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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

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.

This announcement, for which the directors (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") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2018 with comparative figures for the preceding financial year, are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Notes	**2018** **HK$'000**	2017 *HK$'000*
Revenue	*4*	**94,517**	93,121
Cost of sales		**(49,896)**	(48,456)
Gross profit		**44,621**	44,665
Other income, gains and losses	*6*	**(15,322)**	(187,632)
Impairment of financial assets, net	*6*	**(802)**	–
Selling and distribution expenses		**(10,990)**	(14,490)
Administrative expenses		**(45,990)**	(48,862)
Finance costs		**–**	(2)
Loss before tax		**(28,483)**	(206,321)
Income tax (expense)/credit	*7*	**(142)**	26,433
Loss for the year	*8*	**(28,625)**	(179,888)
Other comprehensive (expenses) /income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operation		**(586)**	4,736
Other comprehensive (expenses)/income for the year		**(586)**	4,736
Total comprehensive expenses for the year		**(29,211)**	(175,152)
Loss attributable to:			
Owners of the Company		**(28,625)**	(179,888)
Non-controlling interests		**–**	–
		(28,625)	(179,888)
Total comprehensive expenses attributable to:			
Owners of the Company		**(29,211)**	(175,152)
Non-controlling interests		**–**	–
		(29,211)	(175,152)
Loss per share	*9*		
Basic *(HK cents)*		**(7.42)**	(46.62)
Diluted *(HK cents)*		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	2018 HK$'000	2017 HK$'000
Non-current assets			
Property, plant and equipment		**1,030**	1,737
Goodwill		**5,161**	5,161
Intangible asset		**6,524**	16,717
Available-for-sale investments		**45,965**	65,437
		58,680	89,052
Current assets			
Accounts receivable	*11*	**32,662**	26,964
Prepayments, deposits and other receivables		**9,902**	4,397
Loan receivables	*12*	**14,475**	9,178
Held-for-trading investments	*13*	**7,019**	13,369
Bank balances and cash		**100,332**	111,901
		164,390	165,809
Current liabilities			
Accounts payable	*14*	**2,498**	2,653
Other payables and accrued liabilities		**30,475**	34,586
Deferred revenue		**9,597**	1,258
Tax liabilities		**1,616**	1,619
		44,186	40,116
Net current assets		**120,204**	125,693
Total assets less current liabilities		**178,884**	214,745
Non-current liabilities			
Deferred tax liabilities		**1,077**	2,757
Net assets		**177,807**	211,988
Capital and reserves			
Share capital		**3,858**	3,858
Share premium and reserves		**171,920**	206,101
Equity attributable to owners of the Company		**175,778**	209,959
Non-controlling interests		**2,029**	2,029
Total equity		**177,807**	211,988

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on GEM of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

For the year ended 31 December 2018, the principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are (i) travel media operations with provision of advertising services through the internet and travel magazines, event organising services and magazine publication; (ii) provision of contents and advertising services in a well-known financial magazine distributed in PRC; (iii) investment in securities and (iv) money lending.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which is a collective term for all individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

(b) Functional and presentation currency

Other than the subsidiary established in the Republic of Singapore ("Singapore") of which the functional currency is Singapore dollar ("SGD"), the functional currency of the Company and its subsidiaries is Hong Kong dollars ("HK$"). The consolidated financial statements are presented in HK$, which is the same as the functional currency of the Company.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

(a) New and Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

(b) New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[2]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle[1]

[1] *Effective for annual periods beginning on or after 1 January 2019.*
[2] *Effective for annual periods beginning on or after 1 January 2021.*
[3] *Effective for annual periods beginning on or after a date to be determined.*

4. REVENUE

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

	2018	2017
	HK$'000	*HK$'000*
Travel Media	**71,116**	70,413
Financial Magazine	**21,874**	22,412
Securities Investment	**–**	–
Money Lending	**1,527**	296
	94,517	93,121

5. 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 (2017: 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 organising services and magazine publication ("Travel Media Business");

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

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

iv. Money lending segment provides funds to clients and receives loan interest income in return ("Money Lending").

