

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 2017

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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: (1) the information contained in this announcement is accurate and complete in all material respects and no misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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 2017 with comparative figures for the preceding financial year, are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

	<i>Notes</i>	2017 HK\$'000	2016 <i>HK\$'000</i>
Revenue	4	93,121	100,185
Cost of sales		(48,456)	(51,717)
Gross profit		44,665	48,468
Other income, gains and losses	6	(187,632)	159,503
Selling and distribution expenses		(14,490)	(14,764)
Administrative expenses		(48,862)	(48,038)
Finance costs		(2)	(96)
(Loss)/profit before tax		(206,321)	145,073
Income tax credit/(expense)	7	26,433	(29,873)
(Loss)/profit for the year	8	(179,888)	115,200
Other comprehensive income/(expenses)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operation		4,736	(2,019)
Other comprehensive income/(expenses) for the year		4,736	(2,019)
Total comprehensive (expenses)/income for the year		(175,152)	113,181
(Loss)/profit attributable to:			
Owners of the Company		(179,888)	115,200
Non-controlling interests		—	—
		(179,888)	115,200
Total comprehensive (expenses)/income attributable to:			
Owners of the Company		(175,152)	113,181
Non-controlling interests		—	—
		(175,152)	113,181
(Loss)/earnings per share	9		
Basic (HK cents)		(46.62)	35.83
Diluted (HK cents)		N/A	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	<i>Notes</i>	2017 HK\$'000	2016 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		1,737	1,876
Goodwill		5,161	5,161
Intangible assets		16,717	24,243
Available-for-sale investments		65,437	62,490
		89,052	93,770
Current assets			
Accounts receivables	<i>11</i>	26,964	23,387
Prepayments, deposits and other receivables		4,397	2,241
Loan receivables	<i>12</i>	9,178	–
Held-for-trading investments	<i>13</i>	13,369	243,893
Bank balances and cash		111,901	80,980
		165,809	350,501
Current liabilities			
Accounts payables	<i>14</i>	2,653	3,471
Other payables and accrued liabilities		34,586	32,276
Deferred revenue		1,258	268
Tax liabilities		1,619	3,324
		40,116	39,339
Net current assets		125,693	311,162
Total assets less current liabilities		214,745	404,932
Non-current liabilities			
Deferred tax liabilities		2,757	30,328
Net assets		211,988	374,604
Capital and reserves			
Share capital		3,858	3,215
Share premium and reserves		206,101	369,360
Equity attributable to owners of the Company		209,959	372,575
Non-controlling interests		2,029	2,029
Total equity		211,988	374,604

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

For the year ended 31 December 2017, the principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are (i) travel media operations with provision of advertising services through the internet and travel magazines, event organising services and magazine publication; (ii) provision of contents and advertising services in a well-known financial magazine distributed in PRC; (iii) investment in securities and (iv) money lending.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Functional and presentation currency

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

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

a. New and amended Standards and Interpretations issued that are applicable to December 2017 year-end

In the current year, the Group has applied for the first time the following amendments to HKFRSs that are mandatorily effective for an accounting period that begins on or after 1 January 2017:

Amendment to HKAS 7	Disclosure Initiative;
Amendment to HKAS 12	Recognition of Deferred Tax Assets for Unrealised losses; and
HKFRSs (Amendment)	Annual Improvements to HKFRSs, 2014-2016 Cycle

b. New and amended Standards and Interpretations issued that are effective subsequent to December 2017 year-end, but may be adopted early

The Group has not applied any of the following new and revised HKFRSs that have been issued but are not yet mandatorily effective:

HKFRS 9	Financial Instruments ¹
HKFRS 15 and amendments to HKFRS 15	Revenue from Contracts with Customers ¹
HKFRS 16	Leases ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2014–2016 Cycle ⁴
HK(IFRIC) Interpretation 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) Interpretation 23	Uncertainty over Income Tax Treatments ²

