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)

THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The board (the "Board") of directors (the "Directors") of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the three months (the "Quarterly Period") and nine months (the "Nine-Month Period") ended 30 September 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 three months and nine months ended 30 September 2020

		(Unaudited) Three months ended 30 September		**(Unaudited) Nine months ended 30 September**	
		2020	2019	**2020**	2019
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue	*3*	**6,952**	16,916	**26,706**	65,393
Cost of sales		**(3,837)**	(9,372)	**(14,183)**	(38,087)
Gross profit		**3,115**	7,544	**12,523**	27,306
Other income, gains and losses		**3,270**	1,532	**6,798**	7,002
Selling and distribution expenses		**(1,715)**	(2,201)	**(6,641)**	(11,649)
Administrative expenses		**(6,695)**	(7,712)	**(24,679)**	(26,180)
Finance costs		**(29)**	(4)	**(90)**	(17)
Loss before tax		**(2,054)**	(841)	**(12,089)**	(3,538)
Income tax credit/(expense)	*4*	**556**	40	**811**	(2,250)
Loss for the period		**(1,498)**	(801)	**(11,278)**	(5,788)
Other comprehensive income /(expenses)					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		**221**	(1,214)	**(3,212)**	(1,292)
Other comprehensive income/(expenses) for the period		**221**	(1,214)	**(3,212)**	(1,292)
Total comprehensive expenses for the period		**(1,277)**	(2,015)	**(14,490)**	(7,080)
Loss attributable to:					
Owners of the Company		**(1,498)**	(801)	**(11,278)**	(5,788)
Non-controlling interests		**–**	–	**–**	–
		(1,498)	(801)	**(11,278)**	(5,788)
Total comprehensive expenses attributable to:					
Owners of the Company		**(1,277)**	(2,015)	**(14,490)**	(7,080)
Non-controlling interests		**–**	–	**–**	–
		(1,277)	(2,015)	**(14,490)**	(7,080)
Loss per share	*5*				
Basic (cents per share)		**(0.32)**	(0.21)	**(2.44)**	(1.50)
Diluted (cents per share)		**(0.32)**	(0.21)	**(2.41)**	(1.50)

Notes:

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on GEM of the Stock Exchange.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited 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 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 Nine-Month Period.

3. REVENUE

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

	(Unaudited)			
	For the three months ended 30 September		**For the nine months ended 30 September**	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Travel media	**2,525**	10,238	**14,110**	46,746
Financial magazine	**3,958**	6,292	**11,184**	15,972
Securities investment	**–**	–	**–**	–
Money lending	**387**	386	**1,153**	2,675
Virtual reality	**82**	–	**259**	–
	6,952	16,916	**26,706**	65,393

4. INCOME TAX

	(Unaudited)			
	For the three months ended 30 September		**For the nine months ended 30 September**	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Current tax – Hong Kong	**–**	–	**–**	–
Current tax – overseas	**556**	(200)	**811**	(3,028)
Deferred tax	**–**	240	**–**	778
	556	40	**811**	(2,250)

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

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

5. (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 nine months ended 30 September 2020 and 2019.

	(Unaudited) Nine months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Loss attributable to owners of the Company	**(11,278)**	(5,788)
Weighted average number of ordinary shares in issue (thousands)	**462,981**	385,821
Basic (cents per share)	**(2.44)**	(1.50)

5. (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 nine months ended 30 September 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) Nine months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Loss attributable to owners of the Company	**(11,278)**	(5,788)
Weighted average number of ordinary shares in issue (thousand)	**462,981**	385,821
Adjustment for Share option (thousand)	**3,535**	–
	466,516	385,821
Diluted (cents per share)	**(2.41)**	(1.50)

