



**CK** WONDERFULsky

皓天財經集團

WONDERFUL SKY FINANCIAL GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 01260

# 2017 INTERIM REPORT

PROFESSIONAL  
AND INNOVATION

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# CORPORATE INFORMATION

## **BOARD OF DIRECTORS**

### *Executive Directors*

Liu Tianni (*Chairman and Chief Executive Officer*)

Liu Lin

### *Independent non-executive Directors*

Li Ling Xiu

Lam Yim Kei Sally

Lee Wing Sze Rosa

## **AUDIT COMMITTEE**

Lee Wing Sze Rosa (*Chairman*)

Li Ling Xiu

Lam Yim Kei Sally

## **NOMINATION AND REMUNERATION COMMITTEES**

Li Ling Xiu (*Chairman*)

Liu Tianni

Lam Yim Kei Sally

Lee Wing Sze Rosa

## **COMPANY SECRETARY**

Wong Yat Tung HKICS

## **INDEPENDENT AUDITOR**

Deloitte Touche Tohmatsu

*Certified Public Accountants*

## **PRINCIPAL BANKERS**

Bank of China (Hong Kong) Limited

The Hongkong and Shanghai Banking Corporation Limited

## **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

SMP Partners (Cayman) Limited

3rd Floor, Royal Bank House

24 Shedden Road

George Town

Grand Cayman KY1-1110

Cayman Islands

## **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Computershare Hong Kong Investor

Services Limited

Shops 1712-1716

17/F, Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

## **HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS**

6/F, Nexxus Building

No. 41 Connaught Road Central

Hong Kong

## **REGISTERED OFFICE**

Grand Pavilion

Hibiscus Way

802 West Bay Road

P.O. Box 31119

Grand Cayman KY1-1205

Cayman Islands

## **STOCK CODE**

1260

## **COMPANY WEBSITE**

<http://www.wsfg.hk>

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2017

The board (the "Board") of directors (the "Directors") of Wonderful Sky Financial Group Holdings Limited (the "Company") presents the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2017 as follows:

	Notes	For the six months ended 30 September	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
<b>Revenue</b>	3	<b>219,885</b>	282,193
Direct costs		<b>(123,556)</b>	(138,437)
<b>Gross profit</b>		<b>96,329</b>	143,756
Other income		<b>41,041</b>	29,565
Selling expenses		<b>(7,352)</b>	(7,600)
Administrative expenses		<b>(41,979)</b>	(37,103)
Gain on disposal of available-for-sale investments		<b>8,441</b>	23,441
Other expenses, gains and losses		<b>(2,083)</b>	10
Finance costs		<b>(3,064)</b>	(3,190)
<b>Operating profit</b>	4	<b>91,333</b>	148,879
Share of profits of associates		<b>905</b>	–
<b>Profit before taxation</b>		<b>92,238</b>	148,879
Taxation	5	<b>(14,758)</b>	(22,291)
Profit for the period		<b>77,480</b>	126,588
<b>Other comprehensive income for the period</b>			
Exchange difference arising on translating foreign operation		<b>(649)</b>	533
Reclassification adjustment relating to available-for-sale investments disposed of during the period		<b>(8,441)</b>	(23,441)
Fair value change on available-for-sale investments		<b>(4,553)</b>	30,809
<b>Total comprehensive income for the period</b>		<b>63,837</b>	134,489
<b>Profit for the period attributable to owners of the Company</b>		<b>77,480</b>	126,588
<b>Total comprehensive income attributable to owners of the Company</b>		<b>63,837</b>	134,489
<b>Earnings per share – Basic</b>	7	<b>HK6.5 cents</b>	HK10.6 cents
<b>Earnings per share – Diluted</b>	7	<b>HK6.5 cents</b>	HK10.6 cents

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 September 2017

	Notes	As at 30 September 2017 (Unaudited) HK\$'000	As at 31 March 2017 (Audited) HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		35,509	34,716
Intangible assets	8	10,000	–
Interests in associates		14,599	12,686
Available-for-sale investments	12	42,277	42,277
Club debenture	9	12,200	12,200
Rental deposits		5,104	5,104
Deposits for acquisition of property, plant and equipment		7,691	7,691
		<b>127,380</b>	114,674
<b>Current assets</b>			
Work in progress		6,359	8,928
Accrued revenue	10	97	3,006
Trade and other receivables	10	276,462	284,463
Amounts due from related parties	11	3,663	3,352
Available-for-sale investments	12	1,475,995	1,282,235
Other financial assets	13	79,520	79,520
Bank balances and cash	16	145,108	178,171
		<b>1,987,204</b>	1,839,675
<b>Current liabilities</b>			
Trade and other payables	14	57,997	101,384
Taxation payable		19,005	15,378
Bank borrowings – due within one year		729,814	506,669
		<b>806,816</b>	623,431
Net current assets		<b>1,180,388</b>	1,216,244
Total assets less current liabilities		<b>1,307,768</b>	1,330,918

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

*For the six months ended 30 September 2017*

<i>Notes</i>	<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
<b>Non-current liability</b>		
	<b>402</b>	402
	<b>1,307,366</b>	1,330,516
<b>Capital and reserves</b>		
	<b>11,932</b>	11,922
15	<b>1,295,434</b>	1,318,594
	<b>1,307,366</b>	1,330,516

