



皓天財經集團

WONDERFUL SKY FINANCIAL GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 01260

INVESTOR RELATIONS

FINANCIAL PUBLIC RELATIONS

STATUTORY AND COMMERCIAL INSURANCE

ASSET MANAGEMENT

EQUITY  
INVESTMENT

INTERNATIONAL ROADSHOW

CORPORATE BRANDING

ESG REPORT

FINANCIAL  
PRINTING

EXECUTIVE RECRUITMENT

2020 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

## 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 2020

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 2020 together with comparative figures for corresponding period in 2019 as follows:

	Notes	For the six months ended 30 September	
		2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
<b>Revenue</b>	3	<b>179,386</b>	298,025
Direct costs		<b>(95,558)</b>	(163,640)
<b>Gross profit</b>		<b>83,828</b>	134,385
Other income		<b>52,286</b>	28,063
Selling expenses		<b>(12,584)</b>	(9,497)
Administrative expenses		<b>(59,697)</b>	(40,452)
Other gains and losses	4	<b>5,537</b>	4,488
Reversal of impairment loss recognised on debt instruments at fair value through other comprehensive income (“ <b>FVTOCI</b> ”)		–	577
Share of results of associates		<b>(841)</b>	2,332
Finance costs		<b>(2,320)</b>	(2,955)
<b>Profit before taxation</b>	5	<b>66,209</b>	116,941
Taxation	6	<b>(10,871)</b>	(19,449)
Profit for the period		<b>55,338</b>	97,492

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

For the six months ended 30 September 2020

	Notes	For the six months ended 30 September	
		2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
<b>Other comprehensive income (expense)</b>			
Item that will not be reclassified to profit or loss:			
Net loss on change in fair value of equity instruments at FVTOCI		(2,616)	(2,960)
Items that may be reclassified subsequently to profit or loss:			
Net gain (loss) on change in fair value of debt instruments at FVTOCI		72,593	(13,954)
Reversal of impairment loss recognised on debt instruments at FVTOCI		–	(577)
Exchange difference arising on translating foreign operation		(4,337)	(5,462)
<b>Other comprehensive income (expense) for the period</b>		<b>65,640</b>	(22,953)
<b>Total comprehensive income for the period</b>		<b>120,978</b>	74,539
<b>Earnings per share – Basic</b>	8	<b>HK4.8 cents</b>	HK8.2 cents
<b>Earnings per share – Diluted</b>		<b>HK4.8 cents</b>	HK8.2 cents

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

		As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		689,242	662,459
Right-of-use assets		8,758	4,958
Investment property		26,337	26,645
Intangible assets		10,006	10,006
Interests in associates		6,110	6,202
Equity instruments at FVTOCI	11	27,121	25,242
Financial assets at fair value through profit or loss ("FVTPL")	12	112,844	106,952
Debt instruments at FVTOCI	13	495,446	373,981
Club debenture	9	12,200	12,200
Deferred tax asset		70	70
Deposits for acquisition of property, plant and equipment		-	381
		<b>1,388,134</b>	1,229,096
<b>Current assets</b>			
Contract assets		-	205
Trade and other receivables	10	77,163	84,621
Amounts due from related parties	14	12,148	12,148
Debt instruments at FVTOCI	13	283,381	465,285
Financial products	15	56,860	-
Bank balances and cash		176,622	107,969
		<b>606,174</b>	670,228

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 September 2020

	Notes	As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
<b>Current liabilities</b>			
Trade and other payables	16	135,370	134,854
Contract liabilities	17	68,008	35,338
Taxation payable		18,157	6,997
Bank borrowings	18	159,423	163,319
Lease liabilities		2,139	2,139
Bank overdrafts		-	70,183
		<b>383,097</b>	412,830
Net current assets		<b>223,077</b>	257,398
Total assets less current liabilities		<b>1,611,211</b>	1,486,494
<b>Non-current liability</b>			
Deferred tax liability		1,103	1,103
Lease liabilities		4,745	1,006
		<b>5,848</b>	2,109
<b>Net assets</b>		<b>1,605,363</b>	1,484,385
<b>Capital and reserves</b>			
Share capital	19	11,515	11,515
Reserves		1,593,848	1,472,870
<b>Total equity</b>		<b>1,605,363</b>	1,484,385

