



**First Quarterly Report**  
**2014**

# **Sino Splendid Holdings Limited**

## **中國華泰瑞銀控股有限公司**

(Incorporated in the Cayman Islands with limited liability)  
GEM Stock : 8006



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*This report, 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 report 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 report misleading; and (3) all opinions expressed in this report 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 of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the three months ended 31 March 2014 (the "Quarterly Period"), together with the comparative unaudited figures for the corresponding period in 2013.

## UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		(Unaudited)	
		Three months ended	
		31 March	
	Notes	2014 HK\$'000	2013 HK\$'000 (Re-presented)
<b>Continuing operation</b>			
Revenue	3	11,589	23,843
Cost of sales		<u>(5,362)</u>	<u>(13,196)</u>
Gross profit		6,227	10,647
Other income		4,452	9,683
Selling and distribution expenses		(2,699)	(3,077)
Administrative expenses		(7,750)	(11,566)
Impairment losses reversed (recognised)		236	(63)
Profit before tax		466	5,624
Income tax expense	4	<u>(233)</u>	<u>(799)</u>
<b>Profit for the period from continuing operation</b>		<u>233</u>	<u>4,825</u>
<b>Discontinued operation</b>			
Loss for the period from discontinued operation		<u>-</u>	<u>(25)</u>
<b>Profit for the period</b>		<u>233</u>	<u>4,800</u>
<b>Other comprehensive income</b>			
<b>Items that may be subsequently reclassified to profit or loss:</b>			
Exchange differences arising on translation		<u>(230)</u>	<u>(361)</u>
Other comprehensive income for the period		<u>(230)</u>	<u>(361)</u>
<b>Total comprehensive income for the period</b>		<u>3</u>	<u>4,439</u>



	(Unaudited)	
	Three months ended	
	31 March	
	2014	2013
Notes	HK\$'000	HK\$'000
		(Re-presented)
<b>Profit attributable to:</b>		
Owners of the Company		
Profit for the period from continuing operation	237	4,779
Loss for the period from discontinued operation	—	(25)
	<u>237</u>	<u>4,754</u>
Non-controlling interests	(4)	46
	<u>233</u>	<u>4,800</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company		
Profit for the period from continuing operation	7	4,418
Loss for the period from discontinued operation	—	(25)
	<u>7</u>	<u>4,393</u>
Non-controlling interests	(4)	46
	<u>3</u>	<u>4,439</u>
<b>Earnings per share</b>	5	(Restated)
From continuing operation and discontinued operations		
Basic and diluted ( <i>cents per share</i> )	<u>0.04</u>	<u>0.74</u>
From continuing operation		
Basic and diluted ( <i>cents per share</i> )	<u>0.04</u>	<u>0.74</u>



Notes:

### 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) 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.

In October 2013, the Company has disposed its business segment of internet portal business in the People’s Republic of China. This business segment is presented as discontinued operation in accordance with Hong Kong Financial Reporting Standard (“HKFRS”) 5. Certain comparatives on the consolidated statement of comprehensive income have been re-presented as a result of the retrospective application of HKFRS 5.

### 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 2013 except as described below.

In the current Quarterly Period, the Group had 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 Quarterly 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

Revenue from operations represents revenue derived from the continuing operation – travel media business.

### 4. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at 16.5% for the Quarterly Period and corresponding period in 2013. No provision for Hong Kong profits tax has been made as the Group had no significant assessable profits in Hong Kong for the Quarterly Period and the corresponding period in 2013.

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



## 5. EARNINGS PER SHARE

### From continuing and discontinued operations

The calculation of the basic and diluted earnings per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

	Three months ended 31 March	
	2014 HK\$'000	2013 HK\$'000
<b>Earnings</b>		
<i>Profit from continuing operation and discontinued operations</i>		
Earnings for the purpose of basic and diluted earnings per share	<u>237</u>	<u>4,754</u>
	Three months ended 31 March	
	2014 '000	2013 '000 (Restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<u>643,042</u>	<u>643,042</u>

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the bonus issue on 16 January 2014.

The calculation of diluted earnings per share for the three months ended 31 March 2013 does not assume the exercise of share options as the exercise prices of share options are higher than the average market price of the Company's shares over the reporting period. All the share options had lapsed on 21 March 2013.

### From continuing operation

The calculation of the basic and diluted earnings per share from continuing operation attributable to the owners of the Company is based on the following data:

	Three months ended 31 March	
	2014 HK\$'000	2013 HK\$'000 (Restated)
<b>Earnings</b>		
Profit for the period attributable to owners of the Company	237	4,754
Less: Loss for the period from discontinued operation	<u>—</u>	<u>(25)</u>
Earnings for the purpose of basic and diluted earnings per share from continuing operation	<u>237</u>	<u>4,779</u>

The denominators used are the same as those detailed above for basic and diluted earnings per share.



## From discontinued operation

The Company does not have discontinued operation in 2014 and therefore no earnings per share for discontinued operation for the three months ended 31 March 2014 is presented.