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:

(a) Business segments

For the year ended 31 December 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	71,116	21,874	–	1,527	94,517
Reportable segment profit/(loss)	9,189	849	(8,929)	295	1,404
Reportable segment assets	89,703	38,340	7,089	14,498	149,630
Reportable segment liabilities	19,899	19,616	–	1,295	40,810

For the year ended 31 December 2017

	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	70,413	22,412	–	296	93,121
Reportable segment profit/(loss)	8,887	(8,957)	(228,848)	296	(228,622)
Reportable segment assets	73,683	29,007	41,899	9,498	154,087
Reportable segment liabilities	10,908	27,971	623	49	39,551

(b) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	2018 ***HK$'000***	2017 *HK$'000*
Revenue		
Reportable segment revenue	**94,517**	93,121
Profit before income tax expense		
Reportable segment profit/(loss)	**1,404**	(228,622)
Unallocated corporate income	**–**	38,482
Unallocated corporate expenses	**(29,887)**	(16,181)
Consolidated loss before income tax expense	**(28,483)**	(206,321)
Assets		
Segment assets	**149,630**	154,087
Cash and cash equivalents	**21,440**	72,875
Unallocated corporate assets	**52,000**	27,899
Consolidated total assets	**223,070**	254,861
Liabilities		
Segment liabilities	**40,809**	39,551
Unallocated corporate liabilities	**4,454**	3,322
Consolidated total liabilities	**45,263**	42,873

Reportable segment profit represents the profit attributable to each segment without allocation of corporate administrative expenses, corporate directors' emoluments, corporate interest income and income tax expense. This is the measure reported to the chief operating decision-maker for the purposes of resource allocation and performance assessment.

All assets are allocated to reportable segments other than available-for-sale investments and cash and cash equivalents.

(c) 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 assets is based on the physical and operating location of the assets.

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.

	2018	2017
	HK$'000	*HK$'000*
Singapore	**71,116**	70,413
Hong Kong	**23,401**	22,708

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

	2018	2017
	HK$'000	*HK$'000*
Singapore	**378**	712
Hong Kong	**58,302**	88,340

(d) Information about major customers

For the year ended 31 December 2018 and 2017, there was no customer accounted for over 10% of the total revenue of the Group.

6. OTHER INCOME, GAINS AND LOSSES/IMPAIRMENT OF FINANCIAL ASSETS, NET

	2018	2017
	HK$'000	*HK$'000*
(i) Other income, gains and losses		
Dividend income from available-for-sale investments	**14,562**	37,694
Bank interest income	**3**	5
Written off of intangible asset	**(2,667)**	–
Written off of available-for-sale investment	**(20,000)**	–
Other non-operating income	**571**	2,770
Realised loss on disposal of held-for-trading investments	**(2,093)**	(56,929)
Unrealised loss on held-for-trading investments	**(5,698)**	(171,172)
	(15,322)	(187,632)
(ii) Impairment of financial assets, net		
Impairment loss of loan receivables	**(7)**	–
Impairment loss of accounts receivable	**(795)**	–
	(802)	–

7. INCOME TAX (EXPENSE)/CREDIT

	2018	2017
	HK$'000	*HK$'000*
Current tax – Hong Kong	**(261)**	(49)
Current tax – Singapore	**(1,561)**	(1,089)
Deferred tax	**1,680**	27,571
	(142)	26,433

Hong Kong Profits Tax is calculated at 16.5% (2017: 16.5%) on the estimated assessable profits for the year.

For the subsidiary in Singapore, it is subject to a flat corporate tax rate of 17% (2016: 17%).

