2, phase 1
DC/2012/07	林村谷污水收集系統－第2階段第1期
DC/2012/08	Lam Tsuen Valley Sewerage – village sewage, stage 2, phase 2
DC/2012/08	林村谷污水收集系統－第2階段第2期
5/WSD/13	Replacement and rehabilitation of water mains, stage 4 phase 1 and stage 4 phase 2 – mains in Northern and Eastern New Territories
5/WSD/13	更換及修復水管工程第4階段第1期及第4階段第2期－新界北及新界東水管工程
CV/2015/03	Site formation and infrastructural works near Tong Hang Road and Tse Tin Road in Area 54, Tuen Mun
CV/2015/03	屯門54區鄰近塘亨路及紫田路的土地平整及基建工程
810B	West Kowloon Terminus Station South, Contract 810B
810B	西九龍總站(南), 合約810B
Q044763	Elevated Road along Lohas Park Road and the pedestrian footbridge FB1
Q044763	康城路高架橋路及行人天橋FB1
CV/2016/10	Site Formation and Association Infrastructural Works For Development of Columbarium at Sandy Ridge Cemetery
CV/2016/10	於沙嶺公墓興建骨灰龕的土地平整及相關基建工程

Among the above twelve contracts, a subcontract (contract numbered CV/2016/10) was newly awarded during the Period while a main contract (contract numbered 8/WSD/11) and a subcontract (contract numbered 8/WSD/10) was completed during the Period.

於上述十二項合約中，一項分包合約（合約編號為CV/2016/10）乃於本期間新獲授，而一項主合約（合約編號為8/WSD/11）及一項分包合約（合約編號為8/WSD/10）已於本期間完成。

Television broadcasting business

Currently, the Group aims to produce the different documentary feature programmes and invest different television dramas and films in order to diversify the television broadcasting business by penetrating into different markets and catering the taste and preference of the different audiences. By doing so, the Group has produced a documentary feature programme “Decoding Hong Kong” 《解讀香港》 to explore and look forward to the 20th anniversary of the transfer of sovereignty over Hong Kong to the PRC during the Period and received the award from the Academic Committee of Television Documentary of the China TV Artists Association* (中國視協電視紀錄片學術委員會), pursuant to which “Decoding Hong Kong” 《解讀香港》 will be awarded the Best Documentary in the 23rd China Documentary Series (第二十三屆中國紀錄片系列好作品). The award is organized by China TV Artists Association* (中國電視藝術家協會) and the Academic Committee of Television Documentary of the China TV Artists Association* (中國視協電視紀錄片學術委員會) and is a national award specializing in professional and academic fields. The award affirmed the production quality and success of feature programmes of the Company.

In order to boost up a comprehensive business development of television broadcasting business, the Group is in the process and will diversify its business into the film and television market in the PRC and develop film and television culture projects in the PRC based on the taste and interests of different audiences. Targeting the enormous yet growing PRC market, the Group endeavors to strengthen its integrated media platform with an aim to provide valuable and competitive products and to enhance its market position, and the Group will continue to explore strategic alliances as well as investment opportunities to enrich its portfolio and broaden its income stream.

Looking forward, the Company continues to actively pursue and review cooperation, joint ventures, and investments with suitable partners and will continue to focus on improving the Group’s attractiveness and profitability as necessary to enhance shareholder returns and the sustainable long-term development of the Group as a whole.

電視播放業務

目前，本集團致力於製作各種紀錄片及投資各類電視劇與電影，以透過滲入不同市場及迎合不同觀眾的品味及偏好多樣化電視播放業務。為此，本集團於本期間特別製作紀錄片《解讀香港》以探討並展望回歸中國二十週年之際的香港，並獲中國視協電視紀錄片學術委員會頒獎，《解讀香港》獲評為第二十三屆中國紀錄片系列好作品。該獎項為中國電視藝術家協會及中國視協電視紀錄片學術委員會共同主辦的以專業性及學術性為導向的全國性獎項。該獎項是對本公司專題節目的製作質量及成功的肯定。

