

CNC HOLDINGS LIMITED

中國新華電視控股有限公司

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

Stock code 股份代號: 8356

FIRST QUARTERLY REPORT
2018/2019
第一季度報告

The logo for CNC Holdings Limited, featuring the letters 'CNC' in a bold, white, sans-serif font. The letters are set against a dark blue circular background. The 'C' is stylized with a white outline. The background of the entire page is a vibrant blue with abstract, glowing white and yellow lines and patterns, suggesting a digital or technological theme.

CNC

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

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

香港聯合交易所有限公司（「聯交所」）GEM之特色

GEM之定位，乃為中小型公司提供一個上市的市場，此等公司相比起其他在聯交所上市的公司帶有較高投資風險。有意投資者應了解投資於該等公司之潛在風險，並應經過審慎周詳考慮後方作出投資決定。

由於GEM上市的公司普遍為中小型公司，在GEM買賣之證券可能會承受較於聯交所主板買賣之證券為高之市場波動風險，亦無法保證在GEM買賣之證券會有高流通量之市場。

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

HIGHLIGHTS

- The Group's revenue for the three months ended 30 June 2018 decreased by approximately 42.6% to approximately HK\$68.8 million (2017: approximately HK\$119.7 million).
- Loss attributable to the owners of the Company for the three months ended 30 June 2018 increased by approximately 32.0% to approximately HK\$16.8 million (2017: approximately HK\$12.7 million).
- Basic loss per share for the three months ended 30 June 2018 was approximately HK0.41 cent (2017: approximately HK0.31 cent).
- The Board does not recommend the payment of any dividend for the three months ended 30 June 2018.

摘要

- 本集團截至二零一八年六月三十日止三個月的收益減少約42.6%至約68,800,000港元(二零一七年:約119,700,000港元)。
- 截至二零一八年六月三十日止三個月本公司擁有人應佔虧損增加約32.0%至約16,800,000港元(二零一七年:約12,700,000港元)。
- 截至二零一八年六月三十日止三個月的每股基本虧損為約0.41港仙(二零一七年:約0.31港仙)。
- 董事會不建議就截至二零一八年六月三十日止三個月派付任何股息。

The board of Directors (the "Board") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months ended 30 June 2018, together with the unaudited comparative figures for the corresponding period in 2017, as follows:

董事會(「董事會」)欣然宣佈本公司及其附屬公司(統稱「本集團」)截至二零一八年六月三十日止三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 OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three months ended 30 June 2018

簡明綜合損益及其他全面收益表(未經審核)

截至二零一八年六月三十日止三個月

		Three months ended 30 June 截至六月三十日止三個月	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		Notes 附註	
Revenue	收益	4	119,700
Cost of services	服務成本		(106,214)
			68,752
			(66,791)
Gross profit	毛利		13,486
Other income	其他收入	5	7
Other gains and losses	其他收益及虧損	6	(152)
Amortisation expenses	攤銷開支		(4,835)
Administrative expenses	行政開支		(14,142)
Changes in fair value of financial assets at fair value through profit or loss	透過損益按公平值入賬之金融資產之公平值變動		750
			1,961
			103
			672
			(4,757)
			(5,350)
			(3,348)
Loss from operations	營運虧損	8	(4,886)
Finance costs	融資成本		(9,967)
			(10,719)
			(6,383)
Loss before income tax	除所得稅前虧損		(14,853)
Income tax	所得稅	9	2,147
			(17,102)
			330
Loss for the period	期內虧損		(12,706)
			(16,772)
Other comprehensive (loss)/income: Items that may be classified subsequently to profit or loss:	其他全面(虧損)/收益: 其後可分類至損益之項目:		
Exchange differences on translating foreign operations	換算境外業務之匯兌差額		564
			(728)
Other comprehensive (loss)/income for the period, net of income tax	期內其他全面(虧損)/收益, 扣除所得稅後		564
			(728)
Total comprehensive loss for the period	期內全面虧損總額		(12,142)
			(17,500)
Loss for the period attributable to the owners of the Company	本公司擁有人應佔期內虧損		(12,706)
			(16,772)
Total comprehensive loss for the period attributable to the owners of the Company	本公司擁有人應佔期內全面虧損總額		(12,142)
			(17,500)
Loss per share attributable to the owners of the Company – Basic and diluted (HK cent)	本公司擁有人應佔每股虧損 – 基本及攤薄(港仙)	11	(0.31)
			(0.41)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

簡明綜合權益變動表 (未經審核)

For the three months ended 30 June 2018 截至二零一八年六月三十日止三個月

		Share capital	Share premium	Capital reserves	Convertible notes equity reserves	Foreign currency translation reserves	Other reserves	Accumulated losses	Total equity
		股本	股份溢價	資本儲備	可換股票據權益儲備	外幣換算儲備	其他儲備	累計虧損	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
As at 1 April 2018	於二零一八年四月一日	4,055	1,238,195	2,758	1,304	(116)	21,862	(1,399,354)	(131,296)
Loss for the period	期內虧損	-	-	-	-	-	-	(16,772)	(16,772)
Other comprehensive loss for the period:	期內其他全面虧損：								
Items that may be classified subsequently to profit or loss:	其後可分類至損益之項目：								
Exchange differences on translating foreign operations	換算境外業務之匯兌差額	-	-	-	-	(728)	-	-	(728)
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	-	(728)	-	(16,772)	(17,500)
As at 30 June 2018 (unaudited)	於二零一八年六月三十日 (未經審核)	<u>4,055</u>	<u>1,238,195</u>	<u>2,758</u>	<u>1,304</u>	<u>(844)</u>	<u>21,862</u>	<u>(1,416,126)</u>	<u>(148,796)</u>
As at 1 April 2017	於二零一七年四月一日	4,055	1,238,195	2,758	62,631	(3,074)	9,868	(1,416,168)	(101,735)
Loss for the period	期內虧損	-	-	-	-	-	-	(12,706)	(12,706)
Other comprehensive income for the period:	期內其他全面收入：								
Items that may be classified subsequently to profit or loss:	其後可分類至損益之項目：								
Exchange differences on translating foreign operations	換算境外業務之匯兌差額	-	-	-	-	564	-	-	564
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	-	564	-	(12,706)	(12,142)
As at 30 June 2017 (unaudited)	於二零一七年六月三十日 (未經審核)	<u>4,055</u>	<u>1,238,195</u>	<u>2,758</u>	<u>62,631</u>	<u>(2,510)</u>	<u>9,868</u>	<u>(1,428,874)</u>	<u>(113,877)</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 未經審核簡明綜合財務報表附註

For the three months ended 30 June 2018 截至二零一八年六月三十日止三個月

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 15 March 2010 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The registered office and principal place of business of the Company are located at the offices of Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Suites 2708-2710, 27/F., Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong respectively.

