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)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020

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This announcement, for which the directors of Sino Splendid Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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 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.

The board (the "Board") of directors (the "Directors") of Sino Splendid Holdings Limited (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 six months (the "Half-Yearly Period") ended 30 June 2020, together with the comparative unaudited figures for the corresponding periods in 2019.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020

		(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
		2020	2019	**2020**	2019
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue	*3*	**6,633**	23,554	**19,754**	48,477
Cost of sales		**(4,670)**	(13,353)	**(10,346)**	(28,715)
Gross profit		**1,963**	10,201	**9,408**	19,762
Other income, gains and losses	*16*	**4,163**	(1,854)	**3,528**	5,470
Selling and distribution expenses		**(1,902)**	(5,260)	**(4,926)**	(9,448)
Administrative expenses		**(12,501)**	(6,929)	**(17,984)**	(18,468)
Finance costs		**(46)**	(13)	**(61)**	(13)
Loss before income tax		**(8,323)**	(3,855)	**(10,035)**	(2,697)
Income tax (expense) credit	*5*	**437**	(2,469)	**255**	(2,290)
Loss for the period	*6*	**(7,886)**	(6,324)	**(9,780)**	(4,987)
Other comprehensive expenses:					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operation		**(3,433)**	(87)	**(3,433)**	(78)
Other comprehensive expenses for the period		**(3,433)**	(87)	**(3,433)**	(78)
Total comprehensive expenses for the period		**(11,319)**	(6,411)	**(13,213)**	(5,065)
Loss attributable to:					
Owners of the Company		**(7,886)**	(6,324)	**(9,780)**	(4,987)
Non-controlling interests		**–**	–	**–**	–
		(7,886)	(6,324)	**(9,780)**	(4,987)
Total comprehensive expenses attributable to:					
Owners of the Company		**(11,319)**	(6,411)	**(13,213)**	(5,065)
Non-controlling interests		**–**	–	**–**	–
		(11,319)	(6,411)	**(13,213)**	(5,065)
Loss per share	*7*				
Basic (cents per share)		**(2.04)**	(1.64)	**(2.53)**	(1.29)
Diluted (cents per share)		**(2.04)**	(1.64)	**(2.52)**	(1.29)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	Notes	(Unaudited) 30 June 2020 HK$'000	(Audited) 31 December 2019 HK$'000
Non-current Assets			
Property, plant and equipment	9	**262**	451
Goodwill		**5,161**	5,161
Equity investments at fair value through profit or loss		**46,466**	46,387
Right-of-use assets		**5,348**	6,562
		57,237	58,561
Current Assets			
Accounts receivable	10	**39,731**	43,919
Prepayments, deposits and other receivables		**15,526**	9,509
Loan receivables		**15,000**	14,235
Held-for-trading investments		**3,210**	5,196
Bank balances and cash		**92,873**	106,054
		166,340	178,913
Current Liabilities			
Accounts payable	11	**531**	2,245
Other payables and accrued liabilities		**42,671**	37,737
Deferred revenue		**888**	4,181
Tax liabilities		**10,594**	10,964
Lease liability		**2,673**	2,430
		57,357	57,557
Net Current Assets		**108,983**	121,356
Total Assets less Current Liabilities		**166,220**	179,917
Non-current Liabilities			
Deferred tax liabilities		**–**	–
Lease liabilities		**2,856**	4,162
		2,856	4,162
Net Assets		**163,364**	175,755
Capital and Reserves			
Share capital	12	**3,858**	3,858
Share premium and reserves		**157,477**	169,868
Equity attributable to owners of the Company		**161,335**	173,726
Non-controlling interests		**2,029**	2,029
Total Equity		**163,364**	175,755