為推動電視播放業務的全面業務發展，本集團正在並將多樣化其業務至中國影視市場，並根據不同觀眾的品味及興趣於中國發展電影及電視文化項目。針對龐大且不斷發展的中國市場，本集團致力加強其綜合媒體平台藉以提供具價值及競爭力的產品及提升其市場地位，本集團亦將持續探尋戰略同盟以及投資機會以優化其產品組合及擴大其收入來源。

展望未來，本公司將繼續積極物色及檢討與合適之合作夥伴的合作、合資及投資並將繼續致力提升本集團之吸引力及盈利能力（於必要時），以提升股東回報及本集團整體之長遠可持續發展。

FINANCIAL REVIEW

Revenue

For the Period, the Group reported revenue of approximately HK\$290.1 million (2016: approximately HK\$344.9 million), representing a decrease of approximately 15.9% as compared with that for the same period of the previous year. The revenue derived from provision of civil engineering services and television broadcasting business constituted approximately 99.6% and 0.4% of the Group's total revenue respectively. The decrease in revenue was mainly due to the fact that increase in work from civil engineering projects with contract number CV/2015/03 was offset by decrease in work from certain engineering projects reaching completion or maintenance stage. The Group derived aggregate advertising revenue of approximately HK\$1.1 million (2016: approximately HK\$10.2 million) from television broadcasting business.

During the Period, the revenue of the Group was primarily generated from the undertaking of civil engineering contracts in the capacity of a subcontractor. The subcontracting revenue amounted to approximately HK\$155.2 million (2016: approximately HK\$184.6 million), representing approximately 53.5% (2016: approximately 53.5%) of the total revenue for the Period. On the other hand, the aggregate revenue generated from the undertaking of civil engineering contracts in the capacity of a main contractor and jointly controlled operator amounted to approximately HK\$133.8 million (2016: approximately HK\$150.1 million), representing approximately 46.1% (2016: approximately 43.5%) of the total revenue for the Period.

財務回顧

收益

於本期間內，本集團錄得收益約290,100,000港元（二零一六年：約344,900,000港元），較去年同期減少約15.9%。提供土木工程服務及電視播放業務產生之收益分別佔本集團總收益約99.6%及0.4%。收益減少乃主要由於合約編號為CV/2015/03之土木工程項目之工程增加為若干即將竣工或處於維護階段之工程項目工程減少所抵銷。本集團自電視播放業務產生廣告收益總額約1,100,000港元（二零一六年：約10,200,000港元）。

於本期間內，本集團收益主要來自以分包商身份承接之土木工程合約。分包收益為約155,200,000港元（二零一六年：約184,600,000港元），佔本期間總收益約53.5%（二零一六年：約53.5%）。另一方面，以主承建商及共同控制營運商身份承接之土木工程合約產生收益合共約133,800,000港元（二零一六年：約150,100,000港元），佔本期間總收益約46.1%（二零一六年：約43.5%）。

Cost of services

The Group's cost of services for the Period decreased by approximately 23.7% to approximately HK\$264.5 million for the Period (2016: approximately HK\$346.5 million) as compared with that for the same period of the previous year. The Group's cost of services mainly includes costs of construction services, costs of television broadcasting business and other direct operating costs. Costs of construction services mainly comprise raw materials, direct labour and subcontracting fee for services provided by the subcontractors. Costs of television broadcasting business mainly comprise transmission costs, broadcasting fee and other direct costs attributable to television broadcasting business. Transmission costs comprise satellite transmission fee and carriage fee payable to satellite operators while broadcasting fee comprises annual fee payable to media broadcasting providers and China Xinhua NNC. Other direct operating costs mainly comprise depreciation charges of LED display screens.

Gross profit/(loss)

The gross profit of the Group for the Period amounted to approximately HK\$25.7 million (2016: gross loss of approximately HK\$1.6 million). The gross profit margin of the Group increased to approximately 8.8% for the Period (2016: gross loss margin of approximately 0.5%). The increase in gross profit was mainly due to the certain construction projects which had commanded better gross profit during the Period through cost control measures.

Other income

The Group's other income for the Period decreased by approximately 57.8% to approximately HK\$0.4 million (2016: approximately HK\$1.0 million) as compared with that for the same period of the previous year. The decrease in other income was mainly due to the written back of certain retention payables of provision of civil engineering services business during the nine months ended 31 December 2016.

