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Heng Xin China Holdings Limited
恒芯中國控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 8046)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

**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.

This announcement, 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 announcement 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 announcement misleading.

** For identification purpose only*

The board of Directors (the “Board”) announces the unaudited condensed consolidated results of the Company for the three months and six months ended 30 June 2017. This announcement, containing the full text of the 2017 Interim Report of the Company, complies with the relevant requirements of the GEM Listing Rules in relation to information to accompany preliminary announcement of interim results. Printed version of the Company’s 2017 Interim Report will be delivered to the shareholders of the Company and available for viewing on the GEM website at www.hkgem.com and the Company’s website at www.hengxinchina.com.hk.



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

Interim Report
中期報告

IMPORTANT NOTICE

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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所然，在創業板買賣的證券可能會較於聯交所主板買賣之證券承受較大的市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

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

本報告乃遵照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 Company for the three months and six months ended 30 June 2017 together with the comparative unaudited figures for the corresponding periods in 2016 as follows:

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」)公佈本公司截至二零一七年六月三十日止三個月及六個月之未經審核簡明綜合業績，連同二零一六年同期之未經審核比較數字如下：

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the six months ended 30 June 2017

簡明綜合損益及全面收入表

截至二零一七年六月三十日止六個月

		Notes 附註	Three months ended 30 June 截至六月三十日 止三個月		Six months ended 30 June 截至六月三十日 止六個月	
			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) (Restated) (經重列)	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) (Restated) (經重列)
CONTINUING OPERATIONS	持續經營業務					
Revenue	收益	3	5,687	6,181	5,846	9,928
Cost of sales	銷售成本		(2,773)	(770)	(2,845)	(3,421)
Gross profit	毛利		2,914	5,411	3,001	6,507
Other income	其他收入	3	46	155	57	459
Selling and marketing expenses	銷售及市場推廣開支		(230)	(184)	(361)	(396)
Administrative and operating expenses	行政及經營開支		(10,849)	(16,622)	(21,321)	(29,229)
Loss on deconsolidation of a subsidiary	取消綜合入賬一間附屬公司之虧損		-	-	-	(65,403)
Finance costs	融資成本	4	(272)	(2,320)	(477)	(5,809)
Loss before taxation	除稅前虧損	5	(8,391)	(13,560)	(19,101)	(93,871)
Income tax credit/(expense)	所得稅抵免/(開支)	6	724	(35)	724	(41)
Loss for the period from continuing operations	持續經營業務期內虧損		(7,667)	(13,595)	(18,377)	(93,912)
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		(458)	(9,681)	(713)	(14,201)
LOSS FOR THE PERIOD	期內虧損		(8,125)	(23,276)	(19,090)	(108,113)

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

For the six months ended 30 June 2017

簡明綜合損益及其他全面
收入表(續)

截至二零一七年六月三十日止六個月

		Three months ended 30 June 截至六月三十日 止三個月		Six months ended 30 June 截至六月三十日 止六個月	
		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) (Restated) (經重列)	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) (Restated) (經重列)
Loss for the period	期內虧損	(8,125)	(23,276)	(19,090)	(108,113)
Other comprehensive loss:	其他全面虧損：				
Items that may be reclassified to profit or loss:	可能重新分類至損益之項目：				
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	(5,472)	(11,927)	(4,347)	(9,922)
Exchange difference reclassified to profit or loss on deconsolidation of a subsidiary	於取消綜合入賬附屬公司時重新分類至損益之匯兌差額	-	-	-	3,437
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	期內全面虧損總額	(13,597)	(35,203)	(23,437)	(114,598)
LOSS FOR THE PERIOD ATTRIBUTABLE TO:	以下人士應佔期內虧損：				
Owners of the Company	本公司擁有人				
Loss from continuing operations	持續經營業務虧損	(7,667)	(13,595)	(18,377)	(93,912)
Loss from discontinued operations	已終止經營業務虧損	(234)	(4,937)	(364)	(7,242)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(7,901)	(18,532)	(18,741)	(101,154)
Non-controlling interests	非控股股東權益	(224)	(4,744)	(349)	(6,959)
		(8,125)	(23,276)	(19,090)	(108,113)
Total comprehensive loss attributable to:	以下人士應佔全面虧損總額：				
Owners of the Company	本公司擁有人	(13,373)	(30,459)	(23,088)	(107,639)
Non-controlling interests	非控股股東權益	(224)	(4,744)	(349)	(6,959)
		(13,597)	(35,203)	(23,437)	(114,598)
		HK Cent	港仙	HK Cent	港仙
LOSS PER SHARE	每股虧損				
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	(0.095)	(0.235)	(0.225)	(1.400)
From continuing operations	來自持續經營業務				
- Basic and diluted	- 基本及攤薄	(0.092)	(0.172)	(0.221)	(1.300)
From discontinued operations	來自已終止經營業務				
- Basic and diluted	- 基本及攤薄	(0.003)	(0.063)	(0.004)	(0.100)

CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION

At 30 June 2017

簡明綜合財務狀況表

於二零一七年六月三十日

		Notes 附註	30 June 2017 二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	20,362	20,271
Goodwill	商譽		6,456	–
Intangible assets	無形資產		10,712	8,179
Deposits for acquisition of non-current assets	收購非流動資產之按金		18,000	19,300
Other investment	其他投資		61,750	61,750
			117,280	109,500
Current assets	流動資產			
Inventories	存貨		234	–
Trade receivables	應收賬款	10	77,622	35,901
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項		4,918	3,060
Cash and cash equivalents	現金及現金等價物	11	186,269	84,411
			269,043	123,372
Non-current assets held for sale	持作出售之非流動資產		248,870	245,268
			517,913	368,640
Current liabilities	流動負債			
Trade payables	應付賬款	12	194,418	21,548
Other payables and accruals	其他應付款項及應計費用		32,240	21,715
Receipts in advance	預收賬款		8,359	8,684
Short term loans	短期貸款		–	3,371
Tax payable	應繳稅項		–	10
			235,017	55,328
Liabilities directly associated with non-current assets held for sale	與持作出售之非流動資產 直接相關之負債		45,187	43,650
			280,204	98,978
Net current assets	流動資產淨值		237,709	269,662
Total assets less current liabilities	總資產減流動負債		354,989	379,162
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債		1,032	1,768
Net assets	資產淨值		353,957	377,394
Capital and reserves	資本及儲備			
Issued share capital	已發行股本	13	83,045	83,045
Reserves	儲備		260,811	283,898
Equity attributable to Owners of the Company	以下人士應佔權益			
Non-controlling interests	本公司擁有人 非控股股東權益		343,857	366,943
			10,100	10,451
Total equity	權益總額		353,957	377,394

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017

簡明綜合權益變動表

截至二零一七年六月三十日止六個月

		Unaudited (Restated) 未經審核(經重列)										
		Attributable to the owners of the Company 本公司擁有人應佔										Total equity
		Issued 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
		已發行股本	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	非控股股東權益	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	10,000	107,183	-	-	-	-	(14,089)	-	103,094	-	103,094
Share options lapsed during the period	期內已失效之購股權	-	-	-	-	-	(4,236)	-	4,236	-	-	-
Total comprehensive loss for the six months ended 30 June 2016	截至二零一六年六月三十日止六個月之全面虧損總額	-	-	-	(6,485)	-	-	-	(101,154)	(107,639)	(6,959)	(114,598)
Deconsolidation of a subsidiary (unaudited)	取消綜合入賬一間附屬公司(未經審核)	-	-	-	-	-	-	-	-	-	(47,223)	(47,223)
Balance at 30 June 2016 (unaudited)	於二零一六年六月三十日之結餘(未經審核)	80,002	1,957,159	2,325	50,194	(79,992)	-	4,155	(1,732,662)	281,181	5,505	286,686
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 six months ended 30 June 2017	截至二零一七年六月三十日止六個月之全面虧損總額	-	-	-	(4,347)	-	-	-	(18,741)	(23,088)	(349)	(23,437)
Balance at 30 June 2017 (unaudited)	於二零一七年六月三十日之結餘(未經審核)	83,045	2,001,360	2,325	41,206	(79,992)	-	-	(1,704,089)	343,857	10,100	353,957

