

HK WONDERFULsky

皓天財經集團

WONDERFUL SKY FINANCIAL GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 01260



2019

INTERIM REPORT

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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

Lau Kwok Yin *HKICPA*

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

The Hong Kong 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

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



CORPORATE INFORMATION (CONTINUED)

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 2019

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 2019 as follows:

	Notes	For the six months ended 30 September	
		2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Revenue	3	298,025	348,774
Direct costs		(163,640)	(177,169)
Gross profit		134,385	171,605
Other income		28,063	39,357
Selling expenses		(9,497)	(7,014)
Administrative expenses		(40,452)	(37,844)
Other gains and losses	4	4,488	(49,686)
Reversal of impairment loss recognised on debt instruments at fair value through other comprehensive income (“ FVTOCI ”)		577	–
Share of results of associates		2,332	(88)
Share of result of a joint venture		–	5
Finance costs		(2,955)	(8,121)
Profit before tax	5	116,941	108,214
Income tax expense	6	(19,449)	(17,314)

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

For the six months ended 30 September 2019

	Notes	For the six months ended 30 September	
		2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Profit for the period		97,492	90,900
Other comprehensive income (expense)			
Item that will not be reclassified to profit or loss:			
Fair value changes on investments in equity instruments at FVTOCI		(2,960)	(12,497)
Items that may be reclassified subsequently to profit or loss:			
Net loss on debt instruments at FVTOCI		(13,954)	(36,784)
Reversal of impairment loss recognised on debt instruments at FVTOCI		(577)	–
Exchange differences on translation of foreign operation		(5,462)	(960)
Reclassification adjustment relating to investments disposed of during the period		–	(12,008)
Total comprehensive income for the period		74,539	28,651
Profit for the period attributable to owners of the Company		97,492	90,900
Total comprehensive income attributable to owners of the Company		74,539	28,651
Earnings per share – Basic	8	HK8.2 cents	HK7.6 cents
Earnings per share – Diluted	8	HK8.2 cents	HK7.6 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 September 2019

		As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		692,211	702,679
Intangible assets	9	10,006	10,006
Interests in associates		16,913	16,185
Equity instruments at FVTOCI	13	31,754	35,988
Financial assets at fair value through profit or loss ("FVTPL")	14	115,630	169,020
Debt instruments at FVTOCI	15	238,886	361,272
Club debenture	10	12,200	12,200
Deferred tax asset		1,245	1,245
Deposits for acquisition of property, plant and equipment		-	152
		1,118,845	1,308,747
Current assets			
Contract assets		110	897
Trade and other receivables	11	210,118	260,653
Amount due from a related party	12	5,689	5,652
Debt instruments at FVTOCI	15	221,685	77,242
Financial products	16	136,801	109,717
Taxation recoverable		8,374	10,802
Bank balances and cash		342,590	158,900
		925,367	623,863

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

For the six months ended 30 September 2019

	<i>Notes</i>	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Current liabilities			
Trade and other payables	17	178,874	149,097
Dividends payable		32,237	–
Contract liabilities	18	70,823	63,805
Taxation payable		37,694	21,723
Bank borrowings		182,461	198,164
		502,089	432,789
Net current assets		423,278	191,074
Total assets less current liabilities		1,542,123	1,499,821
Non-current liability			
Deferred tax liability		1,793	1,793
Net assets		1,540,330	1,498,028
Capital and reserves			
Share capital	19	11,940	11,940
Reserves		1,528,390	1,486,088
Total equity		1,540,330	1,498,028

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2019

	For the six months ended 30 September	
	2019 (Unaudited) <i>HK\$'000</i>	2018 (Unaudited) <i>HK\$'000</i>
Net cash inflows/(outflows) from:		
Operating activities	185,926	141,893
Investing activities	16,993	450,282
Financing activities	(18,659)	(583,755)
Net increase in cash and cash equivalents	184,260	8,420
Cash and cash equivalents at beginning of period	158,900	165,471
Effect of exchange rate changes	(570)	–
Cash and cash equivalents at end of period	342,590	173,891

