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Sino Splendid Holdings Limited

中國華泰瑞銀控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8006)

DISCLOSEABLE TRANSACTION DISPOSAL OF SUBSIDIARY

THE DISPOSAL

On 28 June 2022 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Agreement, pursuant to which the Vendor agreed to dispose of, and the Purchaser agreed to acquire, the Sale Shares at the Consideration of HK\$10.0 million.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceed 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Board is pleased to announce that on 28 June 2022 (after trading hours), the Vendor and the Purchaser entered into the Agreement, pursuant to which the Vendor agreed to dispose of, and the Purchaser agreed to acquire, the Sale Shares at the Consideration of HK\$10.0 million. Principal terms of the Agreement are as follows:

THE AGREEMENT

Date: 28 June 2022

Parties: (i) The Vendor
(ii) The Purchaser

Asset to be disposed of: The Sale Shares, representing 100% of the issued shares of BVI Subsidiary.

Consideration: The Consideration for the Sale Shares is HK\$10.0 million, which shall be paid by the Purchaser to the Vendor in cash, out of which HK\$1,000,000 shall be settled by the Purchaser to the Vendor at Completion and HK\$9,000,000 shall be settled by the Purchaser to the Vendor by the 180th days after the Completion.

Conditions precedent: The sale and purchase of the Sale Shares are conditional upon the satisfaction and/or (if applicable) waiver of conditions which include:

- (1) the representations and warranties of each of the Vendor and the Purchaser contained in the Agreement shall remain true and correct and not misleading in all material respects;
- (2) the Board having approved the Agreement and the transactions contemplated thereunder;
- (3) the Company having announced the Agreement and the transactions contemplated thereunder in accordance with the relevant requirements under the GEM Listing Rules;
- (4) the Purchaser being reasonably satisfied with the results of the due diligence exercise (whether on legal, accounting, financial, operational or other aspects that the Purchaser may consider necessary) on the Disposal Group; and
- (5) other than the aforesaid, all requisite approvals, consents and waivers required to be obtained by the parties to the Agreement in respect of the entering into of the Agreement and the transactions contemplated thereunder having been obtained, and the parties have fully complied with all applicable laws and regulations (including but not limited to the GEM Listing Rules).

In the event any of the conditions precedent set out above is not fulfilled or otherwise waived prior to Long Stop Date (or such other date as the parties may agree in writing), then the Purchaser may, at his option, elect to proceed with or delay the transactions, or not to proceed with the transactions contemplated thereunder and in such case the Agreement shall cease to be of any effect.

Completion: Subject to the fulfilment (or waiver, where applicable) of the conditions precedent, Completion shall take place on the first Business Day following the date on which the last of the conditions precedent having been fulfilled or otherwise waived or such other date as the parties may agree in writing.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser having regard to the consolidated net asset value and fair value of the Disposal Group. The Directors consider that the Consideration was fair and reasonable and in the interest of the Company and its shareholders taken as a whole.

INFORMATION OF THE DISPOSAL GROUP

The Disposal Group comprises the BVI Subsidiary, SG Subsidiary (which is wholly-owned by the BVI Subsidiary) and the HK Subsidiary (which is wholly-owned by the SG Subsidiary).

The BVI Subsidiary is a company incorporated in British Virgin Islands with limited liability and its principal activity is investment holding.

The SG Subsidiary is a company incorporated in Singapore with limited liability and is principally engaging in travel media business.

The HK Subsidiary is a company incorporated in Hong Kong with limited liability and is inactive at the date of this announcement.

Set out below is the unaudited consolidated results of the Disposal Group for the two years ended December 31, 2021:

	For the year ended	
	December 31,	
	2020	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/Profit before income tax	(4,376)	2,736
(Loss)/Profit after income tax	(4,311)	2,985

The profit of 2021 of the Disposal Group mainly arises from job support scheme subsidies granted by the government for the amounting of HK\$7.6 million which is one-off in nature. The revenue of the Disposal Group decreased significantly during 2021 as compared to the previous year mainly because of the worse market condition on the travel media business.

The expected unaudited consolidated net assets value of the Disposal Group amounted to approximately HK\$8.6 million upon Completion.

