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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017

RESULTS

The board of directors (the "**Board**") of Wonderful Sky Financial Group Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2017 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	NOTES	**2017** ***HK$'000***	2016 *HK$'000*
Revenue	3	**616,945**	619,122
Direct costs		**(278,126)**	(292,762)
Gross profit		**338,819**	326,360
Other income		**68,589**	37,957
Selling expenses		**(18,004)**	(13,562)
Administrative expenses		**(85,589)**	(75,803)
Other gains and losses	4	**26,434**	18,704
Finance costs	5	**(6,225)**	(1,999)
Profit before taxation	6	**324,024**	291,657
Taxation	7	**(52,862)**	(51,765)
Profit for the year		**271,162**	239,892
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translating foreign operation		**(5,919)**	(11,580)
Fair value gain on available-for-sale investments		**33,848**	14,591
Reclassification adjustment relating to available-for-sale investments disposed of during the year		**(33,214)**	(19,509)
Other comprehensive expense for the year		**(5,285)**	(16,498)
Total comprehensive income for the year		**265,877**	223,394
Profit for the year attributable to owners of the Company		**271,162**	239,892
Total comprehensive income attributable to owners of the Company		**265,877**	223,394
Earnings per share			
– Basic	9	**HK22.7 cents**	HK20.4 cents
– Diluted		**HK22.7 cents**	HK20.3 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2017

	NOTES	**2017** *HK$'000*	2016 *HK$'000*
Non-current assets			
Property, plant and equipment		**34,716**	33,613
Interests in associates		**12,686**	–
Available-for-sale investments		**42,277**	–
Club debenture		**12,200**	12,200
Rental deposits		**5,104**	5,126
Deposits for acquisition of property, plant and equipment		**7,691**	2,894
		114,674	53,833
Current assets			
Work in progress		**8,928**	17,613
Accrued revenue	10	**3,006**	–
Trade and other receivables	10	**284,463**	187,222
Amounts due from related parties		**3,352**	2,797
Available-for-sale investments	11	**1,282,235**	864,479
Other financial assets	12	**79,520**	394,410
Bank balances and cash		**178,171**	151,496
		1,839,675	1,618,017
Current liabilities			
Trade and other payables	13	**101,384**	117,899
Taxation payable		**15,378**	20,146
Bank borrowings – due within one year	14	**506,669**	314,310
		623,431	452,355
Net current assets		**1,216,244**	1,165,662
Total assets less current liabilities		**1,330,918**	1,219,495
Non-current liability			
Deferred tax liability		**402**	441
Net assets		**1,330,516**	1,219,054
Capital and reserves			
Share capital		**11,922**	11,915
Reserves		**1,318,594**	1,207,139
Total equity		**1,330,516**	1,219,054

NOTES

1. GENERAL

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 ("**HKEx**"). Its ultimate holding company is Sapphire Star Investments Limited, a limited liability company incorporated in the British Virgin Islands ("**BVI**") and the ultimate controlling party is Mr. Liu Tianni.

The principal activities of the Company are investment holding and securities investment. The principal activities of its subsidiaries and associates are provision of financial public relations services and organisation and coordination of international roadshows.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time in the current year:

Amendments to HKAS 1	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants
Amendments to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the consolidation exception
Amendments to HKFRS 11	Accounting for acquisitions of interest in joint operations

The application of the above amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or the disclosures set out in these financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(CONTINUED)*

New and amendments to HKFRSs and an interpretation issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs and an interpretation that have been issued by the HKICPA but are not yet effective:

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers and the related amendments[1]
HKFRS 16	Leases[2]
HK (IFRIC) – Int 22	Foreign currency transactions and advance consideration[1]
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 "Financial instruments" with HKFRS 4 "Insurance contracts"[1]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]
Amendments to HKFRSs	Annual improvements to HKFRSs 2014–2016 cycle[4]
Amendments to HKAS 7	Disclosure initiative[5]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses[5]
Amendments to HKAS 40	Transfers of investment property[1]

1 Effective for annual periods beginning on or after 1 January 2018.
2 Effective for annual periods beginning on or after 1 January 2019.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.
5 Effective for annual periods beginning on or after 1 January 2017.

HKFRS 9 "Financial instruments"

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(CONTINUED)*

Key requirements of HKFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income ("**FVTOCI**"). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Company's financial instruments and risk management policies as at 31 March 2017, the application of HKFRS 9 in the future may have an impact on the classification and measurement of the Company's financial assets. The Group's available-for-sale investments, including those currently stated at cost less impairment, will either be measured as fair value through profit and loss ("**FVTPL**") or be designated as FVTOCI (subject to fulfillment of the designated criteria). In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Company's financial assets measured at amortised cost.

