# 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 2021

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

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**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.**

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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 2021, together with the comparative unaudited figures for the corresponding periods in 2020.

## UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 June 2021*

| | | **(Unaudited) Three months ended 30 June** | | **(Unaudited) Six months ended 30 June** | |
|---|---|---|---|---|---|
| | | **2021** | 2020 | **2021** | 2020 |
| | *Notes* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Revenue | *3* | **12,308** | 6,633 | **26,359** | 19,754 |
| Cost of sales | | **(8,103)** | (4,670) | **(15,242)** | (10,346) |
| Gross profit | | **4,205** | 1,963 | **11,117** | 9,408 |
| Other income, gains and losses | *16* | **9,432** | 4,163 | **16,877** | 3,528 |
| Selling and distribution expenses | | **(1,148)** | (1,902) | **(8,786)** | (4,926) |
| Administrative expenses | | **(16,595)** | (12,501) | **(30,180)** | (17,984) |
| Finance costs | | **(10)** | (46) | **(17)** | (61) |
| Loss before income tax | | **(4,116)** | (8,323) | **(10,989)** | (10,035) |
| Income tax credit | *5* | **–** | 437 | **–** | 255 |
| **Loss for the period** | *6* | **(4,116)** | (7,886) | **(10,989)** | (9,780) |
| **Other comprehensive income/(expenses):** | | | | | |
| *Items that may be reclassified subsequently to profit or loss:* | | | | | |
| Exchange differences on translating foreign operation | | **3,041** | (3,433) | **3,041** | (3,433) |
| Other comprehensive income/(expenses) for the period | | **3,041** | (3,433) | **3,041** | (3,433) |
| **Total comprehensive expenses for the period** | | **(1,075)** | (11,319) | **(7,948)** | (13,213) |
| **Loss attributable to:** | | | | | |
| Owners of the Company | | **(4,116)** | (7,886) | **(10,989)** | (9,780) |
| Non-controlling interests | | **–** | – | **–** | – |
| | | **(4,116)** | (7,886) | **(10,989)** | (9,780) |
| **Total comprehensive expenses attributable to:** | | | | | |
| Owners of the Company | | **(1,075)** | (11,319) | **(7,948)** | (13,213) |
| Non-controlling interests | | **–** | – | **–** | – |
| | | **(1,075)** | (11,319) | **(7,948)** | (13,213) |
| **Loss per share** | *7* | | | | |
| Basic (cents per share) | | **(0.89)** | (2.04) | **(2.38)** | (2.53) |
| Diluted (cents per share) | | **(0.89)** | (2.04) | **(2.38)** | (2.52) |

## UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2021*

| | Notes | (Unaudited) 2021 30 June HK$'000 | (Audited) 2020 31 December HK$'000 |
|---|---|---|---|
| **Non-current Assets** | | | |
| Property, plant and equipment | 9 | **1,283** | 1,519 |
| Goodwill | | **5,161** | 5,161 |
| Financial assets at fair value through profit or loss | | **47,628** | 47,537 |
| Right-of-use assets | | **362** | 679 |
| | | **54,434** | 54,896 |
| **Current Assets** | | | |
| Accounts receivable | 10 | **38,089** | 24,816 |
| Prepayments, deposit and other receivables | | **26,683** | 41,520 |
| Financial assets at fair value through profit or loss | | **20,674** | 20,005 |
| Loan receivables | | **10,154** | 9,608 |
| Bank balances and cash | | **64,255** | 52,105 |
| | | **159,855** | 148,054 |
| **Current Liabilities** | | | |
| Accounts payable | 11 | **199** | 351 |
| Other payables and accrued liabilities | | **63,464** | 41,794 |
| Tax liabilities | | **198** | 3,240 |
| Lease liability | | **489** | 776 |
| | | **64,350** | 46,161 |
| **Net Current Assets** | | **95,505** | 101,893 |
| **Total Assets less Current Liabilities** | | **149,939** | 156,789 |
| **Non-current Liabilities** | | | |
| Lease liabilities | | **–** | 179 |
| **Net Assets** | | **149,939** | 156,610 |
| **Capital and Reserves** | | | |
| Share capital | 12 | **4,630** | 4,630 |
| Share premium and reserves | | **143,280** | 149,951 |
| Equity attributable to owners of the Company | | **147,910** | 154,581 |
| Non-controlling interests | | **2,029** | 2,029 |
| **Total Equity** | | **149,939** | 156,610 |

