

# INTERIM REPORT 2014



Designed and produced by : Wonderful Sky Financial Group Holdings Limited  
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Tel : 2851 1038



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# CORPORATE INFORMATION

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## BOARD OF DIRECTORS

### *Executive Directors*

Liu Tianni (*Chairman and Chief Executive Officer*)

Xie Wen Zhao (Resigned on 30 September 2014)

### *Non-executive Director*

Sun Bin

### *Independent non-executive Directors*

Lam Ting Lok

Li Ling Xiu

Lam Ling

## AUDIT COMMITTEE

Lam Ting Lok (*Chairman*)

Li Ling Xiu

Lam Ling

## NOMINATION AND REMUNERATION COMMITTEES

Li Ling Xiu (*Chairman*)

Liu Tianni

Lam Ting Lok

Lam Ling

## COMPANY SECRETARY

Ong King Keung

## INDEPENDENT AUDITORS

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

Royal Bank of Canada Trust Company  
(Cayman) Limited

4th 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, Nexus Building

No. 41 Connaught Road Central

Hong Kong

## REGISTERED OFFICE

Scotia Centre, 4/F

P.O. Box 2804

George Town

Grand Cayman KY1-1112

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 2014*

The board (the “**Board**”) of directors (the “**Directors**”) of Wonderful Sky Financial Group Holdings Limited (the “**Company**”) is pleased to present the unaudited interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 September 2014 as follows:

	NOTES	For the six months ended 30 September	
		2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
<b>Revenue</b>	3	<b>230,901</b>	184,815
Direct costs		<b>(115,638)</b>	(88,218)
<b>Gross profit</b>		<b>115,263</b>	96,597
Other income		<b>12,104</b>	7,258
Selling expenses		<b>(6,251)</b>	(6,154)
Administrative expenses		<b>(24,646)</b>	(20,348)
Other expenses, gains and losses		<b>(295)</b>	(1,917)
<b>Profit before taxation</b>	4	<b>96,175</b>	75,436
Taxation	5	<b>(16,504)</b>	(12,346)
<b>Profit and total comprehensive income for the period</b>		<b>79,671</b>	63,090
<b>Profit and total comprehensive income for the period attributable to:</b>			
Owners of the Company		<b>79,671</b>	63,090
Earnings per share — Basic	7	<b>HK8.0 cents</b>	HK6.3 cents

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014

	NOTES	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		2,235	2,711
Club debentures	8	12,200	—
Held-to-maturity investments	9	280,157	86,828
		<b>294,592</b>	89,539
<b>Current assets</b>			
Work in progress		11,846	12,231
Accrued revenue	10	6,012	5,848
Trade and other receivables	10	162,306	138,379
Amounts due from related parties	11	4,832	2,220
Other financial assets	12	76,444	—
Bank balances and cash	15	229,161	485,920
		<b>490,601</b>	644,598
<b>Current liabilities</b>			
Trade and other payables	13	118,664	104,546
Taxation payable		22,736	12,187
		<b>141,400</b>	116,733
<b>Net current assets</b>		<b>349,201</b>	527,865
<b>Total assets less current liabilities</b>		<b>643,793</b>	617,404
<b>Non-current liability</b>			
Deferred tax liabilities		29	101
<b>Net assets</b>		<b>643,764</b>	617,303
<b>Capital and reserves</b>			
Share capital	14	10,000	10,000
Reserves		633,764	607,303
<b>Total equity</b>		<b>643,764</b>	617,303

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2014

	For the six months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
<i>NOTE</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash inflows/(outflows) from:		
Operating activities	<b>69,881</b>	79,533
Investing activities	<b>(272,640)</b>	20,113
Financing activities	<b>(54,000)</b>	(33,000)
Net increase (decrease) in cash and cash equivalents	<b>(256,759)</b>	66,646
Cash and cash equivalents at beginning of period	<b>485,920</b>	353,954
<b>Cash and cash equivalents at end of period</b>	<b>229,161</b>	420,600