As facts and circumstances may change during the period leading up to the initial date of application of HKFRS 9, which is expected to be 1 April 2018 as the Group does not intend to early apply the standard, the assessment of the potential impact is subject to change.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(CONTINUED)*

HKFRS 15 "Revenue from contracts with customers"

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction contracts" and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

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

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The Group has performed a review of the existing contractual arrangement with its customers and the directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures but will not have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(CONTINUED)*

HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Company currently presents other operating lease payments are presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows.

Furthermore, extensive disclosures are required by HKFRS 16.

At 31 March 2017, the Group as lessee has non-cancellable operating lease commitments of HK$21,051,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recoginse a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors complete a detailed review.

The directors of the Company anticipate that the application of other new and amendments to HKFRSs and an interpretation will have no material impact on the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group's operating activities consist of the provision of financial public relations services and the organisation and coordination of international roadshows. These operating segments have been identified on the basis of internal management reports that are regularly reviewed by the directors of the Company, who are 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 and operating segment:

For the year ended 31 March 2017

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshows *HK$'000*	Consolidated *HK$'000*
Revenue	**513,871**	**103,074**	**616,945**
Segment profit	**291,008**	**18,627**	**309,635**
Unallocated corporate income			**101,803**
Staff costs (including retirement benefit scheme contributions and share-based payments)			**(39,369)**
Operating lease rentals			**(18,064)**
Other unallocated corporate expenses			**(23,756)**
Finance costs			**(6,225)**
Profit before taxation			**324,024**

3. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Segment revenue and results *(Continued)*

For the year ended 31 March 2016

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshows *HK$'000*	Consolidated *HK$'000*
Revenue	455,169	163,953	619,122
Segment profit	260,304	48,241	308,545
Unallocated corporate income			57,466
Staff costs (including retirement benefit scheme contributions and share-based payments)			(34,037)
Operating lease rentals			(15,726)
Other unallocated corporate expenses			(22,592)
Finance costs			(1,999)
Profit before taxation			291,657

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 losses, gain on disposal of available-for-sale investments and finance costs.

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 31 March 2017

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshows *HK$'000*	Consolidated *HK$'000*
Assets			
Segment assets	**278,366**	**48,250**	**326,616**
Interests in associates			**12,686**
Available-for-sale investments			**1,324,512**
Other financial assets			**79,520**
Club debenture			**12,200**
Bank balances and cash			**178,171**
Other unallocated assets			**20,644**
Total assets			**1,954,349**
Liabilities			
Segment liabilities	**48,550**	**37,150**	**85,700**
Taxation payable			**15,378**
Bank borrowings			**506,669**
Other unallocated liabilities			**16,086**
Total liabilities			**623,833**

3. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Segment assets and liabilities *(Continued)*

At 31 March 2016

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshows *HK$'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 debenture			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 interests in associates, available-for-sale investments, other financial assets, deposits, prepayments and other receivables, club debenture and bank balances and cash.

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

3. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Other segment information

For the year ended 31 March 2017

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshows *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment profit or segment assets:				
Additions to non-current assets	**8,389**	**–**	**–**	**8,389**
Depreciation	**7,286**	**–**	**–**	**7,286**
Impairment loss recognised on trade receivables, net	**5,884**	**1,087**	**–**	**6,971**
Impairment loss reversed on amount due from a related party	**(3,076)**	**–**	**–**	**(3,076)**
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:				
Gain on disposal of available-for-sale investments	**–**	**–**	**(33,214)**	**(33,214)**
Investment income from available-for-sale investments	**–**	**–**	**(50,270)**	**(50,270)**
Investment income from other financial assets	**–**	**–**	**(9,566)**	**(9,566)**
Interest expenses	**–**	**–**	**6,225**	**6,225**
Income tax expenses	**37,346**	**2,876**	**12,640**	**52,862**

3. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Other segment information *(Continued)*

For the year ended 31 March 2016

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshows *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment profit or segment assets:				
Additions to non-current assets	30,240	–	–	30,240
Depreciation	3,554	–	–	3,554
Impairment loss recognised on trade receivables, net	3,191	–	–	3,191
Impairment loss reversed on amount due from a related party	(2,493)	–	–	(2,493)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:				
Gain on disposal of available-for-sale investments	–	–	(19,509)	(19,509)
Investment income from available-for-sale investments	–	–	(29,589)	(29,589)
Investment income from other financial assets	–	–	(1,480)	(1,480)
Interest expenses	–	–	1,999	1,999
Income tax expenses	37,456	7,331	6,978	51,765

3. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Geographical information

More than 90% of the Group's revenue are arisen in Hong Kong, the place of domicile of the relevant group entities for both years.

