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 2019

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.

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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 2019 with comparative figures for the year ended 31 December 2018, are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2019

	Notes	**2020** **HK$'000**	2019 HK$'000
Revenue	*4*	**107,365**	94,517
Cost of sales		**(57,263)**	(49,896)
Gross profit		**50,102**	44,621
Other income and other net losses	*6*	**16,647**	(15,322)
Impairment losses under expected credit loss model, net of reversal	*6*	**(5,243)**	(802)
Selling and distribution expenses		**(8,364)**	(10,990)
Administrative expenses		**(46,140)**	(45,990)
Finance costs	*7*	**(143)**	–
Profit/(loss) before taxation		**6,859**	(28,483)
Income tax expense	*8*	**(9,524)**	(142)
Loss for the year	*9*	**(2,665)**	(28,625)
Other comprehensive income/(expenses)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**613**	(586)
Other comprehensive income/(expenses) for the year		**613**	(586)
Total comprehensive expenses for the year		**(2,052)**	(29,211)
Profit/(loss) attributable to:			
Owners of the Company		**(2,665)**	(28,625)
Non controlling interests		**–**	–
		(2,665)	(28,625)
Total comprehensive expenses attributable to:			
Owners of the Company		**(2,052)**	(29,211)
Non controlling interests		**–**	–
		(2,052)	(29,211)
Loss per share			
Basic *(HK cents)*	*11*	**(0.69)**	(7.42)
Diluted *(HK cents)*		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	**2019** **HK$'000**	2018 HK$'000
Non current assets			
Property, plant and equipment		**451**	1,030
Right-of-use asset		**6,562**	–
Goodwill		**5,161**	5,161
Intangible assets		**–**	6,524
Equity investments at fair value through profit or loss		**46,387**	45,965
		58,561	58,680
Current assets			
Accounts and other receivables	*12*	**53,428**	42,564
Loan receivables	*13*	**14,235**	14,475
Held for trading investments		**5,196**	7,019
Cash and bank balances		**106,054**	100,332
		178,913	164,390
Current liabilities			
Accounts and other payables	*14*	**44,163**	42,570
Lease liabilities		**2,430**	–
Tax liabilities		**10,964**	1,616
		57,557	44,186
Net current assets		**121,356**	120,204
Total assets less current liabilities		**179,917**	178,884
Non current liabilities			
Deferred tax liabilities		**–**	1,077
Lease liabilities		**4,162**	–
		4,162	1,077
Net assets		**175,755**	177,807
Capital and reserves			
Share capital		**3,858**	3,858
Reserves		**169,868**	171,920
Equity attributable to owners of the Company		**173,726**	175,778
Non-controlling interests		**2,029**	2,029
Total equity		**175,755**	177,807

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Company acts as an investment holding company. 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 the PRC; (iii) investment in securities; and (iv) money lending.

The consolidated financial statements are presented in Hong Kong dollars ("HK$") other than the subsidiary established in the Republic of Singapore ("Singapore") of which the functional currency of the Company and its subsidiaries are HK$.

2. BASIS OF PREPARATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and the Hong Kong Companies Ordinance.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(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 HKICPA for the first time in the current year:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 Leases ("HKAS 17"), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

(i) relied on the assessment of whether leases are onerous by applying HKAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternative of impairment review;

(ii) elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;

(iii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and

(iv) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rates applied by the relevant group entities range from 2% to 5%.

	HK'000
Operating lease commitments disclosed at 31 December 2018	8,835
Less: commitments relating to leases exempt from capitalisation:	
– short-term leases and other leases with remaining lease term ending on or before 31 December 2019	(688)
	8,147
Less: total future interest expenses	(106)
Total lease liabilities recognized at 1 January 2019	8,041
Analysed as	
Current	1,752
Non-current	6,289
	8,041

Transition to HKFRS 16 does not have impact on retained earnings at 1 January 2019.

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 December 2018	**Adjustment**	**Carrying amounts under HKFRS 16 1 January 2019**
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Right-of-use assets	–	8,041	8,041
Current liabilities			
Lease liabilities	–	(1,752)	(1,752)
Non-current liabilities			
Lease liabilities	–	(6,289)	(6,289)

(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 17	Insurance Contracts[1]
Amendments to HKFRS 3	Definition of Business[2]
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 1 and HKAS 8	Definition of Material[4]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[4]

[1] *Effective for annual periods beginning on or after 1 January 2021*

[2] *Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020*

[3] *Effective for annual periods beginning on or after a date to be determined*

[4] *Effective for annual periods beginning on or after 1 January 2020*

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in HKFRS Standards, will be effective for annual periods beginning on or after 1 January 2020.

