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 2019

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 2019 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2019

		For the six months ended 30 September	
		2019	2018
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	3	**298,025**	348,774
Direct costs		**(163,640)**	(177,169)
Gross profit		**134,385**	171,605
Other income		**28,063**	39,357
Selling expenses		**(9,497)**	(7,014)
Administrative expenses		**(40,452)**	(37,844)
Other gains and losses	4	**4,488**	(49,686)
Reversal of impairment loss recognised on debt instruments at fair value through other comprehensive income ("FVTOCI")		**577**	–
Share of results of associates		**2,332**	(88)
Share of result of a joint venture		**–**	5
Finance costs		**(2,955)**	(8,121)
Profit before tax	5	**116,941**	108,214
Income tax expense	6	**(19,449)**	(17,314)
Profit for the period		**97,492**	90,900

	Notes	For the six months ended 30 September 2019 (Unaudited) *HK$'000*	2018 (Unaudited) *HK$'000*
Other comprehensive income (expense)			
Item that will not be reclassified to profit or loss:			
Fair value changes on investments in equity instruments at FVTOCI		**(2,960)**	(12,497)
Items that may be reclassified subsequently to profit or loss:			
Net loss on debt instruments at FVTOCI		**(13,954)**	(36,784)
Reversal of impairment loss recognised on debt instruments at FVTOCI		**(577)**	–
Exchange differences on translation of foreign operation		**(5,462)**	(960)
Reclassification adjustment relating to investments disposed of during the period		**–**	(12,008)
Total comprehensive income for the period		**74,539**	28,651
Profit for the period attributable to owners of the Company		**97,492**	90,900
Total comprehensive income attributable to owners of the Company		**74,539**	28,651
Earnings per share – Basic	8	**HK8.2 cents**	HK7.6 cents
Earnings per share – Diluted	8	**HK8.2 cents**	HK7.6 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 September 2019

	Notes	**As at 30 September 2019 (Unaudited) *HK$'000***	As at 31 March 2019 (Audited) *HK$'000*
Non-current assets			
Property, plant and equipment		**692,211**	702,679
Intangible assets	9	**10,006**	10,006
Interests in associates		**16,913**	16,185
Equity instruments at FVTOCI	12	**31,754**	35,988
Financial assets at fair value through profit or loss ("FVTPL")	13	**115,630**	169,020
Debt instruments at FVTOCI	14	**238,886**	361,272
Club debenture	10	**12,200**	12,200
Deferred tax asset		**1,245**	1,245
Deposits for acquisition of property, plant and equipment		**–**	152
		1,118,845	1,308,747
Current assets			
Contract assets		**110**	897
Trade and other receivables	11	**210,118**	260,653
Amount due from a related party		**5,689**	5,652
Debt instruments at FVTOCI	14	**221,685**	77,242
Financial products	15	**136,801**	109,717
Taxation recoverable		**8,374**	10,802
Bank balances and cash		**342,590**	158,900
		925,367	623,863

	Notes	As at 30 September 2019 (Unaudited) HK$'000	As at 31 March 2019 (Audited) HK$'000
Current liabilities			
Trade and other payables	16	**178,874**	149,097
Dividends payable		**32,237**	–
Contract liabilities	17	**70,823**	63,805
Taxation payable		**37,694**	21,723
Bank borrowings		**182,461**	198,164
		502,089	432,789
Net current assets		**423,278**	191,074
Total assets less current liabilities		**1,542,123**	1,499,821
Non-current liability			
Deferred tax liability		**1,793**	1,793
Net assets		**1,540,330**	1,498,028
Capital and reserves			
Share capital	18	**11,940**	11,940
Reserves		**1,528,390**	1,486,088
Total equity		**1,540,330**	1,498,028

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2019

1. GENERAL AND BASIS OF PREPARATION

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

The principal activities of the Company are investment holding and securities investment. The Group is mainly engaged in the provision of financial public relations services and organisation and coordination of international roadshow services.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the HKEx (the "**Listing Rules**").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which is measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of new Hong Kong Financial Reporting Standards ("HKFRS"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2019 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2019.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2019 for the preparation of the Group's condensed consolidated financial statements:

HKFRSs (Amendment)	Annual Improvements to HKFRSs 2015-2017 Cycle
HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term interests in Associates and Joint Ventures

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 "Leases" and related interpretations where the distinction between operating and finance leases is removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised on the statement of financial position for all leases by lessees.

