



CK WONDERFULsky

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WONDERFUL SKY FINANCIAL GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 01260

INTERIM REPORT **2018**

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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*

– resigned on 30 May 2018

Lau Kwok Yin *HKICPA*

– appointed on 30 May 2018

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

The Hongkong and Shanghai Banking Corporation Limited

China Construction Bank (Asia) Corporation Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited

Royal Bank House, 3rd Floor

24 Shedden Road, P.O. Box 1586

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

9/F, The Center

No. 99 Queen's 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 2018

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 2018 as follows:

	Notes	For the six months ended 30 September	
		2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Revenue	3	348,774	219,885
Direct costs		(177,169)	(123,556)
Gross profit		171,605	96,329
Other income		39,357	41,041
Selling expenses		(7,014)	(7,352)
Administrative expenses		(37,844)	(41,979)
Other gains and losses	4	(49,686)	6,358
Share of results of associates		(88)	905
Share of result of a joint venture		5	–
Finance costs		(8,121)	(3,064)
Profit before tax	5	108,214	92,238
Income tax expense	6	(17,314)	(14,758)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 September 2018

	Notes	For the six months ended 30 September	
		2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Profit for the period		90,900	77,480
Other comprehensive income (expense)			
Item that will not be reclassified to profit or loss:			
Fair value changes on investments in equity instruments at fair value through other comprehensive income		(12,497)	–
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operation		(960)	(649)
Reclassification adjustment relating to investments disposed of during the period		(12,008)	(8,441)
Fair value changes on			
– available-for-sale investments		–	(4,553)
– investments in debt instruments measured at fair value through other comprehensive income		(36,784)	–
Total comprehensive income for the period		28,651	63,837
Profit for the period attributable to owners of the Company		90,900	77,480
Total comprehensive income attributable to owners of the Company		28,651	63,837
Earnings per share – Basic	8	HK7.6 cents	HK6.5 cents
Earnings per share – Diluted	8	HK7.6 cents	HK6.5 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 September 2018

	<i>Notes</i>	As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment		700,883	710,352
Intangible assets	9	10,006	10,006
Interests in associates		14,380	14,405
Interest in a joint venture		1,097	–
Investments	13	35,088	47,231
Club debenture	10	12,200	12,200
Deferred tax asset		316	316
Deposits for acquisition of property, plant and equipment		5,774	5,926
Other deposits		152	–
		779,896	800,436
Current assets			
Work in progress		4,446	8,278
Accrued revenue	11	–	20,843
Trade and other receivables	11	234,539	264,454
Contract assets		21,470	–
Amounts due from related parties	12	5,932	4,765
Investments	13	639,020	1,112,711
Tax recoverable		2,009	2,009
Bank balances and cash	17	173,891	165,471
		1,081,307	1,578,531

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

For the six months ended 30 September 2018

	<i>Notes</i>	As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
Current liabilities			
Trade and other payables	14	54,807	83,352
Contract liabilities	15	41,214	–
Tax payable		34,032	16,718
Bank borrowings		349,419	925,817
		479,472	1,025,887
Net current assets		601,835	552,644
Total assets less current liabilities		1,381,731	1,353,080
Non-current liability			
Deferred tax liability		1,040	1,040
Net assets		1,380,691	1,352,040
Capital and reserves			
Share capital	16	11,940	11,940
Reserves		1,368,751	1,340,100
Total equity		1,380,691	1,352,040

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2018

	For the six months ended 30 September	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Net cash inflows/(outflows) from:		
Operating activities	141,893	49,945
Investing activities	450,282	(218,667)
Financing activities	(583,755)	135,659
Net increase/(decrease) in cash and cash equivalents	8,420	(33,063)
Cash and cash equivalents at beginning of period	165,471	178,171
Cash and cash equivalents at end of period	173,891	145,108

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2018

	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	FVTOCI reserve HK\$'000	Translation reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
At 1 April 2017 (audited)	11,922	725,808	10	(1)	(4,773)	1,718	3,607	-	(17,499)	609,724	1,330,516
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 period	-	-	-	-	-	-	(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)	11,932	727,279	10	(1)	(4,773)	1,539	(9,387)	-	(18,148)	598,915	1,307,366
At 31 March 2018 (audited)	11,940	728,383	10	(1)	(4,773)	1,650	(32,283)	-	(9,062)	656,176	1,352,040
Reclassification from available-for-sale investments to financial assets at fair value through other comprehensive income	-	-	-	-	-	-	32,283	(32,283)	-	-	-
Opening adjustment on fair value changes on investments in equity instruments at fair value through other comprehensive income upon initial application of HKFRS 9	-	-	-	-	-	-	-	(9,883)	-	-	(9,883)
At 1 April 2018 (restated)	11,940	728,383	10	(1)	(4,773)	1,650	-	(42,166)	(9,062)	656,176	1,342,157
Profit for the period	-	-	-	-	-	-	-	-	-	90,900	90,900
Fair value changes on investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(2,614)	-	-	(2,614)
Exchange difference on translation	-	-	-	-	-	-	-	-	(960)	-	(960)
Reclassification adjustment relating to investments disposed of during the period	-	-	-	-	-	-	-	(12,008)	-	-	(12,008)
Fair value changes on debt instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	(36,784)	-	-	(36,784)
Other comprehensive income for the period	-	-	-	-	-	-	-	(51,406)	(960)	-	(52,366)
Total comprehensive income for the period	-	-	-	-	-	-	-	(51,406)	(960)	90,900	38,534
At 30 September 2018 (Unaudited)	11,940	728,383	10	(1)	(4,773)	1,650	-	(93,572)	(10,022)	747,076	1,380,691