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 30 June 2021*

| | 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 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 |
| **At 1 January 2021** | **4,630** | **77,611** | **755** | **822** | **–** | **11,690** | **19,025** | **46,260** | **(6,212)** | **154,581** | **2,029** | **156,610** |
| **Loss for the period** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **(10,989)** | **(10,989)** | **–** | **(10,989)** |
| **Other comprehensive income/ (expenses) for the period** | **–** | **–** | **–** | **1,277** | **–** | **–** | **–** | **3,041** | **–** | **4,318** | **–** | **4,318** |
| **Total comprehensive income/ (expenses) for the period** | **–** | **–** | **–** | **1,277** | **–** | **–** | **–** | **3,041** | **(10,989)** | **(6,671)** | **–** | **(6,671)** |
| **At 30 June 2021** | **4,630** | **77,611** | **755** | **2,099** | **–** | **11,690** | **19,025** | **49,301** | **(17,201)** | **147,910** | **2,029** | **149,939** |

*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 2021*

| | (Unaudited) Six months ended 30 June | |
|---|---|---|
| | **2021** | 2020 |
| | ***HK$'000*** | *HK$'000* |
| **Net cash used in operating activities** | **(2,393)** | (14,413) |
| **Net cash generated by (used in) investing activities** | **10,706** | 3,226 |
| **Net cash used in financing activities** | **796** | 1,439 |
| Net increase/(decrease) in cash and cash equivalents | **9,109** | (9,748) |
| Cash and cash equivalents at 1 January | **52,105** | 106,054 |
| Effect of exchange rate changes on the balance of cash held in foreign currencies | **3,041** | (3,433) |
| Cash and cash equivalents at 30 June, representing bank balances and cash | **64,255** | 92,873 |

*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 2020 except that the Group has adopted the newly issued and revised HKFRSs, which are effective for the annual period beginning on 1 January 2021, as disclosed in the annual consolidated financial statements for the year ended 31 December 2020.

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** | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Travel Media | **2,123** | 1,479 | **3,522** | 11,585 |
| Financial Magazine and Other Media Business | **8,650** | 4,646 | **17,210** | 7,226 |
| Securities Investment | **1,239** | – | **4,850** | – |
| Money Lending | **274** | 383 | **545** | 766 |
| Virtual Reality | **22** | 125 | **232** | 177 |
| | **12,308** | 6,633 | **26,359** | 19,754 |

## 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 (2020: five) 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 and Other Media 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 2021** | | | | | |
|---|---|---|---|---|---|---|
| | **Travel Media Business** | **Financial Magazine and Other Media 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 | **3,522** | **17,210** | **4,850** | **545** | **232** | **26,359** |
| Reportable segment profit (loss) | **1,280** | **(7,864)** | **3,435** | **(398)** | **(700)** | **(4,247)** |

| | (Unaudited) Six months ended 30 June 2020 | | | | | |
|---|---|---|---|---|---|---|
| | Travel Media Business | Financial Magazine and Other Media 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) |

**Reconciliation of reportable segment revenue and profit or loss**

| | **2021** | 2020 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **Revenue** | | |
| Reportable segment revenue | **26,359** | 19,754 |
| **Loss before income tax** | | |
| Reportable segment loss | **(4,247)** | (6,233) |
| Unallocated corporate income | **11,241** | 6,721 |
| Unallocated corporate expenses | **(17,983)** | (10,523) |
| Consolidated loss before income tax | **(10,989)** | (10,035) |

**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** | |
|---|---|---|
| | **2021** | 2020 |
| | ***HK$'000*** | *HK$'000* |
| Singapore | **3,522** | 11,585 |
| Hong Kong | **22,837** | 8,169 |

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

| | **(Unaudited)** | (Audited) |
|---|---|---|
| | **30 June** | 31 December |
| | **2021** | 2020 |
| | ***HK$'000*** | *HK$'000* |
| Singapore | **217** | 412 |
| Hong Kong | **54,217** | 54,484 |

## 5. INCOME TAX

Hong Kong Profits Tax has been provided at a rate of 16.5% (2020: 16.5%) on the estimated assessable profit for the Half-Yearly Period and the corresponding period in 2020. No provision has been made for Hong Kong Profits Tax as there are no assessable profits generated for the period ended 30 June 2021.

On 21 March 2018, the Inland Revenue (Amendment) (No. 7) Bill 2017, which introduces a two-tiered profits tax regime, was substantively enacted. Under the two-tiered profits tax regime, the first HK$2 million of assessable profits of qualifying corporations will be taxed at 8.25% with effect from the year assessment 2018/2019. Profits above HK$2 million will continue to be subject to the tax rate of 16.5%.