The directors consider that the application of all new and amendments to HKFRSs and HKASs is unlikely to have a material impact on the Group's financial position and performance as well as disclosure in foreseeable future.

Conceptual Framework for Financial Reporting 2018 (the "New Framework") and the Amendments to References to the Conceptual Framework in HKFRS Standards

The New Framework:

- reintroduces the terms stewardship and prudence;
- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;
- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;

- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or liability; and

- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

Consequential amendments have been made so that references in certain HKFRSs have been updated to the New Framework, whilst some HKFRSs are still referred to the previous versions of the framework. These amendments are effective for annual periods beginning on or after 1 January 2020, with earlier application permitted. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

4. REVENUE

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

	2019	2018
	HK$'000	*HK$'000*
Travel media	**76,792**	71,116
Financial magazine	**27,510**	21,874
Securities investment	**–**	–
Money lending	**3,063**	1,527
	107,365	94,517

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 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 ("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").

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision-maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Reportable segment profit represents the profit attributable to each segment without allocation of corporate administrative expenses, corporate director's 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.

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

(a) Business segments

For the year ended 31 December 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	**76,792**	**27,510**	**–**	**3,063**	**107,365**
Reportable segment profit/(loss)	**10,728**	**(2,536)**	**(1,943)**	**468**	**6,717**
Depreciation and amortisation	**(589)**	**–**	**–**	**–**	**(589)**
Impairment losses (recognised) reversal on					
– loan receivables	**–**	**–**	**–**	**260**	**260**
– accounts receivable	**(431)**	**(5,091)**	**–**	**–**	**(5,522)**
Reportable segment assets	**98,603**	**37,446**	**32,267**	**17,059**	**185,375**
Reportable segment liabilities	**19,434**	**27,782**	**–**	**2,037**	**49,253**

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
Interest income	–	3	–	–	3
Depreciation and amortisation for the year	(352)	–	–	–	(352)
Impairment losses (recognised) reversal on					
– loan receivables	–	–	–	(7)	(7)
– accounts receivable	445	(795)	–	–	(350)
Reportable segment assets	89,703	38,340	7,089	14,498	149,630
Addition to non-current segment assets during the year	33	–	–	–	33
Reportable segment liabilities	19,899	19,616	–	1,295	40,810

(b) Reconciliation of reportable segment revenue, results, assets and liabilities

	2019 ***HK$'000***	2018 *HK$'000*
Revenue		
Reportable segment revenue	**107,365**	94,517
Result		
Reportable segment profit	**6,717**	1,404
Unallocated corporate income	**142**	–
Unallocated corporate expenses	**–**	(29,887)
Consolidated loss before income taxation	**6,859**	(28,483)
Assets		
Segment assets	**185,375**	149,630
Unallocated corporate assets	**52,099**	73,440
Consolidated total assets	**237,474**	223,070
Liabilities		
Segment liabilities	**49,253**	40,810
Unallocated corporate liabilities	**12,466**	4,453
Consolidated total liabilities	**61,719**	45,263

(c) **Geographic information**

The geographical location of customers is based on the location at which the 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.

	2019	2018
	HK$'000	*HK$'000*
Singapore	**76,792**	71,116
Hong Kong	**30,573**	23,401

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

	2019	2018
	HK$'000	*HK$'000*
Singapore	**5,364**	378
Hong Kong	**53,197**	58,302

(d) **Information about major customers**

For the year ended 31 December 2019 and 2018, there was no customer accounted for over 10% of the total revenue of the Group.