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2020

	For the six months ended 30 September	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Net cash inflows/(outflows) from:		
Operating activities	185,681	185,926
Investing activities	(40,580)	16,993
Financing activities	(76,399)	(18,659)
Net increase in cash and cash equivalents	68,702	184,260
Cash and cash equivalents at beginning of period	107,969	158,900
Effect of exchange rate changes	(49)	(570)
<b>Cash and cash equivalents at end of period</b>	<b>176,622</b>	<b>342,590</b>



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2020

	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 reserve HK\$'000	Translation reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
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	-	-	-	-	-	(236)	-	-	236	-
Dividend recognised as distribution	-	-	-	-	-	-	-	-	(32,237)	(32,237)
At 30 September 2019 (Unaudited)	11,940	723,333	10	(1)	(4,773)	2,927	(62,348)	(2,597)	866,789	1,540,330
At 31 March 2020 (Audited)	<b>11,515</b>	<b>711,774</b>	<b>10</b>	<b>(1)</b>	<b>(4,773)</b>	<b>3,439</b>	<b>(80,442)</b>	<b>7,947</b>	<b>844,916</b>	<b>1,484,385</b>
Profit for the period	-	-	-	-	-	-	-	-	55,338	55,338
Net gain on change in fair value of debt instruments at FVTOCI	-	-	-	-	-	-	72,593	-	-	72,593
Exchange difference on translating foreign operation	-	-	-	-	-	-	-	(4,337)	-	(4,337)
Loss on change in fair value of equity instruments at FVTOCI	-	-	-	-	-	-	(2,616)	-	-	(2,616)
Other comprehensive (expense) income for the period	-	-	-	-	-	-	69,977	(4,337)	-	65,640
Total comprehensive (expense) income for the period	-	-	-	-	-	-	69,977	(4,337)	55,338	120,978
Lapse of share options	-	-	-	-	-	(331)	-	-	331	-
At 30 September 2020 (Unaudited)	<b>11,515</b>	<b>711,774</b>	<b>10</b>	<b>(1)</b>	<b>(4,773)</b>	<b>3,108</b>	<b>(20,465)</b>	<b>3,610</b>	<b>900,585</b>	<b>1,605,363</b>

## 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 2020*

## 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 2020 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2020.

### 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:

Amendments to HKASs 1 and 8	Definition of Material
Amendments to HKAS 39, HKFRSs 7 and 9	Interest Rate Benchmark Reform
Amendments HKFRS 3	Definition of a Business

The adoption of the new/revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the Period and prior years.

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2020

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Application of new and amendments to HKFRSs (Continued)

The Group has not early applied the new and amendments to HKFRSs that have been issued but are not yet effective.

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### HKFRS 16 "Leases"

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 "Leases", and the related interpretations.

#### *Definition of a lease*

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) - Int 4 "Determining whether an Arrangement contains a Lease" and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 April 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

#### *As a lessee*

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019.

As at 1 April 2019, the Group recognised additional lease liabilities and measured right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid or accrued lease payments by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening accumulated profits and comparative information has not been restated.

