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)

CLARIFICATION ANNOUNCEMENT IN RELATION TO THE UNAUDITED INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2016

This announcement is made by Sino Splendid Holdings Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**")) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 17.10 of the GEM Listing Rules.

Reference is made to the announcement of the Company published on 12 August 2016 (the "**Interim Results Announcement**") and the interim report of the Company published on 15 August 2016 ("**Interim Report**") in relation to the unaudited interim results for the six months ended 30 June 2016. Unless otherwise stated, definitions and terms used herein shall bear the same meanings as defined in the Interim Results Announcement and Interim Report.

The board of directors of the Company wishes to clarify that after the publication of the Interim Results Announcement and Interim Report, adjustments have been made to the financial statements due to an inadvertent error made on the recognition of investments on listed securities.

Set out below are (i) adjustment on the unaudited consolidated statement of profit or loss and other comprehensive income; (ii) adjustment on the unaudited consolidated statement of financial position; (iii) adjustment on the unaudited consolidated statement of changes in equity; (iv) adjustment on the unaudited condensed consolidated statement of cash flows; and (v) clarification on the significant investments.

(1) ADJUSTMENT ON THE UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The impact of the adjustments on the unaudited consolidated statement of profit or loss and other comprehensive income of the Group for the six months ended 30 June 2016 is primarily an increase in fair value change on financial assets at fair value through profit or loss of HK$38,548,000, which made loss for the period of HK$7,462,000 became profit for the period of HK$26,057,000.

RECONCILIATION OF THE UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 June 2016

	Three months ended 30 June 2016 *HK$'000* (Unaudited) Before adjustment	Adjustments *HK$'000*	**Three months ended 30 June 2016** ***HK$'000*** **(Unaudited) Adjusted**	Six months ended 30 June 2016 *HK$'000* (Unaudited) Before adjustment	Adjustments *HK$'000*	**Six months ended 30 June 2016** ***HK$'000*** **(Unaudited) Adjusted**
Revenue	20,933	–	**20,933**	47,708	–	**47,708**
Cost of sales	(9,528)	–	**(9,528)**	(24,513)	–	**(24,513)**
Gross profit	11,405	–	**11,405**	23,195	–	**23,195**
Other (expenses) income	(11)	–	**(11)**	471	–	**471**
Fair value change on financial assets at fair value through profit or loss	–	35,382	**35,382**	–	38,548	**38,548**
Gain on disposal of financial assets at fair value through profit or loss	–	–	**–**	–	1,331	**1,331**
Selling and distribution expenses	(13,718)	–	**(13,718)**	(16,474)	–	**(16,474)**
Administrative expenses	(6,623)	–	**(6,623)**	(12,984)	–	**(12,984)**
(Loss)/profit before tax	(8,947)	35,382	**26,435**	(5,792)	39,879	**34,087**
Income tax expense	(591)	(5,838)	**(6,429)**	(1,670)	(6,360)	**(8,030)**
(Loss)/profit for the period	(9,538)	29,544	**20,006**	(7,462)	33,519	**26,057**
Total comprehensive income for the period	(9,538)	29,544	**20,006**	(7,462)	33,519	**26,057**
(Loss)/profit attributable to:						
Owners of the Company	(9,538)	29,544	**20,006**	(7,462)	33,519	**26,057**
Non-controlling interests	–	–	**–**	–	–	**–**
	(9,538)	29,544	**20,006**	(7,462)	33,519	**26,057**
Total comprehensive income attributable to:						
Owners of the Company	(9,538)	29,544	**20,006**	(7,462)	33,519	**26,057**
Non-controlling interests	–	–	**–**	–	–	**–**
	(9,538)	29,544	**20,006**	(7,462)	33,519	**26,057**
(Loss)/earning per share						
Basic (cents per share)	(2.97)	9.20	**6.23**	(2.32)	10.43	**8.10**

(2) ADJUSTMENT ON THE UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The impact of the adjustment on the unaudited consolidated statement of financial position of the Group as at 30 June 2016 is an increase in financial assets at fair value through profit and loss from HK$87,812,000 to HK$129,714,000, an increase in deferred tax liabilities of HK$6,360,000 and an increase in share premium and reserves from HK$248,717,000 to HK$282,236,000.

RECONCILIATION OF THE UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2016

	As at 30 June 2016 *HK$'000* (Unaudited) Before adjustment	Adjustments *HK$'000*	**As at 30 June 2016** ***HK$'000*** **(Unaudited)** **Adjusted**
Non-current assets			
Property, plant and equipment	1,928	–	**1,928**
Available-for-sale financial assets	39,579	–	**39,579**
	41,507	–	**41,507**
Current assets			
Accounts receivables	15,304	–	**15,304**
Financial assets at fair value through profit and loss	87,812	41,902	**129,714**
Prepayments, deposits and other receivables	11,897	–	**11,897**
Bank balances and cash	124,343	–	**124,343**
	239,356	41,902	**281,258**

	As at 30 June 2016 *HK$'000* (Unaudited) Before adjustment	Adjustments *HK$'000*	**As at 30 June 2016** ***HK$'000*** **(Unaudited)** **Adjusted**
Current liabilities			
Accounts payable	9,653	–	**9,653**
Other payables and accrued liabilities	10,322	2,023	**12,345**
Deferred revenue	4,330	–	**4,330**
Tax liabilities	2,597	–	**2,597**
	26,902	2,023	**28,925**
Net current assets	212,454	39,879	**252,333**
Total assets less current liabilities	253,961	39,879	**293,840**
Non-current liabilities			
Deferred tax liabilities	–	6,360	**6,360**
	–	6,360	**6,360**
Net Assets	253,961	33,519	**287,480**
Capital and reserves			
Share capital	3,215	–	**3,215**
Share premium and reserves	248,717	33,519	**282,236**
Equity attributable to owners of the Company	201,932	33,519	**285,451**
Non-controlling interests	2,029	–	**2,029**
Total equity	253,961	33,519	**287,480**