Notes:

- (i) The merger reserve of the Group represented the difference of the nominal value of the shares of Shine Talent Holdings Limited issued in exchange for the entire share capital of Wonderful Sky Financial Group Limited.
- (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 2018

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 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 on the historical cost basis except for certain financial instruments, which is measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of new Hong Kong Financial Reporting Standards ("**HKFRS**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2018.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2018 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK (IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfer of Investment Property

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

2.1 Impacts and changes in accounting policies of application on HKFRS 15 *Revenue from Contracts with Customers*

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

The Group recognizes revenue from the provision of financial public relations services and organisation and coordination of international roadshow services.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognized at the date of initial application, 1 April 2018 without restating the comparative information. In accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue and HKAS 11 Construction Contracts and the related interpretations.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognizing revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the Group satisfies a performance obligation.

Under HKFRS 15, the Group recognizes revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct good or service.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 15 (Continued)

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

2.1.2 A point in time revenue recognition: measurement of complete satisfaction of a performance obligation

Under HKFRS 15, revenue from sales of customized product is generally recognized when customer acceptance has been obtained, which is the point of time when the customer has the ability to direct the use of the product and obtain substantially all of the remaining benefit of the products. This results in revenue from sales of customized product being recognized upon customer acceptance instead of good delivery.

2.1.3 Summary of effects arising from initial application of HKFRS 15

As at 1 April 2018, the Group has accrued revenue amounted to HK\$20,843,000, which was reclassified to contract assets; and deposits received from customers amounted to HK\$30,378,000 previously included in trade and other payables were reclassified to contract liabilities. The impacts from the application of HKFRS 15 thereof are detailed in Note 2.3.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.2 Impacts and changes in accounting policies of application on HKFRS 9 *Financial Instruments*

In the current period, the Group has applied HKFRS 9 Financial Instruments and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognized as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognized as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognized in the opening retained earnings and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

2.2.1 *Key changes in accounting policies resulting from application of HKFRS 9*

Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

All recognized financial assets that are within the scope of HKFRS 9 are subsequently measured at amortized cost or fair value, including unquoted equity investments measured at cost less impairment under HKAS 39.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.2 Impacts and changes in accounting policies of application on HKFRS 9 *Financial Instruments* (Continued)

2.2.1 *Key changes in accounting policies resulting from application of HKFRS 9 (Continued)*

Classification and measurement of financial assets (Continued)

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (“**FVTOCI**”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss (“**FVTPL**”), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income (“**OCI**”) if that equity investment is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.2 Impacts and changes in accounting policies of application on HKFRS 9 *Financial Instruments* (Continued)

2.2.1 *Key changes in accounting policies resulting from application of HKFRS 9 (Continued)*

Classification and measurement of financial assets (Continued)

In addition, the Group may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Debt instruments/receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments/receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognized in profit or loss. All other changes in the carrying amount of these debt instruments/receivables are recognized in OCI and accumulated under the heading of FVTOCI reserve. Impairment allowance are recognized in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these debt instruments/receivables. The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these debt instruments/receivables had been measured at amortized cost. When these debt instruments/receivables are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

Equity instruments designated as at FVTOCI

At the date of initial application/initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in OCI and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained earnings.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.2 Impacts and changes in accounting policies of application on HKFRS 9 *Financial Instruments* (Continued)

2.2.1 *Key changes in accounting policies resulting from application of HKFRS 9 (Continued)*

Equity instruments designated as at FVTOCI (Continued)

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established in accordance with HKFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

The directors of the Company reviewed and assessed the Group's financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date. Changes in classification and measurement on the Group's financial assets and the impacts thereof are detailed in Note 2.2.2.

Impairment under ECL model

The Group recognizes a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, Contract assets, equity instruments at FVTOCI, debt instruments at FVTOCI and bank balances and cash). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.2 Impacts and changes in accounting policies of application on HKFRS 9 *Financial Instruments* (Continued)

2.2.1 *Key changes in accounting policies resulting from application of HKFRS 9 (Continued)*

Impairment under ECL model (Continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.2 Impacts and changes in accounting policies of application on HKFRS 9 *Financial Instruments (Continued)*

2.2.1 *Key changes in accounting policies resulting from application of HKFRS 9 (Continued)*

Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.2 Impacts and changes in accounting policies of application on HKFRS 9 *Financial Instruments (Continued)*

2.2.1 *Key changes in accounting policies resulting from application of HKFRS 9 (Continued)*

Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.2 Impacts and changes in accounting policies of application on HKFRS 9 *Financial Instruments (Continued)*

2.2.1 *Key changes in accounting policies resulting from application of HKFRS 9 (Continued)*

Measurement and recognition of ECL (Continued)

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortized cost of the financial asset.

