

IMPORTANT NOTICE

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

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

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

重要事項

香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)的特色

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

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

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

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

RESULTS

The board of Directors (the “**Board**”) of Heng Xin China Holdings Limited (the “**Company**”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months and nine months ended 30 September 2016, together with the comparative unaudited figures for the corresponding periods in 2015.

業績

恒芯中國控股有限公司(「本公司」)董事會(「董事會」)公佈本公司及其附屬公司(統稱「本集團」)截至二零一六年九月三十日止三個月及九個月之未經審核簡明綜合業績，連同二零一五年同期之未經審核比較數字。

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2016

簡明綜合損益及其他全面收入表

截至二零一六年九月三十日止三個月及九個月

		Three months ended 30 September 截至九月三十日 止三個月		Nine months ended 30 September 截至九月三十日 止九個月	
		2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (經重列)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (經重列)
CONTINUING OPERATIONS	持續經營業務				
Revenue	收益	3	1,983	6,205	13,435
Cost of sales	銷售成本		(381)	(2,997)	(4,898)
Gross profit	毛利		1,602	3,208	8,537
Other income	其他收入	3	247	420	905
Selling and marketing expenses	銷售及市場推廣開支		(41)	(213)	(586)
Other operating expenses	其他經營費用		(15,993)	(13,616)	(47,863)
Finance costs	融資成本	4	(1,094)	(2,474)	(6,903)
Loss on deconsolidation of a subsidiary	取消一間附屬公司 綜合入賬之虧損	5	(65,403)	-	(65,403)
Loss before taxation	除稅前虧損	6	(80,682)	(12,675)	(111,313)
Taxation	稅項	7	(11)	(17)	(52)
Loss for the period from continuing operations	持續經營業務期內虧損		(80,693)	(12,692)	(111,365)
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		(402)	(2,141)	(14,603)
LOSS FOR THE PERIOD	期內虧損		(81,095)	(14,833)	(125,968)

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

For the three months and nine months ended 30 September 2016

簡明綜合損益及其他全面收入表(續)

截至二零一六年九月三十日止三個月及九個月

	Note 附註	Three months ended 30 September 截至九月三十日 止三個月		Nine months ended 30 September 截至九月三十日 止九個月	
		2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (經重列)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (經重列)
Loss for the period	期內虧損	(81,095)	(14,833)	(125,968)	(61,045)
Other comprehensive (loss)/income:	其他全面(虧損)/收入:				
Items that may be reclassified subsequently to profit or loss:	其後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	(4,052)	5,006	(14,007)	(1,904)
Exchange differences reclassified to profit or loss on deconsolidation of a subsidiary	取消一間附屬公司綜合入賬時重新分類至損益之匯兌差額	4,564	–	4,564	–
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	期內全面虧損總額	(80,583)	(9,827)	(135,411)	(62,949)
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	(81,751)	(12,691)	(111,364)	(52,565)
Loss from discontinued operations	已終止經營業務虧損	(206)	(1,093)	(7,448)	(4,325)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(81,957)	(13,784)	(118,812)	(56,890)
Non-controlling interests	非控股股東權益	862	(1,049)	(7,156)	(4,155)
		(81,095)	(14,833)	(125,968)	(61,045)
TOTAL COMPREHENSIVE (LOSS)/INCOME ATTRIBUTABLE TO:	以下人士應佔全面(虧損)/收入總額:				
Owners of the Company	本公司擁有人	(81,445)	(8,778)	(128,255)	(58,794)
Non-controlling interests	非控股股東權益	862	(1,049)	(7,156)	(4,155)
		(80,583)	(9,827)	(135,411)	(62,949)
LOSS PER SHARE	每股虧損				
From continuing and discontinued operations	來自持續及已終止經營業務				
– Basic and diluted	– 基本及攤薄	(1.00)	(0.30)	(1.58)	(1.29)
From continuing operations	來自持續經營業務				
– Basic and diluted	– 基本及攤薄	(1.00)	(0.27)	(1.48)	(1.19)
From discontinued operations	來自已終止經營業務				
– Basic and diluted	– 基本及攤薄	(0.00)	(0.03)	(0.10)	(0.10)

Notes:

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 in Hong Kong is Suite 3604, 36/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

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

The principal activities of the Group are engaged in digital cable television business, wireless digital television value-added services, wireless digital audio integrated circuits, business of manufacturing and selling of castor seeds and castor beans and selling of castor oil.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the nine months ended 30 September 2016 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for the financial instruments, which are measured at fair value. The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the financial statements for the year ended 31 December 2015. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's annual report for the year ended 31 December 2015. Those new accounting standards, amendments to accounting standards and interpretations which are mandatory for financial year ending 31 December 2016 have no material impact on the Group.

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

附註：

1. 一般資料

本公司於百慕達註冊成立為受豁免有限公司。本公司註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda，而其香港主要營業地點為香港灣仔港灣道18號中環廣場36樓3604室。

本公司為一間投資控股公司。本公司股份自二零零三年四月十六日起於聯交所創業板上市。

本集團之主要業務則包括從事有線數位電視業務、無線數位電視增值服務、無線數位音頻芯片，以及生產及銷售蓖麻種子及蓖麻籽業務及蓖麻油的銷售。

2. 編製基準及會計政策

截至二零一六年九月三十日止九個月之未經審核簡明綜合財務報表乃按香港會計師公會頒佈之香港財務報告準則（「香港財務報告準則」）及創業板上規例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，惟金融工具乃以公平值計量。編製未經審核簡明綜合財務報表所採用之會計政策及計算方法與編製截至二零一五年十二月三十一日止年度之財務報表所採用者一致。該等未經審核簡明綜合財務報表應與本公司截至二零一五年十二月三十一日止年度之年報一併閱讀。須於截至二零一六年十二月三十一日止財政年度強制採用之新訂會計準則、會計準則之修訂及詮釋不會對本集團構成重大影響。

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

3. REVENUE

Revenue recognised by category during the three months and nine months ended 30 September 2016 are as follows:

3. 收益

截至二零一六年九月三十日止三個月及九個月之收益分類確認如下：

		Three months ended 30 September 截至九月三十日 止三個月		Nine months ended 30 September 截至九月三十日 止九個月	
		2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (經重列)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (經重列)
Revenue	收益				
Digital cable television business	有線數位電視業務	799	3,161	5,111	6,195
Wireless digital television value-added services business	無線數位電視增值服務業務	1,184	2,948	8,324	8,844
Encrypted integrated circuits business	加密芯片業務	-	-	-	118
Wireless digital audio integrated circuits business	無線數位音頻芯片業務	-	96	-	96
Wireless digital terrestrial television network equipment integrated business	地面無線數位電視網絡設備集成業務	-	-	-	743
Castor products business	蓖麻產品業務	-	-	-	-
		1,983	6,205	13,435	15,996
Representing:	其中：				
- Continuing operations	- 持續經營業務	1,983	6,205	13,435	15,996
Other income	其他收入				
Bank interest income	銀行利息收入	12	1	13	4
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	-	82	-	207
Sundry income	雜項收入	235	338	892	481
		247	421	905	692
Representing:	其中：				
- Continuing operations	- 持續經營業務	247	420	905	691
- Discontinued operations	- 已終止經營業務	-	1	-	1
		247	421	905	692

4. FINANCE COSTS

4. 融資成本

		Three months ended 30 September 截至九月三十日 止三個月		Nine months ended 30 September 截至九月三十日 止九個月	
		2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (經重列)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (經重列)
Imputed interest on convertible bonds	可換股債券之估算利息	709	-	4,879	-
Interest on short term loans	短期貸款之利息	385	898	1,282	1,438
Interest on notes payable	應付票據之利息	-	1,576	742	5,237
		1,094	2,474	6,903	6,675
Representing:	其中：				
- Continuing operations	- 持續經營業務	1,094	2,474	6,903	6,675

5. LOSS ON DECONSOLIDATION OF A SUBSIDIARY

The financial results of 山西中澤恒遠生物科技股份有限公司(Shanxi Zhongze Heng Yuan Biological Technology Company Limited*) ("Shanxi Zhongze"), a 51% owned subsidiary of the Company, was deconsolidated from the consolidated financial statements of the Company from 1 January 2016 due to the incident of a suspected misappropriation of funds of Shanxi Zhongze. As a result, results, assets, liabilities and cash flows of Shanxi Zhongze was deconsolidated from the consolidated financial statements of the Group from 1 January 2016.

Net assets of Shanxi Zhongze as at the date of deconsolidation were as follows:

5. 取消一間附屬公司綜合入賬之虧損

由於山西中澤恒遠生物科技股份有限公司(「山西中澤」，本公司擁有51%股權之附屬公司)涉嫌挪用資金事件，故山西中澤之財務業績自二零一六年一月一日起於本公司綜合財務報表中取消綜合入賬。因此，山西中澤之業績、資產、負債及現金流量自二零一六年一月一日起於本集團綜合財務報表中取消綜合入賬。

於取消綜合入賬日期，山西中澤之資產淨值如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	85
Intangible assets	無形資產	31,822
Goodwill	商譽	8,883
Derivative financial instruments	衍生金融工具	3,896
Current assets	流動資產	66,222
Cash and cash equivalents	現金及現金等價物	760
Current liabilities	流動負債	(3,606)
Non-controlling interests	非控股股東權益	(47,223)
Net assets of the deconsolidated subsidiary	取消一間附屬公司綜合入賬之資產淨值	60,839
Release of the related foreign currency translation reserves	解除相關外幣換算儲備	4,564
Loss on deconsolidation of a subsidiary	取消一間附屬公司綜合入賬之虧損	65,403
Net cash outflow arising on deconsolidation of a subsidiary:	取消一間附屬公司綜合入賬產生之現金流出淨額：	
Cash and cash equivalents of a subsidiary deconsolidated	取消一間附屬公司綜合入賬之現金及現金等價物	760

5. LOSS ON DECONSOLIDATION OF A SUBSIDIARY (Continued)

Statement of Profit or Loss of Shanxi Zhongze

The results of Shanxi Zhongze for the nine months ended 30 September 2016, for the six months ended 30 June 2016 and for the year ended 31 December 2015 were as follows:

		Nine months ended 30 September 2016 截至二零一六年 九月三十日止九個月 RMB'000 人民幣千元 (Unaudited) (未經審核)	Six months ended 30 June 2016 截至二零一六年 六月三十日止六個月 RMB'000 人民幣千元 (Unaudited) (未經審核)	Year ended 31 December 2015 截至二零一五年 十二月三十一日止年度 RMB'000 人民幣千元 (Audited) (經審核)
Revenue	收益	1,280	1,280	–
Cost of sales	銷售成本	(920)	(920)	–
Gross profit	毛利	360	360	–
Other income	其他收入	166	166	–
Selling and marketing expenses	銷售及市場推廣 開支	(166)	(125)	(167)
Other operating expenses	其他經營費用	(2,657)	(1,887)	(3,775)
Finance costs	融資成本	(1)	(1)	(2)
Loss before taxation	除稅前虧損	(2,298)	(1,487)	(3,944)
Taxation	稅項	–	–	–
LOSS FOR THE PERIOD	期內虧損	(2,298)	(1,487)	(3,944)

5. 取消一間附屬公司綜合入賬之虧損(續)

山西中澤之損益表

山西中澤於截至二零一六年九月三十日止九個月、截至二零一六年六月三十日止六個月及截至二零一五年十二月三十一日止年度之業績如下：

5. LOSS ON DECONSOLIDATION OF A SUBSIDIARY (Continued)

5. 取消一間附屬公司綜合入賬之虧損(續)

Statement Financial Position of Shanxi Zhongze

The financial position of Shanxi Zhongze as at 30 September 2016, 30 June 2016 and 31 December 2015 were as follows:

山西中澤之財務狀況表

山西中澤於二零一六年九月三十日、二零一六年六月三十日及二零一五年十二月三十一日之財務狀況如下：

		30 September 2016 二零一六年 九月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	36	40	46
Intangible assets	無形資產	21,303	21,836	22,895
		21,339	21,876	22,941
Current assets	流動資產			
Inventories	存貨	33,909	33,909	34,826
Trade receivables	應收賬款	1,080	1,080	-
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	68,149	21,472	21,488
Cash and cash equivalents	現金及現金等價物	16	1	646
		103,154	56,462	56,960
Current liabilities	流動負債			
Trade payables	應付賬款	45,000	-	-
Other payables and accruals	其他應付款項及應計費用	3,916	1,950	2,026
		48,916	1,950	2,026
Net current assets	流動資產淨值	54,238	54,512	54,934
Net assets	資產淨值	75,577	76,388	77,875
Capital and reserves	資本及儲備			
Share capital	股本	61,230	61,230	61,230
Reserves	儲備	14,347	15,158	16,645
Total equity	權益總額	75,577	76,388	77,875

6. LOSS BEFORE TAXATION

The Group's loss before taxation from continuing operations is arrived at after charging:

