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 2023

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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 2023 with comparative figures for the year ended 31 December 2022, are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

		Year ended 31 December	
		2023	2022
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**42,311**	66,267
Cost of sales		**(35,503)**	(44,437)
Gross profit		**6,808**	21,830
Other income and other net gains	*5*	**2,000**	1,183
(Impairment losses)/reversal of impairment loss under expected credit loss model, net	*6*	**(11,702)**	(23,795)
Selling and distribution expenses		**(3,695)**	(3,968)
Administrative expenses		**(42,026)**	(38,041)
Finance costs	*7*	**–**	(183)
Loss before taxation		**(48,615)**	(42,974)
Income tax expense	*8*	**(456)**	(49)
Loss for the year	*9*	**(49,071)**	(43,023)
Other comprehensive income/(expense):			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translations of foreign operations		**(121)**	441
Reclassification of cumulative transaction reserve upon disposal of foreign operation		**–**	(1,220)
Other comprehensive expense for the year, net of income tax		**(121)**	(779)
Total comprehensive expense for the year		**(49,192)**	(43,802)
Loss for the year attributable to:			
– Owners of the Company		**(49,071)**	(43,023)
– Non-controlling interests		**–**	–
		(49,071)	(43,023)
Total comprehensive expense for the year attributable to:			
– Owners of the Company		**(49,192)**	(43,802)
– Non-controlling interests		**–**	–
		(49,192)	(43,802)
Loss per share (HK cents)			
– Basic	*11*	**(33.26)**	(31.77)
– Diluted		**(33.26)**	(31.77)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
Non-current Assets			
Property, plant and equipment		**385**	1,528
Goodwill		**5,161**	5,161
		5,546	6,689
Current Assets			
Financial assets at fair value through profit or loss		**12,565**	6,605
Loan receivables	*12*	**9,894**	9,731
Accounts and other receivables	*13*	**35,972**	54,371
Inventories		**–**	1,828
Cash and cash equivalents		**21,122**	31,199
		79,553	103,734
Current Liabilities			
Accounts and other payables	*14*	**32,972**	7,531
Tax liabilities		**543**	87
		33,515	7,618
Net Current Assets		**46,038**	96,116
Total Assets Less Current Liabilities		**51,584**	102,805
Net Assets		**51,584**	102,805
Capital and Reserves			
Share capital	*15*	**5,902**	5,902
Reserves		**45,682**	94,874
Equity attributable to owners of the Company		**51,584**	100,776
Non-controlling interests		**–**	2,029
Total Equity		**51,584**	102,805

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Sino Splendid Holdings Limited (the "Company") is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company are listed on GEM of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company is an investment holding company and its subsidiaries (the "Group") are principally engaged in (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; (iv) virtual reality business; and (v) money lending business.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand (HK$'000) unless otherwise indicated.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

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

In 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, which are mandatorily effective for the annual periods beginning on or after 1 January 2022 for the preparation of the consolidated financial statements:

HKFRS 17 including the October 2020 and February 2022 Amendments (HKFRS 17)	Insurance Contracts
Amendments to HKAS 1	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendment to HKAS 12	International Tax Reform – Pillar Two Model Rules

The application of amendments to HKFRSs in the current year has had no material effect on the Group's financial performance and position for the current and prior years and/or the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS l and HKFRS 1 Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term "significant accounting policies' with "material accounting polices information". Accounting policy Information is material if, when considered together with other Information Included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions even if the amounts are immaterial. However, not all accounting policy information relating to material transaction, other events or condition is itself material. If an entity chooses to disclose immaterial o accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the "Practice Statement") is also amended to illustrate how on entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has bad no material impact on the Group financial positions and performance and/or affected the disclosure of the Group's accounting policies set out in note 3 to the consolidated financial statements.

