

Sino Splendid Holdings Limited

中國華泰瑞銀控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8006)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2017

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

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

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the Directors (the “Directors”) of Sino Splendid Holdings Limited 中國華泰瑞銀控股有限公司 (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (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: (1) the information contained in this announcement is accurate and complete in all material respects and no misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The board (the “Board”) of directors (the “Directors”) of Sino Splendid Holdings Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 31 March 2017 (the “Quarterly Period”) with comparative figures for the corresponding period in 2016, are as follow:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		(Unaudited) Three months ended 31 March	
	<i>Notes</i>	2017 HK\$'000	2016 HK\$'000 (Restated)
Revenue	4	17,505	26,779
Cost of sales		(9,263)	(14,985)
Gross profit		8,242	11,794
Other income, gains and losses	6	(9,293)	4,990
Selling and distribution expenses		(3,298)	(2,756)
Administrative expenses		(8,015)	(6,389)
(Loss)/profit before tax		(12,364)	7,639
Income tax credit/(expense)	7	6,624	(1,634)
(Loss)/profit for the period		(5,740)	6,005
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operation		1,641	988
Other comprehensive income for the period		1,641	988
Total comprehensive income for the period		(4,099)	6,993
Profit attributable to:			
Owners of the Company		(5,740)	6,005
Non-controlling interests		—	—
		(5,740)	6,005
Total comprehensive income attributable to:			
Owners of the Company		(4,099)	6,993
Non-controlling interests		—	—
		(4,099)	6,993
(Loss)/earnings per share	9		
Basic (HK cents per share)		(1.79)	1.87
Diluted (HK cents per share)		N/A	N/A

Notes:

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on The Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is P.O. Box 309GT Ugland House, South Church Street, George Town Grand Cayman, Cayman Islands. The Company’s principal place of business in Hong Kong is 8/F, E168, 166-168 Des Voeux Road Central, Sheung Wan, Hong Kong.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the three months ended 31 March 2017 have been reviewed by the audit committee of the Company but have not been reviewed or audited by the Company’s auditor. Adjustments may be made during the course of annual audit while performed by the Company’s auditor.

The unaudited condensed consolidated financial statements for the three months ended 31 March 2017 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which is a collective term for all individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the unaudited condensed consolidated financial statements for the three months ended 31 March 2017 included applicable disclosures required by the Rules Governing the Listing of Securities on the GEM Board of the Stock Exchange.

The unaudited condensed consolidated financial statements for the three months ended 31 March 2017 have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values. 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 annual consolidated financial statements for the year ended 31 December 2016 except that the Group has adopted the newly issued and revised HKFRSs, which are effective for the annual period beginning on 1 January 2017, as disclosed in the annual consolidated financial statements for the year ended 31 December 2016.

All amounts presented in Hong Kong dollar thousands (“HK\$’000”) in these unaudited condensed consolidated financial statements unless otherwise stated.

The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s financial performance and financial position.

The Group has not applied any new and revised HKFRSs that are not yet effective for the current period.

These unaudited condensed consolidated financial statements should be read in conjunction with the annual report for the year ended 31 December 2016.

3. RESTATEMENT OF COMPARATIVE FIGURES

Adjustments have been made due to an inadvertent error made on the recognition of the held-for-trading investments in first quarterly report of 2016 so as to conform to the relevant HKFRSs and consistent with the accounting policies adopted by the Group in its annual financial statements for the year ended 31 December 2016. The Directors considered that the restatement would reflect the actual results of the Group's profit or loss for the three months ended 31 March 2016 and result in significant impact on the Group's profit for the three months ended 31 March 2016 since the net profit for the three months ended 31 March 2016 would increase HK\$3.9 million to HK\$6.0 million. As such, the earnings per share have been restated accordingly.

4. REVENUE

An analysis of the Group's revenue for the period is as follows:

	(Unaudited) Three months ended 31 March	
	2017	2016
	HK\$'000	HK\$'000
		(Restated)
Travel Media	11,785	26,775
Financial Magazine	5,720	–
Securities Investment	–	4
	17,505	26,779

5. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has three (2016: one) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- i. Engaged in travel media operations with provision of advertising services through the internet and travel magazines, event organizing services and magazine publication ("Travel Media Business");
- ii. Provision of contents and advertising services in a well-known financial magazine distributed in The People's Republic of China (the "PRC") ("Financial Magazine Business"); and
- iii. Investment in securities ("Securities Investment").