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

	Share capital HK$'000	Share premium HK$'000 (Note a)	Capital reserve HK$'000 (Note a)	Share option reserve HK$'000	Goodwill reserve HK$'000	Capital redemption reserve HK$'000	Reserve funds HK$'000 (Note b)	Translation reserve HK$'000	Retained profits HK$'000	Subtotal HK$'000	Attributable to non-controlling interests HK$'000	Total HK$'000
At 1 January 2019	3,858	72,982	755	–	(31,193)	11,690	19,025	47,418	51,243	175,778	2,029	177,807
Adjustment on initial application of HKFRS 16	–	–	–	–	–	–	–	–	(16)	(16)	–	(16)
	3,858	72,982	755	–	(31,193)	11,690	19,025	47,418	51,227	175,762	2,029	177,791
Loss for the period	–	–	–	–	–	–	–	–	(4,987)	(4,987)	–	(4,987)
Other comprehensive expenses for the period	–	–	–	–	–	–	–	(78)	–	(78)	–	(78)
Total comprehensive expenses for the period	–	–	–	–	–	–	–	(78)	(4,987)	(5,065)	–	(5,065)
At 30 June 2019	3,858	72,982	755	–	(31,193)	11,690	19,025	47,340	46,240	170,697	2,029	172,726
At 1 January 2020	**3,858**	**72,982**	**755**	**–**	**(31,193)**	**11,690**	**19,025**	**48,031**	**48,578**	**173,726**	**2,029**	**175,755**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(9,780)**	**(9,780)**	**–**	**(9,780)**
Other comprehensive expenses for the period	**–**	**–**	**–**	**822**	**–**	**–**	**–**	**(3,433)**	**–**	**(2,611)**	**–**	**(2,611)**
Total comprehensive expenses for the period	**–**	**–**	**–**	**822**	**–**	**–**	**–**	**(3,433)**	**(9,780)**	**(12,391)**	**–**	**(12,391)**
At 30 June 2020	**3,858**	**72,982**	**755**	**822**	**(31,193)**	**11,690**	**19,025**	**44,598**	**38,798**	**161,335**	**2,029**	**163,364**

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 of the Company 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 (the "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 profit after taxation calculated in accordance with accounting principles and financial regulations applicable to PRC enterprises and shall not be less than 10% of profit after taxation. No such transfer was made in either periods as there was no such profit after taxation from the FIEs.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2020

	(Unaudited) Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
Net cash used in operating activities	**(14,413)**	(11,229)
Net cash generated by (used in) investing activities	**3,226**	5,803
Net cash used in financing activities	**1,439**	(347)
Net decrease in cash and cash equivalents	**(9,748)**	(5,773)
Cash and cash equivalents at 1 January	**106,054**	100,332
Effect of exchange rate changes on the balance of cash held in foreign currencies	**(3,433)**	(72)
Cash and cash equivalents at 30 June, representing bank balances and cash	**92,873**	94,487

NOTES:

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standards 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of Chapter 18 of the GEM Listing Rules.

The unaudited 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.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited 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 unaudited 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 2019 except that the Group has adopted the newly issued and revised HKFRSs, which are effective for the annual period beginning on 1 January 2020, as disclosed in the annual consolidated financial statements for the year ended 31 December 2019.

The adoption of these new and revised HKFRSs did not result in significant changes to the Group's financial performance and financial position.

The Group has not applied any new and revised HKFRSs that are not effective for the Half-Yearly Period.

3. REVENUE

An analysis of the Group's revenue for the periods is as follows:

	(Unaudited) Three months ended 30 June		**(Unaudited) Six months ended 30 June**	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Travel Media	**1,479**	18,779	**11,585**	36,508
Financial Magazine	**4,646**	4,392	**7,226**	9,680
Securities Investment	**–**	–	**–**	–
Money Lending	**383**	383	**766**	2,289
Virtual Reality	**125**	–	**177**	–
	6,633	23,554	**19,754**	48,477

4. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has five (2019: four) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

i. Engaged in travel media operations with provision of advertising services through the internet and travel magazines, event organizing services and magazine publication (the "Travel Media Business");

ii. Provision of contents and advertising services in a well-known financial magazine distributed in the PRC (the "Financial Magazine Business");

iii. Investment in securities (the "Securities Investment");

iv. Money lending (the "Money Lending"); and

v. Virtual reality shop (the "Virtual Reality").

Inter-segment transactions, if any, are priced with reference to prices charged to external parties for similar products or services. Corporate revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-maker for assessment of segment performance.

The following is an analysis of the Group's revenue and results by reportable segment:

	(Unaudited) Six months ended 30 June 2020					
	Travel Media Business	**Financial Magazine Business**	**Securities Investment**	**Money Lending**	**Virtual Reality**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Reportable segment revenue from external customers	**11,585**	**7,226**	**–**	**766**	**177**	**19,754**
Reportable segment profit (loss)	**(1,598)**	**(1,596)**	**(2,380)**	**30**	**(689)**	**(6,233)**

	(Unaudited) Six months ended 30 June 2019					
	Travel Media Business	Financial Magazine Business	Securities Investment	Money Lending	Virtual Reality	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment revenue from external customers	36,508	9,680	–	2,289	–	48,477
Reportable segment profit (loss)	2,239	(4,520)	(857)	223	–	(2,915)

Reconciliation of reportable segment revenue and profit or loss

	2020	2019
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**19,754**	48,477
Loss before income tax		
Reportable segment loss	**(6,233)**	(2,915)
Unallocated corporate income	**6,721**	6,022
Unallocated corporate expenses	**(10,523)**	(5,804)
Consolidated loss before income tax	**(10,035)**	(2,697)

Geographic information

The geographical location of customers is based on the location at which the goods delivered or service provided. The geographical location of the non-current asset is based on the physical and operating location of the asset.