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") – Long Service Payment ("LSP") offsetting mechanism in Hong Kong

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the "Abolition"). The Abolition will officially take effect on 1 May 2025 (the "Transition Date"). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Company considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee's LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered. Based on the HKICPA's guidance, as a result of the Abolition, these contributions are no longer considered "linked solely to the employee's service in that period" since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as "independent of the number of years of service" and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19. Accordingly, the Group has recognised a cumulative catch-up adjustment in profit or loss for the service cost, interest expense and remeasurement effect from changes in actuarial assumptions for the year ended 31 December 2022, with corresponding adjustment to the LSP obligation. The cumulative catch-up adjustment is calculated as the difference at the enactment date

(16 June 2022) between the carrying amount of the LSP liability calculated under paragraph 93(b) of HKAS 19 before the Abolition and the carrying amount of the LSP liability calculated under paragraph 93(a) of HKAS 19 after the Abolition.

By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the Practical expedient and reattribute the deemed employee contributions on a straightline basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a). The cumulative effect of recognising these adjustments as of 31 December 2022 or for the year ended was not material and hence no adjustment was made to the beginning retained earnings, or another component of equity.

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

The Group has not only applied the following new and amendment to HKFRS, that have been issued but not effective:

Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)[3]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to HKAS 1 Presentation of Financial Statements	Classification of Liabilities as Current or Non-current[1]
Amendments to HKAS 1	Non-current Liabilities with Covenants[1]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[1]
Amendment to HKAS 21	Lack of Exchangeability[2]

1 effective for annual periods beginning on or after 1 January 2024.
2 effective for annual periods beginning on or after 1 January 2025.
3 to be determined.

3. REVENUE

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

	2023	2022
	HK$'000	*HK$'000*
Revenue from contracts with customers:		
Travel media	**2,400**	14,941
Financial magazine and other media services	**38,370**	46,900
Virtual reality	**552**	3,326
	41,322	65,167
Revenue from other sources:		
Interest income	**989**	1,100
	42,311	66,267
Timing of revenue recognition:		
A point in time	**41,322**	65,167

Information about the Group's performance obligations is summarised below:

Revenue from travel media

Revenue from travel media includes income from management fees, registration and exhibitor fees on various events and conferences organised by the Group. The revenue was recognised upon completion of the events and conferences. Income from the provision of services is recognised upon the provision of the relevant services rendered and a full payment received in advance is normally required before the services rendered which is classified as contract liabilities and the remaining performance obligations are expected to recognised as revenue within a year.

Revenue from financial magazine and other media services

Revenue from service fee income from the provision of contents and advertising services in multiple well-known financial magazine was distributed in the People's Republic of China (the "PRC") and other media services. Income from the provision of services is recognised upon the provision of the relevant services rendered.

Revenue from virtual reality business

Income from the provision of services and sales of good is recognised at a point in time upon the provision of the relevant services rendered and when control of the goods has been transferred, being the goods have been delivered to the customers.

Revenue from other source

Interest income arising from money-lending business

Loan interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

4. OPERATING SEGMENTS

The Group determines its operating segments based on the reports reviewed by the executive directors, the chief operating decision-maker ("CODM"), that are used to make strategic decisions.

The Group has five reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

(i) 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 magazines distributed in the PRC ("Financial Magazine and Other Media Business");

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

(iv) Virtual reality business (the "Virtual Reality"); and

(v) Money lending business ("Money Lending").

Corporate revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that is used by the CODM for assessment of segment performance.

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

Segment assets include all tangible assets and current assets with the exception of financial assets at fair value through profit or loss, cash and bank balances and other corporate assets. Segment liabilities include all liabilities managed directly by the segments other than tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments without allocation of corporate administrative expenses, corporate directors' emoluments, corporate interest income and income tax expense. Segment results include all revenue and expenses, other than reporting inter-segment provided by one segment to another, if any.