For the three months ended 31 March 2016, the Group's revenue and contribution to profit were mainly derived from Travel Media Business, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the chief operating decision-maker for purpose of resource allocation and performance assessment. In addition, the principal asset employed by the Group are located in Singapore. As such, no segment analysis and/or disclosures were presented for the three months ended 31 March 2016.

Inter-segment transactions, if any, are priced with reference to prices charged to external parties for similar products or services. Corporate revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-maker for assessment of segment performance.

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

For the three months ended 31 March 2017 (Unaudited)

	Travel Media Business HK\$'000	Financial Magazine Business HK\$'000	Securities Investment HK\$'000	Total HK\$'000
Reportable segment revenue from external customers	11,785	5,720	–	17,505
Reportable segment profit/(loss)	<u>660</u>	<u>(578)</u>	<u>(35,758)</u>	<u>(35,676)</u>

6. OTHER INCOME, GAINS AND LOSSES

	(Unaudited) Three months ended 31 March	
	2017	2016
	HK\$'000	HK\$'000
		(Restated)
Dividend income from available-for-sale investments	25,704	–
Bank interest income	3	12
Other non-operating income	353	470
Realised gain on disposal of held-for-trading investments	4,879	1,143
Unrealised (loss)/gain on held-for-trading investments	<u>(40,232)</u>	<u>3,365</u>
	<u>(9,293)</u>	<u>4,990</u>

7. INCOME TAX CREDIT/(EXPENSE)

	(Unaudited)	
	Three months ended	
	31 March	
	2017	2016
	HK\$'000	HK\$'000
		(Restated)
Current tax – Hong Kong	(174)	–
Current tax – Singapore	(109)	(1,079)
Deferred tax	<u>6,907</u>	<u>(555)</u>
	<u>6,624</u>	<u>(1,634)</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits for the Quarterly Period.

Singapore corporate income tax has been provided at the rate of 17% (2016: 17%) on the estimated assessable profit for the Quarterly Period.

No provision for income tax in other jurisdictions has been made as the Group had no assessable profit in other jurisdictions during the Quarterly Period.

8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the three months ended 31 March 2017 and 2016.

9. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	(Unaudited)	
	Three months ended	
	31 March	
	2017	2016
	HK\$'000	HK\$'000
		(Restated)
(Loss)/earnings		
(Loss)/earnings for the purpose of computation of		
basic (loss)/earnings per share	<u>(5,740)</u>	<u>6,005</u>

(Unaudited)
Three months ended
31 March

2017 2016
'000 '000
(Restated)

Number of shares

Weighted average number of ordinary shares in issue for the purpose of basic (loss)/earnings per share (Note)

321,521 321,521

Note:

The calculation of basic (loss)/earnings per share for the period is based on the consolidated (loss)/profit for the period attributable to the owners of the Company and on the weighted average number of ordinary shares in issue during the period after adjustment of the share consolidation.

The comparative figures for the basic (loss)/earnings per share for the three months ended 31 March 2016 are restated to take into account of the effect of the above share consolidation completed retrospectively as if they had taken place since the beginning of the comparative period.

No diluted (loss)/earnings per share has been presented because there was no potential dilutive ordinary share in issue for the three months ended 31 March 2017 and 2016.

There were no outstanding share options as at 31 March 2017 and 2016.

10. MOVEMENT OF RESERVES

	Share premium <i>HK\$'000</i> <i>(note a)</i>	Capital reserve <i>HK\$'000</i> <i>(note a)</i>	Goodwill reserve <i>HK\$'000</i>	Capital redemption reserve <i>HK\$'000</i>	Reserve funds <i>HK\$'000</i> <i>(note b)</i>	Translation reserve <i>HK\$'000</i> (Restated)	Retained profits <i>HK\$'000</i> (Restated)	Subtotal <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2016 (audited)	-	755	(31,193)	11,690	19,025	45,287	149,526	195,090	2,029	197,119
Profit for the period	-	-	-	-	-	-	6,005	6,005	-	6,005
Other comprehensive income for the period	-	-	-	-	-	988	-	988	-	988
Total comprehensive income for the period	-	-	-	-	-	988	6,005	6,993	-	6,993
At 31 March 2016 (unaudited)	-	755	(31,193)	11,690	19,025	46,275	155,531	202,083	2,029	204,112
At 31 December 2016 and 1 January 2017 (audited)	61,089	755	(31,193)	11,690	19,025	43,268	264,726	369,360	2,029	371,389
Loss for the period	-	-	-	-	-	-	(5,740)	(5,740)	-	(5,740)
Other comprehensive income for the period	-	-	-	-	-	1,641	-	1,641	-	1,641
Total comprehensive income for the period	-	-	-	-	-	1,641	(5,740)	(4,099)	-	(4,099)
At 31 March 2017 (unaudited)	61,089	755	(31,193)	11,690	19,025	44,909	258,986	365,261	2,029	367,290

Note a: Under the Companies Law of the Cayman Islands (2010 Revision as amended from time to time), the share premium and capital reserve of the Company may be applied for payment of distributions or dividends to shareholders of the Company (“Shareholders”) provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in ordinary course of business.