8. LOSS FOR THE YEAR

Loss for the year is arrived at after charging/(crediting):

	2018	2017
	HK$'000	*HK$'000*
Operating leases	**2,846**	2,366
Depreciation of property, plant and equipment	**709**	709
Amortisation of intangible assets	**7,526**	7,526
Staff costs (including directors' emoluments)	**25,344**	23,408
Retirement benefits scheme contributions	**2,816**	2,681
Total staff costs	**28,160**	26,089
Net foreign exchange loss/(gain)	**764**	(211)
Auditor' s remuneration	**440**	430

9. LOSS PER SHARE

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

	2018	2017
	HK$'000	*HK$'000*
Loss per share		
Loss for the purpose of computation of basic loss per share	**(28,625)**	(179,888)

	2018	2017
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic loss per share *(Note)*	**385,821**	385,821

Note:

No diluted loss per share has been presented because there was no potential dilutive ordinary share in issue for the years ended 31 December 2018 and 2017.

10. DIVIDEND

The directors do not recommend the payment of a final dividend for the years ended 31 December 2018 and 2017.

11. ACCOUNTS RECEIVABLE

	2018	2017
	HK$'000	*HK$'000*
Accounts receivables	**39,701**	29,203
Accumulated impairment loss	**(7,039)**	(2,239)
	32,662	26,964

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 six months for major customers. The Group seeks to maintain strict control over its outstanding accounts receivable and has a credit control policy to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group has provided impairment losses on accounts receivables based on experience of collecting payments.

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

	2018	2017
	HK$'000	*HK$'000*
Within 90 days	**14,531**	14,745
91-120 days	**1,472**	1,633
121-180 days	**3,789**	3,815
Over 180 days and within one year	**12,870**	6,771
	32,662	26,964

12. LOAN RECEIVABLES

The Group's loan receivables arose from the money lending business.

Loan receivables bear interest rate, and with credit periods, mutually agreed between the contracting parties. Each customer has a credit limit. Overdue balances are reviewed regularly and handled closely by senior management.

	2018	2017
	HK$'000	*HK$'000*
Loan receivables		
– Current portion	**15,002**	9,178
Accumulated impairment loss	**(527)**	–
	14,475	9,178

The loan receivables at the end of the reporting period are analysed by the remaining period to contractual maturity date as follows:

	2018	2017
	HK$'000	*HK$'000*
Repayable		
0 to 90 days	**4,381**	–
91 to 180 days	**–**	–
181 to 365 days	**10,094**	9,178
Over 1 year	**–**	–
	14,475	9,178

As at 31 December 2018, included in the Group's loan receivables balance are debtors with aggregate carrying amount of HK$10,094,000 which are matured and extended the payment date for one year. The directors of the Company considers credit risks have increased significantly for those loan receivables.

As at 31 December 2017, loan receivables of HK$9,178,000 that were neither past due nor impaired related to debtors for whom there is no recent history of default.

13. HELD-FOR-TRADING INVESTMENTS

	2018	2017
	HK$'000	*HK$'000*
Equity securities, at market value Listed in Hong Kong	**7,019**	13,369

These investments are classified as financial assets at fair value through profit or loss. The fair values of all equity securities are based on their current bid prices in active market, and they are categorised within level 1 of fair value hierarchy.

14. ACCOUNTS PAYABLE

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

	2018	2017
	HK$'000	*HK$'000*
Within 90 days	**2,249**	2,433
91-120 days	**75**	74
121-180 days	**5**	10
Over 180 days	**169**	136
	2,498	2,653

The credit period on purchase is generally 1.5 to 3 months. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

For the year ended 31 December 2018, the Group are principally engaged in (i) travel media operations with provision of advertising services through the internet and travel magazines, event organizing services and magazine publication ("Travel Media Business"); (ii) provision of contents and advertising services in a well-known financial magazine distributed in The People's Republic of China ("PRC") ("Financial Magazine Business"); (iii) investment in securities ("Securities Investment"); and (iv) money lending ("Money Lending Business").

The Group's total revenue increased HK$1.4 million or 1.5%, from HK$93.1 million last year to HK$94.5 million for the year ended 31 December 2018 primarily due to the revenue increase from Travel Media Business.

Gross profit of the Group was HK$44.6 million, representing a decrease of HK$0.1 million or 0.2% as compared with HK$44.7 million in 2017. Gross profit margin for the year reached approximately 47.2 % (2017: 48.0%), representing a decrease of 0.8% over the last year.

