



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)

2018

Interim Report
中期報告

IMPORTANT NOTICE

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

重要事項

香港聯合交易所有限公司（「聯交所」）GEM（「GEM」）的特色

GEM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中小型公司提供一個上市的市場。有意投資的人士應了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。

鑒於**GEM**上市公司一般為中小型公司，在**GEM**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**GEM**買賣的證券會有高流通量的市場。

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

RESULTS

The board of Directors (the “Board”) of Heng Xin China Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) announces the unaudited condensed consolidated results of the Company for the three months and six months ended 30 June 2018 together with the comparative unaudited figures for the corresponding periods in 2017 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」）公佈本公司截至二零一八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，連同二零一七年同期之未經審核比較數字如下：

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

簡明綜合損益及全面收入表

For the six months ended 30 June 2018

截至二零一八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	
			2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
CONTINUING OPERATIONS	持續經營業務					
Revenue	收益	3	25,443	5,687	26,849	5,846
Cost of sales	銷售成本		(21,963)	(2,773)	(22,185)	(2,845)
Gross profit	毛利		3,480	2,914	4,664	3,001
Other income	其他收入	3	8	46	24	57
Selling and marketing expenses	銷售及市場推廣開支		(24)	(230)	(61)	(361)
Administrative and operating expenses	行政及經營開支		(10,214)	(10,849)	(19,671)	(21,321)
Finance costs	融資成本	4	-	(272)	-	(477)
Loss before taxation	除稅前虧損	5	(6,750)	(8,391)	(15,044)	(19,101)
Income tax credit/(expense)	所得稅抵免／(開支)	6	(12)	724	(22)	724
Loss for the period from continuing operations	持續經營業務期內虧損		(6,762)	(7,667)	(15,066)	(18,377)
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		(325)	(458)	(664)	(713)
LOSS FOR THE PERIOD	期內虧損		(7,087)	(8,125)	(15,730)	(19,090)

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

For the six months ended 30 June 2018

簡明綜合損益及其他全面收入表
(續)

截至二零一八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	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Loss for the period	期內虧損	(7,087)	(8,125)	(15,730)	(19,090)
Other comprehensive loss: Items that may be reclassified to profit or loss:	其他全面虧損： 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	(7,001)	(5,472)	(11,233)	(4,347)
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	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	期內全面虧損總額	(14,088)	(13,597)	(26,963)	(23,437)
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	(6,762)	(7,667)	(15,066)	(18,377)
Loss from discontinued operations	已終止經營業務虧損	(166)	(234)	(339)	(364)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(6,928)	(7,901)	(15,405)	(18,741)
Non-controlling interests	非控股股東權益	(159)	(224)	(325)	(349)
		(7,087)	(8,125)	(15,730)	(19,090)
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	(13,929)	(13,373)	(26,638)	(23,088)
Non-controlling interests	非控股股東權益	(159)	(224)	(325)	(349)
		(14,088)	(13,597)	(26,963)	(23,437)
LOSS PER SHARE	每股虧損	HK Cent港仙	HK Cent港仙	HK Cent港仙	HK Cent港仙
From continuing and discontinued operations – Basic and diluted	來自持續及已終止 經營業務 – 基本及攤薄	(0.083)	(0.095)	(0.185)	(0.225)
From continuing operations – Basic and diluted	來自持續經營業務 – 基本及攤薄	(0.081)	(0.092)	(0.181)	(0.221)
From discontinued operations – Basic and diluted	來自已終止經營業務 – 基本及攤薄	(0.002)	(0.003)	(0.004)	(0.004)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION 簡明綜合財務狀況表

At 30 June 2018

於二零一八年六月三十日

		Notes 附註	30 June 2018 二零一八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2017 二零一七年 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	196	725
Goodwill	商譽		6,456	6,456
Intangible assets	無形資產		5,128	5,388
Deferred tax assets	遞延稅項資產		65	67
Other assets	其他資產		434	437
Deposits for acquisition of non-current assets	收購非流動資產之按金		18,000	18,000
Other investment	其他投資		61,750	61,750
			92,029	92,823
Current assets	流動資產			
Trade receivables	應收賬款	10	82,434	75,410
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		5,219	5,047
Bank balances and cash – held on behalf of customers	銀行結餘及現金 – 代客戶持有	11	136,245	171,727
Bank balances and cash-general accounts	銀行結餘及現金 – 一般賬戶		29,284	39,365
			253,182	291,549
Non-current assets held for sale	持作出售之非流動資產		254,209	256,280
			507,391	547,829
Current liabilities	流動負債			
Trade payables	應付賬款	12	198,673	231,250
Other payables and accruals	其他應付款項及應計費用		44,020	29,587
Receipts in advance	預收賬款		6,819	3,355
Tax payable	應繳稅項		431	125
			249,943	264,317
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		47,498	47,393
			297,441	311,710
Net current assets	流動資產淨值		209,950	236,119
Total assets less current liabilities	總資產減流動負債		301,979	328,942
Non-current liabilities	非流動負債		-	-
NET ASSETS	資產淨值		301,979	328,942
Equity	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Issued capital	已發行股本	13	83,045	83,045
Reserves	儲備		205,352	231,990
			288,397	315,035
Non-controlling interests	非控股股東權益		13,582	13,907
TOTAL EQUITY	權益總額		301,979	328,942

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 簡明綜合權益變動表

For the six months ended 30 June 2018

截至二零一八年六月三十日止六個月

		Unaudited 未經審核								
		Attributable to the owners of the Company 本公司擁有人應佔								
		Issued Share capital	Share premium	Capital reserve	Exchange fluctuation reserve	Other reserve	Accumulated losses	Sub-total	Non- controlling interests	Total equity
		已發行股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	資本儲備 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	其他儲備 HK\$'000 千港元	累計虧損 HK\$'000 千港元	小計 HK\$'000 千港元	股東權益 非控股 HK\$'000 千港元	權益總額 HK\$'000 千港元
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)
Deconsolidation of a subsidiary (unaudited)	取消綜合入賬一間附屬公司 (未經審核)	-	-	-	-	-	-	-	-	-
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)	343,855	10,102	353,957
Balance at 1 January 2018 (audited)	於二零一八年一月一日之結餘 (經審核)	83,045	2,001,360	2,325	48,607	(79,992)	(1,740,310)	315,035	13,907	328,942
Total comprehensive loss for the six months ended 30 June 2018	截至二零一八年六月三十日止 六個月之全面虧損總額	-	-	-	(11,233)	-	(15,405)	(26,638)	(325)	(26,963)
Balance at 30 June 2018 (unaudited)	於二零一八年六月三十日之結餘 (未經審核)	83,045	2,001,360	2,325	37,374	(79,992)	(1,755,715)	288,397	13,582	301,979

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS 簡明綜合現金流量表

For the six months ended 30 June 2018

截至二零一八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	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Net cash used in operating activities	經營活動所用現金淨額	(9,766)	(16,507)
Net cash generated from/(used in) investing activities	投資活動產生/(所用)現金淨額	10	(11,233)
Net cash used in financing activities	融資活動所用現金淨額	–	(3,926)
Net decrease in cash and cash equivalents	現金及現金等價物之減少淨額	(9,756)	(31,666)
Cash and cash equivalents at beginning of the period	於期初之現金及現金等價物	39,409	85,130
Effect of foreign exchange rate changes	匯率變動之影響	(293)	(3)
Cash and cash equivalents at end of the period	於期末之現金及現金等價物	29,360	53,461
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	29,360	53,461
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	29,284	52,752
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	76	709
Total cash and bank balances	現金及銀行結餘總額	29,360	53,461

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 ("Shares") have been listed on GEM since 16 April 2003.

