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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Sino Splendid Holdings Limited (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 audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2016 with comparative figures for the preceding financial year, are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Notes	**2016** *HK$'000*	2015 *HK$'000*
Revenue	*4*	**100,185**	79,184
Cost of sales		**(51,717)**	(36,534)
Gross profit		**48,468**	42,650
Other income, gains and losses	*6*	**159,503**	22,274
Selling and distribution expenses		**(14,764)**	(15,065)
Administrative expenses		**(48,038)**	(36,979)
Finance costs		**(96)**	–
Profit before tax		**145,073**	12,880
Income tax expenses	*7*	**(29,873)**	(1,682)
Profit for the year	*8*	**115,200**	11,198
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operation		**(2,019)**	(3,781)
Other comprehensive income for the year		**(2,019)**	(3,781)
Total comprehensive income for the year		**113,181**	7,417
Profit attributable to:			
Owners of the Company		**115,200**	11,213
Non-controlling interests		**–**	(15)
		115,200	11,198
Total comprehensive income attributable to:			
Owners of the Company		**113,181**	7,432
Non-controlling interests		**–**	(15)
		113,181	7,417
			(Restated)
Earnings per share	*9*		
Basic (HK cents per share)		**35.83**	3.49
Diluted (HK cents per share)		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

	Notes	2016 HK$'000	2015 HK$'000
Non-current assets			
Property, plant and equipment		**1,876**	1,589
Goodwill		**5,161**	–
Intangible assets		**24,243**	–
Available-for-sale investments		**62,490**	49,149
		93,770	50,738
Current assets			
Accounts receivables	*11*	**23,387**	18,211
Prepayments, deposits and other receivables		**2,241**	3,255
Held-for-trading investments	*12*	**243,893**	87,812
Bank balances and cash		**80,980**	136,864
		350,501	246,142
Current liabilities			
Accounts payables	*13*	**3,471**	3,367
Other payables and accrued liabilities		**32,276**	17,291
Deferred revenue		**268**	12,684
Tax payables		**3,324**	2,115
		39,339	35,457
Net current assets		**311,162**	210,685
Total assets less current liabilities		**404,932**	261,423
Non-current liabilities			
Deferred tax liabilities		**30,328**	–
Net assets		**374,604**	261,423
Capital and reserves			
Share capital		**3,215**	64,304
Share premium and reserves		**369,360**	195,090
Equity attributable to owners of the Company		**372,575**	259,394
Non-controlling interests		**2,029**	2,029
Total equity		**374,604**	261,423

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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").

For the year ended 31 December 2016, the Group are principally engaged in (i) travel media operations with provision of advertising services through the internet and travel magazines, event organizing services and magazine publication; (ii) provision of contents and advertising services in a well-known financial magazine distributed in The People's Republic of China ("the PRC"); and (iii) investment in securities.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of The Rules Governing the Listing of Securities on the GEM of the Stock Exchange ("GEM Listing Rules").

The consolidated financial statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair value.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

a. Adoption of new/revised HKFRSs – effective 1 January 2016

Amendments to HKAS 1	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: applying the consolidation exception
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2012-2014 Cycle

b. New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 7	Disclosure initiative – statement of cash flows[1]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses[1]
Amendments to HKAS 2	Classification and measurement of share-based payment transaction[2]
HKFRS 9 (2014)	Financial instruments[2]
HKFRS 15	Revenue from contracts with customers and the related Amendments[2]
HKFRS 16	Leases[3]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[4]

[1] *Effective for annual periods beginning on or after 1 January 2017*
[2] *Effective for annual periods beginning on or after 1 January 2018*
[3] *Effective for annual periods beginning on or after 1 January 2019*
[4] *Effective for annual periods beginning on or after a date to be determined*

The group is in the process of evaluating the potential impact on these new or revised standards and amendments but is not yet in a position to state whether the application of these pronouncements would have a significant impact on the Group's consolidated financial statements.

4. REVENUE

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

	2016	2015
	HK$'000	*HK$'000*
Travel Media	**91,382**	79,184
Financial Magazine	**8,799**	–
Securities investment	**4**	–
	100,185	79,184

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 (2015: 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 PRC ("Financial Magazine Business"); and

iii. Investment in securities ("Securities Investment").

During the year ended 31 December 2016, the Group acquired the Financial Magazine Business in July 2016.

During the year ended 31 December 2015, 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. Accordingly, no segment analysis is presented other than entity-wide disclosures.

