WONDERFUL SKY FINANCIAL GROUP HOLDINGS LIMITED
皓天財經集團控股有限公司
(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1260)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

The board (the "**Board**") of directors (the "**Directors**") of Wonderful Sky Financial Group Holdings Limited (the "**Company**") is pleased to present the unaudited interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 September 2016 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2016

	Notes	For the six months ended 30 September **2016** **(unaudited)** ***HK$'000***	2015 (unaudited) *HK$'000*
Revenue	3	**282,193**	304,640
Direct costs		**(138,437)**	(158,022)
Gross profit		**143,756**	146,618
Other income		**29,565**	10,130
Selling expenses		**(7,600)**	(6,562)
Administrative expenses		**(40,293)**	(35,022)
Gain on disposal of available-for-sale investments		**23,441**	16,973
Other expenses, gains and losses		**10**	334
Profit before taxation	4	**148,879**	132,471
Taxation	5	**(22,291)**	(23,280)
Profit for the period		**126,588**	109,191
Other comprehensive income for the period			
Exchange difference arising on translating foreign operation		**533**	–
Reclassification adjustment relating to available-for-sale investments disposed of during the period		**(23,441)**	–
Fair value change of available-for-sale investments		**30,809**	(10,378)
Total comprehensive income for the period		**134,489**	98,813
Profit for the period attributable to owners of the Company		**126,588**	109,191
Total comprehensive income attributable to owners of the Company		**134,489**	98,813
Earnings per share – Basic	7	**HK10.6 cents**	HK9.4 cents
Earnings per share – Diluted	7	**HK10.6 cents**	HK9.4 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

	Notes	**As at 30 September 2016 (unaudited) *HK$'000***	As at 31 March 2016 (Audited) *HK$'000*
Non-Current Assets			
Property, plant and equipment		**32,076**	33,613
Club debentures	8	**12,200**	12,200
Rental deposits		**5,126**	5,126
Deposits for acquisition of property plant and equipment		**6,728**	2,894
		56,130	53,833
Current Assets			
Work in progress		**17,985**	17,613
Trade and other receivables	9	**285,495**	187,222
Amounts due from related parties		**2,814**	2,797
Available-for-sale investments	10	**1,002,008**	864,479
Other financial assets	11	**264,170**	394,410
Bank balances and cash		**315,522**	151,496
		1,887,994	1,618,017
Current liabilities			
Trade and other payables	12	**180,801**	117,899
Taxation payable		**33,784**	20,146
Bank borrowings – due within one year		**451,527**	314,310
		666,112	452,355
Net current assets		**1,221,882**	1,165,662
Total assets less current liabilities		**1,278,012**	1,219,495
Non-current liability			
Deferred tax liability		**441**	441
Net assets		**1,277,571**	1,219,054
Capital and reserves			
Share capital	13	**11,937**	11,915
Reserves		**1,265,634**	1,207,139
Total equity		**1,277,571**	1,219,054

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six months ended 30 September 2016

1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 12 January 2011 under the Companies Law of the Cayman Islands Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its ultimate holding company is Sapphire Star Investments Limited, a company with limited liability incorporated in the British Virgin Islands ("**BVI**").

The 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 Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

2. PRINCIPAL ACCOUNTING POLICIES

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

The principal accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended 31 March 2016.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle

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

The Group has not early adopted the following new standards, revised standards, amendments and improvements to standards that have been issued but are not yet effective for the period.

		Effective for annual periods beginning on or after
Amendments to HKAS 7	Statement of cash flows	1 January 2017
Amendments to HKAS 12	Income taxes	1 January 2017
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 16	Leases	1 January 2019

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

3. REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to two operating segments namely, the provision of financial public relations services and organisation and coordination of international roadshow services. These operating segments have been identified on the basis of internal management reports that are regularly reviewed by the Directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance.

