SANDI

CHINA SANDI HOLDINGS LIMITED
中國三迪控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 910)

PROFIT WARNING

This announcement is made by China Sandi Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors of the Company that, based on the information currently available to the Company and preliminary review of the unaudited consolidated management accounts of the Group, it is expected to record a loss for the year ended 31 March 2017 as compared to a profit of approximately HK$160.6 million for the year ended 31 March 2016.

The turnaround of the annual results of the Group was mainly attributable to (i) the increase in finance costs from HK$64.4 million in 2016 to HK$89.7 million during the year; (ii) the recognition of a non-cash fair value loss of investments held for trading of approximately HK$52.4 million and as compared to that of, a fair value gain of approximately HK$75.5 million was recorded in 2016; and (iii) a non-cash fair value loss of an investment property of approximately HK$81.1 million (the final figure is subject to any adjustment to be made under applicable accounting principles), as compared to a fair value gain on an investment property of approximately HK$96.7 million was recorded in 2016.

Despite the year end results of the Group may expect to record a net loss as compared to a net profit in 2016, the Board considers that the Group's overall financial positions are healthy and the Board remains positive on the prospects of the Group.

The Company is in the process of finalizing the consolidated annual results of the Group for the financial year ended 31 March 2017. The information contained in this announcement is based on a preliminary review by the management of the Company of information currently available to the Board, and is not based on any figures or information which have been audited or reviewed by the auditors of the Company. Shareholders and potential investors are advised to read carefully the announcement of the annual results of the Group for the financial year ended 31 March 2017 which is expected to be published in late June 2017.

The information contained in this announcement is only based on information currently available and the preliminary review by the Board. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Sandi Holdings Limited
Guo Jiadi
Chairman

Hong Kong, 13 June 2017

As at the date of this announcement, the Board comprises Mr. Guo Jiadi, Ms. Amika Lan E Guo and Mr. Yan Pingfeng, being the executive Directors; Dr. Wong Yun Kuen, being the non-executive Director; and Mr. Chan Yee Ping, Michael, Mr. Yu Pak Yan, Peter, Mr. Zheng Jinyun and Mr. Zheng Yurui, being the independent non-executive Directors.