6. 除稅前虧損

本集團持續經營業務除稅前虧損乃經扣除下列各項後列賬：

		Three months ended 30 September 截至九月三十日 止三個月		Nine months ended 30 September 截至九月三十日 止九個月	
		2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (經重列)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (經重列)
Depreciation	折舊	2,370	3,582	9,024	10,714
Research and development costs	研究及開發成本	4,235	1,474	6,521	9,316
Staff costs (including Directors' emoluments)	員工成本(包括董事酬金)				
– salaries and allowances	– 薪金及津貼	3,281	4,623	12,080	13,572
– retirement benefits scheme contributions	– 退休福利計劃供款	518	759	1,501	2,379

7. TAXATION

7. 稅項

		Three months ended 30 September 截至九月三十日 止三個月		Nine months ended 30 September 截至九月三十日 止九個月	
		2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (經重列)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (經重列)
Current tax:	即期稅項：				
– Hong Kong	– 香港	–	–	–	–
– PRC Enterprise Income Tax	– 中國企業所得稅	11	17	52	60
		11	17	52	60
Representing:	其中：				
– Continuing operations	– 持續經營業務	11	17	52	60

The provision for Hong Kong Profits Tax is calculated at 16.5% (2015: 16.5%), no provision for Hong Kong Profits Tax has been made as the Group has no assessable profits. The PRC Enterprise Income Tax has been provided at a rate of 25% (2015: 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%(二零一五年: 16.5%)計算,由於本集團並無應課稅溢利,故並未就香港利得稅計提撥備。中國企業所得稅按本集團旗下公司法定賬目所呈報的應課稅收入之25%(二零一五年: 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。

8. LOSS PER SHARE

(a) From continuing and discontinued operations

Basic loss per share

Basic loss per share for the three months ended 30 September 2016 is calculated by dividing the loss attributable to owners of the Company for the three months ended 30 September 2016 of HK\$81,957,000 (2015: loss of HK\$13,784,000) by the weighted average number of 8,119,760,000 (2015: 4,651,277,000) ordinary shares in issue during the period.

Basic loss per share for the nine months ended 30 September 2016 is calculated by dividing the loss attributable to owners of the Company for the nine months ended 30 September 2016 of HK\$118,812,000 (2015: loss of HK\$56,890,000) by the weighted average number of 7,525,786,000 (2015: 4,414,333,000) ordinary shares in issue during the period.

Diluted loss per share

No diluted loss per share from continuing and discontinued operations has been presented for the three months and nine months ended 30 September 2016 and 2015 as the Company did not have any dilutive potential ordinary shares.

(b) From continuing operations

Basic loss per share

Basic loss per share for the three months ended 30 September 2016 is calculated by dividing the loss from continuing operations attributable to owners of the Company for the three months ended 30 September 2016 of HK\$81,751,000 (2015: loss of HK\$12,691,000) by the weighted average number of 8,119,760,000 (2015: 4,651,277,000) ordinary shares in issue during the period.

Basic loss per share for the nine months ended 30 September 2016 is calculated by dividing the loss from continuing operations attributable to owners of the Company for the nine months ended 30 September 2016 of HK\$111,364,000 (2015: loss of HK\$52,565,000) by the weighted average number of 7,525,786,000 (2015: 4,414,333,000) ordinary shares in issue during the period.

Diluted loss per share

No diluted loss per share from continuing operations has been presented for the three months and nine months ended 30 September 2016 and 2015 as the Company did not have any dilutive potential ordinary shares.

(c) From discontinued operations

Basic loss per share

Basic loss per share for the three months ended 30 September 2016 is calculated by dividing the loss from discontinued operations attributable to owners of the Company for the three months ended 30 September 2016 of HK\$206,000 (2015: loss of HK\$1,093,000) and the weighted average number of 8,119,760,000 (2015: 4,651,277,000) ordinary shares in issue during the period.

8. 每股虧損

(a) 來自持續及已終止經營業務

每股基本虧損

截至二零一六年九月三十日止三個月之每股基本虧損乃根據本公司擁有人於截至二零一六年九月三十日止三個月應佔虧損81,957,000港元(二零一五年:虧損13,784,000港元)除以期內已發行普通股加權平均數8,119,760,000股(二零一五年:4,651,277,000股)計算。

截至二零一六年九月三十日止九個月之每股基本虧損乃按截至二零一六年九月三十日止九個月本公司擁有人應佔虧損118,812,000港元(二零一五年:虧損56,890,000港元)除以期內已發行普通股加權平均數7,525,786,000股(二零一五年:4,414,333,000股)計算。

每股攤薄虧損

由於截至二零一六年以及二零一五年九月三十日止三個月及九個月本公司並無任何攤薄潛在普通股,故並無呈列來自持續及已終止經營業務之每股攤薄虧損。

(b) 來自持續經營業務

每股基本虧損

截至二零一六年九月三十日止三個月之每股基本虧損乃根據本公司擁有人於截至二零一六年九月三十日止三個月應佔來自持續經營業務虧損81,751,000港元(二零一五年:虧損12,691,000港元)除以期內已發行普通股加權平均數8,119,760,000股(二零一五年:4,651,277,000股)計算。

截至二零一六年九月三十日止九個月之每股基本虧損乃按截至二零一六年九月三十日止九個月本公司擁有人應佔來自持續經營業務虧損111,364,000港元(二零一五年:虧損52,565,000港元)除以期內已發行普通股加權平均數7,525,786,000股(二零一五年:4,414,333,000股)計算。

每股攤薄虧損

由於截至二零一六年以及二零一五年九月三十日止三個月及九個月本公司並無任何攤薄潛在普通股,故並無呈列來自持續經營業務之每股攤薄虧損。

(c) 來自已終止經營業務

每股基本虧損

截至二零一六年九月三十日止三個月之每股基本虧損乃根據本公司擁有人於截至二零一六年九月三十日止三個月應佔來自已終止經營業務虧損206,000港元(二零一五年:虧損1,093,000港元)除以期內已發行普通股加權平均數8,119,760,000股(二零一五年:4,651,277,000股)計算。

8. LOSS PER SHARE (Continued)

(c) From discontinued operations (Continued)

Basic loss per share (Continued)

Basic loss per share for the nine months ended 30 September 2016 is calculated by dividing the loss from discontinued operations attributable to owners of the Company for the nine months ended 30 September 2016 of HK\$7,448,000 (2015: loss of HK\$4,325,000) by the weighted average number of 7,525,786,000 (2015: 4,414,333,000) ordinary shares in issue during the period.

Diluted loss per share

No diluted loss per share from discontinued operations has been presented for the three months and nine months ended 30 September 2016 and 2015 as the Company did not have any dilutive potential ordinary shares.