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2017

	For the six months ended 30 September	
	2017 (Unaudited) <i>HK\$'000</i>	2016 (Unaudited) <i>HK\$'000</i>
Net cash inflows/(outflows) from:		
Operating activities	49,945	25,743
Investing activities	(218,667)	(9,586)
Financing activities	135,659	147,869
Net (decrease)/increase in cash and cash equivalents	(33,063)	164,026
Cash and cash equivalents at beginning of period	178,171	151,496
<b>Cash and cash equivalents at end of period</b>	<b>145,108</b>	315,522

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2017

	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000 (Note i)	Capital reserve HK\$'000 (Note ii)	Capital redemption reserve HK\$'000	Share options reserve HK\$'000	Investment revaluation reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 April 2016	11,915	724,645	10	(1)	(3,559)	2,149	2,973	(11,580)	492,502	1,219,054
Profit for the period	-	-	-	-	-	-	-	-	126,588	126,588
Exchange difference on translation	-	-	-	-	-	-	-	533	-	533
Fair value changes of available-for-sale investments	-	-	-	-	-	-	30,809	-	-	30,809
Reclassification adjustment relating to available-for-sale investments disposed of during the year	-	-	-	-	-	-	(23,441)	-	-	(23,441)
Other comprehensive income for the period	-	-	-	-	-	-	7,368	533	-	7,901
Total comprehensive income for the period	-	-	-	-	-	-	7,368	533	126,588	134,489
Lapse of share options	-	-	-	-	-	(39)	-	-	39	-
Exercise of share options	22	3,133	-	-	-	(630)	-	-	-	2,525
Recognition of equity-settled share-based payments	-	-	-	-	-	265	-	-	-	265
Final dividend recognised as distribution (Note 6)	-	-	-	-	-	-	-	-	(78,762)	(78,762)
At 30 September 2016 (Unaudited)	11,937	727,778	10	(1)	(3,559)	1,745	10,341	(11,047)	540,367	1,277,571
At 1 April 2017	<b>11,922</b>	<b>725,808</b>	<b>10</b>	<b>(1)</b>	<b>(4,773)</b>	<b>1,718</b>	<b>3,607</b>	<b>(17,499)</b>	<b>609,724</b>	<b>1,330,516</b>
Profit for the period	-	-	-	-	-	-	-	-	77,480	77,480
Exchange difference on translation	-	-	-	-	-	-	-	(649)	-	(649)
Fair value changes of available-for-sale investments	-	-	-	-	-	-	(4,553)	-	-	(4,553)
Reclassification adjustment relating to available-for-sale investments disposed of during the year	-	-	-	-	-	-	(8,441)	-	-	(8,441)
Other comprehensive income for the period	-	-	-	-	-	-	(12,994)	(649)	-	(13,643)
Total comprehensive income for the period	-	-	-	-	-	-	(12,994)	(649)	77,480	63,837
Exercise of share options	10	1,471	-	-	-	(296)	-	-	-	1,185
Recognition of equity-settled share-based payments	-	-	-	-	-	117	-	-	-	117
Dividend recognised as distribution (Note 11)	-	-	-	-	-	-	-	-	(88,289)	(88,289)
At 30 September 2017 (Unaudited)	<b>11,932</b>	<b>727,279</b>	<b>10</b>	<b>(1)</b>	<b>(4,773)</b>	<b>1,539</b>	<b>(9,387)</b>	<b>(18,148)</b>	<b>598,915</b>	<b>1,307,366</b>

## Notes:

- (i) The merger reserve of the Group represented the difference of the nominal value of the shares of Shine Talent Holdings Limited ("**Shine Talent Holdings**") issued in exchange for the entire share capital of Wonderful Sky Financial Group Limited ("**Wonderful Sky Financial Group**").
- (ii) The capital reserve of the Group represented capital contribution arising from transfer of interest in a subsidiary to its shareholder.



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2017

## 1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 12 January 2011 under the Companies Law of the Cayman Islands Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**HKEx**"). Its ultimate holding company is Sapphire Star Investments Limited, a company with limited liability incorporated in the British Virgin Islands ("**BVI**") and the ultimate holding controlling party is Mr. Liu Tianni.

The principal activities of the Company are investment holding and securities investment. The Group is mainly engaged in the provision of financial public relations services and organisation and coordination of international roadshow services.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the HKEx (the "**Listing Rules**").

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention except that certain financial instruments have been measured at fair values.

The principal accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended 31 March 2017.

The Group has adopted the following new accounting standards and amendments to standards for accounting periods beginning on or after 1 January 2017:

Annual Improvements Project HKFRS 12 (Amendments)	Annual Improvements 2014–2016 Cycle
HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of these new accounting standards and amendments to standards does not result in significant impact on the Group's results and financial position.

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The following new standards and amendments to existing standards have been published but are not yet effective and which the Group has not early adopted:

		<b>Effective for annual periods beginning on or after</b>
Annual Improvements Project HKFRS 1 and HKAS 28 (Amendments)	Annual Improvements 2014–2016 Cycle	1 January 2018
HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 15 (Amendment)	Clarifications to HKFRS 15	1 January 2018
HK (IFRIC)–Int-22	Foreign Currency Transactions and Advance Consideration	1 January 2018
HKAS 40 (Amendments)	Transfers of Investment Property	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets Between Investor and its Associate or Joint Venture	To be determined

The Group is in the process of making assessment of the impact of these new standards, revised standards, amendments and improvements to standards and is not yet in a position to state whether they would have a significant impact on the Group's results and financial position.