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2019

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/ FVTOCI HK\$'000	Translation reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
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
At 31 March 2019 (Audited)	11,940	728,383	10	(1)	(4,773)	3,165	(44,857)	2,865	801,296	1,498,028
Profit for the period	-	-	-	-	-	-	-	-	97,492	97,492
Exchange difference on translating foreign operation	-	-	-	-	-	-	-	(5,462)	-	(5,462)
Net loss on debt instrument at FVTOCI	-	-	-	-	-	-	(13,954)	-	-	(13,954)
Fair value changes on investment in equity instruments at FVTOCI	-	-	-	-	-	-	(2,960)	-	-	(2,960)
Reversal of impairment loss on debt instrument at FVTOCI included in profit or loss	-	-	-	-	-	-	(577)	-	-	(577)
Other comprehensive income for the period	-	-	-	-	-	-	(17,491)	(5,462)	-	(22,953)
Total comprehensive income for the period	-	-	-	-	-	-	(17,491)	(5,462)	97,492	74,539
Lapse of share options	-	-	-	-	-	(238)	-	-	238	-
Dividend recognised as distribution (Note 7)	-	-	-	-	-	-	-	-	(32,237)	(32,237)
At 30 September 2019 (Unaudited)	11,940	728,383	10	(1)	(4,773)	2,927	(62,348)	(2,597)	866,789	1,540,330

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 2019

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 2019 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2019.



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

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 2019 for the preparation of the Group's condensed consolidated financial statements:

HKFRSs (Amendment)	Annual Improvements to HKFRSs 2015-2017 Cycle
HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term interests in Associates and Joint Ventures

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 16 Leases

HKFRS 16 replaces HKAS 17 "Leases" and related interpretations where the distinction between operating and finance leases is removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised on the statement of financial position for all leases by lessees.

The Group has adopted HKFRS 16 retrospectively from 1 April 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and adjustments arising from the new leasing rules for lessees are therefore recognised in the opening statement of financial position on 1 April 2019.



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application HKFRS 16 Leases (Continued)

Adjustment recognised on adoption of HKFRS 16

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate of the lessees at 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 2.94%.

A reconciliation between (i) commitments under operating leases for future periods at 31 March 2019 and (ii) lease liabilities recognised at 1 April 2019 under HKFRS 16 is provided below:

	At 1 April 2019 HK\$'000
Operating lease commitments disclosed at 31 March 2019	3,731
Discounted using the lessee's incremental borrowing rate at the date of initial application (i.e. 1 April 2019)	3,579
Less: short-term leases recognised on a straight-line basis as expenses	(3,579)
Lease liabilities recognised at 1 April 2019	-

The associated right-of-use assets for leases were measured on a modified retrospective basis as if the new rules had always been applied. There were no lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application HKFRS 16 Leases (Continued)

Adjustment recognised on adoption of HKFRS 16 (Continued)

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- use of a single discount rate for a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months at 1 April 2019 as short-term leases
- exclusion of initial direct costs for the measurement of right-of-use assets at the date of initial application, and
- use of hindsight in determining lease terms where the contracts contain options to extend or terminate the leases.



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

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 2019 (Unaudited)

	Provision of financial public relations services HK\$'000	Organisation and coordination of international roadshows HK\$'000	Consolidated HK\$'000
Revenue	232,641	65,384	298,025
Segment profit	100,094	22,884	122,978
Unallocated corporate income			32,551
Staff costs (including retirement benefit scheme contributions)			(14,221)
Operating lease rentals			(1,532)
Share of results of associates			2,332
Other unallocated corporate expenses			(22,212)
Finance costs			(2,955)
Profit before tax			116,941

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

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

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, share of results of associates, share of result of a joint venture, gain (loss) on disposal of financial assets at FVTPL, equity instruments at FVTOCI and debt instruments at FVTOCI, reversal of impairment loss recognised on debt instruments at FVTOCI and finance costs.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

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 2019 (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	886,389	26,056	912,445
Interests in associates			16,913
Equity instruments at FVTOCI			31,754
Financial assets at FVTPL			115,630
Debt instruments at FVTOCI			460,571
Financial products			136,801
Club debenture			12,200
Deferred tax asset			1,245
Bank balances and cash			342,590
Taxation recoverable			8,374
Other unallocated assets			5,689
Total assets			2,044,212
Liabilities			
Segment liabilities	111,388	36,362	147,750
Dividends payable			32,237
Taxation payable			37,694
Bank borrowings			182,461
Deferred tax liability			1,793
Other unallocated liabilities			101,947
Total liabilities			503,882