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2020

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### HKFRS 16 “Leases” (Continued)

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and
- ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

**At 1 April 2019**

*HK\$'000*

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Operating lease commitments disclosed at 31 March 2019	1,766
Less: Recognition exemption – short term lease	(1,632)
Practical expedient – leases with lease term ending within 12 months from the date of initial application	(134)
	<hr/>
Lease liabilities as at 1 April 2019	0

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

For the six months ended 30 September 2020

### 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 2020 (Unaudited)

	Provision of financial public relations services (Unaudited) HK\$'000	Organisation and coordination of international roadshows (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
Revenue	177,116	2,270	179,386
Segment profit (loss)	65,885	(2,586)	63,299
Unallocated corporate income			45,269
Staff costs (including retirement benefit scheme contributions)			(11,062)
Share of results of associates			(841)
Other unallocated corporate expenses			(28,136)
Finance costs			(2,320)
Profit before taxation			66,209

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2020

## 3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Segment revenue and results (Continued)

For the six months ended 30 September 2019 (Unaudited)

	Provision of financial public relations services (Unaudited) HK\$'000	Organisation and coordination of international roadshows (Unaudited) HK\$'000	Consolidated (Unaudited) 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 taxation			116,941

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, other gains and losses, central administration costs, directors' salaries, operating lease rentals, share of results of associates and finance costs. This is the measure reported to the chief executive for the purposes of resource allocation and performance assessment.

## 4. OTHER GAINS AND LOSSES

	For the six months ended 30 September	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Net foreign exchange (loss) gain	(354)	309
Loss on disposal of debt instruments at FVTOCI	–	(2,371)
Gain (loss) on change in fair value of financial assets at FVTPL	5,891	–
Gain on disposal of financial assets at FVTPL	–	6,550
	<b>5,537</b>	4,488

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

For the six months ended 30 September 2020

### 5. PROFIT BEFORE TAX

Profit before taxation has been arrived at after charging:

	<b>For the six months ended 30 September</b>	
	<b>2020 (Unaudited) HK\$'000</b>	2019 (Unaudited) HK\$'000
Directors' and chief executive's remuneration	<b>2,554</b>	2,025
Other staff costs	<b>29,908</b>	36,138
Retirement benefit scheme contributions for other staff	<b>2,110</b>	2,583
	<b>34,572</b>	40,746
Auditor's remuneration	<b>257</b>	497
Depreciation of property, plant and equipment	<b>12,558</b>	10,851
Operating lease rentals	<b>–</b>	1,532
Depreciation of right-of-use assets	<b>686</b>	–
Depreciation of investment property	<b>308</b>	–
<b>and after crediting:</b>		
Interest income from bank deposits	<b>414</b>	1,495
Investment income from		
– financial assets at FVTPL (included in other income)	<b>–</b>	5,413
– debt instruments at FVTOCI (included in other income)	<b>40,344</b>	19,403
– other financial assets (included in other income)	<b>–</b>	1,937

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

*For the six months ended 30 September 2020*

### 6. TAXATION

	<b>For the six months ended 30 September</b>	
	<b>2020 (Unaudited) HK\$'000</b>	2019 (Unaudited) HK\$'000
Hong Kong Profits Tax – Current tax	<b>10,871</b>	19,449

Hong Kong profits tax is calculated at 16.5% (2019: 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 2020 (2019: Nil).

### 8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	<b>For the six months ended 30 September</b>	
	<b>2020 (Unaudited) HK\$'000</b>	2019 (Unaudited) HK\$'000
<b>Earnings</b>		
Profit for the period attributable to owners of the Company for the purposes of basic and diluted earnings per share	<b>55,338</b>	97,492

	<b>For the six months ended 30 September</b>	
	<b>2020</b>	2019
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share	<b>1,151,454,000</b>	1,193,974,000



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

For the six months ended 30 September 2020

### 9. CLUB DEBENTURE

Club debenture is measured at cost less any impairment.

### 10. TRADE AND OTHER RECEIVABLES

Service income arising from project-based financial public relations services, financial printing services for non-IPO Clients and international roadshows is recognised when services are rendered and is generally billed within 30 days from the completion of the event. Service income arising from financial printing for IPO Clients is recognised when services are rendered and is generally billed in accordance with payment schedule set out in contracts and within one month from the date of listing. Service income arising from daily financial public relations services under subscription model is recognised when services are rendered and is billed monthly, quarterly or semi-annually in arrears. The Group generally grants a credit period of 30 days to its customers.