## 3. REVENUE AND SEGMENT INFORMATION

The Group has two operating segments, namely, the financial public relations service segment and the international roadshow service segment. These operating segments have been identified on the basis of internal management reports that are regularly reviewed by the Directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

### 3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### Segment revenue and results

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

For the six months ended 30 September 2017 (Unaudited)

	Provision of financial public relations services HK\$'000	Organisation and coordination of international roadshows HK\$'000	Consolidated HK\$'000
Revenue	167,171	52,714	219,885
Segment profit	73,563	12,217	85,780
Unallocated corporate income			49,482
Staff costs (including retirement benefit scheme contributions)			(18,970)
Operating lease rentals			(8,898)
Other unallocated corporate expenses			(12,997)
Finance costs			(3,064)
Operating profit			91,333

For the six months ended 30 September 2016 (Unaudited)

	Provision of financial public relations services HK\$'000	Organisation and coordination of international roadshows HK\$'000	Consolidated HK\$'000
Revenue	223,796	58,397	282,193
Segment profit	123,158	12,025	135,183
Unallocated corporate income			53,500
Staff costs (including retirement benefit scheme contributions)			(18,335)
Operating lease rentals			(8,981)
Other unallocated corporate expenses			(9,298)
Finance costs			(3,190)
Operating profit			148,879

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of other income, central administration costs, directors' salaries, operating lease rentals, foreign exchange losses, gain on disposal of available-for-sale investments and finance costs.

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

*For the six months ended 30 September 2017*

## 3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities

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

*At 30 September 2017 (Unaudited)*

	Provision of financial public relations services <i>HK\$'000</i>	Organisation and coordination of international roadshows <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Assets</b>			
Segment assets	286,792	31,905	318,697
Interests in associates			14,599
Available-for-sale investments			1,518,272
Other financial assets			79,520
Club debenture			12,200
Bank balances and cash			145,108
Other unallocated assets			26,188
Total assets			2,114,584
<b>Liabilities</b>			
Segment liabilities	44,655	12,843	57,498
Taxation payable			19,005
Bank borrowings			729,814
Other unallocated liabilities			901
Total liabilities			807,218

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

## 3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities (Continued)

At 31 March 2017 (Audited)

	Provision of financial public relations services <i>HK\$'000</i>	Organisation and coordination of international roadshows <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Assets</b>			
Segment assets	278,366	48,250	326,616
Interests in associates			12,686
Available-for-sale investments			1,324,512
Other financial assets			79,520
Club debentures			12,200
Bank balances and cash			178,171
Other unallocated assets			20,644
Total assets			1,954,349
<b>Liabilities</b>			
Segment liabilities	48,550	37,150	85,700
Taxation payable			15,378
Bank borrowings			506,669
Other unallocated liabilities			16,086
Total liabilities			623,833

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

- all assets are allocated to reportable segments except for interests in associates, available-for-sale investments, other financial assets, deposits, prepayments and other receivables, club debentures and bank balances and cash.
- all liabilities are allocated to reportable segments except for accrued administrative expenses, taxation payable, deferred tax liabilities and bank borrowings.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

*For the six months ended 30 September 2017*

### 4. OPERATING PROFIT

Operating profit is stated after charging:

	<b>For the six months ended 30 September</b>	
	<b>2017 (Unaudited) HK\$'000</b>	2016 (Unaudited) HK\$'000
Directors' and chief executive officer's remuneration	<b>1,980</b>	1,980
Other staff costs	<b>43,446</b>	42,077
Retirement benefit scheme contributions for other staff	<b>1,869</b>	2,030
Share-based payment for other staff	<b>117</b>	265
	<b>47,412</b>	46,352
Auditor's remuneration	<b>350</b>	450
Depreciation of property, plant and equipment	<b>3,197</b>	1,977
Operating lease rentals in respect of office premises	<b>8,898</b>	8,981
and after crediting:		
Interest income from bank deposits (included in other income)	<b>127</b>	292
Commission income (included in other income)	<b>1,936</b>	2,545
Investment income from other financial assets (included in other income)	<b>2,172</b>	2,271
Investment income from available-for-sale investments (included in other income)	<b>35,800</b>	23,660
Gain on disposal of available-for-sale investments	<b>8,441</b>	23,441

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

### 5. TAXATION

	For the six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Hong Kong Profits Tax		
– Current tax	14,758	22,291
Deferred taxation	–	–
	<b>14,758</b>	22,291

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profits for both periods.

### 6. DIVIDENDS

The Board does not recommend the payment of interim dividends for the six months ended 30 September 2017 (2016: interim dividends totalling HK6.3 cents per share were declared and paid).

During the six months ended 30 September 2017, a final dividend of HK4.9 cents per share and special dividend of HK2.5 cents per share in respect of the year ended 31 March 2017 were declared and paid to the shareholders. The aggregate amount of the final and special dividends declared and paid during the period amounted to HK\$88.2 million.

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

*For the six months ended 30 September 2017*

## **7. EARNINGS PER SHARE**

The calculation of basic earnings per share for the six months ended 30 September 2017 is based on the Group's unaudited consolidated profit attributable to owners of the Company and on the weighted average number of 1,192,672,438 ordinary shares (2016: 1,192,212,999) in issue during the period.

Diluted earnings per share for the six months ended 30 September 2017 was calculated based on the unaudited consolidated profit attributable to owners of the Company and on the weighted average number of 1,195,197,239 shares (2016: 1,195,292,283) with the effect of dilutive potential shares outstanding under the Company's share option plan.