The Group's operations and workforce are mainly located in Singapore and Hong Kong.

The following table provides an analysis of the Group's revenue from external customers.

	(Unaudited) Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
Singapore	**11,585**	36,508
Hong Kong	**8,169**	11,969

The following table provides an analysis of the Group's non-current assets.

	(Unaudited)	(Audited)
	30 June	31 December
	2020	2019
	HK$'000	*HK$'000*
Singapore	**4,471**	5,364
Hong Kong	**52,766**	53,197

5. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits for the Half-Yearly Period and the corresponding period in 2019.

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

6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging (crediting) the following items:

	(Unaudited) Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**189**	316
Depreciation of right of use asset	**827**	330
Amortisation of intangible assets	**–**	3,263
Staff costs (including directors' emoluments)	**6,346**	6,106
Auditor's remuneration	**92**	92
Investment income from available-for-sale investments (included in other income, gains and losses)	**(3,534)**	(6,021)
Net foreign exchange (gain) loss	**(977)**	(330)
Bank interest income (included in other income, gains and losses)	**(1)**	(1)

7. (A) BASIC LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2020 and 2019.

	(Unaudited) Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
Loss attributable to owners of the Company	**(9,780)**	(4,987)
Weighted average number of ordinary shares in issue (thousands)	**385,821**	385,821
Basic (cents per share)	**(2.53)**	(1.29)

7. (B) DILUTED LOSS PER SHARE

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended 30 June 2020, the Company had dilutive potential ordinary shares from share options. The calculation for share options was determined by the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above was compared with the number of shares that would have been issued assuming the exercise of the share options. The number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the period) for the same total proceeds was the number of shares issued for no consideration. The resulting number of shares issued for no consideration was included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share.

	(Unaudited)	
	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
Loss attributable to owners of the Company	**(9,780)**	(4,987)
Weighted average number of ordinary shares in issue (thousand)	**385,821**	385,821
Adjustment for Share option (thousand)	**2,982**	–
	388,803	385,821
Diluted (cents per share)	**(2.52)**	(1.29)

8. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Half-Yearly Period (2019: Nil).

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the Half-Yearly Period, the Group acquired computer equipment at a cost of HK$Nil (2019: HK$8,000). The total additions of property, plant and equipment during the Half-Yearly Period were HK$8,000 (2019: HK$8,000).

10. ACCOUNTS RECEIVABLE

The following is an aged analysis of accounts receivable net of allowance for doubtful debts presented based on invoice date at the end of the reporting period:

	(Unaudited) **30 June** **2020** ***HK$'000***	(Audited) 31 December 2019 *HK$'000*
Within 90 days	**3,763**	18,753
91-120 days	**1,013**	3,411
121-180 days	**3,179**	2,142
Over 180 days	**31,776**	19,613
	39,731	43,919

The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month, extending up to six months for major customers. The Group seeks to maintain strict control over its outstanding accounts receivable and has a credit control policy to minimize credit risk. Overdue balances are reviewed regularly by senior management. The Group will provide an impairment loss on accounts receivable based on experience of collecting payments.

11. ACCOUNTS PAYABLE

The following is an aged analysis of accounts payable presented based on the invoice date at the end of the reporting period:

	(Unaudited) **30 June** **2020** ***HK$'000***	(Audited) 31 December 2019 *HK$'000*
Within 90 days	**363**	2,243
91-120 days	**139**	2
121-180 days	**1**	–
Over 180 days	**28**	–
	531	2,245

12. SHARE CAPITAL

	Number of shares		Share capital	
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
	30 June	31 December	**30 June**	31 December
	2020	2019	**2020**	2019
			HK$'000	*HK$'000*
Ordinary shares of HK$0.01 each				
Authorised	**50,000,000,000**	50,000,000,000	**500,000**	500,000
Issued and fully paid:				
At beginning and end of the period/year	**385,820,923**	385,820,923	**3,858**	3,858

13. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

For the available-for-sale financial assets, it comprised the unlisted private equity funds which the management, operation, policy and conduct of which shall be vested exclusively in the general partners. The Group's investment has been accounted for at cost less impairment, if any, at the end of each reporting period because the range of reasonable fair value estimates is so significant that the Directors of the Company are of the opinion that their fair value cannot be measured reliably.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the unaudited condensed consolidated financial statements approximate their fair values.