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)<br>Six months ended 30 June** | |
|---|---|---|
| | **2021** | 2020 |
| | ***HK$'000*** | *HK$'000* |
| Depreciation of property, plant and equipment | **97** | 189 |
| Depreciation of right of use asset | **317** | 827 |
| Amortisation of intangible assets | **–** | – |
| Staff costs (including directors' emoluments) | **5,662** | 6,346 |
| Auditor's remuneration | **97** | 92 |
| Investment income from available-for-sale investments (included in other income, gains and losses) | **(10,796)** | (3,534) |
| Net foreign exchange loss/(gain) | **431** | (977) |
| Bank interest income (included in other income, gains and losses) | **(2)** | (1) |

## 7. LOSS PER SHARE

The calculation of the basic and dilated loss per share attributable to the owners of the Company is based on the following data:

| | **(Unaudited)<br>Six months ended 30 June** | |
|---|---|---|
| | **2021** | 2020 |
| | ***HK$'000*** | *HK$'000* |
| **Loss per share** | | |
| Loss for the purpose of computation of basic loss per share | **10,989** | 9,780 |
| Effect of dilutive potential ordinary shares: | | |
| Adjustment for Share option | **–** | – |
| Loss for the purpose of diluted loss per share | **2.38** | 2.53 |

There were 65,589,400 of outstanding share options as at 30 June 2021 (2020: Nil).

| | (Unaudited) Six months ended 30 June | |
|---|---|---|
| | **2021** | 2020 |
| | ***’000*** | *’000* |
| **Number of shares** | | |
| Weighted average number of ordinary shares in issue for the purpose of basic loss per share | **460,867** | 385,821 |
| Effect of dilutive potential ordinary shares: | | |
| – Share option | **–** | – |
| Weighted average number of ordinary shares in issue for the purpose of diluted loss per share | **460,867** | 385,821 |

## 8 DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Half-Yearly Period (2020: Nil).

## 9 MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the Half-Yearly Period, the Group acquired computer equipment at a cost of HK$26,000 (2020: Nil). The total additions of property, plant and equipment during the Half-Yearly Period were HK$Nil (2020: HK$8,000).

## 10. ACCOUNTS RECEIVABLE

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

| | **(Unaudited)** | (Audited) |
|---|---|---|
| | **2021** | 2020 |
| | **30 June** | 31 December |
| | ***HK$’000*** | *HK$’000* |
| Within 90 days | **8,937** | 7,040 |
| 91-120 days | **4,360** | 671 |
| 121-180 days | **2,153** | 3,280 |
| Over 180 days and within 1 year | **8,962** | 3,011 |
| Over 1 year | **13,677** | 10,814 |
| | **38,089** | 24,816 |

The Group’s trading terms with its customers are mainly on credit. The credit period is generally for a period of one month to three months, extending up to twelve 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 and other receivables based on experience of collecting payments.

## 11. ACCOUNTS PAYABLES

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

| | **(Unaudited)**<br>**2021**<br>**30 June**<br>***HK$'000*** | (Audited)<br>2020<br>31 December<br>*HK$'000* |
|---|---|---|
| Within 90 days | **199** | 351 |
| 91-120 days | **–** | – |
| 121-180 days | **–** | – |
| Over 180 days | **–** | – |
| | **199** | 351 |

## 12. SHARE CAPITAL

| | **Number of shares** | | **Share capital** | |
|---|---|---|---|---|
| | **(Unaudited)**<br>**2021**<br>**30 June** | (Audited)<br>2020<br>31 December | **(Unaudited)**<br>**2021**<br>**30 June**<br>***HK$'000*** | (Audited)<br>2020<br>31 December<br>*HK$'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 | **462,980,923** | 462,980,923 | **4,630** | 4,630 |

## 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)**<br>**2021**<br>**30 June**<br>***HK$'000*** | (Audited)<br>2020<br>31 December<br>*HK$'000* |
|---|---|---|
| Commitment in respect of investment in private equity funds | **2,599** | 2,689 |

## 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 (2020: the Directors and four employees) is as follows:

| | (Unaudited) Six months ended 30 June | |
|---|---|---|
| | **2021** | 2020 |
| | ***HK$'000*** | *HK$'000* |
| Short-term benefits | **1,984** | 2,220 |
| Retirement benefit scheme contributions | **48** | 48 |
| | **2,032** | 2,268 |

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 dividend income from available-for-sale investment representing an approximately HK$10,796,000 (2020: approximately HK$3,534,000). The fair value loss of held-for-trading investments of approximately HK$892,000 (2020: loss of approximately HK$1,986,000) and other gains (net) of approximately HK$6,971,000 (2020: other gains (net) of approximately HK$2,210,000). During the Half-Yearly Period, the Group recognised government grants of approximately HK$6.5 million (2020: Nil) in respect of COVID-19 related subsidies in Singapore.

