Sino Splendid Holdings Limited 中國華泰瑞銀控股有限公司

(Incorporated in the Cayman Islands with limited liability) (於閩 曇 群 鳥 註 冊 成 立 之 有 限 公司)

GFM Stock 股份代號:8006

2017ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OVERVIEW

This is the second environmental, social and governance ("ESG") report elaborating on the development of the Group's ESG management approaches, strategies, accomplishments and performance for the period 1 January to 31 December 2017 (the "Reporting Period") pursuant to Appendix 20 – the ESG Reporting Guide of the Rules Governing the Listing of Securities on GEM made by The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

The "Group" refers to SINO SPLENDID HOLDINGS LIMITED and its subsidiaries, and in particular TTG Global Limited and TTG Asia Media Pte Limited's operations in Hong Kong (collectively, the "Hong Kong operation"), and TTG Asia Media Pte Limited's operations in Singapore ("TTG Asia" or the "Singapore operation"), with principal businesses of (i) travel media operations with provision of advertising services through internet and travel magazine, event organizing services and magazine publication ("Travel Media Business"); (ii) provision of contents and advertising services in a well-known financial magazine ("Financial Magazine Business") distributed in the People's Republic of China ("PRC"); (iii) investment in securities ("Securities Investment") and (iv) money lending ("Money Lending Business"). For 2017, the former two businesses accounted for 99.7% of the Group's total turnover and majority of operation. The latter 2 businesses were insignificant in terms of turnover, did not use much of the Group's manpower resources and hence did not have significant impact on environmental and social issues.

The Group reiterates its full commitment to its ESG responsibilities to all stakeholders as stated in its previous ESG report. The Group is adamant in ensuring that its business and operations are in line with its business goals and ethical standards without compromising ESG issues which are identified in the ESG Reporting Guide.

The Group sees it crucial and pertinent to integrate its ESG goals and compliance with its business plans and development. The Group sees this to be the prevalent way for the long term growth of its business and to the interests of its stakeholders as a whole. The Group strives to integrate sustainability, both business and environment alike, into all aspects of its business strategies and day-to-day operations. In its business sustainability integration, it takes into account all the environmental, social and economic considerations in planning and achieving its business goals and objectives.

The Group has started its ongoing ESG activities and programs. Various plans on environment sustainability and societal developments have been developed in areas in which the Group operates.

Progress results and achievements are spelt out in in this report in a manner in accordance with the stipulations and reporting sequence of the ESG Reporting Guide.

1 OUR MISSION, MANAGEMENT & APPROACH

The Group aims to be the most influential and leading travel media publisher and events and exhibitions organizer as far as its business vision is concerned. Simultaneously with achieving our business goals and success, the Group is committed to integrating and adopting environmentally friendly measures; providing a decent and safe working environment for our employees and achieving sustainable values for our stakeholders and communities.

The Group attaches great importance to ESG issues and matters and has appointed an ESG Officer who reports directly to the Group CEO. The ESG Officer is charged with the following responsibilities:

- Review and monitor ESG related issues on a regular basis;
- Collect and compile data and statistics on ESG related issues;
- Analyse and report on the legal and moral compliance of the ESG related issues; and
- If required, consult and jointly work with independent professionals and consultants to resolve ESG problems.

Despite the appointment of the ESG Officer, the Group CEO remains having the overall responsibility to implement ESG strategies and policies approved by the Board and reports to the Board regularly on material changes, improvements and solutions.

The Group recognizes that ESG policies and practices may change over time in order to cope with changes either in its business operations, organization structures or technology development, statutory requirements and the business or social environment, etc. Hence, the Group is committed to providing adequate resources to monitor the changes and enhance ESG issues to cope with such changes on an ongoing basis. In addition, the Group sees its moral obligation to maintain a high ethical standard by maintaining transparency in conducting business. In achieving a goal of sustainable development of the environment, society and its employees, the Group is adamant it will continue to be law abiding and comply with the rules and regulations required of it.

2. MATERIAL ENVIRONMENTAL AND SOCIAL AREAS, ASPECTS AND RELATED KEY PERFORMANCE INDICATORS (KPIs)

(A) Environmental Areas and Aspects:

Overview: Although the Group's principal business does not in itself generate hazardous emissions, wastes or pollutants, the Board recognizes that as a world citizen, the Group should combat climate change and adopt green practices in its operation and activities. The Group should reduce waste, save energy and be more efficient in the use of natural resources.