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

簡明綜合現金流量表

截至二零一七年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		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) (Restated) (經重列)
Net cash generated from/(used in) operating activities	經營活動產生/(所用)現金淨額	117,729	(53,870)
Net cash used in investing activities	投資活動所用現金淨額	(11,233)	(36,706)
Net cash (used in)/generated from financing activities	融資活動(所用)/產生現金淨額	(3,926)	113,217
Net increase in cash and cash equivalents	現金及現金等價物之增加淨額	102,570	22,641
Cash and cash equivalents at beginning of the period	於期初之現金及現金等價物	84,411	88,864
Effect of foreign exchange rate changes	匯率變動之影響	(3)	(552)
Cash and cash equivalents at end of the period	於期末之現金及現金等價物	186,978	110,953
Analysis of balances of cash and cash equivalents	現金及現金等價物之結餘分析		
Cash at bank and in hand	銀行存款及現金	186,978	110,953
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物之結餘分析		
Cash and bank balances	現金及銀行結餘	186,269	110,847
Cash and bank balances included in disposal group classified as held for sale	計入分類為持作出售之出售集團之現金及銀行結餘	709	106
Total cash and bank balances	現金及銀行結餘總額	186,978	110,953

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in Bermuda. The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is Suite 3604, 36/F., Central Plaza, 18 Harbour Road, Wan Chai, 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 Group is principally engaged in digital cable television business, wireless digital television value-added services, wireless digital audio integrated circuits and securities brokerage business.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") 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 consolidated financial statements are consistent with those used in the consolidated 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 (the "2016 Annual Report").

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2017. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

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

簡明綜合財務報表附註

1. 一般資料

本公司於百慕達註冊成立為獲豁免有限公司。本公司註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda及其主要營業地點位於香港灣仔港灣道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一直在創業板上市。

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、無線數位音頻芯片以及證券經紀業務。

2. 編製基準及會計政策

截至二零一七年六月三十日止六個月之未經審核簡明綜合財務報表乃按香港會計師公會(「香港會計師公會」)頒佈之香港會計準則第34號「中期財務報告」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綜合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(「二零一六年年報」)一併閱讀。

於本期間，本集團已採納與本集團之業務有關且由香港會計師公會頒佈於二零一七年一月一日開始之會計年度生效之所有新訂及經修訂香港財務報告準則(「香港財務報告準則」)。香港財務報告準則包括香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋。採納該等新訂及經修訂香港財務報告準則對本集團之會計政策、本集團財務報表之呈列及就本期間及過往年度所呈報之金額並無造成重大變動。

本集團並無應用已頒佈惟尚未生效之新訂香港財務報告準則。應用該等新訂香港財務報告準則將不會對本集團之財務報表構成重大影響。

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, OTHER INCOME AND SEGMENT INFORMATION

3. 收益、其他收入及分部資料

Revenue recognised by segment during the three and six months ended 30 June 2017 are as follows:

截至二零一七年六月三十日止三個月及六個月之收益分部確認如下：

		Three months ended 30 June 截至六月三十日 止三個月		Six months ended 30 June 截至六月三十日 止六個月	
		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) (Restated) (經重列)	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) (Restated) (經重列)
Revenue	收益				
Digital cable television business	有線數位電視業務	3,879	3,373	4,038	4,312
Wireless digital television value-added services business	無線數位電視增值服務業務	–	2,808	–	5,616
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	1,808	–	1,808	–
		5,687	6,181	5,846	9,928
Representing:	其中：				
– Continuing operations	– 持續經營業務	5,687	6,181	5,846	9,928
Other income	其他收入				
Bank interest income	銀行利息收入	9	–	20	1
Sundry income	雜項收入	37	155	37	458
		46	155	57	459
Representing:	其中：				
– Continuing operations	– 持續經營業務	46	155	57	459

3. REVENUE, OTHER INCOME AND SEGMENT INFORMATION
(Continued)

3. 收益、其他收入及分部資料(續)

The segment results for the six months ended 30 June 2017 are as follows:

截至二零一七年六月三十日止六個月之分部業績如下：

		Digital cable television business 有線數位電視業務 HK\$'000 千港元 (Unaudited) (未經審核)	Wireless digital television value-added services business 無線數位電視增值服務業務 HK\$'000 千港元 (Unaudited) (未經審核)	Wireless digital audio integrated circuits business 無線數位音頻芯片業務 HK\$'000 千港元 (Unaudited) (未經審核)	Securities brokerage business 證券經紀業務 HK\$'000 千港元 (Unaudited) (未經審核)	Total 總計 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	收益					
Segment revenue from external customers	來自外來客戶之分部收益	4,038	–	–	1,808	5,846
Segment results	分部業績	(4,107)	(860)	(1,233)	500	(5,700)
Unallocated income	未分配收入					46
Unallocated expenses	未分配開支					(13,683)
Finance costs	融資成本					(477)
Loss before taxation	除稅前虧損					(19,814)
Taxation	稅項					724
Loss for the six months ended 30 June 2017	截至二零一七年六月三十日止六個月之虧損					(19,090)

The segment results for the six months ended 30 June 2016 are as follows:

截至二零一六年六月三十日止六個月之分部業績如下：

		Digital cable television business 有線數位電視業務 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (經重列)	Wireless digital television value-added services business 無線數位電視增值服務業務 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (經重列)	Wireless digital audio integrated circuits business 無線數位音頻芯片業務 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (經重列)	Total 總計 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (經重列)
Revenue	收益				
Segment revenue from external customers	來自外來客戶之分部收益	4,312	5,616	–	9,928
Segment results	分部業績	(19,351)	(1,578)	(2,299)	(23,228)
Unallocated income	未分配收入				459
Unallocated expenses	未分配開支				(79,494)
Finance costs	融資成本				(5,809)
Loss before taxation	除稅前虧損				(108,072)
Taxation	稅項				(41)
Loss for the six months ended 30 June 2016	截至二零一六年六月三十日止六個月之虧損				(108,113)

3. REVENUE, OTHER INCOME AND SEGMENT INFORMATION
(Continued)

3. 收益、其他收入及分部資料(續)

Geographical information

地域資料

		Revenue 收益		Non-current assets 非流動資產	
		30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	30 June 2016 二零一六年 六月三十日 HK\$'000 千港元 (Restated) (經重列)	30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
Continuing operations:	持續經營業務：				
PRC	中國	4,038	9,928	37,300	28,450
Hong Kong	香港	1,808	–	79,980	81,050
Discontinued operation:	已終止經營業務：				
PRC	中國	–	–	–	–
Consolidated total	綜合總計	5,846	9,928	117,280	109,500

In presenting the geographical information, revenue is based on the locations of the customers.