The Group recorded other income, gains and losses in the net loss amount of HK$15.3 million during the year, representing a decrease of HK$172.3 million or 91.8% as compared with HK$187.6 million net loss in the corresponding period of 2017, which was mainly due to decrease in loss on held-for-trading investments in 2018.

The selling and distribution costs decreased by HK$3.5 million to HK$11.0 million during the year (2017: HK$14.5 million), representing a decrease of 24.1% against the year of 2017. The administrative expenses decreased by HK$2.9 million to HK$46.0 million (2017: HK$48.9 million), representing a decrease of 5.9% over the last year.

As a result, the loss attributable to owners of the Company was HK$28.6 million as compared with a loss of HK$179.9 million in 2017.

BUSINESS REVIEW

Travel Media Business

For the year ended 31 December 2018, the Travel Media Business recorded a revenue of HK$71.1 million, increased by 1.0% or HK$0.7 million as compared with that of HK$70.4 million in 2017. This amount represented 75.2% of the Group's total revenue for the year under review.

The business recorded a segment profit of HK$9.2 million this year, representing an increase of HK$0.3 million or 3.4% as compared with that of HK$8.9 million in last year.

Industry Review

According to the World Travel & Tourism Council, tourism has an important role to play in terms of economic development, accounting for 10.4% of global gross domestic product and creating 1 in every 10 jobs which is more than other sectors such as automotive and chemicals manufacturing. It is evident that travel and tourism remains strong despite the ever-increasing and unpredictable challenges such as geopolitical instability, health pandemics and natural disasters.

All world regions enjoyed robust growth in international tourism in the first nine months of the year, fuelled by solid demand from major markets such as Asia which led growth at 7%. It is followed by Europe and the Middle East which enjoyed 6% growth while Africa and the Americas enjoyed growth at 5% and 3% respectively.

While tourism had a positive performance in terms of demand, TTG Asia Media Pte Ltd (the "TTG") remains exposed to its other half of the business – media, which has continued to face challenges in terms of advertising revenue and changes in business landscape. 2018 has proven to be even more challenging with advertising dollars harder to secure, coupled with increased competition via media platform choices to customers. Print media circulation remains under pressure. TTG's strong brand and reputation, and its dedicated team of people, have provided a good foundation to create new opportunities and new revenue ideas.

The Group performed to expectations with profit before tax slightly above what was budgeted. Overall annual revenue for 2018 was at similar levels as the previous year.

Resulting Impact on TTG Business and Performance in 2018

- A&P spend remained lackluster and under pressure by a decrease in overall run-of-page (ROP) print advertising revenue from the main source markets, as businesses chose to be cautious amid the current subdued outlook.

- Digital online advertising continues to attract more interest from our advertisers as opposed to print advertising. Annual digital advertisement revenue has increased significantly by 36%, compared to previous year.

- Contribution from Special Projects and Events has helped with TTG's top and bottom line profits for the year.

TTG Events Group

TTG Events group organised/managed 8 trade events and was involved in the following roadshows/events in 2018:

• IT&CM China:	Mar 2018, Shanghai, China
• CTW China:	Mar 2018, Shanghai, China
• Meet Taiwan Networking Event:	Jun 2018, Singapore
• Singapore Gifts Show:	Aug 2018, Singapore
• IT&CM Asia:	Sep 2018, Bangkok, Thailand
• CTW Asia-Pacific:	Sep 2018, Bangkok, Thailand
• Cambodia Travel Mart:	Oct 2018, Phnom Penh, Cambodia
• Osaka MICE Showcase:	Dec 2018, Osaka, Japan

Travel Trade Publishing Group – Special Projects

Besides the regular print and online publications, the Travel Trade Publishing Group completed the following 12 special projects in 2018 which has helped to drive revenue for the group:

• ATF 2018 Show Daily:	Jan 2018
• ITB Berlin 2018 Show Daily:	Mar 2018
• IT&CM and CTW China 2018 Show Daily:	Mar 2018
• ILTM Supplement	May 2018
• PATA Travel Mart 2018 Show Daily:	Sep 2018
• TTGmice Planner 2018	Sep 2018
• IT&CM Asia 2018 Show Daily:	Sep 2018
• ITB Asia Daily	Oct 2018
• Asia Luxury Supplement	Nov 2018
• TTG Travel Awards 2018 Supplement:	Nov 2018
• CITM Daily	Nov 2018
• Asian Tourism Expert Guide 2018/2019	Dec 2018

Media Partnership/Sponsorship

With TTG's current leadership position, market presence and as part of our ongoing marketing and promotional efforts to be involved and engaged in the marketplace, we were able to partake and enter into some 32 industry partnerships with renowned global travel trade events and organisations in 2018. Some examples of our 2018 media partnerships include ASEAN Tourism Forum; ILTM Asia-Pacific and France; IMEX America and Frankfurt; Arabian Travel Mart etc.

Business/Consolidation

TTG Asia Media has embarked on its next phase of organisational restructuring in the 4th quarter of 2018 to streamline all business development efforts in both TTG Travel Trade Publishing and TTG Events solutions. The sales of both TTG Travel Trade Publishing and TTG Events are headed by a centralised business development unit, for China operations and the rest of the world. With this consolidation, TTG has provided clients and the marketplace with a single touch-point to TTG's services for the travel industry.

In line with these changes, TTG Asia Media has a restructured business group with new appointments.

TTG Asia Media has four business groups – the TTG Travel Trade Publishing, TTG Events, TTG Global Commerce, and TTG Maps & Guides Publishing.

TTG Travel Trade Publishing solutions includes the print, digital, online, video, social tech and custom branded offerings of leading industry publications TTG Asia, TTG China, TTG India, TTGmice, TTG-BTmice China, TTGassociations, TTG Asia Luxury and TTG Show Daily.

TTG Events solutions include the exhibition, conference and sponsorship sales of the IT&CM Events and CTW Events series, namely the IT&CM Asia, IT&CM China, CTW Asia-Pacific and CTW China.

Looking Ahead in 2019

TTG Asia is celebrating its 45th anniversary in 2019. In conjunction with the anniversary, the Group plans to commission a 45th Anniversary bumper issue of TTG Asia with special advertising projects such as purchase-with-purchase deals and advertorial write-ups. This bumper issue will have extended circulation from May till the end of 2019, which is expected to attract more advertisers. The Group expects to continue to drive revenue through meaningful partnerships with various industry leading organisations and trade shows.

Forward bookings look positive compared to the same time last year. This is despite the economic uncertainty in 2019. In 2019, significant growth will come from TTG's digital and social media channels while regular print titles will see lower growth. The Group also expects a larger trend towards content/native marketing as indicated by increased volume of sponsored posts and advertorials done in 2018. In order to meet advertisers' demand, the Group has devoted significant resources to develop capability in video and social media content creation and thus expects it to pay off in the near future.

Financial Magazine Business

Revenue from this business was HK$21.9 million, which contributed 23.1% of the Group's total revenue for the year under review. Segmental profit of this business during the year amounted to HK$0.8 million.

Securities Investment

As at 31 December 2018, total market value for the held-for-trading investments of the Group was approximately HK$7.0 million and recorded loss on disposal and fair value loss of approximately HK$7.8 million.

Money Lending Business

Revenue from this business was HK$1.5 million, which accounted for 1.7% of the Group's total revenue for the year.

SIGNIFICANT INVESTMENTS

As at 31 December 2018, total market value for the held-for-trading investments of the Group was approximately HK$7.0 million, representing equity securities listed in Hong Kong. The Board considers that investment with market value accounting for more than 5% of the Group's total assets as at 31 December 2018 as significant investment.