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

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

⁴ For those amendments that will become effective for annual periods beginning on or after 1 January 2018

4. REVENUE

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

	2017 HK\$'000	2016 HK\$'000
Travel Media	70,413	91,382
Financial Magazine	22,412	8,799
Securities Investment	–	4
Money Lending	296	–
	93,121	100,185

5. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has four (2016: three) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- i. Engaged in travel media operations with provision of advertising services through the internet and travel magazines, event organizing services and magazine publication ("Travel Media Business");
- ii. Provision of contents and advertising services in a well-known financial magazine distributed in the PRC ("Financial Magazine Business");
- iii. Investment in securities ("Securities Investment"); and
- iv. Money lending segment provides funds to clients and receives loan interest income in return ("Money lending").

Inter-segment transactions, if any, are priced with reference to prices charged to external parties for similar products or services. Corporate revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-maker for assessment of segment performance.

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

(a) Business segments

For the year ended 31 December 2017

	Travel Media Business <i>HK\$'000</i>	Financial Magazine Business <i>HK\$'000</i>	Securities Investment <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue					
from external customers	70,413	22,412	–	296	93,121
Reportable segment profit/(loss)	8,887	(8,957)	(228,848)	296	(228,622)
Reportable segment assets	73,683	29,007	41,899	9,498	154,087
Reportable segment liabilities	10,908	27,971	623	49	39,551

For the year ended 31 December 2016

	Travel Media Business HK\$'000	Financial Magazine Business HK\$'000	Securities Investment HK\$'000	Total HK\$'000
Reportable segment revenue				
from external customers	91,382	8,799	4	100,185
Reportable segment				
profit/(loss)	19,146	(2,551)	154,110	170,705
Reportable segment assets	64,855	44,039	275,643	384,537
Reportable segment liabilities	16,682	19,188	27,959	63,829

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

	2017 HK\$'000	2016 HK\$'000
Revenue		
Reportable segment revenue	93,121	100,185
Profit before income tax expense		
Reportable segment (loss)/profit	(228,622)	170,705
Unallocated corporate income	38,482	2,620
Unallocated corporate expenses	(16,181)	(28,252)
Consolidated (loss)/profit before income tax expense	(206,321)	145,073
Assets		
Segment assets	154,087	384,537
Cash and cash equivalents	72,875	22,549
Unallocated corporate assets	27,899	37,185
Consolidated total assets	254,861	444,271
Liabilities		
Segment liabilities	39,551	63,829
Unallocated corporate liabilities	3,322	5,838
Consolidated total liabilities	42,873	69,667

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

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

(c) Geographic information

The geographical location of customers is based on the location at which the goods delivered or service provided. The geographical location of the non-current assets is based on the physical and operating location of the assets.

The Group's operations and workforce are mainly located in Singapore and Hong Kong.

The following table provides an analysis of the Group's revenue from external customers.

	2017 HK\$'000	2016 HK\$'000
Singapore	70,413	91,382
Hong Kong	22,708	8,803

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

	2017 HK\$'000	2016 HK\$'000
Singapore	712	543
Hong Kong	88,340	93,227

(d) Information about major customers

For the years ended 31 December 2017 and 2016, there was no customer accounted for over 10% of the total revenue of the Group.

6. OTHER INCOME, GAINS AND LOSSES

	2017 HK\$'000	2016 HK\$'000
Dividend income from available-for-sale investments	37,694	3,083
Loss on derecognised of available-for-sale investments	–	(463)
Bank interest income	5	22
Other non-operating income	2,770	1,313
Realised loss on disposal of held-for-trading investments	(56,929)	(8,681)
Unrealised (loss)/gain on held-for-trading investments	(171,172)	164,229
	(187,632)	159,503

7. INCOME TAX CREDIT/(EXPENSE)

	2017 HK\$'000	2016 <i>HK\$'000</i>
Current tax – Hong Kong	(49)	(118)
Current tax – Singapore	(1,089)	(3,196)
Deferred tax	<u>27,571</u>	<u>(26,559)</u>
	<u>26,433</u>	<u>(29,873)</u>

Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) on the estimated assessable profits for the year.