Note b: Pursuant to the relevant laws and regulations for foreign investment enterprises (“FIEs”) established in the PRC, a certain portion of the FIE’s profits is required to be transferred to reserve funds which are not distributable. Transfers to this reserve are made out of the FIE’s profits after taxation calculated in accordance with accounting principles and financial regulations applicable to PRC enterprises (“PRC GAAP”) and shall not less than 10% of profit after taxation calculated in accordance with PRC GAAP. No such transfer was made in either period as there was no such profit after tax from the FIEs in either period.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

The Group's total revenue decreased by HK\$9.3 million or 34.6%, from 26.8 million for the three months ended 31 March 2016 to HK\$17.5 million for the three months ended 31 March 2017. Such decrease was mainly attributable to the decrease of revenue generated from the Travel Media Business, partially offset by the revenue generated from the Financial Magazine Business, which was acquired in July 2016.

Gross profit of the Group was HK\$8.2 million, representing a decrease of HK\$3.6 million or 30.1% as compared to HK\$11.8 million for the same period in 2016. Gross profit margin for the three months ended 31 March 2017 reached 47.1% (three months ended 31 March 2016: 44.0%), representing an increase of 3.1 percentage points over the same period in 2016, as a result of the contribution of higher gross profit margin from Travel Media Business in first quarter of 2017.

Other income, gains and losses decrease from a gain of HK\$5.0 million for the three months ended 31 March 2016 to a loss of HK\$9.3 million for the three months ended 31 March 2017. The significant decrease was mainly attributable to recorded unrealised loss on held-for-trading investments and dividend income of HK\$25.7 million from available-for-sale investments in first quarter of 2017 whereas recorded unrealised gain on held-for-trading investments and no dividend income from available-for-sale investments in the same period last year.

The selling and distribution costs increased by HK\$0.5 million to HK\$3.3 million for the three months ended 31 March 2017 (three months ended 31 March 2016: HK\$2.8 million), representing an increase of 19.7% against the first quarter of 2016. The administrative expenses increased by HK\$1.6 million to HK\$8.0 million (three months ended 31 March 2016: HK\$6.4 million), representing an increase of 25.4% over the corresponding period in 2016.

As a result, the loss attributable to owners of the Company was HK\$5.7 million, which shows a significant decline of HK\$11.7 million as compared to a profit attributable to owners of the Company of HK\$6.0 million over the same period in 2016.

Business review

Travel Media Business

For the three months ended 31 March 2017, the Travel Media Business recorded revenue of HK\$11.8 million, decreased by 56.0% or HK\$15.0 million as compared to that of HK\$26.8 million for the same period in 2016. This amount represented 67.3% of the Group's total revenue for the period under review.

The Travel Media Business recorded a gross profit of HK\$6.2 million and gross profit margin of 52.3%. Segment profit of this business during the three months ended 31 March 2017 amounted to HK\$0.7 million.

Despite the optimistic growth and development of the travel industry and the positive outlook of the tourism sector in the Asia-Pacific region, advertising revenue from print travel media across the board saw a decline for the quarter compared to a year ago. Geopolitical concerns around the world, slowing of the economy and the continuing disruption of the media industry were the main attributing factors for this dip.

The weakening of the United States Dollar (“USD”) did not help the group as revenue of TTG Asia Media Pte Ltd (“TTG”) is accounted in currency of USD while costs are almost entirely incurred in Singapore Dollars. However, careful and prudent cost management contributed to the overall business performance for first quarter of 2017.

Compared to first quarter of 2016, operating profit was lower in first quarter of 2017 primarily because of the absence of a traditional key revenue stream – the profit from the event management contract of ASEAN Tourism Forum (“ATF”) 2017, since TTG was not awarded the contract for this year’s event.

In addition, the shift in advertising spent to tactical and more direct selling such as road shows and events also had an impact on the top line revenue and bottom line profit.