Segment revenue and results

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

For the six months ended 30 September 2016 (Unaudited)

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshow services *HK$'000*	Consolidated *HK$'000*
Revenue	**223,796**	**58,397**	**282,193**
Segment profit	**123,158**	**12,025**	**135,183**
Unallocated corporate income			**53,500**
Staff costs (including retirement benefit scheme contributions)			**(18,335)**
Operating lease rentals			**(8,981)**
Other unallocated corporate expenses			**(12,488)**
Profit before taxation			**148,879**

For the six months ended 30 September 2015 (Unaudited)

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshow services *HK$'000*	Consolidated *HK$'000*
Revenue	211,412	93,228	304,640
Segment profit	112,305	26,355	138,660
Unallocated corporate income			27,102
Staff costs (including retirement benefit scheme contributions)			(17,098)
Operating lease rentals			(8,380)
Other unallocated corporate expenses			(7,813)
Profit before taxation			132,471

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of other income, central administration costs and Directors' salaries.

Segment assets and liabilities

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

At 30 September 2016 (Unaudited)

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshow services *HK$'000*	Consolidated *HK$'000*
Assets			
Segment assets	**274,643**	**63,726**	**338,369**
Available-for-sale investments			**1,002,008**
Other financial assets			**264,170**
Club debenture			**12,200**
Bank balances and cash			**315,522**
Other unallocated assets			**11,855**
Total assets			**1,944,124**
Liabilities			
Segment liabilities	**134,541**	**45,111**	**179,652**
Taxation payable			**33,784**
Bank borrowings			**451,527**
Other unallocated liabilities			**1,590**
Total liabilities			**666,553**

At 31 March 2016 (Audited)

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshow services *HK$'000*	Consolidated *HK$'000*
Assets			
Segment assets	185,894	36,138	222,032
Available-for-sale investments			864,479
Other financial assets			394,410
Club debentures			12,200
Bank balances and cash			151,496
Other unallocated assets			27,233
Total assets			1,671,850
Liabilities			
Segment liabilities	92,574	12,970	105,544
Taxation payable			20,146
Bank borrowings			314,310
Other unallocated liabilities			12,796
Total liabilities			452,796

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

– all assets are allocated to reportable segments except for available-for-sale investments, other financial assets, deposits and prepayments, and bank balances and cash.

– all liabilities are allocated to reportable segments except for accrued administrative expenses, taxation payable and deferred tax liabilities.

4. PROFIT BEFORE TAXATION

	For the six months ended 30 September	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Directors' and chief executive officer's remuneration	**1,980**	2,462
Other staff costs	**42,077**	29,618
Retirement benefit scheme contributions for other staff	**2,030**	2,427
Share-based payment for other staff	**265**	769
	46,352	35,276
Auditor's remuneration	**450**	450
Depreciation	**1,977**	1,531
Operating lease rentals in respect of office premises	**8,981**	8,380
and after crediting:		
Interest income (included in other income)	**292**	945
Investment income from other financial assets (included in other income)	**2,271**	529
Investment income for available-for-sale investments (included in other income)	**23,660**	7,535
Commission income (included in other income)	**2,545**	1,023
Gain on disposal of available-for-sale investments	**23,441**	16,973

5. TAXATION

	For the six months ended 30 September	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– Current tax	**22,291**	23,276
Deferred taxation	**–**	4
	22,291	23,280

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

6. DIVIDENDS

The interim dividend of HK4.2 cents per share (2015: HK3.7 cents per share) and special dividend of HK2.1 cents per share (2015: HK1.8 cents per share) in respect of the six months ended 30 September 2016 has been declared by the Board and will be payable to the shareholders of the Company whose names appear on the register of members on 15 December 2016. The interim dividend and special dividend will be paid on or before 23 December 2016. The aggregate amount of interim and special dividends declared in respect of the six months ended 30 September 2016 is expected to be approximately HK$75.2 million (2015: HK$65 million). These interim dividend and special dividend were declared after the interim reporting date, and therefore have not been included as liabilities in the condensed consolidated statement of financial position.

During the six months ended 30 September 2016, a final dividend of HK4.3 cents per share and special dividend of HK2.3 cents per share in respect of the year ended 31 March 2016 were declared and paid to the shareholders. The aggregate amount of the final and special dividends declared and paid during the period amounted to HK$78.8 million.

7. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 September 2016 is based on the Group's unaudited consolidated profit attributable to owners of the Company and on the weighted average number of 1,192,212,999 ordinary shares (2015: 1,162,042,683) in issue during the period.