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the six months ended 30 June 2018 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 2017. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's annual report for the year ended 31 December 2017.

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 2018. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; 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.

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（「股份」）自二零零三年四月十六日起在GEM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業務、無線數位音頻芯片業務以及證券經紀業務。

2. 編製基準及會計政策

截至二零一八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GEM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二零一七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二零一七年十二月三十一日止年度之年報一併閱讀。

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二零一八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 2018 are as follows:

截至二零一八年六月三十日止三個月及六個月之收益按分部確認如下：

		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	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	收益				
Digital cable television business	有線數位電視業務	136	3,879	223	4,038
Wireless digital television value-added services business	無線數位電視增值服務業務	–	–	–	–
Wireless digital audio integrated circuits business	無線數位音頻芯片業務	24,312	–	24,312	–
Securities brokerage business	證券經紀業務	995	1,808	2,314	1,808
		25,443	5,687	26,849	5,846
Representing:	其中：				
– Continuing operations	– 持續經營業務	25,443	5,687	26,849	5,846
Other income	其他收入				
Bank interest income	銀行利息收入	4	9	10	20
Sundry income	雜項收入	4	37	14	37
		8	46	24	57
Representing:	其中：				
– Continuing operations	– 持續經營業務	8	46	24	57

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

The segment results for the six months ended 30 June 2018 are as follows:

3. 收益、其他收入及分部資料 (續)

截至二零一八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	223	-	24,312	2,314	26,849
Segment results	分部業績	(3,453)	(945)	1,235	(2,058)	(5,221)
Unallocated income	未分配收入					4
Unallocated expenses	未分配開支					(10,491)
Finance costs	融資成本					-
Loss before taxation	除稅前虧損					(15,708)
Taxation	稅項					(22)
Loss for the six months ended 30 June 2018	截至二零一八年六月三十日止六個月之虧損					(15,730)

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)

3. REVENUE, OTHER INCOME AND SEGMENT INFORMATION 3. 收益、其他收入及分部資料 (續)
(Continued)

Geographical information

地域資料

		Revenue 收益		Non-current assets 非流動資產	
		30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	30 June 2018 二零一八年 六月三十日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
Continuing operations:	持續經營業務：				
The People's Republic of China ("PRC")	中華人民共和國 ("中國")	24,535	4,038	119	597
Hong Kong	香港	2,314	1,808	30,095	30,409
Consolidated total	綜合總計	26,849	5,846	30,214	31,006

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	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Interest on short term loans	短期貸款之利息	-	272	-	477
Representing:	其中：				
- Continuing operations	- 持續經營業務	-	272	-	477

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	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Depreciation	折舊	79	297	168	579
Research and development costs	研究及開發成本	521	128	873	886
Staff costs (including Directors' emoluments)	員工成本 (包括董事酬金)				
– salaries and allowances	– 薪金及津貼	3,103	2,788	6,529	7,527
– retirement benefits scheme contributions	– 退休福利計劃供款	303	820	658	976

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	
		2018 二零一八年 千港元 (Unaudited) (未經審核)	2017 二零一七年 千港元 (Unaudited) (未經審核)	2018 二零一八年 千港元 (Unaudited) (未經審核)	2017 二零一七年 千港元 (Unaudited) (未經審核)
Current – Hong Kong	即期—香港	–	–	–	–
Current – PRC:	即期—中國：				
– Charge for the period	– 期間開支	(12)	(12)	(22)	(12)
– Deferred Tax	– 遞延稅項	–	736	–	736
Total tax credit/(expense)	稅項抵免／(開支)總額	(12)	724	(22)	724
Representing:	其中：				
– Continuing operations	– 持續經營業務	(12)	724	(22)	724

The provision for Hong Kong Profits Tax is calculated at 16.5% (2017: 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% (2017: 25%) on the taxable income as reported in the statutory accounts of the companies comprising the Group, which are prepared in accordance with the relevant PRC accounting standards, as adjusted for income and expense items which are not assessable or deductible for income tax purposes.

本集團香港利得稅撥備按16.5% (二零一七年：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% (二零一七年：25%) 計提，本集團旗下公司之法定賬目按相關中國會計準則編製，並就不可課稅或不可扣減所得稅之收入及開支作出調整。

7. LOSS PER SHARE

(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 2018 is based on the loss attributable to owners of the Company for the six months ended 30 June 2018 of HK\$15,405,000 (2017: HK\$18,741,000) and the weighted average number of 8,304,538,000 (2017: 8,304,538,000) 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 2018 is based on the loss attributable to owners of the Company for the three months ended 30 June 2018 of HK\$6,928,000 (2017: HK\$7,901,000) and the weighted average number of 8,304,538,000 (2017: 8,304,538,000) 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 2018 and 2017.

(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 2018 is based on the loss from continuing operations attributable to owners of the Company for the six months ended 30 June 2018 of HK\$15,066,000 (2017: HK\$18,377,000) and the weighted average number of 8,304,538,000 (2017: 8,304,538,000) 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 2018 is based on the loss from continuing operations attributable to owners of the Company for the three months ended 30 June 2018 of HK\$6,762,000 (2017: HK\$7,667,000) and the weighted average number of 8,304,538,000 (2017: 8,304,538,000) ordinary shares in issue during the period.

7. 每股虧損

(a) 來自持續及已終止經營業務

每股基本虧損

截至二零一八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二零一八年六月三十日止六個月應佔虧損15,405,000港元（二零一七年：18,741,000港元）及期內已發行普通股加權平均數8,304,538,000股（二零一七年：8,304,538,000股）計算。

此外，截至二零一八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二零一八年六月三十日止三個月應佔虧損6,928,000港元（二零一七年：7,901,000港元）及期內已發行普通股加權平均數8,304,538,000股（二零一七年：8,304,538,000股）計算。

每股攤薄虧損

由於截至二零一八年及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。

(b) 來自持續經營業務

每股基本虧損

截至二零一八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二零一八年六月三十日止六個月應佔來自持續經營業務之虧損15,066,000港元（二零一七年：18,377,000港元）及期內已發行普通股加權平均數8,304,538,000股（二零一七年：8,304,538,000股）計算。

此外，截至二零一八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二零一八年六月三十日止三個月應佔來自持續經營業務之虧損6,762,000港元（二零一七年：7,667,000港元）及期內已發行普通股加權平均數8,304,538,000股（二零一七年：8,304,538,000股）計算。

7. LOSS PER SHARE (Continued)

(b) From continuing operations (Continued)

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 2018 and 2017.