## **8. INTANGIBLE ASSETS**

Intangible assets are Type 9 (Asset Management) and Type 6 (Advising on Corporate Finance) licences issued by the Securities and Futures Commission which were acquired through the acquisition of companies. These licences are renewable annually at minimal costs and have indefinite useful lives. Licenses will not be amortised. Instead, they will be tested for impairment on a regular basis.

## **9. CLUB DEBENTURE**

Club debenture is measured at cost less any impairment.



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

### 10. ACCRUED REVENUE AND TRADE AND OTHER RECEIVABLES

	As at 30 September 2017 (Unaudited) HK\$'000	As at 31 March 2017 (Audited) HK\$'000
Accrued revenue	97	3,006
Trade receivables, net of allowance	263,069	276,614
Other receivables		
– Deposits	3,404	2,266
– Prepayments	6,395	1,470
– Staff advances	3,594	4,113
	<b>13,393</b>	7,849
Total trade and other receivables	<b>276,462</b>	284,463

Service income arising from initial public offerings (“IPO”) is recognised when services are rendered and generally billed within one month from the date of listing of the customers. Service income arising from retainer services from non-IPO clients is recognised when services are rendered and is billed monthly, quarterly or semi-annually in arrears. Service income arising from organisation and coordination of international roadshow services from international roadshow clients is recognised when services are rendered and is generally billed within 30 days from the completion of the event. The Group generally grants a credit period of 30 days to its customers.

Accrued revenue represents service fees earned upon related services being rendered but not yet billed and due at the end of reporting period.

Before accepting any new customer, the Group will internally assess the potential customer’s credit quality and define an appropriate credit limit. Management closely monitors the credit quality and follow-up actions are taken when debts are overdue.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

*For the six months ended 30 September 2017*

### 10. ACCRUED REVENUE AND TRADE AND OTHER RECEIVABLES (CONTINUED)

The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date:

	<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
Within 30 days	<b>48,055</b>	100,896
31 to 90 days	<b>35,118</b>	40,918
91 days to 1 year	<b>129,082</b>	132,389
Over 1 year	<b>50,814</b>	2,411
	<b>263,069</b>	276,614

### 11. AMOUNTS DUE FROM RELATED PARTIES

Particulars of the amounts due from related parties are disclosed as follows:

	<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
Qingling Motors Company Limited ("Qingling Motors") (Note 1)	<b>266</b>	268
Luoyang Glass Company Limited ("Luoyang Glass") (Note 1)	<b>2,558</b>	2,413
Draw up Assets Limited ("Draw Up Assets") (Note 1)	<b>839</b>	671
	<b>3,663</b>	3,352
Analysed for reporting purposes:		
Current assets	<b>3,663</b>	3,352

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

### 11. AMOUNTS DUE FROM RELATED PARTIES (CONTINUED)

Mr. Liu Tianni, the controlling shareholder and director of the Company, is a director of Luoyang Glass, Qingling Motors and Draw Up Assets.

Included in the amounts due from related parties is an aggregate balance of HK\$2,824,000 (31 March 2017: HK\$2,681,000), which is trade in nature and represents receivable from the provision of financial public relations services to non-IPO client. The Group allows a credit period of 30 days to the related parties. The remaining balances are unsecured, interest-free and repayable on demand.

The following is an ageing analysis of amounts due from related parties which are trade in nature, net of allowance for doubtful debts, if any:

	<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
Within 30 days	<b>543</b>	709
31 to 90 days	<b>60</b>	104
91 days to 1 year	<b>1,881</b>	1,868
Over 1 year	<b>340</b>	–
	<b>2,824</b>	2,681

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

*For the six months ended 30 September 2017*

### 12. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
<b>Listed bond securities, at fair value:</b>		
– listed on the HKEx with fixed coupon interest rates ranging from 2.88% to 7.75% per annum (31 March 2017: 2.75% to 7.00% per annum) and maturity dates ranging from 12 June 2018 to perpetual (31 March 2017: 7 August 2017 to perpetual)	<b>832,423</b>	713,073
– listed on SGX with fixed coupon interest rates ranging from 5.00% to 9.50% per annum (31 March 2017: 3.00% to 9.50% per annum) and maturity dates ranging from 11 March 2019 to perpetual (31 March 2017: 17 August 2018 to perpetual)	<b>457,671</b>	569,162
	<b>1,290,094</b>	1,282,235
<b>Unlisted investment funds, at fair value</b>		
– in Hong Kong	<b>185,901</b>	–
<b>Current assets</b>	<b>1,475,995</b>	1,282,235
<b>Unlisted equity investments, at cost:</b>		
– in Hong Kong	<b>19,375</b>	19,375
– in the PRC	<b>22,902</b>	22,902
<b>Non-current assets</b>	<b>42,277</b>	42,277

The fair values of the listed bond securities are based on market bid prices at the end of the reporting period.

The fair values of the unlisted investment funds are based on the quote price of the investment funds at the end of the reporting period.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

### 12. AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

The unlisted equity investments represent investments in unlisted equity securities issued by private entities established in Hong Kong and the PRC, which are principally engaged in provision of financial public relations services. They are measured at cost less impairment losses at the end of the reporting period because the range of reasonable fair value estimates is so significant that the management is of the opinion that their fair values cannot be measured reliably.

At 30 September 2017, available-for-sale investments of HK\$1,475,995,000 (31 March 2017: HK\$1,282,235,000) were pledged to banks to secure the margin loans and short-term banking facilities granted to the Group.