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

At 31 March 2019 (Audited)

	Provision of financial public relations services HK\$'000	Organisation and coordination of international roadshows HK\$'000	Consolidated HK\$'000
Assets			
Segment assets	937,922	33,770	971,692
Interests in associates			16,185
Equity instruments at FVTOCI			35,988
Financial assets at FVTPL			169,020
Debt instruments at FVTOCI			438,514
Financial products			109,717
Club debenture			12,200
Deferred tax asset			1,245
Bank balances and cash			158,900
Taxation recoverable			10,802
Other unallocated assets			8,347
Total assets			1,932,610
Liabilities			
Segment liabilities	55,717	51,164	106,881
Taxation payable			21,723
Bank borrowings			198,164
Deferred tax liability			1,793
Other unallocated liabilities			106,021
Total liabilities			434,582

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

- all assets are allocated to reportable segments except for interests in associates, equity instruments at FVTOCI, financial assets at FVTPL, debt instruments at FVTOCI, financial products, deposits, prepayments and other receivables, club debenture, deferred tax asset, bank balances and cash and taxation recoverable.
- all liabilities are allocated to reportable segments except for accrued administrative expenses, dividends payable, taxation payable, deferred tax liability and bank borrowings.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

4. OTHER GAINS AND LOSSES

	For the six months ended 30 September	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Foreign exchange gain	309	2,955
Gain (loss) on disposal of		
– financial assets at FVTPL	6,550	(17)
– equity instruments at FVTOCI	–	(4,645)
– debt instruments at FVTOCI	(2,371)	(42,497)
Fair value loss on financial assets at FVTPL	–	(5,482)
	4,488	(49,686)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

5. PROFIT BEFORE TAX

Profit before tax is stated after charging:

	For the six months ended 30 September	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Directors' and chief executive officer's remuneration	2,025	1,980
Other staff costs	36,138	38,931
Retirement benefit scheme contributions for other staff	2,583	2,412
	40,746	43,323
Auditor's remuneration	497	500
Depreciation of property, plant and equipment	10,851	10,599
Operating lease rentals in respect of office premises	1,532	1,482
and after crediting:		
Interest income from bank deposits (Note)	1,495	101
Investment income from		
– financial assets at FVTPL (Note)	5,413	3,341
– equity instruments at FVTOCI (Note)	–	2,373
– debt instruments at FVTOCI (Note)	19,403	33,366
– other financial assets (Note)	1,937	213

Note: These are included in other income.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

6. INCOME TAX EXPENSE

	For the six months ended 30 September	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Hong Kong Profits Tax – Current tax	19,449	17,314

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 2019 (2018: nil).

During the six months ended 30 September 2019, final dividends of HK\$2.7 cents per share in respect of the year ended 31 March 2019 were declared.

8. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 September 2019 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 (2018: 1,193,974,000 shares) in issue during the period.

Diluted earnings per share for the six months ended 30 September 2019 was calculated based on the unaudited consolidated profit attributable to owners of the Company and on the weighted average number of 1,193,974,000 shares (2018: 1,194,345,757 shares) 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 2019

10. CLUB DEBENTURE

Club debenture is measured at cost less any impairment.

11. TRADE AND OTHER RECEIVABLES

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Trade receivables, net of allowance	178,875	252,460
Other receivables		
– Deposits	3,451	1,134
– Prepayments	2,960	1,386
– Staff advances	867	116
– Others	23,965	5,557
	31,243	8,193
Total trade and other receivables	210,118	260,653

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.

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 2019

11. 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 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Not yet billed	8,634	24,059
Within 30 days	38,367	49,580
31 to 90 days	29,894	43,212
91 days to 1 year	77,365	122,538
Over 1 year	24,615	13,071
	178,875	252,460

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 expected credit loss ("ECL") for trade receivables which are assessed collectively based on provision matrix is negligible at 30 September 2019.

