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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Yuet Sheung International Securities Limited

THE PLACING

On 12 June 2020 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, aggregate maximum of 77,160,000 Placing Shares to Placees who and whose ultimate beneficial owners will be third parties independent of the Company and not connected with the Company and its connected persons.

A maximum of 77,160,000 Placing Shares under the Placing represent approximately 19.99% of the existing issued share capital of the Company of 385,820,923 Shares as at the date of this announcement and approximately 16.67% of the then issued share capital of 462,980,923 Shares as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$771,600.

The Placing Price of HK\$0.07 represents a discount of approximately 10.71% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.078 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.0784 for the last 5 trading days prior to the date of the Placing Agreement.

The Placing is conditional upon, among other things, the GEM Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The maximum gross proceeds from the Placing will be approximately HK\$5.4 million. The maximum net proceeds from the Placing will amount to approximately HK\$5.1 million which is intended to be used for development and operation of the virtual reality business of the Group. The maximum net price raised per Share upon the completion of the Placing will be approximately HK\$0.066 per Share.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

12 June 2020 (after trading hours)

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place a maximum of 77,160,000 Placing Shares on a best effort basis and will receive a placing commission of HK\$100,000 for the Placing Shares being placed. Having considered the Placing Price and the terms of the Placing, the Directors are of the view that the placing commission of HK\$100,000 is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Placees

The Placing Agent will, on a best effort basis, place the Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are not connected persons of the Company and are third parties independent of and not connected with the Company and its connected persons.

Number of Placing Shares

The 77,160,000 Placing Shares under the Placing represent approximately 19.99% of the existing issued share capital of the Company of 385,820,923 Shares as at the date of this announcement and approximately 16.67% of the then issued share capital of 462,980,923 Shares as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$771,600.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.07 represents a discount of approximately 10.71% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.078 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.0784 for the last 5 trading days prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

General Mandate to issue the Placing Shares

The maximum of 77,160,000 Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorized to issue up to 77,164,184 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to the approval of Shareholders.

Condition of the Placing Agreement

Completion of the Placing Agreement is conditional upon the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in all of the Placing Shares.

If the above condition is not satisfied on or before 26 June 2020 or such later date to be agreed between the Company and the Placing Agent in writing, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties under the Placing Agreement will forthwith cease and determine and no party will have any claim against the others.

Termination of the Placing

Under the Placing Agreement:

- (1) the Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if:
 - (a) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
 - (b) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
 - (c) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
 - (d) any statement contained in the announcements, circulars, financial reports issued by the Company to the Stock Exchange and/or the Shareholders since the publication of the announcement of the Company relating to the final results of the Company for the year ended 31 December 2019 has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing;
- (2) the Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement by notice in writing to the Placing Agent at any time up to 8:00 a.m. on the Completion Date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Upon termination of the Placing Agreement pursuant to the above paragraphs, all liabilities of the parties thereto hereunder shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement.

Completion of the Placing

Completion of the Placing will take place within three Business Days after the fulfillment of the condition set out in the Placing Agreement or such other date as may be agreed between the Company and the Placing Agent.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company. The Group is principally engaged in travel media operations with provision of advertising services through the internet and travel magazines, event organizing services and magazine publication; provision of contents and advertising services in a well-known financial magazine distributed in the PRC; investment in securities and money lending.

As stated in the first quarterly report of the Group for the three months ended 31 March 2020, most of the Group's business were affected the outbreak of Coronavirus disease and the Group entered into virtual reality business in January 2020. The Group has applied virtual reality technology in games and might consider applying such technology in other areas. The Directors are optimistic about the prospect of the virtually reality business market and believe that such market will grow in the future. In view of the current market, the Directors consider that the Placing represents a good opportunity for the Company to raise additional capital to enhance its capital base and broaden its shareholders' base.

The Directors consider that the terms of the Placing Agreement, which were arrived at after arm's length negotiations between the Company and the Placing Agent, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The maximum gross proceeds from the Placing will be approximately HK\$5.4 million. The maximum net proceeds from the Placing will amount to approximately HK\$5.1 million which is intended to be used for development and operation of the virtual reality business of the Group. The maximum net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.066 per Share.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing is set out as below:

Shareholders	As at the date of this announcement		Upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>
Chen Ying Zhen (<i>Note</i>)	90,695,125	23.51	90,695,125	19.59
Public				
Placees	–	–	77,160,000	16.67
Other public Shareholders	<u>295,125,798</u>	<u>76.49</u>	<u>295,125,798</u>	<u>63.74</u>
Total	<u><u>385,820,923</u></u>	<u><u>100.00</u></u>	<u><u>462,980,923</u></u>	<u><u>100.00</u></u>

Note: Included 1,350,388 Shares were held by Qiyi Holdings Limited, a company which is owned as to 80% by Mr. Chen Ying Zhen.

GENERAL

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

TERMS AND DEFINITIONS

“AGM”	the annual general meeting of the Company held on 28 June 2019
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and public holiday), on which licensed banks in Hong Kong are generally open for business in Hong Kong
“Company”	Sino Splendid Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Completion Date”	the date of completion of the Placing
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed thereto under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with the Shares of up to 20% of the then issued share capital of the Company as at the date of the AGM
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Placee(s)”	any individuals, corporate, institutional or other investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement

“Placing”	the placing of up to 77,160,000 new Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Yuet Sheung International Securities Limited, a licensed corporation to carry on business in types 1 and 4 regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 12 June 2020 in relation to the Placing
“Placing Price”	HK\$0.07 per Placing Share
“Placing Share(s)”	a maximum of 77,160,000 new Shares to be placed pursuant to the Placing Agreement
“PRC”	The People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“%”	per cent

By order of the Board
Sino Splendid Holdings Limited
Chow Chi Wa
Executive Director

Hong Kong, 12 June 2020

As at the date of this announcement, the Board comprises Mr. Chow Chi Wa, Mr. Wang Tao and Mr. Yang Xingan as executive Directors; Ms. Yang Shuyan, Ms. Wang Qingling 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.