



Third 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 (the "Quarterly Period") and nine months (the "Nine-Month Period") ended 30 September 2014, together with the comparative unaudited figures for the corresponding periods in 2013.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2014

	Notes	(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
		2014 HK\$'000 (Re-presented)	2013 HK\$'000 (Re-presented)	2014 HK\$'000 (Re-presented)	2013 HK\$'000 (Re-presented)
Continuing operation					
Revenue	3	24,238	18,889	55,025	66,197
Cost of sales		(11,265)	(8,550)	(25,599)	(32,508)
Gross profit		12,973	10,339	29,426	33,689
Other income		2,563	3,530	8,226	23,779
Selling and distribution expenses		(5,024)	(3,379)	(14,324)	(12,555)
Administrative expenses		(5,410)	(5,683)	(24,510)	(24,990)
Impairment losses (recognized) reversed		(399)	537	(476)	(23)
Profit (loss) before tax		4,703	5,344	(1,658)	19,900
Income tax expense	4	(795)	(769)	(1,068)	(2,172)
Profit (loss) for the period from continuing operation		3,908	4,575	(2,726)	17,728
Discontinued operation					
Profit for the period from discontinued operation		-	2,825	-	3,482
Profit (loss) for the period		3,908	7,400	(2,726)	21,210



Notes	(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
	2014 HK\$'000	2013 HK\$'000 (Re-presented)	2014 HK\$'000	2013 HK\$'000 (Re-presented)
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss:				
Exchange differences arising on translation	(969)	970	(11)	(251)
Fair value loss on available-for-sale investments	–	(2,716)	(870)	(2,716)
Other comprehensive income for the period	(969)	(1,746)	(881)	(2,967)
Total comprehensive income for the period	2,939	5,654	(3,607)	18,243
Profit (loss) attributable to:				
Owners of the Company				
Profit (loss) for the period from continuing operation	3,909	4,578	(2,710)	17,689
Profit for the period from discontinued operation	–	2,825	–	3,482
	3,909	7,403	(2,710)	21,171
Non-controlling interests	(1)	(3)	(16)	39
	3,908	7,400	(2,726)	21,210
Total comprehensive income attributable to:				
Owners of the Company				
Profit (loss) for the period from continuing operation	2,940	2,832	(3,591)	14,722
Profit for the period from discontinued operation	–	2,825	–	3,482
	2,940	5,657	(3,591)	18,204
Non-controlling interests	(1)	(3)	(16)	39
	2,939	5,654	(3,607)	18,243
Earnings (loss) per share		(Restated)		(Restated)
From continuing operation and discontinued operation				
Basic and diluted (cents per share)	0.61	1.15	(0.42)	3.29
From continuing operation				
Basic and diluted (cents per share)	0.61	0.71	(0.42)	2.75



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 Nine-Month 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 Nine-Month 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

Hong Kong profits tax is calculated at 16.5% for the Nine-Month 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 Nine-Month Period and the corresponding periods in 2013.

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



From discontinued operation

The Company does not have discontinued operation in 2014 and therefore no earnings per share for discontinued operation for the nine months ended 30 September 2014 is presented.

Basic and diluted profit per share for discontinued operation for the three months and nine months ended 30 September 2013 are HK cent 0.44 and HK cent 0.54 based on the profit from discontinued operation of HK\$2,825,000 and HK\$3,482,000 respectively. The denominators used are the same as those detailed above for basic and diluted earnings (loss) per share.