14. COMMITMENTS

	(Unaudited)	(Audited)
	30 June	31 December
	2020	2019
	HK$'000	*HK$'000*
Commitment in respect of investment in private equity funds	**2,849**	2,928

15. RELATED PARTY TRANSACTIONS

The Group has no transaction with related parties in the Half-Yearly Period.

Compensation of key management personnel

The remuneration of key management consisting of the Directors and four employees (2019: the Directors and four employees) is as follows:

	(Unaudited)	
	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
Short-term benefits	**2,220**	2,569
Retirement benefit scheme contributions	**48**	52
	2,268	2,621

The remuneration of key management is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

16. OTHER INCOME, GAINS AND LOSSES

The other income, gains and losses for the Half-Yearly Period is mainly attributable to the fair value loss of held-for-trading investments of approximately HK$1,986,000 (2019: loss of approximately HK$798,000), loss on disposal of held-for-trading investments of approximately HK$230,000 (2019: loss of HK$Nil), investment income from equity investments at fair value through profit or loss of approximately HK$3,534,000 (2019: income of approximately HK$6,021,000) and other gains (net) of approximately HK$2,210,000 (2019: other gains (net) of approximately HK$247,000).

17. EVENT SUBSEQUENT TO THE END OF REPORTING PERIOD

On 12 June 2020, the Company entered into a placing agreement with a placing agent, Yuet Sheung International Securities Limited, pursuant to which the placing agent has conditionally agreed to procure placements on a best effort basis, of up to 77,160,000 new shares of the Company at the placing price of HK$0.07 per share. The placing was completed on 10 July 2020 and 77,160,000 new shares of HK$0.07 per share was issued by the Company giving rise to a net proceed of HK$5,100,000 which is intended to be used for development and operation of the virtual reality business of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

Revenue and gross profit

Revenue for the Half-Yearly Period was approximately HK$19,754,000 representing an approximately HK$28,723,000, or 59.2% decrease compared with the corresponding period in 2019. The increase was primarily attributable to decrease in revenue from the Travel Media Business.

Gross profit margin for the Half-Yearly Period maintained at a relatively stable level of approximately 48%, compared with approximately 41% in the corresponding period last year.

Other income, gains and losses

Other gains (net) amounted to approximately HK$3,528,000 for the Half-Yearly Period, compared with other gains (net) of approximately HK$5,470,000 for the corresponding period in 2019. This was primarily due to decrease in fair value loss of held-for-trading investments and decrease in investment income from available-for-sale investments in the Half-Yearly Period.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately 48% to approximately HK$4,926,000 for the Half-Yearly Period, compared with approximately HK$9,448,000 for the corresponding period in 2019 as a result of cost control. The decrease was primarily attributable to decrease in revenue from the Travel Media Business.

Administrative expenses

Administrative expenses decreased by approximately 2.6% to approximately HK$17,984,000 for the Half-Yearly Period, compared with approximately HK$18,468,000 for the corresponding period in 2019 as a result of cost control.

Income tax

The Group recorded an income tax credit of approximately HK$255,000 for the Half-Yearly Period, compared with income tax expense of approximately HK$2,290,000 for the corresponding period in 2019.

Loss for the period attributable to owners of the Company

Loss for the Half-Yearly Period attributable to owners of the Company was approximately HK$9,780,000, compared with loss of approximately HK$4,987,000 for the corresponding period in 2019 which is mainly attributable to decrease in revenue from the Travel Media Business.

BUSINESS REVIEW

Travel Media Business

For the Half-Yearly Period, the Travel Media Business recorded a revenue of approximately HK$11,585,000, decreased by approximately 68% or approximately HK$24,923,000 as compared with that of approximately HK$36,508,000 for the same period in 2019. This amount represented approximately 58.6% of the Group's total revenue for the Half-Yearly Period.

The Travel Media Business recorded a segment loss of approximately HK$1,598,000 during the Half-Yearly Period.