(3) ADJUSTMENT ON UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The content on the unaudited consolidated statement of changes in equity of the Group for the financial period ended 30 June 2016 should be amended as follows:

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

	Share capital	Share premium	Capital reserve	Goodwill reserve	Investment revaluation reserve	Capital redemption reserve	Reserve funds	Translation reserve	Retained profits	Subtotal	Attributable to non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2016	64,304	–	755	(31,193)	–	11,690	19,025	45,287	149,526	259,394	2,029	261,423
Profit for the period (Adjusted)	–	–	–	–	–	–	–	–	26,057	26,057	–	26,057
Other comprehensive income for the period	–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income for the period (Adjusted)	–	–	–	–	–	–	–	–	26,057	26,057	–	26,057
Share changes upon capital restructure issue	(61,089)	61,089	–	–	–	–	–	–	–	–	–	–
Dividends *(Note 8)*	–	–	–	–	–	–	–	–	–	–	–	–
At 30 June 2016 (Adjusted)	3,215	61,089	755	(31,193)	–	11,690	19,025	45,287	175,583	285,451	2,029	287,480

(4) ADJUSTMENT ON THE UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

RECONCILIATION OF THE UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2016

	Six months ended 30 June		
	2016	Adjustments	**2016**
	HK$'000	*HK$'000*	***HK$'000***
	(Unaudited)		**(Unaudited)**
	Before adjustment		**Adjusted**
Net cash generated by (used in) operating activities	(21,262)	2,027	**(19,235)**
Cash flows from investing activities:			
Proceeds from available-for-sale investments	10,727	–	**10,727**
Interest received	15	–	**15**
Purchase of available-for-sale investments	(1,406)	–	**(1,406)**
Purchase of property, plant and equipment	(595)	–	**(595)**
Purchase of financial assets at fair value through profit or loss	–	(7,694)	**(7,694)**
Proceeds from disposal on financial assets at fair value through profit or loss	–	5,667	**5,667**
Net cash generated by (used in) investing activities	8,741	(2,027)	**6,714**
Cash flows from financing activities:			
Dividends paid	–	–	**–**
Cash used in financing activities	–	–	**–**
Net decrease in cash and cash equivalents	(12,521)	–	**(12,521)**
Cash and cash equivalents at 1 January	136,864	–	**136,864**
Effect of exchange rate changes on the balance of cash held in foreign currencies	–	–	**–**
Cash and cash equivalents at 30 June, representing bank balances and cash	124,343	–	**124,343**

(5) CLARIFICATION ON THE SIGNIFICANT INVESTMENTS

The Group recognises its investments in listed securities as financial assets at fair value through profit or loss.

At 30 June 2016, the Group held (i) 8,000,000 shares (approximately 0.64%) of Luen Wong Group Holdings Limited ("LW") and (ii) 3,000,000 shares (approximately 0.75%) of KPM Holdings Limited ("KPM"). The Group's investments in LW and KPM, which were respectively acquired during the six months ended 30 June 2016, were collectively referred to as the Significant Investments ("Significant Investments").

Details of the Significant Investments are as follows:

Listed Securities	Six Months Ended 30 June 2016	At 30 June 2016		
	Changes in Fair Value	**Fair Value**	**Approximate percentage of financial assets at fair value through profit or loss**	**Approximate percentage to the total assets**
	HK'000	*HK'000*	*%*	*%*
LW	45,739	47,840	36.90	14.82
KPM	11,957	17,550	13.54	5.44
Total	57,696	65,390	50.44	20.26

The principal business of LW is the provision of civil engineering works and investment holding. According to the 2016 first quarterly report of LW, the demand for civil engineering works is expected to surge in the future due to various infrastructure development plans, notably the ten major infrastructure projects, and the planned increase in the Hong Kong Government's public expenditure on infrastructure, resulting in more business opportunities being presented to the market, and by acquiring more site equipment and further strengthening the manpower would in turn increase the chances in securing more projects in the future.

The principal business activities of KPM is the design, fabrication, installation and maintenance of signage and related product. According to the 2016 interim report of KPM, KPM was expecting to benefit from anticipated public sector demand based on the Building and Construction Authority's press release of 15 January 2016 projecting construction demand to be between S$27 billion and S$34 billion. Based on KPM's observation of roll-out of public sector projects to date and with KPM being involved in the later stages of such projects when signage installation works are typically underway, the benefit that KPM was expecting from such demand may not materialise within the current year.

Except the Significant Investments at 30 June 2016, none of the listed securities held by the Group had value which was more than 5% of the total assets of the Group

GENERAL

Save as disclosed in this announcement, there are no other changes to the unaudited consolidated statement of profit or loss and other comprehensive income, unaudited consolidated statement of financial position, unaudited consolidated statement of changes in equity and unaudited condensed consolidated statement of cash flows.

We sincerely apologise for any confusion and the inconvenience caused.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

On behalf of the Board
Mr. Chow Chi Wa
Chief Executive Officer

Hong Kong, 8 September 2016

As at the date of this announcement, the Directors of the Company are:

Executive Directors:

Mr. Chow Chi Wa, Mr. Wang Tao and Mr. Yang Xingan

Independent Non-executive Directors:

Ms. Yang Shuyan, Mr. Zhang Xiaoguang and Ms. Lee Yim Wah