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

8. (LOSS)/PROFIT FOR THE YEAR

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

	2017 HK\$'000	2016 <i>HK\$'000</i>
Operating leases	2,366	2,291
Depreciation of property, plant and equipment	709	828
Amortisation of intangible assets	<u>7,526</u>	<u>3,596</u>
Staff costs (including directors' emoluments)	23,408	24,402
Retirement benefits scheme contributions	<u>2,681</u>	<u>2,793</u>
Total staff costs	<u>26,089</u>	<u>27,195</u>
Net foreign exchange gain	(211)	(276)
Auditor's remuneration	430	594
Impairment losses on accounts receivables	<u>–</u>	<u>805</u>

9. (LOSS)/EARNINGS PER SHARE

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
(Loss)/earnings		
(Loss)/earnings for the purpose of computation of basic (loss)/earnings per share	<u>(179,888)</u>	<u>115,200</u>

	2017 <i>'000</i>	2016 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic (loss)/earnings per share (<i>Note</i>)	<u>385,821</u>	<u>321,521</u>

Note:

No diluted (loss)/earnings per share has been presented because there was no potential dilutive ordinary share in issue for the years ended 31 December 2017 and 2016.

10. DIVIDEND

The directors do not recommend the payment of a final dividend for the years ended 31 December 2017 and 2016.

11. ACCOUNTS RECEIVABLES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Accounts receivables	29,203	26,948
Less: Allowance for bad and doubtful debts	<u>(2,239)</u>	<u>(3,561)</u>
	<u>26,964</u>	<u>23,387</u>

The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month, extending up to six months for major customers. The Group seeks to maintain strict control over its outstanding accounts receivable and has a credit control policy to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group has provided impairment losses on accounts receivables based on experience of collecting payments.

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

	2017 HK\$'000	2016 <i>HK\$'000</i>
Within 90 days	14,745	16,138
91-120 days	1,633	1,884
121-180 days	3,815	1,205
Over 180 days and within one year	6,771	4,160
	<u>26,964</u>	<u>23,387</u>

12. LOAN RECEIVABLES

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

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

	2017 HK\$'000	2016 <i>HK\$'000</i>
Loan receivables		
– Current portion	<u>9,178</u>	<u>–</u>

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

	2017 HK\$'000	2016 <i>HK\$'000</i>
Repayable		
0 to 90 days	–	–
91 to 180 days	–	–
181 to 365 days	9,178	–
Over 1 year	<u>–</u>	<u>–</u>
	<u>9,178</u>	<u>–</u>

Loan receivables of HK\$9,178,000 (2016: Nil) that were neither past due nor impaired related to debtors for whom there is no recent history of default.

13. HELD-FOR-TRADING INVESTMENTS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Equity securities, at market value Listed in Hong Kong	<u>13,369</u>	<u>243,893</u>

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

14. ACCOUNTS PAYABLES

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Within 90 days	2,433	3,193
91-120 days	74	97
121-180 days	10	2
Over 180 days	<u>136</u>	<u>179</u>
	<u>2,653</u>	<u>3,471</u>

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

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

For the year ended 31 December 2017, the Group are principally engaged in (i) travel media operations with provision of advertising services through the internet and travel magazines, event organizing services and magazine publication (“Travel Media Business”); (ii) provision of contents and advertising services in a well-known financial magazine distributed in The People’s Republic of China (“PRC”) (“Financial Magazine Business”); (iii) investment in securities (“Securities Investment”); and (iv) money lending (“Money Lending Business”).

The Group’s total revenue decreased HK\$7.1 million or 7.1%, from HK\$100.2 million last year to HK\$93.1 million for the year ended 31 December 2017 primarily due to the revenue drop from Travel Media Business.