(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 2018 is based on the loss from discontinued operations attributable to owners of the Company for the six months ended 30 June 2018 of HK\$339,000 (2017: HK\$364,000) and the weighted average number of 8,304,538,000 (2017: 8,304,538,000) 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 2018 is based on the loss from discontinued operations attributable to owners of the Company for the three months ended 30 June 2018 of HK\$166,000 (2017: HK\$234,000) and the weighted average number of 8,304,538,000 (2017: 8,304,538,000) 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 2018 and 2017.

8. DIVIDENDS

The Board has resolved not to declare any dividend for the six months ended 30 June 2018 (2017: Nil).

7. 每股虧損 (續)

(b) 來自持續經營業務 (續)

每股攤薄虧損

由於截至二零一八年及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。

(c) 來自已終止經營業務

每股基本虧損

截至二零一八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二零一八年六月三十日止六個月應佔來自已終止經營業務之虧損339,000港元（二零一七年：364,000港元）及期內已發行普通股加權平均數8,304,538,000股（二零一七年：8,304,538,000股）計算。

此外，截至二零一八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二零一八年六月三十日止三個月應佔來自已終止經營業務之虧損166,000港元（二零一七年：234,000港元）及期內已發行普通股加權平均數8,304,538,000股（二零一七年：8,304,538,000股）計算。

每股攤薄虧損

由於截至二零一八年及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。

8. 股息

董事會已議決不就截至二零一八年六月三十日止六個月宣派任何股息（二零一七年：無）。

11. BANK BALANCES AND CASH HELD ON BEHALF OF CUSTOMERS

The Group maintains segregated trust accounts with licensed banks to hold clients' monies arising from its normal course of business for the securities brokerage 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 it 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.

12. TRADE PAYABLES

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

		30 June 2018 二零一八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
0 to 30 days	零至三十日	175,111	206,888
31 days to 60 days	三十一日至六十日	60	-
61 days to 90 days	六十一日至九十日	38	-
Over 90 days	九十日以上	23,464	24,362
		198,673	231,250

The trade payables amounted to approximately HK\$175 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 approximate to their fair values.

11. 代客戶持有的銀行結餘及現金

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款。本集團不得使用客戶款項清償其自身債務。

12. 應付賬款

應付賬款按收取貨品日期之賬齡分析如下：

證券經紀業務產生的應付賬款約為175,000,000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. ISSUED CAPITAL

13. 已發行股本

		30 June 2018 二零一八年六月三十日		31 December 2017 二零一七年十二月三十一日	
		Number of shares 股份數目	HK\$'000 千港元 (Unaudited) (未經審核)	Number of shares 股份數目	HK\$'000 千港元 (Audited) (經審核)
		'000 千股		'000 千股	
Authorised:	法定：				
Ordinary shares of HK\$0.01 each	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:	已發行及繳足：				
At beginning of period/year	於期／年初	8,304,538	83,045	8,304,538	83,045
At end of period/year	於期／年末	8,304,538	83,045	8,304,538	83,045

14. COMPARATIVE FIGURES

14. 比較數字

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

若干比較數字已獲重新分類，以與本期間之呈列一致。

Financial review

For the six months ended 30 June 2018 (the "Period"), the unaudited consolidated revenue of the Group from continuing operations was approximately HK\$26,849,000, representing an increase of about 3.6 times compared to the corresponding period in 2017 (the "Comparative Period") of HK\$5,846,000.

During the Period, the Group's digital cable television business recorded revenue of approximately HK\$223,000, compared to HK\$4,038,000 for the Comparative Period. The revenue from wireless digital audio integrated circuits business amounted to approximately HK\$24,312,000 was recorded in the second quarter of 2018. It was generated from the Original Design Manufacturing ("ODM") project. Revenue of approximately HK\$2,314,000 was generated from securities brokerage business during the Period, representing an increase of 28% or by HK\$506,000 compared to the Comparative Period.

During the Period, the Group recorded other income of approximately HK\$24,000 from continuing operations. The Group generated interest income from bank deposit of approximately HK\$10,000 during the Period. The decrease in other income compared to the Comparative Period by approximately HK\$33,000 was mainly due to the decrease in bank interest income by approximately HK\$10,000 and value added tax refund by approximately HK\$23,000.

During the Period, the Group's selling and marketing expenses decreased from HK\$361,000 for the Comparative Period to approximately HK\$61,000 for the Period, principally due to the decrease in relevant expenses from digital cable television business.

During the Period, the Group's administrative and operating expenses were approximately HK\$19,671,000, representing a decrease of approximately 8% or by approximately HK\$1,650,000 compared to the Comparative Period. The decrease was attributable to the decrease in depreciation of property, plant and equipment of approximately HK\$411,000, the decrease in staff cost of approximately HK\$998,000 and the decrease in other operating expenses of approximately HK\$241,000.

No finance cost was incurred during the Period. Finance cost for the Comparative Period was approximately HK\$477,000, representing the interest on short term loans.

During the Period, the Group recorded loss attributable to owners of the Company approximately HK\$15,405,000, compared to HK\$18,741,000 for the Comparative Period.

The basic loss per share from continuing and discontinued operations was approximately HK0.185 cent for the six months ended 30 June 2018, and HK0.083 cent for the three months ended 30 June 2018.

財務回顧

於截至二零一八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26,849,000港元，較二零一七年同期（「對比期間」）的5,846,000港元增加約3.6倍。

於本期間，本集團之有線數位電視業務錄得收益約223,000港元，於對比期間則為4,038,000港元。於二零一八年第二季度，來自無線數位音頻芯片業務之收益約為24,312,000港元。有關收益乃自原設計製造（「ODM」）項目產生。於本期間，約2,314,000港元收益來自證券經紀業務，較對比期間增長28%或506,000港元。

於本期間，本集團之持續經營業務錄得其他收入約24,000港元。本集團於本期間從銀行存款產生約10,000港元利息收入。其他收入較對比期間減少約33,000港元，主要因為銀行利息收入減少約10,000港元及增值稅退稅減少約23,000港元。

於本期間，本集團之銷售及市場推廣開支由對比期間之361,000港元減少至本期間之約61,000港元，主要因為有線數位電視業務之相關支出減少。

於本期間，本集團之行政及經營開支約為19,671,000港元，與對比期間相比減少約8%或約1,650,000港元。減少乃由於物業、廠房及設備折舊減少約411,000港元、員工成本減少約998,000港元及其他經營開支減少約241,000港元。

本期間並無產生融資成本。對比期間的融資成本約為477,000港元，乃指短期貸款之利息。

於本期間，本集團錄得本公司擁有人應佔虧損約15,405,000港元，於對比期間則為18,741,000港元。

持續及已終止經營業務截至二零一八年六月三十日止六個月之每股基本虧損約為0.185港仙，而截至二零一八年六月三十日止三個月則約為0.083港仙。

As at 30 June 2018, the cash and cash equivalents of the Group (excluding bank balances and cash held on behalf of customers) amounted to approximately HK\$29,360,000, representing a decrease of approximately HK\$10,049,000 as compared with the corresponding cash and cash equivalents of approximately HK\$39,409,000 as at 31 December 2017. The decrease was mainly resulted from repaid partial trade payables and incurred working capital.