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:

(a) Business segments

For the year ended 31 December 2016

	Travel Media Business *HK$'000*	**Financial Magazine Business** *HK$'000*	**Securities Investment** *HK$'000*	**Total** *HK$'000*
Revenue from external customers	91,382	8,799	4	100,185
Reportable segment revenue	91,382	8,799	4	100,185
Reportable segment profit/(loss)	19,146	(2,551)	154,110	170,705
Reportable segment assets	64,855	44,039	275,643	384,537
Reportable segment liabilities	16,682	19,188	27,959	63,829

(b) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	2016 ***HK$'000***
Revenue	
Reportable segment revenue	**100,185**
Profit before income tax expense	
Reportable segment profit	**170,705**
Unallocated corporate income	**2,620**
Unallocated corporate expenses	**(28,252)**
Consolidated profit before income tax expense	**145,073**
Assets	
Segment assets	**384,537**
Cash and cash equivalents	**22,549**
Unallocated corporate assets	**37,185**
Consolidated total assets	**444,271**
Liabilities	
Segment liabilities	**63,829**
Unallocated corporate liabilities	**5,838**
Consolidated total liabilities	**69,667**

Reportable segment profit represents the profit attributable to each segment without allocation of corporate administrative expenses, corporate directors' emoluments, corporate interest income and income tax expense. This is the measure reported to the chief operating decision-maker for the purposes of resource allocation and performance assessment.

All assets are allocated to reportable segments other than available-for-sale investments and cash and cash equivalents.

(c) Geographic information

The geographical location of customers is based on the location at which the goods delivered or service provided. The geographical location of the non-current assets is based on the physical and operating location of the assets.

The Group's operations and workforce are mainly located in Singapore and Hong Kong.

The following table provides an analysis of the Group's revenue from external customers.

	2016	2015
	HK$'000	*HK$'000*
Singapore	**91,382**	79,184
Hong Kong	**8,803**	–

The following table provides an analysis of the Group's non-current assets.

	2016	2015
	HK$'000	*HK$'000*
Singapore	**543**	887
Hong Kong	**93,227**	49,851

6. OTHER INCOME, GAINS AND LOSSES

	2016	2015
	HK$'000	*HK$'000*
Dividend income from available-for-sale investments	**3,083**	29,293
Loss on derecognised of available-for-sale investments	**(463)**	–
Bank interest income	**22**	336
Other non-operating income	**1,313**	536
Realised loss on disposal of held-for-trading investments	**(8,681)**	(5,015)
Unrealised gain/(loss) on held-for-trading investments	**164,229**	(2,876)
	159,503	22,274

7. INCOME TAX EXPENSES

	2016	2015
	HK$'000	*HK$'000*
Current tax – Hong Kong	**118**	–
Current tax – Singapore	**3,196**	2,159
Deferred tax	**26,559**	–
Over-provision in prior years	**–**	(477)
	29,873	1,682

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for the year. No Hong Kong Profits Tax was provided for last year as the Group had no assessable profit arising in Hong Kong for the year ended 31 December 2015.

For the subsidiary in Singapore, it is subject to a flat corporate tax rate of 17% (2015: 17%).

8. PROFIT FOR THE YEAR

Profit for the year is arrived at after charging/(crediting):

	2016	2015
	HK$'000	*HK$'000*
Operating leases	**2,291**	2,963
Depreciation of property, plant and equipment	**828**	779
Amortisation of intangible assets	**3,596**	–
Staff costs (including directors' emoluments)	**24,402**	23,895
Retirement benefits scheme contributions	**2,793**	2,659
Total staff costs	**27,195**	26,554
Net foreign exchange (gain)/loss	**(276)**	4,471
Auditor's remuneration	**594**	759
Impairment losses on accounts receivables	**805**	538

9. EARNINGS PER SHARE

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

	2016	2015
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of computation of basic earnings per share	**115,200**	11,213

	2016	2015
	'000	*'000*
		(Restated)
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of computation of basic earnings per share *(Note)*	**321,521**	321,521

Note:

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

The comparative figures for the basic earnings per share for the year ended 31 December 2015 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 earnings per share has been presented because there was no potential dilutive ordinary share in issue for the years ended 31 December 2016 and 2015.

There were no outstanding share options as at 31 December 2016 and 2015.

10. DIVIDENDS

The directors do not recommend the payment of a final dividend for the years ended 31 December 2016 and 2015.