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

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

2. BASIS OF PRESENTATION

(a) Statement of compliance

The unaudited condensed consolidated first quarterly financial statements for the three months ended 30 June 2018 (the "Quarterly Financial Statements") have been prepared to comply with the disclosure requirements of the GEM Listing Rules.

1. 一般資料

本公司於二零一零年三月十五日根據開曼群島公司法第22章（一九六一年法例3，經綜合及修訂）於開曼群島註冊成立為獲豁免有限責任公司。本公司之註冊辦事處及主要營業地點分別為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands及香港灣仔告士打道108號光大中心27樓2708-2710室。

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

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

2. 呈列基準

(a) 遵例聲明

吾等已編製截至二零一八年六月三十日止三個月之未經審核簡明綜合第一季度財務報表（「季度財務報表」）以遵守GEM上市規則之披露規定。

2. BASIS OF PRESENTATION (Continued)

(b) Basis of preparation

The accounting policies and method of the computation used in the preparation of the Quarterly Financial Statements are consistent with those used in the annual report for the year ended 31 March 2018, except for those related to new standards and interpretations effective for the first time periods beginning on 1 April 2018 and expected to be reflected in the forthcoming annual financial statements as disclosed below.

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

(c) Going Concern

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

- The Group has incurred an unaudited net loss of approximately HK\$16,772,000 during the three months ended 30 June 2018 and, as of that date, the Group had unaudited net current liabilities and unaudited net liabilities of approximately HK\$235,191,000 and HK\$148,796,000 respectively; and
- The Group had promissory note in the principal amount of approximately HK\$45,040,000 and convertible notes in the principal amount of approximately HK\$257,030,000 which are due within the next twelve months after 30 June 2018.

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

2. 呈列基準 (續)

(b) 編製基準

編製季度財務報表所用之會計政策及計算方式與截至二零一八年三月三十一日止年度之年度報告所採納者一致，惟有關於二零一八年四月一日開始之期間首次生效之新準則及詮釋除外（如下文所述），預計其將反映在下一份年度財務報表上。

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

(c) 持續經營

於編製季度財務報表時，董事已仔細考慮本集團之未來流動性，儘管：

- 截至二零一八年六月三十日止三個月，本集團產生未經審核淨虧損約16,772,000港元，及於該日，本集團分別錄得未經審核流動負債淨額約235,191,000港元及未經審核負債淨額約148,796,000港元；及
- 本集團有承兌票據本金為約45,040,000港元及可換股票據本金為約257,030,000港元，將於二零一八年六月三十日後十二個月內到期。

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

2. BASIS OF PRESENTATION (Continued)

(c) Going Concern (Continued)

(1) Financial support

China Xinhua News Network Co., Limited (“China Xinhua NNC”), one of the major shareholders of the Company and a convertible notes holder, has confirmed to provide financial support to the Group in a reasonable manner under relevant laws and regulatory requirements, to maintain the going concern of the Company. The financial support only refers to allow the Company to extend the repayment for the liabilities due to China Xinhua NNC to not earlier than 12 months commencing from 30 June 2018, including (1) the convertible notes in the principal amount of approximately HK\$257,030,000; (2) the interests payable on the convertible notes amounted to approximately HK\$37,594,000 as of 30 June 2018; and (3) the liabilities due to China Xinhua NNC of approximately HK\$15,080,000 as of 30 June 2018 in respect of annual fee for television broadcasting right, carriage fee payment and satellite transmission fee, if the repayment would cause the Company to be unable to settle its liabilities due to other parties when they fall due.

(2) Alternate source of funding

The Group is actively considering to raise new capital by carrying out fund raising activities including but not limited to rights issue, open offer and placing of new shares.

2. 呈列基準 (續)

(c) 持續經營 (續)

(1) 財務支持

中國新華新聞電視網有限公司 (「中國新華新聞電視網」) (本公司之主要股東之一及可換股票據持有人) 已確認以合理且符合有關法律和監管要求的方式向本集團提供財務支持，以維持本公司的持續經營，這些財務支持僅指在可能導致本公司無法償還其他債權人到期債務的情況下允許本公司延期至二零一八年六月三十日起十二個月後償還應付中國新華新聞電視網的債務，包括(1)可換股票據本金為約257,030,000港元；(2)截至二零一八年六月三十日止之可換股票據之應付利息為約37,594,000港元；及(3)截至二零一八年六月三十日止之關於電視播放權年費、代付傳輸費及衛星轉播費之應付中國新華新聞電視網的債務為約15,080,000港元。

(2) 備選融資來源

本集團正積極考慮通過開展集資活動以籌集新資本，包括但不限於供股、公開發售及配售新股份。

2. BASIS OF PRESENTATION (Continued)

(c) Going Concern (Continued)

- (3) The Group will implement operation plans to control costs and generate adequate cash flows from the Group's operations.

In the opinion of the Directors, in light of the various measures/arrangements implemented after the end of the reporting period, the Group will have sufficient working capital for its current requirements and it is reasonable to expect the Group to remain a commercially viable concern. Accordingly, the Directors are satisfied that it is appropriate to prepare the Quarterly Financial Statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effect of these adjustments has not been reflected in the Quarterly Financial Statements.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted new or revised standards, amendments to standards and interpretation of Hong Kong Financial Reporting Standards ("HKFRSs") which are effective for accounting periods commencing on or after 1 April 2018. Except for disclosed below, the adoption of other new or revised standards, amendments to standards and interpretation does not have material impact on the Quarterly Financial Statements and does not result in substantial changes to the Group's accounting policies.