Overview

Among all industries, Travel and Tourism is one of the hardest hit sector by COVID-19. The travel and tourism sector faces a staggering 100 million job losses in the first three months of the pandemic, according to the World Travel & Tourism Council (WTTC). The continued border closure, travel restrictions and safety concern have resulted in low occupancy for hoteliers and dismal load factor for airlines. At the height of the pandemic, air traffic in the Asia Pacific region was down by 95% compared to the year before. Many hotels have yet to reopen for business and a large number of airlines still have their aircrafts grounded.

The initial hope that the pandemic would be resolved by Q3 or Q4 of 2020 has faded. It is clear now that a vaccine would not be available this year and that the COVID-19 is not going away anytime soon.

Although some countries are beginning to have bilateral discussion on cross border travel to restart travel soon, there are still many protocols and compliance to be sorted out before cross border travel can begin. Even with bilateral agreements in place, travel is likely to be limited to those on official travel or business travellers. Leisure travel is expected to be confined to domestic travel for now whereas cross border will continue to be restricted.

With this setback, many in the travel businesses are having cash flow challenges. Some have managed to raise additional funds to continue their operations while others have folded their business or temporary suspended operations. All these have negatively impacted TTG's performance in Q2 of 2020 as almost all of our baseline clientele are from the travel and tourism sector.

Performance & Operations

Unlike Q1 of 2020 where the first two months' outstanding performance of the Group was able to offset the impact of COVID-19's onset and turn in good profit for the quarter, Q2 of 2020 is very different with the entire 3-months underperforming amidst the COVID-19 pandemic.

The impact of COVID-19 pandemic on the world economy is unprecedented and TTG's business is not spared. Apart from limited new businesses since March 2020, publishing is faced with an avalanche of cancellation and postponement requests for forward bookings placed with the group earlier. These 3 months in Q2 of 2020 were the most difficult period TTG has ever encountered in its 46 years of business history.

The following were publishing projects, print publications and events by TTG that were cancelled in Q2 of 2020 due to COVID-19 outbreak:

1. *Events by TTG (unable to proceed due to travel restrictions)*

    - IT&CM China (MICE Trade Show) in Shanghai China, March 2020 (under April 2020 budget)

    - CTW China (Corporate Travel Conference), Shanghai China March 2020 (under April 2020 budget)

2. *Print publications (cancelled due to lack of revenue)*

    - TTG China print publication April and May Issues

    - TTG-BTmice China print publication April issue

    - TTG Associations print April issue

    - TTG Asia print publication April and May issues

    - TTG China Travel Awards print Supplement (postponed to September 2020)

    - Shoppers Blueprint April issue

    - Map of Singapore (English) May issue

    - Map of Singapore (Japanese) June issue

3. *Events by third party (cancelled due to COVID-19 pandemic, resulted in the cancellation of special publications)*

    - 3 issues of BTM 2020 show dailies (April 2020)

    - TTG Luxury LTM special supplement (June 2020)

Outlook of Coming Months

The COVID-19 pandemic has taken a heavy toll on the world economy with travel and tourism sector among the worst hit. Some countries have successfully brought down the number of infected cases by implementing lock down measures, but are now facing a resurgence of new wave of infections. So far, Australia, Korea, Hong Kong, Japan etc. have experienced second wave infections, while countries like the USA, India, Brazil and Mexico are still not able to bring the outbreak under control. In these latter countries, the pandemic is still spreading like wild fire. Medical professionals/experts have reiterated time and again that a vaccine is not likely to be found anytime soon and the pandemic will continue for a while. Expert indications suggest that it could take up to another 12 months for a vaccine to be ready.

As long as there is no vaccine, and border control continues to be in place, it would be a struggle ahead for TTG in terms of revenue. To conserve cash flow, TTG has embarked on the following actions to manage costs, and will continue to look for new ways to reduce costs:

1) Cancel some issues of physical print publications

2) Manage print run and distribution costs

3) Publish digital publications when there is not enough revenue to support print

4) Work with all external vendors to reduce contracted fees/costs

5) Advise staff to clear annual leave

6) Reduce or cut expenditure wherever possible

7) Introduce other costs management measures as needed

While trying its best to contain cost, TTG is also leveraging on technology to create new ideas for alternative sources of revenue:

1) Introduction of virtual B2B China MICE trade show in August 2020

2) A virtual B2B Asia-Pacific MICE trade show in November 2020

3) Launching project "Travel Spark by TTG" to ignite the need for CVBs and NTOs to commence their marketing efforts, advertise and promote destinations through TTG's online platforms in anticipation of borders reopening for international business and leisure travel

Corporate Development

The plan to develop our B2B2C e-commerce capabilities is still proceeding as scheduled and will be readied for business when COVID-19 is under control and leisure travel resumes. As mentioned before, TTG's e-commerce portfolio is expected to generate revenue from its promotion, facilitation and commissions on attractions ticketing sales transactions, hotel accommodation, tour packages, transfers, and other travel services from the following channels:

1) SG Maps and Guides App incorporating tourist audio VOX guide and LDR tourist experiential guide for Singapore.