Except for investments in debt instruments/receivables that are measured at FVTOCI, the Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets, where the corresponding adjustment is recognized through a loss allowance account. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognized in OCI and accumulated in the FVTOCI reserve without reducing the carrying amounts of these debt instruments/receivables.

As at 1 April 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. The results of the assessment and the impact thereof are detailed in Note 2.2.2.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.2 Impacts and changes in accounting policies of application on HKFRS 9 *Financial Instruments (Continued)*

2.2.2 Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets and financial liabilities and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

	<i>Note</i>	Available for-sale investments <i>HK\$'000</i>	Equity instruments at FVTOCI <i>HK\$'000</i>	Debt instruments at FVTOCI <i>HK\$'000</i>	Investment revaluation reserve <i>HK\$'000</i>	FVTOCI reserve <i>HK\$'000</i>
Closing balance at 31 March 2018 (audited) – HKAS 39		1,117,782	–	–	(32,283)	–
Effect arising from initial application of HKFRS 9:						
Reclassification from available-for-sale ("AFS") investments	(a)	(1,117,782)	132,366	975,533	32,283	(42,166)
Opening balance at 1 April 2018		–	132,366	975,533	–	(42,166)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.2 Impacts and changes in accounting policies of application on HKFRS 9 *Financial Instruments* (Continued)

2.2.2 Summary of effects arising from initial application of HKFRS 9 (Continued)

Notes:

- (a) Available-for-sale investments

From AFS equity investments to FVTOCI

The Group elected to present in OCI for the fair value changes of all its equity investments previously classified as available-for-sale, of which HK\$47,231,000 related to unquoted equity investments previously measured at cost less impairment and HK\$95,018,000 related to unlisted fund securities previously measured at fair value. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, HK\$132,366,000 were reclassified from available-for-sale investments to equity investments at FVTOCI, of which HK\$37,348,000 related to unquoted equity investments previously measured at cost less impairment under HKAS 39. The fair value losses of HK\$9,883,000 relating to those unquoted equity investments previously carried at cost less impairment were adjusted to equity instruments at FVTOCI and FVTOCI reserve as at 1 April 2018.

From AFS debt investments to FVTOCI

Listed bond securities with a fair value of HK\$975,533,000 were reclassified from available-for-sale investments to debt instruments at FVTOCI, as these investments are held within a business model whose objective is achieved by both collecting contractual cash flows and selling of these assets and the contractual cash flows of these investments are solely payments of principal and interest on the principal amount outstanding.

- (b) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics. The Group has therefore concluded that the expected loss rates for the trade receivables are reasonable.

Loss allowances for other financial assets at amortized cost mainly comprise of bank balances, are measured on 12m ECL basis and there had been no significant increase in credit risk since initial recognition.

All of the Group's debt instruments at FVTOCI are listed bonds that are graded in the top credit rating among rating agencies. Therefore, these investments are considered to be low credit risk investments and the loss allowance is measured on 12m ECL basis.

As at 1 April 2018, no additional credit loss allowance has been recognized against retained earnings.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.3 Impacts on opening condensed consolidated statement of financial position arising from the application of all new standards

As a result of the changes in the entity's accounting policies above, the opening condensed consolidated statement of financial position had to be restated. The following table show the adjustments recognized for each individual line item.

	31 March 2018 <i>HK\$'000</i>	Impact on adoption of HKFRS 15 <i>HK\$'000</i>	Impact on adoption of HKFRS 9 <i>HK\$'000</i>	1 April 2018 <i>HK\$'000</i>
Non-current assets				
Property, plant and equipment	710,352	-	-	710,352
Intangible assets	10,006	-	-	10,006
Interests in associates	14,405	-	-	14,405
Available-for-sale investments	47,231	-	(47,231)	-
Equity instruments at FVTOCI	-	-	37,348	37,348
Club debenture	12,200	-	-	12,200
Deferred tax asset	316	-	-	316
Deposits for acquisition of property, plant and equipment	5,926	-	-	5,926
Current assets				
Work in progress	8,278	-	-	8,278
Accrued revenue	20,843	(20,843)	-	-
Trade and other receivables	264,454	-	-	264,454
Contract assets	-	20,843	-	20,843
Amount due from related parties	4,765	-	-	4,765
Available-for-sale investments	1,070,551	-	(1,070,551)	-
Debt instruments at FVTOCI	-	-	975,533	975,533
Equity instruments at FVTOCI	-	-	95,018	95,018
Other financial assets	42,160	-	-	42,160
Tax recoverable	2,009	-	-	2,009
Bank balances and cash	165,471	-	-	165,471

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.3 Impacts on opening condensed consolidated statement of financial position arising from the application of all new standards (Continued)