9. DIVIDEND

The Board has resolved not to declare any interim dividend for the nine months ended 30 September 2016 (2015: Nil).

10. RESERVES

8. 每股虧損(續)

(c) 來自已終止經營業務(續)

每股基本虧損(續)

截至二零一六年九月三十日止九個月之每股基本虧損乃按截至二零一六年九月三十日止九個月本公司擁有人應佔來自已終止經營業務虧損7,448,000港元(二零一五年:虧損4,325,000港元)除以期內已發行普通股加權平均數7,525,786,000股(二零一五年:4,414,333,000股)計算。

每股攤薄虧損

由於截至二零一六年以及二零一五年九月三十日止三個月及九個月本公司並無任何攤薄潛在普通股,故並無呈列來自已終止經營業務之每股攤薄虧損。

9. 股息

董事會議決不宣派截至二零一六年九月三十日止九個月之任何中期股息(二零一五年:無)。

10. 儲備

		Unaudited 未經審核										
		Attributable to the owners of the Company 本公司擁有人應佔										
		Share capital	Share premium	Capital reserve	Exchange fluctuation reserve	Other reserve	Share option reserve	Convertible bonds equity reserve	Accumulated losses	Sub-Total	Non-controlling interests	Total equity
		股本	股份溢價	資本儲備	匯兌儲備	其他儲備	購股權儲備	可換股債券權益儲備	累計虧損	小計	股東權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 January 2015 (audited)	於二零一五年一月一日之結餘(經審核)	34,586	1,478,350	2,325	80,847	(79,992)	4,236	-	(1,183,650)	336,702	21,039	357,741
Loss for the period	期內虧損	-	-	-	-	-	-	-	(56,890)	(56,890)	(4,155)	(61,045)
Other comprehensive expenses	其他全面開支	-	-	-	-	-	-	-	-	-	-	-
- Exchange difference on translating of foreign operations	- 換算海外業務之匯兌差額	-	-	-	(1,904)	-	-	-	-	(1,904)	-	(1,904)
Total comprehensive loss for the nine months ended 30 September 2015	截至二零一五年九月三十日止九個月之全面虧損總額	-	-	-	(1,904)	-	-	-	(56,890)	(58,794)	(4,155)	(62,949)
Issue of new shares	發行新股份	12,116	132,876	-	-	-	-	-	-	144,992	-	144,992
Balance at 30 September 2015 (unaudited)	於二零一五年九月三十日之結餘(未經審核)	46,702	1,611,226	2,325	78,943	(79,992)	4,236	-	(1,240,540)	422,900	16,884	439,784
Balance at 1 January 2016 (audited)	於二零一六年一月一日之結餘(經審核)	52,602	1,667,276	2,325	56,679	(79,992)	4,236	-	(1,635,744)	67,382	59,687	127,069
Loss for the period	期內虧損	-	-	-	-	-	-	-	(118,812)	(118,812)	(7,156)	(125,968)
Other comprehensive expenses	其他全面開支	-	-	-	-	-	-	-	-	-	-	-
- Exchange difference on translating of foreign operations	- 換算海外業務之匯兌差額	-	-	-	(14,007)	-	-	-	-	(14,007)	-	(14,007)
- Deconsolidation of a subsidiary	- 取消一間附屬公司綜合入賬	-	-	-	4,564	-	-	-	-	4,564	(47,223)	(42,659)
Total comprehensive loss for the nine months ended 30 September 2016	截至二零一六年九月三十日止九個月之全面虧損總額	-	-	-	(9,443)	-	-	-	(118,812)	(128,255)	(54,379)	(182,634)
Issue of new shares	發行新股份	17,400	182,700	-	-	-	-	-	-	200,100	-	200,100
Convertible bonds - equity component	可換股債券 - 權益部份	-	-	-	-	-	-	18,244	-	18,244	-	18,244
Conversion of convertible bonds	兌換可換股債券	13,043	141,836	-	-	-	-	(18,244)	-	136,635	-	136,635
Share options lapsed during the period	期內已失效之購股權	-	-	-	-	-	(4,236)	-	4,236	-	-	-
Balance at 30 September 2016 (unaudited)	於二零一六年九月三十日之結餘(未經審核)	83,045	1,991,812	2,325	47,236	(79,992)	-	-	(1,750,320)	294,106	5,308	299,414

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the nine months ended 30 September 2016, the Group recorded a consolidated revenue of approximately HK\$13.4 million, representing a decrease of approximately 16% when compared to approximately HK\$16 million for the corresponding period in last year. Revenue for the three months ended 30 September 2016 amounted to approximately HK\$2.0 million, representing a decrease of approximately 67.7% when compared to HK\$6.2 million of the corresponding period in the previous year.

Gross profit margin of the Group for the period was approximately 64%, representing an increase by 31.3% from approximately 32.7% of the corresponding period of last year, resulting for the change of business mix.

Other income amounted to approximately HK\$0.9 million, compared to approximately HK\$0.7 million for the corresponding period in the last year. For the nine months ended 30 September 2016, other income mainly arose from 北京亞澳博視技術有限公司 (Beijing Yaa Boshi Technology Limited*) (“**Beijing Yaa**”), an indirectly wholly-owned subsidiary of the Company.

Other operating expenses amounted to approximately HK\$47.9 million for the nine months ended 30 September 2016, representing a decrease of 5% when compared to HK\$50.5 million for the nine months ended 30 September 2015. The Group will tighten cost control during the year.

Finance cost amounted to approximately HK\$6.9 million, of which approximately HK\$4.9 million represents imputed interest on convertible bonds.

The loss attributable to the owners of the Company amounted to approximately HK\$118.8 million for the nine months ended 30 September 2016 while the loss attributable to the owners of the Company amounted to approximately HK\$56.9 million in the corresponding period of last year.

Basic loss per share for the nine months ended 30 September 2016 was approximately HK1.58 cents, which basic loss per share was approximately HK1.29 cents for the corresponding period of the last year.