2. 呈列基準 (續)

(c) 持續經營 (續)

- (3) 本集團將實施營運計劃以控制成本及從本集團之營運中產生足夠現金流量。

董事認為，鑒於報告期末後實施之多項措施／安排，本集團將擁有充足營運資金以滿足其現時之要求並可合理預期本集團可繼續以符合商業利益之基準經營。因此，董事信納按持續經營基準編製季度財務報表屬合適。

倘本集團未能繼續作為持續經營實體營運，則需要作出調整藉以將資產價值撇減至其可收回金額，就可能出現之任何未來負債計提撥備，以及將非流動資產及負債分別重列為流動資產及負債。該等調整之影響並未於季度財務報表中反映。

3. 採納新訂及經修訂香港財務報告準則

本集團已採納於二零一八年四月一日或之後開始之會計期間生效之香港財務報告準則（「香港財務報告準則」）的新訂或經修訂準則、準則修訂本及詮釋。除以下所披露者外，採納其他新訂或經修訂準則、準則修訂本及詮釋並無對季度財務報表構成重大影響，亦無導致本集團的會計政策出現重大變動。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 9 – Financial Instruments

HKFRS 9 replaces HKAS 39 Financial instruments: recognition and measurement. HKFRS 9 introduces new requirements for classification and measurement of financial assets, new rules for hedge accounting and a new impairment model for financial assets. HKFRS 9 is effective for annual periods beginning on or after 1 April 2018 on a retrospective basis. The Group adopts the new standard on the required effective date and does not restate comparative information. Any adjustments to the carrying amount of the financial assets and liabilities at the date of transition were recognised in the opening accumulated losses of the current period.

Upon the adoption of HKFRS 9, the Group elected to classify all equity investments of the Group which were previously classified as available-for-sale financial assets (“AFS Financial Assets”) into financial assets measured at fair value through other comprehensive income (“FVTOCI Financial Assets”) because these investments have been held as long-term strategic investments that are not expected to be sold in the short term at 1 April 2018.

HKFRS 15 – Revenue from Contracts with Customers

The Group has applied HKFRS 15 “Revenue from Contracts with Customers” on 1 April 2018. This new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 has superseded existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations. As a result, the Group has changed its accounting policy in the Quarterly Financial Statements for revenue recognition as detailed below.

3. 採納新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號 – 金融工具

香港財務報告準則第9號取代香港會計準則第39號金融工具：確認及計量。香港財務報告準則第9號引入金融資產分類及計量之新規定、對沖會計之新規則以及金融資產之新減值模式。香港財務報告準則第9號按追溯基準於二零一八年四月一日或之後開始之年度期間生效。本集團於規定生效日期採納新準則且不會重列比較資料。於過渡日期對金融資產及負債賬面值作出之任何調整已於本期間之期初累計虧損內確認。

採納香港財務報告準則第9號後，本集團於二零一八年四月一日選擇將先前分類為可供出售金融資產（「可供出售金融資產」）的本集團全部股本投資分類為透過其他全面收益以公平值計量的金融資產（「透過其他全面收益以公平值計量的金融資產」），因該等投資持作長期戰略投資，預期不會於短期內出售。

香港財務報告準則第15號 – 客戶合約收入

本集團已於二零一八年四月一日應用香港財務報告準則第15號「客戶合約收入」。該新訂準則設立單一收益確認框架。框架之核心原則為實體應確認收益，以說明實體按反映交換所承諾商品及服務預期所得代價之金額向客戶轉讓該等商品或服務。香港財務報告準則第15號已取代現有收益確認指引，包括香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。因此，本集團已就收益確認變更其於季度財務報表中之會計政策，詳情如下。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 15 – Revenue from Contracts with Customers (Continued)

The Group elects to use the cumulative effect method for the adoption of HKFRS 15 with cumulative effect of initial application recognised in the opening balance of the accumulated losses at 1 April 2018. Under HKFRS 15, the Group recognises the revenue from contract work when the performance obligation is satisfied over time and measures the progress towards complete satisfaction in accordance with the output method. The measurement of the stage of completion of a contract is established by reference to surveys of work performed.

The adoption of HKFRS 15 has no material effect on the adjustments to the opening balance of the accumulated losses at 1 April 2018 in the condensed consolidated statement of changes in equity and the amounts recognised in the condensed consolidated statement of comprehensive income.

4. REVENUE

Revenue recognised during the three months ended 30 June 2018 and 30 June 2017 were as follows:

Construction works	建築工程
Advertising income*	廣告收入*

* Publication income of approximately HK\$Nil (three months ended 30 June 2017: approximately HK\$8,000) was included in advertising income during the three months ended 30 June 2018.

3. 採納新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第15號 – 客戶合約收入 (續)

本集團就採納香港財務報告準則第15號選擇採用累計影響法，於首次應用時的累計影響於二零一八年四月一日累計虧損的期初結餘內確認。根據香港財務報告準則第15號，本集團於履約責任於一段時間內履行時確認合約工程之收益並根據輸出法計量履約進度。合約完成進度之計量乃參照已執行工程之測量釐定。

採納香港財務報告準則第15號不會對二零一八年四月一日簡明綜合權益變動表累計虧損的期初結餘調整以及於簡明綜合全面收益表中確認的金額造成重大影響。

4. 收益

截至二零一八年六月三十日及二零一七年六月三十日止三個月確認之收益如下：

Three months ended 30 June 截至六月三十日止三個月

2018 二零一八年 (Unaudited) (未經審核) HK\$'000 千港元	2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元
68,752	118,690
—	1,010
68,752	119,700

* 於截至二零一八年六月三十日止三個月之出版收入約零港元(截至二零一七年六月三十日止三個月:約8,000港元)已計入廣告收入。

5. OTHER INCOME

Other income recognised during the three months ended 30 June 2018 and 30 June 2017 were as follows:

Interest income	利息收入
Dividend income	股息收入
Sundry income	雜項收入

5. 其他收入

截至二零一八年六月三十日及二零一七年六月三十日止三個月確認之其他收入如下：

Three months ended 30 June 截至六月三十日止三個月

2018 二零一八年 (Unaudited) (未經審核) HK\$'000 千港元	2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元
7	7
88	—
8	—
103	7

6. OTHER GAINS AND LOSSES

Other gains and losses recognised during the three months ended 30 June 2018 and 30 June 2017 were as follows:

Exchange gain/(loss), net	匯兌收益／(虧損)·淨額
Net gains on disposals of property, plant and equipment	出售物業、廠房及設備之 收益淨額

6. 其他收益及虧損

截至二零一八年六月三十日及二零一七年六月三十日止三個月確認之其他收益及虧損如下：

Three months ended 30 June 截至六月三十日止三個月

2018 二零一八年 (Unaudited) (未經審核) HK\$'000 千港元	2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元
672	(542)
—	390
672	(152)

7. SEGMENT INFORMATION

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

Under the segment structure implemented during the three months ended 30 June 2018, information reported to the executive Directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided are:

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

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

7. 分部資料

本集團之分部資料乃根據執行董事（即主要營運決策者）為分配資源至各分部及評估各分部表現而定期檢討之內部報告予以呈報。就本集團各可呈報分部而言，執行董事定期審閱內部管理報告。

根據於截至二零一八年六月三十日止三個月實施之分部架構，向執行董事（即主要營運決策者）所呈報以供其分配資源及評估分部表現之資料集中於所交付商品或提供服務之種類為：

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

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

7. SEGMENT INFORMATION (Continued)

Segment revenue and results

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

For the three months ended 30 June 2018

7. 分部資料 (續)

分部收益及業績

本集團按可呈報及營運分部劃分的收益及業績分析如下。

截至二零一八年六月三十日止三個月

		Provision of civil engineering services 提供土木 工程服務 (Unaudited) (未經審核) HK\$'000 千港元	Television broadcasting business 電視播放 業務 (Unaudited) (未經審核) HK\$'000 千港元	Total 總計 (Unaudited) (未經審核) HK\$'000 千港元
Revenue from external customers	來自外部客戶之收益	68,752	-	68,752
Other income and gains	其他收入及收益	9	682	691
Reportable segment revenue	可呈報分部收益	<u>68,761</u>	<u>682</u>	<u>69,443</u>
Reportable segment results	可呈報分部業績	<u>2,859</u>	<u>(7,876)</u>	<u>(5,017)</u>
Unallocated corporate income	未分配企業收入			94
Unallocated corporate expenses	未分配企業開支			(5,796)
Finance costs	融資成本			<u>(6,383)</u>
Loss before income tax	除所得稅前虧損			<u>(17,102)</u>

8. LOSS FROM OPERATIONS

Loss from operations is arrived at after charging the following:

Amortisation of intangible assets (included in amortisation expenses)	無形資產攤銷 (包括於攤銷開支中)
Amortisation of film rights (included in amortisation expenses)	電影版權攤銷 (包括於攤銷開支中)
Depreciation of property, plant and equipment	物業、廠房及設備折舊

8. 營運虧損

營運虧損乃經扣除以下各項後計算得出：

Three months ended 30 June 截至六月三十日止三個月

2018 二零一八年 (Unaudited) (未經審核) HK\$'000 千港元	2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元
4,566	4,566
191	269
4,991	4,650

9. INCOME TAX

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

Current tax – Hong Kong profits tax – current period – Over-provision in prior years	當期稅項 – 香港利得稅 – 本期間 – 過往年度超額撥備
Current tax – PRC Enterprise Income tax – Under-provision in prior years	當期稅項 – 中國企業所得稅 – 過往年度撥備不足
Deferred tax – current period	遞延稅項 – 本期間
Income tax credit	所得稅抵免

9. 所得稅

未經審核簡明綜合損益及其他全面收益表之所得稅金額如下：

Three months ended 30 June 截至六月三十日止三個月

2018 二零一八年 (Unaudited) (未經審核) HK\$'000 千港元	2017 二零一七年 (Unaudited) (未經審核) HK\$'000 千港元
54	441
–	(527)
54	(86)
434	–
(818)	(2,061)
(330)	(2,147)

9. INCOME TAX (Continued)

Hong Kong profits tax is calculated at 16.5% (2017: 16.5%) on the estimated assessable profits during the three months ended 30 June 2018 and 30 June 2017.

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

No provision for PRC Enterprise Income tax has been made as the subsidiary incorporated in the PRC has no assessable profits arising in the PRC during the three months ended 30 June 2018 and 30 June 2017.

10. DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 30 June 2018 and 30 June 2017.

11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculations of basic loss per Share for the three months ended 30 June 2018 is based on the unaudited consolidated loss of approximately HK\$16,772,000 attributable to the owners of the Company for the three months ended 30 June 2018 (three months ended 30 June 2017: approximately HK\$12,706,000) and the weighted average number of 4,055,349,947 Shares in issue for the three months ended 30 June 2018 (three months ended 30 June 2017: 4,055,349,947 Shares) as if they had been in issue throughout the periods.

Diluted loss per Share for the three months ended 30 June 2018 and 30 June 2017 are the same as the basic loss per Share. The computation of diluted loss per Share for the three months ended 30 June 2018 and 30 June 2017 does not assume the Company's outstanding convertible notes since the assumed conversion of convertible notes would result in a decrease in loss per share.