6. MOVEMENT OF RESERVES

	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$'000	Reserve fund HK$'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	72,982	755	–	(31,193)	11,690	19,025	47,418	51,243	171,920	2,029	173,949
Adjustment on initial application of HKFRS 16	–	–	–	–	–	–	–	(16)	(16)	–	(16)
	72,982	755	–	(31,193)	11,690	19,025	47,418	51,227	171,904	2,029	173,933
Loss for the period	–	–	–	–	–	–	–	(5,788)	(5,788)	–	(5,788)
Other comprehensive expenses for the period	–	–	–	–	–	–	(1,292)	–	(1,292)	–	(1,292)
Total comprehensive expenses for the period	–	–	–	–	–	–	(1,292)	(5,788)	(7,080)	–	(7,080)
At 30 September 2019	72,982	755	–	(31,193)	11,690	19,025	46,126	45,439	164,824	2,029	166,853
At 1 January 2020	**72,982**	**755**	**–**	**(31,193)**	**11,690**	**19,025**	**48,031**	**48,578**	**169,868**	**2,029**	**171,897**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(11,278)**	**(11,278)**	**–**	**(11,278)**
Other comprehensive expenses for the period	**4,629**	**–**	**822**	**–**	**–**	**–**	**(3,212)**	**–**	**2,239**	**–**	**2,239**
Total comprehensive expenses for the period	**4,629**	**–**	**822**	**–**	**–**	**–**	**(3,212)**	**(11,278)**	**(9,039)**	**–**	**(9,039)**
At 30 September 2020	**77,611**	**755**	**822**	**(31,193)**	**11,690**	**19,025**	**44,819**	**37,300**	**160,829**	**2,029**	**162,858**

Note a: Under the Companies Law of the Cayman Islands (2010 Revision as amended from time to time), the share premium and capital reserve of the Company may be applied for payment of distributions or dividends to shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

Note b: Pursuant to the relevant laws and regulations for foreign investment enterprises (the "FIEs") established in the People's Republic of China excluding Hong Kong (the "PRC"), a certain portion of the FIE's profit is required to be transferred to reserve fund which is 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 were made during both periods as there were no such profit after taxation from the FIEs.

7. DIVIDEND

The Board do not recommend the payment of an interim dividend for the Nine-Month Period (the corresponding period in 2019: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and gross profit

Revenue for the Nine-Month Period was HK$26,706,000 representing a HK$38,687,000, or approximately 59% decrease compared with the corresponding period in 2019 of HK$65,393,000. The decrease was primarily attributable to decrease in revenue from Travel Media Business.

Gross profit margin for the Nine-Month Period slightly increased to approximately 47%, compared with approximately 42% in the same period last year.

Other income, gains and losses

Other income (net gains) was HK$6,798,000 for the Nine-Month Period, compared with other income (net gains) of HK$7,002,000 for the corresponding period in 2019.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately 43% to HK$6,641,000 for the Nine-Month Period, compared with HK$11,649,000 for the corresponding period in 2019. The decrease was primarily attributable to decrease in revenue from the Travel Media Business.

Administrative expenses

Administrative expenses was HK$24,679,000 for the Nine-Month Period, compared with HK$26,180,000 for the corresponding period in 2019.

Income tax

The Group recorded an income tax credit of HK$811,000 for the Nine-Month Period, compared with an income tax expense of HK$2,250,000 for the corresponding period in 2019.

Loss for the period attributable to owners of the Company

Loss for the period attributable to owners of the Company was approximately HK$11,278,000 for the Nine-Month Period, compared with a loss of HK$5,788,000 for the corresponding period in 2019 which is mainly attributable to significant decrease in revenue.

Capital structure

As at 30 September 2020, the Company has 462,980,923 shares of HK$0.01 each in issue. The value of share capital was approximately HK$4,630,000 as at 30 September 2020 (31 December 2019: approximately HK$3,858,000).

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 September 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.

On 12 June 2020 (after trading hours), the Company and Yuet Sheung International Security Limited, being the placing agent, entered into the placing agreement pursuant to which the placing agent agreed to place, on a best efforts basis, to not less than six independent placees for up to 77,160,000 new shares of the Company at a price of HK$0.07 per placing share.

On 10 July 2020, the conditions of the placing have been fulfilled and the completion of the placing took place, where a total of 77,160,000 placing shares have been successfully placed by the placing agent to not less than six placees pursuant to the terms and conditions of the placing agreement. For details, please refer to the Company's announcements dated 12 June 2020 and 10 July 2020 respectively.