服務成本

本集團於本期間之服務成本較去年同期減少約23.7%至約264,500,000港元(二零一六年:約346,500,000港元)。本集團之服務成本主要包括建築服務成本、電視播放業務成本以及其他直接營運成本。建築服務成本主要包括原材料、直接勞工及分包商提供服務之分包費用。電視播放業務成本主要包括傳送成本、播放費用及電視播放業務應佔之其他直接成本。傳送成本包括衛星傳送費用及應付衛星營運商之傳輸費用,而播放費用則包括應付予媒體播放供應商及中國新華新聞電視網之年費。其他直接營運成本主要包括LED顯示屏之折舊費用。

毛利/(損)

本集團於本期間之毛利為約25,700,000港元(二零一六年:毛損約1,600,000港元)。本集團於本期間之毛利率上升至約8.8%(二零一六年:毛損率約0.5%)。毛利上升乃主要由於本期間內通過成本控制措施使若干建築項目毛利提升。

其他收入

本集團於本期間之其他收入較去年同期減少約57.8%至約400,000港元(二零一六年:約1,000,000港元)。其他收入減少乃主要由於截至二零一六年十二月三十一日止九個月提供土木工程服務業務之若干應付保留金撥回。

Other gains and losses

The Group's other gains and losses for the Period decreased by approximately 42.1% to approximately HK\$1.7 million (2016: approximately HK\$3.0 million). Other gains and losses mainly consisted of gains arising from extension of promissory note and net gains on disposals of property, plant and equipment.

Amortisation expenses

The Group's amortisation expenses for the Period decreased by approximately 0.9% to approximately HK\$15.1 million (2016: approximately HK\$15.2 million) as compared with that for the same period of the previous year. The amortisation expenses mainly consisted of amortisation of television broadcasting right and film rights for the television broadcasting business.

Selling and distribution expenses

The Group's selling and distribution expenses for the Period amounted to approximately HK\$0.1 million (2016: approximately HK\$0.4 million). The selling and distribution expenses mainly consisted of advertising expenses for the television broadcasting business.

Administrative expenses

The Group's administrative expenses for the Period increased by approximately 49.8% to approximately HK\$31.8 million (2016: approximately HK\$21.2 million) as compared with that for the same period of the previous year. The administrative expenses mainly consisted of legal and professional fees, staff costs (including Directors' remuneration), depreciation expenses and rental expenses. The increase in administrative expenses was mainly due to the delay of payment of last financial year end bonus in respect of provision of civil engineering services business during the Period.

其他收益及虧損

本集團於本期間之其他收益及虧損減少約42.1%至約1,700,000港元(二零一六年:約3,000,000港元)。其他收益及虧損主要包括承兌票據延期產生之收益及出售物業、廠房及設備之淨收益。

攤銷開支

本集團於本期間之攤銷開支較去年同期減少約0.9%至約15,100,000港元(二零一六年:約15,200,000港元)。攤銷開支主要包括電視播放業務之電視播放權及電影版權之攤銷。

銷售及分銷開支

本集團於本期間之銷售及分銷開支為約100,000港元(二零一六年:約400,000港元)。銷售及分銷開支主要包括電視播放業務之廣告費。

行政開支

本集團於本期間之行政開支較去年同期增加約49.8%至約31,800,000港元(二零一六年:約21,200,000港元)。行政開支主要包括法律和專業費用、員工成本(包括董事薪酬)、折舊開支以及租金開支。行政開支增加乃主要由於於本期間就提供土木工程服務而延期支付之上一財政年度末之花紅。

Finance costs

The Group's finance costs for the Period decreased by approximately 5.5% to approximately HK\$25.9 million (2016: approximately HK\$27.4 million) as compared with that for the same period of the previous year. The finance costs mainly consist of interest expenses for the promissory note and convertible notes.

Net Loss

The net loss attributable to owners of the Company for the Period decreased by approximately 40.9% to approximately HK\$37.4 million (2016: approximately HK\$63.3 million) as compared with that for the same period of the previous year. The decrease in net loss was mainly due to increase in gross profit during the Period.

