

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 2019

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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 2019, together with the comparative unaudited figures for the corresponding periods in 2018.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2019

		(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
		2019	2018	2019	2018
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	3	23,554	26,461	48,477	41,912
Cost of sales		(13,353)	(13,946)	(28,715)	(22,470)
Gross profit		10,201	12,515	19,762	19,442
Other income, gains and losses	16	(1,854)	(2,076)	5,470	(5,663)
Selling and distribution expenses		(5,260)	(7,996)	(9,448)	(10,456)
Administrative expenses		(6,929)	(8,863)	(18,468)	(18,645)
Finance costs		(13)	–	(13)	–
Loss before income tax		(3,855)	(6,420)	(2,697)	(15,322)
Income tax (expense) credit	5	(2,469)	155	(2,290)	596
Loss for the period	6	(6,324)	(6,265)	(4,987)	(14,726)
Other comprehensive expenses:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translating foreign operation		(87)	(2,203)	(78)	(953)
Other comprehensive expenses for the period		(87)	(2,203)	(78)	(953)
Total comprehensive expenses for the period		(6,411)	(8,468)	(5,065)	(15,679)

	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
	2019	2018	2019	2018
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss attributable to:				
Owners of the Company	(6,324)	(6,265)	(4,987)	(14,726)
Non-controlling interests	—	—	—	—
	<u>(6,324)</u>	<u>(6,265)</u>	<u>(4,987)</u>	<u>(14,726)</u>
Total comprehensive expenses attributable to:				
Owners of the Company	(6,411)	(8,468)	(5,065)	(15,679)
Non-controlling interests	—	—	—	—
	<u>(6,411)</u>	<u>(8,468)</u>	<u>(5,065)</u>	<u>(15,679)</u>
Loss per share				
	7			
Basic (<i>cents per share</i>)	<u>(1.64)</u>	<u>(1.62)</u>	<u>(1.29)</u>	<u>(3.81)</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

		(Unaudited) 2019 30 June HK\$'000	(Audited) 2018 31 December HK\$'000
	Notes		
Non-current Assets			
Property, plant and equipment	9	723	1,030
Goodwill		5,161	5,161
Intangible assets		3,262	6,524
Available-for-sale investments		46,176	45,965
Right of use asset		330	–
		<u>55,652</u>	<u>58,680</u>
Current Assets			
Accounts receivable	10	35,657	32,662
Prepayments, deposits and other receivables		12,513	9,902
Loan receivables		14,100	14,475
Held-for-trading investments		6,222	7,019
Bank balances and cash		94,487	100,332
		<u>162,979</u>	<u>164,390</u>
Current Liabilities			
Accounts payable	11	5,521	2,498
Other payables and accrued liabilities		33,589	30,475
Deferred revenue		4,458	9,597
Tax liabilities		1,456	1,616
Lease liability		343	–
		<u>45,367</u>	<u>44,186</u>
Net Current Assets		<u>117,612</u>	<u>120,204</u>
Total Assets less Current Liabilities		<u>173,264</u>	<u>178,884</u>
Non-current Liabilities			
Deferred tax liabilities		538	1,077
Net Assets		<u>172,726</u>	<u>177,807</u>
Capital and Reserves			
Share capital	12	3,858	3,858
Share premium and reserves		166,839	171,920
Equity attributable to owners of the Company		<u>170,697</u>	<u>175,778</u>
Non-controlling interests		2,029	2,029
Total Equity		<u>172,726</u>	<u>177,807</u>