(a) Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

For the year ended 31 December 2023

	Travel Media Business *HK$'000*	Financial Magazine and Other Media Business *HK$'000*	Securities Investment *HK$'000*	Money Lending *HK$'000*	Virtual Reality *HK$'000*	Total *HK$'000*
Reportable segment revenue from external customers	**2,400**	**38,370**	**–**	**989**	**552**	**42,311**
Reportable segment losses	**(600)**	**(15,912)**	**–**	**(1,001)**	**873**	**(16,640)**
Amounts included in the measure of segment profit or loss:						
Depreciation	**–**	**–**	**(10)**	**(466)**	**(171)**	**(647)**
Impairment losses on accounts receivables, net	**–**	**(15,060)**	**–**	**–**	**–**	**(15,060)**
(Impairment loss)/reversal of on other receivables	**–**	**(36)**	**–**	**–**	**3,231**	**3,195**
Reversal of impairment losses on loan receivables	**–**	**–**	**–**	**163**	**–**	**163**
Reportable segment assets	**–**	**51,250**	**15,733**	**11,482**	**20**	**78,485**
Reportable segment liabilities	**–**	**(30,373)**	**–**	**(205)**	**(860)**	**(31,438)**

For the year ended 31 December 2022

	Travel Media Business *HK$'000*	Financial Magazine and Other Media Business *HK$'000*	Securities Investment *HK$'000*	Money Lending *HK$'000*	Virtual Reality *HK$'000*	Total *HK$'000*
Reportable segment revenue from external customers	14,941	46,900	–	1,100	3,326	66,267
Reportable segment losses	(8,081)	(15,403)	–	(1,456)	(1,504)	(26,444)
Amounts included in the measure of segment profit or loss:						
Depreciation	–	–	(10)	(466)	(357)	(833)
Impairment losses on accounts receivables	–	(20,562)	–	–	–	(20,562)
Impairment loss on other receivables	–	–	(820)	–	(3,231)	(4,051)
Reversal of impairment losses on loan receivables	–	–	–	818	–	818
Reportable segment assets	–	48,721	15,293	12,865	15,347	92,226
Reportable segment liabilities	–	(3,962)	–	(1,437)	(527)	(5,926)

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

	2023 **HK$'000**	2022 *HK$'000*
Revenue		
Reportable segment revenue	**42,311**	66,267
Profit or loss		
Reportable segment losses	**(16,640)**	(26,444)
Unallocated corporate income	**2,000**	5,081
Unallocated corporate expenses	**(33,975)**	(21,611)
Consolidated losses before taxation	**(48,615)**	(42,974)
Assets		
Segment assets	**78,485**	92,226
Unallocated corporate assets	**6,614**	18,197
Consolidated assets	**85,099**	110,423
Liabilities		
Segment liabilities	**31,438**	5,926
Unallocated corporate liabilities	**2,077**	1,692
Consolidated liabilities	**33,515**	7,618

(c) Geographic information

The Group's operations and workforce are mainly located in Singapore and Hong Kong. Information about the Group's revenue from continuing operations from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the asset. The following table provides an analysis of the Group's revenue from external customers.

	Year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
Singapore	**–**	14,941
Hong Kong	**41,759**	48,000
PRC	**552**	3,326
	42,311	66,267

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

	Year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
Hong Kong	**5,544**	6,020
PRC	**2**	669
	5,546	6,689

(d) Information about major customers

For the year ended 31 December 2023, revenue attributable to the Group's largest customer accounted for 14% (2022: 6%) of the Group's total revenue and aggregate revenue attributable to the five largest customers of the Group accounted for 43% (2022: 29%) of the Group's total revenue.

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
Customer A – Financial magazine and other media business	**6,000**	–

5. OTHER INCOME AND OTHER NET GAINS

	Year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
Bank interest income	**36**	–
Interest income from fixed deposit	**–**	70
Dividend income from financial assets at FVTPL	**–**	34
Other income	**26**	656
Loss on disposal of subsidiaries	**–**	8,762
Realised losses on financial assets at FVTPL ("P-funds")	**(1,025)**	(5,027)
Fair value changes on financial assets at FVTPL	**2,963**	(3,312)
	2,000	1,183

6. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
Impairment losses (recognised)/reversal on:		
– Accounts receivable	**(15,060)**	(20,562)
– Loan receivables	**163**	818
– Other receivables	**3,195**	(4,051)
	(11,702)	(23,795)

7. FINANCE COSTS

	Year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
Interest on bond payable	**–**	180
Interest on lease liabilities	**–**	3
	–	183

8. INCOME TAX EXPENSE

	Year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
Current tax:		
– Hong Kong	**–**	(49)
Under provision in prior year	**(456)**	–
Income tax expense	**(456)**	(49)

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, 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 not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

The calculation of current tax of the Group's subsidiaries in Singapore is based on a prevailing corporate tax rate of 17% (2022: 17%).

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

9. LOSS FOR THE YEAR

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

(a) Staff costs

	Year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
Staff costs (excluding directors' remuneration):		
– Salaries, allowances and benefits in kind	**848**	20,208
– Contributions to defined contribution pension plans	**47**	1,282
– Equity-settled share-based payment expenses for employee	**–**	1,191
	895	22,681

(b) Other items

	Year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
Auditor's remuneration	**424**	410
Depreciation of property, plant and equipment	**658**	833
Cost of inventories sold	**1,200**	302
Expenses to short-term lease	**–**	717
Net foreign exchange (gain)/loss	**(35)**	3,978

10. DIVIDENDS

The board of directors does not recommend payment of any dividend for the year ended 31 December 2023 (2022: Nil).

11. LOSS PER SHARE

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

	Year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
Loss per share		
Loss for the purpose of basic loss per share	**(49,071)**	(43,023)
Effect of dilutive potential ordinary shares:		
Adjustment for share option	**–**	–
Loss for the purpose of diluted loss per share	**(49,071)**	(43,023)

	Year ended 31 December	
	2023	2022
	'000	*'000*
Number of share		
Weighted average number of ordinary shares in issue for the purpose of basis loss per share	**147,541**	135,413
Weighted average number of ordinary shares in issue for the purpose of diluted loss per share	**147,541**	135,413

There were 11,574,500 of outstanding share options as at 31 December 2023 (2022: 19,290,900).

The computation of diluted loss per share does not assume the exercise of Company's options because the exercise price of those options was higher than the average market price for shares for both 2023 and 2022.

12. LOAN RECEIVABLES

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

Loan receivables bear interest at fixed rates, and with credit periods, mutually agreed between the contracting parties. Loan receivables are unsecured. Overdue balances are reviewed regularly and handled closely by senior management, if any.

	2023	2022
	HK$'000	*HK$'000*
Fixed rate loan receivables	**11,000**	11,000
	11,000	11,000
Less: Allowance of credit losses	**(1,106)**	(1,269)
	9,894	9,731
Analysed as:		
Current assets	**9,894**	9,731

13. ACCOUNTS AND OTHER RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Accounts receivable	**89,243**	83,034
Less: Allowance for credit losses	**(58,391)**	(43,330)
	30,852	39,704
Prepayments	**–**	178
Deposits and other receivables	**6,011**	18,575
Less: Allowance for credit losses	**(891)**	(4,086)
	5,120	14,667
Total accounts and other receivables	**35,972**	54,371

At 1 January 2023, accounts receivable from contracts with customers amounted to HK$21,617,000.

The general credit period ranged from 30 days to 90 days, extending up to 180 days for major customers.

The following is an aging analysis of accounts receivable, net of allowance for credit losses presented based on the invoice date:

	2023	2022
	HK$'000	*HK$'000*
Within 90 days	**9,022**	11,971
91-120 days	**2,988**	9,566
121-180 days	**6,000**	4,225
Over 180 days and within 360 days	**12,842**	3,227
Over 360 days	**–**	10,715
	30,852	39,704

As at 31 December 2023, included in the Group's accounts receivable balance were debtors with aggregate carrying amounts of approximately HK$9,022,000 (2022: HK$11,971,000) which were neither past due nor impaired.