管理層討論及分析

財務回顧

於截至二零一六年九月三十日止九個月，本集團錄得綜合收益約13,400,000港元，較去年同期之約16,000,000港元減少約16%。截至二零一六年九月三十日止三個月之收益約為2,000,000港元，較上一年度同期之6,200,000港元減少約67.7%。

受業務組合變動影響，本集團期內之毛利率約為64%，較去年同期約32.7%增加31.3%。

其他收入約為900,000港元，而去年同期則約為700,000港元。截至二零一六年九月三十日止九個月之其他收入主要來自本公司之間接全資附屬公司北京亞澳博視技術有限公司（「北京亞澳」）。

截至二零一六年九月三十日止九個月之其他經營費用約為47,900,000港元，較截至二零一五年九月三十日止九個月之50,500,000港元減少5%。於年內本集團將實施更為嚴格之成本控制。

融資成本約為6,900,000港元，其中約4,900,000港元為可換股債券之估算利息。

截至二零一六年九月三十日止九個月，本公司擁有人應佔虧損約為118,800,000港元，而去年同期之本公司擁有人應佔虧損則約為56,900,000港元。

截至二零一六年九月三十日止九個月之每股基本虧損約為1.58港仙，而去年同期每股基本虧損則約為1.29港仙。

Business review

(i) Digital cable television business

Revenue for the nine months ended 30 September 2016 amounted to approximately HK\$5.1 million (2015: HK\$6.2 million) or 38% (2015: 39%) of the total revenue. During the first nine months of 2016, Beijing Yaao, which is a company cooperated with local television stations of Xinji, Dongguang and Qing County in Hebei province to develop a cable television network that cover the three counties contributed most of the revenue in this sector.

(ii) Wireless digital television value-added services business

Revenue for the nine months ended 30 September 2016 amounted to approximately HK\$8.3 million (2015: HK\$8.8 million) or around 62% (2015: 55%) of the total revenue. The Group had signed contracts on wireless mobile digital television operation in Hebei province, which included 6,000 advertising panels in public areas.

(iii) Wireless digital audio integrated circuits business

There was no revenue generated from this segment for the nine months ended 30 September 2016 (2015: HK\$96,000) or around 0% (2015: 1%) of the total revenue. The Group is struggling to explore business in this segment and looking for different means to alleviate the current situation.

Subsequent Event

The financial results of Shanxi Zhongze was deconsolidated from the consolidated financial statements of the Company from 1 January 2016 due to the incident of a suspected misappropriation of funds of Shanxi Zhongze. Please refer to note 5 to the financial statements for further information about Shanxi Zhongze. For further information in relation to the suspected misappropriation, please refer to the inside information announcement of the Company dated 14 November 2016.

Prospects

During the year 2016, the Group would consolidate and serve its contracted broadcasting television subscribers, and build a foundation for achieving the overall objectives of development of the Group. More importantly, the Group will seek cooperation opportunities in new area while expand its business in the provinces in which cooperation has been established, so as to create more rosy growth and the long-term value for Group.

業務回顧

(i) 有線數位電視業務

截至二零一六年九月三十日止九個月，收益約為5,100,000港元(二零一五年：6,200,000港元)或佔總收益38%(二零一五年：39%)。於二零一六年首九個月，北京亞澳(為一間已與河北省辛集縣、東光縣及青縣當地電視台進行合作，以發展覆蓋上述三縣之有線電視網絡之公司)為本分部帶來最多收益。

(ii) 無線數位電視增值服務業務

截至二零一六年九月三十日止九個月，收益約為8,300,000港元(二零一五年：8,800,000港元)或佔總收益約62%(二零一五年：55%)。本集團在河北省簽約了無線移動數位電視運營協定，包含6,000塊公共位置之廣告顯示屏幕。

(iii) 無線數位音頻芯片業務

截至二零一六年九月三十日止九個月，本分部並無產生任何收益(二零一五年：96,000港元)或佔總收益約0%(二零一五年：1%)。本集團正在努力物色該分部業務，並尋找不同方法緩解現狀。

期後事項

由於山西中澤涉嫌挪用資金事件，故山西中澤之財務業績自二零一六年一月一日起於本公司綜合財務報表中取消綜合入賬。有關山西中澤之進一步資料，請參閱財務報表附註5。有關涉嫌挪用資金之進一步資料，請參閱本公司日期為二零一六年十一月十四日之內幕消息公告。

前景

於二零一六年度，本集團將鞏固和建設運營好已經簽約之廣電用戶，為完成本集團之總體發展目標奠定基礎。更重要的是，本集團將尋求在新的省份獲得一些合作機會，而已合作之省份之業務也將進行擴展，為本集團帶來更加可觀之增長和長遠價值。

In 2016, the Group will try to spin-off its traditional cable television and electronic integrated circuits business and gain a foothold in advantageous sectors. The Group will try hard to develop the four major service platforms respectively of internet, patented technology application, financial services, and industry chain integration services in order to foster maximum benefits for the shareholders through horizontal and vertical integration with the above business segments.

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

Acquisition of 9.5% shareholding interest in Million Fortune International Investment Limited

On 1 February 2016, Joyous Raise Investments Limited (“**Joyous Raise**”), a wholly-owned subsidiary of the Company, as purchaser and World Dragon Enterprise Limited (“**World Dragon**”), an independent third party, as vendor entered into a sale and purchase agreement, pursuant to which, World Dragon has conditionally agreed to sell, and Joyous Raise has conditionally agreed to acquire 9.5% shareholding interest of the entire issued share capital of Million Fortune International Investment Limited (“**Million Fortune**”) at a consideration of HK\$61,750,000 (“**Acquisition of Million Fortune**”). Million Fortune indirectly holds 90% equity interest in 中航國金商品交易中心(青島)有限公司 (formerly known as 青島國金貴金屬交易中心有限公司), a company incorporated in the PRC which headquartered in Qingdao, Shandong Province, the PRC and is primarily engaged in the provision of online platform for trading and deferred spot delivery services of precious metals mainly being silver and copper, and other associated services including transaction settlement management, commodity delivery management and related consulting services to customers nationwide in the PRC.

The completion of the Acquisition of Million Fortune has been taken place on 19 February 2016. Relevant disclosure was made in the Company’s announcement dated 1 February 2016.