2) ASEAN Experience Pass for the region, and tourist versions of these passes – e.g. Singapore Experience Pass, Thailand Experience Pass, etc.

3) TTG WeChat mini programme targeting inbound Chinese tourists in Singapore.

4) Roomonger – expansion of our B2B white-label solution network, leverage on existing B2B online channels to market our B2C offerings.

Financial Magazine Business

Revenue from this business was approximately HK$7,226,000, which accounted for approximately 36.6% of the Group's total revenue for the Half-Yearly Period. Segmental loss of this business during the Half-Yearly Period was approximately HK$1,596,000.

Securities Investment

As at 30 June 2020, total market value of the held-for-trading investments of the Group was approximately HK$3,210,000 and recorded a loss on change in fair value of approximately HK$1,986,000 for the Half-Yearly Period which increased by approximately HK$1,200,000 as compared with the corresponding period of 2019.

Money Lending Business

Revenue from this business was approximately HK$766,000, which accounted for approximately 3.9% of the Group's total revenue for the Half-Yearly Period.

Virtual Reality Business

The Group entered into virtual reality business in January 2020. The Group currently applied virtual reality technology in games and may apply the technology in other areas later. Revenue from this business was approximately HK$177,000 for the Half-Yearly Period, which accounted for approximately 0.9% of the Group's total revenue for the Half-Yearly Period.

FINANCIAL REVIEW

Liquidity and financial resources

The Group generally financed its operations with its internally generated cash flows. The Group's total equity was approximately HK$163,364,000 as at 30 June 2020, compared with approximately HK$175,755,000 as at 31 December 2019. Total assets amounted to approximately HK$223,577,000 as at 30 June 2020, compared with approximately HK$237,474,000 as at 31 December 2019, of which approximately HK$92,873,000 (31 December 2019: approximately HK$106,054,000) was bank balances and cash and approximately HK$46,466,000 (31 December 2019: approximately HK$46,387,000) was equity investments at fair value through profit or loss.

Capital structure

The value of share capital was approximately HK$3,858,000 as at 30 June 2020 and 31 December 2019.

For the placing of 64,300,000 Company's shares that was completed on 13 December 2017, please refer to the Company's announcements dated 22 November 2017, 24 November 2017 and 13 December 2017, respectively for details.

As at 30 June 2019, the Group had utilized approximately HK$5,000,000 for salaries expenses, including directors' emoluments and other staff costs, approximately HK$1,500,000 for rental expenses for Hong Kong premises and approximately HK$4,730,000 for legal and professional fee and other administrative expenses.

As at 30 June 2019, the Group had unutilized net proceeds of approximately HK$1,280,000 which was intended to be used in the year ended 31 December 2019 of which approximately HK$270,000 for legal and professional fee and other administrative expenses and approximately HK$1,010,000 for other possible investment.

As at 30 June 2020, the Group had unutilized net proceeds of approximately HK$1,010,000 which was intended to be used in the year ending 31 December 2020 for other possible investment.

Charges on the Group's assets

There was no charge on the Group's assets as at 30 June 2020 and 31 December 2019.

Gearing ratio

The Group has a zero gearing ratio as at 30 June 2020 and 31 December 2019 as calculated by net debts divided by shareholders' equity.

Exposure to fluctuation in exchange rates and any related hedges

The majority of the Group's assets and liabilities and business transactions were denominated in Singapore dollars and Hong Kong dollars. During the Half-Yearly Period, the Group had not entered into any hedging arrangements. However the management will continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

Contingent liabilities

The Group had no significant contingent liability as at 30 June 2020 and 31 December 2019.

Significant Investments

Details of the top two held-for-trading investments, in terms of market value as at 30 June 2020, are as follows:

			For the six months ended 30 June 2020	
	Market value as at 30 June 2020	**Proportion to the total assets of the Group**	**Fair value gain (loss) of the investment**	**Dividend received**
	HK$'000	*%*	*HK$'000*	*HK$'000*
Company name (Stock code)				
China Properties Investment Holdings Limited (HK Stock Code: 736)	1,335	0.59%	(656)	–
Hao Wen Holdings Limited (HK Stock Code: 8019)	1,518	0.67%	(454)	–
Others	357	0.15%	(876)	–
	3,210	1.41%	(1,986)	–

Material acquisitions and disposals

No material acquisitions and disposals of subsidiaries, associates and joint ventures during the Half-Yearly Period.