Out of the past due balances, HK$21,830,000 (2022: HK$27,733,000) has been past due 90 days or more and is not considered as in default.

Included in deposits, prepayments and other receivables was approximately HK$Nil (2022: HK$97,000) of security accounts as at 31 December 2023.

14. ACCOUNTS AND OTHER PAYABLES

	2023	2022
	HK$'000	*HK$'000*
Accounts payable *(Note (a))*	**–**	23
Accrued expenses	**3,306**	6,132
Other payables	**29,216**	876
Contract liabilities *(Note (b))*	**450**	500
	32,972	7,531

(a) Accounts payable

The average credit period on purchase is generally ranged 45 to 90 days.

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

	2023	2022
	HK$'000	*HK$'000*
Within 90 days	**–**	23
91-120 days	**–**	–
	–	23

(b) Contract liabilities

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on the Group's earliest obligation to transfer goods or services to the customers.

Movements in contract liabilities

	2023	2022
	HK$'000	*HK$'000*
At 1 January	**500**	2,263
Decrease in contract liabilities as a result of recognising revenue during the year	**(500)**	(2,263)
Increase in contract liabilities as a result of receiving sales deposits during the year	**450**	500
At 31 December	**450**	500

15. SHARE CAPITAL

	Number of ordinary shares of HK$0.01 each	**Number of ordinary shares of HK$0.04**	**Share capital**
			HK$'000
Authorised:			
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	–	12,500,000,000	500,000
Issued and fully paid:			
At 1 January 2022	478,413,723	–	4,784
Issue of shares under exercise of share option	19,250,000	–	193
Issue of shares under conversion of convertible bonds (ii)	92,500,000	–	925
Share consolidation (i)	(590,163,723)	147,540,930	–
At 31 December 2022, 1 January 2023 and 31 December 2023	–	147,540,930	5,902

Notes:

(i) On 24 June 2022, the Company completed a share consolidation which involve the consolidation of every four shares of HK$0.01 into one consolidated share of HK$0.04 each.

(ii) On 15 June 2022, the Company issued 9,250,000 of ordinary shares upon the convertible bondholders exercised the conversion rights attaching to the convertible bonds at the conversion price of HK$0.1 per share.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

For the year ended 31 December 2023, 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 multiple well known financial magazines distributed in The People's Republic of China ("PRC") and provision of advertising services through the internet and others media channels ("Financial Magazine And Other Media Business"); (iii) investment in securities ("Securities Investment"); (iv) money lending ("Money Lending Business"); and (v) virtual reality business ("Virtual Reality Business").

The Group's total revenue decreased by HK$24 million or 36.2%, from HK$66.3 million last year to HK$42.3 million for the year ended 31 December 2023 primarily due to the revenue decrease from travel media Business.

Gross profit of the Group was HK$6.8 million for the year ended 31 December 2023, representing a decrease of HK$15 million or 68.8% as compared with HK$21.8 million in 2022. Gross profit margin for the year reached approximately 16.1% (2022: 32.9%), representing a decrease of 16.8% over the last year.

The Group recorded other income, gains and losses in the net gain amount of HK$2 million during the year, compared with HK$1.2 million net gain in the corresponding period of 2022, which was mainly due to an increase in fair value changes on financial assets at FVTPL in 2023.

The impairment approach in HKFRS 9 is based on expectations as opposed to incurred losses under the predecessor accounting standard. This means it is not necessary for a loss event to occur before credit losses are recognised. Instead, a loss allowance is recognised for expected credit losses and is remeasured at each reporting date for changes in those expected credit losses. HKFRS 9 is purposefully designed to be forward looking and reflect expectations of future credit events impacting loans and receivables on the statement of financial position. It is important when determining what 'forward looking' information should be used as it must reflect the forward-looking information that existed at the reporting date.

