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 2024

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 2024 with comparative figures for the year ended 31 December 2023, are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

		Year ended 31 December	
		2024	2023
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*		
Contract with customers		**29,500**	41,322
Interest under effective interest method		**880**	989
Net investment (loss) gain		**(949)**	2,963
Total revenue		**29,431**	45,274
Cost of sales		**(24,053)**	(35,503)
Gross profit		**5,378**	9,771
Other income	*5*	**–**	62
Other gains and losses	*6*	**–**	559
Impairment loss under expected credit loss model, net of reversal	*7*	**(20,401)**	(11,702)
Selling and distribution expenses		**(942)**	(3,695)
Administrative expenses		**(8,230)**	(43,610)
Loss before tax		**(24,195)**	(48,615)
Income tax expense	*8*	**–**	(456)
Loss for the year attributable to equity holders of the Company	*9*	**(24,195)**	(49,071)
Other comprehensive expense:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(2,601)**	(121)
Total comprehensive expense for the year attributable to equity holders of the Company		**(26,796)**	(49,192)
Loss per share (HK cents)	*11*		
– Basic and diluted		**(16.40)**	(33.26)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Non-current Assets			
Property, plant and equipment		**23**	385
Goodwill		**5,161**	5,161
		5,184	5,546
Current Assets			
Loan receivables	*12*	**9,531**	9,894
Accounts and other receivables	*13*	**32,727**	35,853
Financial assets at fair value through profit or loss		**11,616**	12,565
Cash and cash equivalents		**6,903**	21,241
		60,777	79,553
Current Liabilities			
Accounts and other payables	*14*	**41,088**	32,522
Tax liabilities		**85**	543
Contract liabilities		**–**	450
		41,173	33,515
Net Current Assets		**19,604**	46,038
Net Assets		**24,788**	51,584
Capital and Reserves			
Share capital	*15*	**5,902**	5,902
Reserves		**18,886**	45,682
Equity attributable to equity holders of the Company		**24,788**	51,584

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 People's Republic of China (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.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The application of the 2020 and 2022 Amendments has no material impact on the classification of the Group's liabilities.

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except as described below, the directors of the Company anticipate that the application of all new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

(i) ***HKFRS 18 Presentation and Disclosure in Financial Statements***

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

3. REVENUE

(i) Disaggregation of revenue from contracts with customers

	2024	2023
	HK$'000	*HK$'000*
Types of goods or services		
Travel media	**500**	2,400
Financial magazine and other media services	**29,000**	38,370
Virtual reality	**–**	552
	29,500	41,322
Timing of revenue recognition:		
A point in time	**29,500**	41,322

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	2024	2023
	HK$'000	*HK$'000*
Travel media	**500**	2,400
Financial magazine and other media services	**29,000**	38,370
Virtual reality	**–**	552
Revenue from contracts with customers	**29,500**	41,322
Interest under effective interest method	**880**	989
Total	**30,380**	42,311

(ii) Performance obligations for contracts with customers and revenue recognition policies

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 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.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The Group has no remaining (unsatisfied or partially unsatisfied) performance obligations as at 31 December 2024 and 2023.

(iv) Net investment (loss) gain

	2024	2023
	HK$'000	*HK$'000*
Changes in fair value of financial assets at FVTPL	**(949)**	2,963

4. OPERATING SEGMENTS

Information reported to the executive directors, being the CODM, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable segments under HKFRS 8 *Operating Segments* are as follows:

(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").