Although, bottom line profit for the quarter is in line with budget, TTG’s overall quarterly performance for the three months ended 31 March 2017 was affected considerably as compared to the corresponding period of 2016. Careful cost management and the receipt of a human resource related government grant helped TTG to achieve the budgeted profit for the quarter.

The revenue brought in by the travel trade publishing business group bridged the top line gap through the introduction of various special projects. During this quarter, TTG completed 4 special projects:

- (1) Published TTG Asia ASEAN 50th Anniversary Leisure supplement;
- (2) Published 4 issues of the ATF 2017 show dailies in Singapore (January 2017);
- (3) Published 3 issues of ITB Berlin 2017 show dailies (March 2017); and
- (4) Published 3 issues of IT&CM China and CTW China 2017 show dailies (March 2017).

TTG also organised two industry shows during the quarter and these events are:

- (1) **IT&CM China:** China’s leading international Meetings, Incentives, Conventions and Exhibitions (“MICE”) business, education and networking event. The main objective of this event is to bring together Chinese and international MICE exhibitors and buyers in one dynamic marketplace. The event also serves as a platform for international and leading Chinese players in the MICE industry to explore business opportunities on all fronts.

- (2) **CTW China:** The leading Corporate Travel Management Conference for China. CTW China is the market's answer to the proliferation of corporate travel management activities, including business travel & entertainment (T&E) as well as Meetings & Events (M&E), for Chinese-grown companies and multi-national corporations based in China. This market-driven event is dedicated to raising the sophistication of Chinese corporate travel professionals who manage the T&E needs for their organisations.

Both these events were co-located and organised concurrently in Shanghai during the third week of March with different Chinese partners. Our Chinese partners require more time to consolidate their end of the accounts, thus the financial status of these two events will be reported in second quarter of 2017.

With the anticipation of a challenging year ahead in 2017 for print media, the shifting of advertising budget to online platforms, and the adoption of other marketing channels by our potential advertisers, the revenue and profitability of TTG would be affected in 2017.

Financial Magazine Business

Revenue from this business was HK\$5.7 million, which accounted for 32.7% of the Group's total revenue for the period under review. This business recorded a gross profit of HK\$2.1 million and gross profit margin of 36.4%. Segmental loss of this business during the period under review was HK\$0.6 million, primarily as a result of amortisation charges of intangible asset of HK\$1.6 million which was non-cash item.

Securities investment

As at 31 March 2017, total market value for the held-for-trading investments of the Group was approximately HK\$207.3 million and recorded a fair value loss of approximately HK\$40.2 million which was mainly attributable to the investments in Luen Wong Group Holdings Limited (the "LW Group"). The market value for the investment in LW Group as at 31 March 2017 was HK\$152.0 million with a fair value loss of HK\$27.2 million.

The investment portfolio as at 31 March 2017 comprises of listed shares in 10 companies which cover various industries. The Directors will seize the market investment opportunities, seek for capital appreciation through fully engaged in selecting investment portfolios, with a view to speed up the realisation of potential assets appreciation.

During the three months ended 31 March 2017, the Group disposed some of the investments on market and the sales proceeds generated from the investments in marketable securities amounted to HK\$23.1 million and realised gain on disposal of held-for-trading investments of HK\$4.9 million.

Significant investments

As at 31 March 2017, total market value for the held-for-trading investments of the Group was approximately HK\$207.3 million and recorded a fair value loss of approximately HK\$40.2 million. The Board considers that investments with market value accounting for more than 5% of the Group's total assets as at 31 March 2017 as significant investments.

As at 31 March 2017, the Group held (i) 8,000,000 shares (approximately 0.64% of total issued share capital) of LW Group, (ii) 56,160,000 shares (approximately 0.44% of total issued share capital) of WLS Holdings Limited (the "WLS Holdings"), (iii) 17,145,000 shares (approximately 0.35% of total issued share capital) of GreaterChina Professional Services Limited (the "GreaterChina"), (iv) 77,200,000 shares (approximately 1.21% of total issued share capital) of SEEC Media Group Limited (the "SEEC Media"), and (v) 7,200,000 shares (approximately 0.30% of total issued share capital) of Major Holdings Limited (the "Major Holdings"). Details of the top five held-for-trading investments, in terms of market value as at 31 March 2017, are as follows:

Company name (Stock code)	Note	For the three months ended 31 March 2017			
		Market value as at 31 March 2017 HK\$'000	Proportion to the total assets of the Group %	Fair value gain/(loss) of the investment HK\$'000	Dividends received HK\$'000
LW Group (8217)	(a)	152,000	34.6%	(27,200)	–
WLS Holdings (8021)	(b)	12,299	2.8%	(695)	–
GreaterChina (8193)	(c)	10,801	2.5%	(100)	–
SEEC Media (205)	(d)	9,650	2.2%	(154)	–
Major Holdings (1389)	(e)	9,288	2.1%	574	–
Others		13,276	3.0%	(12,657)	–
		<u>207,314</u>	<u>47.2%</u>	<u>(40,232)</u>	<u>–</u>

Notes:

- (a) LW Group are principally engaged in the provision of civil engineering works and investment holding.
- (b) WLS Holdings and its subsidiaries are principally engaged in the provision of scaffolding and fitting out services, management contracting services, and other services for construction and building work, money lending business, securities brokerage and margin financing, and securities investment business.
- (c) The business of GreaterChina and its subsidiaries can be broadly categorised into four main sectors: (i) asset advisory services and asset appraisal; (ii) corporate services and consultancy; (iii) media advertising; and (iv) financial services.
- (d) SEEC Media and its subsidiaries are principally engaged in the provision of advertising agency services, distribution of books and magazines in the PRC and the securities brokerage business, money lending business and provision of e-commerce platform services in Hong Kong.

- (e) Major Holdings and its principal subsidiary is mainly engaged in the sale and distribution of premium wine and spirits products and wine accessory products in Hong Kong.

In addition, the carrying amount for the equity interest in private equity fund of the Group was HK\$41.9 million and the cost of unlisted share was HK\$20.0 million respectively as at 31 March 2017. During the period under review, dividend income and the carrying amount of the investee in private equity fund were as follows:

For the three months ended 31 March 2017			
	Carrying amount as at 31 March 2017 HK\$'000	Proportion to the total assets of the Group %	Dividends received HK\$'000
<i>Note</i>			
Private equity fund			
New Horizon Capital, L.P. ("New Horizon")	(i) 16,442	3.8%	24,935
Whiz Partners Inc. ("Whiz")	(ii) 22,871	5.2%	769
	<u>39,313</u>	<u>9.0%</u>	<u>25,704</u>

Notes:

- (i) New Horizon is a Cayman Islands exempted limited partnership formed in April 2007 and commenced operations in May 2007. New Horizon makes direct and indirect investments in state-owned enterprises in the PRC, with a focus on the consumer products, health care, alternative energy, manufacturing industries and other entities with strong fundamentals and high growth rate. New Horizon completed its final closing in June 2007, raising aggregate committed capital of HK\$3,946,800,000 including the general partner's commitment of HK\$46,800,000. In May 2007, the Group signed the subscription document indicating its total capital commitment to the fund is HK\$109,200,000, representing 2.8% of the partnership interest. At 31 March 2017, the Group had cumulatively contributed HK\$107,922,000 (2016: HK\$107,702,000). The remaining commitment paid as at 31 March 2017 was HK\$1,170,000 (2016: HK\$1,278,000).

- (ii) Whiz is a limited partnership. It supports business development activities of portfolio companies of Whiz Asia Evolution Fund which targets Japanese companies with world class proprietary technology and processes with the potential for overseas expansion. Whiz's aggregate committed capital is JPY12,800,000,000 (equivalent to approximately HK\$975,476,000) including the general partner's commitment of JPY400,000,000 (equivalent to approximately HK\$30,484,000). The Group signed the subscription document on 24 March 2014 indicating its total capital commitment to the fund is JPY500,000,000 (equivalent to approximately HK\$38,105,000), representing 4.0% of the partnership interest. At 31 March 2017, the Group had cumulatively contributed JPY398,509,000 (equivalent to approximately HK\$28,793,000) (2016: JPY217,563,000 (equivalent to approximately HK\$13,991,000)). The remaining commitment as at 31 March 2017 was JPY92,227,000 (equivalent to approximately HK\$6,109,000) (2016: JPY282,438,000 (equivalent to approximately HK\$19,806,000)). The time of capital contribution is generally determined by general partner. The term of Whiz will be six years and nine months unless terminated earlier pursuant to the partnership agreement.

The Directors expects the above available-for-sale will generate dividend income in future.

Material acquisition and disposal

During the three months ended 31 March 2017, the Group had no material acquisition and disposal.

PROSPECT

Market volatility, political and regulatory uncertainty will continue in 2017. The impact of Brexit negotiation, new United States presidential policies and upcoming election across Europe remain unknown and could further render the global economic outlook volatile. In response to these challenges, the management will continue their persistent efforts to manage its business and prudent capital management on all investment activities. Given the dynamic environment, the Group will continue to maintain a healthy and conservative level of liquidity.