At the reporting date, the management expected all entities to experience conditions often associated with a general economic downturn, including, but not limited to, financial market volatility and erosion, deteriorating credit, liquidity concerns, further increases in government intervention, increasing unemployment, broad declines in consumer discretionary spending, increasing inventory levels, reductions in production because of decreased demand, layoffs and other restructuring activities. Contingent on the continuation of these circumstances a potential broader economic downturn could result with a prolonged negative impact on the Group's financial results.

In determining the recoverability of the trade receivables, the management had from time to time during the financial period, communicated with the debtors about their financial condition.

Based on the Group's understanding from the foregoing communication and the results of its review on their respective financial information and after taking into account their repayment history and certain forward-looking factors specific to each of them, the Group recorded the impairment losses under expected credit loss model, net of approximately HK$11.8 million (2022: reversal of HK$23.8 million). The Group made provision for impairment losses on accounts receivable when the borrowers with overdue payments. The Directors considered that the amount of the impairment losses was fair and reasonable.

The selling and distribution costs decreased by HK$0.3 million to HK$3.7 million during the year (2022: HK$4 million), representing an decreased of 7.5% against the year of 2022. The administrative expenses increased by approximately HK$4 million to approximately HK$42 million during the year (2022: HK$38 million) representing a increase of 10.5% against the year of 2022.

As a result, the loss attributable to owners of the Company was HK$49.1 million for the year ended 31 December 2023 as compared with a loss of HK$43 million in 2022.

BUSINESS REVIEW

Industry Review

Although the tourism arrival in the Asia Pacific region is showing positive growth, many destinations in the region have yet to achieve or surpass pre-pandemic arrival levels. There is still a large degree of cautiousness when it comes to spending on trade media channels. International travel and tourism recovery from pre-pandemic in the Asia Pacific is uneven with some destinations doing better than others. Higher cost of airfares, strengthening of some currencies and geopolitical uncertainties are some of the stumbling blocks. Passengers' traffic in 2023 from the top 10 international airports in the region showed an average of 78% recovery compared to pre-pandemic level in 2019. The recovery ranges from low of 55% for Hong Kong International Airport to high of 99% for Delhi International Airport. The pace of recovery is expected to continue in 2024 but slow and gradual.

Travel Media Business

For the year ended 31 December 2023, the Travel Media Business recorded a revenue of HK$2.4 million, decreased by 83.9% or HK$12.5 million as compared with that of HK$14.9 million in 2022. This amount represented 5.7% of the Group's total revenue for the year under review.

The business recorded a segment loss of HK$0.6 million this year, representing a decrease of HK$7.5 million with that a segment loss of HK$8.1 million in last year.

Financial Magazine And Other Media Business

During the year, the Group engaged in provision of contents and advertising services through travel and financial magazine, internet and other media channels. The Group timely grasped the opportunity in advertising on digital platform and other media channels.

Revenue from this business was HK$38.4 million, which contributed 90.8% of the Group's total revenue for the year under review. Segmental losses of this business during the year amounted to HK$15.9 million.

Securities Investment

As at 31 December 2023, total market value for the held for trading investments of the Group was approximately HK$12.6 million and recorded fair value gain of approximately HK$3 million. During the current years, the Group realised a loss on financial assets at fair value through profit or loss of approximately HK$1 million (2022: gain HK$5 million).

MONEY LENDING BUSINESS

During the year, the Group conducts its money lending business. The Group's clientele primarily consists of niche customers including corporations and individuals. Most of the clients were acquired through business referrals and introductions from the Company's directors, senior management, business partners or clients. Besides in compliance with all rules and regulations imposed under the MLO, the Group has also formulated internal money lending policy to guide the money lending operations. The loan terms would be arrived at after considering a combination of factors including prevalent market interest rates, the financial strength of the borrower, the collaterals offered as past credit history of the borrower with the Group and adjusted, if necessary, by arms-length negotiations with the borrower.