Loss per Share

The basic loss per Share for the Period was approximately HK0.92 cent (2016: approximately HK1.56 cents).

PROSPECTS

Provision of civil engineering services business continues to be the primary contributor and key growth driver to our revenue and profits. In the meantime, the Group continues to devote efforts to further develop its television broadcasting business in order to generate synergies between different business segments and chart its long term corporate strategy and growth.

融資成本

本集團於本期間之融資成本較去年同期減少約5.5%至約25,900,000港元(二零一六年:約27,400,000港元)。融資成本主要包括承兌票據及可換股票據之利息開支。

淨虧損

本期間本公司擁有人應佔淨虧損較去年同期減少約40.9%至約37,400,000港元(二零一六年:約63,300,000港元)。淨虧損減少乃主要由於本期間毛利增加。

每股虧損

本期間之每股基本虧損為約0.92港仙(二零一六年:約1.56港仙)。

前景

提供土木工程服務業務仍是我們收益及溢利的主要來源及重要的增長動力。同時,本集團繼續著力進一步發展其電視播放業務,以在各不同業務分部之間形成協同效應並規劃其長期企業戰略及增長。

Provision of civil engineering services

Hong Kong construction companies are facing tougher competitive condition, as well as the slower progress of scrutinising the funding proposals for public works projects by the Finance Committee and the Public Works Subcommittee due to political and social chaos in Hong Kong. The delays in funds approval to the proposed infrastructure projects would cause higher scarcity of public works available in the market which means the business environment of construction industry would be even more competitive. Though it is anticipated that new measures will be introduced in the Legislative Council to speed up the funding approval under the administration of the new Hong Kong Chief Executive, it is expected that the competitive market environment will remain for some years ahead. The sluggish construction market will have significant impact on the revenue and profit of the Group. As such, the Directors consider that competition in the market has become more intense recently.

Despite that the Group is facing fierce competition and tougher operating environment, the Group anticipated that the long term prospect of the construction industry still remains positive. The Directors believe that the Group had a number of competitive strengths that differentiate ourselves from the competitors and peers within the business sector. During the Period, the Group has successfully obtained a new subcontract of Site Formation and Association Infrastructural Works For Development of Columbarium at Sandy Ridge Cemetery (contract numbered CV/2016/10) with contract sum of approximately HK\$280.9 million. Looking forward, the Group will continue to pursue business growth in both public and private sectors. Also, the Group has pursued different strategic measures, including but not limited to effective cost measures, tendering more profitable contracts, etc., so as to successfully mitigate the impact of those challenges and increase the market share in construction business.

提供土木工程服務

香港建築公司所面臨的競爭形勢日益嚴峻，由於香港存在的政治及社會動蕩，財務委員會及工務小組委員會對公共工程項目的撥款建議審查程序減慢。建議基礎設施項目的資金批准延後會造成市場上公共工程減少，也就意味著建築行業的競爭將更趨激烈。儘管在新任香港行政長官的領導下，立法會估計將採取新的措施以加快撥款審批速度，但預計未來數年內市場競爭仍將激烈。蕭條的建築市場將對本集團的收益及溢利產生重大影響。因此，董事認為近期市場競爭已更加激烈。

雖然本集團面臨激烈的競爭及日趨嚴峻的經營環境，但本集團預計建築行業的長期前景仍屬正面。董事認為本集團擁有多項競爭優勢，可於業內競爭者及同行中脫穎而出。於本期間，本集團成功獲得一項新分包合約，即於沙嶺公墓開發靈灰安置所的土地平整及組織基建工程（合約編號為CV/2016/10），合約總額為約280,900,000港元。未來，本集團將繼續努力尋求在公共及私營部門實現業務增長。此外，本集團已實施多項戰略舉措，包括但不限於有效的成本控制措施及投標盈利能力更高的合約等，旨在成功減輕上述挑戰所造成的影響並增加在建築行業的市場份額。