The Group has adopted HKFRS 16 retrospectively from 1 April 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and adjustments arising from the new leasing rules for lessees are therefore recognised in the opening statement of financial position on 1 April 2019.

Adjustment recognised on adoption of HKFRS 16

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate of the lessees at 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 2.94%.

A reconciliation between (i) commitments under operating leases for future periods at 31 March 2019 and (ii) lease liabilities recognised at 1 April 2019 under HKFRS 16 is provided below:

	At 1 April 2019 *HK$'000*
Operating lease commitments disclosed at 31 March 2019	**3,731**
Discounted using the lessee's incremental borrowing rate at the date of initial application (i.e. 1 April 2019)	**3,579**
Less: short-term leases recognised on a straight-line basis as expenses	**(3,579)**
Lease liabilities recognised at 1 April 2019	**–**

The associated right-of-use assets for leases were measured on a modified retrospective basis as if the new rules had always been applied. There were no lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- use of a single discount rate for a portfolio of leases with reasonably similar characteristics

- accounting for operating leases with a remaining lease term of less than 12 months at 1 April 2019 as short-term leases

- exclusion of initial direct costs for the measurement of right-of-use assets at the date of initial application, and

- use of hindsight in determining lease terms where the contracts contain options to extend or terminate the leases.

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 2019 (Unaudited)

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshows *HK$'000*	Consolidated *HK$'000*
Revenue	**232,641**	**65,384**	**298,025**
Segment profit	**100,094**	**22,884**	**122,978**
Unallocated corporate income			**32,551**
Staff costs (including retirement benefit scheme contributions)			**(14,221)**
Operating lease rentals			**(1,532)**
Share of results of associates			**2,332**
Other unallocated corporate expenses			**(22,212)**
Finance costs			**(2,955)**
Profit before tax			**116,941**

For the six months ended 30 September 2018 (Unaudited)

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshows *HK$'000*	Consolidated *HK$'000*
Revenue	262,949	85,825	348,774
Segment profit	134,265	19,499	153,764
Unallocated corporate income			42,312
Staff costs (including retirement benefit scheme contributions)			(15,525)
Operating lease rentals			(1,482)
Share of results of associates			(88)
Share of result of a joint venture			5
Other unallocated corporate expenses			(62,651)
Finance costs			(8,121)
Profit before tax			108,214

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, share of results of associates, share of result of a joint venture, gain (loss) on disposal of financial assets at FVTPL, equity instruments at FVTOCI and debt instruments at FVTOCI, reversal of impairment loss recognised on debt instruments at FVTOCI 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 2019 (Unaudited)

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshows *HK$'000*	Consolidated *HK$'000*
Assets			
Segment assets	**886,389**	**26,056**	**912,445**
Interests in associates			**16,913**
Equity instruments at FVTOCI			**31,754**
Financial assets at FVTPL			**115,630**
Debt instruments at FVTOCI			**460,571**
Financial products			**136,801**
Club debenture			**12,200**
Deferred tax asset			**1,245**
Bank balances and cash			**342,590**
Taxation recoverable			**8,374**
Other unallocated assets			**5,689**
Total assets			**2,044,212**
Liabilities			
Segment liabilities	**111,388**	**36,362**	**147,750**
Dividends payable			**32,237**
Taxation payable			**37,694**
Bank borrowings			**182,461**
Deferred tax liability			**1,793**
Other unallocated liabilities			**101,947**
Total liabilities			**503,882**

At 31 March 2019 (Audited)