於呈列地域資料時，收益乃基於客戶之所在地。

4. FINANCE COSTS

4. 融資成本

		Three months ended 30 June 截至六月三十日 止三個月		Six months ended 30 June 截至六月三十日 止六個月	
		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) (Restated) (經重列)	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) (Restated) (經重列)
Imputed interest on convertible bonds	可換股債券之估算利息	–	1,814	–	4,170
Interest on short term loans	短期貸款之利息	272	506	477	897
Interest on notes payable	應付票據之利息	–	–	–	742
		272	2,320	477	5,809
Representing:	其中：				
– Continuing operations	– 持續經營業務	272	2,320	477	5,809

5. LOSS BEFORE TAXATION

5. 除稅前虧損

Loss for the period has been arrived at after charging:

期內虧損乃經扣除下列各項後列賬：

		Three months ended 30 June 截至六月三十日 止三個月		Six months ended 30 June 截至六月三十日 止六個月	
		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) (Restated) (經重列)	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) (Restated) (經重列)
Depreciation	折舊	297	3,291	579	6,640
Research and development costs	研究及開發成本	128	1,327	886	2,286
Staff costs (including Directors' emoluments)	員工成本 (包括董事酬金)				
– salaries and allowances	– 薪金及津貼	2,788	4,491	7,527	8,506
– retirement benefits scheme contributions	– 退休福利計劃供款	820	569	976	927

6. INCOME TAX CREDIT/(EXPENSE)

6. 所得稅抵免/(開支)

		Three months ended 30 June 截至六月三十日 止三個月		Six months ended 30 June 截至六月三十日 止六個月	
		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) (Restated) (經重列)	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) (Restated) (經重列)
Current – Hong Kong	即期 – 香港	–	–	–	–
Current – PRC:	即期 – 中國：				
– Charge for the period	– 期間稅項	(12)	(35)	(12)	(41)
– Deferred Tax	– 遞延稅項	736	–	736	–
Total tax credit/(expense)	所得稅抵免/(開支)總額	724	(35)	724	(41)
Representing:	其中：				
– Continuing operations	– 持續經營業務	724	(35)	724	(41)

6. INCOME TAX CREDIT/(EXPENSE) (Continued)

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 arising in Hong Kong. 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.

7. LOSS PER SHARE

(a) From continuing and discontinued operations

Basic loss per share

The calculation of basic loss per share from continuing and discontinued operations for the six months ended 30 June 2017 is based on the loss attributable to owners of the Company for the six months ended 30 June 2017 of HK\$18,741,000 (2016 (restated): HK\$101,154,000) and the weighted average number of 8,304,538,000 (2016: 7,225,536,000) ordinary shares in issue during the period.

Furthermore, the calculation of basic loss per share from continuing and discontinued operations for the three months ended 30 June 2017 is based on the loss attributable to owners of the Company for the three months ended 30 June 2017 of HK\$7,901,000 (2016 (restated): HK\$18,532,000) and the weighted average number of 8,304,538,000 (2016: 7,873,576,000) 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 and six months ended 30 June 2017.

The diluted loss per share for the three months and six months ended 30 June 2016 are 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.

6. 所得稅抵免／(開支)(續)

本集團香港利得稅撥備按 16.5% (二零一六年：16.5%) 計算，由於本集團在香港並無產生應課稅溢利，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. 每股虧損

(a) 來自持續及已終止經營業務

每股基本虧損

截至二零一七年六月三十日止六個月，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六月三十日止六個月應佔虧損 18,741,000 港元 (二零一六年 (經重列)：101,154,000 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：7,225,536,000 股) 計算。

此外，截至二零一七年六月三十日止三個月，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六月三十日止三個月應佔虧損 7,901,000 港元 (二零一六年 (經重列)：18,532,000 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：7,873,576,000 股) 計算。

每股攤薄虧損

由於截至二零一七年六月三十日止三個月及六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。

截至二零一六年六月三十日止三個月及六個月之每股攤薄虧損與每股基本虧損相同，是由於轉換未償還可換股債券會對每股基本虧損具有反攤薄影響。

7. LOSS PER SHARE (Continued)

(b) From continuing operations

Basic loss per share

The calculation of basic loss per share from continuing operations for the six months ended 30 June 2017 is based on the loss from continuing operations attributable to owners of the Company for the six months ended 30 June 2017 of HK\$18,377,000 (2016 (restated): HK\$93,912,000) and the weighted average number of 8,304,538,000 (2016: 7,225,536,000) ordinary shares in issue during the period.

Furthermore, the calculation of basic loss per share from continuing operations for the three months ended 30 June 2017 is based on the loss from continuing operations attributable to owners of the Company for the three months ended 30 June 2017 of HK\$7,667,000 (2016 (restated): HK\$13,595,000) and the weighted average number of 8,304,538,000 (2016: 7,873,576,000) 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 and six months ended 30 June 2017.

The diluted loss per share for the three months and six months ended 30 June 2016 are 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.

7. 每股虧損(續)

(b) 來自持續經營業務

每股基本虧損

截至二零一七年六月三十日止六個月，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六月三十日止六個月應佔來自持續經營業務之虧損18,377,000港元(二零一六年(經重列)：93,912,000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：7,225,536,000股)計算。

此外，截至二零一七年六月三十日止三個月，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六月三十日止三個月應佔來自持續經營業務之虧損7,667,000港元(二零一六年(經重列)：13,595,000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：7,873,576,000股)計算。

每股攤薄虧損

由於截至二零一七年六月三十日止三個月及六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。

截至二零一六年六月三十日止三個月及六個月之每股攤薄虧損與每股基本虧損相同，是由於轉換未償還可換股債券會對每股基本虧損具有反攤薄影響。

7. LOSS PER SHARE (Continued)

(c) From discontinued operations

Basic loss per share

The calculation of basic loss per share from discontinued operations for the six months ended 30 June 2017 is based on the loss from discontinued operations attributable to owners of the Company for the six months ended 30 June 2017 of HK\$364,000 (2016 (restated): HK\$7,242,000) and the weighted average number of 8,304,538,000 (2016: 7,225,536,000) ordinary shares in issue during the period.

Furthermore, the calculation of basic loss per share from discontinued operations for the three months ended 30 June 2017 is based on the loss from discontinued operations attributable to owners of the Company for the three months ended 30 June 2017 of HK\$234,000 (2016 (restated): HK\$4,937,000) and the weighted average number of 8,304,538,000 (2016: 7,873,576,000) 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 and six months ended 30 June 2017.

The diluted loss per share for the three months and six months ended 30 June 2016 are 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 does not declare the payment of an interim dividend for the six months ended 30 June 2017 (2016: Nil).

7. 每股虧損(續)

(c) 來自已終止經營業務

每股基本虧損

截至二零一七年六月三十日止六個月，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六月三十日止六個月應佔來自已終止經營業務之虧損364,000港元(二零一六年(經重列): 7,242,000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: 7,225,536,000股)計算。

此外，截至二零一七年六月三十日止三個月，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六月三十日止三個月應佔來自已終止經營業務之虧損234,000港元(二零一六年(經重列): 4,937,000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: 7,873,576,000股)計算。

每股攤薄虧損

由於截至二零一七年六月三十日止三個月及六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。

截至二零一六年六月三十日止三個月及六個月之每股攤薄虧損與每股基本虧損相同，是由於轉換未償還可換股債券會對每股基本虧損具有反攤薄影響。

8. 股息

董事會不宣派截至二零一七年六月三十日止六個月之中期股息(二零一六年: 無)。

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, there are acquisition of property, plant and equipment of the Group amounted to approximately HK\$16,000 (for the year ended 31 December 2016: HK\$2,846,000). During the period, certain items of property, plant and equipment with a total carrying amount of approximately HK\$22,000 are written off (for the year ended 31 December 2016: HK\$4,000).

10. TRADE RECEIVABLES

Trade receivables 應收賬款
Less: allowance for doubtful debts 減：呆賬撥備

77,622 35,901

The ageing analysis of trade receivables based on the invoice date, and net of allowance, is as follows:

0 – 90 days 零至九十日
91 – 180 days 九十一日至一百八十日
181 – 365 days 一百八十一日至三百六十五日
Over 1 year 一年以上

77,622 35,901

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

11. CASH AND CASH EQUIVALENTS

For the securities brokerage business, the Group maintains segregated trust accounts with licensed banks to hold clients' monies arising from its normal course of business. The Group has classified the clients' monies as cash held on behalf of customers included in cash and cash equivalents and recognised the corresponding accounts payable to respective clients on the grounds that one is liable for any loss or misappropriation of clients' monies. The Group is not allowed to use the clients' monies to settle its own obligations.