Included in available-for-sale investments are the following amounts which are denominated in a currencies other than the functional currency of the respective group entity which it relates:

	<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
United States dollars ("USD")	<b>1,465,787</b>	1,272,027
Renminbi ("RMB")	<b>10,208</b>	10,208

### 13. OTHER FINANCIAL ASSETS

	<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
Financial products issued by commercial banks	<b>79,520</b>	79,520

The investment income of other financial assets is recorded in "other income" in the condensed consolidated statement of profit or loss and other comprehensive income.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

*For the six months ended 30 September 2017*

### 14. TRADE AND OTHER PAYABLES

	<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
Trade payables	<b>28,363</b>	47,414
Deposits received from customers	<b>3,462</b>	29,077
Salaries payable	<b>7,413</b>	13,947
Accrued expenses	<b>14,424</b>	8,743
Other payables	<b>4,335</b>	2,203
	<b>29,634</b>	53,970
Total trade and other payables	<b>57,997</b>	101,384

The following is an aged analysis of the trade payables based on invoice dates:

	<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
Within 30 days	<b>3,874</b>	26,744
31 to 60 days	<b>5,587</b>	1,071
61 to 90 days	<b>3,895</b>	2,330
91 days to 1 year	<b>9,161</b>	7,002
Over 1 year	<b>5,846</b>	10,267
	<b>28,363</b>	47,414
Not yet billed	-	-
	<b>28,363</b>	47,414

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

## 15. SHARE CAPITAL

	Number of shares	HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each at 31 March 2017 and 30 September 2017	10,000,000,000	100,000
Issued and fully paid:		
At 1 April 2016	1,191,513,000	11,915
Exercise of share options ( <i>note a</i> )	2,150,000	22
At 30 September 2016	1,193,663,000	11,937
Exercise of share options ( <i>note a</i> )	555,000	5
Shares repurchased and cancelled ( <i>note b</i> )	(2,014,000)	(20)
At 31 March 2017	1,192,204,000	11,922
Exercise of share options ( <i>note a</i> )	1,010,000	10
At 30 September 2017	1,193,214,000	11,932

Notes:

- (a) During the period ended 30 September 2017 and the year ended 31 March 2017, 1,010,000 and 2,705,000 shares of HK\$0.01 each were respectively issued at HK\$1.174 per share upon exercise of the share options under the share option scheme of the Company (the "Share Option Scheme") by share option holders and all these shares rank *pari passu* with other shares of the Company in all respects.
- (b) During the year ended 31 March 2017, the Company repurchased its own shares on the HKEx as follows:

Month of repurchase	No. of shares	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
February 2017	2,014,000	2.03	1.96	4,013

The above ordinary shares were cancelled upon repurchase.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

*For the six months ended 30 September 2017*

### 16. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
Bank balances and cash	<b>145,108</b>	178,171
Less: Pledged bank balance	<b>(13)</b>	(189)
	<b>145,095</b>	177,982

### 17. PLEDGE OF ASSETS

	<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
Available-for-sale investments	<b>1,475,995</b>	1,282,235
Bank balance	<b>13</b>	189
	<b>1,476,008</b>	1,282,424



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

### 18. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had also entered into the following related party transactions:

	<b>For the six months ended</b>	
	<b>30 September 2017 (Unaudited) HK\$'000</b>	30 September 2016 (Unaudited) HK\$'000
Financial public relations service income from Luoyang Glass Company Limited ("Luoyang Glass")	<b>1,554</b>	1,282
Financial public relations service income from Qingling Motors Company Limited ("Qingling Motors")	<b>–</b>	68

### 19. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	<b>As at 30 September 2017 (Unaudited) HK\$'000</b>	As at 31 March 2017 (Audited) HK\$'000
Within one year	<b>11,939</b>	15,083
In the second to fifth years, inclusive	<b>1,570</b>	5,340
	<b>13,509</b>	20,423

Operating lease payments represent rentals payable by the Group for the office premises.

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

*For the six months ended 30 September 2017*

## 20. SHARE OPTION SCHEME

The share option scheme of the Company was adopted pursuant to a resolution in writing of the sole shareholder passed on 7 March 2012 (the “**Share Option Scheme**”). The purposes of the Share Option Scheme is to enable the Group to grant options to full-time or part-time employees, directors (whether executive or non-executive), supplier, customer, joint venture partner, business associates and advisor (professional or otherwise) of the Company as incentives or rewards for their contribution to the Group. The Share Option Scheme became effective on 7 March 2012 (the “**Effective Date**”), subject to earlier termination by the directors and approved in advance by the shareholders in a general meeting. The Share Option Scheme shall be valid and effecting for a period commencing from the Effective Date.

At 30 September 2017, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 5,880,000 (31 March 2017: 6,890,000), representing 0.49% (31 March 2017: 0.58%) of the shares of the Company in issue at that date. The total number of shares of the Company available for issue under the Share Option Scheme must not in aggregate exceeds 30% of the issued share capital of the Company from time to time.

The maximum number of shares issuable upon exercise of the options which may be granted under the Share Option Scheme (including exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates (as defined under Listing Rules), are subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, (as defined under the Listing Rules) in excess of 0.1% of the shares of the Company in issue with an aggregate value (based on the closing price of the Company’s shares at the date of the grant) in excess of HK\$5,000,000, in the 12-month period up to and including the date of grant, are subject to shareholders’ approval in a general meeting.