Television broadcasting business

Consolidation of the advertising market continued to extend the down trend recently. The advertising market continued to be adversely impacted by global and local economic uncertainties. The outlook for the media industry was still murky as advertisers tend to be very cautious. As such, the Group is currently operating in tough environment. Despite of the deteriorating market development, the Group is well-positioned to compete against its competitors by leveraging on brand name of Xinhua News Agency as well as the built-up of market influence of the Group. The Group is well-positioned to further extend the leading position in the PRC market as well as to continue our expansion in the other locations in Asia-Pacific Regions. The Group aims at diversifying its business in the investment, production and distribution of films and the investment, production and distribution of television dramas business. Riding on the growth momentum of the Chinese film and television drama market, the Group believes that the recent development of the investment in film and TV drama business will contribute to the revenue of the Group and thus the results of the Group. By doing so, the Group aims at adopting different development strategies for generating synergies between different media platforms and hence establishing a sizeable business mix comprising film, television and other new media content in order to achieve sustainable growth and bring satisfactory returns to shareholders.

The Group aims to diversify its business and to broaden the revenue streams of the Group so as to create substantial value to the shareholders. The Group will dedicate to explore possible business opportunities and identify sustainable development projects in order to expand its business scale and business scope. In the meanwhile, the management of the Group will also take a cautious approach towards different markets and industries and to take prompt and appropriate actions.

DIVIDENDS

The Board does not recommend the payment of any dividend for the Period.

SHARE OPTION SCHEME

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

電視播放業務

近期，廣告市場的整合繼續加深下行趨勢。廣告市場仍受到全球及本地經濟不確定因素的不利影響。由於廣告主傾向於採取十分謹慎的態度，媒體行業的前景仍舊黯淡。因此，本集團當前所處的經營環境嚴峻。儘管市場發展狀況不斷惡化，但本集團憑藉新華社的品牌以及本集團所建立起的市場影響力仍在與競爭對手的競爭中處於優勢地位。本集團擁有有利條件能夠進一步擴大在中國市場的領先優勢，並繼續在亞太其他地區進行擴張。本集團計劃多元化其電影投資、製作及發行以及電視劇投資、製作及發行業務。乘著中國影視市場之增長勢頭，本集團相信投資影視業務之近期發展將助力本集團增加收入及改善業績。藉此，本集團希望以不同的發展策略為各媒體平台產生協同效應，從而建立包括電影、電視及其他新媒體內容在內的規模相當的業務組合，藉以實現可持續增長及為股東帶來可觀回報。

本集團計劃實施業務多元化並努力擴闊其收入來源，從而為股東創造巨大價值。本集團將努力尋求可能的業務機遇並物色可持續發展項目以擴大其業務規模及業務範圍。同時，本集團管理層亦將對各不同市場及行業採取審慎態度並採取迅速而恰當的行動。

股息

董事會不建議派付本期間的任何股息。

購股權計劃

本公司股東於二零一零年八月十一日採納及批准本公司之購股權計劃。於本期間內，本公司並無根據購股權計劃授出購股權。

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

As at 31 December 2017, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Long position in the Shares:

Name	Capacity/Nature of interest	Number of Shares held	Percentage of aggregate interests to total issued share capital 總權益佔全部已發行股本的百分比
姓名	身份／權益性質	所持股份數目	
Mr. Kan Kwok Cheung ("Mr. Kan") (Note) 簡國祥先生(「簡先生」)(附註)	Interest in controlled corporation 於受控制法團權益	69,000,000	1.70%

Note: Mr. Kan is the sole beneficial owner of Shunleetat (BVI) Limited ("Shunleetat"), which was interested in 69,000,000 Shares. Under the SFO, Mr. Kan is deemed to be interested in all the Shares held by Shunleetat.

