

# **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)**

## **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 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.**

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*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 中國華泰瑞銀控股有限公司 (the “Company”) is pleased to announce the unaudited consolidated results (the “Unaudited Interim Results”) of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the three months (the “Quarterly Period”) and six months (the “Half-Yearly Period”) ended 30 June 2017, together with the comparative unaudited figures for the corresponding periods in 2016.

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

*For the six months ended 30 June 2017*

		(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
		2017	2016	2017	2016
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	3	25,357	20,933	42,862	47,708
Cost of sales		(13,253)	(9,528)	(22,516)	(24,513)
Gross profit		12,104	11,405	20,346	23,195
Other (expenses) income	16	(190,505)	35,371	(199,798)	40,350
Selling and distribution expenses		(8,536)	(13,718)	(11,834)	(16,474)
Administrative expenses		(9,329)	(6,623)	(17,344)	(12,984)
(Loss) profit before tax		(196,266)	26,435	(208,630)	34,087
Income tax credit (expense)	5	30,304	(6,429)	36,928	(8,030)
<b>(Loss) profit for the period</b>	6	<b>(165,962)</b>	<b>20,006</b>	<b>(171,702)</b>	<b>26,057</b>
<b>Other comprehensive income:</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translating foreign operation		873	—	2,514	—
Other comprehensive income for the period		873	—	2,514	—
<b>Total comprehensive income for the period</b>		<b>(165,089)</b>	<b>20,006</b>	<b>(169,188)</b>	<b>26,057</b>

	<i>Notes</i>	<b>(Unaudited)</b> <b>Three months ended</b> <b>30 June</b>		<b>(Unaudited)</b> <b>Six months ended</b> <b>30 June</b>	
		<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>(Loss) profit attributable to:</b>					
Owners of the Company		<b>(165,962)</b>	20,006	<b>(171,702)</b>	26,057
Non-controlling interests		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
		<b><u>(165,962)</u></b>	<b><u>20,006</u></b>	<b><u>(171,702)</u></b>	<b><u>26,057</u></b>
<b>Total comprehensive income</b>					
<b>attributable to:</b>					
Owners of the Company		<b>(165,089)</b>	20,006	<b>(169,188)</b>	26,057
Non-controlling interests		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
		<b><u>(165,089)</u></b>	<b><u>20,006</u></b>	<b><u>(169,188)</u></b>	<b><u>26,057</u></b>
<b>(Loss) earnings per share</b>	<b>7</b>				
Basic (cents per share)		<b><u>(51.62)</u></b>	<b><u>6.23</u></b>	<b><u>(53.40)</u></b>	<b><u>8.10</u></b>

# UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	(Unaudited) 30 June 2017 HK\$'000	(Audited) 31 December 2016 HK\$'000
<b>Non-current Assets</b>			
Property, plant and equipment	9	1,634	1,876
Goodwill		5,161	5,161
Intangible assets		20,480	24,243
Deferred tax assets		9,615	–
Available-for-sale investments		62,773	62,490
		<u>99,663</u>	<u>93,770</u>
<b>Current Assets</b>			
Accounts receivable	10	20,791	23,387
Prepayments, deposits and other receivables		16,393	2,241
Held-for-trading investments		4,459	243,893
Bank balances and cash		111,848	80,980
		<u>153,491</u>	<u>350,501</u>
<b>Current Liabilities</b>			
Accounts payable	11	3,574	3,471
Other payables and accrued liabilities		34,223	32,276
Deferred revenue		5,191	268
Tax liabilities		2,058	3,324
		<u>45,046</u>	<u>39,339</u>
<b>Net Current Assets</b>		<u>108,445</u>	<u>311,162</u>
<b>Total Assets less Current Liabilities</b>		<u>208,108</u>	<u>404,932</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		2,692	30,328
<b>Net assets</b>		<u>205,416</u>	<u>374,604</u>
<b>Capital and Reserves</b>			
Share capital	12	3,215	3,215
Share premium and reserves		200,172	369,360
Equity attributable to owners of the Company		203,387	372,575
Non-controlling interests		2,029	2,029
<b>Total Equity</b>		<u>205,416</u>	<u>374,604</u>

# UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017

	Share capital HK\$'000	Share premium HK\$'000 (note a)	Capital reserve HK\$'000 (note a)	Goodwill reserve HK\$'000	Capital redemption reserve HK\$'000	Reserve funds HK\$'000 (note b)	Translation reserve HK\$'000	Retained profits HK\$'000	Subtotal HK\$'000	Attributable to non- controlling interests HK\$'000	Total 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	–	–	–	–	–	–	–	26,057	26,057	–	26,057
Other comprehensive income for the period	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income for the period	–	–	–	–	–	–	–	26,057	26,057	–	26,057
Share changes upon capital restructure issue	(61,089)	61,089	–	–	–	–	–	–	–	–	–
Dividend (Note 8)	–	–	–	–	–	–	–	–	–	–	–
At 30 June 2016	3,215	61,089	755	(31,193)	11,690	19,025	45,287	175,583	285,451	2,029	287,480
At 1 January 2017	3,215	61,089	755	(31,193)	11,690	19,025	43,268	264,726	372,575	2,029	374,604
Loss for the period	–	–	–	–	–	–	–	(171,702)	(171,702)	–	(171,702)
Other comprehensive income for the period	–	–	–	–	–	–	2,514	–	2,514	–	2,514
Total comprehensive income for the period	–	–	–	–	–	–	2,514	(171,702)	(169,188)	–	(169,188)
Dividend (Note 8)	–	–	–	–	–	–	–	–	–	–	–
At 30 June 2017	3,215	61,089	755	(31,193)	11,690	19,025	45,782	93,024	203,387	2,029	205,416

**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 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 the ordinary course of business.

**Note b:** Pursuant to the relevant laws and regulations for foreign investment enterprises (“FIEs”) established in the People’s Republic of China excluding Hong Kong (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 be less than 10% of profit after taxation calculated in accordance with PRC GAAP. No such transfer was made during both periods as there was no such profit after tax from FIEs in either periods.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

	(Unaudited)	
	Six months ended 30 June	
	2017	2016
	HK\$'000	HK\$'000
<b>Net cash used in operating activities</b>	<b>(9,825)</b>	<b>(19,235)</b>
<b>Cash flows from investing activities:</b>		
Proceeds from available-for-sale investments	28,880	10,727
Interest received	4	15
Purchase of available-for-sale investments	(3,459)	(1,406)
Purchase of property, plant and equipment	(117)	(595)
Purchase of held-for-trading investments	(30,711)	(7,694)
Proceeds from disposal of held-for-trading investments	43,532	5,667
	<hr/>	<hr/>
<b>Net cash generated by investing activities</b>	<b>38,129</b>	<b>6,714</b>
<b>Cash generated from financing activities</b>	<hr/> <b>–</b>	<hr/> <b>–</b>
Net increase (decrease) in cash and cash equivalents	28,304	(12,521)
Cash and cash equivalents at 1 January	80,980	136,864
Effect of exchange rate changes on the balance of cash held in foreign currencies	2,564	–
	<hr/>	<hr/>
Cash and cash equivalents at 30 June, representing bank balances and cash	<hr/> <b>111,848</b>	<hr/> <b>124,343</b>

*NOTES:*

**1. BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standards (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprises Market of The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements of the Group have not been reviewed by the Company’s auditor. Adjustments may be identified during the course of annual audit to be performed by the Company’s auditor.

**2. PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements of the Group have been prepared under historical cost convention, except for certain financial instruments, which are measured at fair value. The principal accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those adopted in the preparation of the annual financial statements of the Group for the year ended 31 December 2016 except as described below.