9. 所得稅 (續)

香港利得稅乃按截至二零一八年六月三十日及二零一七年六月三十日止三個月之估計應課稅溢利之16.5% (二零一七年: 16.5%)計算。

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

截至二零一八年六月三十日及二零一七年六月三十日止三個月,於中國註冊成立之附屬公司並無於中國產生應課稅溢利,故並無就中國企業所得稅計提撥備。

10. 股息

董事會不建議派付截至二零一八年六月三十日及二零一七年六月三十日止三個月之任何股息。

11. 本公司擁有人應佔每股虧損

截至二零一八年六月三十日止三個月的每股基本虧損乃根據截至二零一八年六月三十日止三個月本公司擁有人應佔未經審核綜合虧損約16,772,000港元 (截至二零一七年六月三十日止三個月:約12,706,000港元)與截至二零一八年六月三十日止三個月已發行股份加權平均數為4,055,349,947股 (截至二零一七年六月三十日止三個月:4,055,349,947股)計算,猶如該等股份於整個有關期間均已發行。

截至二零一八年六月三十日及二零一七年六月三十日止三個月,每股攤薄虧損與每股基本虧損相同。由於假設兌換可換股票據將導致每股虧損減少,因此計算截至二零一八年六月三十日及二零一七年六月三十日止三個月之每股攤薄虧損並無假設本公司尚未兌換之可換股票據。

12. SHARE CAPITAL

12. 股本

		Number of Shares 股份數目	Nominal value 面值 <i>HK\$'000</i> 千港元
Authorised:	法定：		
As at 1 April 2018 and 30 June 2018 (Unaudited)	於二零一八年四月一日及 二零一八年六月三十日 (未經審核)	<u>500,000,000,000</u>	<u>500,000</u>
Issued and fully paid:	已發行及繳足：		
As at 1 April 2018 and 30 June 2018 (Unaudited)	於二零一八年四月一日及 二零一八年六月三十日 (未經審核)	<u>4,055,349,947</u>	<u>4,055</u>

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in the provision of civil engineering services for the public sector in Hong Kong and television broadcasting business in the Asia-Pacific region (excluding the PRC) in return for advertising and related revenue. During the three months ended 30 June 2018 (the "Period"), the Group continued to focus on rendering civil engineering services for the public sector in Hong Kong and develop its television broadcasting business.

Provision of civil engineering services

During the Period, the Group has been undertaking two main contracts and eight subcontracts. Among the ten contracts, two of these are related to provision of waterworks engineering services and the remaining contracts are related to provision of drainage services and site formation. Details of the contracts undertaken are set out below:

業務回顧

本集團主要於香港為公營部門提供土木工程服務及於亞太區（不包括中國）進行電視播放業務以取得廣告及相關收益。截至二零一八年六月三十日止三個月（「本期間」），本集團繼續專注於在香港向公營部門提供土木工程服務並發展其電視播放業務。

提供土木工程服務

於本期間內，本集團已承接兩項主合約及八項分包合約。該十項合約中，其中兩項與提供水務工程服務有關，而其餘合約則與提供渠務服務及土地平整服務有關。所承接合約之詳情載列如下：

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

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

During the Period, the two contracts with contract numbered CV/2015/03 and DC/2013/09 were the main contributors to the Group's revenue, which generated approximately HK\$33.3 million and HK\$16.1 million, constituting approximately 48.4% and 23.4% of the Group's revenue respectively.

於本期間內，合約編號為CV/2015/03及DC/2013/09之兩項合約為本集團收益之主要收益來源，產生約33,300,000港元及16,100,000港元收益，分別佔本集團之收益約48.4%及23.4%。

Television broadcasting business

The advertising industry was suffered from keen competitions from traditional media service players, other multinational media service players and large number of small and medium sized companies in the online advertising industry. Thus, the Group's revenue from television broadcasting business decreased as a result of the general trend of digitalisation where audiences' preference has changed toward digital media as a whole in the world.

During the Period, to utilize the opportunities arising from the "Belt and Road" initiative, the Group has co-operated with different investors of redevelopment of ancient architectures to produce documentary and promotional video to cover the redevelopment process of such redevelopment. The Group intends to explore similar business opportunities in respect of redevelopment of ancient architectures so as to generate synergies between different segments and broaden the income stream.

Looking forward, in order to further enhance the value of the Group and to achieve higher returns to the shareholders, the longer term approach of the Group is to expand the income source through business diversification. It aims to maximise the overall returns to shareholders in the long run by identifying and selecting new business opportunities which are of great potential to enrich the Group's existing business portfolio and generate synergy effect between different business segments.

電視播放業務

傳統媒體服務參與者、其他跨國媒體服務參與者及眾多網上廣告行業的中小型公司之間於廣告行業的競爭十分激烈。因此，由於市場整體呈數字化趨勢，全球觀眾整體喜好轉向數字化媒體，本集團來自電視播放業務的收益有所減少。

於本期間內，為捕捉「一帶一路」倡議帶來的機遇，本集團與從事復建古建建築的不同投資者合作製作紀錄宣傳片以報導有關復建的復建過程。本集團擬就復建古建建築探索類似商機，從而產生不同分部間的協同效應及擴闊收入來源。

展望未來，為進一步提升本集團價值及為股東創造更高回報，從長期來看，本集團將透過實現業務多元化擴闊收入來源。目標為透過物色及甄選潛力巨大的新商機以豐富本集團現有業務組合並於不同經營業務分部間產生協同效應。

FINANCIAL REVIEW

Revenue

For the Period, the Group reported a revenue of approximately HK\$68.8 million (2017: approximately HK\$119.7 million), representing an decrease of approximately 42.6% as compared with that for the same period of the previous year. All of the Group's revenue were derived from provision of civil engineering services during the Period. The decrease in revenue was mainly due to decrease in work from certain civil engineering projects reaching the maintenance stage or nearly completion stage for the Period. The Group derived aggregate advertising revenue of approximately HK\$nil million (2017: approximately HK\$1.0 million) from television broadcasting business.

During the Period, the revenue of the Group was primarily generated from the undertaking of civil engineering contracts in the capacity of a subcontractor. The subcontracting revenue amounted to approximately HK\$53.7 million (2017: approximately HK\$65.3 million), representing approximately 78.1% of the total revenue for the Period (2017: approximately 54.7%). On the other hand, the revenue generated from the undertaking of civil engineering contracts in the capacity of a main contractor and jointly controlled operator amounted to approximately HK\$15.1 million (2017: approximately HK\$53.4 million), representing approximately 21.9% (2017: approximately 44.5%) of the total revenue for the Period.