董事及主要行政人員於本公司及其相聯法團的股份、相關股份或債權證的權益及淡倉

於二零一七年十二月三十一日，董事及本公司主要行政人員於本公司或其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例的有關條文彼等被當作或視作擁有的權益及淡倉）；或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益及淡倉；或根據創業板上市規則第5.46條所述董事進行交易的規定標準須知會本公司及聯交所的權益及淡倉如下：

於股份之好倉：

Name	Capacity/Nature of interest	Number of Shares held	Percentage of aggregate interests to total issued share capital 總權益佔全部已發行股本的百分比
姓名	身份／權益性質	所持股份數目	
Mr. Kan Kwok Cheung ("Mr. Kan") (Note) 簡國祥先生(「簡先生」)(附註)	Interest in controlled corporation 於受控制法團權益	69,000,000	1.70%

附註：簡先生為Shunleetat (BVI) Limited（「Shunleetat」）的唯一實益擁有人，而Shunleetat擁有69,000,000股股份的權益。根據證券及期貨條例，簡先生被視為擁有Shunleetat所持全部股份的權益。

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

Saved as disclosed above, as at 31 December 2017, none of the Directors and chief executive of the Company had any other interests or short positions in any Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

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

So far as was known to the Directors, as at 31 December 2017, the following persons/entities (other than the Directors or chief executive of the Company) had, or are deemed to have, interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who/which were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or who/which were recorded in the register required to be kept by the Company under Section 336 of the SFO with details as follows:

董事及主要行政人員於本公司及其相聯法團的股份、相關股份或債權證的權益及淡倉 (續)

除上文所披露者外，於二零一七年十二月三十一日，概無董事及本公司主要行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）的任何股份、相關股份及債權證中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的任何其他權益或淡倉（包括根據證券及期貨條例的有關條文彼等被當作或視作擁有的權益或淡倉）；或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益或淡倉；或根據創業板上市規則第5.46條所述董事進行交易的規定標準須知會本公司及聯交所的權益或淡倉。

主要股東及其他人士於本公司股份及相關股份的權益及淡倉

就董事所知，於二零一七年十二月三十一日，下列人士／實體（董事及本公司主要行政人員除外）擁有或被視作擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露的本公司股份、相關股份或債權證的權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何成員公司的股東大會上投票的任何類別股本面值5%或以上權益，或被記錄於本公司根據證券及期貨條例第336條存置之登記冊，詳情如下：

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

主要股東及其他人士於本公司股份及相關股份的權益及淡倉 (續)

Long position in the Shares and underlying Shares:

於股份及相關股份之好倉：

Name	Number of Shares held		Number of underlying Shares under convertible notes (Note a)		Total interests	Percentage of aggregate interests to total issued share capital 總權益佔全部已發行股本之百分比
	Beneficial owner	Interest in controlled corporation	Beneficial owner	Interest in controlled corporation		
名稱	實益擁有人	於受控制法團之權益	實益擁有人	於受控制法團之權益	總權益	
China Xinhua NNC	1,188,621,377 (Note b)	-	1,311,378,623 (Note b)	-	2,500,000,000	61.65%
中國新華新聞電視網	1,188,621,377 (附註b)	-	1,311,378,623 (附註b)	-	2,500,000,000	61.65%
中國新華新聞電視網有限公司 ("CNC China")	-	1,188,621,377 (Note b)	-	1,311,378,623 (Note b)	2,500,000,000	61.65%
中國新華新聞電視網有限公司 ("中國新華新聞電視網(中國)")	-	1,188,621,377 (附註b)	-	1,311,378,623 (附註b)	2,500,000,000	61.65%

Notes:

附註：

- (a) Details of the convertible notes were set out in the circulars of the Company dated 19 November 2011, 6 January 2015 and 17 January 2018.
- (b) China Xinhua NNC is wholly and beneficially owned by CNC China. Accordingly, CNC China is deemed to be interested in the 1,188,621,377 Shares and 1,311,378,623 underlying Shares held by China Xinhua NNC under the SFO.