Segment revenues and results

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

For the year ended 31 December 2024

	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*
Segment revenue from external customers	**500**	**29,000**	**–**	**880**	**–**	**30,380**
Net investment loss	**–**	**–**	**(949)**	**–**	**–**	**(949)**
Total	**500**	**29,000**	**(949)**	**880**	**–**	**29,431**
Segment loss	**(125)**	**(17,383)**	**(1,048)**	**(1,246)**	**(6)**	**(19,808)**
Unallocated corporate expenses						**(4,387)**
Loss before tax						**(24,195)**

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*
Segment revenue from external customers	2,400	38,370	–	989	552	42,311
Net investment gain	–	–	2,963	–	–	2,963
Total	2,400	38,370	2,963	989	552	45,274
Segment (loss) profit	(600)	(25,912)	2,886	(1,001)	873	(23,754)
Other income						62
Other gains and losses						559
Unallocated corporate expenses						(25,482)
Loss before tax						(48,615)

The accounting policies of the operating segments are the same as the Group's accounting policies described in the consolidated financial statements. Segment loss represents the loss from each segment without allocation of other income, other gains and losses, central administration costs and directors' emoluments. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

	2024	2023
	HK$'000	*HK$'000*
Segment assets		
Travel Media Business	**1,170**	670
Financial Magazine and Other Media Business	**36,719**	55,741
Securities Investment	**11,738**	15,733
Money Lending	**9,531**	11,482
Virtual Reality	**5**	20
Total reportable segment assets	**59,163**	83,646
Unallocated	**6,798**	1,453
Consolidated assets	**65,961**	85,099
Segment liabilities		
Travel Media Business	**–**	–
Financial Magazine and Other Media Business	**39,999**	30,373
Securities Investment	**–**	–
Money Lending	**–**	205
Virtual Reality	**236**	860
Total reportable segment liabilities	**40,235**	31,438
Unallocated	**938**	2,077
Consolidated liabilities	**41,173**	33,515

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than unallocated corporate assets (including primarily unallocated bank balance and cash); and

- all liabilities are allocated to operating segments other than unallocated corporate liabilities.

Other segment information

For the year ended 31 December 2024

	Travel Media Business *HK$'000*	**Financial Magazine and Other Media Business** *HK$'000*	**Securities Investment** *HK$'000*	**Money Lending** *HK$'000*	**Virtual Reality** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:							
Depreciation	**–**	**–**	**–**	**(360)**	**(2)**	**–**	**(362)**
Impairment losses on accounts receivable recognised in profit or loss	**–**	**(19,275)**	**–**	**–**	**–**	**–**	**(19,275)**
Impairment losses on loan receivables recognised in profit or loss	**–**	**–**	**–**	**(363)**	**–**	**–**	**(363)**
Impairment losses on other receivables recognised in profit or loss	**–**	**(763)**	**–**	**–**	**–**	**–**	**(763)**

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$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:							
Depreciation	–	–	(20)	(466)	(172)	–	(658)
Impairment losses on accounts receivable recognised in profit or loss	–	(15,060)	–	–	–	–	(15,060)
Impairment losses on loan receivables reversed in profit or loss	–	–	–	163	–	–	163
Impairment losses on other receivables reversed in profit or loss	–	(36)	–	–	3,231	–	3,195
Amounts regularly provided to the chief operating decision marker but not included in the measure of segment profit or loss or segment assets:							
Interest income	–	–	–	–	–	36	36

Geographic information

The Group's operations are located in Hong Kong and the PRC.

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 assets.

	Year ended 31 December	
	2024	2023
	HK$'000	*HK$'000*
Revenue from external customers		
Hong Kong	**30,380**	41,759
The PRC	**–**	552
	30,380	42,311

	At 31 December	
	2024	2023
	HK$'000	*HK$'000*
Non-current assets		
Hong Kong	**5,184**	5,544
The PRC	**–**	2
	5,184	5,546

Information about major customers

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

	Year ended 31 December	
	2024	2023
	HK$'000	*HK$'000*
Customer A[1]	**3,000**	N/A[2]
Customer B[1]	**N/A[2]**	6,000

1 Revenue from Financial Magazine and Other Media Business.

2 Revenue did not contribute over 10% of the total revenue of the Group for the corresponding reporting period.

5. OTHER INCOME

	Year ended 31 December	
	2024	2023
	HK$'000	*HK$'000*
Bank interest income	**–**	36
Others	**–**	26
	–	62

6. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2024	2023
	HK$'000	*HK$'000*
Gain on deregistration of subsidiaries	**–**	2,026
Net foreign exchange gains	**–**	35
Loss from changes in fair value of financial assets mandatorily measured at FVTPL	**–**	(1,025)
Loss on disposal of property, plant and equipment	**–**	(477)
	–	559

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

	Year ended 31 December	
	2024	2023
	HK$'000	*HK$'000*
Impairment losses recognised (reversed) on:		
– Accounts receivable	**19,275**	15,060
– Loan receivables	**363**	(163)
– Other receivables	**763**	(3,195)
	20,401	11,702

8. INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
	HK$'000	*HK$'000*
Current tax:		
– Hong Kong	**–**	–
Underprovision in prior years	**–**	456
Income tax expense	**–**	456

9. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	Year ended 31 December	
	2024	2023
	HK$'000	*HK$'000*
Staff costs (excluding directors' remuneration):		
– Salaries, allowances and benefits in kind	**108**	848
– Contributions to defined contribution pension plans	**5**	47
	113	895
Auditor's remuneration	**420**	424
Depreciation of property, plant and equipment	**362**	658
Cost of inventories recognised as an expense	**–**	1,200
Expenses to short-term lease	**54**	66

10. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during 2024, nor has any dividend been proposed since the end of the reporting period (2023: HK$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	
	2024	2023
	HK$'000	*HK$'000*
Loss:		
Loss for the year attributable to equity holders of the Company for the purposes of calculation of basic and diluted loss per share	**(24,195)**	(49,071)

	2024	2023
	'000	*'000*
Number of shares:		
Number of ordinary shares for the purposes of basic and diluted loss per share	**147,541**	147,541

The computation of diluted loss per share does not assume the exercise of Company's share options because the exercise price of those share options was higher than the average market price for shares for both 2024 and 2023.

12. LOAN RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Fixed rate loan receivables	**11,000**	11,000
Less: Allowance for credit losses	**(1,469)**	(1,106)
	9,531	9,894
Analysed as:		
Current assets	**9,531**	9,894

13. ACCOUNTS AND OTHER RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Accounts receivable	**107,075**	89,243
Less: Allowance for credit losses	**(74,348)**	(58,391)
	32,727	30,852
Deposits and other receivables	**1,654**	5,892
Less: Allowance for credit losses	**(1,654)**	(891)
	–	5,001
Total accounts and other receivables	**32,727**	35,853

At 1 January 2023, accounts receivable from contracts with customers amounted to HK$39,704,000.

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 at the end of the reporting period:

	2024 *HK$'000*	2023 *HK$'000*
Within 90 days	**6,297**	9,022
91-120 days	**2,060**	2,988
121-180 days	**4,121**	6,000
Over 180 days and within 360 days	**11,039**	12,842
Over 360 days	**9,210**	–
	32,727	30,852

14. ACCOUNTS AND OTHER PAYABLES

	2024 *HK$'000*	2023 *HK$'000*
Accounts payable	**38,337**	29,216
Accrued expenses	**2,522**	2,460
Other payables	**229**	846
	41,088	32,522

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:

	2024 *HK$'000*	2023 *HK$'000*
Within 90 days	**5,230**	9,090
91-180 days	**5,231**	9,090
181-360 days	**20,861**	9,600
Over 360 days	**7,015**	1,436
	38,337	29,216

15. SHARE CAPITAL

	Number of shares	Share capital *HK$'000*
Ordinary shares of HK$0.04 each		
Authorised:		
At 1 January 2023, 31 December 2023, and 31 December 2024	12,500,000,000	500,000
Issued and fully paid:		
At 1 January 2023, 31 December 2023 and 31 December 2024	**147,540,930**	**5,902**

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

For the year ended 31 December 2024, 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$15.9 million or 35%, from HK$45.3 million last year to HK$29.4 million for the year ended 31 December 2024 primarily due to the revenue decrease from Financial Magazine and Other Media Business.