9. 物業、廠房及設備

截至二零一七年六月三十日止六個月，本集團收購約16,000港元(截至二零一六年十二月三十一日止年度：2,846,000港元)之物業、廠房及設備。期內，總賬面值約為22,000港元(截至二零一六年十二月三十一日止年度：4,000港元)之若干物業、廠房及設備項目已撇銷。

10. 應收賬款

	30 June 2017 二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
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應收賬款按發票日期經扣除撥備後之賬齡分析如下：

	30 June 2017 二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
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本集團給予其貿易客戶之信貸期一般為三十日至一百八十日。

11. 現金及現金等價物

就證券經紀業務而言，本集團於持牌銀行開設獨立信託賬戶，以存放其一般業務過程中產生的客戶款項。本集團已將客戶款項分類為計入現金及現金等價物的代客戶持有的現金，並在對任何虧損或挪用客戶款項負責的情況下確認應支付予相關客戶的相應賬戶。本集團不得使用客戶款項清償其自身債務。

12. TRADE PAYABLES

The ageing analysis of the trade payables, based on the date of receipt of goods, is as follow:

		30 June 2017 二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days	三十日以內	176,351	3,213
31 – 60 days	三十一日至六十日	44	1,383
61 – 90 days	六十一日至九十日	284	58
Over 90 days	九十日以上	17,739	16,894
		194,418	21,548

The trade payables amounted to approximately HK\$176 million arising from the securities brokerage business. The settlement terms are two days after trade date.

Included in trade payables to cash clients attributable to dealing in securities representing these clients' undrawn monies/excess deposits placed with the Company. The balances are repayable on demand.

The Directors consider that the carrying amounts of trade payables approximately their fair values.

12. 應付賬款

應付賬款按收取貨品日期之賬齡分析如下：

	30 June 2017 二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days	176,351	3,213
31 – 60 days	44	1,383
61 – 90 days	284	58
Over 90 days	17,739	16,894
	194,418	21,548

證券經紀業務產生的應付賬款約為176,000,000港元。其結算期限為交易日後兩日。

因買賣證券而應付現金客戶的應付賬款指該等客戶存放於本公司的未提取款項／剩餘存款。該等結餘須按要求償還。

董事認為應付賬款的賬面值與其公平值相若。

13. SHARE CAPITAL

		30 June 2017 二零一七年六月三十日 Number of shares 股份數目 '000 千股 HK\$'000 千港元 (Unaudited) (未經審核)		31 December 2016 二零一六年十二月三十一日 Number of shares 股份數目 '000 千股 HK\$'000 千港元 (Audited) (經審核)	
Authorised: Ordinary shares of HK\$0.01 each	法定： 每股面值0.01港元 之普通股	10,000,000	100,000	10,000,000	100,000
Issued and fully paid: At beginning of period/year	已發行及繳足： 於期／年初	8,304,538	83,045	5,260,190	52,602
Issue of shares upon share subscriptions	因股份認購事項而 發行之股份	-	-	1,740,000	17,400
Conversion of convertible bonds	轉換可換股債券	-	-	1,304,348	13,043
At end of period/year	於期／年末	8,304,538	83,045	8,304,538	83,045

14. COMPARATIVE FIGURES

As disclosed in the 2016 Annual Report, the financial results of Shanxi Zongze Heng Yuen Biological Technology Company Limited ("Shanxi Zhongze") was deconsolidated from the consolidated financial statements of the Company from 1 January 2016. As a result, assets, liabilities and cash flows of Shanxi Zhongze was deconsolidated from the consolidated financial statements of the Group from 1 January 2016. Certain comparative figures have been restated accordingly. For details please refer to the 2016 Annual Report.

14. 可資比較數據

如二零一六年年報所披露，於二零一六年一月一日本公司綜合財務報表取消綜合入賬山西中澤恒遠生物科技股份有限公司(「山西中澤」)之財務業績。因此，於二零一六年一月一日，山西中澤之資產、負債及現金流量於本集團之綜合財務報表取消綜合入賬。若干可資比較數據已相應作出重列。有關詳情請參閱二零一六年年報。

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

For the six months ended 30 June 2017 (the "Period"), the unaudited consolidated revenue of the Group from continuing operations was approximately HK\$5,846,000, representing a decrease of 41% compared to the corresponding period in 2016 (the "Comparative Period").

During the Period, the Group's digital cable television business recorded revenue of approximately HK\$4,038,000, compared to HK\$4,312,000 for the Comparative Period. Revenue of approximately HK\$1,808,000 was generated from the Group's newly-acquired securities brokerage business during the Period. As the acquisition of the Group's securities brokerage business was only completed in March 2017, there was no comparative figure for this segment for the Comparative Period.

During the Period, the Group recorded other income of approximately HK\$57,000 from continuing operations. The Group generated interest income from bank deposit of approximately HK\$20,000 during the Period. The decrease in other income by approximately HK\$402,000 was mainly due to the decrease in value added tax refund.

During the Period, the Group's selling and marketing expenses decreased from HK\$396,000 for the six month ended 30 June 2016 to approximately HK\$361,000 for the Period, principally due to the decrease of business expenses from digital cable television business.

During the Period, the Group's administrative and operating expenses were approximately HK\$21,300,000, representing a decrease of approximately 27% or HK\$7,900,000 compared to the Comparative Period, principally due to the decrease in depreciation of property, plant and equipment of approximately HK\$6,000,000, the decrease in staff cost of approximately HK\$1,400,000 and the decrease in other operating expenses of approximately HK\$500,000.

Finance cost for the Period was approximately HK\$477,000, representing the interest on short term loans.

During the Period, the Group recorded loss attributable to owners of approximately HK\$18,741,000, compared to HK\$101,154,000 for the Comparative Period.

The basic loss per share from continuing and discontinued operations was approximately HK0.225 cent for the six months ended 30 June 2017, and HK0.095 cent for the three months ended 30 June 2017.

As at 30 June 2017, the cash and cash equivalents of the Group (including the restricted bank deposits) amounted to approximately HK\$186,300,000, representing an increase of approximately HK\$101,900,000 as compared with the cash and cash equivalents of approximately HK\$84,400,000 as at 31 December 2016. The increase was mainly resulted from the completion of the acquisition of the Group's securities brokerages business in March 2017.

管理層討論及分析

財務回顧

於截至二零一七年六月三十日止六個月(「本期間」)，本集團持續經營業務之未經審核綜合收益約為5,846,000港元，較二零一六年同期(「對比期間」)減少41%。

於本期間，本集團之有線數位電視業務錄得收益約4,038,000港元，於對比期間則為4,312,000港元。約1,808,000港元收益來自本集團於本期間新收購之證券經紀業務。由於本集團在二零一七年三月方完成收購證券經紀業務，故於對比期間並無該分部之比較數字。

於本期間，本集團之持續經營業務錄得其他收入約57,000港元。本集團於本期間從銀行存款產生約20,000港元利息收入。其他收入減少約402,000港元，主要因為增值稅退稅減少。

於本期間，本集團之銷售及市場推廣開支由截至二零一六年六月三十日止六個月之396,000港元減少至本期間之約361,000港元，主要因為有線數位電視業務之營業支出減少。

於本期間，本集團之行政及經營開支約為21,300,000港元，與對比期間相比減少約27%或7,900,000港元，主要因為物業、廠房及設備折舊減少約6,000,000港元、員工成本減少約1,400,000港元及其他經營開支減少約500,000港元。

本期間之融資成本約為477,000港元，乃指短期貸款之利息。

於本期間，本集團錄得擁有人應佔虧損約18,741,000港元，於對比期間則為101,154,000港元。

持續及已終止經營業務截至二零一七年六月三十日止六個月之每股基本虧損約為0.225港仙，而截至二零一七年六月三十日止三個月則約為0.095港仙。

於二零一七年六月三十日，本集團之現金及現金等價物(包括有限制銀行存款)約為186,300,000港元，較二零一六年十二月三十一日之約84,400,000港元增加約101,900,000港元，主要因為於二零一七年三月完成收購本集團之證券經紀業務所致。

For the securities brokerage business, the Group maintains segregated trust accounts with licensed banks to hold clients' monies arising from its normal course of business. The Group has classified the clients' monies as cash held on behalf of customers included in cash and cash equivalents and recognised the corresponding accounts payable to respective clients on the grounds that one is liable for any loss or misappropriation of clients' monies. The Group is not allowed to use the clients' monies to settle its own obligations.

