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 2018

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 2018 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 2018

	NOTES	**2018** **HK$'000**	2017 HK$'000
Revenue	3	**479,595**	616,945
Direct costs		**(260,231)**	(278,126)
Gross profit		**219,364**	338,819
Other income		**90,683**	68,589
Selling expenses		**(17,014)**	(18,004)
Administrative expenses		**(94,200)**	(85,589)
Other gains and losses	4	**(16,516)**	26,434
Share of results of associates		**(366)**	–
Finance costs	5	**(12,659)**	(6,225)
Profit before taxation	6	**169,292**	324,024
Taxation	7	**(34,586)**	(52,862)
Profit for the year		**134,706**	271,162
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translating foreign operation		**8,437**	(5,919)
Fair value (loss) gain on available-for-sale investments		**(41,103)**	33,848
Reclassification adjustment relating to available-for-sale investments disposed of during the year		**5,213**	(33,214)
Other comprehensive expense for the year		**(27,453)**	(5,285)
Total comprehensive income for the year		**107,253**	265,877
Profit for the year attributable to owners of the Company		**134,706**	271,162
Total comprehensive income attributable to owners of the Company		**107,253**	265,877
Earnings per share			
– Basic	9	**HK11.3 cents**	HK22.7 cents
– Diluted		**HK11.3 cents**	HK22.7 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2018

	NOTES	2018 HK$'000	2017 HK$'000
Non-current assets			
Property, plant and equipment		**710,352**	34,716
Intangible assets		**10,006**	–
Interests in associates		**14,405**	12,686
Available-for-sale investments		**47,231**	42,277
Club debenture		**12,200**	12,200
Rental deposits		**–**	5,104
Deferred tax asset		**316**	–
Deposits for acquisition of property, plant and equipment		**5,926**	7,691
		800,436	114,674
Current assets			
Work in progress		**8,278**	8,928
Accrued revenue	10	**20,843**	3,006
Trade and other receivables	10	**264,454**	284,463
Amounts due from related parties		**4,765**	3,352
Available-for-sale investments		**1,070,551**	1,282,235
Other financial assets		**42,160**	79,520
Taxation recoverable		**2,009**	–
Bank balances and cash		**165,471**	178,171
		1,578,531	1,839,675
Current liabilities			
Trade and other payables	11	**83,352**	101,384
Taxation payable		**16,718**	15,378
Bank borrowings		**925,817**	506,669
		1,025,887	623,431
Net current assets		**552,644**	1,216,244
Total assets less current liabilities		**1,353,080**	1,330,918

	NOTES	2018 HK$'000	2017 HK$'000
Non-current liability			
Deferred tax liability		**1,040**	402
Net assets		**1,352,040**	1,330,516
Capital and reserves			
Share capital		**11,940**	11,922
Reserves		**1,340,100**	1,318,594
Total equity		**1,352,040**	1,330,516

NOTES

1. GENERAL

Wonderful Sky Financial Group Holdings Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability on 12 January 2011 under the Companies Law of the Cayman Islands Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**HKEx**"). Its ultimate holding company is Sapphire Star Investments Limited, a company with limited liability incorporated in the British Virgin Islands and the ultimate controlling party is Mr. Liu Tianni.

The principal activities of the Company are investment holding and securities investment. The principal activities of its principal subsidiaries and principal associate 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 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

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

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

Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

Amendments to HKAS 7 "Disclosure Initiative"

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the followings to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure, the application of these amendments has had no impact on the Group's consolidated financial statements.

Except for the above, the HKICPA has issued a number of new and amendments to HKFRSs and interpretations which are not effective for the year and have not been early adopted by the Group.

3. REVENUE AND SEGMENT INFORMATION

The Group's operating activities consists 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 Chairman of the Company, who is the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance. No operating segments have been aggregated in arriving at the reportable segments of the Group.