6. MOVEMENT OF RESERVES

	Share premium HK\$'000 (note a)	Capital reserve HK\$'000 (note a)	Goodwill reserve HK\$'000	Investment revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Reserve funds HK\$'000 (note b)	Translation reserve HK\$'000	Share options reserve HK\$'000	Retained profits HK\$'000	Subtotal HK\$'000	Attributable to non- controlling interests HK\$'000	Total HK\$'000
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	-	-	-	-	-	-	-	-	21,171	21,171	39	21,210
Other comprehensive income for the period	-	-	-	(2,716)	-	-	(251)	-	-	(2,967)	-	(2,967)
Total comprehensive income for the period	-	-	-	(2,716)	-	-	(251)	-	21,171	18,204	39	18,243
Recognition of equity- settled share-based payments	-	-	-	-	-	-	-	16	-	16	-	16
Lapse of share options granted	-	-	-	-	-	-	-	(62,678)	62,678	-	-	-
At 30 September 2013	39,337	24,650	(31,193)	786	11,690	19,025	46,308	-	246,518	357,121	2,112	359,233
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
Loss for the period	-	-	-	-	-	-	-	-	(2,710)	(2,710)	(16)	(2,726)
Other comprehensive income for the period	-	-	-	(870)	-	-	(11)	-	-	(881)	-	(881)
Total comprehensive income for the period	-	-	-	(870)	-	-	(11)	-	(2,710)	(3,591)	(16)	(3,607)
Share issued upon bonus issue	(5,358)	-	-	-	-	-	-	-	-	(5,358)	-	(5,358)
Dividend (Note 7)	-	-	-	-	-	-	-	-	(192,913)	(192,913)	-	(192,913)
At 30 September 2014	33,979	24,650	(31,193)	-	11,690	19,025	52,235	-	132,280	242,666	2,065	244,731



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 both periods.

7. DIVIDENDS

On 9 May 2014, the Company declared a special dividend of HK\$0.30 per share to shareholders out of the Company's retained profits. The dividend was paid in June 2014 totaling HK\$192,913,000.

The directors do not recommend the payment of an interim dividend for the nine months ended 30 September 2014 (the corresponding period in 2013: Nil).

8. POST REPORTING PERIOD EVENTS

There is no significant post reporting period event for the Nine-Month Period.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and gross profit

Revenue for the Nine-Month Period was HK\$55,025,000 representing a HK\$11,172,000, or 17% decrease compared to the corresponding period in 2013. The net decrease was primarily attributable to a shortfall of the event management contract for ATF 2014 (ASEAN Tourism Forum) in the first quarter of 2014, but the effect of such shortfall had been partially offset by 2 successful trade shows, Singapore Gift Show 2014 and IT&CM India 2014, held in the third quarter.

Gross profit margin for the Nine-Month Period improved to 53%, compared to 51% in the same period last year, as the result of effective cost control measurement.

Other income

Other income decreased by 65% to HK\$8,226,000 for the Nine-Month Period, compared to HK\$23,779,000 for the corresponding period in 2013. The significant decrease was primarily due to HK\$15,425,000 decrease in investment income from our private equity fund investments as certain one-off distribution from investments in the corresponding period in 2013 did not recur.

Selling and distribution expenses

Selling and distribution expenses increased by 14% to HK\$14,324,000 for the Nine-Month Period, compared to HK\$12,555,000 for the corresponding period in 2013. The increase is mainly due to the increase of show & event related expenses as a result of organizing IT& CM India 2014, such trade show had been cancelled in 2013. Moreover, the launch of new business, "Roomonger", in this quarter and together with the newly launched products of "TTGAssociation" and "Sentosa Harbourfront" in last quarter had further increased the advertising and business development expenses.

Administrative expenses

Administrative expenses decreased by 2% to HK\$24,510,000 for the Nine-Month Period, compared to HK\$24,990,000 for the corresponding period in 2013. Administrative expenses include share option expenses of HK\$ nil (2013: HK\$16,000) in accordance with HKFRS 2.

Impairment losses recognized

An impairment loss of HK\$476,000 (2013: HK\$23,000) has been recognized for the Nine-Month Period based on the management assessment on the possibility of collecting the payments.



Income tax

The Group recorded an income tax expense of HK\$1,068,000 for the Nine-Month Period, compared to HK\$2,172,000 for the corresponding period in 2013.

Non-controlling interests

Loss shared by non-controlling interests was HK\$16,000 for the Nine-Month Period, compared to a profit of HK\$39,000 for the corresponding period in 2013. The Group's equity interest in this company is 90% as at 30 September 2014 (2013: 90%).

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

Loss for the period attributable to owners of the Company was HK\$2,710,000 for the Nine-Month Period, compared to a profit of HK\$21,171,000 for the corresponding period in 2013.