## 17. EVENT SUBSEQUENT TO THE END OF REPORTING PERIOD

On 2 July 2021, 15,432,800 new shares were issued by the Company upon the exercise of the share options granted at the exercise price of HK$0.0866 and HK$0.082 per share respectively, giving rise to a gross proceed of approximately HK$1,301,000.

## MANAGEMENT DISCUSSION AND ANALYSIS

## RESULTS

***Revenue and gross profit***

Revenue for the Half-Yearly Period was approximately HK$26,359,000 representing an approximately HK$6,605,000, or 33.4% increase compared with the corresponding period in 2020. The increase was primarily attributable to increase in revenue from the Financial Magazine and Other Media Business.

Gross profit margin for the Half-Yearly Period maintained at a relatively stable level of approximately 42%, compared with approximately 48% in the corresponding period last year.

***Other income, gains and losses***

Other gains (net) amounted to approximately HK$16,877,000 for the Half-Yearly Period, compared with other gains (net) of approximately HK$3,528,000 for the corresponding period in 2020. The increase was primarily attributable to increase in the dividend income from available-for-sale investment in the Half Yearly Period representing an approximately HK$10,796,000 (2020: approximately HK$3,534,000).

***Selling and distribution expenses***

Selling and distribution expenses increased by approximately 78.4% to approximately HK$8,786,000 for the Half-Yearly Period, compared with approximately HK$4,926,000 for the corresponding period in 2020. The increase was primarily attributable to increase in revenue from the Financial Magazine and Other Media Business.

***Administrative expenses***

Administrative expenses increased by approximately 67.8% to approximately HK$30,180,000 for the Half-Yearly Period, compared with approximately HK$17,984,000 for the corresponding period in 2020.

***Income tax expenses***

The Group recorded an income tax expense of approximately HK$Nil for the Half-Yearly Period, compared with income tax credit of approximately HK$255,000 for the corresponding period in 2020.

***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$10,989,000, compared with loss of approximately HK$9,780,000 for the corresponding period in 2020 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$3,522,000, decreased by approximately 69.6% or approximately HK$8,063,000 as compared with that of approximately HK$11,585,000 for the same period in 2020. This amount represented approximately 13.4% of the Group's total revenue for the Half-Yearly Period.

The Travel Media Business recorded a segment profit of approximately HK$1,280,000 during the Half-Yearly Period.

### *Overview*

According to the World Travel & Tourism Council (WTTC), recovery of the tourism sector can only kickstart if leaders of governments have a coordinated response to the resumption of international travel, made possible when vaccination rates achieve sufficiency for herd immunity. However, with emergence of new COVID-19 variants, slower than expected vaccination progress and protracted containment measures through lockdowns, travel restriction rules and curfews still in place across APAC, the odds of a soaring rebound in the travel sector are unlikely this year.

A recent survey of tourism professionals by the UN's World Tourism Organization (UNWTO) reaffirms these results: most said they did not expect a return to pre-pandemic levels before 2023 at best, while 41% of respondents said they expect the return to normal only in 2024 or later.

In addition, reports indicate that developing countries are the ones that will bear the biggest brunt of the pandemic's impact on tourism, and that three out of five most-affected regions i.e. North-east Asia, South-east Asia and South Asia are within TTG Asia Media's key markets, directly impacting TTG's businesses.

*Publishing Activities*

TTG's Travel Trade Publishing Group continued to publish its core titles, namely TTG Asia, TTGmice, TTG China and TTG-BTmice China, to maintain top-of-mind brand awareness and in preparation for the return of travel. Two issues per title were published within the quarter－the Chinese titles being in print, while the English ones were digital e-Books reflecting the different states of recovery among the regions. The Group also published a digital TTG Show Daily in June in support of TTG's own virtual trade event, IT&CM China.

NTOs and CVBs continue to be the primary advertisers while corporates have downsized and refocused funds into sustaining their businesses through the current challenging times.