11. ACCOUNTS RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Accounts receivables	**26,948**	21,053
Less: Allowance for bad and doubtful debts	**(3,561)**	(2,842)
	23,387	18,211

The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month, extending up to six months for major customers. The Group seeks to maintain strict control over its outstanding accounts receivable and has a credit control policy to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group has provided impairment losses on accounts receivables based on experience of collecting payments.

The following is an aged analysis of accounts receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

	2016	2015
	HK$'000	*HK$'000*
Within 90 days	**16,138**	15,760
91-120 days	**1,884**	595
121-180 days	**1,205**	643
Over 180 days and within one year	**4,160**	1,213
	23,387	18,211

12. HELD-FOR-TRADING INVESTMENTS

	2016	2015
	HK$'000	*HK$'000*
Equity securities listed in Hong Kong, at market value	**243,893**	87,812

These investments are classified as financial assets at fair value through profit or loss. The fair values of all equity securities are based on their current bid prices in active market, and they are categorized within level 1 of fair value hierarchy.

Changes in fair values of held-for-trading investments are recorded in "Other income, gains and losses" in the consolidated income statement (note 6).

13. ACCOUNTS PAYABLES

The following is an aged analysis of accounts payable presented based on the invoice date at the end of the reporting period:

	2016	2015
	HK$'000	*HK$'000*
Within 90 days	**3,193**	2,569
91-120 days	**97**	593
121-180 days	**2**	14
Over 180 days	**179**	191
	3,471	3,367

The credit period on purchase is generally 1.5 to 3 months. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

14. BUSINESS COMBINATION

On 5 July 2016, Sino Impact Group Limited, a wholly-owned subsidiary of the Company, entered into an agreement with an independent third party to purchase 100% of the issued share capital of Able Group at a consideration of HK$27,000,000. Able Group is principally engaged in the provision of contents and advertising services in a well-known financial magazine distributed in the PRC.

The fair value of identifiable assets and liabilities of the acquire as at the date of acquisition were as follows:

	HK$'000
Net assets acquired:	
Intangible assets	22,839
Trade and other receivables	6,056
Cash and cash equivalents	7,923
Trade and other payables	(11,211)
Deferred tax liability	(3,768)
	21,839
Cash consideration	27,000
Less: Fair value of net assets acquired	21,839
Goodwill	5,161

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the year ended 31 December 2016, the Group are principally engaged in (i) travel media operations with provision of advertising services through the internet and travel magazines, event organizing services and magazine publication; (ii) provision of contents and advertising services in a well-known financial magazine distributed in the PRC; and (iii) investment in securities.

The Group's total revenue increased HK$21.0 million or 26.5%, from HK$79.2 million last year to HK$100.2 million for the year ended 31 December 2016 primarily due to the revenue generated from Netplus Media Limited, the Financial Magazine Business newly acquired in July 2016 and the increase of revenue from Travel Media Business.

Gross profit of the Group was HK$48.5 million, representing an increase of 13.6% or HK$5.8 million as compared to HK$42.7 million in 2015. Gross profit margin for the year reached approximately 48.4% (2015: 53.9%), representing a decrease of 5.5 percentage points over the last year, as a result of the contribution of lower gross profit margin from Financial Magazine Business.

The Group recorded other income, gains and losses in the net amount of HK$159.5 million during the year, representing an increase of HK$137.2 million or 616.1% as compared to HK$22.3 million in the corresponding year of 2015, which was mainly due to unrealised gain on held-for-trading investments in 2016 whereas unrealised loss on held-for-trading investments in 2015.

The selling and distribution costs decreased by HK$0.3 million to HK$14.8 million during the year (2015: HK$15.1 million), representing a decrease of 2.0% against the year of 2015. The administrative expenses increase by HK$11.0 million to HK$48.0 million (2015: HK$37.0 million), representing an increase of 29.9% over the last year.

As a result, the profit attributable to owners of the Company was HK$115.2 million, which shows a significant improvement of 927.4% as compared to HK$11.2 million in 2015.

Industry Review

The travel trade industry was in the hands of major disruption of global economies in 2016. With rising political tensions in prominent economies, spill-over effects of the Middle East conflict, the mass migration and terrorist attacks etc. had impacted greatly on tourism demand and generated a constant shifting business environment.

Despite the challenging global economic environment, inbound arrivals worldwide continued to grow with international air passenger traffic rose by 6.7% in 2016 compared to 2015. All regions, including Asia Pacific recorded year on year increases in demand. The Middle East tops the regional list with a 11.8% increase in Revenue Passenger Kilometres in air travel, followed by Asia Pacific with a demand increase of 8.3%.