Basic and diluted loss per share for discontinued operation for the three months ended 31 March 2013 is HK cent 0.004, based on the loss from discontinued operation of approximately HK\$25,000 and the denominators detailed above for both basic and diluted earnings per share.

## 6. MOVEMENT OF RESERVES

	Share premium	Capital reserve	Goodwill reserve	Investment revaluation reserve	Capital redemption reserve	Reserve funds	Translation reserve	Share options reserve	Retained profits	Subtotal	Attributable to non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(note a)	(note a)				(note b)						
At 1 January 2013	39,337	24,650	(31,193)	3,502	11,690	19,025	46,559	62,662	162,669	338,901	2,073	340,974
Profit for the period	-	-	-	-	-	-	-	-	4,754	4,754	46	4,800
Other comprehensive income for the period	-	-	-	-	-	-	(361)	-	-	(361)	-	(361)
Total comprehensive income for the period	-	-	-	-	-	-	(361)	-	4,754	4,393	46	4,439
Recognition of equity-settled share based payments	-	-	-	-	-	-	-	16	-	16	-	16
Lapse of share options granted	-	-	-	-	-	-	-	(62,678)	62,678	-	-	-
At 31 March 2013	39,337	24,650	(31,193)	3,502	11,690	19,025	46,198	-	230,101	343,310	2,119	345,429
At 1 January 2014	39,337	24,650	(31,193)	870	11,690	19,025	52,246	-	327,903	444,528	2,081	446,609
Profit for the period	-	-	-	-	-	-	-	-	237	237	(4)	233
Other comprehensive income for the period	-	-	-	-	-	-	(230)	-	-	(230)	-	(230)
Total comprehensive income for the period	-	-	-	-	-	-	(230)	-	237	7	(4)	3
Shares issued upon bonus issue	(5,359)	-	-	-	-	-	-	-	-	(5,359)	-	(5,359)
At 31 March 2014	33,978	24,650	(31,193)	870	11,690	19,025	52,016	-	328,140	439,176	2,077	441,253



*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 in either periods as there was no such profit after tax from FIEs in either periods.

## **7. DIVIDENDS**

The Board has on 9 May 2014 declared a special dividend of HK\$0.30 per share to shareholders whose names appear on the register of members of the Company on 28 May 2014. The dividend will be paid on 12 June 2014.

The directors do not recommend the payment of an interim dividend for the Quarterly Period (the corresponding period in 2013: Nil).





## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### *Revenue and gross profit*

Revenue for the Quarterly Period was HK\$11,589,000 representing a HK\$12,254,000, or 51%, decrease compared to the corresponding period in 2013. The significant drop was primarily attributable to the decrease from event organizing income amounting to HK\$12,164,000, as a result of the shortfall of the event management contract for ATF (ASEAN Tourism Forum) 2014.

Gross profit margin improved to 54% for the Quarterly Period, compared to 45% in the same period last year.

#### *Other income*

Other income decreased by 54% to HK\$4,452,000 for the Quarterly Period, compared to HK\$9,683,000 for the corresponding period in 2013. The decrease was primarily due to (1) HK\$5,399,000 decrease in investment income from our private equity funds investment as certain one-off gains from investments in the corresponding period in 2013 did not recur; (2) HK\$329,000 decrease in bank interest income; (3) but offsetting by HK\$432,000 increase in other non-operating income.

#### *Selling and distribution expenses*

Selling and distribution expenses decreased by 12% to HK\$2,699,000 for the Quarterly Period, compared to HK\$3,077,000 for the corresponding period in 2013.

#### *Administrative expenses*

Administrative expenses decreased by 33% to HK\$7,750,000 for the Quarterly Period, compared to HK\$11,566,000 for the corresponding period in 2013. The decrease was mainly attributable to (1) a decrease in legal and professional fee amounting to HK\$4,128,000 which were incurred in 2013 related to our corporate events; (2) a decrease in personnel expense amounting to HK\$1,101,000 as a result of restructuring of personnel in the second quarter of 2013; (3) a decrease in rental expense amounting to HK\$764,000 after the Company relocate the office in 2013; (4) the decrease is partly off-set by the increase of exchange differences, HK\$1,322,000 exchange loss had been recognized in the Quarterly Period, while there is HK\$998,000 exchange gain in the corresponding period in 2013.

#### *Impairment losses reversed (recognised)*

Recovery of impairment loss of HK\$236,000 (2013: impairment loss of HK\$63,000) has been recognised for the Quarterly Period.

#### *Income tax*

The Group recorded an income tax expense of HK\$233,000 for the Quarterly Period, compared to HK\$799,000 for the corresponding period in 2013.



### *Non-controlling interests*

Loss shared by non-controlling interests was HK\$4,000 for the Quarterly Period, compared to a profit of HK\$46,000 for the corresponding period in 2013. The Group's equity interest in this company is 90% as at 31 March 2014 (2013: 90%).

### *Profit for the period attributable to owners of the Company*

Profit for the period attributable to owners of the Company was HK\$237,000 for the Quarterly Period, compared to of HK\$4,754,000 for the corresponding period in 2013.