Options granted must be accepted in writing within 28 days from the date of grant upon payment of a nominal consideration of HK\$1 by the grantee. The exercise period for the share options granted is determined by the directors of the Company, which period may commence from the date of acceptance of the offer for the grant of share options but shall end, in any event, not later than 10 years from the date of grant of the option subject to the provisions for early termination under the Share Option Scheme.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

### 20. SHARE OPTION SCHEME (CONTINUED)

The following table sets out the movements in the Company's share options held by the employees of the Group during the six months ended 30 September 2017:

Date of grant	Exercisable period	Exercise price HK\$	Outstanding at 1.4.2017	Lapsed during the period	Exercised during the period	Outstanding at 30.9.2017
<i>Employees:</i>						
28.1.2014	28.7.2015-27.7.2020	1,174	960,000	-	(240,000)	720,000
28.1.2014	28.7.2016-27.7.2020	1,174	1,970,000	-	(650,000)	1,320,000
28.1.2014	28.7.2017-27.7.2020	1,174	1,320,000	-	(120,000)	1,200,000
28.1.2014	28.7.2018-27.7.2020	1,174	2,640,000	-	-	2,640,000
			6,890,000	-	(1,010,000)	5,880,000

*Note:* The vesting period ends on the date the exercisable period of the share options begins.

During the six months ended 30 September 2017, there were neither options granted nor share option held by the directors.

The Group recognised share-based payments of HK\$117,338 during the six months ended 30 September 2017 (2016: HK\$264,907) in relation to share options granted by the Company.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group's revenue decreased from approximately HK\$282.2 million for the six months ended 30 September 2016 to approximately HK\$219.9 million for the six months ended 30 September 2017, representing a decrease of approximately 22.1%. The Group's profit during the period decreased from approximately HK\$126.6 million for the six months ended 30 September 2016 to approximately HK\$77.5 million for the six months ended 30 September 2017, representing a decrease of approximately 38.8%. The decrease in the operating profit of the Group for the current reporting period is mainly attributed to (1) a decrease in the operating revenue of the Group as a result of a decrease in the number of, as well as the proceeds from, large-scale initial public offerings in Hong Kong during the six months ended 30 September 2017; and (2) an increase in expenses due to the one-stop financial services strategy and the acceleration in the "Wonderful Cloud" development which requires the employment of several financial technology specialists and asset management professionals and an increase in related expenses.

The Group has two major business segments, namely, the financial public relations service segment and the international roadshow service segment. Our financial public relation services ("**Financial PR Services**") consist of (i) public relations services; (ii) investor relations services; (iii) financial printing services; and (iv) capital markets branding. Our international roadshow services comprise coordination, organisation and management of international roadshows for our customers.

The revenue for Financial PR services was approximately HK\$167.2 million for the six months ended 30 September 2017, representing a decrease of approximately 25.3% compared with approximately HK\$223.8 million for the last corresponding period. The segment result for Financial PR Services during the six months ended 30 September 2017 was approximately HK\$73.6 million, representing a decrease of approximately 40.3% compared with approximately HK\$123.2 million for the last corresponding period. The revenue and segment results for international roadshow services were approximately HK\$52.7 million and HK\$12.2 million for the six months ended 30 September 2017, respectively, representing a decrease of approximately 9.8% and an increase of 1.7% respectively compared with approximately HK\$58.4 million and approximately HK\$12 million respectively of last corresponding period.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Aside from the profit generated from the two business segments, during the six months ended 30 September 2017 the Group also generated investment income and gain of HK\$35.8 million and HK\$8.4 million respectively from its available-for-sale investments. The available-for-sale investments comprise bonds listed on either the HKEx or the Singapore Stock Exchange and investment funds. Management believes that the available-for-sale investments will provide another source of income and cash inflows to the Group. Nevertheless, the Group takes a prudent approach on its investments and reviews their performance regularly. Details of the Group's bond investments which exceeded 5% of total available-for-sale investments balance as at 30 September 2017:

30 September 2017

Bond issuer name	Listed on	Bond code	Coupon rate	Maturity date	Face value	Market value	Coupon interest receivable
					US\$	HK\$	HK\$
Skyland Mining BVI Ltd	HKEx	XS1612513132	3.25%	6 July 2020	11,000,000	85,356,563	654,174
Fantasia Holdings Group Co Ltd	SGX	XS1498418224	7.38%	4 October 2021	6,000,000	46,381,425	1,676,581
		XS1586441005	5.50%	12 June 2018	5,000,000	38,554,313	633,454
					11,000,000	84,935,738	2,310,035
China Reinsurance Finance Corp Ltd	HKEx	XS1572895198	3.38%	9 March 2022	11,000,000	84,781,125	175,828
Xinyuan Real Estate Co Ltd	SGX	XS1567240418	7.75%	28 February 2021	11,000,000	83,007,925	593,525
China Cinda Asset Management Co Ltd	HKEx	XS1496760239	4.45%	Perpetual	10,000,000	77,007,875	3,448,750
GOME Retail Holdings Ltd	SGX	XS1556170394	5.00%	10 March 2020	10,015,000	78,877,514	226,381
Sunac China Holdings Ltd	SGX	XS1594400100	6.88%	8 August 2020	10,000,000	76,674,625	784,418

In addition, the Group invested in the following funds which exceeded 5% of total available-for-sale investments balance as at 30 September 2017:

Fund name	Code	Indicated annual return	Market value
			HK\$
Value Partners Greater China High Yield	KYG9319N1337	8.20%	93,174,953
Pimco Funds Global Investors Series plc	IE00BD0YVF41	3.91%	92,726,471

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### FINANCIAL REVIEW

#### Liquidity and financial resources

The Group generally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers in Hong Kong. The Group is financially sound and its cash position is healthy. The Group's bank balances and cash and short-term bank deposits as of 30 September 2017 amounted to approximately HK\$145.1 million. Aside from placing deposits with commercial banks, the Group also purchased principal-guaranteed, short-term and low risk unlisted financial products so as to ensure the security and value of the capital. These products were offered and guaranteed by banks with good reputation. As of 30 September 2017, the principal of these products amounted to HK\$79.5 million. The maturity dates of these products are before April 2018. The unguaranteed annualised rate of returns of these products range from 4.8% to 5.0%. The Group takes a prudent approach when selecting financial products.