The Group's non-current assets (excluding financial instruments) by geographical location of the assets are detailed below:

	2017	2016
	HK$'000	*HK$'000*
The People's Republic of China ("**PRC**")	**35,641**	26,666
Hong Kong	**24,556**	14,967
	60,197	41,633

4. OTHER GAINS AND LOSSES

	2017	2016
	HK$'000	*HK$'000*
Impairment loss recognised on trade receivables, net	**(6,971)**	(3,191)
Impairment loss reversed on amount due from a related party	**3,076**	2,493
Foreign exchange losses	**(2,885)**	(107)
Gain on disposal of available-for-sale investments	**33,214**	19,509
	26,434	18,704

5. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Interest on bank borrowings	**6,225**	1,999

6. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	2017	2016
	HK$'000	*HK$'000*
Directors' and chief executive's remuneration	**6,908**	4,628
Other staff costs	**82,107**	64,926
Retirement benefit scheme contributions for other staff	**3,919**	3,129
Share-based payments for other staff	**400**	971
	93,334	73,654
Auditor's remuneration	**920**	910
Depreciation of property, plant and equipment	**7,286**	3,554
Operating lease rentals in respect of office premises	**18,064**	15,726
and after crediting:		
Interest income from bank deposits	**513**	3,254
Commission income (included in other income)	**6,721**	3,222
Investment income from available-for-sale investments (included in other income)	**50,270**	29,589
Investment income from other financial assets (included in other income)	**9,566**	1,480

7. TAXATION

	2017	2016
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– current tax	**52,941**	52,059
– overprovision in prior years	**(40)**	(473)
	52,901	51,586
Deferred taxation	**(39)**	179
	52,862	51,765

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%.

8. DIVIDENDS

Final dividend of HK4.9 cents per share and special dividend of HK2.5 cents per share, totalling approximately HK$88.2 million, in respect of the year ended 31 March 2017 has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

During the year ended 31 March 2017, the Company declared and paid a final dividend of HK4.3 cents per share and a special dividend of HK2.3 cent per share, totalling approximately HK$78.6 million, in respect of the year ended 31 March 2016 and an interim dividend of HK4.2 cents per share and a special dividend of HK2.1 cents per share, totalling approximately HK$75.2 million, in respect of the year ended 31 March 2017.

During the year ended 31 March 2016, the Company declared and paid a final dividend of HK4.0 cents per share and a special dividend of HK2.0 cent per share, totalling approximately HK$72.0 million, in respect of the year ended 31 March 2015 and an interim dividend of HK3.7 cents per share and a special dividend of HK1.8 cents per share, totalling approximately HK$65.5 million, in respect of the year ended 31 March 2016.

9. 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:

	2017	2016
	HK$'000	*HK$'000*
Earnings		
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	**271,162**	239,892

	2017	2016
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,192,914,948**	1,176,859,989
Effect of dilutive potential ordinary shares on share options	**2,958,483**	4,084,342
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,195,873,431**	1,180,944,331

10. ACCRUED REVENUE AND TRADE AND OTHER RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Accrued revenue	**3,006**	–
Trade receivables, net of allowance	**276,614**	168,009
Other receivables		
– Deposits	**2,266**	14,741
– Prepayments	**1,470**	604
– Staff advances	**4,113**	3,868
	7,849	19,213
Total trade and other receivables	**284,463**	187,222

Service income arising from initial public offerings ("**IPO**") is recognised when services are rendered and is generally billed within one month from date of listing. 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 roadshows 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 fee earned upon related services being rendered but not yet billed and due at the end of the reporting period.