## **BUSINESS REVIEW**

In the first quarter of 2014, our travel media business, TTG, operated in a landscape characterised by a lack-luster global economy recovery, and moderating economic growth in the Asia-Pacific. In addition to the otherwise healthy performance of the current operations, TTG has also responded to the industry-specific forces that indicate an intensifying competitive environment, with strong motivation to inject greater relevance in the way it engages existing clients, as well as to explore new sources of revenue.

TTG had a fair start in the first quarter of 2014, with gross profit ratio surpassing that of the same period last year. This was made possible by the sound performance of all business units, alongside overall effort on efficient cost management. In comparison to last year, it is noted that TTG incurred a shortfall to one revenue stream, the event management contract for ATF (ASEAN Tourism Forum) 2014, which TTG did not clinch this year. This resulted in lower of operating profit, and consequently impacted the overall Company's bottom line for the quarter.

## **INVESTMENT**

During the first quarter, the Company has subscribed, as a new joining limited partner, 50 units of a private equity fund investment in Japan (the "Fund") for a total committed capital of approximately US\$5 million. The Company invested in the Fund as a limited partner and intended to hold the 50 units for long term investment purpose. The Directors believe that it will bring benefits to the Company and enhance treasury yield of the Company.

## **CAPITAL STRUCTURE**

On 3 December 2013, the Board proposed a bonus issue of new shares ("Bonus Share") on the basis of five bonus shares for every one share held by the existing shareholders. The Bonus Shares will rank pari passu in all respect with the shares then in issue. On 16 January 2014, the bonus issue was completed. The issued share capital of the Company was therefore increased by 535,868,205 shares from 107,173,641 shares to 643,041,846 shares and approximately of HK\$5,358,682 was credited to share capital with the same amount was debited to the share premium account.



## PROSPECTS

To maintain our competitiveness in the market, TTG chose to strengthen its position in the market by expanding the products and services in its portfolio to serve new niche industry segments as well as explore new value-adding propositions to its existing clients, i.e. TTG had launched a new magazine, TTGassociations magazine, at the end of April 2014 aimed to filling the void of a lack of an association industry publications, and TTG is developing an online B2B commerce portal, Roomonger, which enables hotel operators to provide direct trade rates with instant confirmation to retail travel agents. These investments will seek to maintain, and potentially elevate the company's growth, with results of increased income in the near future.

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

As at 31 March 2014, 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
Xiao Hua	780,000	-	Personal/beneficiary	0.12%

*Options to subscribe for ordinary shares in the Company pursuant to its share option schemes*

As at 31 March 2014, none of the Directors, chief executive and their associates had any interests or short positions 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, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.



## 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 31 March 2014, 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 (Note 1)	433,590,252	–	67.42%
Mr. Chen Ying Zhen (Note 1)	433,590,252	–	67.42%

Note:

- (1) Mr. Chen Ying Zhen is a substantial shareholder, director and the ultimate beneficial owner of QiYi Holdings Limited.

Save as disclosed above, as at 31 March 2014, 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 of Part XV of the SFO, or which were recorded in the required to be kept by the Company under Section 336 of the SFO.

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months ended 31 March 2014.

## COMPETING INTERESTS

During the three months ended 31 March 2014, none of the Directors or the management shareholders 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 three months ended 31 March 2014, 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 three months ended 31 March 2014.

## CORPORATE GOVERNANCE CODE COMPLIANCE

The Company has complied throughout the three months ended 31 March 2014 with the applicable code provisions in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 to the GEM Listing Rules.



## 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. Peng Jiang (Committee Chairlady), Mr. Zhu Xiangrong and Mr. Wu Guilong. 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 Quarterly Period and has provided advice and comments thereon before passing the same for approval by the Board.

## SPECIAL DIVIDEND

After reviewing the financial situation of the Company, the Board is of the opinion that the Company has a strong balance sheet and that it is appropriate to return some cash to shareholders that have been supportive.

The Board is pleased to announce that it has resolved to declare a special dividend of HK\$0.30 per share to shareholders whose names appear on the Company's register of members at the close of business on 28 May 2014. The Company intends to dispatch the cheques for the special dividend to shareholders on or before 12 June 2014.

The Board believes that the Company will still have ample cash for investments and sustaining operations in the long term, after the distribution of the special dividend.

## CLOSURE OF REGISTER OF MEMBERS

For the purpose of the special dividend, the register of members of the Company will be closed from 27 May 2014 to 28 May 2014, both days inclusive, during which period no share transfer will be registered. To qualify for the special dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 26 May 2014.

On behalf of the Board  
**Ms. Xu Yun**  
Chairlady

Hong Kong, 9 May 2014

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

*Executive Directors:*

Mr. Chow Chi Wa, Mr. Huang Honghua and Mr. Xiao Hua

*Non-Executive Director:*

Ms. Xu Yun

*Independent Non-Executive Directors:*

Ms. Peng Jiang, Mr. Zhu Xiangrong and Mr. Wu Guilong