Before accepting a new customer, the Group will internally assess the potential customer's credit quality and determine an appropriate credit limit. Management then closely monitors the outstanding balance and follow-up action is taken when debts are overdue.

	<b>As at 30 September 2020 (Unaudited) HK\$'000</b>	<b>As at 31 March 2020 (Audited) HK\$'000</b>
Trade receivable, net of allowance	<b>67,488</b>	81,038

The following is an aging analysis of trade receivables net of allowance for credit losses presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates:

	<b>As at 30 September 2020 (Unaudited) HK\$'000</b>	<b>As at 31 March 2020 (Audited) HK\$'000</b>
Within 30 days	<b>10,833</b>	9,414
31 to 90 days	<b>11,748</b>	6,125
91 days to 1 year	<b>44,907</b>	60,054
Over 1 year	<b>–</b>	5,445
	<b>67,488</b>	81,038

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.

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

*For the six months ended 30 September 2020*

### 11. EQUITY INSTRUMENTS AT FVTOCI

	<b>As at 30 September 2020 (Unaudited) HK\$'000</b>	<b>As at 31 March 2020 (Audited) HK\$'000</b>
Listed equity investments, at fair value		
– in Hong Kong	<b>20,315</b>	21,089
Unlisted equity investments, at fair value		
– in Hong Kong	–	–
– in the PRC	<b>6,806</b>	4,153
Non-current assets	<b>27,121</b>	25,242

The above listed equity investments represent ordinary shares of an entity listed in the Stock Exchange. At 31 March 2020, the fair value of the listed equity investments is based on the bid as 30 September 2020 and price quoted in the Stock Exchange at the end of the reporting periods respectively.

The above unlisted 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. In February 2020, the Group wrote off the unlisted equity investment in Hong Kong which engaged in restaurant operation in Hong Kong as the entity has ceased to operate. The fair values of the unlisted equity instruments were derived based on market approach. 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.

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:

	<b>As at 30 September 2020 (Unaudited) HK\$'000</b>	<b>As at 31 March 2020 (Audited) HK\$'000</b>
Renminbi ("RMB")	<b>6,806</b>	4,153

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

For the six months ended 30 September 2020

### 12. FINANCIAL ASSETS AT FVTPL

	As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
Unlisted bond securities, at fair value – with fixed coupon interest at 7% per annum and maturity date 2 July 2022	<b>112,844</b>	106,952
Non-current assets	<b>112,844</b>	106,952

At 30 September 2020, the convertible bond represents subscription in convertible bond issued by Silver Grant International Holdings Group Limited ("**Silver Grant**"), a company listed on the Stock Exchange, with principal amount of HK\$100,000,000. Mr. Tianni, the controlling shareholder and director of the Company, was a director and a member of key management personnel of Silver Grant before his resignation on 29 January 2019.

The Group can only exercise its conversion rights on the conditions that (i) no obligation will arise on the bondholder to make a general offer to the shareholders of Silver Grant for all securities of the Silver Grant under Rule 26 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission upon exercising of the conversion rights; and (ii) no Listing Rules, including the minimum public float requirements of Silver Grant under Listing Rules, will be breached as a result of an exercise of the conversion rights. Unless previously redeemed, converted, purchased or cancelled, Silver Grant will redeem all of the convertible bonds on the maturity date at such amount equivalent to 116.5% of the principal amount of the outstanding convertible bonds (inclusive of interests received up to the maturity date).