Employee information

As at 30 June 2020, the Group had 49 (2019: 69) full-time employees, of which 2 (2019: 11) were based in Hong Kong, 3 (2019: 13) in China, 43 (2019: 44) in Singapore and 1 (2019: 1) in Malaysia. The Group has introduced share option scheme to recognise the contribution of the employees to the growth of the Group. The scheme has been or will be amended from time to time to take into account changes in market conditions and the GEM Listing Rules.

PROSPECTS

Looking back at the Sino-US trade disputes over the past year, even though China and the US had signed the phase one trade agreement, the outlook for international trade is still clouded by remaining uncertainties. Coupled with the plight brought about by the outbreak of COVID-19 across the world in 2020, the global economy and consumer sentiment has been affected, and the operating environment will remain difficult.

It is expected that the second half yearly of 2020 will be another period filled with uncertainties, as a result of the outbreak of COVID-19, the slowing growth of global economy. Above all, while the various countries and the global population is actively fighting against the COVID-19 epidemic, it is uncertain how it will impact the global economy in the near future.

In response, the Group will continue to sharpen its strategies and monitor the external environment and internal resources carefully to meet the Group's business development.

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

As at 30 June 2020, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors of the Company as set out in rules 5.46 to 5.67 of the GEM Listing Rules as follows:

Long position/short position in shares of the Company

Name	Capacity	Long position/ short position	Equity derivatives (share options)	Percentage of issued share capital *(Note 1)*
Mr Chow Chi Wa	Beneficial owner	Long Position	3,858,200	0.01
Mr Wang Tao	Beneficial owner	Long Position	3,858,200	0.01
Mr Yang Xingan	Beneficial owner	Long Position	3,858,200	0.01

Notes: 1. The relevant percentage is calculated by reference to the Shares in issue on 30 June 2020 i.e. 385,820,923 shares.

Save as disclosed above, as at 31 December 2015, none of the Directors of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were 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 the Listing Rules relating to the required standard of dealings by the directors 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

As at 30 June 2020, those persons (other than Directors and chief executive of the Company) who had interests and short positions in shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name	Number of shares	Number of underlying shares	Percentage of issued share capital
Chen Ying Zhen *(Note 1)*	90,695,125(L)	–	23.51% (L)

L – Long Position

Note:

(1) Mr. Chen Ying Zhen held 80% interest in and a director of QIYI HOLDINGS LIMITED which held 0.35% interest in the shares of the Company.

Save as disclosed above, as at 30 June 2020, no person (other than Directors and chief executive of the Company) had notified to the Company any interests or short positions in shares or underlying shares of the Company which was recorded in the register 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 Half-Yearly Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPETING INTERESTS

During the Half-Yearly Period, the Board is not aware of any business or interest of each Director and the respective close associates (as defined under the GEM Listing Rules) of each that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings in securities (the "Required Standard of Dealings") as set out in rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct governing the securities transactions by the Directors. Following a specific enquiry made by the Company, all the Directors confirmed that they complied with or they were not aware of any non-compliance with the Required Standard of Dealings for the Half-Yearly Period.

CORPORATE GOVERNANCE CODE COMPLIANCE

The Company has complied throughout the Half-Yearly Period with the applicable code provisions in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "2013 Share Option Scheme") on 31 December 2013, which was approved by the shareholders at the extraordinary general meeting of the Company held on the same date. The 2013 Share Option Scheme will expire on 31 December 2023. The purpose of the 2013 Share Option Scheme is to enable the Group to grant share options to eligible participants as incentives or rewards for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the eligible participants.

According to the 2013 Share Option Scheme, the Board may grant share options to eligible participants including employees, directors of the Company and its subsidiaries, consultant, adviser, agent, contractor, customer and supplier of any member of the Group and the Board has sole discretion to consider eligibility for the 2013 Share Option Scheme on the basis of their contribution to the development and growth of the Group.

