

Sino Splendid Holdings Limited

中國華泰瑞銀控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

GEM Stock 股份代號 : 8006

Environmental, Social and Governance Report

2018





INTRODUCTION AND SCOPE OF ESG REPORT

This Environmental, Social and Governance (“**ESG**”) Report provides a detailed account of the sustainability performance, policies and strategies of Sino Splendid Holdings Limited (the “**Company**” or “**Sino Splendid**”) and its subsidiaries (collectively, the “**Group**”, “**we**”, “**us**” or “**our**”), 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**”) for the year ended 31 December 2018 (the “**Reporting Period**”).

This report was prepared with reference to and in accordance with the “Environmental, Social and Governance Reporting Guide” set out in Appendix 20 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited.

This ESG Report provides an overview of our sustainability vision and related performance and initiatives in our operations, responding to our stakeholders’ interests in the environmental, social and corporate governance aspects of the Group. This ESG report covers the Group’s principal business 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 the year ended 31 December 2018, the Travel Media Business and Financial Magazine Business accounted for 98.4% of the Group’s total turnover and majority of operation. The Securities Investment and Money Lending Business 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.



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 recognises the importance of sustainable development. Sustainability is crucial for the Group's growth in order to achieve business excellence and enhance long-term competitiveness. The Group has established and implemented various policies to manage and monitor the risks related to environment, employment, operating practices and community. The Group always attaches great importance to ESG issues and matters. The Company 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.


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.

ENVIRONMENTAL ASPECTS

As a corporate citizen, we understand and respect that our Group has a responsibility to the environment and to sustainable development. The Group's principal business does not generate any hazardous emissions, wastes or pollutants. In order to pursue sustainable development, we are committed to eco-friendly operations and conservation of 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.
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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”.

Emissions

Greenhouse Gas Emissions

Our Group complies strictly with relevant environmental laws, rules and regulations in all our locations and we do not directly produce any emissions, discharges into water or land, or hazardous waste. It only generates non-hazardous carbon dioxide (CO₂) 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 CO₂ emission reduction. During the Reporting Period, both the Hong Kong and Singapore operations indirectly generated 8.09 tonnes and 26.90 tonnes of CO₂ through the use of electricity respectively. The Group’s total indirect CO₂ emission of 34.99 tonnes was 46.6% less than 2017.

Wastes Management

The Group’s operation and activities do not produce any hazardous waste, and only an insignificant amount of non-hazardous waste, such as 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 has established the KPI of “Greenhouse Gas Emissions”, and “Wastes Management” for future monitoring.

Use of Resources

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. During the Reporting Period, the total electricity consumption is approximately 74,407kWh with an intensity of approximately 787kWh per million revenues in Hong Kong Dollar. The Group’s overall saving on electricity consumption was 8,542kWh or 10% less than 2017.

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 total water consumption is approximate 48m³ with an intensity of approximate 0.5m³ per million revenues in Singapore Dollar. The Group’s overall saving on water consumption was 18.2m³ or 27% less than 2017.

Resources	Unit	Consumption Quantity	Intensity (Consumption/Million revenues in HKD)
Electricity	kWh	74,407	787.38
Water	m ³	48.20	0.51



Paper and Packaging Materials Usage

The consumption of paper is insignificant while 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 172,720 sheets of paper in 2018, which was 106,155 sheets or 38.1% less than 2017. The Hong Kong operation used total of 2,500 sheets of environmental friendly paper, which was about 11.0% 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.

The Group has established the KPIs of “Electricity”, “Water” and “Paper and Packaging Materials” consumptions for future monitoring.

Energy Efficiency and Environmental Policy

Eco-friendly measures, such as reducing energy consumption, stepping up recycling, and disposing of waste carefully, have been incorporated into our daily operations to alleviate the impact of our business on the environment. Enhancing energy efficiency continues to be our biggest challenge, as office lighting and air-conditioning account for most of our electricity consumption. While the Group is focused on business development and establishment of a talented team, it also emphasises green development. By systematically managing environmental impact during operations and raising awareness of every employee of environmental protection and energy-saving, the Group continuously improves the efficiency of resource and energy use, and disposes of waste in a reasonable manner. This makes us a resource-saving and environment-friendly corporation.

Due to the nature of its business, the Group does not generate significant emissions. Therefore, we focus on recycling campaigning as our major contribution to a greener world. In office areas, collection boxes for used ink and toner cartridges have been placed for recycling. Also, our staff are encouraged to ensure duplex printing, reuse of single-sided printed paper and earmarking of double-sided printed paper for recycling, so as to reduce solid waste from offices. All this minimises use of paper.

The Group is pleased to record that for the Reporting Period, it had not received any penalty or warning 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.

SOCIAL ASPECTS

Employment, Safety and Health, Training and Development and Labor Standards

The management of the Group believe that employees are the 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.