Cost of services

The Group's cost of services decreased by approximately 37.1% to approximately HK\$66.8 million for the Period (2017: approximately HK\$106.2 million) as compared with that for the same period of the previous year. The Group's cost of services mainly includes costs of construction services, costs of television broadcasting business and other direct operating costs. Costs of construction services mainly comprise raw materials, direct labour and subcontracting fee for services provided by the subcontractors. Costs of television broadcasting business mainly comprise transmission costs, broadcasting fee and other direct costs attributable to television broadcasting business. Transmission costs comprise satellite transmission fee and carriage fee payable to satellite operators while broadcasting fee comprises annual fee payable to media broadcasting providers and China Xinhua News Network Co., Limited ("China Xinhua NNC"). Other direct operating costs mainly comprise depreciation charges of LED display screens.

財務回顧

收益

於本期間內，本集團錄得收益約68,800,000港元（二零一七年：約119,700,000港元），較去年同期減少約42.6%。於本期間內，本集團之所有收益均來自提供土木工程服務。收益減少乃主要由於若干土木工程項目工程於本期間處於維護階段或接近竣工階段而減少。本集團自電視播放業務產生廣告收益總額約零港元（二零一七年：約1,000,000港元）。

於本期間內，本集團收益主要來自以分包商身份承接之土木工程合約。分包收益為約53,700,000港元（二零一七年：約65,300,000港元），佔本期間總收益約78.1%（二零一七年：約54.7%）。另一方面，以主承建商及共同控制營運商身份承接之土木工程合約產生收益為約15,100,000港元（二零一七年：約53,400,000港元），佔本期間總收益約21.9%（二零一七年：約44.5%）。

服務成本

本集團於本期間之服務成本較去年同期減少約37.1%至約66,800,000港元（二零一七年：約106,200,000港元）。本集團之服務成本主要包括建築服務成本、電視播放業務成本以及其他直接營運成本。建築服務成本主要包括原材料、直接勞工及分包商提供服務之分包費用。電視播放業務成本主要包括傳送成本、播放費用及電視播放業務應佔之其他直接成本。傳送成本包括衛星傳送費用及應付衛星營運商之傳輸費用，而播放費用則包括應付予媒體播放供應商及中國新華新聞電視網有限公司（「中國新華新聞電視網」）之年費。其他直接營運成本主要包括LED顯示屏之折舊費用。

Gross profit

The gross profit for the Group for the Period decreased by approximately 85.5% to approximately HK\$2.0 million (2017: approximately HK\$13.5 million). The gross profit margin of the Group decreased to approximately 2.9% (2017: approximately 11.3%) for the Period. The decrease in gross profit was mainly due to the decrease in work from certain civil engineering projects reaching the maintenance stage or nearly completion stage and thus marginal profits were decreased for the Period.

Other income

The Group's other income for the Period increased by approximately 13.7 times to approximately HK\$0.1 million (2017: approximately HK\$7,000) as compared with that for the same period of the previous year. The other income mainly consisted of cash dividend received from investment in financial assets at fair value through profit or loss during the Period.

Other gains and losses

The Group's other gains and losses for the Period was amounted to approximately HK\$0.7 million in surplus (2017: approximately HK\$0.2 million in deficit). Other gains and losses mainly consisted of net exchange gain for the Period.

Amortisation expenses

The Group's amortisation expenses for the Period decreased by approximately 1.6% to approximately HK\$4.8 million (2017: approximately HK\$4.8 million) as compared with that for the same period of the previous year. The amortisation expenses mainly consisted of amortisation of television broadcasting right and film rights for the television broadcasting business.

Administrative expenses

The Group's administrative expenses for the Period decreased by approximately 62.2% to approximately HK\$5.4 million (2017: approximately HK\$14.1 million) as compared with that for the same period of the previous year. The administrative expenses mainly consisted of legal and professional fees, staff costs (including Directors' remuneration), depreciation expenses and rental expenses. The decrease in administrative expenses was mainly due to the delay of payment of year end bonus of the year before in respect of provision of civil engineering services business in same period of the previous year.

毛利

本集團於本期間之毛利減少約85.5%至約2,000,000港元(二零一七年:約13,500,000港元)。本集團於本期間之毛利率減少至約2.9%(二零一七年:約11.3%)。毛利減少乃主要由於若干土木工程項目的工程因達致保養階段或接近竣工階段而減少,因此於期內產生較少利潤。

其他收入

本集團於本期間之其他收入較去年同期增加約13.7倍至約100,000港元(二零一七年:約7,000港元)。其他收入主要包括於本期間內已收透過損益按公平值計入賬之金融資產的投資的現金股息。

其他收益及虧損

本集團於本期間之其他收益及虧損為盈餘約700,000港元(二零一七年:虧絀約200,000港元)。其他收益及虧損主要包括本期間匯兌收益淨額。

攤銷開支

本集團於本期間之攤銷開支較去年同期減少約1.6%至約4,800,000港元(二零一七年:約4,800,000港元)。攤銷開支主要包括電視播放業務之電視播放權及電影版權之攤銷。

行政開支

本集團於本期間之行政開支較去年同期減少約62.2%至約5,400,000港元(二零一七年:約14,100,000港元)。行政開支主要包括法律和專業費用、員工成本(包括董事薪酬)、折舊開支以及租金開支。行政開支減少乃主要由於去年同期因提供土木工程服務業務而遞延支付前年年終獎金。

Finance costs

The Group's finance costs for the Period decreased by approximately 36.0% to approximately HK\$6.4 million (2017: approximately HK\$10.0 million) as compared with that for the same period of the previous year. The finance costs mainly consisted of interest expenses for the promissory note and convertible notes.

Net Loss

The net loss attributable to the owners of the Company for the Period increased by approximately 32.0% to approximately HK\$16.8 million (2017: approximately HK\$12.7 million) as compared with that for the same period of previous year.

Loss per Share

The basic loss per Share was approximately HK0.41 cent (2017: approximately HK0.31 cent).