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 bank balances and cash held on behalf of customers 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

For the six months ended 30 June 2018, the Group recorded a loss attributable to owners of the Company of approximately HK\$15,405,000, representing a decrease of 18% as compared to HK\$18,741,000 recorded in the six months ended 30 June 2017. For the three months ended 30 June 2018, the Group recorded a net loss of approximately HK\$6,928,000, representing a quarter-on-quarter decrease of 12% as compared to the net loss of approximately HK\$7,901,000 recorded in the three months ended 30 June 2017. The business performance of the Group's various business segments during the Period are summarized below:

(i) Digital cable television business

During the Period, revenue amounted to approximately HK\$223,000 was generated from this segment (2017: approximately HK\$4,038,000), representing a decrease by approximately HK\$3,815,000 as compared to the Comparative Period. The Group's digital cable television business 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. Due to the changing consumer pattern and a continuous segment loss resulted from the digital cable television business, the Group decided to undergo a business restructuring involving (i) diminishing the digital cable television business, (ii) laying off the redundant employees of the digital cable television business and (iii) reducing other expenses after diminishing of operations.

於二零一八年六月三十日，本集團之現金及現金等價物（不包括代客戶持有的銀行結餘及現金）約為29,360,000港元，較二零一七年十二月三十一日之現金及現金等價物約39,409,000港元減少約10,049,000港元。減少主要由於已償還部分應付賬款及已產生營運資金所致。

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代客戶持有的銀行結餘及現金，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款。本集團不得使用客戶款項清償其自身債務。

業務回顧

截至二零一八年六月三十日止六個月，本集團錄得本公司擁有人應佔虧損約15,405,000港元，與截至二零一七年六月三十日止六個月錄得之18,741,000港元相比下降18%。截至二零一八年六月三十日止三個月，本集團錄得淨虧損約6,928,000港元，與截至二零一七年六月三十日止三個月錄得之淨虧損約7,901,000港元相比，按季減少12%。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，本業務分部產生之收益約為223,000港元（二零一七年：約4,038,000港元），較對比期間減少約3,815,000港元。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。由於消費模式改變及有線數位電視業務分部持續虧損，故本集團決定進行業務重組，涉及(i)縮減有線數位電視業務，(ii)裁減有線數位電視業務冗餘之僱員，及(iii)於縮減業務後減少其他開支。

(ii) Wireless digital television value-added services business

There was no revenue generated from this segment for the Period (2017: nil). 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. (formerly known as Beijing Huaxia Innomedia Technology Co., Ltd) 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 the result of absence of satisfactory progress of the project, the above cooperation was terminated and the remaining unamortized cooperation development fee was already recorded as one-off recognition in the Group's accounts for the year ended 31 December 2016. No further revenue was recorded after the ceasing of cooperation.

(iii) Wireless digital audio integrated circuits business

The revenue amounted to approximately HK\$24,312,000, in which amounted to approximately HK\$4,156,000 has been settled by customers and further settlement amounted to approximately HK\$3,866,000 was also received after the end of the Period, was generated from this segment in the second quarter of 2018. There was no revenue in the corresponding period in 2017.

The wireless digital audio integrated circuits business of the Group is primarily engaged in the manufacturing, trading, sales and distribution of wireless electronic modules in China, notably bluetooth chips, integrated circuits and electronic signal receivers. In order to diversify the Company's business scope and broaden its income base, the management decided to develop a new business model by utilizing and incorporating its existing technology into the design of products for the potential customers on an ODM. Similar to the traditional ODM business model, the Group design, develop and sells integrated circuits ("ICs"), modules and devices in connection with the deployment and upgrades of systems by electronic products manufacturer in China. Currently, the major products of the Group, being the wireless WIFI modules, are designed to function as a component of laptops/desktops/MIDs and other wireless devices to implement the wireless network function. As at the date of this report, secured sales orders for ICs modules has been obtained and the corresponding revenue was recognized accordingly.

(ii) 無線數位電視增值服務業務

於本期間，該業務分部並無產生任何收益（二零一七年：無）。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（原名為北京華夏力通傳媒科技有限公司）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往數年間急速轉變。由於項目進度不佳，上述合作已經終止，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年度以一次性確認方式計入本集團賬目。終止合作後未再錄得收益。

(iii) 無線數位音頻芯片業務

該業務分部於二零一八年第二季度產生之收益約為24,312,000港元，其中約4,156,000港元由客戶清償及另外清償約3,866,000港元亦於本期間結束後收取。於二零一七年同期並無收益。

本集團無線數位音頻芯片業務主要於中國從事無線電子模組之製造、貿易、銷售及分銷，尤其是藍牙晶片、芯片及電子信號接收器。為使本公司之業務範圍多元化及擴闊其收入基礎，管理層決定在ODM中利用其現有技術並將之融入為潛在客戶進行的產品設計中，藉以開發新的業務模式。與傳統ODM業務模式相近，本集團會就中國電子產品製造商的系統配置及升級設計、開發及銷售芯片、模組及設備。現時，本集團主要產品（即無線WIFI模組）設計之功能是作為筆記本電腦／台式電腦／移動互聯網設備及其他發揮無線網絡功能之無線設備之組件。於本報告日期，芯片模組已取得銷售訂單及因此相應收益已獲確認。

(iv) Securities brokerage business

For the Period and the Comparative Period, revenue from this segment amounted to approximately HK\$2,314,000 and HK\$1,808,000 respectively. The business was introduced to the Group at the end of the first quarter of 2017 and had contributed revenue since the second quarter of 2017.

Prospects

During the Period, the Group has recommenced its advertisement business. The Board expects that it will make contribution to the Group's revenue and be reflected in the third quarter of 2018. The Board will focus on existing business growth and also will continue to explore and evaluate new businesses and investment opportunities which could be of good potential and/or long-term benefit to the Group and the shareholders of the Company (the "Shareholders"). The Board will take a cautious and conservative approach in the evaluation and timing of potential projects or investments, including and constantly keep reviewing the Group's strategies and operations with a view to improve the business performance and Shareholders' returns.