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

*For the six months ended 30 September 2020*

### 13. DEBT INSTRUMENTS AT FVTOCI

	<b>As at 30 September 2020 (Unaudited) HK\$'000</b>	<b>As at 31 March 2020 (Audited) HK\$'000</b>
Listed bond securities at fair value		
– listed on the Hong Kong Stock Exchange with fixed coupon interests ranging from 4.9% to 13.75% per annum and maturity dates ranging from 4 April 2021 to 18 February 2023	<b>152,504</b>	565,557
– listed on SGX with fixed coupon interests ranging from 6.5% to 12.875% per annum and maturity dates ranging from 23 October 2020 to 17 September 2023	<b>600,783</b>	265,272
Unlisted fund securities at fair value ( <i>Note</i> )	<b>25,540</b>	8,437
	<b>778,827</b>	839,266
Analysed for reporting purposes:		
Non-current assets	<b>495,446</b>	373,981
Current assets	<b>283,381</b>	465,285
	<b>778,827</b>	839,266

*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:

	<b>As at 30 September 2020 (Unaudited) HK\$'000</b>	<b>As at 31 March 2020 (Audited) HK\$'000</b>
USD	<b>778,827</b>	839,266

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

For the six months ended 30 September 2020

### 14. AMOUNTS DUE FROM RELATED PARTIES

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

	<b>As at 30 September 2020 (Unaudited) HK\$'000</b>	As at 31 March 2020 (Audited) HK\$'000
Qingling Motor Company Ltd ("Qingling Motors") (Note a)	<b>1,256</b>	1,496
	<b>1,256</b>	1,496

Notes:

- (a) Mr. Liu Tianni, the controlling shareholder and director of the Company, is an independent non-executive director of Qingling Motors for both periods. The amount is trade related, unsecured and non-interest bearing.

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

*For the six months ended 30 September 2020*

### 15. FINANCIAL PRODUCTS

At 30 September 2020, the Group's financial products are issued by banks in the PRC denominated in Renminbi, 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:

	<b>As at 30 September 2020 (Unaudited) HK\$'000</b>	<b>As at 31 March 2020 (Audited) HK\$'000</b>
RMB	<b>56,860</b>	–

### 16. TRADE AND OTHER PAYABLES

The following is an aged analysis of the trade payables based on invoice dates at the end of the reporting period:

	<b>As at 30 September 2020 (Unaudited) HK\$'000</b>	<b>As at 31 March 2020 (Audited) HK\$'000</b>
Within 30 days	<b>4,181</b>	15,312
31 to 60 days	<b>2,026</b>	2,579
61 to 90 days	<b>26</b>	2,413
91 days to 1 year	<b>8,642</b>	11,322
Over 1 year	–	–
	<b>14,875</b>	31,626

The average credit period on purchase from suppliers is from 30 to 60 days.

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

For the six months ended 30 September 2020

### 17. BANK BORROWINGS

	As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
Secured and variable-rate bank loans	<b>163,319</b>	198,164

The bank borrowings bear interests at Hong Kong Interbank Offered Rate ("HIBOR") plus 1% per annum.

### 18. CONTRACT LIABILITIES

	As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
Deposits received from customers	<b>68,008</b>	35,338

Contract liabilities represent deposits received from customers for financial public relations services, financial printing services and international roadshow services respectively.

### 19. SHARE CAPITAL

	As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
Authorised: 10,000,000,000 shares ordinary shares of HK\$0.01 each (31 March 2020:10,000,000,000 shares)	<b>100,000</b>	100,000
Issued and fully paid: 1,151,454,000 ordinary shares issued and fully paid of HK\$ 0.01 each (31 March 2020:1,151,454,000 shares)	<b>11,515</b>	11,515

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

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

*For the six months ended 30 September 2020*

### 19. SHARE CAPITAL (CONTINUED)

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

As at 30 September 2020, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the 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) 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:

#### ***Long positions in the ordinary shares of the Company***

(i) *The Company*

Name of Director	Long/Short position	Interest in controlled corporation	Number of shares held			Total interests	Total interests as % of the issued share capital of the Company
			Personal interest	Joint interest	Family interest		
Mr. Liu Tianni	Long	750,000,000 <i>(Note 1)</i>	-	6,904,000 <i>(Note 2)</i>	58,712,000 <i>(Note 3)</i>	815,616,000	70.83%

*Notes:*

- These 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.
- These shares are owned by Mr. Liu and Mrs Liu jointly.
- These shares are owned by Mrs. Liu. Mr. Liu is deemed or taken to be interested in these shares for the purpose of the SFO.