Segment revenue and results

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

For the year ended 31 March 2018

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshows *HK$'000*	Consolidated *HK$'000*
Revenue	**371,337**	**108,258**	**479,595**
Segment profit	**149,076**	**23,400**	**172,476**
Unallocated corporate income			**96,357**
Staff costs (including retirement benefit schemes contributions and share-based payments)			**(40,700)**
Operating lease rentals			**(19,210)**
Share of results of associates			**(366)**
Other unallocated corporate expenses			**(26,606)**
Finance costs			**(12,659)**
Profit before taxation			**169,292**

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

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 schemes 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

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of other income, central administration costs, directors' salaries, operating lease rentals, foreign exchange gain (loss), share of results of associates, gain (loss) on disposal of available-for-sale investments and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

4. OTHER GAINS AND LOSSES

	2018	2017
	HK$'000	*HK$'000*
Impairment loss recognised on trade receivables, net	**(16,977)**	(6,971)
Impairment loss reversed on amount due from a related party	**–**	3,076
Foreign exchange gain (loss)	**5,674**	(2,885)
(Loss) gain on disposal of available-for-sale investments	**(5,213)**	33,214
	(16,516)	26,434

5. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Interest on loan from a related party *(Note)*	**1,198**	–
Interest on bank borrowings	**11,461**	6,225
	12,659	6,225

Note: The loan was granted and fully repaid during the year ended 31 March 2018.

6. PROFIT BEFORE TAXATION

	2018	2017
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Directors' and chief executive's remuneration	**4,098**	6,908
Other staff costs	**82,928**	82,107
Retirement benefit schemes contributions for other staff	**3,203**	3,919
Share-based payments for other staff	**482**	400
	90,711	93,334

6. PROFIT BEFORE TAXATION (CONTINUED)

	2018	2017
	HK$'000	*HK$'000*
Auditor's remuneration	**1,000**	930
Depreciation of property, plant and equipment	**12,920**	7,286
Operating lease rentals in respect of office premises	**19,210**	18,064
and after crediting:		
Interest income from bank deposits	**1,118**	513
Commission income (included in other income)	**1,706**	6,721
Investment income from available-for-sale investments (included in other income)	**82,728**	50,270
Investment income from other financial assets (included in other income)	**3,482**	9,566

7. TAXATION

	2018	2017
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– current tax	**33,821**	52,941
– Under(over) provision in prior years	**443**	(40)
	34,264	52,901
Deferred taxation	**322**	(39)
	34,586	52,862

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

Under the Law of the People's Republic of China ("**PRC**") on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%. No provision for Enterprise Income Tax has been made in the consolidated financial statements as the subsidiaries operating in the PRC incurred losses during both years.

8. DIVIDENDS

No final dividend was proposed for ordinary shareholders of the Company for the year ended 31 March 2018, nor has any dividend been proposed since the end of the reporting period.

During the year ended 31 March 2018, the Company declared and paid a final dividend of HK4.9 cents per share and a special dividend of HK2.5 cent per share, totalling approximately HK$88.3 million, in respect of the year ended 31 March 2017.

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.

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:

	2018	2017
	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	**134,706**	271,162

	2018	2017
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,193,205,507**	1,192,914,948
Effect of dilutive potential ordinary shares on share options	**1,481,113**	2,958,483
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,194,686,620**	1,195,873,431

10. ACCRUED REVENUE AND TRADE AND OTHER RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Accrued revenue	**20,843**	3,006
Trade receivables, net of allowance	**252,132**	276,614
Other receivables		
– Deposits	**7,181**	2,266
– Prepayments	**1,007**	1,470
– Staff advances	**4,134**	4,113
	12,322	7,849
Total trade and other receivables	**264,454**	284,463

Service income arising from initial public offering ("**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 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 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:

	2018	2017
	HK$'000	*HK$'000*
Trade receivables:		
Invoiced		
– Within 30 days	**43,836**	100,896
– 31 to 90 days	**58,781**	40,918
– 91 days to 1 year	**105,683**	132,389
– Over 1 year	**43,832**	2,411
	252,132	276,614