(iv) 證券經紀業務

於本期間及對比期間，來自本業務分部的收益分別約為2,314,000港元及1,808,000港元。本集團已於二零一七年第一季度末引進該業務及該業務自二零一七年第二季度開始貢獻收益。

前景

於本期間，本集團已重新開展廣告業務。董事會預期其將為本集團帶來收益貢獻並將於二零一八年第三季度開始顯現。董事會將專注於現有業務增長並將繼續探尋及評估可能為本集團及本公司股東（「股東」）帶來良好潛在及／或長期利益之新業務及投資機會。董事會將按穩健原則審慎評估潛在項目或投資及相關進行時間，包括並持續檢討本集團之策略及營運，務求提升其業務表現及股東回報。

Material Acquisition, Disposal and Significant Investments Held

The Group did not have any material acquisitions, disposals and significant investments of subsidiaries, associates and joint ventures during the six months ended 30 June 2018.

Liquidity and Financial Resources

As at 30 June 2018, the cash and cash equivalents of the Group amounted to approximately HK\$29,360,000 (31 December 2017: HK\$39,409,000).

During the six months ended 30 June 2018, the Group has net cash used in its operating activities of the approximately HK\$9,766,000, net cash flows generated in its investing activities was approximately HK\$10,000 and there were no cash flows from financing activities.

No gearing ratio of the Group as at 30 June 2018 and 31 December 2017 due to no long-term debt was liable to the Group. The asset turnover ratio, for the six months ended 30 June 2018 and 2017 of 0.04 and 0.01 respectively, represented the improvement of efficiency to generate revenue for the period from the Group's assets by comparing net revenue to total assets as at period ended.

Foreign Exchange Exposure

During the six months ended 30 June 2018, the majority of the Group's income and expenses were denominated in Renminbi and Hong Kong dollars. Up to 30 June 2018, 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 2018. 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 2018, no assets of the Group have been pledged for loans or borrowings (31 December 2017: Nil).

Contingent Liabilities

Save as the litigations involved with a subsidiary operates in the digital cable television business as mentioned below, the Group had no other significant contingent liabilities as at 30 June 2018.

重大收購、出售及所持有重大投資

於截至二零一八年六月三十日止六個月，本集團並無任何重大收購、出售事項及於附屬公司、聯營公司及合營企業之重大投資。

流動資金及財務資源

於二零一八年六月三十日，本集團之現金及現金等價物約為29,360,000港元（二零一七年十二月三十一日：39,409,000港元）。

截至二零一八年六月三十日止六個月，本集團之經營活動所用現金淨額約9,766,000港元，其融資活動產生的現金流淨額約為10,000港元而融資活動並未產生現金流。

於二零一八年六月三十日及二零一七年十二月三十一日，由於本集團並無長期負債，因此本集團並無資本負債比率。截至二零一八年及二零一七年六月三十日止六個月之資產周轉率分別為0.04及0.01，代表按淨銷售收入對比期末總資產計量自本集團資產獲取期內銷售收入的效率提高。

外匯風險

截至二零一八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。直至二零一八年六月三十日，本公司管理層認為本集團所面對之外匯風險較微。因此，本集團於截至二零一八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

於二零一八年六月三十日，概無本集團資產予以抵押以獲取貸款或借款（二零一七年十二月三十一日：零）。

或然負債

除下文所述經營有線數位電視業務的一間附屬公司所牽涉的法律訴訟外，本集團於二零一八年六月三十日並無其他重大或然法律訴訟。

Capital Structure

As at 30 June 2018, the authorised share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 Shares of HK\$0.01 each 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 six months ended 30 June 2018.

Employee Information

As at 30 June 2018, the Group employed a total of 126 employees in Hong Kong and the PRC. The total employees' remuneration, including that of the Directors, amounted to approximately HK\$7,187,000. 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.

Update on Listing Status

The Company has received a letter dated 13 April 2018 from the Stock Exchange (the "Letter") which serves as a notice pursuant to Rule 9.15 of the GEM Listing Rules, that the Stock Exchange considers that the Company has failed to maintain a sufficient level of operations or assets under Rule 17.26 of the GEM Listing Rules to warrant the continued listing of the Shares, and has therefore decided to suspend trading in the Shares under Rule 9.04 of the GEM Listing Rules and proceed with cancellation of the Company's listing under Rule 9.14 of the GEM Listing Rules (the "Decision"). The Company has submitted a written request to the GEM Listing Committee of the Stock Exchange pursuant to Chapter 4 of the GEM Listing Rules on 23 April 2018 for reviewing of the Decision.

On 16 July 2018, the Company's legal adviser received a letter from the GEM Listing Committee setting out its decision on the application of the Company for a review of the Decision as set out in the Letter (the "Decision Letter"). According to the Decision Letter, the GEM Listing Committee decided to uphold the Decision to suspend trading in the Shares under Rule 9.04 of the GEM Listing Rules and proceed with cancellation of the Company's listing under Rule 9.14 of the GEM Listing Rules. On 25 July 2018, the Company has submitted a written request to the secretary of the GEM Listing (Review) Committee applying for a review of the decision of the GEM Listing Committee pursuant to Rule 4.06(2) of the GEM Listing Rules.

For details, please refer to the announcements of the Company dated 13 April 2018, 23 April 2018, 17 July 2018 and 25 July 2018.

資本結構

於二零一八年六月三十日，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港元的股份，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。本公司的已發行股本於截至二零一八年六月三十日止六個月概無變動。

僱員資料

於二零一八年六月三十日，本集團在香港及中國聘有合共126名僱員。僱員薪酬總額（包括董事薪酬）約為7,187,000港元。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。

上市地位之最新情況

本公司已從聯交所收到日期為二零一八年四月十三之函件（「該函件」）（根據GEM上市規則第9.15條，其作為通告發出），根據該函件，聯交所認為本公司未能按GEM上市規則第17.26條之規定維持足夠業務運作或資產水平以保證股份得以繼續上市，因此聯交所決定根據GEM上市規則第9.04條暫停股份買賣，並根據GEM上市規則第9.14條展開取消本公司之上市地位（「該決定」）。本公司已於二零一八年四月二十三日根據GEM上市規則第四章向聯交所GEM上市委員會提交書面要求以覆核該決定。

於二零一八年七月十六日，本公司法律顧問從GEM上市委員會收到函件，當中載列其對本公司申請覆核該函件所載該決定之決定（「決定信函」）。根據決定信函，GEM上市委員會決定支持根據GEM上市規則第9.04條暫停股份買賣及根據GEM上市規則第9.14條展開取消本公司上市地位的該決定。於二零一八年七月二十五日，本公司已根據GEM上市規則第4.06(2)條向GEM上市（覆核）委員會秘書提交書面要求，申請就GEM上市委員會之決定進行覆核。

詳情請參閱本公司日期為二零一八年四月十三日、二零一八年四月二十三日、二零一八年七月十七日及二零一八年七月二十五日之公告。

Update on litigations involved with a subsidiary operates in the digital cable television business

Beijing Yaa Boshi Technology Limited* (“Beijing Yaa”), an indirect wholly-owned subsidiary of the Company, had co-operated with local television stations of Xinji, Dongguang and Qing County in Hebei Province to develop the cable television network that covers the three counties.