二零一六年，本集團將努力剝離原有傳統的有線電視及電子芯片業務，並立足於優勢領域。本集團將銳意打造互聯網、專利技術應用、金融服務及產業鏈整合服務四大服務平台，以透過對上述產業進行橫向、縱向的孵化及整合，為股東帶來最大的利益。

於回顧期間之重大收購、出售及持有之重大投資

收購 Million Fortune International Investment Limited 9.5% 股權

於二零一六年二月一日，本公司全資附屬公司 Joyous Raise Investments Limited (「**Joyous Raise**」)(作為買方)與獨立第三方 World Dragon Enterprise Limited (「**World Dragon**」)(作為賣方)簽訂買賣協議，據此，World Dragon 已有條件同意出售而 Joyous Raise 已有條件同意收購 Million Fortune International Investment Limited (「**Million Fortune**」)全部已發行股本中 9.5% 股權，代價為 61,750,000 港元 (「**Million Fortune 收購事項**」)。Million Fortune 間接持有中航國金商品交易中心(青島)有限公司(前稱青島國金貴金屬交易中心有限公司)之 90% 股本權益，該公司為一家於中國註冊成立之公司，其總部設於中國山東省青島，主要從事為中國國內顧客提供貴金屬(主要為銀及銅)貿易網上平台及現貨延期交收服務以及其他相關服務(包括交易結付管理、商品交付管理及相關諮詢服務)。

Million Fortune 收購事項已於二零一六年二月十九日完成。相關披露載於本公司日期為二零一六年二月一日之公告。

Acquisition of the entire issued share capital of JTI Securities Limited

On 7 June 2016 (after trading hours), Perfect Capital Global Limited (“**Perfect Capital**”), an indirect wholly-owned subsidiary of the Company, as purchaser and Ace Vantage Investments Limited (“**Ace Vantage**”), an independent third party, as vendor entered into a sale and purchase agreement, pursuant to which Perfect Capital has conditionally agreed to acquire and Ace Vantage has conditionally agreed to sell, 14,500,000 issued and fully paid up shares of JTI Securities Limited (“**JTI Securities**”) in the name of and beneficially owned by Ace Vantage, representing the entire issued and fully-paid share capital of JTI Securities (the “**Acquisition of JTI Securities**”). The consideration for the Acquisition of JTI Securities will be determined with reference to the net asset value of JTI Securities as at the date as specified in the sale and purchase agreement plus an agreed premium of HK\$13 million. Having regard to the net asset value of JTI Securities as at 31 March 2016, it is expected that the final consideration shall not exceed HK\$25 million. JTI Securities is principally engaged in securities brokerage business. It is a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”) to carry out Type 1 (dealing in securities) regulated activities and is a China Connect Exchange Participant and a Hong Kong Stock Exchange Participant.

As at the date of this report, the completion of the Acquisition of JTI Securities has not yet taken place. Relevant disclosure was made in the Company’s announcement dated 7 June 2016.

Disposal of Assets

深圳中澤明芯集團有限公司 (Shenzhen Champion Maxiumic Group Co., Limited*) (“**Shenzhen Champion**”), an indirect wholly-owned subsidiary of the Company, as vendor and 河北廣電網絡投資有限公司 (Hebei Guangdian Network Investment Limited*) as purchaser (the “**Hebei Guangdian**”) entered into a conditional termination agreement on 31 December 2013 (the “**Termination Agreement**”) for the sale and purchase of the telecommunication equipment in relation to digital cable television broadcasting network and the termination of the cooperation agreement (the “**Cooperation Agreement**”) (being the business cooperation agreement dated 26 November 2010 made between Shenzhen Champion and 河北廣電信息網絡集團股份有限公司 (Hebei Television Broadcasts and Information Network Group Co., Ltd*) (“**Hebei TV**”) together with the subsequent subsidiary contracts made between Shenzhen Champion and Hebei Guangdian (which performed the Cooperation Agreement for Hebei TV) with detailed terms on the technical cooperation and the construction and operation of the networks between the parties). The Termination Agreement and the transactions contemplated thereunder had been approved by the shareholders of the Company at the special general meeting held on 10 March 2014.

收購金唐國際證券有限公司全部已發行股本

於二零一六年六月七日(交易時段後),本公司之間接全資附屬公司Perfect Capital Global Limited(「**Perfect Capital**」)(作為買方)與獨立第三方Ace Vantage Investments Limited(「**Ace Vantage**」)(作為賣方)訂立買賣協議,據此,Perfect Capital已有條件同意收購,而Ace Vantage已有條件同意出售,以Ace Vantage名義及由Ace Vantage實益擁有之14,500,000股金唐國際證券有限公司(「**金唐國際證券**」)已發行及全數繳足股份,相當於金唐國際證券全部已發行及全數繳足股本(「**金唐國際證券收購事項**」)。金唐國際證券收購事項之代價將參考金唐國際證券截至買賣協議所指明的日期之資產淨值,加上協定的溢價13,000,000港元釐定。經考慮金唐國際證券於二零一六年三月三十一日之資產淨值,最終代價預期不會超過25,000,000港元。金唐國際證券主要從事證券經紀業務。該公司為一間根據證券及期貨條例(香港法例第571章)(「**證券及期貨條例**」)可進行第一類(證券交易)受規管活動之持牌法團,以及中華通交易所參與者及香港交易所參與者。

於本報告日期,金唐國際證券收購事項仍未完成。相關披露載於本公司日期為二零一六年六月七日之公告。

出售資產

於二零一三年十二月三十一日,本公司間接全資附屬公司深圳中澤明芯集團有限公司(「**深圳中澤**」)(作為賣方)與河北廣電網絡投資有限公司(「**河北廣電網絡**」)(作為買方)就買賣有線數位電視廣播網絡之電訊設備訂立有條件終止協議(「**終止協議**」),及終止合作協議(「**合作協議**」)(即深圳中澤與河北廣電信息網絡集團股份有限公司(「**河北廣電**」)所訂立日期為二零一零年十一月二十六日之業務合作協議,連同深圳中澤與河北廣電網絡(已為河北廣電履行合作協議)其後所訂立之附屬合約,以訂明訂約方之技術合作及網絡之建設及營運之詳細條款)。終止協議及其項下擬進行之交易已於二零一四年三月十日舉行之股東特別大會上獲本公司股東批准。

During 2015, a court order (“**Order**”) was granted by the Shijiazhuang Intermediate People’s Court in the Hebei Province, the PRC in relation to a civil action brought by Shenzhen Champion against Hebei Guangdian regarding payment in accordance with the terms of the Termination Agreement, in which Hebei Guangdian was ordered to pay (i) the overdue payment penalty of approximately RMB597,000 (approximately HK\$756,000) due to the delay in settlement of the first payment amounting to approximately RMB30 million (approximately HK\$38 million); (ii) the second payment amounting to RMB20 million (approximately HK\$25.3 million) and the relevant default interest accrued on the second payment; and (iii) the court costs of the above civil action.

As at the date of this report, the Company received approximately RMB32 million from Hebei Guangdian and the Company is optimistic that the remaining balance of payment could be received during the year.

Memorandum of Understanding

As disclosed in the Company’s announcement dated 1 December 2015, the Company and Mr. Qu Yong Bo (曲勇波) (the “**Vendor**”), an independent third party, as vendor entered into a non-legally binding memorandum of understanding on 1 December 2015 (the “**Memorandum of Understanding**”) setting out the preliminary proposed terms and conditions in relation to 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.*) (“**Possible Acquisition**”) and having made refundable deposit of RMB30 million to the Vendor after signing the Memorandum of Understanding.