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 2019

12. AMOUNT DUE FROM A RELATED PARTY

Particular of the amount due from a related party is disclosed as follows:

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Draw up Assets Limited ("Draw Up Assets")	5,689	5,652
Analysed for reporting purposes:		
Current assets	5,689	5,652

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

13. EQUITY INSTRUMENTS AT FVTOCI

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Listed equity investments, at fair value		
– in Hong Kong	25,442	28,828
Unlisted equity investments, at fair value		
– in Hong Kong	852	940
– in the PRC	5,460	6,220
Non-current assets	31,754	35,988

The equity investments represent the Group's equity interests in private entities which are engaged in restaurant operation in Hong Kong and broadcast of television shows and films in the PRC and a listed entity. During the year ended 31 March 2019, the Group subscribed convertible bond issued by a company listed in the Stock Exchange and converted into shares. Total consideration paid for the subscription and conversion is HK\$38,808,000. The directors of the Company have elected to designate these investments in equity instruments at FVTOCI as the Group intends to hold these equity investments for long term strategic purposes.

At 30 September 2019, the fair value of the listed equity investments is based on the bid price quoted in the Stock Exchange.

At 30 September 2019, the fair values of the unlisted equity instruments of HK\$852,000 and HK\$5,460,000 were derived based on market approach. The valuations were carried out by Greater China Appraisal Limited, an independent firm of qualified professional valuers not connected with the Group.

Included in equity instruments at FVTOCI is the following amount denominated in a currency other than the functional currency of the respective group entity which it relates:

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Renminbi ("RMB")	5,460	6,220

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

14. FINANCIAL ASSETS AT FVTPL

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Listed bond securities in Hong Kong, at fair value – listed on the Stock Exchange with fixed coupon interest at 6.5% per annum and maturity date 11 August 2021	–	155,141
Unlisted bond securities, at fair value – with fixed coupon interest at 7% per annum and maturity date 2 July 2022	101,751	–
Unlisted equity investment, at fair value	13,879	13,879
Non-current assets	115,630	169,020

At 30 September 2019, the fair value of listed bond securities is based on the bid price quoted in the Stock Exchange.

At 30 September 2019, the unlisted equity investment represents an investment in preference shares (together with conversion right) in a private entity. The Group has the right, at its sole discretion, to convert all or any portion of the preference shares into ordinary shares at any time. The conversion rate for the preference shares shall be determined by dividing the issue price for the preference shares when they were issued, by the applicable conversion price. The Group has the right to redeem all the shares on or after the day falling on the fifth anniversary of the date of shareholders agreement as long as no initial public offer nor liquidation has occurred. The fair values of the preference shares and conversion right and redemption right are derived based on equity value allocation method and Black-Scholes option pricing model taking into account weighted average of probability of different scenarios. The valuations were carried out by Greater China Appraisal Limited, an independent firm of qualified professional valuer not connected with the Group.

Included in financial assets at FVTPL is the following amount denominated in a currency other than the functional currency of the respective group entity which it relates:

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
USD ("USD")	13,879	169,020

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

15. DEBT INSTRUMENTS AT FVTOCI

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Listed bond securities at fair value		
– listed on the Stock Exchange with fixed coupon interests ranging from 4.9% to 13% per annum and maturity dates ranging from 1 March 2020 to 25 June 2022	244,722	192,966
– listed on SGX with fixed coupon interests ranging from 7.25% to 9.5% per annum and maturity dates ranging from 15 August 2020 to 11 April 2022	202,311	232,658
Unlisted fund securities at fair value (<i>Note</i>)	13,538	12,890
	460,571	438,514
Analysed for reporting purposes:		
Non-current assets	238,886	361,272
Current assets	221,685	77,242
	460,571	438,514

Note: The unlisted fund securities represent unlisted mutual funds managed by financial institutions.

The fair values of the listed bond securities and the unlisted fund securities are based on market bid prices and quotes from fund managers, respectively at the end of reporting period.

Included in debt instruments at FVTOCI is the following amount which is denominated in a currency other than functional currency of the respective group entities which they relate:

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
USD	457,732	435,663

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

16. FINANCIAL PRODUCTS

At 30 September 2019, the Group's financial products are issued by banks in the PRC, with maturity of 9 days to 109 days (31 March 2019: 92 days to 103 days) and expected but not guaranteed returns ranging from 2.20% to 3.60% (31 March 2019: 3.75% to 3.90%) per annum, depending on the performance of its underlying investments, including foreign currencies or interest rate linked products, investment funds, bonds and debentures. The investments in financial products are classified as financial assets at FVTPL at initial recognition and measured at fair value at the end of the reporting period. The directors of the Company consider the fair values of the financial products approximate to the carrying amounts at the end of the reporting period because of their short maturities.