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

	2017	2016
	HK$'000	*HK$'000*
Trade receivables:		
Invoiced		
– Within 30 days	**100,896**	68,380
– 31 to 90 days	**40,918**	35,973
– 91 days to 1 year	**132,389**	53,040
– Over 1 year	**2,411**	10,616
	276,614	168,009

11. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	2017	2016
	HK$'000	*HK$'000*
Listed bond securities at fair value:		
– listed on the HKEx with fixed coupon interests ranging from 2.75% to 7.00% per annum (2016: 3.00% to 7.75% per annum) and maturity dates ranging from 7 August 2017 to perpetual (2016: 19 May 2017 to 23 April 2025)	**713,073**	627,739
– listed on Singapore Exchange Securities Trading Limited ("**SGX**") with fixed coupon interests ranging from 3.00% to 9.50% per annum (2016: 4.13% to 8.75% per annum) and maturity dates ranging from 17 August 2018 to perpetual (2016: 17 August 2018 to 2 May 2023)	**569,162**	236,740
	1,282,235	864,479

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

At 31 March 2017, available-for-sale investments of HK$1,282,235,000 (2016: HK$864,479,000) were pledged to banks to secure the margin loans and short-term banking facilities granted to the Group.

12. OTHER FINANCIAL ASSETS

At 31 March 2017, the Group's other financial assets represent financial products issued by banks in the PRC, with maturity of 60 days to 91 days (2016: 91 days to 1 year) and expected but not guaranteed returns ranging from 3.1% to 4.2% per annum (2016: 1.4% to 5.0% 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 value of the financial products approximate to the carrying amount as at 31 March 2017 because of their short maturities.

13. TRADE AND OTHER PAYABLES

	2017	2016
	HK$'000	*HK$'000*
Trade payables	**47,414**	28,809
Deposits received from customers	**29,077**	69,654
Salaries payable	**13,947**	6,645
Accrued expenses	**8,743**	10,320
Other payables	**2,203**	2,471
	53,970	89,090
Total trade and other payables	**101,384**	117,899

The average credit period is from 30 to 60 days.

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

	2017	2016
	HK$'000	*HK$'000*
Trade payables:		
Invoiced		
– Within 30 days	**26,744**	12,570
– 31 to 60 days	**1,071**	1,559
– 61 to 90 days	**2,330**	1,018
– 91 days to 1 year	**7,002**	9,401
– Over 1 year	**10,267**	4,261
	47,414	28,809

14. BANK BORROWINGS

	2017	2016
	HK$'000	*HK$'000*
Secured and repayable within one year	**506,669**	314,310

The amounts bear interests ranging from 0.50% to 0.60% (2016: 0.60% to 0.70%) per annum plus cost of funds of the lender.

15. PLEDGE OF ASSETS

	2017	2016
	HK$'000	*HK$'000*
Available-for-sale investments	**1,282,235**	864,479
Bank balances and cash	**189**	3,980
	1,282,424	868,459

BUSINESS REVIEW

The Group's profit increased from approximately HK$239.9 million for the year ended 31 March 2016 to approximately HK$271.2 million for the year ended 31 March 2017, representing an increase of approximately 13.0%. The Group's revenue decreased from approximately HK$619.1 million for the year ended 31 March 2016 to approximately HK$616.9 million for the year ended 31 March 2017, representing a decrease of approximately 0.4%.

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 year ended 31 March 2017, this business segment delivered a turnover of approximately HK$513.9 million (2016: HK$455.2 million), representing an increase of approximately 12.9%. The profit of this business segment for the year ended 31 March 2017 was approximately HK$291.0 million (2016: HK$260.3 million), representing an increase of approximately 11.8%. The increase in revenue and profit of this business segment was attributed to the bigger market share that the Group has in the Hong Kong financial public relations market in the current year.

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. During the year ended 31 March 2017, the reduction in the scale of IPO projects in Hong Kong had resulted in a corresponding reduction in the scope and scale of IPO roadshows. As a result, the revenue and profit of this segment decreased by approximately 37.1% and 61.4%, respectively, to approximately HK$103.1 million (2016: HK$164.0 million) and HK$18.6 million (2016: HK$48.2 million) for the year ended 31 March 2017.