The publications under the Guides and Maps publishing group are currently suspended due to near-zero tourist arrival in Singapore. These publications are likely to be reactivated in Q3 or Q4 when 2/3 of Singapore population are fully vaccinated and borders restrictions are opened to more tourists and visitors to Singapore.

***Apart from putting the print and digital publications to bed, the editorial team continues to organise various activities to engage the travel industry and uplift TTG's branding and goodwill through relevant and poignant video content. These activities include TTG Conversations: Five Questions video series and TTG Conversations: Innovator Chat video series.***

*TTG Events*

Events team completed the following 2 virtual events:

- **The Great ASEAN Travel Fest:** Held over 2 days in May, this event is modelled after the annual ASEAN Tourism Forum physical event to spotlight and showcase the destinations across ASEAN. TTG's advantage in organising this event comes from our connections with exhibiting companies, track-record in buyer acquisition as well as newly gained expertise in running virtual events focused on business appointments and brand/product showcases. The event's inaugural virtual edition featured booths mainly from Philippines and Indonesia and other corporate suppliers from Singapore and Malaysia, with close to 120 buyers. The show received good feedback across the board from all delegates especially in terms of quality buyer ratings.

- **IT&CM China and CTW China:** This is the 2nd virtual edition of the show held from 22 to 24 June. This year's event was organised in partnership with CTG MICE Service Company Limited (previously CTS MICE Service Co., Ltd.) on the Dragon Trail platform. Over 500 delegates attended this year's virtual event featuring close to 120 booths and 250 buyers. New programme elements were introduced which included Scheduled Meetings over 3 days, unlimited walk-in meetings, on-demand knowledge and branded content right from day 1, as well as live networking and engagement sessions. Overall event experience was positive especially on the business lead generation/scheduled meetings outcomes.

*TTG Global Commence*

Business activity for TTG Global Commerce was also put on hold as there are no updated packages available and no demand in booking due to travel restrictions.

The Global Commerce team continues to use this time to do integration, development and backend work in preparation for the lifting of travel restrictions. Meanwhile, the group is looking to leverage on the availability of Singapore Rediscover Vouchers to secure bookings from the Singapore domestic market in Q3/Q4.

*Partnerships*

In this quarter, the Group established 4 primary media partnerships with Exhibition Think Thank (ETT), CNN, and organisers of trade events. The ETT and CNN partnerships are for cross promotion opportunities on partner's websites, while the partnership with trade event organisers allows TTG access to conduct our own activities such as TTG publishing e-Book supplement in conjunction with the event.

*Outlook for coming months*

The recovery of the tourism sector can only be possible when:

1) Global tourism leaders and government officials have a coordinated response to the resumption of international travel;

2) More of the region's population gets vaccinated; and

3) Vaccination rates sufficient for herd immunity.

Until these are achieved and tourism starts picking up, businesses in the travel and tourism community such as hoteliers, airlines, cruises and including TTG will continue to face challenging times. Recovery, if any, will likely to be slow and gradual in the later parts of the year or in 2022.

***Financial Magazine and Other Media Business***

Revenue from this business was approximately HK$17,210,000, which accounted for approximately 65.3% of the Group's total revenue for the Half-Yearly Period. Segmental loss of this business during the Half-Yearly Period was approximately HK$7,864,000.

***Securities Investment***

As at 30 June 2021, total market value for the held-for-trading investments of the Group was approximately HK$20,674,000 (2020: HK$3,210,000), Segmental Profit for the Half-Yearly Period was HK$3,435,000 (2020: Nil).

***Money Lending Business***

Revenue from this business was approximately HK$545,000, which accounted for approximately 2.1% of the Group's total revenue for the Half-Yearly Period.

### *Virtual Reality Business*

Revenue from this business was approximately HK$232,000 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$149,939,000 as at 30 June 2021, compared with approximately HK$156,610,000 as at 31 December 2020. Total assets amounted to approximately HK$214,289,000 as at 30 June 2021, compared with approximately HK$202,951,000 as at 31 December 2020, of which approximately HK$64,255,000 (31 December 2020: approximately HK$52,100,000) was bank balances and cash and approximately HK$47,600,000 (31 December 2020: approximately HK$47,500,000) was equity investments at fair value through profit or loss, HK$20,674,000 (31 December 2020: approximately HK$20,005,000) was held-for-trading investment.

### *Capital structure*

The value of share capital was approximately HK$4,630,000 as at 30 June 2021 and 31 December 2020.