During the year of 2017, Beijing Yaa has disputes on the apportionment of revenue with the Xinji Local Television Station.

In December 2017, Xinji Local Television Station has initiated civil action against Beijing Yaa for outstanding apportionment of revenue of approximately RMB2,957,000 (equivalent to approximately HK\$3,563,000). According to a civil judgment issued by the Hebei Province Xinji City Civil Court on 29 January 2018, Beijing Yaa is liable to pay Xinji Local Television Station approximately RMB2,867,000 (equivalent to approximately HK\$3,454,000) for apportionment of revenue. On 5 February 2018, Beijing Yaa has filed an appeal to the Hebei Province Shijiazhuang Intermediate People’s Court. The court has accepted the appeal, ruled to revoke the judgement issued by the Hebei Province Xinji City Civil Court according to a civil judgement on 27 July 2018 and directed the Hebei Province Xinji City Civil Court to retry such case.

In September 2017, a supplier of Beijing Yaa has filed claim to the Beijing Arbitration Commission, demanding for outstanding trade payables and overdue penalty of approximately RMB6,159,000 (equivalent to approximately HK\$7,420,000). As a result of the claim, the bank balances of Beijing Yaa of approximately RMB13,000 (equivalent to approximately HK\$16,000) was frozen by a court in Beijing. According to the verdict issued by the Beijing Arbitration Commission in January 2018, Beijing Yaa is liable to pay approximately RMB5,786,000 (equivalent to approximately HK\$6,971,000) to the supplier. Beijing Yaa had filed an application to the court on 5 February 2018 for cancellation of the verdict. Recently, the supplier has applied to the court for enforcement of the verdict subject to conclusion by the court.

The Directors consider the above legal cases would not have material impact on the condensed consolidated results of the Company for the six months ended 30 June 2018.

涉及一間經營有線數位電視業務之附屬公司之訴訟的更新資料

本公司之間接全資附屬公司北京亞澳博視技術有限公司(「北京亞澳」)與河北省辛集縣、東光縣及青縣當地電視台進行合作，以發展覆蓋上述三縣之有線電視網絡。

於二零一七年，北京亞澳與辛集縣本地電視台之間就收益分成存在爭端。

於二零一七年十二月，辛集縣本地電視台就尚未取得之收益分成約人民幣2,957,000元(相等於約3,563,000港元)向北京亞澳提起民事訴訟。根據河北省辛集市民事法庭於二零一八年一月二十九日發出之民事判決書，北京亞澳須就收益分成向辛集縣本地電視台支付約人民幣2,867,000元(相等於約3,454,000港元)。於二零一八年二月五日，北京亞澳已向河北省石家莊市中級人民法院提起上訴，該法院已接納上訴，於本年七月二十七日的民事裁定書中裁定撤銷河北省辛集市人民法院之判決，並發回河北省辛集市人民法院重審。

於二零一七年九月，北京亞澳之供應商向北京仲裁委員會提出申索，要求其支付尚未支付之應付賬款及逾期罰金約人民幣6,159,000元(相等於約7,420,000港元)。由於該項申索，北京亞澳之銀行結餘約人民幣13,000元(相等於約16,000港元)已被北京一家法院凍結。根據北京仲裁委員會於二零一八年一月作出之裁定，北京亞澳須向該供應商支付約人民幣5,786,000元(相等於約6,971,000港元)。北京亞澳已於二零一八年二月五日向法院提出申請撤銷有關裁定。最近，該供應商已向法院申請強制執行有關裁定，尚待法院結案。

董事認為上述法律案件將不會對本公司截至二零一八年六月三十日止六個月之簡明綜合業績產生任何重大影響。

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 Yuen 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 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. In February 2018, a new firm of solicitors was appointed by the Company to replace the existing solicitors representing the Company in the legal action. The court proceedings are ongoing and the Company will make further announcement to update the Shareholders on the progress of the legal action as and when appropriate.

有關涉嫌挪用一間取消綜合入賬附屬公司資金之最新情況

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

有關收回可退還按金之法律行動進展之最新情況

茲提述本公司截至二零一六年十二月三十一日止年度之年報所載有關本集團根據日期為二零一五年十二月一日之諒解備忘錄就可能收購大慶澳瑞生物能源有限公司100%之股本權益向曲勇波先生（「賣方」）支付人民幣30,000,000元（相當於36,000,000港元）之可退回按金（「按金」）之披露，而該諒解備忘錄最終於二零一六年五月三十一日終止。誠如本公司日期為二零一七年三月二十四日之公告所披露，本公司已於二零一七年三月二十四日於香港高等法院原訟庭對賣方及佳順達貿易有限公司（由賣方指定為收悉按金之代理人）展開法律行動，以就收回按金及利息提出索償。於二零一八年二月，本公司委任另一間律師行取代現有律師行作為本公司在本法律行動中的代表。有關法院程序仍在進行中，本公司將於適當時候刊發進一步公告，以知會股東有關法律行動的最新進展。

OTHER INFORMATION

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

As at 30 June 2018, the interests and short positions of the Directors, the chief executive 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 Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or pursuant to section 352 of the SFO, to be entered in the register referred to therein; or pursuant to 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 positions in Shares, underlying shares and debentures of the Company

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

Save as disclosed above, none of the Directors and chief executive 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 2018, and at no time during the six months ended 30 June 2018 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors and chief executive 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

於二零一八年六月三十日，本公司董事、主要行政人員或彼等各自之聯繫人（定義見GEM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（「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GEM上市規則第5.46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，於二零一八年六月三十日，本公司董事及主要行政人員及彼等之聯繫人概無於本公司及其相聯法團之股份、相關股份及債權證中擁有任何本公司根據證券及期貨條例第352條存置之登記冊所記錄之權益及淡倉，或根據GEM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二零一八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、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

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

As at 30 June 2018, the following persons (other than the Directors and the chief executive 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:

於二零一八年六月三十日，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：

Long positions in the Shares

於股份之好倉

Name of shareholders	Type of interests	Number of Shares held/ interested in	Approximate percentage of interest in the issued share capital of the Company
股東姓名／名稱	權益類別	持有之股份數目／擁有權益之股份數目	佔本公司已發行股本權益之概約百分比
Ascent Star Corporation Limited	Beneficial owner 實益擁有人	840,000,000	10.11%
Yu Bun 俞斌	Beneficial owner 實益擁有人	460,392,000	5.54%
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%
林昌明	Beneficial owner 實益擁有人	422,056,000	5.08%

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.

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。

Save as disclosed above, as at 30 June 2018, 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.

除上文所披露者外，於二零一八年六月三十日，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按本公司根據證券及期貨條例第336條須予存置登記冊所記錄之權益或淡倉。

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 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 approximately 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 (i.e. 30 December 2011). There was no outstanding share option throughout the six months ended 30 June 2018 and as at 30 June 2018.