Business review

During the six months ended 30 June 2017, the Group recorded a loss attributable to shareholders of approximately HK\$18,741,000, representing a year-on-year decrease of 81% as compared to HK\$101,154,000 recorded in the six months ended 30 June 2016. During the three months ended 30 June 2017, the Group recorded a net loss of approximately HK\$8,125,000, representing a quarter-on-quarter decrease of 26% as compared to the net loss of approximately HK\$10,965,000 recorded in the three months ended 31 March 2017. The business performance of the Group's various business segments during the Period are summarized below:

(i) Digital cable television business

For the Period, the revenue from the digital cable television business amounted to approximately HK\$4,038,000 (2016: HK\$4,312,000), representing a decrease of 6% as compared to the Comparative Period. The Group's digital cable television business was conducted through the Group's wholly-owned subsidiary, Beijing Yao Boshi Technology Limited*, which provides cable television services through cooperation with local television stations covering three counties in Hebei Province, China, namely, Xinji County, Dongguang County and Qing County.

The Group's digital cable television business has suffered from the global trend of viewers to switch from traditional cable, satellite and broadcasting televisions to internet protocol televisions (IPTV), over-the-top (OTT) and mobile video stream apps. A significant contributor of this segment's revenue was the initial installation fee charged to new customers. Due to the changing consumer pattern, consumers are swapping from cable television to new media rather than the other way round, causing a decrease in the new installation fee charged by the segment.

The Company's management has recently reviewed the business strategy of our digital cable television business. Due to the geographical limitation and spending power of our customer base and in the light of the changing consumer pattern, the Company's best interest may be served by taking a conservative view on capital expenditure, marketing campaigns and expansion plans of this segment. The Company's management has instructed our staff to implement cost-cutting measures to alleviate loss on this segment.

就證券經紀業務而言，本集團於持牌銀行開設獨立信託賬戶，以存放其一般業務過程中產生的客戶款項。本集團已將客戶款項分類為計入現金及現金等價物的代客戶持有的現金，並在對任何虧損或挪用客戶款項負責的情況下確認應支付予相關客戶的相應賬戶。本集團不得使用客戶款項清償其自身債務。

業務回顧

截至二零一七年六月三十日止六個月，本集團錄得股東應佔虧損約18,741,000港元，相比截至二零一六年六月三十日止六個月101,154,000港元，按年下降81%。截至二零一七年六月三十日止三個月，本集團錄得淨虧損約8,125,000港元，相比截至二零一七年三月三十一日止三個月淨虧損約10,965,000港元，按季減少26%。本集團各項業務分部於本期間之業務表現概述如下：

(i) 有線數位電視業務

於本期間，有線數位電視業務之收益約為4,038,000港元(二零一六年：4,312,000港元)，與對比期間相比下降6%。本集團之有線數位電視業務由本集團之全資附屬公司北京亞澳博視技術有限公司經營，該公司通過與中國河北省辛集縣、東光縣及青縣當地電視台進行合作，在上述三縣提供有線電視服務。

本集團之有線數位電視業務受到觀眾由傳統有線、衛星及廣播電視轉往互聯網電視(IPTV)、機頂盒(OTT)及移動串流視像應用程式之全球趨勢的消極影響。本業務分部大部分收益貢獻來自向新客戶收取之首次安裝費。由於消費模式改變，消費者以新媒體而非其他方向替代有線電視，導致本業務分部所收取之新安裝費減少。

本公司之管理層最近曾檢討有線數位電視業務之商業策略。由於客戶群之地域限制及消費力，加上消費模式改變，就本業務分部之資本開支、行銷活動及擴充計劃採取保守態度，可能符合本公司之最佳利益。本公司之管理層已指示員工實行措施削減成本，以減少本業務分部之虧損。

The global trend in the media industry is beyond our plans and control, but the management is doing the best to tackle the challenges. While the Company cannot rule out the possibility of an ultimate ceasing of our digital cable television business, we are targeting to strike a careful balance between the Group's financial well-being and our social responsibility. In the meantime, the Group will continue to explore market opportunities so long as we are still providing services to viewers.

(ii) Wireless digital television value-added services business

There was no revenue generated from this segment for the Period (2016: HK\$5,616,000).

The Group's wireless digital television value-added services business was essentially the Group's previous cooperation with Beijing Qian Tai Bao Xiang Capital Investment Services Co., Ltd. ("Beijing Qian Tai") for the development and operation of wireless digital mobile television and advertisement display panels in Hebei Province, China. The media and advertising industry of China was changing rapidly in the past few years. As explained in our 2016 Annual Report, due to absence of satisfactory progress of the project, this cooperation was terminated and the remaining unamortized cooperation development fee was already recorded as one-off recognition in the Group's accounts in the financial year ended 31 December 2016. No further revenue is expected to be recorded after the ceasing of cooperation.

After the termination of cooperation with Beijing Qian Tai, the Group is combining the staff and resources of the wireless digital television value-added services segment with our digital cable television segment in order to save costs.

(iii) Wireless digital audio integrated circuits business

There was no revenue generated from this segment for the Period (2016: Nil).

The Group's wireless digital audio integrated circuits business was principally engaged in the trading of electronic parts, in particular, bluetooth chips and circuits and electronic signal receivers. Our suppliers and customers are located both in China and overseas. Due to the rapid changes of technology and consumer habits, the management has previously taken a conservative view on capital expenditure, business development and expansion of this segment. In fact, we have at one stage contemplated the ultimate winding-down of our trading of electronic parts business, unless we manage to identify suitable opportunities to diversify our product range.

On 26 July 2017, Oriental Thunder Lion Limited ("Oriental Thunder Lion"), a wholly-owned subsidiary of the Company, entered into a joint venture agreement (the "JV Agreement") with Mr. Zhong Xuhang (鍾旭航) ("Mr. Zhong"), an independent third party, for the formation of a joint venture company (the "JV Company")

媒體行業之全球趨勢超出我們之計劃及控制，惟管理層正盡力應對挑戰。雖然本公司未能撇開最終結束有線數位電視業務之可能性，惟我們正努力在本集團財政穩健及社會責任之間爭取審慎平衡。與此同時，只要我們仍為觀眾提供服務，本集團將繼續探尋市場機會。

(ii) 無線數位電視增值服務業務

本期間並無來自本業務分部之收益(二零一六年：5,616,000港元)。

本集團之無線數位電視增值服務業務，主要為本集團過往與北京謙泰寶象資本投資服務有限公司(「北京謙泰」)合作在中國河北省發展及營運無線移動數位電視及廣告顯示屏幕。中國媒體及廣告行業在過去多年急速轉變。如二零一六年年報所述，由於項目進度不佳，合作已經終止，餘下未攤銷之合作開發費用已於截至二零一六年十二月三十一日止財政年度以一次性確認方式於本集團入賬。終止合作後，預期不會再錄得收益。

與北京謙泰之合作終止後，本集團將無線數位電視增值服務業務分部及有線數位電視業務分部之員工及資源合併，以期節省成本。

(iii) 無線數位音頻芯片業務

本期間並無來自本業務分部之收益(二零一六年：無)。

本集團之無線數位音頻芯片業務主要從事電子零配件貿易，具體而言即藍芽晶片及芯片以及電子信號接收器。我們的供應商及客戶遍及中國及海外。由於科技及消費者習慣急速變化，管理層先前就本業務分部之資本開支、業務發展及擴充採取保守態度。事實上，我們一度擬最終結束電子零配件貿易業務，除非我們能設法物色到足夠商機將產品範疇多元化。

於二零一七年七月二十六日，本公司全資附屬公司東方醒獅有限公司(「東方醒獅」)與獨立第三方鍾旭航先生(「鍾先生」)就成立一家合資公司(「合資公司」)訂立一份合資協議(「合資協議」)，該合資公司將由東

which shall be owned as to 51% and 49% by Oriental Thunder Lion and Mr. Zhong, respectively. The JV Company is intended to be principally engaged in the research and development and the sales and distribution of electronic devices and components which are specialized in electrical energy storage.