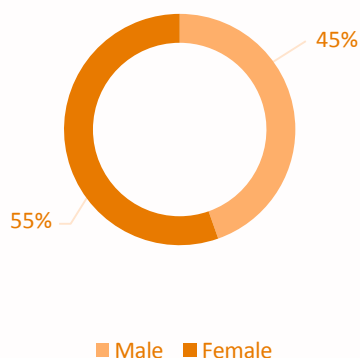
An analysis of the KPIs below regarding the Group's employment and human resources data suggests that our human resources policies and measures have achieved their social obligations.

Employment

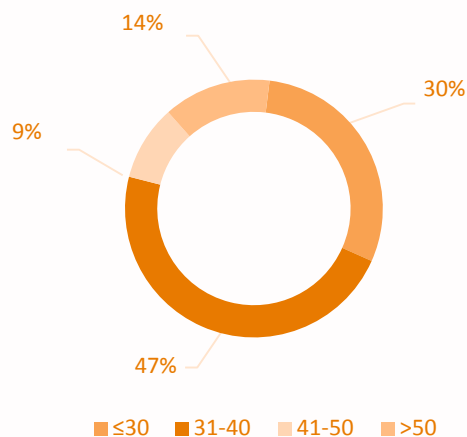
As at the end of the Reporting Period, the Group had an aggregate of 74 (2017: 73) employees. In order to cooperate with the continuously growing business scale, together we acquire talents from different countries and backgrounds to join our team. The Group strictly complies with the relevant laws and regulations in our employment and labour process, for instance, recruitment, dismissal, promotion and remuneration of employees regardless of where we operate. The legitimate rights and interests of employees are protected in accordance with laws and regulations.

The following figures are based on the total number of employees at the end of the Reporting Period.

Number of employee by Gender



Number of employee by Age



The Group employed mainly local workers with suitable skill to be our employee 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.



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 work-related fatal accidents and injuries during the Reporting Period, which is the same as 2017.

Training and Development

During the Reporting Period, apart from on-the-job training, the Group sponsored and organized a total of 302 hours of training for 16 staff, over 20% of our total number of employees (7 managerial grade, 2 senior grade, 5 middle grade and 2 junior grade). The number of staff attended were less than 2017 of 19 staff. However, the training hours were higher than 2017 of 256 training hours.

According to 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.

Labor Standards

Our Group regulates the recruitment process in order to ensure compliance with relevant rules and regulations, and totally forbids any child and forced labour.

The Group strictly complied with the Labour Laws of Hong Kong and provided the required labour protection, safety and health conditions to ensure employees' safety during their services.

We prohibit any child and forced labour in any of our operations and production process. We established a strict protocol for hiring, of which we screen candidates in accordance with the minimum age of their respective work locations.

The Group also paid wages and salaries, benefits and compensations on schedule. During the Reporting Period, there have been no cases of prosecution against the Group due to violation of any relevant laws and regulations including but not limited to the prevention of child and forced labour.

Operating Practices and Social Investment

The Group's principal businesses in 2018 were:

- i. sale of travel media publications and magazines – besides the regular printing and on-line publications, the Group completed 12 specialized projects and entered into numerous partnership with renowned global travel trade events and organizations; and
- ii. events and exhibitions organization – a total of 8 trade events and 8 roadshows/events in Asia were involved.

The Group exercises due care in dealing with its significant number of buyers and suppliers. The Group needs to ensure its product and service quality as well as observe its social obligations on fairness, equity and transparency on business and operational practices.



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 174 suppliers, 108 of whom were local suppliers, and in terms of purchased value, 56% 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.

Product Responsibilities

Product Quality Assurance

Our Group is deeply aware of the importance of product 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.

Data Protection & Privacy

The Group's business operation has generated large volumes of private and confidential information on buyers and suppliers. We both morally and legally treat these types of information and data seriously and safely and have committed to abiding by the requirements of the Personal Data (Privacy) Ordinance of Hong Kong and other relevant laws, regulations and requirements. The data of our customers and suppliers are kept under a secure system by our senior management, and employees have been warned not to access or use this information without approval. The Group did not experience any private information leakage during the year ended 31 December 2018.

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 for the Reporting Period.



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.

Employees could whistle-blow to the supervisor for the suspected bribery, extortion, fraud and money laundering issues by email. Information of the whistleblower is confidential. Once discovered and confirmed, related personnel's employment will be terminated. The Group will be report to Independent Commission Against Corruption (ICAC) or other institution depends on the cases. The Group was in strict compliance with Prevention of Bribery Ordinance and there was no legal case regarding corrupt practices brought against the Group or its employees during the Reporting Period.

Community Investment

Our Group is committed to improving our communities and the lives of stakeholders in our communities. 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 the year ended 31 December 2018, we donated approximately HK\$3,000 to a number of community centers, and the Group will make more provisions for donations to charity in the future.

SUMMARY

For the year ended 31 December 2018, 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.