- (a) 可換股票據的詳情載於本公司日期為二零一一年十一月十九日、二零一五年一月六日及二零一八年一月十七日的通函內。
- (b) 中國新華新聞電視網由中國新華新聞電視網(中國)全資及實益擁有。因此，根據證券及期貨條例，中國新華新聞電視網(中國)被視為擁有中國新華新聞電視網所持有的1,188,621,377股股份及1,311,378,623股相關股份的權益。

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

Saved as disclosed above, as at 31 December 2017, the Directors were not aware of any other person/entity (other than the Directors or chief executive as disclosed in the paragraph headed "Directors' and chief executive's interests and short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations" above) who/which had, or is deemed to have, interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who/which were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or who/which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

PURCHASE, SALE OR REDEMPTION OF THE SHARES

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

主要股東及其他人士於本公司股份及相關股份的權益及淡倉 (續)

除上文所披露者外，於二零一七年十二月三十一日，就董事所知，概無任何其他人士／實體（並非上文「董事及主要行政人員於本公司及其相關法團的股份、相關股份或債權證的權益及淡倉」一段所披露之董事或主要行政人員）擁有或被視為擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露的本公司股份、相關股份或債權證的權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何成員公司的股東大會上投票的任何類別股本面值5%或以上權益，或被記錄於本公司根據證券及期貨條例第336條存置之登記冊。

董事購買股份或債權證的權利

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

購買、出售或贖回股份

於本期間內，本公司及其任何附屬公司概無購買、出售或贖回任何股份。

CONNECTED TRANSACTIONS

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

Television Broadcasting Right Agreement

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

Announcement Posting Agreements

On 12 May 2017 and 3 May 2016, the Company entered into agreements (the “Announcement Posting Agreements”) with Hong Kong Listco Limited (“HKLC”) pursuant to which HKLC will provide the Company with the service of dissemination of announcements including hosting and posting of announcements, press releases or other documents as required by the GEM Listing Rules on the website(s) of the Group at a monthly service fee of HK\$750 for a term of one year commencing from 1 July 2017 and 1 July 2016 respectively. HKLC is a company incorporated in Hong Kong and is wholly and beneficially owned by Mr. Chia Kar Hin, Eric John which is the director of the Company within the past twelve months. The Company considers it more cost effective to engage a professional firm to take up this report posting obligation after listing.

關連交易

於本期間內，本集團訂立以下持續關連交易：

電視播放權協議

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

刊登公佈協議

於二零一七年五月十二日及二零一六年五月三日，本公司與公司資訊網有限公司（「公司資訊網」）訂立協議（「刊登公佈協議」），據此，公司資訊網將向本公司提供公佈發佈服務，包括於本集團網站上安排及刊登公佈、媒體報道或創業板上市規則規定之其他文件，每月服務費為750港元，分別自二零一七年七月一日及二零一六年七月一日起計為期一年。公司資訊網為一間於香港註冊成立之公司，由於過往十二個月內曾擔任本公司董事之謝嘉軒先生全資實益擁有。本公司認為於上市後委聘一間專業公司承擔本報告刊登之責任更具成本效益。

GEM Listing Rules Implications

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

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

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

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

創業板上市規則的涵義

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

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

除上文披露者外，於本期間內，董事、控股股東及彼等各自的聯繫人概無與本集團有任何其他利益衝突。

董事進行證券交易之行為守則

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

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders and enhance the performance of the Group. The Company has applied the principles and code provisions in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 to the GEM Listing Rules. In the opinion of the Board, the Company has complied with the Code during the Period, except paragraph A.6.7 of the Code. This report further illustrates in detail as to how the Code was applied, inclusive of the considered reasons for any deviation throughout the Period.

Paragraph A.6.7 of the Code requires that independent non-executive directors and non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. An executive Director, namely Mr. Zou Chen Dong, and an independent non-executive Director, namely Mr. Kwok Man Wai, *SBS, IDS, JP* and the then independent non-executive Director, namely The Hon. Ip Kwok Him, *GMB, GBS, JP*, did not attend the annual general meeting of the Company held on 18 July 2017 due to overseas commitment and pre-arranged business engagements. Other Board members, the chairmen of the relevant Board committees and the external auditor of the Company also attended the annual general meeting to interface with, and answer questions from the shareholders.

An executive Director, namely Mr. Zou Chen Dong, and an independent non-executive Director, namely Mr. Kwok Man Wai, *SBS, IDS, JP*, did not attend the extraordinary general meeting of the Company held on 6 February 2018 due to overseas commitment and pre-arranged business engagements. Other Board members, the chairmen of the relevant Board committees also attended the extraordinary general meeting to interface with, and answer questions from the shareholders.