Gross profit of the Group was HK\$44.7 million, representing a decrease of 7.8% or HK\$3.8 million as compared with HK\$48.5 million in 2016. Gross profit margin for the year reached approximately 48.0% (2016: 48.4%), representing a decrease of 0.4% over the last year.

The Group recorded other income, gains and losses in the net loss amount of HK\$187.6 million during the year, representing a decrease of HK\$347.1 million or 217.6% as compared with HK\$159.5 million gain in the corresponding period of 2016, which was mainly due to loss on held-for-trading investments in 2017.

The selling and distribution costs decreased by HK\$0.3 million to HK\$14.5 million during the year (2016: HK\$14.8 million), representing a decrease of 2.0% against the year of 2016. The administrative expenses increased by HK\$0.9 million to HK\$48.9 million (2016: HK\$48.0 million), representing an increase of 1.9% over the last year.

As a result, the loss attributable to owners of the Company was HK\$179.9 million as compared with a profit of HK\$115.2 million in 2016.

BUSINESS REVIEW

Travel Media Business

For the year ended 31 December 2017, the Travel Media Business recorded a revenue of HK\$70.4 million, decreased by 23.0% or HK\$21.0 million as compared with that of HK\$91.4 million in 2016. This amount represented 75.6% of the Group's total revenue for the year under review.

The business recorded a segment profit of HK\$8.9 million this year, representing a decrease of HK\$10.2 million or 53.4% as compared with that of HK\$19.1 million in last year.

Industry Review

Economists are of the view that Travel & Tourism is a key sector for economic development and job creation throughout the world. Despite the ever-increasing and unpredictable challenges such as geopolitical instability, health pandemics and to natural disasters, Travel & Tourism continued to show its resilience, contributing direct GDP growth and supporting additional jobs in the sector.

Asia is arguably more diverse, in the economic sense, than any other region, with each country offering a very different story to tell. Overall, economic performance in the Asia-Pacific region has been monotonous and the degree of economic impact has differed from sector to sector within the industry.

2017 has proven to be more challenging than the year before for the media and advertising business, with many organisations continuing to tighten their advertising budget or switching to alternative media that leverage on the internet. Print media continues to come under intense pressure. However, with TTG's strong brand and reputation, and its dedicated team of people, the group was able to create new opportunities and new revenue ideas.

Even with all odds and challenges in 2017, the group performed considerably well by finishing the year ahead of the budgeted full year profit. Full year budget for 2017 has taken into consideration of the overall business sentiment in the regional and global economies as well as the non-recurrent ATF project in 2017.

Resulting Impact on TTG Business and Performance in 2017

- A&P spend remained lackluster, characterised by a decrease in overall run-of-page (ROP) print advertising revenue from the main source markets, as businesses chose to be cautious amid the current subdued outlook.
- Foreign exchange losses: the strengthening of the Singapore dollars has resulted in forex losses in 2017 compared to the year before. Most of TTG's costs were in Singapore dollars whereas our revenue were mainly in American dollars.
- Online advertising continues to attract more interest from our advertisers as opposed to print advertising.
- Careful cost management on overheads, contribution from Special Projects and Events has helped with TTG's top and bottom line profits for the year.
- The overall dip in top line and bottom line in 2017 compared to 2016 was mainly due to the absence of the ATF management contract in 2017

Travel Trade Publishing Group

The Special Projects

Besides the regular print and online publications, the Travel Trade Publishing Group completed the following 14 special projects in 2017:

- | | |
|--|-----------------------------|
| • ATF 2017 Show Daily: | Jan 2017, Singapore |
| • ITB Berlin 2017 Show Daily: | Mar 2017, Berlin, Germany |
| • IT&CM and CTW China 2017 Show Daily: | Mar 2017, Shanghai, China |
| • ITB China 2017 Show Daily: | May 2017, Shanghai China |
| • TTG China Travel Awards 2017 Supplement: | Jun 2017 |
| • ASEAN Cruises Supplement: | Aug 2017 |
| • ASEAN Hotel Supplement: | Sep 2017 |
| • PATA Travel Mart 2017 Show Daily: | Sep 2017, Macau, China |
| • TTGmice Planner 2017/2018: | Sep 2017 |
| • IT&CM Asia 2017 Show Daily: | Sep 2017, Bangkok, Thailand |
| • ITB Asia and CTW AP 2017 Show Daily: | Oct 2017, Singapore |
| • CITM 2017 Show Daily: | Nov 2017, Kunming, China |
| • TTG Travel Awards 2017 Supplement: | Nov 2017 |
| • Asian Tourism Expert Guide 2017/2018: | Dec 2017 |

Media Partnership/Sponsorship

With TTG's current leadership position, market presence and as part of our on-going marketing and promotional efforts to be involved and engaged in the marketplace, we were able to part-take and enter into industry partnerships with renowned global travel trade events and organisations in 2017. Our 2017 media partnerships were:

• Asian Federation of Exhibition and Convention Associations (AFECA)	2017
• CNBC Asia	2017
• SACEOS MICE Business Directory	2017
• ASEAN Tourism Forum (ATF) 2017, Singapore	Jan 2017
• FITUR, Madrid, Spain	Jan 2017
• SATTE, New Delhi, India	Feb 2017
• Asia-Pacific Incentives and Meetings EXPO (AIME), Melbourne Australia	Feb 2017
• Aviation Festival Asia	Feb 2017
• Guangzhou International Travel Fair (GITF), Guangzhou, China	Feb 2017
• International Luxury Travel Market (ILTM) Japan, Tokyo, Japan	Feb 2017
• Hotel Investment Conference Asia Pacific (HICAP) Update, Singapore	Mar 2017
• ASAE, Seoul, South Korea	Mar 2017
• Singapore Rugby Seven, Singapore	Apr 2017
• Arabian Travel Market (ATM), Dubai, UAE	Apr 2017
• WTTC Global Summit, Bangkok, Thailand	Apr 2017
• Cruise Lines International Association (CLIA)	Apr 2017
• ITB China, Shanghai, China	May 2017
• IMEX Frankfurt, Frankfurt, Germany	May 2017
• WTM Connect Asia, Penang, Malaysia	May 2017
• Hong Kong Exhibition & Convention Industry Association (HKECIA), Hong Kong	Jun 2017
• International Luxury Travel Market (ILTM) Asia, Shanghai, China	Jun 2017
• International Travel EXPO (ITE), Hong Kong	Jun 2017
• Travel Trade Maldives, Maldives	Jul 2017
• Singapore MICE Forum, Singapore	Jul 2017
• Malaysia Business Events Week by MyCEB, Malaysia	Sep 2017
• PATA Travel Mart (PTM), Macau	Oct 2017
• IMEX America, Las Vegas, USA	Oct 2017
• Global Tourism Economy Forum (GTEF), Macau	Oct 2017
• Hotel Investment Conference Asia Pacific (HICAP), Hong Kong	Oct 2017

• ITB Asia, Singapore	Oct 2017
• Seatrade Cruise Asia Pacific, Shanghai, China	Nov 2017
• Beijing International Travel Mart (BITM), Beijing, China	Nov 2017
• China International Travel Mart (CITM), Kunming, China	Nov 2017
• Wuhan International Tourism EXPO (WITE), Wuhan, China	Nov 2017
• Asia Hotel & Tourism Investment Conference	Nov 2017
• Chengdu International Tourism EXPO, Chengdu, China	Dec 2017
• International LuxuryTravelMarket (ILTM) Cannes, Cannes, Australia	Dec 2017
• Be@Penang, Peng, Malaysia	Dec 2017