Domestic air travel rose 5.7% globally lead by India and China among the major markets.

The year 2016 has proven to be a challenging time for media and advertising business, with all the various negative developments in the global business stage resulting in many organisations tightening their advertising budget to brace for difficult times. However, TTG Asia Media Pte Ltd ("TTG") was able to adapt and create opportunities by introducing new regional publications with the aim of driving increased revenue.

TTG thus continued to perform well by finishing the year with a decent 15% increase in full year profit as compared to the previous year. Another contributing factor to this year's profit margin is TTG's Events group's successful win and fulfilment of the ASEAN Tourism Forum ("ATF") 2016 event management contract in Manila, Philippines.

BUSINESS REVIEW

Travel Media Business

For the year ended 31 December 2016, the Travel Media Business recorded revenue of HK$91.4 million, increased by 15.4% or HK$12.2 million as compared to that of HK$79.2 million in 2015. This amount represented 91.2% of the Group's total revenue for the year under review.

The Group recorded a segment profit of HK$19.1 million this year, representing an increase of HK$4.5 million or 30.8% as compared to that of HK$14.6 million in last year.

As a result of businesses chose to be cautious amid the current subdued outlook, a decrease in overall run-of-page ("ROP") print advertising revenue from the main source markets due to advertising and promotion spend remained lackluster.

Despite the challenging business conditions, online advertising continues to yield good potential on the advertising front with a significant increase in interest among clients. This is driven by (a) a trending preference for online advertising channels, (b) online's suitability to run tactical advertising campaigns, (c) online's ability to accommodate smaller budgets and provide measurability and accountability for return on investment ("ROI").

Moreover, new spending from clients in non-traditional geographies have also helped to supplement some shortfall from TTG's main source clients in North Asia and South-East Asia. There are opportunities in these new geographies as their advertising spend is buoyed by the lucrative potential of the growing Asia-Pacific outbound traffic.

Notwithstanding the above, careful costs management on overheads, the strong performance by special projects, plus the Events group's win and completion of the event management contract for ATF 2016, has helped significantly in increasing TTG's top and bottom line profits compared to the previous year.

Besides, TTG embarks on various industry partnerships with reputable global events, associations and organisations in the capacity of Media Partner or Sponsor. This is part of the brand's on-going marketing and promotional efforts to engage the marketplace, showcase our leadership position and presence, create exposure for our quality products and services as well as heighten brand recall and preference among clients and stakeholders. Through the years, TTG has established strong presence in almost all key and major travel trade events in the region.

All the above factors and activities have contributed to the overall bottom line profitability for TTG in 2016.

Financial Magazine Business

Revenue from this newly acquired business was HK$8.8 million, which contributed 8.8% of the Group's total revenue for the year under review. This business recorded a gross profit of HK$2.3 million and gross profit margin of 26.7%. Segmental loss of this business during the year amounted to HK$2.6 million which was primarily as a result of amortisation charges of intangible asset acquired as part of the acquisition of business of HK$3.3 million which was non-cash item.

Securities investment

As at 31 December 2016, total market value for the held-for-trading investments of the Group was approximately HK$243.9 million and recorded a fair value gain of approximately HK$164.2 million which was mainly attributable to the investments in Luen Wong Group Holdings Limited (HK stock code: 8217) (the "LW Group"). The market value for the investment in the Luen Wong Group as at 31 December 2016 was approximately HK$179.2 million with a fair value gain of approximately HK$177.1 million.

The investment portfolio as at 31 December 2016 comprises of listed shares in 12 companies which cover various industries. As a whole, the investment portfolio was carefully managed and being fully diversified to minimize commercial risk resulting from over concentration of the investment of the Group in any single industry. The management will continue to take a prudent approach in managing the Group's investment portfolio and develop the investment strategies with the aim to improve the capital usage efficiency and generate additional investment returns on the idle funds of the Group. Also, they will consider investing in certain listed and unlisted equity securities with high potential in order to diversify further market risk.

During the year ended 31 December 2016, the Group disposed some of the investments on market and the sales proceeds generated from the investments in marketable securities amounted to HK$7.1 million and realized loss on disposal of held-for-trading investments of HK$8.7 million.

SIGNIFICANT INVESTMENTS

As at 31 December 2016, total market value for the held-for-trading investments of the Group was approximately HK$243.9 million, representing equity securities listed in Hong Kong and recorded. A fair value gain of approximately HK$164.2 million was recognized during the year. The Board considers that investments with market value accounting for more than 5% of the Group's total assets as at 31 December 2016 as significant investment.