企業管治常規守則

本公司一直致力維持高水平之企業管治，務求保障股東利益及提高本集團之表現。本公司已應用創業板上市規則附錄15所載之企業管治常規守則（「守則」）之原則及守則條文。董事會認為，除守則第A.6.7段之規定外，本公司於本期間內一直遵守守則。本報告進一步詳細說明守則如何獲應用，包括於本期間內任何偏離情況之理由。

守則第A.6.7段規定，獨立非執行董事及非執行董事應出席股東大會，對股東之意見有公正之了解。一位執行董事（即鄧陳東先生）及一位獨立非執行董事（即郭文緯先生，*銀紫荊星章*，*廉政公署卓越獎章*，*太平紳士*）及一位當時的獨立非執行董事（即葉國謙議員，*大紫荊勳賢*，*金紫荊星章*，*太平紳士*）因海外事務及預先事務安排未有出席本公司於二零一七年七月十八日舉行之股東週年大會。其他董事會成員、相關董事委員會主席及本公司外部核數師亦有出席股東週年大會以正面回答股東提問。

一位執行董事（即鄧陳東先生）及一位獨立非執行董事（即郭文緯先生，*銀紫荊星章*，*廉政公署卓越獎章*，*太平紳士*），因海外事務及預先事務安排未有出席本公司於二零一八年二月六日舉行之股東特別大會。其他董事會成員、相關董事委員會主席亦有出席股東特別大會以正面回答股東提問。

AUDIT COMMITTEE

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

As at 31 December 2017, the members of the Audit Committee were Mr. Wong Chung Yip, Kenneth, Ms. Tang Li, Mr. Law Cheuk Hung, Mr. Wu Guo Ming, Mr. Kwok Man Wai, *SBS, IDS, JP* and Mr. Wan Chi Keung, Aaron, *BBS, JP*. Mr. Wong Chung Yip, Kenneth was the chairman of the Audit Committee. The Audit Committee had reviewed the unaudited condensed consolidated results of the Group for the Period and is of the opinion that the preparation of such results complied with the applicable accounting standards and that adequate disclosures have been made.

* For identification purpose only

By Order of the Board
CNC Holdings Limited
Li Yong Sheng
Vice Chairman & CEO

Hong Kong, 6 February 2018

As at the date of this report, the Directors are Dr. Jiang Yan¹ (Chairman), Dr. Li Yong Sheng¹ (Vice Chairman and Chief Executive Officer), Mr. Liu Da Yong¹, Mr. Zou Chen Dong¹, Mr. Kan Kwok Cheung¹, Ms. Tang Li², Mr. Law Cheuk Hung², Mr. Fan Chun Wah, Andrew, *JP*³, Mr. Wu Guo Ming³, Mr. Kwok Man Wai, *SBS, IDS, JP*³, Mr. Wan Chi Keung, Aaron, *BBS, JP*³ and Mr. Wong Chung Yip, Kenneth³.

¹ Executive Director

² Non-executive Director

³ Independent non-executive Director

審核委員會

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

於二零一七年十二月三十一日，審核委員會的成員包括王忠業先生、唐麗女士、羅焯雄先生、吳國銘先生、郭文緯先生，銀紫荊星章、廉政公署卓越獎章、太平紳士及尹志強先生，銅紫荊星章、太平紳士。王忠業先生為審核委員會主席。審核委員會已審閱本集團於本期間之未經審核簡明綜合業績，並認為該等業績的編製符合適用會計準則並已作出充分披露。

承董事會命
中國新華電視控股有限公司
副主席兼行政總裁
李永升

香港，二零一八年二月六日

於本報告日期，董事為姜岩博士¹（主席）、李永升博士¹（副主席兼行政總裁）、劉大勇先生¹、鄧陳東先生¹、簡國祥先生¹、唐麗女士²、羅焯雄先生²、范駿華先生、太平紳士³、吳國銘先生³、郭文緯先生、銀紫荊星章、廉政公署卓越獎章、太平紳士³、尹志強先生、銅紫荊星章、太平紳士³及王忠業先生³。

¹ 執行董事

² 非執行董事

³ 獨立非執行董事



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