TTG Events Group

TTG Events group organised/managed 5 trade events and was involved in the following roadshows/events in 2017:

• IT&CM China:	Mar 2017, Shanghai, China
• CTW China:	Mar 2017, Shanghai, China
• Meet Taiwan Networking Event:	Jun 2017, Singapore
• Singapore Gifts Show:	Jul 2017, Singapore
• IT&CM Asia CTW Asia-Pacific 2017 Preview Reception:	Jul 2017, Bangkok, Thailand
• IT&CM Asia:	Sep 2017, Bangkok, Thailand
• CTW Asia-Pacific:	Sep 2017, Bangkok, Thailand
• Japan Meeting Showcase:	Oct 2017, Singapore
• Corporate Travel Forum 2017:	Nov 2017, Beijing, China
• Cambodia Travel Mart:	Nov 2017, Siem Reap, Cambodia
• Osaka MICE Showcase:	Dec 2017, Osaka, Japan

Business/Consolidation

In keeping with the change in business needs, the group has also implemented some changes to the Sales & Marketing structure to maximise opportunity by adopting an integrated sales & marketing approach rather than sales by individual by product. This new structure should help see better results for the group in 2018.

Financial Magazine Business

Revenue from this business was HK\$22.4 million, which contributed 24.1% of the Group's total revenue for the year under review. Segmental loss of this business during the year amounted to HK\$9.0 million which was primarily attributable to amortisation charges of intangible asset acquired as a result of business combination which was non-cash in nature.

Securities Investment

As at 31 December 2017, total market value for the held-for-trading investments of the Group was approximately HK\$13.4 million and recorded loss on disposal and fair value loss of approximately HK\$228.1 million.

Money Lending Business

Revenue from this business was HK\$0.3 million, which accounted for 0.3% of the Group's total revenue for the year.

SIGNIFICANT INVESTMENTS

As at 31 December 2017, total market value for the held-for-trading investments of the Group was approximately HK\$13.4 million, representing equity securities listed in Hong Kong. The Board considers that investment with market value accounting for more than 5% of the Group's total assets as at 31 December 2017 as significant investment.

Details of the top two held-for-trading investments, in terms of market value as at 31 December 2017, are as follows:

Company name	Stock Code	Market value as at 31 December 2017 HK\$'000	Proportion to the total assets of the Group %	For the year ended 31 December 2017 Gain/(loss) on fair value changes of the investments HK\$'000	Dividend received HK\$'000
Hao Wen Holdings Limited	8019	5,243	2.06%	1,808	–
Asia Grocery Distribution Limited	8413	2,486	0.98%	1,848	–
Others		5,640	2.21%	(5,935)	–
		<u>13,369</u>	<u>5.25%</u>	<u>(2,279)</u>	<u>–</u>

ACQUISITION OF NEW BUSINESS

Acquisition of Money Lending Business

Sino Impact Group Limited, a wholly-owned subsidiary of the Company, entered into an agreement with an independent third party to purchase 100% of the issued share capital of Nation Wealth Limited (the “Nation Wealth”) at a consideration of HK\$380,000. Nation Wealth is principally engaged in the money lending business.

PROSPECT

The outlook for 2018 is overshadowed by global events, the economic growth of advanced economies will be modest and patchy. This, coupled with new uncertainties brought about by political changes in many parts of the world and rising protectionist sentiments, will further complicate the situation and render the global economic outlook volatile.

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

FINANCIAL REVIEW

Liquidity and financial resources

The Group generally financed its operations with its internally generated cash flows. The Group’s total equity was HK\$212.0 million as at 31 December 2017, representing a decrease of HK\$162.6 million as compared with that of HK\$374.6 million as at 31 December 2016. Total assets amounted to HK\$254.9 million as at 31 December 2017 (2016: HK\$444.3 million), of which HK\$111.9 million (2016: HK\$81.0 million) was bank balances and cash, HK\$65.4 million (2016: HK\$62.5 million) was available-for-sale investments, HK\$13.4 million (2016: HK\$243.9 million) was held-for-trading investments.