6. OTHER INCOME, OTHER NET LOSSES/IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODE, NET OF REVERSAL

	2019	2018
	HK$'000	*HK$'000*
(i) Other income and other net losses		
Bank interest income	**1**	3
Dividend income from equity investments at FVTPL	**18,149**	14,562
Other income	**320**	571
Realised loss on disposal of held-for-trading investments	**–**	(2,093)
Unrealised loss on held-for-trading investments	**(1,823)**	(5,698)
Written off of equity investments at FVTPL	**–**	(20,000)
Written off of intangible assets	**–**	(2,667)
	16,647	(15,322)
(ii) Impairment losses under expected credit loss model, net of reversal		
Impairment losses/(reversal) on:		
– accounts receivable	**(5,503)**	(795)
– loan receivables	**260**	(7)
	(5,243)	(802)

7. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
Interest on lease liabilities	**143**	–

8. INCOME TAX EXPENSES

	2019	2018
	HK$'000	*HK$'000*
Current tax – Hong Kong	**(39)**	(261)
Current tax – Singapore	**(1,817)**	(1,561)
Tax provision *(note c)*	**(8,745)**	–
Deferred tax	**1,077**	1,680
	(9,524)	(142)

(a) On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities arising in Hong Kong did not qualify for the two-tiered profits tax rates regime and will continue to be taxed at 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

(b) The calculation of current tax of the Group's subsidiaries in Singapore is based on a prevailing corporate tax rate of 17% (2018: 17%).

(c) During the year ended 31 December 2019, the Group received enquiry letters from the Hong Kong Inland Revenue Department (the "HKIRD") in relation to the tax affairs of the Group's Financial Magazine Business, which is principally operated in Singapore, including but not limited to the operating model and the related source of income ("Tax Affairs"). The Company has filed an objection to the HKIRD in relation to the Tax Affairs and purchased tax reserve certificates amounting to approximately HK$2,465,000 as at 31 December 2019.

The Tax Affairs might lead to additional tax being charged on profits from the Group's Singapore subsidiary in respect of the source of income as concerned that have not been previously included in the scope of charge for Hong Kong Profits Tax. Based on the legal and other professional advice that the Company has sought, provision of taxation in relation to the Tax Affairs of approximately HK$8,745,000 has been made in the consolidated financial statements.

9. LOSS FOR THE YEAR

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

(a) Staff costs

	2019	2018
	HK$'000	*HK$'000*
Staff costs (including directors' emoluments)		
– Salaries, wages and other benefits	**21,967**	25,344
– Retirement benefits scheme contributions	**1,733**	2,816
Total staff costs	**23,700**	28,160

(b) Other items

	2019	2018
	HK$'000	*HK$'000*
Amortisation of intangible assets	**6,524**	7,526
Auditor's remuneration	**460**	440
Depreciation of property, plant and equipment	**589**	721
Depreciation of right-of-use assets	**2,359**	–
Net foreign exchange (gain)/loss	**(310)**	764
Minimum lease payment for leases previously classified as operating leases	**–**	2,846

10. DIVIDEND

No dividend was paid or proposed by the Company during the year ended 31 December 2019 nor has any dividend been proposed since the end of the reporting period (2018: nil).

11. LOSS PER SHARE

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

	2019	2018
	HK$'000	*HK$'000*
Loss per share		
Loss for the purpose of computation of basic loss per share	**(2,665)**	(28,625)

	2019	2018
	'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 2019 and 2018.

There were no outstanding share options as at 31 December 2019 and 2018.

12. ACCOUNTS AND OTHER RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Accounts receivable	**43,919**	32,662
Deposits, prepayments and other receivables	**9,509**	9,902
	53,428	42,564

Accounts receivable

	2019	2018
	HK$'000	*HK$'000*
Accounts receivable	**56,480**	39,701
Less: Allowance for credit losses	**(12,561)**	(7,039)
	43,919	32,662

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 management. The Group has provided impairment losses on accounts receivable based on experience of collecting payments.

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

	2019	2018
	HK$'000	*HK$'000*
Within 90 days	**18,753**	14,531
91-120 days	**3,411**	1,472
121-180 days	**2,142**	3,789
Over 180 days and within one year	**19,613**	12,870
	43,919	32,662

13. LOAN RECEIVABLES

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

Loan receivables bear interest 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.

	2019	2018
	HK$'000	*HK$'000*
Loan to customer	**13,177**	13,177
Accrued interest receivable	**1,325**	1,825
	14,502	15,002
Impairment allowance	**(267)**	(527)
	14,235	14,475
Analysed as:		
Current assets	**14,235**	14,475

14. ACCOUNT AND OTHER PAYABLES

	2019	2018
	HK$'000	*HK$'000*
Account payable *(Note (a))*	**2,245**	2,498
Accrued expense	**30,575**	24,538
Other payables	**7,162**	5,937
Contract liabilities	**4,181**	9,597
	44,163	42,570

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.