Aside from the profit generated from the two business segments, the Group also generated investment income and gain of HK$50.3 million (2016: HK$29.6 million) and HK$33.2 million (2016: HK$19.5 million) respectively from its available-for-sale investments for the year ended 31 March 2017. The available-for-sale investments comprise bonds listed on either the HKEx or the SGX. Management believes that the available-for-sale investments will provide another source of income and cash flow for the Group. Nevertheless, the Group takes a prudent approach on its investments and reviews their performance regularly. Details of the Group's 5 largest available-for-sale investments as at 31 March 2017 are as follows:

Bond issuer name	Listed on	Bond code	Coupon rate	Maturity date	Face value	Market value
					US$	*HK$*
China Water Affairs Group Limited	SGX	XS1556165477	5.25%	7 February 2022	11,000,000	88,071,775
Xinyuan Real Estate Company Limited	SGX	XS1567240418	7.75%	28 February 2021	11,000,000	84,552,500
Huarong Finance II Company Limited	HKEx	XS1515239942	3.63%	22 November 2021	9,000,000	70,105,725
		XS1486060483	2.88%	Perpetual	1,840,000	13,603,327
					10,840,000	83,709,052
China Evergrande Group	SGX	XS1580430681	7.00%	23 March 2020	10,000,000	78,926,000
China Cinda Asset Management Company Limited	HKEx	XS1496760239	4.45%	Perpetual	10,000,000	76,453,750

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 and short-term bank deposits as of 31 March 2017 amounted to approximately HK$178.2 million. Aside from placing deposits with commercial banks, the Group 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 31 March 2017, the aggregate principal of these products amounted to HK$79.5 million and their maturity dates were before 17 April 2017. The unguaranteed annualised rate of returns of these products ranged from 3.1% to 4.2%. The Group takes a prudent approach in selecting financial products.

The Group's gearing ratio as at 31 March 2017 was 38.1% (2016: 25.8%), based on the short-term bank loans of the Group and the equity attributable to equity holders of the Company. 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 Rates Exposure

Most of the transactions of the Group were made in Hong Kong dollars, US dollars and Renminbi. As of 31 March 2017, the Group was not exposed to any material exchange risk on US dollars as the exchange rates of Hong Kong dollars and US dollars were relatively stable under the currency peg system. The Group does not currently have a hedging policy on Renminbi but its management monitors such exposure closely and will consider hedging such exposure should the need arise.

Pledge of assets

As at 31 March 2017, available-for-sale investments amounted to approximately HK$1,282.2 million (31 March 2016: HK$864.5 million) and bank balance amounting to approximately HK$0.2 million (31 March 2016: HK$4.0 million) were pledged as securities for bank facilities.

Contingent Liabilities

As at 31 March 2017, the Group had no contingent liabilities.

PROSPECTS

Looking ahead, the Group expects the operating 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 reform 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 year ended 31 March 2017, the Group continued to be the absolute leader in terms of market share in the financial public relations and international roadshow markets in Hong Kong. At the same time, in light of the needs of cross-border capital markets, we are further developing our overseas, Hong Kong and mainland China markets through setting up offices in international cities like Singapore and through further strengthening and integration of our overseas, Hong Kong and mainland China work force. In 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 and Chinamerica Educational Development Consulting Associates on the New OTC (Over the counter) Market in the PRC; while our Singapore team completed the listing of China Jinjiang Environmental Holdings Company Limited on the Singapore Exchange Securities Trading Limited.

In addition to geographical expansion, the Group is continuing to meet the service requirements of its customers. We are improving and expanding our professional services in order to provide diversified one-stop financial services to our customers. At the date of this report, our Group, CECEP (Hong Kong) Investment Co., Ltd. (the only state-owned company engaged in energy conservation and environmental protection and which is directly and wholly sponsored by the State-owned Assets Supervision and Administration Commission of the State Council) and Shinewing (HK) CPA Ltd. has jointly formed a company, CECEP Environmental Consulting Group. It helps its customers to prepare environmental, social and governance ("**ESG**") reports and also provide all-round tailor-made ESG solutions. Our Group has also entered the human resources search market. We subscribed for shares in Talentpool (Hong Kong) Co., Ltd. which is engaged in the provision of professional search solutions to companies with senior managerial needs. Our Group will actively explore expansion into the strategy consultancy and asset management businesses and will enter these fields 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.

In light of the further opening up of the capital market in mainland China and the closer connection between the capital market of Hong Kong and mainland China, the Group is actively exploring the media market in mainland China. At the date of this report, the Group has established strategic cooperation with 栢西（上海）文化傳媒有限公司 and has acquired a 20% equity interest in it. Our Group will continue to explore strategic cooperation, acquisition and joint venture opportunities to execute its global development strategy. We endeavour to make announcements in accordance with the listing rules requirements of the HKEx 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 execute our global development strategy and will try to maximize the value of our Group for our shareholders.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

On 30 March 2012, the Company received net proceeds in the sum of approximately HK$314.8 million on the listing of new shares on the Main Board of the HKEx. Up to 31 March 2017, the Group has used net proceeds of approximately HK$83.4 million, of which HK$63.0 million was used in previous years and HK$20.4 million was used in the current financial year on strategic acquisitions and to set up offices in strategic cities in the PRC and Singapore. The net proceeds not yet used have been placed on short term deposits and money market instruments with authorized financial institutions and licensed banks in Hong Kong and the PRC. The Directors will endeavour to apply the remaining net initial public offering proceeds to their intended use as set out in the Company's prospectus dated 19 March 2012.