The Group's gearing ratio as at 30 September 2017, calculated based on the short-term interest bearing bank borrowings and the equity attributable to owners of the Company, was 55.8% (31 March 2017: 38.1%). Management believes that the Group's cash holding, liquid asset value, operating in flow and available banking facilities are sufficient to fulfill the working capital requirements of the Group.

#### Exchange rate exposure

Most of the transactions, assets and liabilities of the Group were made in Hong Kong dollars and US dollars. As of 30 September 2017, the Group was not exposed to any material exchange risk as the exchange rates of Hong Kong dollars and US dollars were relatively stable under the currency peg system.

#### Pledge of assets

As at 30 September 2017, all available-for-sale investments amounted to approximately HK\$1,476.0 million (31 March 2017: HK\$1,282.2 million) and bank balance amounted to approximately HK\$0.01 million (31 March 2017: HK\$0.2 million) were pledged as securities for banking facilities.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### CONTINGENT LIABILITIES

As at 30 September 2017, the Group had no contingent liabilities.

### PROSPECTS

From a long-term perspective, we can see the global economy is gradually recovering and the enterprises in mainland China are showing more obvious signs of reform. Besides, the connection of the capital markets of Hong Kong and mainland China has brought lasting and healthy growth to the financial public relations industry of the two places.

As of 30 September 2017, the Group has completed the acquisition of Golden Jade Asset Management Limited (“**Golden Jade**”), paving the way for engagement in the asset management business. Golden Jade is a licensed corporation which can carry out Type 9 (Asset Management) regulated activities under the SFO. The Group will continue to strengthen our long-term friendly cooperative relationship with investment banks, and actively explore for opportunities in other financial services markets and will gradually enter these markets at opportune time. The Group will continue to improve and enhance our professional standard in response to the needs of its customers in order to provide further enriched and diversified one-stop financial services to our customers.

While the Group is constantly updating and strengthening its database platform, it is also proactively building the “Wonderful Cloud” financial service platform. “Wonderful Cloud” is leveraging on the advantages of its offline businesses to provide value-added services including information sharing, data storage and sharing and professional data analysis to capital market professional institutions and professionals, senior executives of listed companies and the general public. We believe “Wonderful Cloud” will not only help us to develop our online services, but also improve client loyalty and help our Group to expand geographically.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Group will continue to consolidate its position as a leader in the financial public relations and international roadshow markets in Hong Kong. At the same time, in light of the trend of gradual interconnection of capital markets, we will continue to strengthen the coordination between our overseas, Hong Kong and mainland China work force so as to provide a cross border service platform. In the six months ended 30 September 2017, our mainland China team, with its one-stop integrated financial public relations services, successfully completed the official listing of BGI Genomics Co., Ltd. and Zhejiang Zhaofeng Mechanical and Electronic Co., Ltd. on the ChiNext of the Shenzhen Stock Exchange.

Our Group will continue to explore strategic cooperation, acquisition or joint venture opportunities to execute its global expansion and one-stop financial services strategies. We endeavour to make announcements in accordance with the Listing Rules of the HKEx as deemed appropriate.

Looking ahead, the Group expects the operating environment to continue to be full of challenges. However, the Group expects that it will continue to leverage on its experience, skillset and know-how to build new growth drivers and initiate new value-added services so as to solidify our leading position in the industry. We will proactively execute our global development strategy and will devote ourselves to maximizing the value for the shareholders of the Group.



## OTHER INFORMATION

### DIVIDENDS

The Board does not recommend the payment of interim dividends for the six months ended 30 September 2017 (2016: interim dividends totalling HK6.3 cents per share were declared and paid).

### USE OF PROCEEDS FROM THE COMPANY'S SHARE PLACEMENT

The Company received net proceeds of approximately HK\$424.0 million from the issue of new shares at the time of its top-up placing and top-up subscription which were completed on 4 May 2015.

The net proceeds were planned to be used on the development of "Wonderful Cloud", a mobile internet professional service platform which provides online to offline financial services to our customers. "Wonderful Cloud" is now in the process of being developed and is expected to go online in phases. Our intention is to develop Wonderful Cloud into a premier financial service platform and we, based on the current plan, endeavor to have phase I of Wonderful Cloud to go online as soon as practicable. At 30 September 2017, the unutilised net proceeds were placed on short-term deposits and money market instruments with authorized financial institutions and licensed banks in Hong Kong and the People's Republic of China. The Directors are of the opinion that the net proceeds will be applied in the coming years to their intended uses as set out in the Company's announcement dated 4 May 2015 on the website of the HKEx.