Given the business nature, the Group only consumes the following resources, not in any significant amounts, does not produce any hazardous emissions and wastes nor create much adverse impact to the environment:

- Electricity to carry out its activities;
- Fresh water for general offices and staff daily hygiene;
- Paper for printing and files;
- Packaging materials in the form of paper and paper bags.

The Group has implemented ENVIRONMENTAL POLICIES AND GUIDELINES under the principles of "complying with all applicable environmental legislation, standards, rules and regulations" and "prevention and reduction of pollution and waste by adopting the 3R ("Reduce, Reuse and Recycle") approach" for the sole purpose of building a "clean environment".

Implementation and Results:

To monitor environmental practices of the employees and the Group, the Group has set up the following KPIs:

1. Paper and Packaging Materials Usage

The Group does not consume much paper. Yet, the Group has introduced measures on the use of environmentally friendly and non-environmentally friendly paper. Measures have been taken to encourage the use of electronic means to save paper use and to reduce the use of non-environmentally friendly paper for the coming years.

In this regard, the Group used a total of 278,875 sheets of paper in 2017, which was 20,086 sheets or 6.7% less than 2016, in line with our decrease on overall yearly business turnover of 7%. However, the Hong Kong operation, has started to use environmental friendly paper – 2,500 sheets, which was about 8.6% of its annual usage.

The Group only uses packaging materials in the form of paper bags, which is insignificant in amount. In our trade events and exhibitions, the participating units will provide their own packaging materials. TTG Asia, the organizing unit of the trade events and exhibitions, has been conducting ongoing reviews with its event participants in exploring measures to reduce, reuse and recycle packaging materials.

2. Electricity Consumption

Apart from implementing measures taken to encourage energy saving on electricity in the office and event activities, the Group endeavors to acquire and install energy saving equipment and devices where practicable and opportune to do so. For the Reporting Period, both the Hong Kong operation and Singapore operation reduced electricity consumption by 13.9% and 7.5% respectively. The Group's overall saving on electricity consumption was 7,721.23 kWh or 8.5% over 2016, which was higher than the decrease on yearly turnover of 7%.

3. Water Consumption

Owing to the business and operation nature, the Group only consumes fresh water for general office uses, and all its supplies are from the city central water supply network. Although the total volume of water consumption is insignificant, the Group still has policies and guidelines to encourage our employees to perform good practices to save water as it is one of the most valuable natural resources of the world today. During the Reporting Period, the Group consumed a total of 66.20 CBM of fresh water, which was 12.7 CBM or 16% less than 2016. The 16% saving was again higher than the 7% drop in yearly turnover.

4. Greenhouse gas emissions

Operations and activities of the Group do not in itself directly generate hazardous or non-hazardous greenhouse gas emissions. It only generates non-hazardous carbon dioxide (CO_2) emissions indirectly from the use of electricity. As a green measure, the Group drives to reduce electricity consumption of both the offices and the event activities to achieve CO_2 emission reduction. During the Reporting Period, both the Hong Kong and Singapore operations indirectly generated 8.97 tonnes and 56.55 tonnes of CO_2 through the use of electricity respectively. The Group's total indirect CO_2 emission of 65.52 tonnes was 8.5% less than 2016.

5. Wastes

The Group's operation and activities do not produce any hazardous waste, and only a small amount of living and office wastes are produced from the offices' daily operation. These wastes will be centrally collected for further handling by the local building management office.

The Group is pleased to record that for the Reporting Period, it had not received any warning, fine or prosecution arising from breaches of environmental laws and regulations, and our environmental measures have functioned positively in that we have reduced consumption of electricity, fresh water and paper, and indirect greenhouse gas (CO₂) emissions. The Group will continue to work along this positive trend.

(B) Social Areas and Aspects

(i) Employment, Safety and Health, Training and Development and Labor Standards Overview

It is the belief of the Group management that its employees are its most valuable asset and an indispensable part of its business. The Group, through the Human Resources Department, has adopted fair and equitable Human Resources Policies and Practices, to pursue and provide a safe and pleasant working environment for all employees, regardless of age, gender, family status, sexual orientation, ethnicity, creed and religion or other characteristics.