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 30 September 2014*

	Attributable to owners of the Company						Total <i>HK\$'000</i>
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i> <i>(note i)</i>	Capital reserve <i>HK\$'000</i> <i>(note ii)</i>	Share options reserve <i>HK\$'000</i>	Accumulated profits <i>HK\$'000</i>	
	—	—	—	—	—	—	
At 1 April 2013	10,000	314,232	10	(1)	—	209,711	533,952
Profit and total comprehensive income for the year	—	—	—	—	—	153,821	153,821
Recognition of equity-settled share-based payments	—	—	—	—	530	—	530
Dividend recognised as distribution	—	—	—	—	—	(71,000)	(71,000)
At 31 March 2014 (Audited)	10,000	314,232	10	(1)	530	292,532	617,303



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 September 2014

	Attributable to owners of the Company						
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i> <i>(note i)</i>	Capital reserve <i>HK\$'000</i> <i>(note ii)</i>	Share options reserve <i>HK\$'000</i>	Accumulated profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2013	10,000	314,232	10	(1)	—	209,711	533,952
Profit and total comprehensive income for the period	—	—	—	—	—	63,090	63,090
Final dividend recognised as distribution	—	—	—	—	—	(33,000)	(33,000)
At 30 September 2013 (Unaudited)	10,000	314,232	10	(1)	—	239,801	564,042
At 1 April 2014	<b>10,000</b>	<b>314,232</b>	<b>10</b>	<b>(1)</b>	<b>530</b>	<b>292,532</b>	<b>617,303</b>
Profit and total comprehensive income for the period	—	—	—	—	—	79,671	79,671
Recognition of equity-settled share-based payments	—	—	—	—	790	—	790
Final dividend recognised as distribution ( <i>Note 6</i> )	—	—	—	—	—	(54,000)	(54,000)
At 30 September 2014 (Unaudited)	<b>10,000</b>	<b>314,232</b>	<b>10</b>	<b>(1)</b>	<b>1,320</b>	<b>318,203</b>	<b>643,764</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 2014*

## 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. Its ultimate holding company is Sapphire Star Investments Limited, a company with limited liability incorporated in the British Virgin Islands (“**BVI**”). The address of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section of the interim report.

The principal activity of the Company is to act as an investment holding company. 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 Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis. Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2014 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2014.

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by HKICPA that are mandatorily effective for the current interim period.

The application of the amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

For the six months ended 30 September 2014

### 3. REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to two operating segments focusing on provision of different types of service, namely the provision of financial public relations services and organisation and coordination of international roadshow services. 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.

#### 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 2014 (Unaudited)

	Provision of financial public relations services <i>HK\$'000</i>	Organisation and coordination of international roadshow services <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue	<u>169,773</u>	<u>61,128</u>	<u>230,901</u>
Segment profit	<u>91,231</u>	<u>17,031</u>	108,262
Unallocated corporate income			12,104
Staff costs (including retirement benefit scheme contributions)			(15,460)
Operating lease rentals			(3,697)
Other unallocated corporate expenses			(5,034)
Profit before taxation			<u>96,175</u>

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

For the six months ended 30 September 2014

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

#### Segment revenue and results (Continued)

For the six months ended 30 September 2013 (Unaudited)

	Provision of financial public relations services HK\$'000	Organisation and coordination of international roadshow services HK\$'000	Consolidated HK\$'000
Revenue	143,268	41,547	184,815
Segment profit	80,128	7,785	87,913
Unallocated corporate income			7,258
Staff costs (including retirement benefit scheme contributions)			(11,231)
Operating lease rentals			(3,657)
Other unallocated corporate expenses			(4,847)
Profit before taxation			75,436

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 and Directors' salaries.

**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 2014 (Unaudited)

	Provision of financial public relations services <i>HK\$'000</i>	Organisation and coordination of international roadshow services <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Assets</b>			
Segment assets	<u>144,734</u>	<u>47,627</u>	192,361
Bank balances and cash			229,161
Other financial assets			76,444
Held-to-maturity investments			280,157
Other unallocated assets			7,070
Total assets			785,193
<b>Liabilities</b>			
Segment liabilities	<u>91,548</u>	<u>22,534</u>	114,082
Taxation payable			22,736
Other unallocated liabilities			4,611
Total liabilities			141,429

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

For the six months ended 30 September 2014

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

#### Segment assets and liabilities (Continued)

At 31 March 2014 (Audited)

	Provision of financial public relations services HK\$'000	Organisation and coordination of international roadshow services HK\$'000	Consolidated HK\$'000
<b>Assets</b>			
Segment assets	122,416	35,404	157,820
Bank balances and cash			485,920
Held-to-maturity investments			86,828
Other unallocated assets			3,569
Total assets			734,137
<b>Liabilities</b>			
Segment liabilities	80,317	17,575	97,892
Taxation payable			12,187
Other unallocated liabilities			6,755
Total liabilities			116,834

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

- all assets are allocated to reportable segments except for other financial assets, held-to-maturity investments, deposits and prepayment, and bank balances and cash.
- all liabilities are allocated to reportable segments except for accrued administrative expenses, taxation payable and deferred tax liabilities.