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshows *HK$'000*	Consolidated *HK$'000*
Assets			
Segment assets	937,922	33,770	971,692
Interests in associates			16,185
Equity instruments at FVTOCI			35,988
Financial assets at FVTPL			169,020
Debt instruments at FVTOCI			438,514
Financial products			109,717
Club debenture			12,200
Deferred tax asset			1,245
Bank balances and cash			158,900
Taxation recoverable			10,802
Other unallocated assets			8,347
Total assets			1,932,610
Liabilities			
Segment liabilities	55,717	51,164	106,881
Taxation payable			21,723
Bank borrowings			198,164
Deferred tax liability			1,793
Other unallocated liabilities			106,021
Total liabilities			434,582

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

– all assets are allocated to reportable segments except for interests in associates, equity instruments at FVTOCI, financial assets at FVTPL, debt instruments at FVTOCI, financial products, deposits, prepayments and other receivables, club debenture, deferred tax asset, bank balances and cash and taxation recoverable.

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

4. OTHER GAINS AND LOSSES

	For the six months ended 30 September	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Foreign exchange gain	**309**	2,955
Gain (loss) on disposal of		
– financial assets at FVTPL	**6,550**	(17)
– equity instruments at FVTOCI	**–**	(4,645)
– debt instruments at FVTOCI	**(2,371)**	(42,497)
Fair value loss on financial assets at FVTPL	**–**	(5,482)
	4,488	(49,686)

5. PROFIT BEFORE TAX

Profit before tax is stated after charging:

	For the six months ended 30 September	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Directors' and chief executive officer's remuneration	**2,025**	1,980
Other staff costs	**36,138**	38,931
Retirement benefit scheme contributions for other staff	**2,583**	2,412
	40,746	43,323
Auditor's remuneration	**497**	500
Depreciation of property, plant and equipment	**10,851**	10,599
Operating lease rentals in respect of office premises	**1,532**	1,482

and after crediting:

Interest income from bank deposits *(Note)*	**1,495**	101
Investment income from		
– financial assets at FVTPL *(Note)*	**5,413**	3,341
– equity instruments at FVTOCI *(Note)*	**–**	2,373
– debt instruments at FVTOCI *(Note)*	**19,403**	33,366
– other financial assets *(Note)*	**1,937**	213

Note: These are included in other income

6. INCOME TAX EXPENSE

	For the six months ended 30 September	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– Current tax	**19,449**	17,314

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

7. DIVIDENDS

The Board does not recommend the payment of interim dividends for the six months ended 30 September 2019 (2018: nil).

During the six months ended 30 September 2019, final dividends of HK$2.7 cents per share in respect of the year ended 31 March 2019 were declared.

8. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 September 2019 is based on the Group's unaudited consolidated profit attributable to owners of the Company and on the weighted average number of 1,193,974,000 ordinary shares (2018: 1,193,974,000 shares) in issue during the period.

Diluted earnings per share for the six months ended 30 September 2019 was calculated based on the unaudited consolidated profit attributable to owners of the Company and on the weighted average number of 1,193,974,000 shares (2018: 1,194,345,757 shares) with the effect of dilutive potential shares outstanding under the Company's share option plan.

9. INTANGIBLE ASSETS

Intangible assets are Type 9 (Asset Management) and Type 6 (Advising on Corporate Finance) licences issued by the Securities and Futures Commission which were acquired through the acquisition of companies. These licences are renewable annually at minimal costs. In the opinion of the directors, the intangible assets have an indefinite useful life because they are expected to contribute net cash inflows indefinitely. The intangible assets will not be amortised until their useful lives are determined to be finite. Instead, they will be tested for impairment annually and whenever there is an indication that they may be impaired.

10. CLUB DEBENTURE

Club debenture is measured at cost less any impairment.

11. TRADE AND OTHER RECEIVABLES

	As at 30 September 2019 (Unaudited) ***HK$'000***	As at 31 March 2019 (Audited) *HK$'000*
Trade receivables, net of allowance	**178,875**	252,460
Other receivables		
– Deposits	**3,451**	1,134
– Prepayments	**2,960**	1,386
– Staff advances	**867**	116
– Others	**23,965**	5,557
	31,243	8,193
Total trade and other receivables	**210,118**	260,653

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.