As disclosed in the Company’s announcement dated 31 May 2016, after taking into consideration of, among other factors, the preliminary results of the due diligence review, the Board decided not to proceed with the Possible Acquisition and accordingly, the Company served a written notification to the Vendor after the close of trading hours on 31 May 2016 informing the Vendor of its decision not to proceed with the Possible Acquisition. Pursuant to the terms of the Memorandum of Understanding, the Vendor shall, within seven days from the date of the termination of the Memorandum of Understanding, refund the deposit to the Company. Interest on the deposit shall accrue at the rate of 1.5% per month calculated on the actual number of days elapsed from the date of termination of the Memorandum of Understanding if the Vendor is unable to refund the deposit in accordance with the terms of the Memorandum of Understanding within seven days from the date of the termination. As at the date of this report, the Vendor has not yet refunded the deposit to the Company. The Board has consulted the legal adviser and will closely monitor the development of the issue, and will take appropriate legal actions when necessary to recover the deposit and to protect the interest of the shareholders of the Company.

於二零一五年，中國河北省石家莊中級人民法院就深圳中澤對河北廣電網絡發起民事訴訟而授出法令(「**法令**」)，內容有關根據終止協議之條款付款，其中河北廣電網絡被責令支付(i) 因逾期支付金額約人民幣30,000,000元(約為38,000,000港元)之首期付款而產生之逾期付款違約金約人民幣597,000元(約756,000港元)；(ii) 金額人民幣20,000,000元(約25,300,000港元)之第二期付款，及第二期付款應計之相關違約利息；及(iii) 上述民事訴訟的訴訟費。

截至本報告日期，本公司已收取河北廣電網絡約人民幣32,000,000元之付款，本公司認為，該付款之餘下結餘可於年內收回。

諒解備忘錄

如本公司日期為二零一五年十二月一日之公告所披露，本公司與獨立第三方曲勇波先生(「**賣方**」)(作為賣方)於二零一五年十二月一日訂立不具法律約束力之諒解備忘錄(「**諒解備忘錄**」)，當中載列有關可能收購大慶澳瑞生物能源有限公司之100%股權(「**可能收購事項**」)之初步擬定條款及條件，於簽訂諒解備忘錄後已向賣方支付人民幣30,000,000元之可退回按金。

如本公司日期為二零一六年五月三十一日之公告所披露，考慮到(其中包括)相關盡職審查之初步結果，董事會決定不擬進行可能收購事項，故此，於二零一六年五月三十一日交易時段後，本公司向賣方發出書面通知，告知賣方有關其不擬進行可能收購事項之決定。根據諒解備忘錄之條款，賣方須於終止諒解備忘錄日期起七日內退還按金予本公司。倘賣方未能根據諒解備忘錄之條款於終止日期起七日內退還按金，按金利息將以諒解備忘錄失效之實際日數，按月息1.5%計算。於本報告日期，賣方尚未退還按金予本公司。董事會已諮詢法律顧問並將密切監察該事項之進展，並將於必要時採取適當法律行動，以收回按金及保障本公司股東之利益。

Capital Structure

As at 30 September 2016, the total number of issued shares of the Company (the "Shares") was 8,304,538,010. As compared with 31 December 2015, a total of 3,044,347,822 new Shares were issued during the nine months ended 30 September 2016.

Subscription of new Shares

On 8 December 2015, the Company entered into two separate conditional share subscription agreements with Tan Sri Dato' Lim Tong Yong and Sino Perfect Investments Limited as subscriber respectively. Pursuant to the share subscription agreements, the subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 1,740,000,000 new Shares at the price of HK\$0.115 per subscription share. The subscription of 870,000,000 new Shares by Tan Sri Dato' Lim Tong Yong and the subscription of 870,000,000 new Shares by Sino Perfect Investments Limited were completed on 5 February 2016. As at the date of this report, the net proceeds amounted to approximately HK\$200.1 million has been applied in the following manner:-

- (i) approximately HK\$84 million for reduction of the Group's level of debt;
- (ii) approximately HK\$36 million was paid to the third party vendor as refundable deposit pursuant to the Memorandum of Understanding, which was terminated on 31 May 2016. The aforesaid cash deposit was not yet refunded to the Company and the Vendor was obliged under the Memorandum of Understanding to pay interest accrued thereon at the rate of 1.5% per month. Details of the Memorandum of Understanding was set out in the sub-section headed "Material Acquisition, Disposal and Significant Investments Held During the Period under Review" of this section; and
- (iii) the remaining unutilised proceeds will be used for funding any future business developments and/or potential investment opportunities.

Relevant disclosure was made in the announcements of the Company dated 8 December 2015 and 5 February 2016, and the circular of the Company dated 12 January 2016.

資本結構

於二零一六年九月三十日，本公司已發行股份（「股份」）總數為8,304,538,010股。與二零一五年十二月三十一日相比，截至二零一六年九月三十日止九個月已發行合共3,044,347,822股新股份。

新股份之認購

於二零一五年十二月八日，本公司分別與丹斯里拿督林東洋*及Sino Perfect Investments Limited（作為認購人）訂立兩份單獨的有條件股份認購協議。根據股份認購協議，認購人有條件同意認購而本公司有條件同意按每股認購股份0.115港元之價格配發及發行合共1,740,000,000股新股份。丹斯里拿督林東洋*認購870,000,000股新股份及Sino Perfect Investments Limited認購870,000,000股新股份已於二零一六年二月五日完成。於本報告日期，所得款項淨額約200,100,000港元已用於下列各項：

- (i) 約84,000,000港元用於降低本集團之債務水平；
- (ii) 約36,000,000港元已根據於二零一六年五月三十一日終止之諒解備忘錄支付予第三方賣方作為可退回按金。上述現金按金尚未退還予本公司，而根據諒解備忘錄，賣方須按月息1.5%支付就此產生之利息。有關諒解備忘錄之詳情載於本節「於回顧期間之重大收購、出售及持有之重大投資」分節；及
- (iii) 餘下未動用所得款項將用於撥付任何未來業務發展及／或潛在投資機會。

已於本公司日期為二零一五年十二月八日及二零一六年二月五日之公告，以及本公司日期為二零一六年一月十二日之通函作出相關披露。

Issue of Convertible Bonds

On 8 December 2015, the Company and National United Resources Holdings Limited (“**NUR**”) entered into a conditional convertible bonds subscription agreement, pursuant to which NUR has conditionally agreed to subscribe for and the Company has conditionally agreed to issue to NUR the 5% coupon convertible bonds in the principal amount of HK\$100,000,000 (“**First CB**”). The First CB have been issued on 5 February 2016. During the period under review, the First CB has been converted in full and a total of 869,565,214 Shares have been issued and allotted.