Details of the top two held-for-trading investments, in terms of market value as at 31 December 2018, are as follows:

				For the year ended 31 December 2018	
Company name	**Stock Code**	**Market value as at 31 December 2018** *HK$'000*	**Proportion to the total assets of the Group** *%*	**Gain/(loss) on fair value changes of the investments** *HK$'000*	**Dividend received** *HK$'000*
Hao Wen Holdings Limited	8019	2,521	1.13	(2,723)	–
China Properties Investment Holdings Limited	736	2,263	1.01	(1,289)	–
Others		2,235	1.00	(1,686)	–
		7,019	3.14	(5,698)	–

PROSPECT

The outlook for 2019 is full of uncertainties amid the trade war between USA and China and also the Brexit problem in Europe. The economic growth globally will be lower than that of 2018. This, coupled with the rising protectionist sentiments, will further complicate the situation and render the global economic outlook volatile.

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

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$177.8 million as at 31 December 2018, representing a decrease of HK$34.2 million as compared with that of HK$212.0 million as at 31 December 2017. Total assets amounted to HK$223.1 million as at 31 December 2018 (2017: HK$254.9 million), of which HK$100.3 million (2017: HK$111.9 million) was bank balances and cash, HK$46.0 million (2017: HK$65.4 million) was available-for-sale investments, HK$7.0 million (2017: HK$13.4 million) was held-for-trading investments.

Capital structure

As of 31 December 2018, the Group's consolidated net assets was HK$177.8 million, representing a decrease of HK$34.2 million as compared with that of HK$212.0 million in 2017.

As at 31 December 2018, the Company has 385,820,923 shares of HK$0.01 each in issue.

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 31 December 2018, 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$3.72 million for legal and professional fee and other administrative expenses.

As at 31 December 2018, the Group had unutilized net proceeds of approximately HK$2.29 million which intends to be used in the year ending 31 December 2019 of which approximately HK$1.28 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 charges on the Group's assets as at 31 December 2018 and 2017.

Debt structure

The Group's total borrowings from financial institutions were zero as at 31 December 2018 and 2017. The Group's total bank balances and cash amounted to HK$100.3 million as at 31 December 2018, which decreased HK$11.6 million as compared with that of HK$111.9 million as at 31 December 2017.

The gearing ratio (net debts divided by shareholders' equity) was zero as at 31 December 2018 and 2017.

Exposure to fluctuations 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 years ended 31 December 2018 and 2017, 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 material contingent liability as at 31 December 2018 and 2017.

Employee information

As at 31 December 2018, the Group had 74 (2017: 73) full time employees, of which 12 (2017: 12) were based in Hong Kong, 13 (2017: 8) in China, 48 (2017: 52) in Singapore, and 1 (2017: 1) in Malaysia. The Group's employees are remunerated largely based on their performance and experience, alongside with the current industry practices. The Group has introduced share option scheme to recognize the contributions 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. Remuneration packages of employees include salaries, insurance, medical cover, mandatory provident fund, discretionary bonuses and share option (if any).

DIVIDEND

No payment of dividend has been recommended by the Board in respect of the year ended 31 December 2018 (2017: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2018, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' SECURITIES TRANSACTIONS

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 year ended 31 December 2018.

CORPORATE GOVERNANCE

Save as disclosed below, the Company throughout the year 2018 has fully complied with the applicable code provisions in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 15 of the GEM Listing Rules.

In respect of A.6.7 of the CG Code, the independent non-executive Directors Ms. Yang Shuyan and Mr. Zhang Xiaoguang were unable to attend the annual general meeting of the Company due to other commitments.

SCOPE OF WORK OF ELITE PARTNERS CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2018 have been agreed by the Group's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Elite Partners CPA Limited on the preliminary announcement.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the consolidated financial statements for the year ended 31 December 2018.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of HKExnews (www.hkexnews.hk) as well as the website of the Company (http://www.sinosplendid.com). The Company's 2018 annual report will be dispatched to shareholders and will be published on the aforementioned websites in due course.

By order of the Board
Sino Splendid Holdings Limited
Chow Chi Wa
Executive Director

Hong Kong, 20 March 2019

As at the date hereof, 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.