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約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。於截至二零一八年六月三十日止六個月內及於二零一八年六月三十日，並無尚未行使之購股權。

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

根據GEM上市規則第17.50A(1)條作出之披露

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, changes in the information of the Directors are set out below:

根據GEM上市規則第17.50A(1)條，董事資料的變動載列如下：

Name of Director 董事姓名	Changes in the information 資料變動
Mr. Gao Xixi 高西西先生	The initial term of service of each of these Directors as Director has been fixed at one year commencing from 20 April 2018, which is automatically renewable for successive term of one year each commencing from the day next after the expiry of the then current term of appointment, subject to termination by either party by serving prior notice to the other party giving not less than one month prior notice or by mutual agreement. 該等董事各自擔任董事的初步任期已釐定為自二零一八年四月二十日起計為期一年，可於上述任期屆滿後翌日起自動續期，每次為期一年，且可由其中一方向另一方發出不少於一個月事先通知或雙方協定予以終止。
Mr. Jesus Shaozhu 邵朱先生	
Ms. Hui Shuk Wan 許淑韻女士	
Mr. Wu Di 吳迪先生	
Ms. Lam Kong Ting Jielly 林江婷女士	
Mr. Lu Qinming 盧欽明先生	He resigned as an independent non-executive director of Smart-Core Holdings Limited (Stock Code: 2166) with effect from 1 July 2018, the shares of which are listed on the Main Board of the Stock Exchange. Save as disclosed above, there is no other changes in his directorships held in listed companies or major appointments as disclosed in the Company's announcement dated 15 June 2018. 其自二零一八年七月一日起辭任芯智控股有限公司（股份代號：2166）之獨立非執行董事，該公司之股份於聯交所主板上市。除上文所披露者外，本公司日期為二零一八年六月十五日的公告中所披露其於上市公司擔任董事職務或主要委任概無其他變動。
Mr. Wong Hon Kit 黃漢傑先生	

DIRECTORS' INTEREST IN COMPETING BUSINESS

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

AUDIT COMMITTEE

The Company has established the audit committee (the "Audit Committee") with written terms of reference in compliance with Code Provisions 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 currently comprises three independent non-executive Directors, namely Mr. Wong Hon Kit (as committee chairman), Ms. Lam Kong Ting Jielly and Mr. Lu Qinming.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the six months ended 30 June 2018 and is of the opinion that such results have complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

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GEM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利益衝突之業務中擁有權益。

審核委員會

本公司已遵照GEM上市規則附錄十五所載企業管治守則（「企業管治守則」）之守則條文C.3.3及C.3.7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、本公司之財務申報系統以及風險管理及內部監控系統。審核委員會目前由三位獨立非執行董事組成，即黃漢傑先生（擔任委員會主席）、林江婷女士及盧欽明先生。

審核委員會已審閱本集團截至二零一八年六月三十日止六個月之未經審核簡明綜合業績，並認為該等業績已遵守適用會計準則及GEM上市規則項下之要求，並已作出足夠披露。

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 A.5.1, 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 2018.

Composition of Nomination Committee

Code provision A.5.1 of the CG Code provides that issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. Following the retirement of each of Mr. Chau Sen Chung and Mr. Xu Haiou as independent non-executive Director at the conclusion of the annual general meeting of the Company held on 5 June 2018, the nomination committee of the Company (the "Nomination Committee") consisted of two executive Directors, namely Mr. Gao Yang and Mr. Jesus Shaozhu, and two independent non-executive Directors, namely Ms. Lam Kong Ting Jielly and Mr. Lu Qinming, with Ms. Lam Kong Ting as chairperson of the Nomination Committee. The Nomination Committee did not comprise a majority of independent non-executive Directors. On 15 June 2018, Mr. Jesus Shaozhu ceased to be a member of the Nomination Committee and the Nomination Committee comprises a majority of independent non-executive Directors.

NON-COMPLIANCE WITH RULES 5.05(1), 5.05(2), 5.05A AND 5.28 OF THE GEM LISTING RULES

- Following the resignation of Mr. Wong Chi Keung as independent non-executive Director on 19 September 2017, the Company only had two independent non-executive Directors, thus the number of the independent non-executive Directors fell below the minimum number required under Rule 5.05(1) of the GEM Listing Rules. The Company had also failed to meet the requirement set out in Rule 5.05(2) of the GEM Listing Rules with regard to at least one independent non-executive Director must have appropriate professional qualifications or accounting or related financial management expertise. As a result of the insufficient number of independent non-executive Directors, the Company had also failed to comply with the requirements set out in Rule 5.28 of the GEM Listing Rules with regard to the minimum number of members and the composition of the Audit Committee.

企業管治常規

本公司企業管治原則強調高質素之董事會、健全完善之內部控制、面向全體股東之透明度及問責制。本公司已應用企業管治守則所載之守則條文。除下文所闡述之偏離守則條文第A.5.1條外，截至二零一八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。

提名委員會之組成

企業管治守則之守則條文第A.5.1條規定發行人須成立由董事會主席或獨立非執行董事擔任主席的提名委員會，成員須以獨立非執行董事佔大多數。於周晨仲先生及許海鷗*先生在本公司於二零一八年六月五日舉行的股東週年大會結束時分別退任獨立非執行董事之後，本公司提名委員會（「提名委員會」）由兩名執行董事（即高揚先生及邵朱先生）以及兩名獨立非執行董事（即林江婷女士及盧欽明先生）組成，並由林江婷女士擔任提名委員會主席。提名委員會並未由獨立非執行董事佔大多數。於二零一八年六月十五日，邵朱先生不再為提名委員會成員，而提名委員會由獨立非執行董事佔大多數。

未遵守GEM上市規則第5.05(1)、5.05(2)、5.05A及5.28條

- 黃之強先生於二零一七年九月十九日辭任獨立非執行董事之後，本公司僅有兩名獨立非執行董事，故此獨立非執行董事的數目低於GEM上市規則第5.05(1)條規定的最低數目。本公司亦未能滿足GEM上市規則第5.05(2)條所載有關至少一名獨立非執行董事必須擁有適當的專業資質或會計或相關財務管理專業知識的規定。由於獨立非執行董事的數目不足，本公司亦未能遵守GEM上市規則第5.28條有關審核委員會最低成員數目及組成之規定。

Following the appointment of Mr. Tong Tai Alex, who has relevant qualifications and expertise, as independent non-executive Director on 15 January 2018, the number of independent non-executive Directors had satisfied the minimum number required under Rule 5.05(1) of the GEM Listing Rules. The Company also met the requirement set out in Rule 5.05(2) of the GEM Listing Rules with regard to at least one of the independent non-executive Director must have appropriate professional qualifications or accounting or related financial management expertise. In addition, the Company was simultaneously compliance with the requirements set out in Rule 5.28 of the GEM Listing Rules with regard to the composition of the Audit Committee.