As at 31 December 2016, the Group held (i) 8,000,000 shares (approximately 0.64% of total issued share capital) of LW Group and (ii) 24,000,000 shares (approximately 0.75% of the total issued share capital) of KPM Holdings Limited (the "KPM"). Detail of the top two held-for-trading investments, in terms of market value as at 31 December 2016, are as follows:

	For the year ended 31 December 2016			
	Market value as at 31 December 2016	**Proportion to the total assets of the Group**	**Gain/(loss) fair value changes of the investments**	**Dividends received**
	HK$'000	*%*	*HK$'000*	*HK$'000*
Company name				
LW Group	179,200	40.3%	177,120	–
KPM	12,240	2.8%	6,659	–
Others	52,453	11.8%	(19,550)	4
	243,893	54.9%	164,229	4

LW Group are principally engaged in the provision of civil engineering works and investment holding. According to the 2016 third quarterly report of LW Group, the demand for civil engineering works is expected to increase 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 our manpower would in turn increase the chances in securing more projects in the future.

The principal activities of KPM and its subsidiaries are engaged in the design, fabrication, installation and maintenance of signage and related products. According to the 2016 third quarterly report of KPM, KPM expects its revenue to continue to decline for the current financial year given the challenging economic and construction industry environment and the overall slow-down in demand for its services.

Going forward, the Directors believe that the future performance of the listed investments held by the Group will be volatile and substantially affected by overall economic environment, equity market conditions, investor sentiment and the business performance and development of the investee companies.

ACQUISITION OF NEW BUSINESS

Acquisition of Financial Magazine Business

Pursuant to an announcement made by the Company on 5 July 2016, Sino Impact Group Limited, a wholly-owned subsidiary of the Company, entered into an agreement with an independent third party to purchase 100% of the issued share capital of Able Professional Enterprises Limited and its subsidiary, Netplus Media Limited (collectively, "Able Group") at a consideration of HK$27,000,000. Able Group is principally engaged in the provision of contents and advertising services in a well-known financial magazine distributed in the PRC.

Details of the acquisition of Able Group is set out in the Company's announcement dated 5 July 2016.

Acquisition of 10% of issued share capital of Novaqua Holdings Limited

Pursuant to an announcement made by the Company on 19 September 2016, Heroic Heart Holdings Limited ("Heroic Heart"), a wholly-owned subsidiary of the Company, as the purchaser entered into an agreement with Thriving City Investments Limited ("Thriving City") as the vendor, pursuant to which Heroic Heart agreed to acquire 5,000 ordinary shares of US$1 each in the share capital of Novaqua Holdings limited ("Novaqua") and its subsidiaries ("Novaqua Group"), being 10% of the issued share capital of Novaqua at a cash consideration of HK$20,000,000. Novaqua Group is principally engaged in the provision of circulating water treatment system solutions in the PRC based on self-developed technologies. The acquisition is completed on 30 September 2016.

Details of the acquisition of Novaqua Group is set out in the Company's announcement dated 19 September 2016.

PROSPECT

The outlook for 2017 is overshadowed by global events, execution of the Brexit mechanism, and the change of the leadership in United States, the economic growth of advanced economies will be modest and patchy. This, coupled with new uncertainties brought about by political changes in many parts of the world and rising populist and protectionist sentiments, will further complicate the situation and render the global economic outlook volatile.

In response to these challenges, the Group will continue to explore investment opportunities and monitor the external environment and internal resources carefully to meet the Group's business development. Meanwhile, the management will continue their persistent efforts to improve the Group's business portfolio with diversification strategy to maximize the shareholders' value and return. Given the dynamic environment, the Group will invest prudently.

FINANCIAL REVIEW

Liquidity and financial resources

The Group generally financed its operations with its internally generated cash flows. The Group's total equity was HK$374.6 million as at 31 December 2016, representing an increase of HK$113.2 million as compared to that of HK$261.4 million as at 31 December 2015. Total assets amounted to HK$444.3 million as at 31 December 2016 (2015: HK$296.9 million), of which HK$81.0 (2015: HK$136.9) million was bank and cash, HK$62.5 (2015: HK$49.1) million was available-for-sale investments, HK$243.9 (2015: HK$87.8) million was held-for-trading investments.