Included in financial products is the following amount which is denominated in a currency other than the functional currency of the respective group entity which it relates:

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
RMB	136,801	109,717

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

17. TRADE AND OTHER PAYABLES

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Trade payables	53,613	33,734
Salaries payable	5,655	13,493
Accrued expenses	4,874	3,175
Other payables	114,732	98,695
	125,261	115,363
Total trade and other payables	178,874	149,097

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

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Within 30 days	36,892	22,806
31 to 60 days	6,393	1,536
61 to 90 days	4,038	2,770
91 days to 1 year	3,443	4,792
Over 1 year	2,847	1,830
	53,613	33,734

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

18. CONTRACT LIABILITIES

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Deposits received from customers	70,823	63,805

* The amount in this column is after the adjustment from the application of HKFRS 15.

The contract liabilities at 1 April 2019 of HK\$63,805,000 were fully recognised as revenue in the current year. The contract liabilities as at 30 September 2019 of HK\$70,823,000 are expected to be recognised as revenue for the year ending 31 March 2020.

19. SHARE CAPITAL

	<i>Number of shares</i>	<i>HK\$'000</i>
Authorised:		
Ordinary shares of HK\$0.01 each at 31 March 2019 and 30 September 2019	10,000,000,000	100,000
Issued and fully paid:		
At 31 March 2019 and 30 September 2019 (<i>Note</i>)	1,193,974,000	11,940

Note: During the period ended 30 September 2019, no shares were exercised under the share option scheme of the Company by share option holders.

20. PLEDGE OF ASSETS

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Leasehold land and building	629,410	655,798

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

21. 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	
	2019 (Unaudited) HK\$'000	2018 (Audited) HK\$'000
Financial public relations service income from Luoyang Glass	–	1,435
Financial public relations service income from Qingling Motors	500	708
Rental expenses paid to a director of the Company	–	259
Rental expenses paid to a related party (Note)	1,374	1,429
Salaries and allowance paid to related parties (Note)	830	615

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

22. CAPITAL COMMITMENT

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of an associate	2,451	2,451

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2019

23. 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 2019, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 11,430,000 (31 March 2019: 12,430,000), representing 0.96% (31 March 2019: 1.04%) 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 2019

23. 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 2019:

Date of grant	Exercisable period	Exercise price HK\$	Outstanding at 1.4.2019	Lapsed during the year	Outstanding at 30.9.2019
<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	1,040,000	–	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	1,600,000	(200,000)	1,400,000
26.1.2018	27.7.2020–27.7.2024	1.500	1,600,000	(200,000)	1,400,000
26.1.2018	27.7.2021–27.7.2024	1.500	1,600,000	(200,000)	1,400,000
26.1.2018	27.7.2022–27.7.2024	1.500	3,200,000	(400,000)	2,800,000
			12,430,000	(1,000,000)	11,430,000

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

During the six months ended 30 September 2019, there were neither options granted, exercised nor share option held by the directors.

No share-based payment was recognised by the Group during the six months ended 30 September 2019 (six months ended 30 September 2018: nil) in relation to share options granted by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's revenue decreased from approximately HK\$348.8 million for the six months ended 30 September 2018 to approximately HK\$298.0 million for the six months ended 30 September 2019, representing a decrease of approximately 14.6%. The Group's profit during the period increased from approximately HK\$90.9 million for the six months ended 30 September 2018 to approximately HK\$97.5 million for the six months ended 30 September 2019, representing an increase of approximately 7.3%. The increase in the profit of the Group for the current period is mainly attributable to a decrease in loss on disposal of investments during the six months ended 30 September 2019.