As a result of this new joint venture, the Group is now in the position to re-launch marketing activities of this segment with the view to selling and distributing backup power systems of our joint venture partner to the Group's existing customers and/or via our existing business networks with telecommunication equipment operators and manufacturers. To tackle market challenges, the Board and the management believe that the Company's interest is best served by our product range diversification strategy as signified by the signing of the JV Agreement in July 2017. In the light of our existing business connections and the One-belt-one-road initiatives of China, the Group intends to explore business opportunities of distributing energy storage systems in Asia-Pacific region.

(iv) Securities brokerage business

For the Period, revenue of this segment amounted to approximately HK\$1,808,000.

On 23 March 2017, Perfect Capital Global Limited ("Perfect Capital"), an indirect wholly-owned subsidiary of the Company, completed the acquisition of the entire equity interest of JTI Securities Limited ("JTI Securities"). JTI Securities is principally engaged in securities brokerage business and 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. JTI Securities is also a China Connect Exchange Participant and a Hong Kong Stock Exchange Participant.

Following completion of the acquisition, the Group officially launched the marketing campaign of our securities brokerage segment in the second quarter of 2017. With our marketing efforts, the segment saw a promising growth in terms of customer base, portfolio size, commission charges and profitability from June 2017 onwards. With the improved investors' sentiment and increased trading turnover of Hong Kong stock market since the second quarter of 2017, the Group is optimistic with the growth of our securities brokerage business. In August 2017, the Company has just completed a capital injection of HK\$10,000,000 into JTI Securities, increasing its capital from HK\$14,500,000 to HK\$24,500,000. In anticipation of further growth of our securities brokerage segment in the second half of 2017, the Group is now exploring possibilities of further development and diversification of the range of financial services to be provided by the Group which may form synergy with our securities brokerage business.

方醒獅及鍾先生分別持有51%及49%權益。該合資公司擬主要從事研發和銷售，以及分銷專門用於電能存儲的電子設備和部件。

因新合資公司之關係，本集團現已準備好再次展開本業務分部之行銷活動，向本集團之現有客戶及／或通過與電信設備營運商及製造商現有商業網絡，銷售及分銷合資夥伴之後備電力系統。為應對市場挑戰，董事會及管理層相信藉著於二零一七年七月簽訂合資協議，分散產品範疇之策略得以彰顯，最能符合本公司之利益。鑑於現有商業關係及中國之一帶一路倡議，本集團擬於亞太地區探尋分銷電能存儲系統之商機。

(iv) 證券經紀業務

於本期間，本業務分部之收益約為1,808,000港元。

於二零一七年三月二十三日，本公司之間接全資附屬公司Perfect Capital Global Limited（「Perfect Capital」）完成收購金唐國際證券有限公司（「金唐國際證券」）全部已發行股本。金唐國際證券主要從事證券經紀業務，並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。金唐國際證券亦為中華通交易所參與者及香港聯交所參與者。

收購完成後，本集團於二零一七年第二季度為證券經紀業務分部正式展開行銷活動。努力行銷下，本業務分部自二零一七年六月以來在客戶群、投資組合規模、佣金支出及盈利能力等方面均有可觀增長。香港股票市場自二零一七年第二季度以來投資者情緒改善、成交量上升，本集團對證券經紀業務之增長審慎樂觀。於二零一七年八月，本公司完成注資10,000,000港元於金唐國際證券，將資本金由14,500,000港元提升至24,500,000港元。預期證券經紀業務分部於二零一七年下半年會進一步增長，本集團正探尋進一步發展及分散將由本集團提供金融服務之範疇，以與證券經紀業務形成協同效應。

PROSPECTS

Going forward, the Company intends to (a) continue to serve its viewer base of digital cable television but to adopt a conservative policy in terms of financial budget; (b) streamline the staff and resources of our trading of electronic parts business to adapt to the new product range of energy storage systems; (c) continue to develop the customer base of our securities brokerage business to maximize return to shareholders; and (d) diversify into money-lending, margin financing and asset management to develop ourselves into an integrated financial service provider. With the heated stock market in Hong Kong from the second quarter onwards and China-Hong Kong Stock Connect stimulating our securities brokerage business, and the One-belt-one-road initiatives providing more opportunities to expand our client base and distribute our energy storage systems, we are cautiously optimistic with the Group's business performance in the second half of 2017.

Out of the cash and bank balances of the Group (excluding JTI Securities) as at 30 June 2017, as at the date of this report, we have already utilized HK\$10,000,000 for the capital injection into JTI Securities. In addition, we plan to make investment of (a) HK\$10,000,000 for another possible capital injection into JTI Securities later in the year; (b) HK\$10,000,000 for the start-up and seed capital for our money-lending business; (c) HK\$10,000,000 for the start-up and seed capital for our asset management business, which are expected to be funded by internal resources, borrowings and/or equity fund raising. Subject to general working capital requirements of the Group, we also plan to set aside budget for the marketing, business development and system upgrade of our financial services and trading of electronic parts businesses.

The management will continue to explore suitable business opportunities to maximize shareholders' value.

Material Acquisition, Disposal and Significant Investments Held During The Period

Acquisition of the entire issued share capital of JTI Securities Limited

On 7 June 2016, Perfect Capital (an indirect wholly-owned subsidiary of the Company) as purchaser and Ace Vantage (an independent third party) as vendor entered into a sale and purchase agreement (as amended by a supplemental agreement dated 23 March 2017), pursuant to which Perfect Capital conditionally agreed to acquire the entire issued and fully-paid share capital of JTI Securities. JTI Securities is principally engaged in securities brokerage business and is a licensed corporation under the SFO to carry out Type 1 (dealing in securities) regulated activities.

On 23 March 2017, balance consideration of approximately HK\$22,800,000 was paid by Perfect Capital and the acquisition of JTI Securities was completed. JTI Securities has become an indirect wholly-owned subsidiary of the Company. The Group is now principally engaged in securities brokerage business through JTI Securities.

前景

展望未來，本公司擬(a)繼續向有線數位電視之觀眾群提供服務，惟在財政預算上採取保守政策；(b)簡化電子零配件貿易業務之員工及資源，接納新加入之電能存儲系統產品系列；(c)繼續發展證券經紀業務客戶群，盡量擴大股東回報；及(d)分散業務至放債、保證金融資及資產管理，以發展成綜合性金融服務供應商。香港股票市場自第二季度以來火熱朝天，加上中港股票市場互聯互通激勵證券經紀業務及一帶一路倡議為擴充客戶基礎及分銷電能存儲系統提供更多機遇，我們對本集團業務在二零一七年下半年之表現審慎樂觀。

本集團(不包括金唐國際證券)於二零一七年六月三十日(本報告日期)之現金及銀行結餘當中，我們已動用10,000,000港元注資於金唐國際證券。另外，我們計劃投資(a)10,000,000港元以供可能在年內稍後再注資於金唐國際證券；(b)10,000,000港元開辦放債業務及作為種子基金；(c)10,000,000港元開辦資產管理業務及作為種子基金，預期由內部資源、借款及/或股本集資活動撥付。視乎本集團一般營運資金需要，我們亦計劃預留款項供融資服務及電子零配件貿易業務用於行銷、業務發展及系統升級。

管理層將繼續探尋適合商機，盡量擴大股東價值。

於本期間之重大收購、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，Perfect Capital(本公司之間接全資附屬公司)(作為買方)與Ace Vantage(獨立第三方)(作為賣方)訂立買賣協議(經日期為二零一七年三月二十三日之補充協議修訂)，據此，Perfect Capital已有條件同意收購金唐國際證券全部已發行及全數繳足股本。金唐國際證券主要從事證券經紀業務，並為一間根據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。

於二零一七年三月二十三日，代價餘額約22,800,000港元已由Perfect Capital支付，收購金唐國際證券亦已完成。金唐國際證券已成為本公司之間接全資附屬公司。本集團現時主要通過金唐國際證券從事證券經紀業務。

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.