Capital structure

As of 31 December 2016, the Group's consolidated net assets was HK$374.6 million, representing an increase of HK$113.2 million as compared to that of HK$261.4 million in 2015.

As at 31 December 2016, the Company has 321,520,923 shares of HK$0.01 each in issue.

Capital reorganisation

On 10 June 2016, the Company effected the capital reorganization, which included:

i. the par value of each issued share of HK$0.01 will be deducted to HK$0.0005 by canceling paid-up capital to the extent of HK$0.0095 on each issued share;

ii. immediately after the capital reduction becomes effective, each authorized but unissued share will be subdivided into 20 new shares of HK$0.0005 each; and

iii. immediately after the capital reduction and sub-division become effective, the new shares will be consolidated on the basis that every 20 issued and unissued new shares of HK$0.0005 each will be consolidated into one consolidated share of HK$0.01 each.

For details, please refer to the Company's announcements dated 30 December 2015, 3 May 2016, 4 May 2016, 17 May 2016 and 20 June 2016, respectively and the Company's circular dated 12 January 2016.

Charges on the Group's assets

There was no charge on the Group's assets as at 31 December 2016 and 2015.

Debt structure

The Group's total borrowings from financial institutions were zero as at 31 December 2016 and 2015. The Group's total cash and bank balances amounted to HK$81.0 million as at 31 December 2016, which decreased HK$55.9 million as compared to that of HK$136.9 million as at 31 December 2015.

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 year ended 31 December 2016 and 2015, 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.

Contingent liabilities

The Group had no material contingent liability as at 31 December 2016 and 2015.

Employee information

As at 31 December 2016, the Group had 68 (2015: 58) full time employees, of which 17 (2015: 12) were based in Hong Kong, 2 (2015: 2) in China, 48 (2015: 43) in Singapore, and 1 (2015: 1) in Malaysia. The Group's employees are remunerated largely based on their performance and experience, alongside with the current industry practices. The Group has introduced share option schemes to recognize the contributions of the employees to the growth of the Group. The schemes have been or will be amended from time to time to take into account changes in market conditions and the GEM Listing Rules. Remuneration packages of employees include salaries, insurance, medical cover, mandatory provident fund, discretionary bonuses and share option scheme.

DIVIDEND

No payment of dividends has been proposed by the Board in respect of the year ended 31 December 2016 (2015: Nil).

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

During the year ended 31 December 2016, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

COMPETING INTERESTS

During the year ended 31 December 2016, 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 year ended 31 December 2016, 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 year ended 31 December 2016.

CORPORATE GOVERNANCE

The Board have only two Independent Non-executive Directors since 1 January 2016, as such the number of which falls below: (a) the minimum number of three independent non-executive directors pursuant to Rule 5.05(1) and (b) one-third of the board as required according to rule 5.05A of the GEM Listing Rules. On 31 March 2016, Ms. Lee Yim Wah has been appointed as an Independent Non-executive Director and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Upon the appointment of Ms. Lee Yim Wah, the Company has fulfilled the aforesaid requirements.

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The internal control system includes safeguard of the interest of shareholders and the Group's assets. It has been an important duty of the Board to conduct a review of internal control to ensure the effectiveness and adequacy of the system of the Group annually or at any time necessary. The review covers all material controls, including financial, operational and compliance controls, as well as risk management functions.

The Board has engaged an independent internal control review advisor (the "Internal Control Advisor") to act as internal audit and conduct the annual review on the effectiveness of the internal control system. Review of the Group's internal controls covering major operational, financial and compliance controls, as well as risk management functions of different systems has been performed on a systematic rotational basis on the risk assessments of the operations and controls. During the risk assessment process, the Internal Control Advisor interviewed the relevant personal and identified the business objectives and significant risks of the Group. A risk management report prepared by the Internal Control Advisor which sets out the risks, issues and recommended action plan was presented to the Board for review and endorsement. The Board considered that significant risks of the Group were managed within the acceptable level and the management will continue to monitor the residual risks and report to the Board on an ongoing basis.

Save as disclosed above, the Company throughout the year 2016 has fully complied with the applicable code provisions in the Corporate Governance Code (the "CG Code") and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules of the Stock Exchange.

SCOPE OF WORK OF ELITE PARTNERS CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2016 have been agreed by the Group's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Elite Partners CPA Limited on the preliminary announcement.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed with the management of the Company, the accounting principles and practices adopted by the Group and the consolidated financial statements for the year ended 31 December 2016.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL 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 2016 annual 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 CEO

Hong Kong, 24 March 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.