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019

	Share capital HK\$'000	Share premium HK\$'000 (Note a)	Capital reserve HK\$'000 (Note a)	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 2018	3,858	72,982	755	(31,193)	11,690	19,025	48,004	84,838	209,959	2,029	211,988
Adjustment on initial application of HKFRS 9	–	–	–	–	–	–	–	(4,970)	(4,970)	–	(4,970)
	<u>3,858</u>	<u>72,982</u>	<u>755</u>	<u>(31,193)</u>	<u>11,690</u>	<u>19,025</u>	<u>48,004</u>	<u>79,868</u>	<u>204,989</u>	<u>2,029</u>	<u>207,018</u>
Loss for the period	–	–	–	–	–	–	–	(14,726)	(14,726)	–	(14,726)
Other comprehensive expenses for the period	–	–	–	–	–	–	(953)	–	(953)	–	(953)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(953)</u>	<u>–</u>	<u>(15,679)</u>	<u>–</u>	<u>(15,679)</u>
Total comprehensive expenses for the period	–	–	–	–	–	–	(953)	(14,726)	(15,679)	–	(15,679)
At 30 June 2018	<u>3,858</u>	<u>72,982</u>	<u>755</u>	<u>(31,193)</u>	<u>11,690</u>	<u>19,025</u>	<u>47,051</u>	<u>65,142</u>	<u>189,310</u>	<u>2,029</u>	<u>191,339</u>
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)
	<u>3,858</u>	<u>72,982</u>	<u>755</u>	<u>(31,193)</u>	<u>11,690</u>	<u>19,025</u>	<u>47,418</u>	<u>51,227</u>	<u>175,762</u>	<u>2,029</u>	<u>177,791</u>
Loss for the period	–	–	–	–	–	–	–	(4,987)	(4,987)	–	(4,987)
Other comprehensive expenses for the period	–	–	–	–	–	–	(78)	–	(78)	–	(78)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(78)</u>	<u>(4,987)</u>	<u>(5,065)</u>	<u>–</u>	<u>(5,065)</u>
Total comprehensive expenses for the period	–	–	–	–	–	–	(78)	(4,987)	(5,065)	–	(5,065)
At 30 June 2019	<u>3,858</u>	<u>72,982</u>	<u>755</u>	<u>(31,193)</u>	<u>11,690</u>	<u>19,025</u>	<u>47,340</u>	<u>46,240</u>	<u>170,697</u>	<u>2,029</u>	<u>172,726</u>

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 2019

	(Unaudited)	
	Six months ended 30 June	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash used in operating activities	(11,229)	(34,686)
Net cash generated by (used in) investing activities	5,803	(259)
Net cash used in financing activities	(347)	–
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(5,773)	(34,945)
Cash and cash equivalents at 1 January	100,332	111,901
Effect of exchange rate changes on the balance of cash held in foreign currencies	(72)	(986)
	<hr/>	<hr/>
Cash and cash equivalents at 30 June, representing bank balances and cash	<u>94,487</u>	<u>75,970</u>

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 2018 except that the Group has adopted the newly issued and revised HKFRSs, which are effective for the annual period beginning on 1 January 2019, as disclosed in the annual consolidated financial statements for the year ended 31 December 2018.

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)		(Unaudited)	
	Three months ended		Six months ended	
	30 June		30 June	
	2019	2018	2019	2018
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Travel Media	18,779	20,502	36,508	30,469
Financial Magazine	4,392	5,576	9,680	10,686
Securities Investment	—	—	—	—
Money Lending	383	383	2,289	757
	23,554	26,461	48,477	41,912

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 four (2018: 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"); and
- iv. Money lending (the "Money Lending Business")

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 2019					
	Travel Media Business HK\$'000	Financial Magazine Business HK\$'000	Securities Investment HK\$'000	Money Lending HK\$'000	Total HK\$'000
Reportable segment revenue from external customers	36,508	9,680	–	2,289	48,477
Reportable segment profit (loss)	<u>2,239</u>	<u>(4,520)</u>	<u>(857)</u>	<u>223</u>	<u>(2,915)</u>

(Unaudited)					
Six months ended 30 June 2018					
	Travel Media Business HK\$'000	Financial Magazine Business HK\$'000	Securities Investment HK\$'000	Money Lending HK\$'000	Total HK\$'000
Reportable segment revenue from external customers	30,469	10,686	–	757	41,912
Reportable segment profit (loss)	<u>1,775</u>	<u>(2,970)</u>	<u>(6,284)</u>	<u>756</u>	<u>(6,723)</u>

Reconciliation of reportable segment revenue and profit or loss

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Revenue		
Reportable segment revenue	<u>48,477</u>	<u>41,912</u>
Loss before income tax		
Reportable segment loss	(2,915)	(6,723)
Unallocated corporate income	6,022	130
Unallocated corporate expenses	<u>(5,804)</u>	<u>(8,729)</u>
Consolidated loss before income tax	<u><u>(2,697)</u></u>	<u><u>(15,322)</u></u>

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 2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Singapore	36,508	30,469
Hong Kong	<u>11,969</u>	<u>11,443</u>

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

	(Unaudited) 30 June 2019 <i>HK\$'000</i>	(Audited) 31 December 2018 <i>HK\$'000</i>
Singapore	246	378
Hong Kong	<u>55,406</u>	<u>58,302</u>

5. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits for the Half-Yearly Period and the corresponding period in 2018.