The maximum number of shares which may be issued upon the exercise of all share options to be granted under the 2013 Share Option Scheme and any other share option scheme(s) of the Company, is 38,582,092 shares which represents 10% of the issued shares of the Company as at the date of this interim results announcement, must not exceed 10% of the issued share capital of the Company on the date of approval and adoption of the 2013 Share Option Scheme provided that the Company may at any time seek approval from shareholders to refresh the limit to 10% of the shares in issue as at the date of approval by the shareholders in general meeting where such limit is refreshed. Share options previously granted under any share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised) will not be counted for the purpose of calculating the limit as refreshed.

The total number of shares issued and may fall to be issued upon exercise of the share options granted under the 2013 Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each eligible participant in any 12-month period up to and including the date of grant shall not exceed 1% of the shares in issue as at the date of grant unless such grant has been duly approved by an ordinary resolution of the shareholders in general meeting at which the relevant eligible participant and his associates were abstained from voting. Share options granted to substantial shareholders or INEDs or any of their respective associates in any 12-month period in excess of 0.1% of the Company's issued share capital on the date of grant and with a value in excess of HK$5,000,000 must be approved in advance by the shareholders.

Options granted must be taken up within 7 days from the date of the offer upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the Board. There is no general requirement on the minimum period for which option must be held before it can be exercised. All options must be exercised within 10 years from the date of grant. The exercise price is determined by the Board and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the Company's shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

The table below shows the details of the outstanding share options granted to all grantees under the Scheme as at 30 June 2020. There were no share options granted being cancelled or lapsed during the reporting period. 27,007,400 options were granted between 30 June 2020 and the date of this interim results announcement, for further information please refer to the Company's announcement dated 15 May 2020. For further details on the movement of the options during the reporting period.

Name or category of grantee	**Date of grant**	**Exercise price per share** *(HK$)*	**Closing price Immediately before the date of grant** *(HK$)*	**Vesting date**	**Exercisable period**	**Number of options granted**	**Number of shares Underlying share options granted**	**Number of options exercised during the reporting period**	**Outstanding share options as at 30 June 2020**
Directors									
Mr. Chow Chi Wa	15 May 2020	0.0866	0.077	None	15 May 2020 to 14 May 2022	3,858,200	–	–	3,858,200
Mr. Wang Tao	15 May 2020	0.0866	0.077	None	15 May 2020 to 14 May 2022	3,858,200	–	–	3,858,200
Mr. Yang Xingan	15 May 2020	0.0866	0.077	None	15 May 2020 to 14 May 2022	3,858,200	–	–	3,858,200
Other employees									
4 employees	15 May 2020	0.0866	0.077	None	15 May 2020 to 14 May 2022	15,432,800	–	–	3,858,200
Total						27,007,400	–	–	27,007,400

SHARE-BASED PAYMENT TRANSACTIONS

The Group issues equity-settled share-based payments to certain employees (including directors). Equity-settled share based payments are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straighted-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

During the interim period ended 30 June 2020, share options were granted by the Company to its directors and employees, details of which are as follows:

	Number of share options	Date of grant	Exercise period	Exercise price per share *HK$*	Fair value per option at grant date *HK$*
Directors	11,574,600	15/05/2020	15/05/2020 to 14/05/2022	0.087	0.03009
Employees	15,432,800	15/05/2020	15/05/2020 to 14/05/2022	0.087	0.03071

In accordance with the terms of the Scheme, the options granted vested at the date of grant.

The fair value of the share options was estimated to be HK$822,221, which was determined using the binomial option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past one year. The variances and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

Inputs into the model

	Share options granted on 15 May 2020
Grant date share price	HK$0.077
Exercise price	HK$0.087
Expected volatility	92.62%
Option life	2 years
Dividend yield	–
Risk-free interest rate	0.342%

INTERESTS OF COMPLIANCE ADVISER

Pursuant to the directions of the GEM Listing Committee of the Stock Exchange, the Company has appointed Grand Moore Capital Limited as the independent compliance adviser (the "Compliance Adviser") on an on-going basis for consultation on compliance with the GEM Listing Rules for a period of two years with effect from 30 November 2018. As at 30 June 2020, as notified by the Compliance Adviser, save for the compliance adviser's agreement entered into between the Company and the Compliance Adviser, neither the Compliance Adviser nor any of its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE

The audit committee has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed consolidated financial statements for the Half-Yearly Period.

On behalf of the Board
Sino Splendid Holdings Limited
Chow Chi Wa
Executive Director

Hong Kong, 10 August 2020

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

Executive Directors:

Mr. Chow Chi Wa, Mr. Wang Tao and Mr. Yang Xingan

Independent Non-Executive Directors:

Ms. Yang Shuyan, Ms. Wang Qingling and Ms. Lee Yim Wah

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.