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\$232.6 million for the six months ended 30 September 2019, representing a decrease of approximately 11.5% compared with approximately HK\$262.9 million for the last corresponding period. The segment result for Financial PR Services during the six months ended 30 September 2019 was approximately HK\$100.0 million, representing a decrease of approximately 25.5% compared with approximately HK\$134.3 million for the last corresponding period. The revenue and segment results for international roadshow services were approximately HK\$65.3 million and HK\$22.9 million for the six months ended 30 September 2019 respectively, representing a decrease of approximately 23.9% and an increase of approximately 87.7% respectively compared with approximately HK\$85.8 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 2019 the Group also generated investment income of HK\$26.7 million (six months ended 30 September 2018: HK\$39.1 million) from its investments. As benefited from performance of the global bond market, the Group made a gain of HK\$4.2 million from disposal of investments (six months ended 30 September 2018: loss of HK\$47.2 million). 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 significant investments which exceed 5% of total balance of investments as at 30 September 2019 are as follows:

Name of significant investments	Investee's principal activities	Holding percentage to investment class	Fair value as at		Size of fair value relative to the total asset of the Company as at 30 Sep 2019 (Note 1)	Fair value gain/ (loss) on each significant investment	Coupon interest	
			30 Sep 2019	HK\$			%	HK\$
Silver Grant International Industries Limited	Property investment	8.70	100,000,000		4.89	-	1,750,000	
Gemstones International Limited	Investment holding	2.50	74,866,544		3.66	(599,945)	823,440	
Sunshine 100 China Holdings Limited	Property development	2.50	67,037,500		3.28	(3,330,622)	54,893	
Xinyuan Real Estate Company Limited	Property development	3.28	53,574,851		2.62	(10,443,482)	480,504	
Greenland Global Investment Limited	Investment holding	1.00	38,639,756		1.89	81,569	71,661	
Jingrui Holdings Limited	Property development	1.25	37,362,750		1.83	(713,070)	2,002,081	
Xinhu Zhongbao Company Limited	Property development	0.76	35,863,125		1.75	(1,104,394)	187,292	
China Evergrande Group	Property development	0.34	35,455,355		1.73	(3,197,770)	1,728,142	
China South City Holdings Limited	Property development	2.10	34,874,450		1.71	(1,165,980)	507,248	

Notes:

1. This total assets figure used as the denominator to calculate the relative size of each financial instruments on the Company's total asset as at 30 September 2019, represents the unaudited total assets of the Company as at 30 September 2019 of HK\$2,044,212,000.
2. The Company's strategy is to invest in a diversified portfolio of debt securities including fixed rate bonds and high-yield bonds in the Greater China region.
3. Remaining investments comprise 8 listed bond investments and 3 unlisted fund investments. The individual balance of these investments represent less than 5% of the total investments balance as at 30 September 2019.

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 2019 amounted to approximately HK\$342.6 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 2019, the aggregate principal of these products amounted to HK\$136.8 million (31 March 2019: HK\$109.7 million). The maturity dates of these products are before 14 January 2020. The unguaranteed annualised rate of returns of these products range from 2.2% to 3.6% (31 March 2019: 3.75% to 3.9%). The Group takes a prudent approach when selecting financial products.

The Group's gearing ratio as at 30 September 2019, 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 nil (31 March 2019: 2.6%). 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 2019, 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 2019, leasehold land and building amounted to approximately HK\$629.4 million (31 March 2019: HK\$655.8 million) was pledged as securities for banking facilities.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

CONTINGENT LIABILITIES

As at 30 September 2019, the Group had no contingent liabilities.

PROSPECTS

Despite of the complicated world economic condition, leading that the economic growth is slowing down. Hong Kong, as the top 3 financial center city in terms of IPO fund raising for ten consecutive years, with a series of reform measures successively launched by HKEx to further enhance the activity and competitiveness of the stock market, is still the preferred listing place for numerous high quality enterprises. The Group is confident about the prospects of Hong Kong IPO market.

In addition, the Group was able to cater for the needs of its customers, and generated stable income from providing one-stop full chain services to its customers by virtue of years of extensive experience in the industry. At the same time, the Group provided customers with more professional services by developing its financial database platform, forming the business and financial integration of management system, recruiting capable talents and developing new products.

Looking forward, the Group will continue to amplify the competitive strengths that make it a market leader. These strengths include its expertise in Hong Kong stocks, loyal customer base, extensive resource network in capital market, and the trusted "Wonderful Sky" brand. The Group believes it can overcome the market uncertainties by efficiently utilizing these strengths and provide greater return to shareholders.



OTHER INFORMATION

DIVIDENDS

The Board does not recommend the payment of interim dividends for the six months ended 30 September 2019 (2018: nil).

