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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 2017

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 2017 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 September 2017

		For the six months ended 30 September	
		2017	2016
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	3	**219,885**	282,193
Direct costs		**(123,556)**	(138,437)
Gross profit		**96,329**	143,756
Other income		**41,041**	29,565
Selling expenses		**(7,352)**	(7,600)
Administrative expenses		**(41,979)**	(37,103)
Gain on disposal of available-for-sale investments		**8,441**	23,441
Other expenses, gains and losses		**(2,083)**	10
Finance costs		**(3,064)**	(3,190)
Operating profit	4	**91,333**	148,879
Share of profits of associates		**905**	–
Profit before taxation		**92,238**	148,879
Taxation	5	**(14,758)**	(22,291)
Profit for the period		**77,480**	126,588
Other comprehensive income for the period			
Exchange difference arising on translating foreign operation		**(649)**	533
Reclassification adjustment relating to available-for-sale investments disposed of during the period		**(8,441)**	(23,441)
Fair value change on available-for-sale investments		**(4,553)**	30,809
Total comprehensive income for the period		**63,837**	134,489
Profit for the period attributable to owners of the Company		**77,480**	126,588
Total comprehensive income attributable to owners of the Company		**63,837**	134,489
Earnings per share – Basic	7	**HK6.5 cents**	HK10.6 cents
Earnings per share – Diluted	7	**HK6.5 cents**	HK10.6 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	Notes	**As at 30 September 2017 (Unaudited)** *HK$'000*	As at 31 March 2017 (Audited) *HK$'000*
Non-current assets			
Property, plant and equipment		**35,509**	34,716
Intangible assets		**10,000**	–
Interests in associates		**14,599**	12,686
Available-for-sale investments	10	**42,277**	42,277
Club debenture	8	**12,200**	12,200
Rental deposits		**5,104**	5,104
Deposits for acquisition of property, plant and equipment		**7,691**	7,691
		127,380	114,674
Current assets			
Work in progress		**6,359**	8,928
Accrued revenue	9	**97**	3,006
Trade and other receivables	9	**276,462**	284,463
Amounts due from related parties		**3,663**	3,352
Available-for-sale investments	10	**1,475,995**	1,282,235
Other financial assets	11	**79,520**	79,520
Bank balances and cash		**145,108**	178,171
		1,987,204	1,839,675
Current liabilities			
Trade and other payables	12	**57,997**	101,384
Taxation payable		**19,005**	15,378
Bank borrowings – due within one year		**729,814**	506,669
		806,816	623,431
Net current assets		**1,180,388**	1,216,244
Total assets less current liabilities		**1,307,768**	1,330,918
Non-current liability			
Deferred tax liability		**402**	402
Net assets		**1,307,366**	1,330,516
Capital and reserves			
Share capital	13	**11,932**	11,922
Reserves		**1,295,434**	1,318,594
Total equity		**1,307,366**	1,330,516

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2017

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 ("**BVI**") 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 under the historical cost convention except that certain financial instruments 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 2017.

The Group has adopted the following new accounting standards and amendments to standards for accounting periods beginning on or after 1 January 2017:

Annual Improvements Project HKFRS 12 (Amendments)	Annual Improvements 2014–2016 Cycle
HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of these new accounting standards and amendments to standards does not result in significant impact on the Group's results and financial position.

The following new standards and amendments to existing standards have been published but are not yet effective and which the Group has not early adopted:

		Effective for annual periods beginning on or after
Annual Improvements Project HKFRS 1 and HKAS 28 (Amendments)	Annual Improvements 2014–2016 Cycle	1 January 2018
HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 15 (Amendment)	Clarifications to HKFRS 15	1 January 2018
HK (IFRIC)–Int-22	Foreign Currency Transactions and Advance Consideration	1 January 2018
HKAS 40 (Amendments)	Transfers of Investment Property	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets Between Investor and its Associate or Joint Venture	To be determined

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 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 2017 (Unaudited)

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshows *HK$'000*	Consolidated *HK$'000*
Revenue	**167,171**	**52,714**	**219,885**
Segment profit	**73,563**	**12,217**	**85,780**
Unallocated corporate income			**49,482**
Staff costs (including retirement benefit scheme contributions)			**(18,970)**
Operating lease rentals			**(8,898)**
Other unallocated corporate expenses			**(12,997)**
Finance costs			**(3,064)**
Operating profit			**91,333**

For the six months ended 30 September 2016 (Unaudited)

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshows *HK$'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			(9,298)
Finance costs			(3,190)
Operating profit			148,879

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.