The Group also recognizes the importance and necessity of continuing training for the growth and development of its employees. In this connection, the Group provides training opportunities and support in various ways.

Implementation and Results

An analysis of the KPIs below regarding the Group's employment and human resources data suggests that our human resources policies and measures have achieved their social obligations.

1. Employment Analysis

As at year ended 2017, the Group employed a total of 73 staff all on a full-time basis, which was 5 or 7.35% more than year ended 2016. The increase in full time staff was owing to our increased activities on travel media and publication especially in the PRC.

Female staff accounted for majority of our overall work force at 64.3%, and it was lower than 73.5% of year-ended 2016. Female staff in managerial grade at 48.4% was slightly higher than the 45% of year-ended 2016. Female staff also dominated the operation and general grade staff at 77.5%, though it was lower than 83.3% of year-ended 2016.

The age distribution of our staff was quite even: 30.1% at age below 30, 27.4% at age between 31-40, 15.1% at age between 41-50, and 20.6% at age between 51–60, and 6.8% at age over 60.

The Group employed mainly local workers with suitable skill to be staff including Singaporean, Indian, Malaysian, Chinese and Hong Kong workers.

The employment statistics confirms the Group's Human Resources Policies and Practices are fair and equitable without discrimination against sex, ethnicity, religion and ages.

2. Health and Safety

The Group attaches great importance and care about its employees' health and safety in workplace. The Group has equipped work places with a complete set of required safety equipment and facilities. All supervisors and site managers are constantly reminded to ensure that the workplace is safe by taking all reasonable measure to place employee safety as the top priority. Equally important is the Group's belief that all employees have a duty to look after their own safety. The integration of these principles is the key approach of the Group on health and safety of employees.

The Group did not have any record of fatal accidents and injuries during the Reporting Period, same result as 2016.

3. Training and Development

During the year 2017, apart from on-the-job training, the Group sponsored and organized a total of 256 hours of training (176 hours internal programs and 80 hours external programs) for 19 staff (5 managerial grade and 14 operational grade). The number of staff attended and training hours were less than 2016 of 23 staff and 344 training hours. However, the total costs of HKD165,000 were higher than HKD154,000 of 2016.

As can be seen from the training record, the Group continuously offered and sponsored training to staff at all level and regardless of sex for the purpose of enhancing their skills and professional knowledge, which ultimately will benefit the staff as well ourselves. The Group will continue to explore and support such practice in future.

4. Labor Standards

The Group complies with all relevant statutory rules and regulations, including but not limited to the Employment Ordinance/Act. The Group honors all its obligations under the employment contracts with its employees, and has paid all wages and salaries, remunerations and compensations, insurance payments, etc., on a fair, equitable and timely manner.

No labor disputes or court cases were recorded for 2017 as well as 2016.

(ii) Operation Practices and Social Investment

Overview

The Group's principal businesses in 2017 were:

- (i) sale of travel media publications and magazines besides the regular printing and on-line publications, the Group completed 14 specialized projects and entered into numerous partnership with renowned global travel trade events and organizations
- (ii) events and exhibitions organization a total of 5 trade events and 11 roadshows/events in Asia were involved.

The Group exercises due care in dealing with its buyers and suppliers which constitute a significant quantity. On the one hand, the Group needs to ensure its product and service quality, and on the other hand the Group needs to observe its social obligations on fairness, equity and transparency on business and operational practices.

Implementation and Results

The Group's operational practices are reviewed below with regard to the following aspects analysed and their respective KPIs:

1. Supply Chain Management

The Group has formulated its Purchase Policy on the principle that the purchases are not only for fulfilling the business needs. They should also integrate social responsibility into purchasing decisions. Apart from assessing its suppliers on quality, cost, service and delivery time, the Group also assesses whether potential suppliers of goods and services have demonstrated that they have a commitment for environmental and social responsibilities. Areas like their policy on use of recycle or natural materials, forbidding child and forced labor employment are the Group's concern in selecting its suppliers.