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2020

## 19. SHARE CAPITAL (CONTINUED)

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (CONTINUED)

#### *Long positions in the ordinary shares of the Company (Continued)*

(ii) Associate Corporation

Name of Director	Long/Short position	Name of associated corporation	Number of shares held	Approximately 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 of Sapphire Star.

Save as disclosed above, as at 30 September 2020, 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.

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

*For the six months ended 30 September 2020*

### 19. SHARE CAPITAL (CONTINUED)

#### SUBSTANTIAL SHAREHOLDERS

As at 30 September 2020, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Long/Short position	Beneficial Owner	Interest in 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	65.14%
Mrs. Liu	Long	65,616,000 <i>(Note 2)</i>	750,000,000 <i>(Note 1)</i>	815,616,000	70.83%
FIL Limited	Long	106,208,000	–	106,208,000	9.22%
Pandanus Associate Inc.	Long	106,208,000	–	106,208,000	9.22%
Fidelity China Special Situations PLC	Long	105,772,000	–	105,772,000	9.19%

*Notes:*

- 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 in the Company held by Sapphire Star.
- 58,712,000 shares in the Company are beneficially owned by Mrs. Liu and 6,904,000 shares are jointly owned by Mrs. Liu and Mr. Liu.

Save as disclosed above, as at 30 September 2020, 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.

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

For the six months ended 30 September 2020

### 20. RELATED PARTY TRANSACTIONS

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

	<b>As at 30 September 2020 (Unaudited) HK\$'000</b>	As at 31 March 2020 (Audited) HK\$'000
Financial public relations service income from Qingling Motors	<b>748</b>	1,496
Financial public relation service income from Hong Kong Chinese Enterprise Association ( <i>Note 1</i> )	–	24
Salaries and allowance paid to related parties ( <i>Note 2</i> )	<b>311</b>	1,499

Notes:

- Mr. Liu Tianni, the controlling shareholder and director of the Company, has been a member of key management of Hong Kong Chinese Enterprises Association for both years.
- These related parties are close family members of Mr. Liu Tianni, the controlling shareholder and director of the Company.

### 21. CAPITAL COMMITMENT

	<b>As at 30 September 2020 (Unaudited) HK\$'000</b>	As at 31 March 2020 (Audited) HK\$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of capital contributions to associates	<b>4,780</b>	5,069

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

*For the six months ended 30 September 2020*

### 22. 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 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**”) will remain in force for 10 years, 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 2020, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 4,000,000 (31 March 2020: 9,790,000), representing 0.35% (31 March 2020: 0.82%) 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 the 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.

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

For the six months ended 30 September 2020

### 22. SHARE OPTION SCHEME (CONTINUED)

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. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share on the date of grant.

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 2020:

Date of grant	Exercisable period	Exercise price HK\$	Outstanding at 1.4.2020	Lapsed during the period	Outstanding at 30.9.2020
<i>Employees:</i>					
28.1.2014	28.7.2015–27.7.2020	1.174	432,000	(432,000)	–
28.1.2014	28.7.2016–27.7.2020	1.174	912,000	(912,000)	–
28.1.2014	28.7.2017–27.7.2020	1.174	542,000	(542,000)	–
28.1.2014	28.7.2018–27.7.2020	1.174	1,904,000	(1,904,000)	–
26.1.2018	27.7.2019–27.7.2024	1.500	1,200,000	(400,000)	800,000
26.1.2018	27.7.2020–27.7.2024	1.500	1,200,000	(400,000)	800,000
26.1.2018	27.7.2021–27.7.2024	1.500	1,200,000	(400,000)	800,000
26.1.2018	27.7.2022–27.7.2024	1.500	2,400,000	(800,000)	1,600,000
			9,790,000	5,790,000	4,000,000

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

During the six months ended 30 September 2020, 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 2020 (six months ended 30 September 2019: Nil) in relation to share options granted by the Company.