Subsequent Event

On 26 July 2017, Oriental Thunder Lion (a wholly-owned subsidiary of the Company) entered into the JV Agreement with Mr. Zhong Xuhang (鍾旭航) (an independent third party) for the formation of the JV Company which shall be owned as to 51% and 49% by Oriental Thunder Lion and Mr. Zhong, respectively. The JV Company is intended to be principally engaged in the research and development and the sales and distribution of electronic devices and components which are specialized in electrical energy storage.

Under the terms of the JV Agreement, the JV Company shall have a registered capital of RMB13,000,000 (equivalent to HK\$15,141,100) which shall be contributed in proportion of the shareholding of Oriental Thunder Lion and Mr. Zhong. The initial capital contributions to be made upon the establishment of the JV Company are committed by Oriental Thunder Lion as to RMB663,000 (equivalent to approximately HK\$772,196) and by Mr. Zhong as to RMB637,000 (equivalent to approximately HK\$741,913), respectively.

As at the date of this report, the Group is still in the process of completing the formalities for the formation of the JV Company. Relevant disclosure was made in the Company's announcement dated 26 July 2017.

Liquidity and Financial Resources

As at 30 June 2017, the cash and cash equivalents the Group amounted to approximately HK\$186,300,000 (31 December 2016: HK\$84,400,000).

During the six months ended 30 June 2017, the Group has net cash generated from its operating activities of the approximately HK\$117,700,000, net cash used in its investing activities and financing activities was approximately HK\$11,200,000 and HK\$3,900,000 respectively.

As at 30 June 2017, the gearing ratio of the Group, calculated as total of bonds payable, convertible bonds and short term loans over total equity, was nil (31 December 2016: 0.01).

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，本集團於本期間概無重大收購及出售附屬公司或聯營公司，亦無持有重大投資。

期後事項

於二零一七年七月二十六日，東方醒獅(本公司之全資附屬公司)與鍾旭航先生(獨立第三方)就成立該合資公司訂立合資協議，該合資公司將由東方醒獅及鍾先生分別持有51%及49%權益。該合資公司擬主要從事研發和銷售，以及分銷專門用於電能存儲的電子設備和部件。

根據合資協議之條款，合資公司將有註冊資本人民幣13,000,000元(相等於15,141,100港元)，並將由東方醒獅及鍾先生按股權比例出資。於合資公司成立時作出之初步出資金額，分別由東方醒獅承諾出資人民幣663,000元(相等於約772,196港元)，及由鍾先生承諾出資人民幣637,000元(相等於約741,913港元)。

於本報告日期，本集團仍在完成成立合資公司之手續。相關披露已於本公司日期為二零一七年七月二十六日之公告作出。

流動資金及財務資源

於二零一七年六月三十日，本集團之現金及現金等價物約為186,300,000港元(二零一六年十二月三十一日：84,400,000港元)。

截至二零一七年六月三十日止六個月，本集團經營活動所產生之現金淨額約為117,700,000港元，而投資活動所用之現金淨額及融資活動所用之現金淨額分別約為11,200,000港元及3,900,000港元。

於二零一七年六月三十日，本集團之資本負債比率(應付債券、可換股債券及短期貸款總額除以權益總額)為零(二零一六年十二月三十一日：0.01)。

Foreign Exchange Exposure

During the six months ended 30 June 2017, the majority of the Group's income and expenses were denominated in Renminbi and Hong Kong dollars. Up to 30 June 2017, the management of the Company is of the opinion that the Group has insignificant exposure to foreign exchange risk. As a result, the Group did not use any financial instruments for hedging against fluctuation in foreign exchange for the six months ended 30 June 2017. Nevertheless, the management of the Company will closely monitor and from time to time reassess the exchange risk exposures of the Group and enter into non-speculative hedging arrangements if considered necessary.

Charge on Group's Assets

As at 30 June 2017, no assets of the Group have been pledged to banks for loans or borrowings (31 December 2016: property, plant and equipment amounted to HK\$8,341,000 for overdue short term loans amounted to HK\$3,371,000).

Contingent Liabilities

As at 30 June 2017, the Group had no significant contingent liabilities.

Capital Structure

As at 30 June 2017, the authorised share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 shares of the Company of HK\$0.01 each (the "Shares") and the issued share capital of the Company was HK\$83,045,380.10 divided into 8,304,538,010 Shares. There was no movement in issued share capital of the Company during the period under review.

Employee Information

As at 30 June 2017, the Group employed a total of 141 full-time employees in Hong Kong and the PRC (31 December 2016: 127). The Group continues to provide remuneration packages to employees according to market practices, their experience and performance. Remuneration policy is basically determined with reference to individual performance as well as the final results of the Group. Remuneration to staff will be revised from time to time when warranted considering the performance of staff. Other benefits include medical insurance scheme and contribution of statutory mandatory provident fund for the employees. The Group also has a share option scheme whereby qualified participants may be granted options to acquire Shares.

外匯風險

截至二零一七年六月三十日止六個月，本集團之大部份收入及開支均以人民幣及港元列值。直至二零一七年六月三十日，本公司管理層認為本集團所面對之外匯風險較微。因此，本集團於截至二零一七年六月三十日止六個月並無運用任何金融工具以對沖外匯波動帶來之影響。然而，本公司管理層將密切監察及不時重估本集團所面對之外匯風險，並在必要時訂立非投機性對沖安排。

集團資產之抵押

於二零一七年六月三十日，概無本集團資產抵押予銀行以獲取貸款或借款(二零一六年十二月三十一日：金額為8,341,000港元之物業、廠房及設備作為金額為3,371,000港元之逾期短期貸款之抵押)。

或然負債

於二零一七年六月三十日，本集團並無重大或然負債。

資本結構

於二零一七年六月三十日，本公司法定股本為100,000,000港元，分為10,000,000,000股每股面值0.01港元之本公司股份(「股份」)，而本公司已發行股本為83,045,380.10港元，分為8,304,538,010股股份。於回顧期間，本公司已發行股本並無任何變動。

僱員資料

於二零一七年六月三十日，本集團在香港及中國聘有合共141名全職僱員(二零一六年十二月三十一日：127名)。本集團繼續按市場慣例、僱員經驗及表現提供僱員薪酬福利。薪酬政策主要根據僱員個人表現及本集團最終業績釐定，而僱員薪酬將於僱員有理想表現時，不時作出適當調整。其他福利包括醫療保險計劃及為僱員繳交法定強制性公積金供款。本集團亦設有購股權計劃，合資格參與者可據此獲授購股權以購買股份。

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 the shareholders of the Company (the "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 (equivalent to 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. 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.

有關涉嫌挪用一家已取消綜合入賬附屬公司資金之最新消息

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，內容有關山西中澤恒遠生物科技有限公司(「山西中澤」)的資金涉嫌被挪用(「涉嫌挪用」)，以及因此本集團之賬目內取消將山西中澤之財務資料綜合入賬。誠如先前之披露，本公司已指示其法律顧問追查涉嫌挪用牽涉之任何個人或實體(「涉嫌過失方」)之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。本公司將於適當時候就有關行動之進展作進一步公告，以向本公司股東(「股東」)提供最新消息。

有關收回可退還按金之法律行動之最新進展

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之披露資料，內容有關根據可能收購大慶澳瑞生物能源有限公司100%股權(其後已於二零一六年五月三十一日中止)日期為二零一五年十二月一日之諒解備忘錄，本集團向曲勇波先生(「賣方」)支付人民幣30,000,000元(相等於36,000,000港元)之可退回按金(「按金」)。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(由賣方指定為收取按金之代理人)展開法律行動，以就收回按金及利息提出索償。法院程序仍在進行。本公司將於適當時候就有關法律行動之進展作進一步公告，以向股東提供最新消息。

OTHER INFORMATION

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

As at 30 June 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, 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 Rules 5.46 to 5.67 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
董事姓名	身份	好倉／淡倉	持有之 股份數目	佔本公司已發行股本 權益之概約百分比
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 30 June 2017, and at no time during the six months ended 30 June 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

於二零一七年六月三十日，本公司董事及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、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條至5.67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，於二零一七年六月三十日，本公司董事及主要行政人員或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六月三十日止六個月內任何時間概無訂立任何安排，致使本公司董事及主要行政人員可藉收購本公司或其相聯法團之股份或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 30 June 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 or underlying shares of the Company

Name of shareholder	Type of interests	Number of Shares held/interested in	Approximate percentage of interests in the issued share capital of the Company
股東名稱	權益類別	持有／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 30 June 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.