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

For the six months ended 30 September 2014

### 4. PROFIT BEFORE TAXATION

	For the six months ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Directors' and chief executive officer's remuneration	3,434	3,591
Other staff costs	28,175	19,453
Retirement benefit scheme contributions for other staff	1,792	838
Share-based payments for other staff	783	—
	<b>34,184</b>	23,882
Auditor's remuneration	450	450
Depreciation	751	568
Operating lease rentals in respect of office premises	3,697	3,657
Impairment loss recognized on amount due from a related party	—	1,960
and after crediting:		
Interest income (included in other income)	4,114	1,345
Investment income from other financial assets (included in other income)	244	—
Investment income for short-term investment (included in other income)	—	3,000
Investment income from held-to-maturity investments (included in other income)	5,250	1,765
Commission income (included in other income)	2,071	1,052

### 5. TAXATION

	For the six months ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Hong Kong Profits Tax		
— Current tax	16,576	12,351
Deferred taxation	(72)	(5)
	<b>16,504</b>	12,346

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

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

For the six months ended 30 September 2014

### 6. DIVIDENDS

The interim dividend of HK3.2 cents per share (2013: HK2.6 cents per share) and special dividend of HK1.6 cents per share (2013: HK1.2 cents per share) in respect of the six months ended 30 September 2014 has been declared by the Board and will be payable to the shareholders of the Company whose names appear on the register of members on 17 December 2014. The interim dividend and special dividend will be paid on or before 23 December 2014. The aggregate amount of interim and special dividends declared in respect of the six months ended 30 September 2014 amounted to HK\$48,000,000 (2013: HK\$38,000,000). This interim dividend and special dividend were declared after the interim reporting date, and therefore has not been included as a liability in the condensed consolidated statement of financial position.

During the six months ended 30 September 2014, the final dividend of HK3.7 cents per share and special dividend of HK1.7 cents per share in respect of the year ended 31 March 2014 was declared and paid to its shareholders. The aggregate amount of final and special dividends declared and paid during the period amounted to HK\$54,000,000.

### 7. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 September 2014 is based on the Group's unaudited consolidated profit attributable to owners of the Company and on the weighted average number of 1,000,000,000 ordinary shares (2013: 1,000,000,000) in issue during the period.

No diluted earnings per share has been presented as there had been no dilutive potential shares during the period.

### 8. CLUB DEBENTURES

Club debentures are measured at cost less any impairment losses.

### 9. HELD-TO-MATURITY INVESTMENTS

The Group's held-to-maturity investments represent debt securities that are issued by subsidiaries/associates of state-owned enterprises and carry fixed interests ranging from 4.00% to 5.88% per annum, payable semi-annually, and will mature from July 2019 to July 2024.



For the six months ended 30 September 2014

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

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Accrued revenue	<b>6,012</b>	5,848
Trade receivables, net of allowance	<b>155,236</b>	134,810
Other receivables		
— Deposits	<b>5,350</b>	3,276
— Prepayments	<b>935</b>	165
— Staff advances	<b>785</b>	128
	<b>7,070</b>	3,569
Total trade and other receivables	<b>162,306</b>	138,379

Service income arising from initial public offerings (“IPO”) is recognised when services are rendered and is generally billed within one month from date of listing of its 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. The management closely monitors the credit quality and follow-up action is taken if overdue debts are noted.