Segment assets and liabilities

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

At 30 September 2017 (Unaudited)

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshows *HK$'000*	Consolidated *HK$'000*
Assets			
Segment assets	**286,792**	**31,905**	**318,697**
Interests in associates			**14,599**
Available-for-sale investments			**1,518,272**
Other financial assets			**79,520**
Club debenture			**12,200**
Bank balances and cash			**145,108**
Other unallocated assets			**26,188**
Total assets			**2,114,584**
Liabilities			
Segment liabilities	**44,655**	**12,843**	**57,498**
Taxation payable			**19,005**
Bank borrowings			**729,814**
Other unallocated liabilities			**901**
Total liabilities			**807,218**

At 31 March 2017 (Audited)

	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 debentures			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

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 debentures and bank balances and cash.

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

4. OPERATING PROFIT

Operating profit is stated after charging:

	For the six months ended 30 September	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Directors' and chief executive officer's remuneration	**1,980**	1,980
Other staff costs	**43,446**	42,077
Retirement benefit scheme contributions for other staff	**1,869**	2,030
Share-based payment for other staff	**117**	265
	47,412	46,352
Auditor's remuneration	**350**	450
Depreciation of property, plant and equipment	**3,197**	1,977
Operating lease rentals in respect of office premises	**8,898**	8,981

and after crediting:

Interest income from bank deposits (included in other income)	**127**	292
Commission income (included in other income)	**1,936**	2,545
Investment income from other financial assets (included in other income)	**2,172**	2,271
Investment income from available-for-sale investments (included in other income)	**35,800**	23,660
Gain on disposal of available-for-sale investments	**8,441**	23,441

5. TAXATION

	For the six months ended 30 September	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– Current tax	**14,758**	22,291
Deferred taxation	**–**	–
	14,758	22,291

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

6. DIVIDENDS

The Board does not recommend the payment of interim dividends for the six months ended 30 September 2017 (2016: interim dividends totalling HK6.3 cents per share were declared and paid).

During the six months ended 30 September 2017, a final dividend of HK4.9 cents per share and a special dividend of HK2.5 cents per share in respect of the year ended 31 March 2017 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$88.2 million.

7. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 September 2017 is based on the Group's unaudited consolidated profit attributable to owners of the Company and on the weighted average number of 1,192,672,438 ordinary shares (2016: 1,192,212,999) in issue during the period.

Diluted earnings per share for the six months ended 30 September 2017 was calculated based on the unaudited consolidated profit attributable to owners of the Company and on the weighted average number of 1,195,197,239 shares (2016: 1,195,292,283) 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 2017 (Unaudited) ***HK$'000***	As at 31 March 2017 (Audited) *HK$'000*
Accrued revenue	**97**	3,006
Trade receivables, net of allowance	**263,069**	276,614
Other receivables		
– Deposits	**3,404**	2,266
– Prepayments	**6,395**	1,470
– Staff advances	**3,594**	4,113
	13,393	7,849
Total trade and other receivables	**276,462**	284,463

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 2017 (Unaudited)	As at 31 March 2017 (Audited)
	HK$'000	*HK$'000*
Within 30 days	**48,055**	100,896
31 to 90 days	**35,118**	40,918
91 days to 1 year	**129,082**	132,389
Over 1 year	**50,814**	2,411
	263,069	276,614

10. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	As at 30 September 2017 (Unaudited) *HK$'000*	As at 31 March 2017 (Audited) *HK$'000*
Listed bond securities, at fair value:		
– listed on the HKEx with fixed coupon interest rates ranging from 2.88% to 7.75% per annum (31 March 2017: 2.75% to 7.00% per annum) and maturity dates ranging from 12 June 2018 to perpetual (31 March 2017: 7 August 2017 to perpetual)	**832,423**	713,073
– listed on SGX with fixed coupon interest rates ranging from 5.00% to 9.50% per annum (31 March 2017: 3.00% to 9.50% per annum) and maturity dates ranging from 11 March 2019 to perpetual (31 March 2017: 17 August 2018 to perpetual)	**457,671**	569,162
	1,290,094	1,282,235
Unlisted investment funds, at fair value:		
– in Hong Kong	**185,901**	–
Current assets	**1,475,995**	1,282,235
Unlisted equity investments, at cost:		
– in Hong Kong	**19,375**	19,375
– in the PRC	**22,902**	22,902
Non-current assets	**42,277**	42,277

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

The fair values of the unlisted investment funds are based on the quote price of the investment funds at the end of the reporting period.

The unlisted equity investments represent investments in unlisted equity securities issued by private entities established in Hong Kong and the PRC, which are principally engaged in provision of financial public relations services. They are measured at cost less impairment losses at the end of the reporting period because the range of reasonable fair value estimates is so significant that the management is of the opinion that their fair values cannot be measured reliably.

At 30 September 2017, available-for-sale investments of HK$1,475,995,000 (31 March 2017: HK$1,282,235,000) were pledged to banks to secure the margin loans and short-term banking facilities granted to the Group.

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

	As at 30 September 2017 (Unaudited) ***HK$'000***	As at 31 March 2017 (Audited) *HK$'000*
United States dollars ("**USD**")	**1,465,787**	1,272,027
Renminbi ("**RMB**")	**10,208**	10,208

11. OTHER FINANCIAL ASSETS

	As at 30 September 2017 (Unaudited) ***HK$'000***	As at 31 March 2017 (Audited) *HK$'000*
Financial products issued by commercial banks	**79,520**	79,520

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 2017 (Unaudited) *HK$'000*	As at 31 March 2017 (Audited) *HK$'000*
Trade payables	**28,363**	47,414
Deposits received from customers	**3,462**	29,077
Salaries payable	**7,413**	13,947
Accrued expenses	**14,424**	8,743
Other payables	**4,335**	2,203
	29,634	53,970
Total trade and other payables	**57,997**	101,384

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

	As at 30 September 2017 (Unaudited) *HK$'000*	As at 31 March 2017 (Audited) *HK$'000*
Within 30 days	**3,874**	26,744
31 to 60 days	**5,587**	1,071
61 to 90 days	**3,895**	2,330
91 days to 1 year	**9,161**	7,002
Over 1 year	**5,846**	10,267
	28,363	47,414
Not yet billed	**–**	–
	28,363	47,414

13. SHARE CAPITAL

	Number of shares	*HK$'000*
Authorised:		
Ordinary shares of HK$0.01 each at 31 March 2017 and 30 September 2017	10,000,000,000	100,000
Issued and fully paid:		
At 1 April 2016	1,191,513,000	11,915
Exercise of share options *(note a)*	2,150,000	22
At 30 September 2016	1,193,663,000	11,937
Exercise of share options *(note a)*	555,000	5
Shares repurchased and cancelled *(note b)*	(2,014,000)	(20)
At 31 March 2017	1,192,204,000	11,922
Exercise of share options *(note a)*	1,010,000	10
At 30 September 2017	1,193,214,000	11,932

Notes:

(a) During the period ended 30 September 2017 and the year ended 31 March 2017, 1,010,000 and 2,705,000 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.

(b) During the year ended 31 March 2017, the Company repurchased its own shares on the HKEx as follows:

Month of repurchase	**No. of shares**	**Price per share Highest** *HK$*	**Lowest** *HK$*	**Aggregate consideration paid** *HK$'000*
February 2017	2,014,000	2.03	1.96	4,013

The above ordinary shares were cancelled upon repurchase.