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

於二零一七年六月三十日，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：

於本公司股份或相關股份之好倉

Name of shareholder	Type of interests	Number of Shares held/interested in	Approximate percentage of interests in the issued share capital of the Company
股東名稱	權益類別	持有／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，於二零一七年六月三十日，董事概不知悉有任何人士（並非本公司董事或主要行政人員）於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記錄於本公司根據證券及期貨條例第 336 條須予存置之登記冊中之權益或淡倉。

SHARE OPTION SCHEME

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

At the annual general meeting of the Company held on 31 May 2016, a resolution relating to the refreshment of the Scheme mandate limit was passed by the shareholders of the Company as an ordinary resolution, whereby the total number of the Shares that could be issued upon exercise of all options granted or to be granted under the Scheme is 795,670,983 Shares, representing 10% of the issued Shares as at the date of passing such resolution.

The Scheme remains in force for a period of ten years commencing on the date of its adoption (ie. 30 December 2011). There was no outstanding share option throughout the six months ended 30 June 2017 and as at 30 June 2017.

DISCLOSURE PURSUANT TO RULE 17.50A(1) OF THE GEM LISTING RULES

Changes in Directors' information since the date of the annual report 2016 of the Company are set out below:

Directorship held in listed companies

- Mr. Wong Chi Keung, an independent non-executive Director, retired as an independent non-executive director of ENM Holdings Limited after the conclusion of the annual general meeting of such company held on 9 June 2017, the shares of which are listed on the main board of the Stock Exchange.

Save as disclosed above, as at the date of this report, there were no substantial changes in the Directors' information required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

DIRECTORS' INTEREST IN COMPETING BUSINESS

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

購股權計劃

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

在本公司於二零一六年五月三十一日舉行之股東週年大會上，一項有關更新該計劃授權限額之決議案獲本公司股東通過為普通決議案，因此根據該計劃已授出或將予授出之所有購股權獲行使時可予發行之股份總數為795,670,983股，相當於通過該決議案當日已發行股份之10%。

該計劃自其採納日期(即二零一一年十二月三十日)起計為期十年保持有效。於截至二零一七年六月三十日止六個月內及於二零一七年六月三十日，並無尚未行使之購股權。

根據創業板上市規則第17.50A(1)條作出之披露

自本公司二零一六年年報日期起，董事資料之變更載列如下：

於上市公司擔任之董事職務

- 獨立非執行董事黃之強先生在安寧控股有限公司(其股份於聯交所主板上市)於二零一七年六月九日舉行之股東週年大會結束後退任該公司之獨立非執行董事。

除上述披露外，於本報告日期，概無董事資料之重大變動須根據創業板上市規則第17.50A(1)條予以披露。

董事於競爭業務之權益

各董事或彼等各自之緊密聯繫人(定義見創業板上市規則)概無於與本集團業務出現或可能出現競爭或與本集團出現任何其他權益衝突之業務中擁有任何權益。

AUDIT COMMITTEE

The Company has established the audit committee (the "Audit Committee") with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and Code Provision of C.3.3 and C.3.7 of the Corporate Governance Code (the "CG Code") contained in Appendix 15 to 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, the financial reporting system, and risk management and internal control systems of the Company. The Audit Committee comprises three independent non-executive Directors, namely Mr. Wong Chi Keung (as committee chairman), Mr. Xu Haiou and Mr. Chau Sen Chung.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Company for the six months ended 30 June 2017 and is of the opinion that such results complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

CORPORATE GOVERNANCE PRACTICES

The corporate governance principles of the Company emphasize a quality board, sound internal controls, transparency and accountability to all Shareholders. The Company has applied the code provisions set out in the CG Code. Except for the deviation from code provision C.1.2 which is explained below, the Company was in compliance with all code provisions set out in the CG Code during the six months ended 30 June 2017.

Monthly Updates

Code provision C.1.2 of the CG Code provides that management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties under Rule 5.01 and Chapter 17 of the GEM Listing Rules. During the six months ended 30 June 2017, the management of the Company did not provide monthly update to all members of the Board, but the management keeps providing information and update to the members of the Board quarterly. From July 2017, the Company has provided and will continue to provide all Directors with monthly updates.

審核委員會

本公司已遵照創業板上市規則第5.28條及創業板上市規則附錄十五所載之企業管治守則(「企業管治守則」)的守則條文第C.3.3及C.3.7條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，並檢討本公司之財務申報系統、風險管理及內部監控系統。審核委員會由三位獨立非執行董事組成，即黃之強先生(委員會主席)、許海鷗*先生及周晨仲先生。

審核委員會已審閱本公司截至二零一七年六月三十日止六個月之未經審核簡明綜合業績，並認為有關業績符合適用會計準則及創業板上市規則之規定，亦已作充足披露。

企業管治常規

本公司之企業管治原則著重高質素的董事會、健全的內部監控、透明度以及對全體股東的問責性。本公司已採用企業管治守則所載之守則條文。除下文闡述有關偏離守則條文第C.1.2條外，截至二零一七年六月三十日止六個月，本公司已遵守企業管治守則所載的所有守則條文。

每月更新資料

企業管治守則之守則條文第C.1.2條規定，管理層應每月向董事會所有成員提供更新資料，列載有關發行人表現、狀況及前景的公正易懂的詳細評估，讓董事會全體及各董事可履行創業板上市規則第5.01條及第17章項下之相關職務。截至二零一七年六月三十日止六個月，儘管本公司管理層並無定期向董事會所有成員提供每月更新資料，惟管理層持續每季度向董事會成員提供資料及更新資料。自二零一七年七月起，本公司已經並將繼續向所有董事提供每月更新資料。

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. Having made specific enquiry of all Directors, the Directors confirmed that they have complied with the required standard of dealings regarding securities transactions by Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules during the six months ended 30 June 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 six months ended 30 June 2017.

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

Hong Kong, 14 August 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. Gao Yang and Mr. Yuan Gonglin as executive Directors; Mr. Wong Chi Keung, Mr. Xu Haiou and Mr. Chau Sen Chung as independent non-executive Directors.

董事進行證券交易之操守準則

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。經向全體董事作出具體查詢後，董事確認截至二零一七年六月三十日止六個月內，彼等已遵守創業板上市規則第5.48至5.67條所載有關董事進行證券交易之交易必守標準。

購買、出售或贖回本公司之上市證券

截至二零一七年六月三十日止六個月，本公司或其任何附屬公司並無購買、出售或贖回本公司之任何上市證券。

承董事會命
恒芯中國控股有限公司
主席
林東洋*

香港，二零一七年八月十四日

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)、高揚先生及袁公林先生；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。

INTERIM DIVIDEND

The Board has resolved not to declare any dividend for the six months ended 30 June 2017 (for the six months ended 30 June 2016: Nil).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2017.

AUDIT COMMITTEE

The Company has established the audit committee (the "Audit Committee") with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and Code Provision of C.3.3 and C.3.7 of the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Mr. Wong Chi Keung (as committee chairman), Mr. Xu Haiou and Mr. Chau Sen Chung.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Company for the six months ended 30 June 2017 and is of the opinion that such results complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

By Order of the Board
HENG XIN CHINA HOLDINGS LIMITED
Lim Tong Yong
Chairman

Hong Kong, 14 August 2017

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

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcement" page for at least 7 days from the date of its posting and on the website of the Company at www.hengxinchina.com.hk.