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

*For the six months ended 30 September 2020*

### **23. RETIREMENT BENEFITS PLAN**

The Group participates in the MPF Scheme for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes the lower of 5% of the relevant payroll costs, with maximum of HK\$1,500 per employee per month, to the MPF Scheme, which contribution is matched by employees.

Employees of a subsidiary in the PRC are members of the state-managed retirement benefits schemes operated by the PRC government. The subsidiary is required to contribute a certain percentage of their payroll to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the state-managed retirement benefits schemes is to make the required contributions.

### **24. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The condensed consolidated financial statements were approved and authorised for issue by board of directors on 30 November 2020.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group's profit decreased from approximately HK\$97.5 million for the six months ended 30 September 2019 to approximately HK\$55.3 million for the six months ended 30 September 2020, representing a decrease of approximately 43.3%. The Group's revenue decreased from approximately HK\$298.0 million for the six months ended 30 September 2019 to approximately HK\$179.4 million for the six months ended 30 September 2020, representing a decrease of approximately 39.8%.

The Group's business consists of two major business segments, namely, the financial public relations service segment and the international roadshow service segment.

### Financial public relation service segment

Our financial public relation services include (i) public relations services; (ii) investor relations services; (iii) financial printing services and (iv) capital markets branding. During the six months ended 30 September 2020, this business segment delivered a turnover of approximately HK\$177.1 million (Six months ended 30 September 2019: HK\$232.6 million), representing a decrease of approximately 23.9%. The profit of this business segment for the six months ended 30 September 2020 was approximately HK\$65.9 million (Six months ended 30 September 2019: HK\$100.0 million), representing a decrease of approximately 34.1%. The decrease in revenue and profit of this business segment was attributed to the outbreak of epidemic, leading to suspension of normal activities.

### International roadshow service segment

Our international roadshow services include coordination, organisation and management of the overall logistics of roadshows for our clients. While we handle this for our clients, they would be able to focus on the presentation aspect of the roadshows. The revenue of this segment decreased by approximately 96.5%, to approximately HK\$2.3 million (Six months ended 30 September 2019: HK\$65.4 million) for the six months ended 30 September 2020, which was attributed to the outbreak of epidemic, leading to suspension of international roadshow.

Aside from the profit generated from the two business segments, the Group also generated investment income of HK\$40.3 million (Six months ended 30 September 2019: HK\$26.7 million) from its bond securities for the six months ended 30 September 2020. The bond securities comprise bonds listed on The Stock Exchange of Hong Kong Limited ("**HKEx**") and Singapore Exchange Securities Trading Limited ("**SGX**"). The Group takes a prudent approach on its investments and reviews their performance regularly. Details of the Group's significant investments which exceeded 5% of total balance of investment as at 30 September 2020 are as follows:

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Bond issuer name	Listed on	Investee's principle activities	Bond code	Coupon Rate	Maturity date
Dafa Properties Group Ltd	HKEx	Property development	XS2104465831	11.50%	27 January 2021
Gemstones International Ltd	SGX	Investment holding	XS2098347821	12.00%	10 March 2023
Kaisa Group Holdings Ltd	SGX	Property development	XS2203824789	11.25%	16 April 2025
Modern Land (China) Co Limited	SGX	Property development	XS2202152703	11.50%	13 November 2022
Xinyuan Real Estate Co Ltd	SGX	Property development	XS2176792658	14.50%	17 September 2023