BUSINESS REVIEW

The Group's revenue decreased from approximately HK$282.2 million for the six months ended 30 September 2016 to approximately HK$219.9 million for the six months ended 30 September 2017, representing a decrease of approximately 22.1%. The Group's profit during the period decreased from approximately HK$126.6 million for the six months ended 30 September 2016 to approximately HK$77.5 million for the six months ended 30 September 2017, representing a decrease of approximately 38.8%. The decrease in the operating profit of the Group for the current reporting period is mainly attributed to (1) a decrease in the operating revenue of the Group as a result of a decrease in the number of, as well as the proceeds from, large-scale initial public offerings in Hong Kong during the six months ended 30 September 2017; and (2) an increase in expenses due to the one-stop financial services strategy and the acceleration in the "Wonderful Cloud" development which requires the employment of several financial technology specialists and asset management professionals and an increase in related expenses.

The Group has two major business segments, namely, the financial public relations service segment and the international roadshow service segment. Our financial public relation services ("**Financial PR Services**") consist of (i) public relations services; (ii) investor relations services; (iii) financial printing services; and (iv) capital markets branding. Our international roadshow services comprise coordination, organisation and management of international roadshows for our customers.

The revenue for Financial PR services was approximately HK$167.2 million for the six months ended 30 September 2017, representing a decrease of approximately 25.3% compared with approximately HK$223.8 million for the last corresponding period. The segment result for Financial PR Services during the six months ended 30 September 2017 was approximately HK$73.6 million, representing a decrease of approximately 40.3% compared with approximately HK$123.2 million for the last corresponding period. The revenue and segment results for international roadshow services were approximately HK$52.7 million and HK$12.2 million for the six months ended 30 September 2017, respectively, representing a decrease of approximately 9.8% and an increase of 1.7% respectively compared with approximately HK$58.4 million and approximately HK$12 million respectively of last corresponding period.

Aside from the profit generated from the two business segments, during the six months ended 30 September 2017 the Group also generated investment income and gain of HK$35.8 million and HK$8.4 million respectively from its available-for-sale investments. The available-for-sale investments comprise bonds listed on either the HKEx or the Singapore Stock Exchange and investment funds. 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 bond investments which exceeded 5% of total available-for-sale investments balance as at 30 September 2017:

					30 September 2017		
Bond issuer name	**Listed on**	**Bond code**	**Coupon rate**	**Maturity date**	**Face value**	**Market value**	**Coupon interest receivable**
					US$	*HK$*	*HK$*
Skyland Mining BVI Ltd	HKEx	XS1612513132	3.25%	6 July 2020	11,000,000	85,356,563	654,174
Fantasia Holdings Group Co Ltd	SGX	XS1498418224	7.38%	4 October 2021	6,000,000	46,381,425	1,676,581
		XS1586441005	5.50%	12 June 2018	5,000,000	38,554,313	633,454
					11,000,000	84,935,738	2,310,035
China Reinsurance Finance Corp Ltd	HKEx	XS1572895198	3.38%	9 March 2022	11,000,000	84,781,125	175,828
Xinyuan Real Estate Co Ltd	SGX	XS1567240418	7.75%	28 February 2021	11,000,000	83,007,925	593,525
China Cinda Asset Management Co Ltd	HKEx	XS1496760239	4.45%	Perpetual	10,000,000	77,007,875	3,448,750
GOME Retail Holdings Ltd	SGX	XS1556170394	5.00%	10 March 2020	10,015,000	78,877,514	226,381
Sunac China Holdings Ltd	SGX	XS1594400100	6.88%	8 August 2020	10,000,000	76,674,625	784,418

In addition, the Group invested in the following funds which exceeded 5% of total available-for-sale investments balance as at 30 September 2017:

Fund name	**Code**	**Indicated annual return**	**Market value**
			HK$
Value Partners Greater China High Yield	KYG9319N1337	8.20%	93,174,953
Pimco Funds Global Investors Series plc	IE00BD0YVF41	3.91%	92,726,471

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 2017 amounted to approximately HK$145.1 million. Aside from placing deposits with commercial banks, the Group also purchased principal-guaranteed, short-term and low risk unlisted financial products so as to ensure the security and value of the capital. These products were offered and guaranteed by banks with good reputation. As of 30 September 2017, the principal of these products amounted to HK$79.5 million. The maturity dates of these products are before April 2018. The unguaranteed annualised rate of returns of these products range from 4.8% to 5.0%. The Group takes a prudent approach when selecting financial products.