In the current Half-Yearly Period, the Group has applied, for the first time, certain new or revised HKFRSs issued by the HKICPA. The application of the new or revised HKFRSs in the current Half-Yearly Period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

**3. REVENUE**

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

	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
	2017 HK\$’000	2016 HK\$’000	2017 HK\$’000	2016 HK\$’000
Travel Media	20,055	20,933	31,840	47,708
Financial Magazine	5,302	–	11,022	–
Securities Investment	–	–	–	–
	<u>25,357</u>	<u>20,933</u>	<u>42,862</u>	<u>47,708</u>

#### 4. 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 PRC ("Financial Magazine Business"); and
- iii. Investment in securities ("Securities Investment").

For the six months ended 30 June 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. Accordingly, no segment analysis and/or disclosures were presented for the six months ended 30 June 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:

	(Unaudited)			
	Six months ended 30 June 2017			
	Travel Media Business <i>HK\$'000</i>	Financial Magazine Business <i>HK\$'000</i>	Securities Investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue from external customers	31,840	11,022	–	42,862
Reportable segment profit (loss)	1,482	(4,861)	(227,385)	(230,764)



## 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 asset 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.

	<b>(Unaudited)</b>	
	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2017</b>	<b>2016</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Singapore	<b>31,840</b>	47,708
Hong Kong	<b>11,022</b>	–

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

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Singapore	<b>424</b>	543
Hong Kong	<b>99,239</b>	93,227

## 5. INCOME TAX

Hong Kong profits tax is calculated at 16.5% for the Half-Yearly Period and corresponding period in 2016. No provision for Hong Kong profits tax has been made as the Group had no significant assessable profits in Hong Kong for the Half-Yearly Period and the corresponding period in 2016.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.

## 6. (LOSS) PROFIT FOR THE PERIOD

(Loss) profit for the period has been arrived at after charging (crediting) the following items:

	Six months ended 30 June	
	2017	2016
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	381	428
Staff costs (including directors' emoluments)	6,374	9,179
Auditor's remuneration	286	413
Investment (income) loss on available-for-sale investments (included in other (expenses) income)	(26,484)	250
Net foreign exchange loss (gain)	1,509	(707)
Bank interest income (included in other (expenses) income)	(4)	(15)

## 7. (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:

	Three months ended 30 June		Six months ended 30 June	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>(Loss) earnings</b>				
(Loss) earnings for the purpose of basic loss per share	(165,962)	20,006	(171,702)	26,057
	Three months ended 30 June		Six months ended 30 June	
	2017	2016	2017	2016
	'000	'000	'000	'000
<b>Number of shares</b>				
Weighted average number of ordinary shares for the purposes of (loss) earnings per share	321,521	321,521	321,521	321,521

The Company has no potentially dilutive ordinary shares in issue during the six months ended 30 June 2017 and 2016. Diluted earnings per share for the six months ended 30 June 2017 and 2016 were the same as the basic earnings per share.

## 8. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2017 (the corresponding period in 2016: Nil).

## 9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group acquired office equipment at a cost of HK\$Nil (2016: HK\$59,000) and computer equipment at a cost of HK\$117,000 (2016: HK\$536,000). The total additions of property, plant and equipment during the six months ended 30 June 2017 were HK\$117,000 (2016: HK\$595,000).

## 10. ACCOUNTS RECEIVABLE

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

	(Unaudited) 2017 30 June HK\$'000	(Audited) 2016 31 December HK\$'000
Within 90 days	13,797	16,138
91-120 days	1,423	1,884
121-180 days	2,236	1,205
Over 180 days	3,335	4,160
	<u>20,791</u>	<u>23,387</u>

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 minimize credit risk. Overdue balances are reviewed regularly by senior management. The Group had provided an impairment loss on accounts receivable based on experience of collecting payments.