	31 March 2018 <i>HK\$'000</i>	Impact on adoption of HKFRS 15 <i>HK\$'000</i>	Impact on adoption of HKFRS 9 <i>HK\$'000</i>	1 April 2018 <i>HK\$'000</i>
Current liabilities				
Trade and other payables	83,352	(30,378)	-	52,974
Contract liabilities	-	30,378	-	30,378
Tax payable	16,718	-	-	16,718
Bank borrowings	925,817	-	-	925,817
Net current assets	552,644	-	-	552,644
Total assets less current liabilities	1,353,080	-	(9,883)	1,343,197
Non-current liability				
Deferred tax liability	1,040	-	-	1,040
Net assets	1,352,040	-	(9,883)	1,342,157
Capital and reserves				
Share Capital	11,940	-	-	11,940
Reserves	1,340,100	-	(9,883)	1,330,217
Total equity	1,352,040	-	(9,883)	1,342,157

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

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.

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 2018 (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>
Revenue	262,949	85,825	348,774
Segment profit	134,265	19,499	153,764
Unallocated corporate income			42,312
Staff costs (including retirement benefit scheme contributions)			(15,525)
Operating lease rentals			(1,482)
Share of results of associates			(88)
Share of result of a joint venture			5
Other unallocated corporate expenses			(62,651)
Finance costs			(8,121)
Profit before tax			108,214

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

For the six months ended 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>
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)
Share of results of associates			905
Other unallocated corporate expenses			(12,997)
Finance costs			(3,064)
Profit before tax			92,238

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 gain (loss), share of results of associates, share of result of a joint venture, loss (gain) on disposal of financial assets at FVTPL, equity instruments at FVTOCI, debt instruments at FVTOCI and available-for-sale investments and finance costs.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

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 2018 (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>
Assets			
Segment assets	879,997	62,132	942,129
Interests in associates			14,380
Interest in a joint venture			1,097
Investments			674,108
Club debenture			12,200
Deferred tax asset			316
Bank balances and cash			173,891
Tax recoverable			2,009
Other unallocated assets			41,073
Total assets			1,861,203
Liabilities			
Segment liabilities	54,436	41,138	95,574
Tax payable			34,032
Bank borrowings			349,419
Deferred tax liability			1,040
Other unallocated liabilities			447
Total liabilities			480,512

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

At 31 March 2018 (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>
Assets			
Segment assets	953,070	53,962	1,007,032
Interests in associates			14,405
Investments			1,159,942
Club debenture			12,200
Deferred tax asset			316
Bank balances and cash			165,471
Tax recoverable			2,009
Other unallocated assets			17,592
Total assets			2,378,967
Liabilities			
Segment liabilities	40,537	32,156	72,693
Tax payable			16,718
Bank borrowings			925,817
Deferred tax liability			1,040
Other unallocated liabilities			10,659
Total liabilities			1,026,927

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

- all assets are allocated to reportable segments except for interests in associates, interest in a joint venture, investments, deposits, prepayments and other receivables, club debentures, deferred tax asset, tax recoverable and bank balances and cash.
- all liabilities are allocated to reportable segments except for accrued administrative expenses, tax payable, deferred tax liabilities and bank borrowings.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

4. OTHER GAINS AND LOSSES

	For the six months ended 30 September	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Foreign exchange gain (loss)	2,955	(2,083)
(Loss) gain on disposal of		
– financial assets at FVTPL	(17)	–
– equity instruments at FVTOCI	(4,645)	–
– debt instruments at FVTOCI	(42,497)	–
– available-for-sale investments	–	8,441
Fair value loss on financial assets at FVTPL	(5,482)	–
	(49,686)	6,358

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

5. PROFIT BEFORE TAX

Profit before tax is stated after charging:

	For the six months ended 30 September	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Directors' and chief executive officer's remuneration	1,980	1,980
Other staff costs	38,931	43,446
Retirement benefit scheme contributions for other staff	2,412	1,869
Share-based payment for other staff	–	117
	43,323	47,412
Auditor's remuneration	500	350
Depreciation of property, plant and equipment	10,599	3,197
Operating lease rentals in respect of office premises	1,482	8,898
and after crediting:		
Interest income from bank deposits (Note)	101	127
Commission income (Note)	–	1,936
Investment income from		
– financial assets at FVTPL (Note)	3,341	–
– equity instruments at FVTOCI (Note)	2,373	–
– debt instruments at FVTOCI (Note)	33,366	–
– available-for-sale investments (Note)	–	35,800
– other financial assets (Note)	213	2,172

Note: These are included in other income.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

6. INCOME TAX EXPENSE

	For the six months ended 30 September	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Hong Kong Profits Tax		
– Current tax	17,314	14,758
Deferred taxation	–	–
	17,314	14,758

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

7. DIVIDENDS

The Board does not recommend the payment of interim dividends for the six months ended 30 September 2018 (2017: nil).

During the six months ended 30 September 2018, no dividends were declared and paid.

8. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 September 2018 is based on the Group's unaudited consolidated profit attributable to owners of the Company and on the weighted average number of 1,193,974,000 ordinary shares (2017: 1,192,672,438) in issue during the period.

Diluted earnings per share for the six months ended 30 September 2018 was calculated based on the unaudited consolidated profit attributable to owners of the Company and on the weighted average number of 1,194,345,757 shares (2017: 1,195,197,239) with the effect of dilutive potential shares outstanding under the Company's share option plan.

9. 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. In the opinion of the directors, the intangible assets have an indefinite useful life because they are expected to contribute net cash inflows indefinitely. The intangible assets will not be amortised until their useful lives are determined to be finite. Instead, they will be tested for impairment annually and whenever there is an indication that they may be impaired.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

10. CLUB DEBENTURE

Club debenture is measured at cost less any impairment.

11. ACCRUED REVENUE AND TRADE AND OTHER RECEIVABLES

	As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
Accrued revenue	–	20,843
Trade receivables, net of allowance	199,351	252,132
Other receivables		
– Deposits	7,115	2,077
– Prepayments	581	1,007
– Staff advances	3,951	4,134
– Others	23,541	5,104
	35,188	12,322
Total trade and other receivables	234,539	264,454

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 2018

11. 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 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
Within 30 days	34,659	43,836
31 to 90 days	46,476	58,781
91 days to 1 year	83,559	105,683
Over 1 year	34,657	43,832
	199,351	252,132

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers. Based on the judgement of the management of the Group, the exposure to credit risk and ECL for trade receivables which are assessed collectively based on provision matrix is negligible at 30 September 2018.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. No additional credit loss allowance is recognized on these debtors for the current interim period.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

12. AMOUNTS DUE FROM RELATED PARTIES

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

	As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
Luoyang Glass Company Limited ("Luoyang Glass")	4,990	3,846
Draw up Assets Limited ("Draw Up Assets")	942	919
	5,932	4,765
Analysed for reporting purposes:		
Current assets	5,932	4,765

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

12. AMOUNTS DUE FROM RELATED PARTIES (CONTINUED)

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

Included in the amounts due from related parties is a balance of HK\$4,990,000 (31 March 2018: HK\$3,846,000), which is trade in nature and represents receivable from the provision of financial public relations services to Luoyang Glass. 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:

	As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
Within 30 days	174	418
31 to 90 days	107	124
91 days to 1 year	4,709	3,304
	4,990	3,846

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

13. INVESTMENTS

Investments include the following:

At 30 September 2018 (Unaudited)

<i>Notes</i>	Financial assets at FVTPL <i>HK\$'000</i>	Financial assets at FVTOCI <i>HK\$'000</i>	Available-for-sale financial assets <i>HK\$'000</i>	Total <i>HK\$'000</i>
Non-current assets				
Equity instruments				
Unlisted equity investments				
– in Hong Kong (a)	–	24,762	–	24,762
– in the PRC (a)	–	10,326	–	10,326
Total non-current investments				
	–	35,088	–	35,088
Current assets				
Debt instruments				
Bonds securities				
– listed on HKEx (b)(c)	119,751	185,128	–	304,879
– listed on SGX (b)(d)	–	226,218	–	226,218
Unlisted bond (e)	36,508	–	–	36,508
	156,259	411,346	–	567,605
Equity instruments				
Unlisted fund securities (f)	–	6,521	–	6,521
Other financial assets (g)				
	64,894	–	–	64,894
Total current investments				
	221,153	417,867	–	639,020

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

13. INVESTMENTS (CONTINUED)

At 31 March 2018 (Audited)

	<i>Notes</i>	Financial assets at FVTPL <i>HK\$'000</i>	Financial assets at FVTOCI <i>HK\$'000</i>	Available-for- sale financial assets <i>HK\$'000</i>	Total <i>HK\$'000</i>
Non-current assets					
Equity instruments					
Unlisted equity investments					
– in Hong Kong	(a)	–	–	21,875	21,875
– in the PRC	(a)	–	–	25,356	25,356
Total non-current investments		–	–	47,231	47,231
Current assets					
Debt instruments					
Bonds securities					
– listed on HKEx	(b)(c)	–	–	659,563	659,563
– listed on SGX	(b)(d)	–	–	296,365	296,365
– listed overseas	(b)(h)	–	–	19,605	19,605
		–	–	975,533	975,533
Equity instruments					
Unlisted fund securities	(f)	–	–	95,018	95,018
Other financial assets	(g)	42,160	–	–	42,160
Total current investments		42,160	–	1,070,551	1,112,711

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

13. INVESTMENTS (CONTINUED)

Notes:

- (a) 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. Upon the application of HKFRS 9 in the current period, they are measured at fair value as at 30 September 2018. Their fair values have been arrived at on the basis of valuations carried out by an independent qualified professional valuer not related to the Group. Before the application of HKFRS 9, they are measured at cost less impairment losses as at 31 March 2018.
- (b) The fair values of the listed bond securities are based on market bid prices at the end of the reporting period.
- (c) As at 30 September 2018, the fixed coupon interest rates ranged from 4.9% to 8.5% per annum and maturity dates ranged from 1 May 2019 to 22 August 2021.
- As at 31 March 2018, the fixed coupon interest rates ranged from 3.13% to 7.25% per annum and maturity dates ranged from 12 December 2018 to perpetual.
- (d) As at 30 September 2018, the fixed coupon interest rates ranged from 6.375% to 8.5% per annum and maturity dates ranged from 27 February 2019 to 28 February 2021.
- As at 31 March 2018, the fixed coupon interest rates ranged from 5% to 7.75% per annum and maturity dates ranged from 12 June 2018 to 4 October 2021.
- (e) The fair value of the unlisted bond as at 30 September 2018 has been arrived at on the basis of valuation carried out by an independent qualified professional valuer not related to the Group.
- (f) The fair values of the unlisted fund securities are based on quotes from fund managers at the end of the reporting period.
- (g) Other financial assets comprise mainly financial products issued by commercial banks. The investment income generated from them is recorded in "other income" in the condensed consolidated statement of profit or loss and other comprehensive income.
- (h) As at 31 March 2018, the floating rate was 0.232% over the 3-month London Interbank Offered Rate per annum and they were of perpetual maturity.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

13. INVESTMENTS (CONTINUED)

At 30 September 2018, none of the investments (31 March 2018: HK\$997,038,000) were pledged to banks to secure the margin loans and short-term banking facilities granted to the Group.

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

	As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
United States dollars	571,444	975,533
Renminbi	64,894	42,160

14. TRADE AND OTHER PAYABLES

	As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
Trade payables	32,510	36,884
Deposits received from customers	–	30,378
Salaries payable	13,134	7,948
Accrued expenses	7,656	5,219
Other payables	1,507	2,923
	22,297	46,468
Total trade and other payables	54,807	83,352

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

14. TRADE AND OTHER PAYABLES (CONTINUED)

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

	As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
Within 30 days	7,833	8,887
31 to 60 days	3,882	4,404
61 to 90 days	3,779	4,287
91 days to 1 year	6,812	7,728
Over 1 year	10,204	11,578
	32,510	36,884

15. CONTRACT LIABILITIES

The amount represented the deposits received from customers, which will be recognised as the Group's revenue when the services are rendered to the customers.

16. SHARE CAPITAL

	Number of shares	HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each at 31 March 2018 and 30 September 2018	10,000,000,000	100,000
Issued and fully paid:		
At 1 April 2017	1,192,204,000	11,922
Exercise of share options (Note)	1,010,000	10
At 30 September 2017	1,193,214,000	11,932
Exercise of share options (Note)	760,000	8
At 31 March 2018 and 30 September 2018	1,193,974,000	11,940

Note: During the year ended 31 March 2018, 1,770,000 shares of HK\$0.01 each were issued at HK\$1.174 per share upon exercise of the share options under the share option scheme of the Company by share option holders and all these shares rank pari passu with other shares of the Company in all respects.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

17. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
Bank balances and cash	173,891	165,471
Less: Pledged bank balance	–	(107,954)
	173,891	57,517

18. PLEDGE OF ASSETS

	As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
Leasehold land and building	633,286	644,711
Available-for-sale investments	–	997,038
Bank balances and cash	–	107,954
	633,286	1,749,703

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

19. 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:

	For the six months ended	
	30 September 2018 (Unaudited) HK\$'000	30 September 2017 (Unaudited) HK\$'000
Financial public relations service income from Luoyang Glass	1,435	1,554
Financial public relations service income from Qingling Motors	708	–
Rental expenses paid to a director of the Company	259	–
Rental expenses paid to a related party (<i>Note</i>)	1,429	–
Salaries and allowance paid to related parties (<i>Note</i>)	615	–

On 30 September 2017, the Group acquired a subsidiary, Delta Consultancy Group Company Limited (“**Delta Consultancy**”) from a related party (*Note*) at a consideration of HK\$15.5. At date of acquisition, the net asset value of Delta Consultancy was nil.

Note: These related parties are close family members of Mr. Liu Tianni, the controlling shareholder and director of the Company.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

20. COMMITMENTS

(i) Operating lease commitments

The Group as lessee

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:

	As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
Within one year	1,558	1,135

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

(ii) Capital commitment

	As at 30 September 2018 (Unaudited) HK\$'000	As at 31 March 2018 (Audited) HK\$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	–	11,503

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

21. 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 2018, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 13,930,000 (31 March 2018: 15,140,000), representing 1.17% (31 March 2017: 1.27%) 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 2018

21. 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 2018:

Date of grant	Exercisable period	Exercise price <i>HK\$</i>	Outstanding at 1.4.2018	Lapsed during the period	Exercised during the period	Outstanding at 30.9.2018
<i>Employees:</i>						
28.1.2014	28.7.2015–27.7.2020	1.174	560,000	–	–	560,000
28.1.2014	28.7.2016–27.7.2020	1.174	1,250,000	(210,000)	–	1,040,000
28.1.2014	28.7.2017–27.7.2020	1.174	670,000	–	–	670,000
28.1.2014	28.7.2018–27.7.2020	1.174	2,160,000	–	–	2,160,000
26.1.2018	27.7.2019–27.7.2024	1.500	2,100,000	(200,000)	–	1,900,000
26.1.2018	27.7.2020–27.7.2024	1.500	2,100,000	(200,000)	–	1,900,000
26.1.2018	27.7.2021–27.7.2024	1.500	2,100,000	(200,000)	–	1,900,000
26.1.2018	27.7.2022–27.7.2024	1.500	4,200,000	(400,000)	–	3,800,000
			15,140,000	(1,210,000)	–	13,930,000

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

During the six months ended 30 September 2018, there were neither options granted nor share option held by the directors.