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

For the six months ended 30 September 2014

### 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:

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Within 30 days	24,978	70,544
31 to 90 days	44,605	43,915
91 days to 1 year	85,653	20,351
	<b>155,236</b>	134,810

### 11. AMOUNTS DUE FROM RELATED PARTIES

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

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Chongqing Iron & Steel Company Limited ("Chongqing Iron & Steel") (note 1)	1,873	128
Luoyang Glass Company Limited ("Luoyang Glass") (note 1)	2,889	—
Qingling Motors Company Limited ("Qingling Motors") (note 1)	70	2,092
	<b>4,832</b>	2,220
Analysed for reporting purposes:		
Current assets	<b>4,832</b>	2,220

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

Included in the amounts due from related parties is a balance of HK\$4,832,000 (31 March 2014: HK\$2,220,000), which was trade in nature, representing 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. Impairment losses recognized in respect of amount due from a related party, Luoyang Glass, as at 30 September 2014 amounted to HK\$5,716,000 (31 March 2014: HK\$5,716,000) by reference to past settlement pattern of this related party. Full provision has been made for balance aged over one year with no subsequent settlement as historical evidence shows that such amounts is not recoverable. The remaining balances are unsecured, interest-free and repayable on demand.

The following is an aged analysis of trade in nature amounts due from related parties with trade in nature net of allowance for doubtful debts presented base on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	<b>As at 30 September 2014 (Unaudited) HK\$'000</b>	As at 31 March 2014 (Audited) HK\$'000
Within 30 days	<b>825</b>	469
31–90 days	<b>729</b>	1,275
91 days to 1 year	<b>3,278</b>	476
	<b>4,832</b>	2,220

*Note:*

1. Mr. Liu Tianni, the controlling shareholder and director of the Company, is a director of Chongqing Iron & Steel, Luoyang Glass and Qingling Motors.

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

For the six months ended 30 September 2014

### 12. OTHER FINANCIAL ASSETS

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Treasury products issued by commercial bank	<b>76,444</b>	—

The Group invested in principal-guaranteed, short-term and low risk unlisted treasury products issued by commercial banks in the PRC. The principals of these investments are guaranteed by the corresponding commercial bank. The principal of such products will be fully refunded upon maturity. The investments are denominated in RMB and with maturity periods within three months. The unguaranteed annualised rate of return of these treasury products is 4.5%.

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.

### 13. TRADE AND OTHER PAYABLES

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Trade payables	<b>45,798</b>	61,791
Deposits received from customers	<b>60,800</b>	28,609
Salaries payable	<b>8,766</b>	9,131
Accrued expenses	<b>1,574</b>	3,318
Other payables	<b>1,726</b>	1,697
	<b>72,866</b>	42,755
Total trade and other payables	<b>118,664</b>	104,546

**13. TRADE AND OTHER PAYABLES (CONTINUED)**

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

	<b>As at 30 September 2014 (Unaudited) HK\$'000</b>	As at 31 March 2014 (Audited) HK\$'000
Within 30 days	<b>19,485</b>	45,205
31 to 60 days	<b>7,396</b>	2,069
61 to 90 days	<b>2,047</b>	1,138
91 days to 1 year	<b>14,168</b>	10,402
Over 1 year	<b>1,887</b>	2,089
	<b>44,983</b>	60,903
Not yet billed	<b>815</b>	888
	<b>45,798</b>	61,791

**14. SHARE CAPITAL**

	<b>Number of shares</b>	<b>HK\$'000</b>
Authorised:		
Ordinary shares of HK\$0.01 each at 31 March and 30 September 2014	10,000,000,000	100,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each at 31 March and 30 September 2014	1,000,000,000	10,000

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

For the six months ended 30 September 2014

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

	<b>As at 30 September 2014 (Unaudited) HK\$'000</b>	<b>As at 31 March 2014 (Audited) HK\$'000</b>
Bank Balances and cash	<b>229,161</b>	485,920
Less: Pledged bank balance	<b>(1,534)</b>	—
	<b>227,627</b>	485,920

### 16. PLEDGE OF ASSETS

	<b>As at 30 September 2014 (Unaudited) HK\$'000</b>	<b>As at 31 March 2014 (Audited) HK\$'000</b>
Held-to-maturity investments	<b>231,520</b>	—
Bank balance	<b>1,534</b>	—
	<b>233,054</b>	—

For the six months ended 30 September 2014

## 17. 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 2014 (Unaudited) HK\$'000</b>	30 September 2013 (Unaudited) HK\$'000
Financial public relations service income from Chongqing Iron & Steel ( <i>note 1</i> )	<b>1,961</b>	1,634
Financial public relations service income from Qingling Motors ( <i>note 1</i> )	<b>135</b>	58
Financial public relations service income from Luoyang Glass ( <i>note 1</i> )	<b>1,963</b>	1,786

Notes:

- Chongqing Iron & Steel, Qingling Motors and Luoyang Glass are the companies in which Mr. Liu Tianni, the controlling shareholder and director of the Company, has directorship.

### Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	<b>For the six months ended</b>	
	<b>30 September 2014 (Unaudited) HK\$'000</b>	30 September 2013 (Unaudited) HK\$'000
Salaries and allowances	<b>6,009</b>	4,674
Performance related incentive payments	<b>679</b>	753
Retirement benefit scheme contributions	<b>42</b>	29
Share-based payments	<b>59</b>	—
	<b>6,789</b>	5,456

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

For the six months ended 30 September 2014

### 18. OPERATING LEASE COMMITMENTS

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

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Within one year	13,533	8,974
In the second to fifth years, inclusive	41,251	—
	<b>54,784</b>	8,974

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

### 19. 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.



**19. SHARE OPTION SCHEME (*CONTINUED*)**

At 30 September 2014, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 16,880,000 (31 March 2014: 27,480,000), representing 1.69% (31 March 2014: 2.75%) 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 2014

### 19. SHARE OPTION SCHEME (CONTINUED)

The following table discloses movements of the Company's share options held by directors of the Company and employees of the Group during the six months ended 30 September 2014:

Date of grant	Exercisable period	Exercise price HK\$	Outstanding	Granted	Lapsed	Outstanding
			at 1.4.2014	during the period	during the period	at 30.9.2014
<i>Executive director:</i>						
28.1.2014	28.7.2015 — 27.7.2020	1.174	1,360,000	—	(1,000,000)	360,000
28.1.2014	28.7.2016 — 27.7.2020	1.174	1,360,000	—	(1,000,000)	360,000
28.1.2014	28.7.2017 — 27.7.2020	1.174	1,360,000	—	(1,000,000)	360,000
28.1.2014	28.7.2018 — 27.7.2020	1.174	2,720,000	—	(2,000,000)	720,000
			6,800,000	—	(5,000,000)	1,800,000
<i>Employees:</i>						
28.1.2014	28.7.2015 — 27.7.2020	1.174	5,004,000	—	(1,380,000)	3,624,000
28.1.2014	28.7.2016 — 27.7.2020	1.174	8,476,000	—	(2,420,000)	6,056,000
28.1.2014	28.7.2017 — 27.7.2020	1.174	2,400,000	—	(600,000)	1,800,000
28.1.2014	28.7.2018 — 27.7.2020	1.174	4,800,000	—	(1,200,000)	3,600,000
			20,680,000	—	(5,600,000)	15,080,000
Total			27,480,000	—	(10,600,000)	16,880,000

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

During the six months ended 30 September 2014, no option was granted (2013: nil).

The Group recognised the share-based payments of HK\$790,000 during the six months ended 30 September 2014 (2013: nil) in relation to share options granted by the Company.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group's revenue increased from approximately HK\$184.8 million for the six months ended 30 September 2013 to approximately HK\$230.9 million for the six months ended 30 September 2014, representing an increase of approximately 24.9%. The Group's profit and total comprehensive income increased from approximately HK\$63.1 million for the six months ended 30 September 2013 to approximately HK\$79.7 million for the six months ended 30 September 2014, representing an increase of approximately 26.3%. The increase in revenue and profit and total comprehensive income during the period was mainly due to the increase in initial public offering clients ("IPO Clients") listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Group's consists of two major segments. The first segment consists of (i) public relations services; (ii) investor relations services; (iii) financial printing services; and (iv) capital markets branding (collectively, the "Financial PR services"). The second segment is the international roadshow services. The revenue for Financial PR services was approximately HK\$169.8 million during the six months ended 30 September 2014, representing an increase of approximately 18.5% compared with that in the last corresponding period. The segment result for Financial PR services during the six months ended 30 September 2014 was approximately HK\$91.2 million, representing an increase of approximately 13.9% compared with that in the last corresponding period. The increase was mainly due to the increase in IPO Clients successfully listed on the Stock Exchange during the period. During the six months ended 30 September 2014, the Group had 17 IPO Clients successfully listed on the Stock Exchange compared to 6 IPO Clients in last corresponding period. During the period, the revenue and segment results of the international roadshow services had also surged substantially. The revenue and segment results for international roadshow services were approximately HK\$61.1 million and HK\$17.0 million, respectively, representing an increase of approximately 47.1% and 118.8%, respectively compared to last corresponding period.