Capital structure

As of 31 December 2017, the Group’s consolidated net assets was HK\$212.0 million, representing a decrease of HK\$162.6 million as compared with that of HK\$374.6 million in 2016.

As at 31 December 2017, the Company has 385,820,923 shares of HK\$0.01 each in issue.

On 22 November 2017 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent agreed to place, on a best efforts basis, to not less than six independent Placees for up to 64,304,184 new Shares at a price of HK\$0.20 per Placing Share.

On 13 December 2017, the conditions of the Placing have been fulfilled and the completion of the Placing took place, where a total of 64,300,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees pursuant to the terms and conditions of the Placing Agreement.

For details, please refer to the Company's announcements dated 22 November 2017, 24 November 2017 and 13 December 2017, respectively.

As at 31 December 2017, the net proceeds of approximately HK\$12.51 million is not yet utilised.

Charges on the Group's assets

There was no charges on the Group's assets as at 31 December 2017 and 2016.

Debt structure

The Group's total borrowings from financial institutions were zero as at 31 December 2017 and 2016. The Group's total bank balances and cash amounted to HK\$111.9 million as at 31 December 2017, which increased HK\$30.9 million as compared with that of HK\$81.0 million as at 31 December 2016.

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, Singapore dollars, Hong Kong dollars and United States dollars. During the years ended 31 December 2017 and 2016, 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 2017 and 2016.

Employee information

As at 31 December 2017, the Group had 73 (2016: 68) full time employees, of which 12 (2016: 17) were based in Hong Kong, 8 (2016: 2) in China, 52 (2016: 48) in Singapore, and 1 (2016: 1) in Malaysia. The Group's employees are remunerated largely based on their performance and experience, alongside with the current industry practices. The Group has introduced share option scheme to recognize the contributions of the employees to the growth of the Group. The scheme has been or will be amended from time to time to take into account changes in market conditions and the GEM Listing Rules. Remuneration packages of employees include salaries, insurance, medical cover, mandatory provident fund, discretionary bonuses and share option (if any).

DIVIDEND

No payment of dividend has been proposed by the Board in respect of the year ended 31 December 2017 (2016: Nil).

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

During the year ended 31 December 2017, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

COMPETING INTERESTS

During the year ended 31 December 2017, the Board is not aware of any Director or the management and their respective close associates (as defined under the GEM Listing Rules) to have an interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

SECURITIES TRANSACTIONS BY DIRECTORS

During the year ended 31 December 2017, the Company has not adopted a code of conduct regarding the Directors' securities transactions but has applied the principles of the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). Having made specific enquiry of all Directors of the Company, the Directors confirmed that they have complied with or they were not aware of any non-compliance with the Required Standard of Dealings during the year ended 31 December 2017.

CORPORATE GOVERNANCE

Save as disclosed below, the Company throughout the year 2017 has fully complied with the applicable code provisions in the CG Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules of the Stock Exchange.

In respect of A.6.7 of the CG Code, the executive Director, Mr. Chow Chi Wa was unable to attend the annual general meeting of the Company due to sickness.

In respect of C2.5 of the CG Code, the Board has engaged an independent internal control review advisor to perform the internal audit function and conduct the annual review on the effectiveness of the risk management and internal control systems. The Board will continue to review the need for an internal audit function annually.

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 2017 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 2017.

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 2017 annual report will be dispatched to shareholders and will be published on the aforementioned websites in due course.

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

Hong Kong, 21 March 2018

As at the date hereof, the Board comprises Mr. Chow Chi Wa, Mr. Wang Tao and Mr. Yang Xingan as executive Directors; Ms. Yang Shuyan, Mr. Zhang Xiaoguang and Ms. Lee Yim Wah as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

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.