As at 30 September 2020, the Group had utilized net proceeds of approximately HK$1,000,000 for the operation of the virtual reality business in PRC and unutilized net proceeds of approximately HK$4,100,000, which was intended to be used in the year ending 31 December 2020 for development and operation of the virtual reality business of the Group.

BUSINESS REVIEW

Travel Media Business

For the Nine-Month Period, the Travel Media Business recorded a revenue of HK$14,110,000, decreased by approximately 70% or HK$32,636,000 as compared with that of HK$46,746,000 for the same period in 2019. This amount represented approximately 53% of the Group's total revenue for the Nine-Month Period.

Overview

COVID-19 has decimated global cross border tourism since it was declared a pandemic in early March 2020 which in turn is having a continuing negative impact on the exhibition and publication activities within the travel media business of the Group. Air travel has come to stand still while hotels worldwide suffered significant drop in occupancy resulting in closure of some properties. Many travel agencies closed their operations and other travel businesses such as cruises and car rental companies were badly affected, causing huge losses of jobs and major retrenchment of staff in the travel and tourism sector. Since then, some destinations have tried to establish travel bubbles and green lanes but with limited success in reviving international travel as cross-border travel restrictions are still in place. Online media channels and special projects such as advertorials and sponsored posts continue to bring in some advertising revenue to the Group. Nevertheless, the Group's travel media business, being the largest segment of the Group, recorded a decrease of revenue by approximately 75% to HK$2,525,000 for the Quarterly Period from HK$10,238,000 for the corresponding period in 2019.

Amid global travel restrictions, some countries with large population and land masses have managed to revive domestic tourism with varying degree of success. China, for example, saw a boom in its domestic tourism and provided the much-needed spending during its annual Golden Week holidays, which saw 637 million domestic trips during the eight-day break, with total tourism revenue hitting 467 billion Yuan or S$94 billion. Contrary to the optimistic change in China's domestic tourism industry, regional nations such as those in South-East Asia experienced the absence of tourist dollars and suffered the economic pain caused by the prolonged closure of borders. Some countries face headwinds in their push towards domestic tourism while having to re-implement movement restrictions due to spike in cases. Countries like Singapore delivered a stark message advising tourism industry players to prepare for further difficult times ahead, as international travel could take three to five years to recover even if a vaccine for the coronavirus is developed.

Like all businesses affected by COVID-19, TTG has proactively implemented costs cutting measures since the early stages of the COVID-19 pandemic but the business continues to face revenue problems due to limited spending by core advertisers who are primarily in the travel industry. In order for the Company to survive this crisis and a chance to ride the recovery after the pandemic, further costs cutting measures which involved retrenchment of staff were implemented towards the end of the Quarterly Period.

Performance & Operations

Apart from special publications such as the combined print issue of TTG Asia & TTGmice July/August 2020 issue and selected print publications with advertising commitment by our advertisers, all other print publications were cancelled and, only digital publications were published in order to cut cost.

Compared to a year ago, bottom line for the Group suffered significant losses despite the implementation of costs saving measures. The stimulus package launched by the Singapore government to help businesses during this crisis such as job support scheme has helped to cushion and slightly mitigated losses for Quarterly Period.

To contain costs and for the Company to stand a chance at recovery when travel restrictions are lifted, the Group implemented 2 rounds of cost cutting measures between March and August. A third round was carried out at the end of Quarterly Period by retrenching some 19% of its staff strength in the Singapore office with remaining staff having to take interim deeper pay-cuts of between 15% and 50%.

Activities during Quarterly Period

Publishing

During the Quarterly Period, the Group published a total of 9 publications but cancelled 8 scheduled print publications and 3 special projects such as dailies due to lack of revenue. In place of the cancellation, digital versions were published instead so to keep cost down.

The Group organised a total of 4 TTG Conversations webinars which serve to widen TTG's product range and portfolio. By showcasing the new range of products to potential advertisers, TTG is able to keep and grow its brand presence and mindshare within the industry, while competitors cut back on activities. The webinars can be viewed via https://youtube.com/ttgasia. In addition, a shorter web video series – "5 Questions with Leaders of the Industry" was created and a total of 6 videos have been released to date. The videos are being circulated on our social media accounts and e-Newsletters, providing another means for media consumption, and ensuring relevancy of TTG in the market space. Similarly, these video snippets are made available for sponsorship while helping to diversify TTG's product offerings.