Revenue from this business was HK$1 million, which accounted for 2.4% of the Group's total revenue for the year. A total principal amount and accrued interest of approximately HK$9.9 million remain outstanding. The Group retained an independent professional valuer to conduct impairment assessment on the outstanding loans in view of the deteriorated financial status of certain borrowers during the year. The Group will closely monitor to the status of the receivables, keep updated the status of the borrower and take relevant actions including but not limited to communicate to the borrowers and take reference to their explanation for the failure of repayment, their updated financial status, their steps to correct their problems and new schedule for repayment etc.

Business Model

In respect of the money lending business, the Group targeted on variety of customers including individuals and corporations by providing secured or unsecured loans. The source of customers is mainly past customers or referrals by third parties. Loans are mainly of unsecured loans by three individuals which had a good standing on their background and income proof and they were referred by the past customers with good standing on the loan and interest repayment. The source of funds for the money lending business is funded by the internal resources of the Group.

Major Terms of Loans Granted

As at 31 December 2023, loan receivables with the aggregate gross principal amount approximately of HK$11,000,000 and HK$Nil interest receivables (2022: gross principal amount of HK$11,000,000 and HK$823,000 interest receivables) were due from three (2022: three) independent third parties. The interest rates of the loan receivables range from 8% to 10% per annum (2022: 8% to 10% per annum.) on the principals from HK$3,500,000 to HK$4,000,000 (2022: from HK$3,500,000 to HK$4,000,000). Three (2022: three) of the loan receivables are unsecured, of which the largest loan receivables of approximately HK$4,000,000. Three of loan receivables were repayable in 2024.

Loan Impairments

The loan impairment was recognised due to the expected credit losses. In 2023, the economic downturn will be continued due to the continuation of the epidemic and the outbreak of new wave of epidemic in the first quarter of 2022 which may affect the repayment ability of the borrower, thus affecting the Group's expectation to each of the borrowers on their ability to repay their debts. Therefore, when estimating the default rate of loan receivables, the Group considered that the default rate of each borrowers increased in 2022. Besides, the Group based on the borrowers' current financial status by communicating with the borrowers, referring to their past and current repayment records, loan terms, and the value of the collaterals, and will make further additional independent adjustments, to calculate the loan impairment for the year.

Internal Controls

The Group manages credit risk through review and credit approval and post-transaction monitoring processes which are performed by management. Before the loans were granted, an independent credit risk assessment has been performed. The independent credit risk assessment including but not limited to the background check, income or asset proof of individual customers and financial reports of corporate customers and the verification of the authenticity of the information provided, to ensure the recovery ability of the loan.

The Company has adopted the procedures on monitoring loan repayment and recovery which involve (a) the borrowers is required to report on the financial or business performance periodically; (b) it is required to report to the Company for any material defaulted loans immediately upon occurrence; In respect of delinquent loans, the standard demand letters will be issued. If no satisfactory response is received, formal legal demand letters will be issued. Thereafter formal legal proceedings may be issued where appropriate.

VIRTUAL REALITY BUSINESS

Revenue from this business was approximately HK$0.6 million for the year, which accounted for approximately 1.4% of the Group's total revenue for the year.

SIGNIFICANT INVESTMENTS

Save as disclosed in this announcement, there were no investment exceed 5% on total assets of the Group for the year ended 31 December 2023.

PROSPECT

We will actively expand the customer base and will explore business opportunities in the area of the financial magazine and other media business and seek the better opportunities in other industry with potential in particular. In addition, we will continue to focus on enhancing our service efficiency in order to minimize costs and time, and be more responsive to the changing market conditions and the service demand. We have also been adjusting our strategies to reduce markup multiples and will continue to focus on enhancing our service value and brand building.

The Directors endeavor to seek more business opportunities in the financial industry as well as other industries to diversify the Group's existing business stream to enhance the long-term benefits of the Company and the shareholders as a whole.

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$51.6 million as at 31 December 2023, representing a decrease of approximately HK$51.2 million as compared with that of HK$102.8 million as at 31 December 2022. Total assets amounted to HK$85.1 million as at 31 December 2023 (2022: HK$110.4 million), of which HK$21.1 million (2022: HK$31.2 million) as bank balances and cash, financial assets at fair value through profit or loss, held for trading was HK$12.6 million (2022: HK$6.6 million).