## 11. ACCOUNTS PAYABLE

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

	(Unaudited) 2017 30 June HK\$'000	(Audited) 2016 31 December HK\$'000
Within 90 days	3,457	3,193
91-120 days	–	97
121-180 days	26	2
Over 180 days	91	179
	<u>3,574</u>	<u>3,471</u>

## 12. SHARE CAPITAL

	Number of shares		Share capital	
	(Unaudited) 2017 30 June	(Audited) 2016 31 December	(Unaudited) 2017 30 June HK\$'000	(Audited) 2016 31 December HK\$'000
Ordinary shares of HK\$0.01 each				
Authorised	<u>50,000,000,000</u>	<u>50,000,000,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid:				
At beginning of the period/year	321,520,923	6,430,418,460	3,215	64,304
Capital reorganization issue ( <i>note a</i> )	<u>–</u>	<u>(6,108,897,537)</u>	<u>–</u>	<u>(61,089)</u>
At end of the period/year	<u>321,520,923</u>	<u>321,520,923</u>	<u>3,215</u>	<u>3,215</u>

*Note:*

- (a) Pursuant to an special resolution in relation to the capital reorganization issue passed at extraordinary general meeting of the Company held on 5 February 2016, the par value of each issued Share of HK\$0.01 in the capital of the Company be reduced to HK\$0.0005 (each a “New Share”) by cancelling paid-up capital to the extent of HK\$0.0095 on each issued Share (“Capital Reduction”) and any liability of the holders of such shares to make any further contribution to the capital of the Company on each such share shall be treated as satisfied and that the amount of issued capital thereby cancelled be made available for issue of new shares of the Company.

## 13. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

For the available-for-sale financial assets, it is comprised of the unlisted private equity funds which the management, operation, policy and conduct of the private equity funds shall be vested exclusively in the general partners. The Group’s investment have been accounted for at cost less impairment, if any, at the end of each reporting period because the range of reasonable fair value estimates is so significant that the Directors of the Company are of the opinion that their fair value cannot be measured reliably.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

## 14. COMMITMENTS

	(Unaudited) 2017 30 June HK\$'000	(Audited) 2016 31 December HK\$'000
Commitment in respect of investment in private equity funds	<u>3,927</u>	<u>7,387</u>

## 15. RELATED PARTY TRANSACTIONS

The Group has no transaction with related parties in the period.

### Compensation of key management personnel

The remuneration of key management consisting the Directors and two employees (2016: Directors and two employees) as follows:

	Six months ended 30 June	
	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Short-term benefits	<b>3,006</b>	1,230
Retirement benefit scheme contributions	<b>51</b>	36
	<u><b>3,057</b></u>	<u>1,266</u>

The remuneration of key management is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

## 16. OTHER (EXPENSES) INCOME

The other expenses for the Half-Yearly Period is mainly attributable to the fair value loss of held-for-trading investments of approximately HK\$182,276,000 (2016: gain of HK\$38,548,000), losses on held-for-trading investments of approximately HK\$44,337,000 (2016: gain of HK\$1,331,000) and investment income from available-for-sale investments of approximately HK\$26,484,000 (2016: loss of HK\$250,000).

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### ***Revenue and gross profit***

Revenue for the Half-Yearly Period was HK\$42,862,000 representing a HK\$4,846,000, or 10% decrease compared to the corresponding period in 2016. The net decrease was primarily attributable to decrease in revenue from Travel Media Business.

Gross profit margin for the Half-Yearly Period maintained at a stable level of 47%, compared to 49% in the same period last year.

#### ***Other (expenses) income***

Other expenses amounted to HK\$199,798,000 for the Half-Yearly Period, compared to other income of HK\$40,350,000 for the corresponding period in 2016. This was primarily due to fair value change of certain held-for-trading securities in the Half-year Period in 2017.

#### ***Selling and distribution expenses***

Selling and distribution expenses decreased by 28% to HK\$11,834,000 for the Half-Yearly Period, compared to HK\$16,474,000 for the corresponding period in 2016.

#### ***Administrative expenses***

Administrative expenses increased by 34% to HK\$17,344,000 for the Half-Yearly Period, compared to HK\$12,984,000 for the corresponding period in 2016. The increase was mainly attributable to the increase in administrative expenses from new subsidiaries acquired in 2016.