PROSPECTS

The Group anticipates the coming year is still a challenging year. The provision of civil engineering services business will continue to provide a stable source of revenue and remains the major contributor to revenue while the Group will continue to develop the television broadcasting business. The Group will continue to cautiously monitor the business environment and continue to strength the competitiveness in the markets. The Group has been actively seeking suitable investment opportunities for business diversification. The Group will explore into different industry sectors so as to expand and diversify the scope of the Group's business.

Provision of civil engineering services

Looking ahead, the Group still remains prudently optimistic about the prospects of the construction industry in Hong Kong. However, due to the decrease in the number of engineering contracts available from both the public sectors due to the hard-hit by the prolonged debates in the Legislative Council, the construction industry remained tough with keen competition among the market players in recent years. Added to this, the continuous increase in direct labour and material costs undoubtedly increase the overall pressure on this business segment in forth-coming year.

融資成本

本集團於本期間之融資成本較去年同期減少約36.0%至約6,400,000港元(二零一七年:約10,000,000港元)。融資成本主要包括承兌票據及可換股票據之利息開支。

淨虧損

本期間本公司擁有人應佔淨虧損較去年同期增加約32.0%至約16,800,000港元(二零一七年:約12,700,000港元)。

每股虧損

每股基本虧損為約0.41港仙(二零一七年:約0.31港仙)。

前景

本集團預期未來一年仍將是充滿挑戰的一年。提供土木工程服務業務將繼續提供穩定的收入來源並仍會是主要收入貢獻來源,同時本集團將繼續發展電視播放業務。本集團將繼續謹慎監察營商環境,鞏固自身於各市場之競爭力。本集團亦會持續積極地為業務多元化尋求合適投資機會。本集團將探索不同行業領域,以擴展及多元化本集團之業務範圍。

提供土木工程服務

展望未來,本集團對香港建造業的前景保持審慎樂觀態度。然而,由於立法會冗長辯論的沉重打擊,來自公營部門之工程合約數量減少,近幾年建造業整體境況艱難,業內市場參與者之間競爭激烈。除此之外,直接勞工及材料成本的持續上漲無疑將於來年加大該業務分部的整體壓力。

Leveraging on the Group's registered license and certain crucial qualifications, the Group is confident that the Group is able to tender new projects with customers from both public and private sectors in order to maintain the market share in Hong Kong. Also, the Group will strengthen its market position in the industry and increase its market shares by adjusting the tendering strategies by lowering the bidding prices for new contracts, in order to dilute the risk on decrease in projects on hand due to the filibuster in the Legislative Council and strengthening the Group's manpower in order to cater the growing demand for the businesses of the Group.

Television broadcasting business

Intensive competition as well as deteriorating market development, the Group continued to sustain larger pressure and challenges in traditional television broadcasting business. Under the current circumstances, the Group aims to co-operating with different partners and adopting different development strategies for generating synergies between different segments and media platforms. The Group will review and revise its business strategies on a regular basis with the aim to better position itself to meet the challenges ahead and to capitalize any future opportunities as they arise.

The Group strives to generate positive return to preserve values of the shareholders through its sustainable business development. At the same time, the Group will adhere to a prudent attitude in identifying investment opportunities with potentials for long-term development to further gather the Group's momentum for sustainable business growth aiming at achieving the goals of improving returns for shareholders, to pave the way for a better result and prospect for the Group and to enhance the returns to our shareholders as a whole.

DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 30 June 2018.

SHARE OPTION SCHEME

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

憑藉本集團的註冊牌照及若干重要資歷，本集團有信心能夠競得公營及私營部門客戶的新項目，維持於香港之市場份額。此外，本集團將透過降低新合約之投標價調整投標策略，鞏固自身於行業之市場地位並增加市場佔有率，從而減低因立法會拉布而使手頭上項目減少之風險。同時，本集團將加強人手配置，滿足本集團業務之增長需要。

電視播放業務

由於激烈競爭及每況愈下的市場發展，本集團就傳統電視廣播業務承受的壓力與挑戰不斷升級。面對當前情況，本集團計劃與多方夥伴展開合作並採納不同的發展策略，使不同分部及媒體平台之間產生協同效應。本集團亦會定期檢討及修改其業務策略，使自身處於有利地位，直面前方挑戰同時把握未來出現之商機。

本集團致力透過其可持續之業務發展為股東帶來正面回報或保留其價值。同時，本集團將堅持審慎尋找具有長期發展潛力的投資機會，進一步凝聚本集團持續業務增長的動力，實現提高股東回報的目標，為本集團取得更佳業績及前景鋪路，並提升股東整體回報。

股息

董事會不建議就截至二零一八年六月三十日止三個月派付任何股息。

購股權計劃

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

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

As at 30 June 2018, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Long position in the Shares:

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

Note:

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

董事及主要行政人員於本公司及其相聯法團的股份、相關股份或債權證的權益及淡倉

於二零一八年六月三十日，董事及本公司主要行政人員於本公司或其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例的有關條文彼等被當作或視作擁有的權益及淡倉）；或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益及淡倉；或根據GEM上市規則第5.46條所述董事進行交易的規定標準須知會本公司及聯交所的權益及淡倉如下：

於股份之好倉：

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

附註：

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

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

Saved as disclosed above, as at 30 June 2018, none of the Directors and chief executive of the Company had any other interests or short positions in any Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

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

除上文所披露者外，於二零一八年六月三十日，概無董事及本公司主要行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）的任何股份、相關股份及債權證中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的任何其他權益或淡倉（包括根據證券及期貨條例的有關條文彼等被當作或視作擁有的權益或淡倉）；或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益或淡倉；或根據GEM上市規則第5.46條所述董事進行交易的規定標準須知會本公司及聯交所的權益或淡倉。

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

主要股東及其他人士於本公司股份及相關股份的權益及淡倉

So far as was known to the Directors, as at 30 June 2018, the following persons/entities (other than the Directors or chief executive of the Company) had, or are deemed to have, interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or who/which were recorded in the register required to be kept by the Company under Section 336 of the SFO with details as follows:

就董事所知，於二零一八年六月三十日，下列人士／實體（董事及本公司主要行政人員除外）擁有或被視作擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露的本公司股份、相關股份或債權證的權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何成員公司的股東大會上投票的任何類別股本面值5%或以上權益，或被記錄於本公司根據證券及期貨條例第336條存置之登記冊，詳情如下：