Gross profit of the Group was HK$5.4 million for the year ended 31 December 2024, representing a decrease of HK$4.4 million or 45% as compared with HK$9.8 million in 2023. Gross profit margin for the year reached approximately 18.3% (2023: 21.6%), representing a decrease of 3.3% over the last year.

The Group recorded other income and other gains and losses amount of Nil and Nil, respectively during the year, compared with HK$0.06 million and HK$0.6 million in the corresponding period of 2023, respectively.

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$20.4 million (2023: reversal of HK$11.7 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$2.8 million to HK$0.9 million during the year (2023: HK$3.7 million), representing a decrease of 74.5% against the year of 2023. The administrative expenses decreased by approximately HK$35.4 million to approximately HK$8.2 million during the year (2023: HK$43.6 million), representing a decrease of 81.2% against the year of 2023. Such decrease was mainly due to the decrease in consultancy fees and other expenses.

As a result, the loss attributable to owners of the Company was HK$24.2 million for the year ended 31 December 2024 as compared with a loss of HK$49.1 million in 2023.

BUSINESS REVIEW

Industry Review

In 2024, it is typically a slower year for the Group. The performance for the year of 2024 fell short of expectations, with revenue generated falling below budgeted figures. The primary reason for this shortfall is that sales revenue has yet to recover from the sharp downturn from COVID-19. Many potential advertisers remain cautious regarding run-of-page advertising and promotional spending. Additionally, unfavourable exchange rates resulting from the weakening of the US dollar have impacted our bottom line. Significantly, our overall bottom line has improved due to effective cost management strategies implemented across the organization and improvement of revenue. We will reinforce our processes and explore industry best practices to mitigate risks, which will be crucial as we try our effort to seek other channel to enhance our finance magazine market in other eastern Asia countries for the year of 2025.

Travel Media Business

For the year ended 31 December 2024, the Travel Media Business recorded a revenue of HK$0.5 million, decreased by 79.2% or HK$1.9 million as compared with that of HK$2.4 million in 2023. This amount represented 1.7% of the Group's total revenue for the year under review.

The business recorded a segment loss of HK$0.13 million this year, representing a decrease of HK$0.47 million with that a segment loss of HK$0.6 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$29 million, which contributed 98.5% of the Group's total revenue for the year under review. Segmental losses of this business during the year amounted to HK$17.4 million.

Securities Investment

As at 31 December 2024, total market value for the held for trading investments of the Group was approximately HK$11.6 million and recorded fair value losses of approximately HK$0.95 million. During the current year, the Group realised on financial assets at fair value through profit or loss was Nil (2023: loss HK$1 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$0.9 million, which accounted for 3.0% of the Group's total revenue for the year. A total principal amount and accrued interest of approximately HK$9.5 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 2024, loan receivables with the aggregate gross principal amount approximately of HK$11,000,000 and HK$Nil interest receivables (2023: gross principal amount of HK$11,000,000 and HK$Nil interest receivables) were due from three (2023: three) independent third parties. The interest rates of the loan receivables range from 8% to 10% per annum (2023: 8% to 10% per annum.) on the principals from HK$3,500,000 to HK$4,000,000 (2023: from HK$3,500,000 to HK$4,000,000). Three (2023: 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 2025.

Loan Impairments

The loan impairment was recognised due to the expected credit losses. In 2024, 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 2023 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 2023. 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 Nil for the year, which accounted for Nil of the Group's total revenue for the year. Accordingly, the Group's virtual reality business is mainly operated in the PRC. The PRC market did not grow to the extent that the Company had hoped during the financial year ended 31 December 2023. During the year of 2024, the Group's virtual reality business faced a very complex and volatile environment both domestically and internationally. The unfavorable and uncertain global macroeconomic environment and the said business continues to face considerable dilemma from mounting maintenance costs, shortage of skilled sewing workers, slowing domestic demand as well as strong domestic and international competitions.