Account payable

	2019	2018
	HK$'000	*HK$'000*
Within 90 days	**2,243**	2,249
91-120 days	**2**	75
121-180 days	**–**	5
Over 180 days	**–**	169
	2,245	2,498

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.

15. EVENTS AFTER THE REPORTING PERIOD

Effect of the coronavirus

The coronavirus outbreak since early 2020 has brought about additional uncertainties in the Group's operating environment and has impacted the Group's operations and financial position and performance.

The Group will pay close attention to the development of the coronavirus outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date on which this set of financial statements were authorized for issue, the Group was not aware of any material adverse effects on the financial statements as a result of the outbreak.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

For the year ended 31 December 2019, 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 by HK$12.9 million or 13.6%, from HK$94.5 million last year to HK$107.4 million for the year ended 31 December 2019 primarily due to the revenue increase from Travel Media Business.

Gross profit of the Group was HK$50.1 million for the year ended 31 December 2019, representing an increase of HK$5.5 million or 12.3% as compared with HK$44.6 million in 2018. Gross profit margin for the year reached approximately 46.7% (2018: 47.2%), representing a decrease of 0.5% over the last year.

The Group recorded other income, gains and losses in the net gain amount of HK$16.6 million during the year, compared with HK$15.3 million net loss in the corresponding period of 2018, which was mainly due to decrease in loss on held-for-trading investments in 2019.

The selling and distribution costs decreased by HK$2.6 million to HK$8.4 million during the year (2018: HK$11.0 million), representing a decrease of 23.6% against the year of 2018. The administrative expenses remained stable as compared with last year of at approximately HK$46.0 million (2018: HK$46.0 million).

As a result, the loss attributable to owners of the Company was HK$2.7 million for the year ended 31 December 2019 as compared with a loss of HK$28.6 million in 2018 which was mainly due to the increase in tax provision in 2019.

BUSINESS REVIEW

Travel Media Business

For the year ended 31 December 2019, the Travel Media Business recorded a revenue of HK$76.8 million, increased by 8.0% or HK$5.7 million as compared with that of HK$71.1 million in 2018. This amount represented 71.5% of the Group's total revenue for the year under review.

The business recorded a segment profit of HK$10.7 million this year, representing an increase of HK$1.5 million or 16.3% as compared with that of HK$9.2 million in last year.

Industry Review

With organisations continuing to adopt and embrace technology and digital channels, online travel transaction grew nearly twice as fast as the overall market. This trend has prompted the forecast of online gross travel bookings to rise from the actual $642 billion in 2018 to $838 billion by 2021, in view of the rapid rise in mobile transactions. Asia-Pacific as with many travel markets worldwide is experiencing total travel market growth outpace overall economic gains, with the exception of a couple of countries. In short, Asia-Pacific travel markets are expanding faster than GDP on a local currency basis.

While worldwide digital ad spending is predicted to reach over $375 billion by 2021, TTG has experienced persistent downward trend in terms of ROP bookings for traditional print advertising. TTG is not alone as this trend is affecting all traditional print media companies worldwide.

Resulted Impact on TTG Business and Performance in 2019

- A&P spend remained soft and under pressure by a decrease in overall run-of-page (ROP) print advertising revenue.

- Digital online advertising continues to attract more interest from our advertisers, enabling this revenue stream to hold its own as opposed to print advertising.

- Contribution from Special Projects and Events has helped with TTG's top and bottom line profits for the year. Cost management also play a significant part for this year's positive performance.

TTG was able to do well for the year with profit before tax up by year on year. This was made possible through cost management as well as the ability for TTG to introduce and offer integrated solutions and creative options to our clients.

TTG Events Group

TTG Events group organised/managed 9 trade events and was involved in the following roadshows/events in 2019:

• ATF Vietnam	Jan 2019, Ha Long Bay Vietnam
• IT&CM China	Mar 2019, Shanghai, China
• CTW China	Mar 2019, Shanghai, China
• IT&CM Asia	Sep 2019, Bangkok, Thailand
• CTW Asia-Pacific	Sep 2019, Bangkok, Thailand
• Cambodia Travel Mart	Oct 2019, Phnom Penh, Cambodia
• International Feng Shui Convention	Nov 2019, Singapore
• SG Tourism Leaders Engagement Series	Nov 2019, Singapore
• Osaka MICE Showcase	Dec 2019, Osaka, Japan

TTG Publishing Group

Content Lab (Special Projects)