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	
	2019	2018
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	316	366
Depreciation of right of use asset	330	–
Amortisation of intangible assets	3,263	3,763
Staff costs (including directors' emoluments)	6,106	6,027
Auditor's remuneration	92	88
Investment income from available-for-sale investments (included in other income, gains and losses)	(6,021)	(32)
Net foreign exchange (gain) loss	(330)	381
Bank interest income (included in other income, gains and losses)	(1)	(1)

7. LOSS PER SHARE

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

	(Unaudited)			
	Three months ended 30 June		Six months ended 30 June	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss				
Loss for the purpose of computing basic loss per share	(6,324)	(6,265)	(4,987)	(14,726)

	(Unaudited)			
	Three months ended 30 June		Six months ended 30 June	
	2019	2018	2019	2018
	'000	'000	'000	'000
Number of shares				
Weighted average number of ordinary shares for the purpose of loss per share	385,821	385,821	385,821	385,821

The Company has no potentially dilutive ordinary shares in issue during the six months ended 30 June 2019 and 2018. Diluted earnings per share for the six months ended 30 June 2019 and 2018 were the same as the basic earnings per share.

8. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Half-Yearly Period (2018: Nil).

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the Half-Yearly Period, the Group acquired computer equipment at a cost of HK\$8,000 (2018: HK\$4,000). The total additions of property, plant and equipment during the Half-Yearly Period were HK\$8,000 (2018: HK\$4,000).

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) 2019 30 June HK\$'000	(Audited) 2018 31 December HK\$'000
Within 90 days	10,631	14,531
91-120 days	1,837	1,472
121-180 days	2,255	3,789
Over 180 days	20,934	12,870
	<u>35,657</u>	<u>32,662</u>

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) 2019 30 June HK\$'000	(Audited) 2018 31 December HK\$'000
Within 90 days	5,341	2,249
91-120 days	152	75
121-180 days	–	5
Over 180 days	28	169
	<u>5,521</u>	<u>2,498</u>

12. SHARE CAPITAL

	Number of shares		Share capital	
	(Unaudited) 2019 30 June	(Audited) 2018 31 December	(Unaudited) 2019 30 June <i>HK\$'000</i>	(Audited) 2018 31 December <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each				
Authorised	<u>50,000,000,000</u>	<u>50,000,000,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid:				
At beginning and end of the period/year	<u>385,820,923</u>	<u>385,820,923</u>	<u>3,858</u>	<u>3,858</u>

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) 2019 30 June <i>HK\$'000</i>	(Audited) 2018 31 December <i>HK\$'000</i>
Commitment in respect of investment in private equity funds	<u>3,420</u>	<u>3,631</u>

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 (2018: the Directors and four employees) is as follows:

	(Unaudited)	
	Six months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
Short-term benefits	2,569	2,429
Retirement benefit scheme contributions	52	52
	2,621	2,481

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\$798,000 (2018: loss of HK\$5,461,000), loss on disposal of held-for-trading investments of approximately HK\$Nil (2018: loss of HK\$245,000), investment income from available-for-sale investments of approximately HK\$6,021,000 (2018: income of HK\$32,000 and other gains (net) of approximately HK\$247,000 (2018: other gains (net) of approximately HK\$11,000).

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

Revenue and gross profit

Revenue for the Half-Yearly Period was HK\$48,477,000 representing a HK\$6,565,000, or 15.7% increase compared with the corresponding period in 2018. The increase was primarily attributable to increase in revenue from the Travel Media Business.

Gross profit margin for the Half-Yearly Period maintained at a relatively stable level of 41%, compared with 46% in the same period last year.

Other income, gains and losses

Other gains (net) amounted to HK\$5,470,000 for the Half-Yearly Period, compared with other losses (net) of HK\$5,663,000 for the corresponding period in 2018. This was primarily due to decrease in fair value loss of held-for-trading investments and increase in investment income from available-for-sale investments in the Half-Yearly Period.