The Group's gearing ratio as at 30 September 2017, calculated based on the short-term interest bearing bank borrowings and the equity attributable to owners of the Company, was 55.8% (31 March 2017: 38.1%). Management believes that the Group's cash holding, liquid asset value, operating in flow and available banking facilities are sufficient to fulfill the working capital requirements of the Group.

Exchange rate exposure

Most of the transactions, assets and liabilities of the Group were made in Hong Kong dollars and US dollars. As of 30 September 2017, 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 2017, all available-for-sale investments amounted to approximately HK$1,476.0 million (31 March 2017: HK$1,282.2 million) and bank balance amounted to approximately HK$0.01 million (31 March 2017: HK$0.2 million) were pledged as securities for banking facilities.

CONTINGENT LIABILITIES

As at 30 September 2017, the Group had no contingent liabilities.

PROSPECTS

From a long-term perspective, we can see the global economy is gradually recovering and the enterprises in mainland China are showing more obvious signs of reform. Besides, the connection 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.

As of 30 September 2017, the Group has completed the acquisition of Golden Jade Asset Management Limited ("**Golden Jade**"), paving the way for engagement in the asset management business. Golden Jade is a licensed corporation which can carry out Type 9 (Asset Management) regulated activities under the SFO. The Group will continue to strengthen our long-term friendly cooperative relationship with investment banks, and actively explore for opportunities in other financial services markets and will gradually enter these markets at opportune time. The Group will continue to improve and enhance our professional standard in response to the needs of its customers in order to provide further enriched and diversified one-stop financial services to our customers.

While the Group is constantly updating and strengthening its database platform, it is also proactively building the "Wonderful Cloud" financial service platform. "Wonderful Cloud" is leveraging on the advantages of its offline businesses to provide value-added services including information sharing, data storage and sharing and professional data analysis to capital market professional institutions and 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 improve client loyalty and help our Group to expand geographically.

The Group will continue to consolidate its position as a leader in the financial public relations and international roadshow markets in Hong Kong. At the same time, in light of the trend of gradual interconnection of capital markets, we will continue to strengthen the coordination between our overseas, Hong Kong and mainland China work force so as to provide a cross border service platform. In the six months ended 30 September 2017, our mainland China team, with its one-stop integrated financial public relations services, successfully completed the official listing of BGI Genomics Co., Ltd. and Zhejiang Zhaofeng Mechanical and Electronic Co., Ltd. on the ChiNext of the Shenzhen Stock Exchange.

Our Group will continue to explore strategic cooperation, acquisition or joint venture opportunities to execute its global expansion and one-stop financial services strategies. We endeavour to make announcements in accordance with the Listing Rules of the HKEx as deemed appropriate.

Looking ahead, the Group expects the operating environment to continue to be full of challenges. However, the Group expects that it will continue to leverage on its experience, skillset and know-how to build new growth drivers and initiate new value-added services so as to solidify our leading position in the industry. We will proactively execute our global development strategy and will devote ourselves to maximizing the value for the shareholders of the Group.

DIVIDENDS

The Board does not recommend the payment of interim dividends for the six months ended 30 September 2017 (2016: interim dividends totalling HK6.3 cents per share were declared and paid).

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 as soon as practicable. At 30 September 2017, the unutilised net proceeds were 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 HKEx.

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 2017.

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 2017, 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 2017, the Group had approximately 304 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.

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 2017.

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 2017.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement is published on the websites of the Company and the HKEx. 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 2017

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 Yim Kei Sally and Ms. Lee Wing Sze Rosa.

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