Besides the regular print and online publications/channels and numerous supplements such as custom reports, sponsored posts, advertorial etc, Publishing Group completed the following major projects in 2019 which has helped to drive revenue for the group:

• ATF 2019 Show Daily	Jan 2019
• ITB Berlin 2019 Show Daily	Mar 2019
• IT&CM and CTW China 2019 Show Daily	Mar 2019
• ILTM Supplement	May 2019
• PATA Travel Mart 2019 Show Daily	Sep 2019
• TTGmice Planner 2019	Sep 2019
• IT&CM Asia and CTW 2019 Show Daily	Sep 2019
• ITB Asia Daily	Oct 2018
• TTG Asia Luxury Supplement	Nov 2019
• TTG Travel Awards 2019 Supplement	Nov 2019
• CITM Daily	Nov 2019
• Asian Tourism Expert Guide 2019/2020	Dec 2019

Looking Ahead

TTG is one of the very few traditional media companies that remains above water and continues to be profitable in this day and age. While the group continues to maximise profits year after year with its current portfolio, there is a need to be mindful of market trend and pressure that media companies worldwide are facing due to the evolution of IT and technology. The migration from print advertising to digital and social media promotions by advertisers is inevitable and to remain as a viable business, TTG needs to make adjustments and re-look at its business strategies.

With the above awareness in mind, TTG has embarked on investing time, effort and money in organic growth for its Global Commerce Group to expedite the B2B2C e-commerce business.

Financial Magazine Business

Revenue from this business was HK$27.5 million, which contributed 25.6% of the Group's total revenue for the year under review. Segmental loss of this business during the year amounted to HK$2.5 million.

Securities Investment

As at 31 December 2019, total market value for the held-for-trading investments of the Group was approximately HK$5.2 million and recorded fair value loss of approximately HK$1.8 million.

Money Lending Business

Revenue from this business was HK$3.1 million, which accounted for 2.9% of the Group's total revenue for the year.

MATERIAL ACQUISITIONS AND DISPOSALS

No material acquisitions and disposals of subsidiaries, associates and joint ventures in the course of the year.

PROSPECT

The outbreak of Coronavirus disease will probably affect the performance of 2020. Profitability of the first half year will likely be reduced. The outlook for 2020 is full of uncertainties amid the trade war between USA and China. The economic growth globally will be lower than that of 2019. 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$175.8 million as at 31 December 2019, representing a decrease of HK$2.0 million as compared with that of HK$177.8 million as at 31 December 2018. Total assets amounted to HK$237.5 million as at 31 December 2019 (2018: HK$223.1 million), of which HK$106.1 million (2018: HK$100.3 million) was bank balances and cash, HK$46.4 million (2018: HK$46.0 million) was equity investments at fair value through profit or loss, HK$5.2 million (2018: HK$7.0 million) was held-for-trading investments.

Capital structure

As of 31 December 2019, the Group's consolidated net assets was HK$175.8 million, representing a decrease of HK$2.0 million as compared with that of HK$177.8 million in 2018.

As at 31 December 2019, 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 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$5 million for legal and professional fee and other administrative expenses.

As at 31 December 2019, the Group had unutilized net proceeds of approximately HK$1.01 million which was intended to be used in the year ending 31 December 2020 for other possible investment.

Charges on the Group's assets

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

Debt structure

The Group was no borrowings for financial institutions as at 31 December 2019 and 2018. The Group's total bank balances and cash amounted to HK$106.1 million as at 31 December 2019, which increased by HK$5.8 million as compared with that of HK$100.3 million as at 31 December 2018.

The gearing ratio (net debts divided by shareholders' equity) was zero as at 31 December 2019 and 2018.

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 2019 and 2018, 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.

Employee information

As at 31 December 2019, the Group had 67 (2018: 74) full time employees, of which 10 (2018: 12) were based in Hong Kong, 13 (2018: 13) in China, 43 (2018: 48) in Singapore, and 1 (2018: 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 2019 (2018: Nil).

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

During the year ended 31 December 2019, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Board is always committed to maintaining high standard of corporate governance. The Company throughout the year 2019 has fully complied with the applicable code provisions in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules.

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 2019 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 2019.

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 2019 annual report is estimated to be dispatched to shareholders on 8 April 2020 and will be published on the aforementioned websites in due course. Further details please refer to the announcement dated 20 March 2020.

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

Hong Kong, 31 March 2020

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.