Diluted earnings per share for the six months ended 30 September 2016 was calculated based on the unaudited consolidated profit attributable to owners of the Company and on the weighted average number of 1,195,292,283 shares (2015: 1,162,700,720) with the effect of dilutive potential shares outstanding under the Company's share option plan.

8. CLUB DEBENTURES

Club debentures are measured at cost less any impairment.

9. ACCRUED REVENUE AND TRADE AND OTHER RECEIVABLES

	As at 30 September 2016 (Unaudited) ***HK$'000***	As at 31 March 2016 (Audited) *HK$'000*
Accrued revenue	**–**	–
Trade receivables, net of allowance	**275,181**	168,009
Other receivables		
– Deposits	**3,493**	14,741
– Prepayments	**2,550**	604
– Staff advances	**4,271**	3,868
	10,314	19,213
Total trade and other receivables	**285,495**	187,222

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

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

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

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 2016 (Unaudited) *HK$'000*	As at 31 March 2016 (Audited) *HK$'000*
Within 30 days	**107,256**	68,380
31 to 90 days	**46,559**	35,973
91 days to 1 year	**85,524**	53,040
Over 1 year	**35,842**	10,616
	275,181	168,009

10. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	As at 30 September 2016 (Unaudited) *HK$'000*	As at 31 March 2016 (Audited) *HK$'000*
Listed bond securities at fair value:		
– listed on the Hong Kong Stock Exchange with fixed coupon interest rates ranging from 2.375% to 8.75% per annum (31 March 2016: 3.0% to 7.75% per annum) and maturity dates ranging from 19 May 2017 to 16 May 2022 (31 March 2016: 19 May 2017 to 23 April 2025)	**756,058**	627,739
– listed on SGX with fixed coupon interest rates ranging from 3% to 9.5% per annum (31 March 2016: 4.125% to 8.75% per annum) and maturity dates ranging from 17 August 2018 to 14 July 2026 (31 March 2016: 17 August 2018 to 2 May 2023)	**245,950**	236,740
	1,002,008	864,479

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

11. OTHER FINANCIAL ASSETS

	As at 30 September 2016 (Unaudited) *HK$'000*	As at 31 March 2016 (Audited) *HK$'000*
Treasury products issued by commercial banks	**264,170**	394,410

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

12. TRADE AND OTHER PAYABLES

	As at 30 September 2016 (Unaudited) *HK$'000*	As at 31 March 2016 (Audited) *HK$'000*
Trade payables	**40,584**	28,809
Deposits received from customers	**119,316**	69,654
Salaries payable	**347**	6,645
Accrued expenses	**16,749**	10,320
Other payables	**3,805**	2,471
	140,217	89,090
Total trade and other payables	**180,801**	117,899

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

	As at 30 September 2016 (Unaudited) *HK$'000*	As at 31 March 2016 (Audited) *HK$'000*
Within 30 days	**15,507**	12,570
31 to 60 days	**9,535**	1,559
61 to 90 days	**4,870**	1,018
91 days to 1 year	**4,969**	9,401
Over 1 year	**5,703**	4,261
	40,584	28,809
Not yet billled	**–**	–
	40,584	28,809

13. SHARE CAPITAL

	Number of shares	*HK$'000*
Authorised:		
Ordinary shares of HK$0.01 each at 31 March and 30 September 2016	10,000,000,000	100,000
Issued and fully paid:		
At 31 March 2015	1,000,000,000	10,000
Share placement *(Note a)*	200,000,000	2,000
Issue of shares under share option scheme *(Note b)*	1,225,000	12
Repurchase of shares *(Note c)*	(9,148,000)	(91)
At 30 September 2015	1,192,077,000	11,921
Issue of shares under share option scheme *(Note b)*	410,000	4
Repurchase of shares *(Note c)*	(974,000)	(10)
At 31 March 2016	1,191,513,000	11,915
Issue of shares under share option scheme *(Note b)*	2,150,000	22
At 30 September 2016	1,193,663,000	11,937

Notes:

(a) On 22 April 2015, the Company entered into a conditional placing and subscription agreement with a placing agent in relation to, among others, the placing of a maximum of up to 200,000,000 new ordinary shares of the Company of HK$2.15 each to not less than six placees who are not acting in concert with connected persons of the Company (the "**Placing**"). The new shares were issued under the general mandate granted to the directors at the annual general meeting of the Company held on 12 August 2014 and rank pari passu with other shares in issue in all respects.