Capital structure

As of 31 December 2023, the Group's consolidated net assets was HK$51.6 million, representing a decrease of approximately HK$51.2 million as compared with that of HK$102.8 million in 2022.

As at 31 December 2023, the Company has 147,540,930 shares of HK$0.04 each in issue. The value of share capital was approximately HK$5.9 million as at 31 December 2023 (31 December 2022: approximately HK$5.9 million).

FUND RAISING ACTIVITIES

No fund raising activities was held during the year ended 31 December 2023.

Charges on the Group's assets

There was no charges on the Group's assets as at 31 December 2023 and 2022.

Borrowings

The Group has no borrowings for financial institutions as at 31 December 2023 and 2022.

The gearing ratio (net debts divided by shareholders' equity) was Nil as at 31 December 2023 (2022: Nil).

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 Renminbi and Hong Kong dollars. During the years ended 31 December 2023 and 2022, 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 2023 and 2022.

Employee information

As at 31 December 2023, the Group had 27 (2022: 42) employees, of which 8 (2022: 13) were based in Hong Kong, 18 (2022: 15) in China and 1 (2022: 14) in Singapore. 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).

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "2013 Share Option Scheme") on 31 December 2013, which was approved by the shareholders at the extraordinary general meeting of the Company held on the same date.

The purpose of the 2013 Share Option Scheme is to enable the Group to grant share options to eligible participants as incentives or rewards for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the eligible participants.

The 2013 Share Option Scheme was expired on 31 December 2023.

The table below shows the details on the movement of the outstanding share options granted to all grantees under the Scheme as at 31 December 2023.

Name or category of grantee	Date of grant	Exercise price per share *(HK$)*	Closing price Immediately before the date of grant *(HK$)*	Vesting date	Exercisable period	Outstanding share options as at 1 January 2023	Number of options granted	Number of shares Underlying share options granted	Number of options exercised during the reporting period	Number options lapsed during the reporting period	Outstanding share options as at 31 December 2023
Director											
Mr. Wang Tao	11 April 2022	0.3272	0.312	None	11 April 2022 to 10 April 2024	1,157,450	–	–	–	–	1,157,450
Other employees											
10 employees	9 April 2021	0.328	0.308	None	9 April 2021 to 8 April 2023	7,716,400	–	–	–	(7,716,400)	–
9 employees	11 April 2022	0.3272	0.312	None	11 April 2022 to 10 April 2024	10,417,050	–	–	–	–	10,417,050
Total						19,290,900	–	–	–	(7,716,400)	11,574,500

The Outstanding share options as at the 1 January 2023 and 31 December 2023 for Mr Wang Tao, the Executive Director of the Company was 1,157,450.

The Outstanding share options as at the 1 January 2023 and 31 December 2023 for the employees of the Company were 18,133,450 and 10,417,050 respectively.

Since the 2013 Share Option Scheme was expired on 31 December 2023, no share options available for grant under this Share Option Scheme as at 31 December 2023.

The total number of securities available for issue under the Share Option Scheme was 11,574,500, representing approximately 7.84% of the entire issued share capital of the Company. The relevant percentage is calculated by reference to the weighted average number of shares for the year ended 31 December 2023 of approximately 147,540,900.

DIVIDEND

No payment of dividend has been recommended by the Board in respect of the year ended 31 December 2023 (2022: Nil).

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

During the year ended 31 December 2023, 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 2023 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 2023 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 2023.

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 2023 annual report is estimated to be dispatched to shareholders on or before 30 April 2024 and will be published on the aforementioned websites in due course.

By order of the Board
Sino Splendid Holdings Limited
Wang Tao
Executive Director

Hong Kong, 26 March 2024

As at the date of this announcement, the Board comprises Mr. Wang Tao and Mr. Yu Tat Chi, Michael as executive Directors; Mr. Yeung Man Sun, Ms. Chow Yee Ting 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.