Events

TTG Events group organised its first B2B virtual MICE trade show "IT&CM China and CTW China Virtual" in August this year to replace the physical event originally scheduled in March, which was cancelled due to travel restrictions. This was the first virtual event of its kind, never done before by TTG or any other party. Feedback for the event was generally positive with some 90% success rate for pre-scheduled business meetings to take place. Sales revenue of the event was US$260,000, which was considered significant even though it represents only 25% of what the Group's past physical event achieved.

One major physical event, IT&CMA and CTW Asia-Pacific scheduled for September in Thailand was cancelled due to travel restrictions. The cancellation impacted the Company with US$1.3 million losses in top line revenue.

Outlook of Coming Months

If the COVID-19 pandemic persists with travel restrictions in place, TTG will continue to face challenges for the rest of 2020. Moving forward, the Group will do its best to contain and manage costs and at the same time create alternative revenue sources to supplement the limited revenue from its existing advertising business. New activities and events planned for the three months ending 31 December 2020 and for 2021 are:

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

2) Live-stream events for Hotel Packages monthly in October, November and December 2020,

3) A series of monthly virtual B2B2C ASEAN Travel Fest for the whole of 2021,

4) TTG Global commerce businesses as and when travel restrictions are lifted, and

5) Creation of special supplements/publications.

Corporate Development

On the development of the Group's B2B2C e-commerce capabilities, almost all e-commerce platforms are ready with the launch delayed due to borders closure and non-existence of tourist. Further developments may have to be put on hold till travel restrictions are lifted. The Group will make use of this downtime to fine-tune and prepare for the launch when the markets are opened to international travel again. These ecommerce platforms are:

1. LDR AR trails and Experience passes to be packaged with GlobalTix's products and services,

2. TTG/WeChat mini program for Chinese inbound tourists, and

3. Southeast-Asia.com– existing B2B online channels to market B2C offerings.

Financial Magazine Business

Revenue from this business was HK$11,184,000, which accounted for approximately 42% of the Group's total revenue for the Nine-Month Period. This business recorded a gross profit margin of approximately 60%.

Securities Investment

As at 30 September 2020, total market value for the held-for-trading investments of the Group was approximately HK$11,967,000. During the Nine-Month Period, a loss on change in fair value of approximately HK$3,716,000 was recorded.

Money Lending Business

Revenue from this business was HK$1,153,000, which accounted for approximately 4% of the Group's total revenue for the Nine-Month 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$259,000 for the Nine-Month Period, which accounted for approximately 1% of the Group's total revenue for the Nine-Month Period.

HELD-FOR-TRADING INVESTMENTS

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

Company name	Stock Code	Market value as at 30 September 2020	Proportion to the total assets of the Group	For the nine months ended 30 September 2020: Gain/(loss) on fair value changes of the investments	For the nine months ended 30 September 2020: Dividend received
		HK'000		*HK$'000*	*HK$'000*
CITIC Securities Company Limited	6030	6,888,000	3.00%	(1,343,000)	–
Capital VC Limited	2324	2,120,000	0.93%	(136,000)	–
China Properties Investment Holdings Limited	736	1,539,000	0.67%	(453,000)	–
Others		1,420,000	0.62%	(1,784,000)	–
		11,967,000	5.22%	(3,716,000)	–

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 September 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 September 2020 i.e. 462,980,923 shares.

Save as disclosed above, as at 30 September 2020, 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 GEM 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 September 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)	–	19.59% (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 September 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 Nine-Month Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPETING INTERESTS

During the Nine-Month 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.

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 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 independent non-executive Directors 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 million 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 2013 Share Option Scheme as at 30 September 2020. There were no share options granted being cancelled or lapsed during the reporting period. 27,007,400 options were granted during the Nine-Month Period, 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 Nine-Month Period, please see below.

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 September 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 Nine-Month Period, 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 2013 Share Option 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 September 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 consolidated financial statements for the Nine-Month Period.

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

Hong Kong, 9 November 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.