#### ***Income tax***

The Group recorded an income tax credit of HK\$36,928,000 for the Half-Yearly Period, compared to income tax expense of HK\$8,030,000 for the corresponding period in 2016.

#### ***Non-controlling interests***

Loss shared by non-controlling interests was HK\$Nil for the Half-Yearly Period, compared to HK\$Nil for the corresponding period in 2016. The Group's equity interest in this company is 90% as at 30 June 2017 (2016: 90%).

#### ***(Loss) profit for the period attributable to owners of the Company***

Loss for the period attributable to owners of the Company was HK\$171,702,000 for the Half-Yearly Period, compared to profit of HK\$26,057,000 for the corresponding period in 2016.

### ***Liquidity and financial resources***

The Group generally financed its operations with its internally generated cash flows. The Group's total equity was HK\$205,416,000 as at 30 June 2017, compared to HK\$374,604,000 as at 31 December 2016. Total assets amounted to HK\$253,154,000 as at 30 June 2017, compared to HK\$444,271,000 as at 31 December 2016, of which HK\$111,848,000 (2016: HK\$80,980,000) was bank balances and cash and HK\$62,773,000 (2016: HK\$62,490,000) was available-for-sale investments.

### ***Capital structure***

The value of share capital was HK\$3,215,000 as at 30 June 2017 and 31 December 2016.

### ***Charges on the Group's assets***

There was no charge on the Group's assets as at 30 June 2017 and 31 December 2016.

### ***Gearing ratio***

The Group has a zero gearing ratio as at 30 June 2017 and 31 December 2016 as calculated by net debts divided by total equity.

### ***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 six months period ended 30 June 2017, 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 significant contingent liability as at 30 June 2017 and 31 December 2016.

### ***Material acquisitions, disposals and significant investments***

Other than the disposal of certain held-for-trading investments, there were no other material acquisitions, disposals or significant investments during the Half-Yearly Period.

## ***Employee information***

As at 30 June 2017, the Group had 70 (2016: 61) full-time employees, of which 14 (2016: 10) were based in Hong Kong, 2 (2016: 2) in China, 53 (2016: 48) in Singapore and 1 (2016: 1) in Malaysia. The Group has introduced share option schemes to recognise 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.

## **MARKET REVIEW**

The current global economic outlook is mixed with some business sectors doing well while others face varying degree of uncertainty. Overall, the travel and tourism industry continues to enjoy increase in both inbound and outbound traffic for most destinations as more and more low-cost carriers open new routes and airlines increase flight frequency.

However, supporting services and certain sectors in the travel industry such as travel agencies and travel trade media are experiencing a challenging time. The on-going impact of disruptive technology is a key factor and TTG Asia Media Pte Ltd (“TTG”)’s business is feeling greater pressure from this disruption.

On the market frontline, sales have been slower as many of our clients have cut back on their advertising spending, preferring to remain cautious in terms of spending on marketing and promotions.

## **BUSINESS REVIEW**

### ***Travel Media Business***

For the six months ended 30 June 2017, the Travel Media Business recorded revenue of HK\$31.8 million, decreased by 33% or HK\$15.9 million as compared to that of HK\$47.7 million for the same period in 2016. This amount represented 74% of the Group’s total revenue for the period under review.

The Travel Media Business recorded a segment profit of HK\$1.5 million during the six months ended 30 June 2017.

Operating results performed below expectations mainly due to foreign exchange losses while slower sales also contributed to the shortfall.

Compared to a year ago, operating profits were significantly lower due to the absence of traditional revenue from the ATF project this year. Compared to two years ago where there was no ATF project, profit level was also down. Global economic uncertainty and competition from many on-line platforms, social media and other marketing options that are now available on the internet to our customers are also contributing factors to the slower performance this year.

Second quarter is always the slowest period for the reporting segment. Coupled with the challenging circumstance the reporting segment is facing, it was not surprising that this year’s second quarter results is the lowest compared to the last two years. Moving forward, it is anticipated that business will continue to be patchy for the rest of 2017.