On 8 December 2015, the Company and Sino King Trading (HK) Co., Limited (“**Sino King**”) entered into a conditional subscription agreement, pursuant to which Sino King has conditionally agreed to subscribe for and the Company has conditionally agreed to issue to Sino King the 5% coupon convertible bonds in the principal amount of HK\$50,000,000 (“**Second CB**”). The Second CB have been issued on 19 February 2016. The Second CB has been converted in full and a total of 434,782,608 Shares have been issued and allotted on 1 March 2016.

The net proceeds from the issue of the First CB and the Second CB amounted to approximately HK\$150,000,000 was used by the Company as to (i) HK\$70,000,000 for early redemption of the 11% coupon bond in a principal amount of HK\$70,000,000 issued by the Company to NUR on 2 April 2015; (ii) approximately HK\$62 million for the capital injection in Shanxi Zhongze; and (iii) the remaining unutilized proceeds will be used for daily operation and funding any future business developments and/or potential investment opportunities, especially in the field of renewable energy.

Relevant disclosure was made in the announcements of the Company dated 8 December 2015, 5 February 2016 and 19 February 2016, and the circular of the Company dated 12 January 2016.

發行可換股債券

於二零一五年十二月八日，本公司與國家聯合資源控股有限公司（「**國家聯合資源**」）訂立有條件可換股債券認購協議，據此，國家聯合資源已有條件同意認購而本公司已有條件同意向國家聯合資源發行本金額為100,000,000港元票息為5%之可換股債券（「**第一批可換股債券**」）。第一批可換股債券已於二零一六年二月五日發行。於回顧期間，第一批可換股債券已全部轉換，合共869,565,214股股份已發行及配發。

於二零一五年十二月八日，本公司與Sino King Trading (HK) Co., Limited（「**Sino King**」）訂立有條件認購協議，據此，Sino King已有條件同意認購而本公司已有條件同意向Sino King發行本金額為50,000,000港元票息為5%之可換股債券（「**第二批可換股債券**」）。第二批可換股債券已於二零一六年二月十九日發行。第二批可換股債券已全部轉換，合共434,782,608股股份已於二零一六年三月一日發行及配發。

本公司已動用發行第一批可換股債券及第二批可換股債券之所得款項淨額約150,000,000港元，其中(i)70,000,000港元用於提前贖回由本公司於二零一五年四月二日向國家聯合資源發行票息為11%、本金額為70,000,000港元之債券；(ii)約62,000,000港元用於注資山西中澤；及(iii)餘下未動用所得款項將用於日常營運及撥付任何未來業務發展及／或潛在投資機會，尤其是於可再生能源方面。

已於本公司日期為二零一五年十二月八日、二零一六年二月五日及二零一六年二月十九日之公告及本公司日期為二零一六年一月十二日之通函作出相關披露。

OTHER INFORMATION

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

As at 30 September 2016, the interests and short positions of the Directors, the chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or pursuant to section 352 of the SFO, to be entered in the register referred to therein; or pursuant to rule 5.46 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange were as follows:

Interests and short 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
董事姓名	身份	好倉／淡倉	持有之 股份數目	佔本公司已發行股本 權益之概約百分比
Tan Sri Dato' Lim Tong Yong 丹斯里拿督林東洋*	Beneficial owner 實益擁有人	Long position 好倉	870,000,000	10.48%

Save as disclosed above, none of the Directors and chief executives of the Company nor their associates had any interests and short positions in the Shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in rule 5.46 of the GEM Listing Rules as at 30 September 2016, and at no time during the nine months ended 30 September 2016 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company to acquire benefits by means of the acquisition of Shares 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

於二零一六年九月三十日，本公司董事、主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及第8分部規定須知會本公司及聯交所之權益及淡倉（包括彼等根據證券及期貨條例有關條文被當作或視為擁有之權益及淡倉）；或根據證券及期貨條例第352條須記錄於該條所述登記冊內之權益及淡倉；或根據有關董事進行證券交易之創業板上市規則第5.46條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，於二零一六年九月三十日，本公司董事及主要行政人員及彼等之聯系人概無於本公司及其相聯法團之股份、相關股份及債權證中擁有任何本公司根據證券及期貨條例第352條存置之登記冊所記錄之權益及淡倉，或根據創業板上市規則第5.46條所述董事進行交易之規定準則須知會本公司及聯交所之權益及淡倉，且本公司或其任何附屬公司於截至二零一六年九月三十日止九個月內任何時間概無訂立任何安排，致使本公司董事及主要行政人員可藉收購本公司或其相聯法團之股份或債權證而獲得利益。

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

As at 30 September 2016, the following persons (other than the Directors and the chief executives of the Company) has interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Long positions in the Shares

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

Note:

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

Save as disclosed above, as at 30 September 2016, the Directors were not aware that there was any person (not being a Director or chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and was recorded in the register kept by the Company pursuant to section 336 of the SFO.

DIRECTORS' INTEREST IN COMPETING BUSINESS

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

主要股東／其他人士之股份及相關股份之權益及淡倉

於二零一六年九月三十日，以下人士（本公司之董事及主要行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第336條須予存置登記冊所記錄之權益或淡倉：

於股份之好倉

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

附註：

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

除上文所披露者外，於二零一六年九月三十日，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。

董事於競爭業務之權益

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

AUDIT COMMITTEE

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

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the nine months ended 30 September 2016 and is of the opinion that such statements have complied with the applicable accounting standards and disclosure requirements.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules as its Code of Conduct for Securities Transactions by Directors throughout the nine months ended 30 September 2016. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors during the nine months ended 30 September 2016.

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 nine months ended 30 September 2016.

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

Hong Kong, 14 November 2016

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

審核委員會

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

審核委員會已審閱本集團截至二零一六年九月三十日止九個月之未經審核簡明綜合業績，並認為該等報表已遵守適用會計準則及披露要求。

董事進行證券交易之操守準則

於截至二零一六年九月三十日止九個月內，本公司已採納創業板上市規則第5.48至5.67條所規定之交易必守標準作為其董事進行證券交易之操守準則。本公司經向全體董事作出具體查詢後，得悉截至二零一六年九月三十日止九個月內，並無任何違反有關董事進行證券交易之交易必守標準之事宜。

購買、出售或贖回本公司之上市證券

截至二零一六年九月三十日止九個月，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，二零一六年十一月十四日

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



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

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