MARKET REVIEW

Notwithstanding the moderation in growth momentum in the first half of 2014, market conditions in the third quarter are broadly supportive of a modest growth path for the rest of the year. Gradual improvements in the global economy and steady growth in the ASEAN economies also provided support to the tourism industry segment that has sizable exposure to emerging Asia. However, the forecasted interest rates pressure on the regional economies might continue to affect overall market conditions.

BUSINESS REVIEW

Our travel media business, TTG, has a better-than-expected result in the third quarter due to completion of a couple of special projects by the Publishing group as well as implementation of prudent cost cutting measures. TTG Events group staged two successful shows during the third quarter. The first one is "Singapore Gift Show 2014" where both the number of exhibiting companies and the total sales have increased when compared with those of last year. The second one is "IT&CM India 2014" which was organized by the TTG for the second time. The Events group was mindful of India's business environment and has exercised caution when investing in India. TTG is also actively exploring a well-balanced formula for success in the near future that would consequently contribute to the overall bottom line of the Group.

In addition to TTG associations and Sentosa Harbourfront Precinct Map that were launched during the first half of the year, the third new TTG project for 2014 is a B2B (business-to-business) hotel room distribution system and booking engine serving worldwide travel agencies. The online portal features some 100,000 hotels worldwide ready for booking by trade members with immediate confirmation. The system is also able to accept credit card payment on the spot. Roomonger.com is the first product of TTG's newly established Global Commerce business group. The online portal was launched in August 2014 to a slow start, but is progressively gaining speed with a growing number of members and bookings. Return on our investment is anticipated to materialize in the near future.



PROSPECTS

Some competition is expected when NorthStar's travel trade publications enters the market later this year. These publications are competing head on with TTG's exiting publications, such as "TTG Asia" and "TTG-BTmice China".

Despite the looming competition in the market place, the publishing group is reasonably confident in achieving the budgeted bottom line for the rest of the year. This should be done through effective cost management and introduction of special projects such as the publishing of supplements and show dailies at travel trade events. These measures are expected to cushion the anticipated shortfall in top line results due to competition by NorthStar's publications, which are also likely to dilute TTG's existing market share.

Two new launches are expected in the last quarter of this year. "The Official Map of Singapore-Cruise Travellers' Edition" has already been endorsed by the Singapore Tourism Board and Cruise Line International Association (CLIA, SEA). This map which targeted at cruise visitors to Singapore, highlights must-see attractions, dining, shopping and other entertainment activities during their stop-over in Singapore. On the other hand, "The Singapore River Precinct Guide & Map" which has the support of the Singapore River One Committee, oversees and manages the affairs of the precinct and seeks to enhance visitorship to Boat Quay, Clarke Quay and Robertson Quay.

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

As at 30 September 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%
Zhu Xiangrong	1,464,000	–	Corporate (Note 1)	0.22%

Note:

- (1) These shares were beneficially owned by Praise Million Limited, a company 100% owned by Mr. Zhu Xiangrong.

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

As at 30 September 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 30 September 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 (<i>Note 1</i>)	433,590,252	–	67.42%
Mr. Chen Ying Zhen (<i>Note 1</i>)	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 30 September 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

During the nine months ended 30 September 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPETING INTERESTS

During the nine months ended 30 September 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 nine months ended 30 September 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 nine months ended 30 September 2014.

CORPORATE GOVERNANCE CODE COMPLIANCE

Save as disclosed below, the Company has complied throughout the nine months ended 30 September 2014 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.

In respect A.6.7 of the CG code provision, the independent non-executive director, Mr. Wu Guilong was unable to attend the annual general meeting of the Company due to his other business commitment. Mr. Chow Chi Wa, the executive director and chief executive officer, was also unable to attend the annual general meeting of the Company due to sickness.

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 Nine-Month Period and has provided advice and comments thereon before passing the same for approval by the Board.



DIVIDEND

On 9 May 2014, the Company declared a special dividend of HK\$0.30 per share to shareholders out of the Company's retained profits. The dividend was paid in June 2014 totaling HK\$192,913,000.

The Directors do not recommend the payment of an interim dividend for the Nine-Month Period ended 30 September 2014.

On behalf of the Board
Ms. Xu Yun
Chairlady

Hong Kong, 7 November 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, Mr. Wu Guilong