Long position in the Shares:

於股份之好倉：

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

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

Notes:

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

Saved as disclosed above, as at 30 June 2018, the Directors were not aware of any other person/entity (other than the Directors or chief executive as disclosed in the paragraph headed "Directors' and chief executive's interests and short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations" above) who/which had, or is deemed to have, interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who which were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or who/which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

主要股東及其他人士於本公司股份及相關股份的權益及淡倉 (續)

附註:

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

除上文所披露者外,於二零一八年六月三十日,就董事所知,概無任何其他人士/實體(並非上文「董事及主要行政人員於本公司及其相聯法團的股份、相關股份或債權證的權益及淡倉」一段所披露之董事或主要行政人員)擁有或被視為擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露的本公司股份、相關股份或債權證的權益或淡倉,或直接或間接擁有附帶權利可於任何情況下在本集團任何成員公司的股東大會上投票的任何類別股本面值5%或以上權益,或被記錄於本公司根據證券及期貨條例第336條存置之登記冊。

董事購買股份或債權證的權利

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

PURCHASE, SALE OR REDEMPTION OF THE SHARES

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

CONNECTED TRANSACTIONS

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

Television Broadcasting Right Agreement

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

Announcement Posting Agreements

On 12 May 2018 and 12 May 2017, the Company entered into agreements (the “Announcement Posting Agreements”) with Hong Kong Listco Limited (“HKLC”) pursuant to which HKLC will provide the Company with the service of dissemination of announcements including hosting and posting of announcements, press releases or other documents as required by the GEM Listing Rules on the website(s) of the Group at a monthly service fee of HK\$750 for a term of one year commencing from 1 July 2018 and 1 July 2017 respectively. HKLC is a company incorporated in Hong Kong and is wholly and beneficially owned by Mr. Chia Kar Hin, Eric John which was the director of the Company within the past twelve months. The Company considers it more cost effective to engage a professional firm to take up this report posting obligation after listing.

購買、出售或贖回股份

於本期間內，本公司及其任何附屬公司概無購買、出售或贖回任何股份。

關連交易

於本期間內，本集團訂立以下持續關連交易：

電視播放權協議

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

刊登公佈協議

於二零一八年五月十二日及二零一七年五月十二日，本公司與公司資訊網有限公司（「公司資訊網」）訂立協議（「刊登公佈協議」），據此，公司資訊網將向本公司提供公佈發佈服務，包括於本集團網站上安排及刊登公佈、媒體報道或GEM上市規則規定之其他文件，每月服務費為750港元，分別自二零一八年七月一日及二零一七年七月一日起計為期一年。公司資訊網為一間於香港註冊成立之公司，由於過往十二個月內曾擔任本公司董事之謝嘉軒先生全資實益擁有。本公司認為於上市後委聘一間專業公司承擔本報告刊登之責任更具成本效益。

CONNECTED TRANSACTIONS (Continued)

GEM Listing Rules Implications

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

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

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

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

關連交易 (續)

GEM上市規則的涵義

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

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

除上文披露者外，於本期間內，董事、本公司控股股東及彼等各自的聯繫人概無與本集團有任何其他關連交易。

董事進行證券交易之行為守則

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

CODE ON CORPORATE GOVERNANCE PRACTICES

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

Paragraph A.6.7 of the Code requires that independent non-executive directors and non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. A non-executive Director, Ms. Tang Li, did not attend the annual general meeting of the Company held on 8 August 2018 due to overseas commitment and pre-arranged business engagements. Other Board members, the chairmen of the relevant Board committees and the external auditor of the Company also attended the annual general meeting to inter-face with, and answer questions from the Shareholders.

AUDIT COMMITTEE

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

企業管治常規守則

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

守則第A.6.7段規定，獨立非執行董事及非執行董事應出席股東大會，對股東之意見有公正之了解。一位非執行董事（即唐麗女士）因海外事務及預先事務安排未有出席本公司於二零一八年八月八日舉行之股東週年大會。其他董事會成員、相關董事委員會主席及本公司外部核數師亦有出席股東週年大會以正面回答股東提問。

審核委員會

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

AUDIT COMMITTEE (Continued)

As at 30 June 2018, the members of the Audit Committee were Mr. Wong Chung Yip, Kenneth, Ms. Tang Li, Mr. Law Cheuk Hung, Mr. Wu Guo Ming and Mr. Wan Chi Keung, Aaron, BBS, JP. Mr. Wong Chung Yip, Kenneth was the chairman of the Audit Committee. The Audit Committee had reviewed the unaudited condensed consolidated results of the Group for the Period and is of the opinion that the preparation of such results complied with the applicable accounting standards and that adequate disclosures have been made.

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

Hong Kong, 8 August 2018

As at the date of this report, the Directors are Dr. Jiang Yan¹ (Chairman), Dr. Li Yong Sheng¹ (Vice Chairman and Chief Executive Officer), Mr. Liu Da Yong¹, Mr. Kan Kwok Cheung¹, Ms. Tang Li², Mr. Law Cheuk Hung², Mr. Fan Chun Wah, Andrew, JP³, Mr. Wu Guo Ming³, Mr. Wan Chi Keung, Aaron, BBS, JP³ and Mr. Wong Chung Yip, Kenneth³.

¹ Executive Director

² Non-executive Director

³ Independent non-executive Director

審核委員會 (續)

於二零一八年六月三十日，審核委員會的成員包括王忠業先生、唐麗女士、羅焯雄先生、吳國銘先生及尹志強先生，銅紫荊星章，太平紳士。王忠業先生為審核委員會主席。審核委員會已審閱本集團於本期間之未經審核簡明綜合業績，並認為該等業績的編製符合適用會計準則並已作出充分披露。

代表董事會
中國新華電視控股有限公司
副主席兼行政總裁
李永升

香港，二零一八年八月八日

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

¹ 執行董事

² 非執行董事

³ 獨立非執行董事



CNC HOLDINGS LIMITED
中國新華電視控股有限公司