Selling and distribution expenses

Selling and distribution expenses decreased by 9.6% to HK\$9,448,000 for the Half-Yearly Period, compared with HK\$10,456,000 for the corresponding period in 2018 as a result of cost control.

Administrative expenses

Administrative expenses decreased by 0.9% to HK\$18,468,000 for the Half-Yearly Period, compared with HK\$18,645,000 for the corresponding period in 2018 as a result of cost control.

Income tax

The Group recorded an income tax expense of HK\$2,290,000 for the Half-Yearly Period, compared with income tax credit of HK\$596,000 for the corresponding period in 2018.

Loss for the period attributable to owners of the Company

Loss for the Half-Yearly Period attributable to owners of the Company was HK\$4,987,000, compared with loss of HK\$14,726,000 for the corresponding period in 2018 which is mainly attributable to increase in other gains.

BUSINESS REVIEW

Travel Media Business

For the Half-Yearly Period, the Travel Media Business recorded a revenue of HK\$36.5 million, increased by 19.7% or HK\$6.0 million as compared with that of HK\$30.5 million for the same period in 2018. This amount represented 75.3% of the Group's total revenue for the Half-Yearly Period.

The Travel Media Business recorded a segment profit of HK\$2.2 million during the Half-Yearly Period.

Overview

With economic inflationary pressures mounting, factors influencing the flow of travelers around the world such as a destination's attractiveness and currency strength will continue have an impact on travel behavior.

Amidst the somewhat negative market sentiment due to the trade war between the world's two largest economies, tourism is still one of the most powerful drivers of economic growth and development today. Worldwide tourist arrivals have increased by 6%, reaching 1.4 billion, two years ahead of forecasts. This is clearly above the 3.7% growth registered in global economy. Specifically, the Middle East (+10%), Africa (+7%), Asia and the Pacific (+6%) and Europe (+6%) have led this growth, while arrivals to the Americas are below world average at +3%.

Visitor arrivals in the Asia Pacific continue to hit record high numbers. The estimates of tourism spending in some markets have shown a modest increase but with a drop in spending in certain sectors such as accommodation and food and beverage, which directly or indirectly contribute to the impact on TTG Asia Media's travel media businesses.

Performance & Operations

TTG Travel Trade Publishing

TTG publishing continues to face mounting pressures due to the ever changing landscape on how advertisers are placing their advertising & promotional dollars. The wide choices of media platforms and technology are diluting advertising spend with TTG even though the group is able to offer various options including print, events and online platforms.

Despite the challenges, TTG was able to maintain a profitable margin for the Quarterly Period, but revenue and profit were down when compared to the same period a year ago. The slower sales revenue from publishing is the main shortfall in performance for the quarter. Notwithstanding the above, revenue and profit for the first 6 months YTD are both ahead when compared to the first 6 months' result of last year.

Travel Trade Publishing completed 3 successful special projects in Q2 2019:

- (1) Published an International Luxury Travel Mart (ILTM) supplement within TTG Asia Luxury publication which coincided with ILTM 2019 in Singapore.
- (2) Published the TTG 45th Anniversary issue as part of May issue of TTG Asia.
- (3) Published TTG China Travel Awards Supplement as part of TTG China's June issue.

TTG Events

The following events were held during Q2 2019:

- (1) IT&CM China in Shanghai, China March 2019
- (2) CTW China, Shanghai, China March 2019

Appointments

In this quarter, TTG was appointed official business and/or media partner with a number of key travel trade events at the global, regional, and domestic levels. These include Singapore MICE Forum 2019, IBTM World 2019 and BBTF 2019, Indonesia.

Corporate Development

The group spent a significant amount of efforts and resources in the past quarter for the development of BookASEAN.com in order to build the e-commerce business capability within the group. BookASEAN.com is an online booking facility built on tour packages provided and serviced by Destination Management Companies (DMC) in the 10 ASEAN member nations, brought together through relationships TTG Asia Media has cultivated over the years. The platform connects DMC and consumers in support of ASEAN DMCs' outreach to global consumer markets. The platform also enables B2C partnerships through online and offline platforms with the aim of reaching target segments. In short, BookASEAN.com provides ASEAN travel service with offerings where travellers can book directly with local operators. Targeted launch date for BookASEAN.com is in Q3/Q4 2019.