## 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 remains healthy. The Group's cash and bank balances and short-term bank deposits as of 30 September 2014 amounted to approximately HK\$229.2 million. Aside from the deposits placed with commercial banks with good reputation, the Group purchased principal-guaranteed, short-term and low risk unlisted treasury products so as to ensure the security and value of the capital. Such products were offered and guaranteed by banks with good reputation. The principal of such products will be fully refunded upon maturity. All of the terms of such products are less than three months. The unguaranteed annualised rate of return is 4.5%. The Group takes a prudent approach in selecting financial products. In addition, as at 30 September 2014, the Group had held-to-maturity investments amounted to approximately HK\$280.2 million (31 March 2014: HK\$86.8 million). The Group's held-to-maturity investments represent debt securities that are issued by subsidiaries/associates of state-owned enterprises and carry fixed interests ranging from 4.00% to 5.88% per annum, payable semi-annually, and will mature from July 2019 to July 2024. During the six months ended 30 September 2014, the investment income derived from the held-to-maturity investments was approximately HK\$5,250,000 (2013: HK\$1,765,000). We believe that the held-to-maturity investments would contribute stable additional cash inflows to the Group, on top of the cash inflows from the operating activities, in the long run.

## MANAGEMENT DISCUSSION AND ANALYSIS (*Continued*)

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The Group's gearing ratio as at 30 September 2014, calculated based on the short-term and long-term interest bearing bank borrowings and the equity attributable to owners of the Company, was nil (31 March 2014: nil). We believe that the Group's cash holding, liquid asset value, future revenue and available banking facilities will be sufficient to fulfill working capital requirements of the Group.

### *Exchange rate exposure*

Most of the transactions of the Group were made in Hong Kong dollars and US dollars. As of 30 September 2014, 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 2014, held-to-maturity investments amounted to approximately HK\$231,520,000 (31 March 2014: nil) and bank balance amounted to approximately HK\$1,534,000 (31 March 2014: nil) was pledged as security for bank facilities. Please refer to note 16 to the condensed interim financial information for details of pledge of assets.

## CONTINGENT LIABILITIES

As at 30 September 2014, the Group had no contingent liabilities.

## PROSPECTS

In the second half of the financial year ending 31 March 2015, the Group expects that the business environment will continue to be full of challenges, nevertheless the global economy has already gradually improved. In the long run, the financial PR industry in the mainland China and Hong Kong will still enjoy healthy growth potentials, particularly due to the long-term driving force and opportunities brought by the Shanghai-Hong Kong Stock Connect. As at the date of this report, additional 5 IPO clients of the Group were successfully listed on the Stock Exchange or overseas since 30 September 2014 and over 20 IPO clients were in the progress of listing application. In order to tailor to the dynamic business environment of the Greater China capital market, the Group has developed businesses in public relations, investor relations, financial printing, brand creatively and international roadshow, in a step-by-step and innovative manner. In the mainland China, the Group has captured the opportunities of the industrial transformation and has built up the Hong Kong and mainland teams in order to create a cross-border business platform. This platform would serve the extensive overseas market, as well as continuously promote our services to the IPO clients and also to our long term customers.

Subject to prevailing market conditions and the availability of potential targets, the Group may also acquire or set up a joint venture with a public relations firm in China and implement strategic merger with and acquisition of company(ies) in Hong Kong with experience in the public relations business, investor relations business, financial printing business, international roadshow business or capital markets branding business. The Group keeps on exploring all potential opportunities. As at 30 September 2014, the Group had not yet identified any definitive targets. If such opportunity materialises, announcement will be made in accordance with the Listing Rules as and when appropriate.

Looking ahead, the Group will continue leveraging its experience, skill set and knowhow to develop new growth potentials and create new cutting edge services so as to solidify our leading position in the future.

### DIVIDENDS

The interim dividend of HK3.2 cents per share (2013: HK2.6 cents per share) and special dividend of HK1.6 cents per share (2013: HK1.2 cents per share), in respect of the six months ended 30 September 2014 has been declared by the Board and will be payable to the shareholders of the Company whose names appear on the register of members on 17 December 2014. The interim dividend and special dividend will be paid on or before 23 December 2014. The aggregate amount of interim and special dividends declared in respect of the six months ended 30 September 2014 amounted to HK\$48,000,000 (2013: HK\$38,000,000).

### USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

On 30 March 2012, the Company received the net proceeds in the sum of approximately HK\$314.8 million raised from the issue of new shares at the time of its listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Such net proceeds were derived after deduction of related issuance expenses. As at 30 September 2014, the Group used net proceeds of approximately HK\$63.0 million, of which approximately HK\$31.5 million was used for establishing an additional office in Hong Kong as well as recruiting additional staff members and approximately HK\$31.5 million was used for as working capital and other general corporate purposes of the Group. The remaining net proceeds are placed on short-term deposits and/or money market instruments and/or principal-guaranteed, short-term, and low risk unlisted treasury products with authorized financial institutions and/or licensed banks in Hong Kong and/or the PRC. 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 prospectus dated 19 March 2012.

## OTHER INFORMATION *(Continued)*

### 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 2014, the interests and short positions of the Directors and chief executive 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 as % of the issued share capital of the Company
		Interest in controlled corporation	Total interests	
Mr. Liu Tianni	Long	750,000,000 <i>(Note)</i>	750,000,000	75.0%

*Note:*

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 in Sapphire Star and is deemed to be interested in the 49% of the issued share capital in Sapphire Star held by his spouse, Ms. Luk Ching, Sanna ("**Mrs. Liu**") under the SFO. Accordingly Mr. Liu Tianni is deemed or taken to be interested in all the shares of the Company held by Sapphire Star under the SFO.

## (ii) Associated Corporation

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

*Note:*

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

Save as disclosed above, as at 30 September 2014, 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), 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.

**SUBSTANTIAL SHAREHOLDERS**

As at 30 September 2014, 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 under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholder	Long/Short position	Beneficial owner	Interest in controlled corporation	Total interests	Percentage of issued capital of the Company
Sapphire Star	Long	750,000,000 (Note)	—	750,000,000 (Note)	75.0%
Mrs. Liu	Long	—	750,000,000 (Note)	750,000,000 (Note)	75.0%

*Note:*

The shares are owned by Sapphire Star. Mrs. Liu holds 49% of the issued share capital in Sapphire Star. Therefore, Mrs. Liu is deemed or taken to be interested in all the shares of the Company held by Sapphire Star for the purposes of the SFO.

## OTHER INFORMATION *(Continued)*

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Save as disclosed above, as at 30 September 2014, 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.

### **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 2014.

### **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 interest with the Group.

### **CORPORATE GOVERNANCE**

Save and except for the 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 2014.

#### **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 15 years of experience in the financial investment sector as well as the financial public relation sector. The Board believes that vesting the two roles in the same person provides the Company with strong and consistent leadership and 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.



**Code Provision A.6.7**

Under code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors, should attend general meetings and develop a balanced understanding of the views of shareholders. A non-executive director was unable to attend the Company's annual general meeting held on 12 August 2014 due to being overseas.

**PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES**

For the six months ended 30 September 2014, the Company has not redeemed any of its listed securities. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the period.

**EMPLOYMENT AND REMUNERATION POLICIES**

As at 30 September 2014, the Group had 221 full-time employees. Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed on an annual basis and bonuses paid, 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.

**CLOSURE OF REGISTER OF MEMBERS FOR DIVIDENDS**

The register of members of the Company will be closed from 15 December 2014 to 17 December 2014 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the interim dividend and special dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 12 December 2014. The interim dividend and special dividend will be paid on or before 23 December 2014.

**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 2014.

## OTHER INFORMATION *(Continued)*

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### CHANGES IN INFORMATION ON DIRECTORS

Subsequent to the date of the 2014 annual report of the Company, changes in information of Directors which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

- Our chairman, Mr. Liu Tianni, has been appointed as the chief executive officer of the Company also with effect from 30 September 2014.
- Mr. Lam Ting Lok, an independent non-executive Director, resigned as an independent non-executive director of Enterprise Development Holdings Limited, a company the shares of which are listed on the Main Board of the Stock Exchange, with effect from 6 October 2014.

### 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 Mr. Lam Ting Lok, Ms. Li Ling Xiu and Ms. Lam Ling. This Committee is chaired by Mr. Lam Ting Lok.

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 2014.

### 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*

Hong Kong, 20 November 2014