(b) During the year ended 31 March 2016 and the period ended 30 September 2016, 1,635,000 and 2,150,000 shares of HK$0.01 each were respectively issued at HK$1.174 per share upon exercise of the share options under the share option scheme of the Company (the "**Share Option Scheme**") by share option holders and all these shares rank pari passu with other shares of the Company in all respects.

(c) During the year ended 31 March 2016, the Company repurchased its own shares on the Hong Kong Stock Exchange as follows:

Month of repurchase	No. of shares	Price per share Highest	Price per share Lowest	Aggregate consideration paid
		HK$	*HK$*	*HK$'000*
July 2015	9,148,000	1.90	1.58	16,139
September 2015	974,000	1.61	1.48	1,489
				17,628

The above ordinary shares were cancelled upon repurchase.

BUSINESS REVIEW

The Group's revenue decreased from approximately HK$304.6 million for the six months ended 30 September 2015 to approximately HK$282.2 million for the six months ended 30 September 2016, representing a decrease of approximately 7.4%. The Group's profit increased from approximately HK$109.1 million for the six months ended 30 September 2015 to approximately HK$126.6 million for the six months ended 30 September 2016, representing an increase of approximately 16.0%.

The Group's business consists of two major segments. The first segment consists of (i) public relations services; (ii) investor relations services; (iii) financial printing services; and (iv) capital markets branding (collectively, the "**Financial PR services**"). The second segment is the international roadshow services.

The revenue for Financial PR services was approximately HK$223.8 million during the six months ended 30 September 2016, representing an increase of approximately 5.9% compared with that in the last corresponding period of approximately HK$211.4 million. The segment result for Financial PR services during the six months ended 30 September 2016 was approximately HK$123.2 million, representing an increase of approximately 9.7% compared with that in the last corresponding period of approximately HK$112.3 million. During the period, the revenue and segment results of international roadshow services had decreased. The revenue and segment results for international roadshow services were approximately HK$58.4 million and HK$12.0 million, respectively, representing a decrease of approximately 37.3% and 54.4%, respectively compared to last corresponding period which were approximately HK$93.2 million and approximately HK$26.3 million respectively.

Aside from the profit generated from the two business segments, the Group also generated investment income and gain of HK$23.6 million and HK$23.4 million respectively from its available-for-sale investments for the six months ended 30 September 2016. The available-for-sale investments comprise bonds listed on either the Stock Exchange of Hong Kong Limited or the Singapore Stock Exchange. Management believes that the available-for-sale investments will provide another source of income and cash inflows to the Group. Nevertheless, the Group takes a prudent approach on its investments and reviews their performance regularly. Details of the Group's available-for-sale investments as at 30 September 2016 are set out in Note 10 to the condensed interim financial information.

FINANCIAL REVIEW

Liquidity and financial resources

The Group generally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers in Hong Kong. The Group is financially sound and its cash position is healthy. The Group's bank balances and cash and short-term bank deposits as of 30 September 2016 amounted to approximately HK$315.5 million. Aside from placing deposits with commercial banks, the Group also purchased principal-guaranteed, short-term and low risk unlisted treasury products so as to ensure the security and value of the capital. Such products were offered and guaranteed by banks with good reputation. As of 30 September 2016, the principal of such products amounted to HK$ 264.2 million. The maturity dates of these products are before 31 December 2016. The unguaranteed annualised rate of returns of these products range from 1.7% to 4.00%. The Group takes a prudent approach in selecting financial products.

The Group's gearing ratio as at 30 September 2016, calculated based on the short-term interest bearing bank borrowings and the equity attributable to owners of the Company, was 35.3% (31 March 2016: 25.8%). We believe that the Group's cash holding, liquid asset value, future revenue and available banking facilities will be 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 2016, 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 2016, all available-for-sale investments amounted to approximately HK$1,002 million (31 March 2016: HK$864.5 million) and bank balance amounted to approximately HK$67.1 million (31 March 2016: HK$4 million) were pledged as securities for banking facilities.