FINANCIAL REVIEW

Debt structure

The Group's total borrowings from institutions were zero as at 31 March 2017 and 2016. The Group's total cash and bank balances amounted to HK\$113.9 million as at 31 March 2017, which increased by HK\$32.9 million as compared to that of HK\$81.0 million as at 31 March 2016.

Contingent liabilities and charges

The Group had no material contingent liability as at 31 March 2017 and 2016. As at 31 March 2017 and 2016, the Group had not pledged any assets to secure bank facilities and finance lease obligations.

Exposure to fluctuations in exchange rates and any related hedges

The majority of the Group's assets and liabilities and business transactions were denominated in Renminbi, Singapore dollars, Hong Kong dollars and United States dollars. During the three months ended 31 March 2017 and 2016, the Group had not entered into any hedging arrangements. However, the management will continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

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

As at 31 March 2017, none of the Directors or chief executive had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they are taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register maintained by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by the directors.

OPTIONS TO SUBSCRIBE FOR ORDINARY SHARES IN THE COMPANY

As at 31 March 2017, none of the Directors, chief executive and their associates had any interests or short positions 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 would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions 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, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITION OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2017, so far as it known by or other notified to any Director or the chief executive of the Company, the particulars of the corporate or persons (other than a Director or the chief executive of the Company) which had 5% or more interests and short positions in the shares and the underlying shares as recorded in the register kept under section 336 of the SFO were as follows:

Long position in ordinary shares of the Company

Name	Number of shares	Number of underlying shares	Percentage of issued share capital
QiYi Holdings Limited (<i>Note 1</i>)	90,943,126	—	28.29%
Mr. Chen Ying Zhen (<i>Note 1</i>)	90,943,126	—	28.29%
Gold Medal Hong Kong Limited (<i>Note 1 & 2</i>)	89,344,738	—	27.79%
WLS Holdings Limited (<i>Note 2</i>)	89,344,738	—	27.79%

Note 1: Mr. Chen Ying Zhen is a substantial shareholder, director and the ultimate beneficial owner of QiYi Holdings Limited (“QiYi”). QiYi pledged 89,344,738 shares to Gold Medal Hong Kong Limited (“Gold Medal”).

Note 2: Gold Medal is a wholly owned subsidiary of WLS Holdings Limited.

Save as disclosed above, as at 31 March 2017, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who has an interest or short position in the shares or underlying shares of the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

During the three months ended 31 March 2017, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

COMPETING INTERESTS

During the three months ended 31 March 2017, the Board is not aware of any Director or the management and their respective close associates (as defined under the GEM Listing Rules) to have an interest in any business which competes or is likely to compete, either directly or indirectly with the business of the Group.

SECURITIES TRANSACTIONS BY DIRECTORS

During the three months ended 31 March 2017, the Company has not adopted a code of conduct regarding the Directors' securities transactions but has applied the principles of the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules ("Required Standard of Dealings"). Having made specific enquiry of all Directors of the Company, the Directors confirmed that they have complied with or they were not aware of any non-compliance with the Required Standard of Dealings during the three months ended 31 March 2017.

CORPORATE GOVERNANCE CODE COMPLIANCE

The Company has complied throughout the three months ended 31 March 2017 with the applicable code provisions in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules of the Stock Exchange.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management of the Company, the accounting principles and practices adopted by the Group and the unaudited condensed consolidated financial statements for the three months ended 31 March 2017.

DIVIDEND

The Directors do not recommend the payment of an interim dividend for the three months ended 31 March 2017.

PUBLICATION OF RESULTS ANNOUNCEMENT AND 2017 FIRST QUARTERLY REPORT

This announcement is published on the websites of HKExnews (www.hkexnews.hk) as well as the website of the Company (<http://www.sinosplendid.com>). The Company's 2017 first quarterly report will be dispatched to shareholders and will be published on the aforementioned websites in due course.

By order of the Board
Sino Splendid Holdings Limited
Mr. Chow Chi Wa

Executive Director and Chief Executive Officer

Hong Kong, 9 May 2017

As at the date hereof, the Board comprises Mr. Chow Chi Wa, Mr. Wang Tao and Mr. Yang Xingan as executive Directors; Ms. Yang Shuyan, Mr. Zhang Xiaoguang and Ms. Lee Yim Wah as independent non-executive Directors.

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

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.sinosplendid.com.