FINANCIAL EFFECTS OF THE DISPOSAL

For illustrative purpose, based on (i) the expected unaudited consolidated net assets value of the Disposal Group of approximately HK\$8.6 million upon Completion; and (ii) the Consideration of HK\$10.0 million, it is expected that the Company will record a gain of approximately HK\$1.4 million from the Disposal after deducting the expenses attributable thereto. The actual amount of gain or loss as a result of the Disposal to be recorded by the Company will be subject to the review and final audit by the auditors of the Company.

Upon Completion, the BVI Subsidiary, SG Subsidiary and HK Subsidiary of the Disposed Group will no longer be subsidiaries of the Company. Accordingly, the assets, liabilities and the financial results of the Disposed Group will no longer be consolidated into the financial statements of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS

The Disposal Group is mainly engaging in travel media business. Under the COVID-19 pandemic, protracted social distancing restrictions and cautious travel media business seriously posted constant challenges to the business of the Disposal Group. Epidemic prevention policy remain existing in some countries which hindered the resumption of the travel media business. Affected by the worse market condition of global travel media business, the Disposal Group performed worse and anticipated substantial loss during the first half of 2022. In light of the above, the Company is not optimistic about the business outlook of the Disposal Group and believes that the Disposal will help to enhance cash balances of the Company. The Company is shifting focus on the event organizing services and others profitable media services and the Directors consider that the Disposal will not have significant impact to the overall business of the Company.

In view of the aforesaid, the Directors consider that the terms of the Disposal are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

The Purchaser is a company incorporated in Singapore with limited liability, the principal activities of the Purchaser are wholesale trade of a variety of goods without a dominant product and travel and media business. The Purchaser is owned 60% by Liu Zhongkui and 40% owned by Liu Yi. To the best of the knowledge, information and belief and having made all reasonable enquiries by the Directors, the Purchaser is a third party independent of the Company and its connected persons (as defined in the GEM Listing Rules).

The Vendor is a limited liability company established in Hong Kong and is principally engaged in investment holding. It is an indirect wholly-owned subsidiary of the Company.

The Company is a company incorporated in the Cayman Islands with limited liability and is an investment holding company. Its subsidiaries are principally engaging in (i) travel media operations with provision of advertising services through the internet and travel magazines, event organizing services and magazine publication; (ii) provision of contents and advertising services in multiple well known financial magazines distributed in The People's Republic of China and provision of advertising services through the internet and others media channels; (iii) investment in securities ; (iv) money lending; and (v) virtual reality business.

GEM LISTING RULES IMPLICATIONS

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings when used herein:

“Agreement”	the sale and purchase agreement dated 28 June 2022 entered into between the Company and the Purchaser in respect of the Disposal
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are open for business throughout their normal business hours (excluding Saturdays, Sundays, public holidays of Hong Kong and any day on which a tropical cyclone warning no. 8 or above or a black rainstorm warning is issued between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 12:00 noon)
“BVI Subsidiary”	TTG Asia Limited, a company incorporated in British Virgin Islands with limited liability and is wholly-owned by the Vendor
“Company”	Sino Splendid Holdings Limited, a company incorporated in the Cayman Islands and the issued shares of which are listed on GEM (stock code: 8006)
“Completion”	completion of the Disposal pursuant to the terms of the Agreement
“Consideration”	HK\$10.0 million, being the consideration for the Sale Shares
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Company to the Purchaser
“Disposal Group”	the BVI Subsidiary, SG Subsidiary and the HK Subsidiary, and “a member of the Disposal Group” shall be construed accordingly
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK Subsidiary”	Asian Business Press (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Long Stop Date”	31 December 2022
“Purchaser”	Onlyowner Pte. Ltd., a company incorporated in Singapore with limited liability
“Sale Share”	1 share in the BVI Subsidiary, representing 100% of the issued share capital of the SG Subsidiary
“SG Subsidiary”	TTG Asia Media Pte Ltd, a company incorporated in Singapore with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Hongkong.com Travel Holdings Limited, incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company
“%”	per cent

By Order of the Board
Sino Splendid Holdings Limited
Wang Tao
Executive Director

Hong Kong, 28 June 2022

As at the date of this announcement, the Board comprises Mr. Wang Tao and Mr. Yang Xingan as executive Directors; Ms. Yang Shuyan, Ms. Wang Qingling and Ms. Lee Yim Wah as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.sinosplendid.com.