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2017, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers and which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO were as follows:

#### (i) The Company

Name of Director	Long/ Short position	Number of shares held			Total interests	Total interests as % of the issued share capital of the Company
		Interest in controlled corporation	Personal interest	Family interest		
Mr. Liu Tianni	Long	750,000,000 <i>(Note 1)</i>	3,138,000	10,200,000 <i>(Note 2)</i>	763,338,000	63.97%

## OTHER INFORMATION (CONTINUED)

Notes:

- (1) The shares are owned by Sapphire Star Investments Limited ("**Sapphire Star**"), a company incorporated in the British Virgin Islands. Mr. Liu Tianni holds 51% of the issued share capital of Sapphire Star. Under the SFO, Mr. Liu is deemed to be interested in the remaining 49% of the issued share capital of Sapphire Star as they are held by his spouse, Ms. Luk Ching, Sanna. Accordingly, Mr. Liu Tianni is deemed or taken to be interested in all the shares of the Company held by Sapphire Star.
- (2) The shares are owned Mrs. Liu. Mr. Liu is deemed or taken to be interested in these shares for the purpose of the SFO.

### (ii) Associated Corporation

<b>Name of Director</b>	<b>Long/ Short position</b>	<b>Name of the associated corporation</b>	<b>Number of shares held</b>	<b>Approximate percentage of interest in Sapphire Star</b>
Mr. Liu Tianni ( <i>Note</i> )	Long	Sapphire Star	100	100%

Note:

Mr. Liu Tianni holds 51% of the issued share capital of Sapphire Star. Under the SFO, Mr. Liu is deemed to be interested in the remaining 49% of the issued share capital of Sapphire Star, which is held by his spouse, Mrs. Liu. Accordingly, Mr. Liu Tianni is deemed or taken to be interested in 100% of the issued share capital of Sapphire Star.

Save as disclosed above, as at 30 September 2017, none of the Directors or chief executive of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) and the Model Code for Securities Transactions by Directors of Listed Issuers and which were required to be entered into the register required to be kept under Section 352 of the SFO.

## OTHER INFORMATION (CONTINUED)

### SUBSTANTIAL SHAREHOLDERS

As at 30 September 2017, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company or recorded in the register required to be kept by the Company under Section 336 of the SFO pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Long/ Short position	Beneficial Owner	Interest in controlling corporation	Total interests	Percentage of issued share capital of the Company
Sapphire Star	Long	750,000,000 <i>(Note 1)</i>	–	750,000,000	62.86%
Mrs. Liu	Long	13,338,000 <i>(Note 2)</i>	750,000,000 <i>(Note 1)</i>	763,338,000	63.97%
Value Partner Group Limited	Long	12,412,000	59,808,000	72,220,000 <i>(Note 3)</i>	6.05%

*Note:*

1. The shares are owned by Sapphire Star. Mrs. Liu holds 49% of the issued share capital in Sapphire Star. Therefore, for the purposes of the SFO, Mrs. Liu is deemed or taken to be interested in all the shares of the Company held by Sapphire Star.
2. 10,200,000 shares in the Company are beneficially owned by Mrs. Liu and 3,138,000 shares are beneficially owned her spouse, Mr. Liu.
3. As of 30 September 2017, 59,808,000 shares are owned Value Partners High-Dividend Stocks Fund, our investment fund under management of Value Partners Group Limited.

Save as disclosed above, as at 30 September 2017, the Directors are not aware that there is any party (not being a Director) who had any interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such shares.

## OTHER INFORMATION (CONTINUED)

### DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the six months ended 30 September 2017.

### DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the directors, the management shareholders or the substantial shareholders of the Company, or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interests with the Group.

### CORPORATE GOVERNANCE

Save and except for following deviation, the Directors consider that the Company has complied with the applicable code provisions of the Corporate Governance Code (the "**CG Code**"), as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 September 2017.

#### Code Provision A.2.1

Under code provision A.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The roles of both Chairman and Chief Executive Officer are performed by Mr. Liu Tianni. Mr. Liu is a founder of the Group and has over 20 years of experience in the financial investment sector as well as the financial public relation sector. The existing structure facilitates the implementation and execution of the Group's business strategies currently and in the foreseeable future. The Group will nevertheless review the structure from time to time in light of the prevailing circumstances.

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

During the six months ended 30 September 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

### EMPLOYMENT AND REMUNERATION POLICIES

As at 30 September 2017, the Group had approximately 304 full-time employees. Remuneration packages are generally structured with reference to market terms and individual merits. Salaries are normally reviewed on an annual basis and bonuses, if any, will be based on performance appraisals and other relevant factors. Staff benefits plans maintained by the Group include mandatory provident fund scheme, share option scheme and medical insurance.

## OTHER INFORMATION (CONTINUED)

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they had fully complied with the required standard as set out in the Model Code for the six months ended 30 September 2017.

### AUDIT COMMITTEE

The Group has established an Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises 3 members, who are independent non-executive Directors, namely Ms. Lee Wing Sze Rosa, Ms. Li Ling Xiu and Ms. Lam Yim Kei Sally. This Committee is chaired by Ms. Lee Wing Sze Rosa.

The Audit Committee has reviewed with the management of the Company about the accounting principles and practices adopted by the Group and discussed the internal controls and financial reporting matters including a review of the unaudited condensed financial statements of the Group for the six months ended 30 September 2017.

### APPRECIATION

On behalf of the Board, I would like to express its sincere gratitude to all our staff for their dedication and contribution, as well as to all our customers, suppliers, business associates and shareholders for their continuous support to the Group over the period.

By order of the Board

**Liu Tianni**

*Chairman and Chief Executive Officer*

Hong Kong, 29 November 2017