11. TRADE AND OTHER PAYABLES

	2018	2017
	HK$'000	*HK$'000*
Trade payables	**36,884**	47,414
Deposits received from customers	**30,378**	29,077
Salaries payable	**7,948**	13,947
Accrued expenses	**5,219**	8,743
Other payables	**2,923**	2,203
	46,468	53,970
Total trade and other payables	**83,352**	101,384

The average credit period on purchase from suppliers 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:

	2018	2017
	HK$'000	*HK$'000*
Trade payables:		
Invoiced		
– Within 30 days	**8,887**	26,744
– 31 to 60 days	**4,404**	1,071
– 61 to 90 days	**4,287**	2,330
– 91 days to 1 year	**7,728**	7,002
– Over 1 year	**11,578**	10,267
	36,884	47,414

BUSINESS REVIEW

The Group's profit decreased from approximately HK$271.2 million for the year ended 31 March 2017 to approximately HK$134.7 million for the year ended 31 March 2018, representing a decrease of approximately 50.3%. The Group's revenue decreased from approximately HK$616.9 million for the year ended 31 March 2017 to approximately HK$479.6 million for the year ended 31 March 2018, representing a decrease of approximately 22.3%.

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 2018, this business segment delivered a turnover of approximately HK$371.3 million (2017: HK$513.9 million), representing a decrease of approximately 27.7%. The profit of this business segment for the year ended 31 March 2018 was approximately HK$149.1 million (2017: HK$291.0 million), representing a decrease of approximately 48.8%. The decrease in revenue and profit of this business segment was attributed to a decrease in the number of, as well as the proceeds from, large-scale initial public offerings in Hong Kong in the current year. In addition, the profit of this business segment was affected by an increase in provision for doubtful debts.

International roadshow service segment

Our international roadshow services include coordination, organisation and management of the overall logistics of roadshows for our clients. While we handle this for our clients, they would be able to focus on the presentation aspect of the roadshows. The revenue and profit of this segment increased by approximately 5.0% and 25.6% respectively, to approximately HK$108.3 million (2017: HK$103.1 million) and HK$23.4 million (2017: HK$18.6 million) for the year ended 31 March 2018, which was attributed to an increase in bond-deal roadshows during the year.

Aside from the profit generated from the two business segments, the Group also generated investment income of HK$82.7 million (2017: HK$50.3 million) from its available-for-sale investments for the year ended 31 March 2018. However, affected by performance of the global bond market, the Group made a loss of HK$5.2 million (2017: gain of HK$33.2 million) from its available-for-sale investments' disposals. The available-for-sale investments comprise bonds listed on the HKEx, Singapore Exchange Securities Trading Limited ("**SGX**") or overseas exchanges and unlisted fund securities. The Group takes a prudent approach on its investments and reviews their performance regularly. Details of the Group's available-for-sale bond investments which exceeded 5% of total available-for-sale investment balance as at 31 March 2018 are as follows:

Bond issuer name	Listed on	Bond code	Coupon rate	Maturity date	Face value *US$*	Market value *HK$*	Coupon interest receivable *HK$*
China Gold International Resources Corporation Limited	HKEx	XS1612513132	3.25%	6 July 2020	11,000,000	83,715,500	646,482
China Reinsurance Finance Corporation Limited	HKEx	XS1572895198	3.38%	9 March 2022	11,000,000	82,479,375	167,841
China Cinda Asset Management Company Limited	HKEx	XS1496760239	4.45%	Perpetual	10,000,000	73,842,000	1,724,375
China South City Holdings Limited	SGX	XS1756727290	7.25%	25 January 2021	10,000,000	74,046,910	1,014,497
Sunshine 100 China Holdings Limited	HKEx	XS1464644324	6.50%	11 August 2021	9,000,000	69,916,703	596,219
Xinhu Zhongbao Company Limited	HKEx	XS1560668425	6.00%	1 March 2020	9,000,000	67,538,925	337,124
Xinyuan Real Estate Company Limited	SGX	XS1567240418	7.75%	28 February 2021	9,000,000	64,999,640	467,148
Fantasia Holdings Group Company Limited	SGX	XS1586441005	5.50%	12 June 2018	5,000,000	38,711,250	639,375
		XS1498418224	7.38%	4 October 2021	3,000,000	22,231,650	843,054
					8,000,000	60,942,900	1,482,429
Huachen Energy Company Limited	SGX	XS1593171967	6.63%	18 May 2020	7,500,000	53,257,031	1,422,652