As a result, the virtual reality business of the Group was adversely affected for the financial year ended 31 December 2024. Following the year ended on 31 December 2023, the Group did not carry out any operation in its virtual reality business during the year and hence no revenue were made in relation to the virtual reality business for the year ended 31 December 2024. Subsequent to 31 December 2024, Aolin Jingi Kongjian (Shenzhen) Jishu Co., Ltd., a wholly-owned subsidiary of the Company, has been deregistered in 8 February 2025.

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 2024.

PROSPECT

The Group will continue to devote necessary resources to further increase its market share if feasible. Leveraging on the Group's solid experience accumulated over the years, the Group will continue to commit to its core business. The Group will also consider to invest and develop its financial magazine and other media service in a proactive manner in order to broaden its revenue base. We are optimistic on the growth of the market in Mainland China and Hong Kong as well as we are confident in their economic development and its strength as a financial centres, as evidenced by the positive GDP recorded over the past years.

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$24.8 million as at 31 December 2024, representing a decrease of approximately HK$26.8 million as compared with that of HK$51.6 million as at 31 December 2023. Total assets amounted to HK$66.0 million as at 31 December 2024 (2023: HK$85.1 million), of which HK$6.9 million (2023: HK$21.2 million) as bank balances and cash, financial assets at fair value through profit or loss, held for trading was HK$11.6 million (2023: HK$12.6 million).

Capital structure

As of 31 December 2024, the Group's consolidated net assets was HK$24.8 million, representing a decrease of approximately HK$26.8 million as compared with that of HK$51.6 million in 2023.

As at 31 December 2024, 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 2024 (31 December 2023: approximately HK$5.9 million).

FUND RAISING ACTIVITIES

No fund raising activities was held during the year ended 31 December 2024.

Charges on the Group's assets

There was no charges on the Group's assets as at 31 December 2024 and 2023.

Borrowings

The Group has no borrowings for financial institutions as at 31 December 2024 and 2023.

The gearing ratio (net debts divided by shareholders' equity) was Nil as at 31 December 2024 (2023: 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 2024 and 2023, 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 2024 and 2023.

Employee information

As at 31 December 2024, the Group had 22 (2023: 27) employees. 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 2024.

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 2024	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 2024
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)	–
9 employees	11 April 2022	0.3272	0.312	None	11 April 2022 to 10 April 2024	10,417,050	–	–	–	(10,417,050)	–
Total						11,574,500	–	–	–	(11,574,500)	–

The Outstanding share options as at the 1 January 2024 and 31 December 2024 for Mr Wang Tao, the Executive Director of the Company was 1,157,450 and Nil respectively.

The Outstanding share options as at the 1 January 2024 and 31 December 2024 for the employees of the Company were 10,417,050 and Nil 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 2024.

As at 31 December 2024, the Company has not adopted New Share Option Scheme.

DIVIDEND

No payment of dividend has been recommended by the Board in respect of the year ended 31 December 2024 (2023: Nil).

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

During the year ended 31 December 2024, 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 2024 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.

SCOPE OF WORK OF WILSON & PARTNERS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Wilson & Partners CPA Limited ("WPCPA"), to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 31 March 2025. The work performed by WPCPA in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by WPCPA 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 2024.

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 2024 annual report is estimated to be dispatched to shareholders on or before 30 April 2025 and will be published on the aforementioned websites in due course.

By order of the Board
Sino Splendid Holdings Limited
Yu Tat Chi
Executive Director

Hong Kong, 31 March 2025

As at the date of this announcement, the Board comprises Mr. Wang Tao and Mr. Yu Tat Chi 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.