USE OF PROCEEDS FROM THE COMPANY'S SHARE PLACEMENT

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

The net placement proceeds in intend to be used a mobile internet professional service platform, the "Wonderful Cloud", which provides online to offline ("**O2O**") financial services to our customers and the public investment community. 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 1 of Wonderful Cloud to go online as soon as practicable. Currently, the net proceeds are placed on short-term deposits and money market instruments with authorized financial institutions and licensed banks in Hong Kong and the PRC. The Directors are of the opinion that the net proceeds will be applied in the coming years to their intended uses as set out in the Company's announcement dated 4 May 2015 on the website of the HKEx.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 March 2017, the Group had 296 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.

FINAL DIVIDEND AND SPECIAL DIVIDEND

In appreciation of our shareholders' support, the Directors recommended the payment of a final dividend of HK4.9 cents per share and special dividend of HK2.5 cents per share for the year ended 31 March 2017 to all shareholders whose names appear on the register of members of the Company on 16 August 2017. Subject to the approval of the shareholders at the forthcoming annual general meeting, the proposed final dividend and special dividend is expected to be paid on or about 28 August 2017. The proposed final and special dividend, together with the interim and special dividend of HK6.3 cents per share paid in December 2016, amounts to a total dividend of HK13.7 cents per share for the year ended 31 March 2017.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on 11 August 2017. The notice of the AGM will be published on the Company's website (http://www.wsfg.hk) and the HKEx's website (http://www.hkexnews.hk) and sent to the shareholders of the Company, together with the Company's annual report, in due course.

CLOSURE OF REGISTER OF MEMBERS FOR THE ANNUAL GENERAL MEETING

The AGM of the Company will be held on 11 August 2017. The register of members of the Company will be closed from 8 August 2017 to 11 August 2017 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, 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 7 August 2017.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDENDS

The register of members of the Company will be closed from 17 August 2017 to 18 August 2017 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final 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 16 August 2017.

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

During the year, the Company repurchased a total of 2,014,000 ordinary shares of the Company on the HKEx, all of which have been cancelled on 6 March 2017. Details of the repurchases are set out as follows:

Date of Repurchase	No. of Shares Repurchased	Repurchase Price Highest	Repurchase Price Lowest	Total Consideration Paid
		HK$	*HK$*	*HK$'000*
9 February 2017	294,000	2.03	1.96	584
13 February 2017	394,000	2.03	2.00	793
22 February 2017	646,000	2.00	1.97	1,282
23 February 2017	680,000	2.03	2.00	1,354
Total	**2,014,000**			**4,013**

Saved as disclosed herein, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2017.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The audit committee has met with management to review the Group's annual results for the year ended 31 March 2017, the accounting principles and practices adopted by the Group in the preparation of the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2017 and also to discuss auditing, internal controls and other financial reporting matters.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2017 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices. During the year, it had met all the code provisions in the Corporate Governance Code (the "**Code**") set out in Appendix 14 to the Listing Rules, save and except for the following deviation:

Code provision A.2.1

Under code provision A.2.1, the roles of Chairman and Chief Executive Officer should be separated 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. Three directors, namely Ms. Liu Lin, Ms. Li Ling Xiu and Ms. Lam Yim Kei, Sally (formerly Lam Ling) were unable to attend the Company's annual general meeting held on 12 August 2016 due to other business commitments.

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 year ended 31 March 2017.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The AGM will be held on 11 August 2017. The result announcement is published on the Company's website (http://www.wsfg.hk) and the HKEx's website (http://www.hkexnews.hk). The annual report containing all the information required by the Listing rules will be available on the same websites, and will be dispatched to the shareholders in due course.

By Order of the Board
Wonderful Sky Financial Group Holdings Limited
Liu Tianni
Chairman

Hong Kong, 28 June 2017

As at the date of this announcement, the executive directors of the Company are Mr. Liu Tianni and Ms. Liu Lin and the independent non-executive directors of the Company are Ms. Li Ling Xiu, Ms. Lam Yim Kei, Sally (formerly 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.