In addition, the Group invested in the following fund which exceeded 5% of total available-for-sale investment balance as at 31 March 2018:

Fund name	Code	Indicated annual return	Market value
			HK$
Value Partners Greater China High Yield	KYG9319N1337	8.20%	92,018,069

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group generally finances its operations with internally generated cash flow and banking facilities provided by banks in Hong Kong. The Group is financially sound and its cash position remains healthy. The Group's bank balances and cash as of 31 March 2018 amounted to approximately HK$165.5 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 2018, the aggregate principal of these products amounted to HK$42.2 million and their maturity dates were before 17 April 2018. The unguaranteed annualised rate of returns of these products ranged from 3.1% to 4.5%. The Group takes a prudent approach in selecting financial products.

The Group's gearing ratio as at 31 March 2018 was 56.2% (2017: 24.7%), based on the short-term bank loans of the Group (net of bank balances and cash) and the equity attributable to equity holders of the Company. The increase in the Group's gearing ratio was due to the bank borrowings obtained during the year to finance the purchase of the whole of the 9th floor, The Center, No. 99 Queen's Road Central, Hong Kong. The Group has moved into this new office in early April 2018. This new office not only provides the Group with more space, but also capital appreciation potential and at the same time, reduces the Group's exposure to rental expenditure increment. 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 2018, 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 2018, leasehold land and building amounted to approximately HK$644.7 million (31 March 2017: nil), available-for-sale investments amounted to approximately HK$997.0 million (31 March 2017: HK$1,282.2 million) and bank balances amounted to approximately HK$108.0 million (31 March 2017: HK$0.2 million) were pledged as securities for bank facilities.

Contingent Liabilities

As at 31 March 2018, the Group had no contingent liabilities.

PROSPECTS

In the first half of 2018, although the number of listing of new shares was more than the same period in 2017, the funds raised were lower as compared with the same period in 2016. Looking ahead, we believe that the implementation of various measures on reforms in the capital markets in Hong Kong will further enhance the dynamic and competitiveness of the stock market, including, among others, the expansion of the listing regime of Hong Kong stock market and the acceptance of weighted voting right structure. Meanwhile, as a major national strategic development under the national development blueprint, Guangdong-Hong Kong-Macau Greater Bay Area aims to promote in-depth cooperation between Guangdong Pearl River Delta, Hong Kong and Macau, and it is expected to create an interconnected world-class bay area.

For the year ended 31 March 2018, 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 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. During the year ended 31 March 2018, 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 Securities and Futures Ordinance. 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. 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. Wonderful Cloud (Phase 1) has been completed and is being put into trial operation. The Group will complete phase 2 and 3 as soon as possible.

Looking ahead, despite the challenges and uncertainties in the market, the Group will continue to leverage on its experience, skillset and know-how with an aim to keep abreast of market trend, expand service offerings and implement other strategies so as to provide better services to customers and consolidate our leading position in the industry.

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 2018, the Group has used net proceeds of approximately HK$94.6 million, of which HK$83.4 million was used in previous years and HK$11.2 million was used in the current financial year on strategic acquisitions. 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 are intended to be used on 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. In accordance with the current plan, Wonderful Cloud (Phase 1) has been put into trial operation while phases 2 and 3 will be completed in a timely manner. Currently, the unutilised 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 and available-for-sale investments. 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 2018, the Group had 280 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.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on 10 August 2018. 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 10 August 2018. The register of members of the Company will be closed from 7 August 2018 to 10 August 2018 (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 6 August 2018.

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

During the year, neither the Company was any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares.

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 2018, 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 2018 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 2018 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. Ms. Liu Lin was unable to attend the Company's annual general meeting held on 11 August 2017 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 2018.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The AGM will be held on 10 August 2018. 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 2018

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.