Financial Magazine Business

Revenue from this business was HK\$9.7 million, which accounted for 20.0% of the Group's total revenue for the period under review. Segmental loss of this business during the period under review was HK\$4.5 million, primarily as a result of amortization charges of intangible asset which was non-cash in nature.

Securities Investment

As at 30 June 2019, total market value of the held-for-trading investments of the Group was approximately HK\$6.2 million and recorded a loss on change in fair value of approximately HK\$0.8 million for the Half-Yearly Period which is significantly decreased as compared with that of 2018.

Money Lending Business

Revenue from this business was HK\$2.3 million, which accounted for 4.7% 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 HK\$172,726,000 as at 30 June 2019, compared with HK\$177,807,000 as at 31 December 2018. Total assets amounted to HK\$218,631,000 as at 30 June 2019, compared with HK\$223,070,000 as at 31 December 2018, of which HK\$94,487,000 (2018: HK\$100,332,000) was bank balances and cash and HK\$46,176,000 (2018: HK\$45,965,000) was available-for-sale investments.

Capital structure

The value of share capital was HK\$3,858,000 as at 30 June 2019 and 31 December 2018.

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\$5.0 million for salaries expenses, including directors' emoluments and other staff costs, approximately HK\$1.5 million for rental expenses for Hong Kong premises and approximately HK\$4.73 million for legal and professional fee and other administrative expenses.

As at 30 June 2019, the Group had unutilized net proceeds of approximately HK\$1.28 million which intends to be used in the year ending 31 December 2019 of which approximately HK\$0.27 million for legal and professional fee and other administrative expenses and approximately HK\$1.01 million for other possible investment.

Charges on the Group's assets

There was no charge on the Group's assets as at 30 June 2019 and 31 December 2018.

Gearing ratio

The Group has a zero gearing ratio as at 30 June 2019 and 31 December 2018 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 2019 and 31 December 2018.

Significant Investments

Details of the top two held-for-trading investments, in terms of market value as at 30 June 2019, are as follows:

Company name (Stock code)	Market value as at 30 June 2019 HK\$'000	Proportion to the total assets of the Group %	For the six months ended 30 June 2019	
			Fair value gain (loss) of the investment HK\$'000	Dividend received HK\$'000
China Properties Investment Holdings Limited (HK Stock Code: 736)	2,354	1.08%	90	—
Hao Wen Holdings Limited (HK Stock Code: 8019)	2,017	0.92%	(504)	—
Others	1,851	0.85%	(384)	—
	<u>6,222</u>	<u>2.85%</u>	<u>(798)</u>	<u>—</u>

Material acquisitions and disposals

No material acquisitions and disposals of subsidiaries, associates and joint ventures during the 6 months ended 30 June 2019.

Employee information

As at 30 June 2019, the Group had 69 (2018: 74) full-time employees, of which 11 (2018: 12) were based in Hong Kong, 13 (2018: 8) in China, 44 (2018: 53) in Singapore and 1 (2018: 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

Our Group will explore suitable business opportunities to broaden the revenue base and to diversify the business scope of the Group.

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 2019, none of the Directors nor chief executive of the Company had any interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance (the “SFO”)) as recorded in the register required to be kept under 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.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2019, 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 (<i>Note 1</i>)	90,695,125 (L)	–	23.51% (L)
QIYI HOLDINGS LIMITED (<i>Note 1</i>)	90,695,125 (L)	–	23.51% (L)

L – Long Position

Note:

- (1) Mr. Chen Ying Zhen is a substantial shareholder who held 80% interest in, a director and the ultimate beneficial owner of QIYI HOLDINGS LIMITED.

Save as disclosed above, as at 30 June 2019, 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 six months ended 30 June 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPETING INTERESTS

During the six months ended 30 June 2019, 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 six months ended 30 June 2019.

CORPORATE GOVERNANCE CODE COMPLIANCE

The Company has complied throughout the six months ended 30 June 2019 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's share option scheme (the "2013 Share Option Scheme") was adopted pursuant to a resolution passed on 31 December 2013 and will expire on 31 December 2023.

No share option has been granted under the 2013 Share Option Scheme as at 30 June 2019.

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 2019, 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 six months ended 30 June 2019.

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

Hong Kong, 8 August 2019

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.