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING AND TOP-UP PLACEMENT

As at 30 September 2019, details of use of proceeds from initial public offering are as follows:

Net proceeds allocation	Intended use of the proceeds	Actual use of the proceeds as at 31 March 2019	The amount of remaining net proceeds as at 31 March 2019 for the intended use	Actual use of the total proceeds during the year ended 30 September 2019	The amount of remaining net proceeds as at 30 September 2019 for the intended use	Total proceeds used as at 30 September 2019	Expected time of utilisation <i>(Note 1)</i>	Change in intention
Approximately HK\$124.9 million	For strategic mergers with and acquisitions of companies with experience in the public relations business, investor relations business, financial printing business or international roadshow business.	Approximately HK\$19.8 million has been used in purchasing approximately 5.11% registered capital of Weconvene Group Limited.	HK\$105.1 million	–	Approximately HK\$105.1 million	HK\$19.8 million	30 April 2022	No
Approximately HK\$124.9 million	For financing the possible acquisition or setting up of a joint venture with a public relations firm in the PRC.	Approximately HK\$14.9 million has been used in acquisition of interest in 拓西(上海)文化傳媒有限公司, and approximately HK\$5.0 million has been used in setting up of 皓天策略投資顧問(北京)有限公司.	HK\$105.0 million	–	Approximately HK\$105.0 million	HK\$19.9 million	30 April 2022	No

OTHER INFORMATION (CONTINUED)

Net proceeds allocation	Intended use of the proceeds	Actual use of the proceeds as at 31 March 2019	The amount of remaining net proceeds as at 31 March 2019 for the intended use	Actual use of the total proceeds during the year ended 30 September 2019	The amount of remaining net proceeds as at 30 September 2019 for the intended use	Total proceeds used as at 30 September 2019	Expected time of utilisation <i>(Note 1)</i>	Change in intention
Approximately HK\$65.0 million	For the establishment of an additional office in Hong Kong, the recruitment of additional staff members and other general corporate purposes.	Approximately HK\$54.9 million has been utilized for purchase of office equipment and general corporate purposes.	HK\$10.1 million	HK\$0.9 million	Approximately HK\$9.2 million	HK\$55.8 million	31 December 2021	No

Note:

- The expected time frame for fully applying the unutilised proceeds is based on the best estimation of the future market conditions and strategic development made by the Company, which may be subject to changes and adjustments based on the future development of market conditions.

OTHER INFORMATION (CONTINUED)

As at 30 September 2019, details of use of proceeds from the top-up placement are as follows:

Net proceeds allocation	Intended use of the proceeds	Actual use of the proceeds as at 31 March 2019	The amount of remaining net proceeds as at 31 March 2019 for the intended use	Actual use of the total proceeds during the year ended 30 September 2019	The amount of remaining net proceeds as at 30 September 2019 for the intended use	Total proceeds used as at 30 September 2019	Expected time of utilisation <i>(Note 1)</i>	Change in intention
Approximately HK\$423.0 million	For developing a mobile internet professional service platform, the "Wonderful Sky Cloud", which provides online to offline ("O2O") financial services to our customers and the public investment community.	Approximately HK\$26.1 million has been used in development of professional service platform, improvement of backstage databases and professional consulting fee.	HK\$396.9 million	HK\$4.1 million	HK\$392.8 million	HK\$30.2 million	31 January 2022	No

Note:

- The expected time frame for fully applying the unutilised proceeds is based on the best estimation of the future market conditions and strategic development made by the Company, which may be subject to changes and adjustments based on the future development of market conditions.



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 2019, 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%

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.

OTHER INFORMATION (CONTINUED)

(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 2019, 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 2019, 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%
FIL Limited	Long	72,554,000	–	72,554,000	6.08%
Pandanus Associate Inc.	Long	72,554,000	–	72,554,000	6.08%
Fidelity China Special Situations PLC	Long	72,238,000	–	72,238,000	6.05%
Value Partners Group Limited	Long	12,412,000	59,060,000 <i>(Note 3)</i>	71,472,000	5.98%

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 2019, 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 2019.

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 2019.

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 2019, 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 2019, the Group had approximately 291 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 2019.

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 2019.

APPRECIATION

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

By order of the Board

Liu Tianni

Chairman and Chief Executive Officer

Hong Kong, 29 November 2019