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 2021, the Group had unutilized net proceeds of approximately HK$1,010,000 which was intended to be used in the year ending 31 December 2021 for other possible investment.

***Charges on the Group's assets***

There was no charge on the Group's assets as at 30 June 2021 and 31 December 2020.

***Gearing ratio***

The Group has a zero gearing ratio as at 30 June 2021 and 31 December 2020 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 2021 and 31 December 2020.

***Significant Investments***

Details of the top three held-for-trading investments, in terms of market value as at 30 June 2021, are as follows:

| | | | For the six months ended 30 June 2021 | |
|---|---|---|---|---|
| **Company name (Stock code)** | **Market value as at 30 June 2021** | **Proportion to the total assets of the Group** | **Fair value gain (loss) of the investment** | **Dividend received** |
| | *HK$'000* | *%* | *HK$'000* | *HK$'000* |
| Tianshui Huatian Technology Company Limited (002185.SZ) | 6,904 | 3.10% | (406) | – |
| Sanan Optoelectronics Co., Ltd. (600703.SH) | 3,588 | 1.61% | (656) | – |
| Luxshare Precision Industry Company Limited (002475.SZ) | 3,799 | 1.70% | (994) | – |
| Others | 6,383 | 2.86% | 1,164 | – |
| | 20,674 | 9.27% | (892) | – |

***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 2021, the Group had 45 (2020: 49) full-time employees, of which 12 (2020: 2) were based in Hong Kong, 2 (2020: 3) in China, 30 (2020: 43) in Singapore and 1 (2020: 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 forward to the second half of 2021, the Group will focus on the factoring business in the future. The outbreak of the COVID-19 in China and the rest of the world will remain a great challenge to the economy and our operations in the second half of 2021. Globally, coupled with the plight brought about by the outbreak of COVID-19 across the world in 2020, our travel media business has been affected seriously and the operating environment will remain difficult. We will remain highly alert about the impact of the epidemic on our operations and take any necessary measures to mitigate the impact.

We will actively expand the customer base and will explore business opportunities in the area of the financial magazine and other media business and seek the better opportunities in other industry with potential in particular.

The Directors endeavor to seek more business opportunities in the financial industry as well as other industries to diversify the Group's existing business stream to enhance the long-term benefits of the Company and the shareholders as a whole. The Company considered the acquisitions of listed securities are presented a good opportunity for the Group to utilize its available capital for to generate returns in fulfilling its investment objective.

## 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 2021, 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 | 0.83 |
| Mr Wang Tao | Beneficial owner | Long Position | 3,858,200 | 0.83 |
| Mr Yang Xingan | Beneficial owner | Long Position | 3,858,200 | 0.83 |

*Notes:* 1. The relevant percentage is calculated by reference to the Shares in issue on 30 June 2021 i.e. 462,980,923 shares.

Save as disclosed above, as at 30 June 2021, 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 2021, 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 |
|---|---|---|---|
| Niu Cheng Jun | 89,344,737 (L) | – | 19.30% (L) |

*L – Long Position*

*Note:*

(1) The relevant percentage is calculated by reference to the Shares in issue on 30 June 2021 i.e. 462,980,923 shares.

Save as disclosed above, as at 30 June 2021, 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 report, 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 2021. There were no share options granted being cancelled or lapsed during the reporting period. 65,589,400 options were granted between 30 June 2021 and the date of this interim report, for further information please refer to the Company's announcement dated 15 May 2020 and 9 April 2021 respectively. 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 2021 |
|---|---|---|---|---|---|---|---|---|---|
| **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 | – | – | 15,432,800 |
| 10 employees | 9 April 2021 | 0.082 | 0.077 | None | 9 April 2021 to 8 April 2023 | 38,582,000 | – | – | 38,582,000 |
| Total | | | | | | 65,589,400 | – | – | 65,589,400 |

## 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 2021, 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 | Fair value per option at grant date |
|---|---|---|---|---|---|
| | | | | *HK$* | *HK$* |
| 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 |
| | 38,582,000 | 09/04/2021 | 09/04/2021 to 8/04/2023 | 0.082 | 0.0331 |

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$1,277,064, 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 9 April 2021 |
|---|---|
| Grant date share price | HK$0.082 |
| Exercise price | HK$0.082 |
| Expected volatility | 101.79% |
| Option life | 2 years |
| Dividend yield | – |
| Risk-free interest rate | 0.138% |

**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, 9 August 2021

*As at the date of this announcement, the Board comprises Mr. Chow Chi Wa, 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 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.*