During the second quarter of the year, the reporting segment was appointed the official Daily for ITB China – a new travel trade event that was launched in China and held in May 2017 by Messe Berlin. With this appointment, TTG published 3 issues of the dailies live in Shanghai during the show days and contributing incremental revenue to the group.

There was no event organised in the second quarter of this year. However, two of the reporting segment's financials were taken into account in the second quarter due to the delay in accounts closing for two events held in first quarter. The two events are:

- (1) IT&CM China: China's leading international Meetings, Incentives, Conventions and Exhibitions (MICE) business, education and networking event.
- (2) CTW China: The leading Corporate Travel Management Conference for China.

With anticipation of a challenging time ahead for this reporting segment's business in the 2nd half of 2017, it will continue to monitor its costs, and actively seek alternative sources of revenues by introducing new special projects within the various business units.

### ***Financial Magazine Business***

Revenue from this business was HK\$11.0 million, which accounted for 26% of the Group's total revenue for the period under review. This business recorded a gross profit of HK\$3.9 million and gross profit margin of 36%. Segmental loss of this business during the period under review was HK\$4.9 million, primarily as a result of amortization charges of intangible asset of HK\$3.3 million which was non-cash item.

### ***Securities Investment***

As at 30 June 2017, total market value for the held-for-trading investments of the Group was approximately HK\$4.5 million and recorded a substantial loss on change in fair value of approximately HK\$226.6 million for the Half-Yearly Period.

## Significant investments

As at 30 June 2017, total market value for the held-for-trading investments of the Group was approximately HK\$4,459,000, representing equity securities listed in Hong Kong. A fair value loss of approximately HK\$182,276,000 was recognized during the period which was mainly attributable to the investments in Luen Wong Group Holding Limited (HK Stock Code: 8217). The realized losses on held-for-trading investments for the six months ended 30 June 2017 was approximately HK\$44,337,000 which was mainly attributable to the investments in GreaterChina Professional Services Limited (HK Stock Code: 8193) and WLS Holdings Limited (HK Stock Code: 8021). The board considers that investments with market value accounting for more than 5% of the Group's total assets as at 30 June 2017 as significant investment.

Details of the top two held-for-trading investments, in terms of market value as at 30 June 2017, are as follows:

	For the six months ended 30 June 2017			
	Market value as at 30 June 2017 <i>HK\$'000</i>	Proportion to the total assets of the Group %	Fair value gain (loss) of the investment <i>HK\$'000</i>	Dividend received <i>HK\$'000</i>
<b>Company name (Stock code)</b>				
China Properties Investment Holdings Limited (HK Stock Code: 736)	2,278	0.9%	(3,183)	–
Tai Kam Holdings Limited (HK Stock Code: 8321)	1,128	0.5%	(2,692)	–
Others	1,053	0.4%	(678)	–
	<u>4,459</u>	<u>1.8%</u>	<u>(6,553)</u>	<u>–</u>

Looking forward, the Directors considered that the future prospects of the significant investments may be affected by external market conditions, and will continue to monitor and assess the Group's investments.

## PROSPECTS

### EXPLORE BUSINESS OPPORTUNITIES

Our Group will explore suitable business opportunities to broaden the revenue base and to diversify the business scope of the Group.

## INTERESTS AND SHORT POSITIONS OF DIRECTORS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2017, the interests of each of the Directors, chief executive and their associates 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, were as follows:

### THE COMPANY

#### Long positions in ordinary shares and the underlying shares of equity derivatives

Name of Directors/chief executive	Number of shares	Number of underlying shares	Nature of interests/ Holding capacity	Approximate percentage of interests
Nil	Nil	Nil	Nil	Nil

## INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to any Director or chief executive of the Company, as at 30 June 2017, the following companies (not being a Director or chief executive of the Company) who have interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Name	Number of shares	Number of underlying shares	Percentage of issued share capital
QiYi Holdings Limited ( <i>Note 1</i> )	90,943,126 (L) ( <i>Note 2</i> )	–	28.29% (L)
Mr. Chen Ying Zhen ( <i>Note 1</i> )	90,943,126 (L)	–	28.29% (L)
Gold Medal Hong Kong Limited ( <i>Note 3</i> )	89,344,738 (L)	–	27.79% (L)
WLS Holdings Limited ( <i>Note 3</i> )	89,344,738 (L)	–	27.79% (L)

*L – Long Position*

*Note:*

- (1) Mr. Chen Ying Zhen is a substantial shareholder, director and the ultimate beneficial owner of QiYi Holdings Limited.
- (2) QiYi Holdings Limited pledged 89,344,738 shares to Gold Medal Hong Kong Limited.
- (3) Gold Medal Hong Kong Limited is a wholly owned subsidiary of WLS Holdings Limited.

Save as disclosed above, as at 30 June 2017, none of the Directors are aware of any other persons who has an interest or short position in the shares or underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 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 six months ended 30 June 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **COMPETING INTERESTS**

During the six months ended 30 June 2017, none of the Directors or the management of the Company or their respective associates had an interest in a business which competes or may compete with the business of the Group.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

During the six months ended 30 June 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 six months ended 30 June 2017.

## **CORPORATE GOVERNANCE CODE COMPLIANCE**

The Company has complied throughout the six months ended 30 June 2017 with the applicable code provisions in the Corporate Governance Code (the "CG code") and Corporate Governance Report contained in Appendix 15 to the GEM Listing Rules.

## **SHARE OPTION SCHEME**

The Company's share option scheme (the "2013 Share Option Scheme"), was adopted pursuant to a resolution passed on 31 December 2013 which will expire on 31 December 2023. The purpose of the 2013 Share Option Scheme is to provide incentives to directors, eligible employees and other person(s) who may make a contribution to the Group. Under the 2013 Share Option Scheme, the board (the "Board") of directors (the "Director(s)") of the Company may grant options to eligible person(s), including employees, directors of the Company and its subsidiaries, consultant, adviser, agent, contractor, customer and supplier of any member of the Group whom the Board in its sole discretion considers eligible for the 2013 Share Option Scheme on the basis of his/her contribution to the development and growth of the Group.

The maximum number of shares which can be granted under the 2013 Share Option Scheme must not exceed 10% of the total number of shares in issue as at the date of approval of such scheme. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive Directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up within 7 days from the date of the offer upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors. There is no general requirement on the minimum period for which option must be held before an option can be exercised. All options must be exercised within 10 years from the date of grant of options.

The exercise price is determined by the Directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grants; (ii) the average closing price of the shares for the five business days immediately preceding date of grant; and (iii) the nominal value of the Company's share.

No share option has been granted under 2013 Share Option Scheme as at 30 June 2017.

## **AUDIT COMMITTEE**

The Company established an Audit Committee on 25th February 2000 with written terms of reference which are of no less exacting terms than those set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules. At present, the Audit Committee comprises three independent non-executive Directors namely, Ms. Yang Shuyan, Mr. Zhang Xiaoguang and Ms. Lee Yim Wah. The primary duties of the Audit Committee are to oversee that management (i) has maintained the reliability and integrity of the accounting policies and financial reporting and disclosure practices of the Company; (ii) has established and maintained processes to assure that an adequate system of internal control is functioning within the Company; and (iii) has established and maintained processes to assure compliance by the Company with all applicable laws, regulations and corporate policy.

The Audit Committee has reviewed the final draft report for the Half-Yearly Period ended 30 June 2017 and has provided advice and comments thereon before passing the same for approval by the Board.

## **DIVIDEND**

The Directors do not recommend the payment of an interim dividend for the Half-Yearly Period ended 30 June 2017.

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

Hong Kong, 8 August 2017

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

*The announcement will remain on the GEM website at [www.hkgem.com](http://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](http://www.sinosplendid.com).*