In addition, cost saving and efficiencies in logistics management and goods travel are the Group's guiding criteria in deciding its purchases. The Group has continued to adopt a decentralized procurement approach at the operational level which is required to follow the above policy and guiding criteria as far as possible. Subsidiaries are given full autonomy in sourcing suppliers based on their local business needs. The Group endeavors to procure sustainable materials from local suppliers whenever possible as a part of its effort to promote a low-carbon operation.

The Group continues to source its supplies from local suppliers for the purposes of supporting local economic development and ensuring the effectiveness of supply. According to the GRI G4 Sustainability Reporting Guidelines, a local supplier is defined as an organization that provides a product or service to the reporting entity and that is based in the same geographical market as the reporting entity (that is, no trans-national payments to the supplier are made.) During the Reporting Period, the Group had a total of 200 suppliers, 134 of whom were local suppliers, and in terms of purchased value, 61.7% was from local suppliers.

Despite the Group's belief in the values and benefits of building a trust relationship with suppliers, it continues to practice a transparent tendering system for its procurement with the purpose to eliminate malpractice and bribery incidents in accordance with the local laws.

2. Product Responsibilities

(i) Product Quality Assurance

The Group firmly believes that its survival depends on the quality of its saleable products and services. The Group has established reporting systems on after-sales-services to ensure that service users and product buyers are satisfied with its products and services. Procedures and systems are in place to give timely redress towards any dissatisfaction reported or discovered. During the Reporting Period, the Group did not have any record on compensating or refunding of any sales based on the "quality" of our products and services.

(ii) Data Protection & Privacy

The Group's business operations generate a large volume of private and confidential information of the buyers and suppliers. The Group recognizes that it has a moral and legal obligation to treat such data seriously and safely and is committed to abiding by the requirements of the Personal Data (Privacy) Ordinance of Hong Kong and/or the Personal Data Protection Act 2012 in Singapore. All data of the Group's customers, suppliers and business partners are kept under the custody of the senior management in accordance with its internal security system. Access to such data is only available with the right level of security control authority. All employees are constantly reminded not to access or use this information without proper approval. For 2017, same as 2016, no privacy information leakage was reported.

(iii) Intellectual Property Rights

The Group recognizes the importance of intellectual property rights. The Group duly pays writers and designers who allow the Group to print and use their intellectual property in its travel media publications and international trade events and exhibitions. The Group was not subject to any litigation for any infringement of intellectual property rights in 2017 as well as 2016.

3. Anti-Corruption

The Group is committed to achieving and maintaining openness, uprightness and accountability and all employees are expected to observe ethical, personal and professional conduct standards. We have established a set of stringent policies and code of conduct to emphasise values of integrity, fairness, transparency and accountability so as to stand against corruption and fraud. Our Employees' Handbook clearly mentions that all directors, officers and employees of the Group shall observe and be in compliance with high standards of ethical behavior. We have zero-tolerance on bribery and corruption in any form or at any level in association with any aspect of the Group's activities. In addition, our Group's strong stance against corruption and fraud is communicated to all employees so as to ensure they are fully aware. A strong anti-corruption and anti-fraud culture is a vital part of the overall governance framework of the Group. We are determined to safeguard assets and interests of our stakeholders by all means. For 2017 as well as 2016, the Group had no bribery or corruption case in court in process.

4. Social Investment

The Group continues to become a good corporate citizen and understands that community participation is important for its long-term development. The Group encourages and supports its staff to take part in volunteer services such as regularly visiting the poor who need help and arranging outdoor activities for disadvantaged groups. Employees can apply for paid leave to perform volunteer services. Internally, the Group focuses on providing more job opportunities to new employees, improving the working environment and skills of employees by investing on facilities and training. The Group also endeavours to provide employment opportunities for the disadvantaged, retired and disabled who have completed retraining courses, and give priority to purchasing from suppliers who hire disabled persons. For 2017, the Group had a charity donation of HKD10,000.

SUMMARY

For 2017, the Board considers that the Group together with its employees have complied with all local government laws, industrial rules and guides, rules and regulations stated in the ESG Reporting Guide of the GEM Listing Rules on environmental and social issues. We have implemented policies and measures effectively which have achieved savings on natural resources through reduction on consumption of electricity, water and paper, and the emission of indirect greenhouse gases has also been reduced accordingly. The Group will continue to observe and improve on these environmental and social obligations in the coming year.