No share-based payment was recognised by the Group during the six months ended 30 September 2018 (six months ended 30 September 2017: HK\$117,338) in relation to share options granted by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's revenue increased from approximately HK\$219.9 million for the six months ended 30 September 2017 to approximately HK\$348.8 million for the six months ended 30 September 2018, representing an increase of approximately 58.6%. The Group's profit during the period increased from approximately HK\$77.5 million for the six months ended 30 September 2017 to approximately HK\$90.9 million for the six months ended 30 September 2018, representing an increase of approximately 17.3%. The increase in the profit of the Group for the current period is mainly attributable to an increase in the revenue of the Group as a result of an increase 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 2018.

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 the overall logistics of roadshows for our clients.

The revenue for Financial PR Services was approximately HK\$262.9 million for the six months ended 30 September 2018, representing an increase of approximately 57.2% compared with approximately HK\$167.2 million for the last corresponding period. The segment result for Financial PR Services during the six months ended 30 September 2018 was approximately HK\$134.3 million, representing an increase of approximately 82.5% compared with approximately HK\$73.6 million for the last corresponding period. The revenue and segment results for international roadshow services were approximately HK\$85.8 million and HK\$19.5 million for the six months ended 30 September 2018 respectively, representing an increase of approximately 62.8% and 59.8% respectively compared with approximately HK\$52.7 million and approximately HK\$12.2 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 2018 the Group also generated investment income of HK\$39.1 million (six months ended 30 September 2017: HK\$35.8 million) from its investments. However, affected by performance of the global bond market, the Group made a loss of HK\$47.2 million (six months ended 30 September 2017: gain of HK\$8.4 million from disposal of investments). The investments comprise bonds listed on the HKEx or the Singapore Stock Exchange, unlisted bonds and unlisted fund securities. The Group takes a prudent approach on its investments and reviews their performance regularly. Details of the Group's bond investments which exceed 5% of total balance of investments as at 30 September 2018 are as follows:

30 September 2018

Bond issuer name	Listed on	Bond code	Coupon rate	Maturity date	Face value	Market value	Coupon interest receivable
					US\$	HK\$	HK\$
Sunshine 100 China Holdings Limited	HKEx	XS1464644324	6.50%	11 August 2021	19,600,000	149,681,114	1,343,896
	SGX	XS1690385460	8.50%	27 September 2020	10,000,000	71,316,275	54,893
					29,600,000	220,997,389	1,398,789
Xinyuan Real Estate Company Limited	SGX	XS1567240418	7.75%	28 February 2021	9,000,000	57,671,625	480,501
Guorui Properties Limited	HKEx	XS1583026080	7.00%	21 March 2020	6,500,000	43,007,656	88,156
Xinhu Zhongbao Company Limited	HKEx	XS1560668425	6.00%	1 March 2020	5,800,000	38,220,985	187,294
China Shanshui Cement Group Limited	N/A	N/A	20.00%	7 August 2021	5,000,000	35,934,683	573,288

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 banks in Hong Kong. The Group is financially sound and its cash position is healthy. The Group's bank balances and cash as of 30 September 2018 amounted to approximately HK\$173.9 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. At 30 September 2018, the aggregate principal of these products amounted to HK\$45.5 million. The maturity dates of these products are before 26 December 2018. The unguaranteed annualised rate of returns of these products range from 3.1% to 4.35%. The Group takes a prudent approach when selecting financial products.

The Group's gearing ratio as at 30 September 2018, calculated based on the short-term bank loans of the Group (net of bank balances and cash) and the equity attributable to owners of the Company, was 12.7% (31 March 2018: 56.2%). Management believes that the Group's bank balance, liquid assets value, operating inflow 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 2018, 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 2018, leasehold land and building amounted to approximately HK\$633.3 million (31 March 2018: HK\$644.7 million) was pledged as securities for banking facilities. As at 31 March 2018, investments of HK\$997.0 million and bank balances of HK\$108.0 million were also pledged as securities for banking facilities.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

CONTINGENT LIABILITIES

As at 30 September 2018, the Group had no contingent liabilities.