- Following the resignation of Mr. Tong Tai Alex as independent non-executive Director on 20 February 2018, the Company only had two independent non-executive Directors, thus the number of the independent non-executive Directors fell below the minimum number required under Rule 5.05(1) of the GEM Listing Rules. The Company had also failed to meet the requirement set out in Rule 5.05(2) of the GEM Listing Rules with regard to at least one independent non-executive Director must have appropriate professional qualifications or accounting or related financial management expertise. As a result of the insufficient number of independent non-executive Directors, the Company had also failed to comply with the requirements set out in Rule 5.28 of the GEM Listing Rules with regard to the minimum number of members and the composition of the Audit Committee.

Following the appointment of Mr. Gao Xixi, Mr. Jesus Shaozhu, Ms. Hui Shuk Wan and Mr. Wu Di as executive Directors and Ms. Lam Kong Ting Jielly and Mr. Lu Qinming as independent non-executive Directors on 20 April 2018, the number of independent non-executive Directors had satisfied the minimum number required under Rule 5.05(1) of the GEM Listing Rules. The Company also met the requirement set out in Rule 5.05(2) of the GEM Listing Rules with regard to at least one of the independent non-executive Director must have appropriate professional qualifications or accounting or related financial management expertise.

Following the appointment of Ms. Lam Kong Ting Jielly, who has relevant qualifications and expertise, as the chairperson of the Audit Committee on 21 April 2018, the Company complied with the requirements set out in Rule 5.28 of the GEM Listing Rules with regard to the composition of the Audit Committee.

湯泰先生（彼擁有相關資質及專業知識）於二零一八年一月十五日獲委任為獨立非執行董事後，獨立非執行董事的數目已符合GEM上市規則第5.05(1)條規定的最低數目。本公司亦已符合GEM上市規則第5.05(2)條所載有關至少一名獨立非執行董事必須擁有適當的專業資質或會計或相關財務管理專業知識的規定。此外，本公司同時遵守GEM上市規則第5.28條所載有關審核委員會組成之規定。

- 湯泰先生於二零一八年二月二十日辭任獨立非執行董事後，本公司僅有兩名獨立非執行董事，故此獨立非執行董事的數目低於GEM上市規則第5.05(1)條規定的最低數目。本公司亦未能滿足GEM上市規則第5.05(2)條所載有關至少一名獨立非執行董事必須擁有適當的專業資質或會計或相關財務管理專業知識的規定。由於獨立非執行董事的數目不足，本公司亦未能遵守GEM上市規則第5.28條有關審核委員會最低成員數目及組成之規定。

於二零一八年四月二十日，高西西先生、邵朱先生、許淑韻女士及吳迪先生獲委任為執行董事以及林江婷女士及盧欽明先生獲委任為獨立非執行董事後，獨立非執行董事的數目已符合GEM上市規則第5.05(1)條規定的最低數目。本公司亦已符合GEM上市規則第5.05(2)條所載有關至少一名獨立非執行董事必須擁有適當的專業資質或會計或相關財務管理專業知識的規定。

林江婷女士（彼擁有相關資質及專業知識）於二零一八年四月二十一日獲委任為審核委員會主席後，本公司已遵守GEM上市規則第5.28條有關審核委員會組成之規定。

- Following the retirement of each of Mr. Chau Sen Chung and Mr. Xu Haiou as an independent non-executive Director at the conclusion of the annual general meeting held on 5 June 2018, the Company only had two independent non-executive Directors, thus the number of the independent non-executive Directors fell below the minimum number required under Rule 5.05(1) of the GEM Listing Rules and did not represent one-third of the Board as required under Rule 5.05A of the GEM Listing Rules. In addition, the Company had also failed to comply with the requirement set out in Rule 5.28 of the GEM Listing Rules with regard to the composition of the Audit Committee.

Following the appointment of Mr. Wong Hon Kit as independent non-executive Director and chairperson of the Audit Committee on 15 June 2018, with the cessation of Ms. Lam Kong Ting Jielly as the chairperson of the Audit Committee but remains as a member of the committee, the number of independent non-executive Directors had satisfied the minimum number required under Rule 5.05(1) of the GEM Listing Rules. In addition, the Company was simultaneously compliance with the requirements set out in Rule 5.28 of the GEM Listing Rules with regard to the composition of the Audit Committee.

Nonetheless, the Company still failed to have sufficient independent non-executive Directors representing at least one-third of the Board pursuant to Rule 5.05A of the GEM Listing Rules. The Company will take all necessary measures to comply with the above requirement within three months from 5 June 2018 and will make further announcement(s) as and when appropriate.

- 周晨仲先生及許海鷗*先生分別於二零一八年六月五日舉行的股東週年大會結束時退任獨立非執行董事之後，本公司僅有兩名獨立非執行董事，故獨立非執行董事的數目低於GEM上市規則第5.05(1)條規定的最低數目，且低於GEM上市規則第5.05A條規定有關獨立非執行董事人數必須佔董事會成員三分之一的要求。另外，本公司亦未能符合GEM上市規則第5.28條有關審核委員會組成之規定。

黃漢傑先生於二零一八年六月十五日獲委任為獨立非執行董事及審核委員會主席及林江婷女士不再擔任審核委員會主席但仍為該委員會之成員後，獨立非執行董事之數目已符合GEM上市規則第5.05(1)條規定的最低數目。此外，本公司同時遵守GEM上市規則第5.28條有關審核委員會組成之規定。

然而，本公司仍然未能根據GEM上市規則第5.05A條擁有相當於董事會至少三分之一之足夠獨立非執行董事人數。本公司將採取所有必要措施以於二零一八年六月五日起計三個月內符合上述規定，以及將適時作出進一步公告。

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 2018.

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 2018.

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

Hong Kong, 10 August 2018

As at the date of this report, the Board comprises Tan Sri Dato' Lim Tong Yong (Chairman), Ms. Chan Ying (Chief Executive Officer), Mr. Gao Yang, Mr. Gao Xixi, Mr. Jesus Shaozhu, Ms. Hui Shuk Wan and Mr. Wu Di as executive Directors and Mr. Wong Hon Kit, Ms. Lam Kong Ting Jielly and Mr. Lu Qinming as independent non-executive Directors.

* For identification purpose only

董事進行證券交易之操守準則

本公司已採納GEM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，董事確認彼等於截至二零一八年六月三十日止六個月內已遵守有關董事進行證券交易之交易必守標準（載於GEM上市規則第5.48至5.67條）。

購買、出售或贖回本公司之上市證券

截至二零一八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，二零一八年八月十日

於本報告日期，董事會由執行董事丹斯里拿督林東洋*（主席）、陳瑩女士（行政總裁）、高揚先生、高西西先生、邵朱先生、許淑韻女士及吳迪先生；及獨立非執行董事黃漢傑先生、林江婷女士及盧欽明先生組成。

* 僅供識別



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* For identification purpose only 僅供識別



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