CONTINGENT LIABILITIES

As at 30 September 2016, the Group had no contingent liabilities.

PROSPECTS

Looking ahead, the Group expects the business environment to continue to be full of challenges. However, from a long-term perspective, we can see the global economy is gradually recovering, the pace of reformation of mainland China enterprises is gathering more speed and the interaction of the capital markets of Hong Kong and mainland China has brought lasting and healthy growth to the financial public relations industry of the two places.

For the half-year ended 30 September 2016, the Group continued to be the absolute leader in terms of market share in the financial public relations and international roadshow markets in Hong Kong, At the same time, in order to cater for the needs of cross-border capital markets, we, besides continue to consolidate our leading position in the financial public relations and international roadshow markets in Hong Kong, are further developing our mainland China work force. We are building a cross-border business platform with seamless collaboration between our Hong Kong and mainland China working teams with a view to continue to expand in the overseas, Hong Kong and the mainland China markets. In the first half of the 2016/2017 financial year, our mainland China working team, with its one-stop integrated financial public relations services, successfully completed the listing of China Nuclear Engineering Co., Ltd. on the Shanghai Stock Exchange; while our Singapore team completed the listing of China Jinjiang Environmental Holdings Company Limited on the Singapore Stock Exchange.

In addition to geographical expansion, the Group is continuing to meet the needs of its customers. We are improving and expanding our professional services in order to provide diversify one-stop financial services to our customers. The Group is proactively exploring and identifying Environmental, Social and Governance ("**ESG**") report preparation, human resources, strategy consultancy, asset management and other market opportunities. We will enter these markets gradually at opportune time.

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

As at the date of this report, the Group has proactively prepared for its global development strategy. We are proactively identifying opportunities for upstream and downstream merger, joint venture or strategic cooperation in the overseas, mainland China and Hong Kong markets. We endeavor to make announcements in accordance with the listing rules requirements of the Hong Kong Stock Exchange as deemed appropriate.

Looking ahead, the Group will continue to leverage on its experience, skillset and know-how to build new growth drivers and initiate new value-adding services so as to solidify our leader position in the industry. We will proactively act on our global development strategy and will try to maximize the value of our Group for our shareholders.

DIVIDENDS

The interim dividend of HK4.2 cents per share (2015: HK3.7 cents per share) and special dividend of HK2.1 cents per share (2015: HK1.8 cents per share), in respect of the six months ended 30 September 2016 have been declared by the Board and will be payable to the shareholders of the Company whose names appear on the register of members on 15 December 2016. The interim dividend and special dividend will be paid on or before 23 December 2016. The aggregate amount of the interim dividend and the special dividend declared in respect of the six months ended 30 September 2016 is approximately HK$75.2 million (2015: HK$65 million).

USE OF PROCEEDS FROM THE COMPANY'S SHARE PLACEMENT

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

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

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 2016.

Code Provision A.2.1

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

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

During the six months ended 30 September 2016, 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 2016, the Group had approximately 276 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.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDENDS

The register of members of the Company will be closed from 14 December 2016 to 15 December 2016 (both days inclusive) during which no transfer of shares will be registered. In order to qualify for the interim dividend and special dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 13 December 2016. The interim dividend and the special dividend will be paid on or before 23 December 2016.

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 2016.

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 Ling. 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 2016.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement is published on the websites of the Company and the Stock Exchange. The interim report will be despatched to shareholders of the Company and made available on the same websites in due course.

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
Wonderful Sky Financial Group Holdings Limited
Liu Tianni
Chairman and Chief Executive Officer

Hong Kong, 29 November 2016

As at the date of this announcement, the executive directors of the Company are Mr. Liu Tianni and Ms. Liu Lin; the independent non-executive directors of the Company are Ms. Li Ling Xiu, Ms. Lam Ling and Ms. Lee Wing Sze Rosa.

The English text of this announcement shall prevail over its Chinese text in case of inconsistency.