PROSPECTS

Expand the overseas market actively, and strengthen layout in cross-border business platform

During the reporting period, the Group continued to be the absolute leader in terms of market share in the financial public relations and international roadshow markets in Hong Kong. At the same time, in light of the trend of changes in cross-border capital markets, the Group is expanding and developing Hong Kong, Mainland China and overseas markets through further setting up offices in international cities like Singapore and through further developing Hong Kong, Mainland China and overseas work force.

Proactively build the “Wonderful Cloud” financial service platform to expand diversified financial services

In addition, in order to continue to meet the service requirements of customers, the Group is proactively improving and expanding its professional services, constantly updating and strengthening its database platform. The Group has developed and launched the “Wonderful Cloud” financial service platform that integrates financial information of Hong Kong stock market, stock quote, online broadcast and roadshow functions, etc.

Leveraging on its offline business advantages, Wonderful Cloud integrates the most professional and authoritative resources in the Hong Kong stocks, striving to realize the full coverage of information interconnection of the capital market. The platform focuses on providing users with the most professional and fast first-hand information of the Hong Kong listed companies in H shares, so that the users can instantly grasp the dynamics of the listed companies as well as the Hong Kong stocks; combined with exclusive function of conference online broadcast and roadshow registration system, it is a comprehensive display of the value of listed companies. The Group believes that Wonderful Cloud will not only help develop online services, but also increase clients' loyalty and help the Group with regional expansion. The application of Wonderful Cloud (Phase 2) has been completed and has been duly launched on the Apple iOS platform. The Group will complete the development of the final phase as soon as possible.

Looking ahead, despite the challenges and uncertainties in the market, the Group will continue to leverage on its experience, skillset and know-how with an aim to keep abreast of market trend, expand service offerings and implement other strategies so as to provide better services to customers and consolidate the leading position in the industry, thereby striving to bring greater returns to the shareholders.

OTHER INFORMATION

DIVIDENDS

The Board does not recommend the payment of interim dividends for the six months ended 30 September 2018 (2017: nil).

USE OF PROCEEDS FROM THE COMPANY'S SHARE PLACEMENT

The Company received net proceeds in the sum of approximately HK\$423.0 million from the issue of new shares in its top-up placement in 2015. The top-up subscription was completed on 4 May 2015.

The net placement proceeds are intended to be used on a mobile internet professional service platform, "Wonderful Cloud", which provides online to offline ("O2O") financial services to our customers and the public investment community. The application of Wonderful Cloud is now in the process of being developed in phases. The Company intends to develop Wonderful Cloud into a one-stop financial service platform with information, self-selection, broadcast and roadshow functions. At the moment, Wonderful Cloud (Phase 2) has been put into operation, and the final phase will go online in 2018. Currently, the net proceeds are placed on short-term deposits and money market instruments with authorized financial institutions and licensed banks in Hong Kong and the PRC and available-for-sale investments. 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 2018, 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 as % of the issued share capital of the Company
		Interest in controlled corporation	Personal interest	Joint interest	Family interest	Total interests	
Mr. Liu Tianni	Long	750,000,000 <i>(Note 1)</i>	-	6,904,000 <i>(Note 2)</i>	49,736,000 <i>(Note 3)</i>	806,640,000	67.56%

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 ("**Mr. Liu**") holds 51% of the issued share capital in Sapphire Star. Under the SFO, Mr. Liu is deemed to be interested in the remaining 49% of the issued share capital in Sapphire Star as they are held by his spouse, Ms. Luk Ching, Sanna ("**Mrs. Liu**"). Accordingly, Mr. Liu is deemed or taken to be interested in all the shares in the Company held by Sapphire Star under the SFO.
- (2) These shares are owned by Mr. Liu and Mrs. Liu jointly.
- (3) 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

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

Note: Mr. Liu Tianni holds 51% of the issued share capital in Sapphire Star. Under the SFO, Mr. Liu is deemed to be interested in the remaining 49% of the issued share capital in 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 in Sapphire Star.

Save as disclosed above, as at 30 September 2018, 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 HKEx 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.

OTHER INFORMATION (CONTINUED)

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2018, 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	62.82%
Mrs. Liu	Long	56,640,000 <i>(Note 2)</i>	750,000,000 <i>(Note 1)</i>	806,640,000	67.56%
Value Partners Group Limited	Long	12,412,000	59,808,000 <i>(Note 3)</i>	72,220,000	6.05%
Fidelity China Special Situations PLC	Long	59,754,000	–	59,754,000	5.00%
FIL Limited	Long	59,738,000	–	59,738,000	5.00%

Notes:

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. 49,736,000 shares in the Company are beneficially owned by Mrs. Liu and 6,904,000 shares are jointly owned by Mrs. Liu and Mr. Liu.
3. 59,808,000 shares are owned by Value Partners High-Dividend Stock Fund, which is an investment fund under management of Value Partners Group Limited and its subsidiaries.

Save as disclosed above, as at 30 September 2018, 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 2018.

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 2018.

Code Provision A.2.1

Under code provision A.2.1, the roles of Chairman and Chief Executive Officer 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 currently. 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 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.

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

During the six months ended 30 September 2018, 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 2018, the Group had approximately 295 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 2018.

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 2018.

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, 30 November 2018