Bond issuer name	Face value <i>US Dollars</i>	Market value <i>HK\$</i>	Coupon interest receivable <i>HK\$</i>	Fair value gain (loss) on each significant investment <i>HK\$</i>	Size of fair value relative to the total asset of the Company as at 30 September 2020
Dafa Properties Group Ltd	6,000,000	47,196,854	906,104	696,854	2.37%
Gemstones International Ltd	10,000,000	77,629,267	516,667	129,267	3.89%
Kaisa Group Holdings Ltd	10,000,000	77,553,219	1,792,187	53,219	3.89%
Modern Land (China) Limited	8,000,000	62,618,281	1,525,031	618,281	3.14%
Xinyuan Real Estate Co Ltd	8,000,000	61,381,860	–	(618,140)	3.08%



## 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 remains healthy. The Group's bank balances and cash as of 30 September 2020 amounted to approximately HK\$176.6 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.

The Group's gearing ratio as at 30 September 2020 was 0%, (31 March 2020: 8.5%), 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.

#### Exchange rate exposure

Most of the transactions, assets and liabilities of the Group were made in Hong Kong dollars, Renminbi and US dollars. As of 30 September 2020, 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. The Group did not have any hedging policy on Renminbi but its management monitors such exposure closely and will consider hedging such exposures should the need arise.

#### Pledge of assets

As at 30 September 2020, leasehold land and building amounted to approximately HK\$607.5 million (31 March 2020: HK\$613.9 million) was pledged as securities for banking facilities.

### CONTINGENT LIABILITIES

As at 30 September 2020, the Group had no contingent liabilities.

### PROSPECTS

The outbreak of COVID-19 has become the biggest threat to the world economy in 2020. While the impact of the COVID-19 pandemic has yet to come to its head, it is expected that in the short to medium term, global economic activity will still weaken with containment measures may continue for a while. Coupled with the intensified Sino-US tensions and increasing geopolitical risks, this will bring more challenges to the economic recovery.

The Group continues to enjoy an absolute leading market share in the Hong Kong IPO market with its strong expertise and efficient services capabilities. Looking forward to strengthening controls on the spread of the COVID-19 epidemic and restoring economic growth.

## OTHER INFORMATION

### DIVIDENDS

The Board does not recommend the payment of interim dividends for the six months ended 30 September 2020 (2019: nil).

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

As at 30 September 2020, 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 30 September 2020	The amount of remaining net proceeds as at 30 September 2020 for the intended use	Actual use	The amount of remaining net proceeds as at 30 September 2020 for the intended use	Total proceeds used as at 30 September 2020	Expected time of utilisation <sup>(Note 1)</sup>	Change in intention
				of the total proceeds during the six months period ended 30 September 2020				
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\$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 2020, 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 30 September 2019	The amount of remaining net proceeds as at 30 September 2019 for the intended use	Actual use of the total proceeds during the period ended 30 September 2020	The amount of remaining net proceeds as at 30 September 2020 for the intended use	Total proceeds used as at 30 September 2020	Expected time of utilisation <sup>(Note 1)</sup>	Change in intention
Approximately HK\$423.0 million	For developing a mobile internet professional service platform, the <b>"Wonderful Sky Cloud"</b> , 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' 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 2020.

### 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 2020.

#### 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.

#### Code Provision A.6.7

Under code provision A.6.7 of the Code, independent non-executive directors and other non-executive directors, should attend general meetings and develop a balanced understanding of the views of shareholders.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on the same terms as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, they have confirmed compliance with the required standard set out in the Model Code during the six months ended 30 September 2020.

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

During the six months ended 30 September 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

## OTHER INFORMATION (CONTINUED)

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules throughout the year ended 30 September 2020.

### EMPLOYMENT AND REMUNERATION POLICIES

As at 30 September 2020, the Group had 264 full-time employees. Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed on an annual basis and bonuses paid, if any, will be based on performance appraisals and other relevant factors. Staff benefits plans maintained by the Group include mandatory provident fund scheme, share option scheme and medical insurance.

### 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 2020.

### 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 2020.

### 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 2020