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 2019 (Unaudited) ***HK$'000***	As at 31 March 2019 (Audited) *HK$'000*
Not yet billed	**8,634**	24,059
Within 30 days	**38,367**	49,580
31 to 90 days	**29,894**	43,212
91 days to 1 year	**77,365**	122,538
Over 1 year	**24,615**	13,071
	178,875	252,460

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers. Based on the judgement of the management of the Group, the exposure to credit risk and expected credit loss ("ECL") for trade receivables which are assessed collectively based on provision matrix is negligible at 30 September 2019.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. No additional credit loss allowance is recognized on these debtors for the current interim period.

12. EQUITY INSTRUMENTS AT FVTOCI

	As at 30 September 2019 (Unaudited) *HK$'000*	As at 31 March 2019 (Audited) *HK$'000*
Listed equity investments, at fair value		
– in Hong Kong	**25,442**	28,828
Unlisted equity investments, at fair value		
– in Hong Kong	**852**	940
– in the PRC	**5,460**	6,220
Non-current assets	**31,754**	35,988

The equity investments represent the Group's equity interests in private entities which are engaged in restaurant operation in Hong Kong and broadcast of television shows and films in the PRC and a listed entity. During the year ended 31 March 2019, the Group subscribed convertible bond issued by a company listed in the Stock Exchange and converted into shares. Total consideration paid for the subscription and conversion is HK$38,808,000. The directors of the Company have elected to designate these investments in equity instruments at FVTOCI as the Group intends to hold these equity investments for long term strategic purposes.

At 30 September 2019, the fair value of the listed equity investments is based on the bid price quoted in the Stock Exchange.

At 30 September 2019, the fair values of the unlisted equity instruments of HK$852,000 and HK$5,460,000 were derived based on market approach. The valuations were carried out by Greater China Appraisal Limited, an independent firm of qualified professional values not connected with the Group.

Included in equity instruments at FVTOCI is the following amount denominated in a currency other than the functional currency of the respective group entity which it relates:

	As at 30 September 2019 (Unaudited) *HK$'000*	As at 31 March 2019 (Audited) *HK$'000*
Renminbi ("**RMB**")	**5,460**	6,220

13. FINANCIAL ASSETS AT FVTPL

	As at 30 September 2019 (Unaudited) *HK$'000*	As at 31 March 2019 (Audited) *HK$'000*
Listed bond securities in Hong Kong, at fair value		
– listed on the Stock Exchange with fixed coupon interest at 6.5% per annum and maturity date 11 August 2021	**–**	155,141
Unlisted bond securities, at fair value		
– with fixed coupon interest at 7% per annum and maturity date 2 July 2022	**101,751**	–
Unlisted equity investment, at fair value	**13,879**	13,879
Non-current assets	**115,630**	169,020

At 30 September 2019, the fair value of listed bond securities is based on the bid price quoted in the Stock Exchange.

At 30 September 2019, the unlisted equity investment represents an investment in preference shares (together with conversion right) in a private entity. The Group has the right, at its sole discretion, to convert all or any portion of the preference shares into ordinary shares at any time. The conversion rate for the preference shares shall be determined by dividing the issue price for the preference shares when they were issued, by the applicable conversion price. The Group has the right to redeem all the shares on or after the day falling on the fifth anniversary of the date of shareholders agreement as long as no initial public offer nor liquidation has occurred. The fair values of the preference shares and conversion right and redemption right are derived based on equity value allocation method and Black-Scholes option pricing model taking into account weighted average of probability of different scenarios. The valuations were carried out by Greater China Appraisal Limited, an independent firm of qualified professional valuer not connected with the Group.

Included in financial assets at FVTPL is the following amount denominated in a currency other than the functional currency of the respective group entity which it relates:

	As at 30 September 2019 (Unaudited) HK$'000	As at 31 March 2019 (Audited) HK$'000
USD ("**USD**")	**13,879**	169,020

14. DEBT INSTRUMENTS AT FVTOCI

	As at 30 September 2019 (Unaudited) HK$'000	As at 31 March 2019 (Audited) HK$'000
Listed bond securities at fair value:		
– listed on the Stock Exchange with fixed coupon interests ranging from 4.9% to 13% per annum and maturity dates ranging from 1 March 2020 to 25 June 2022	**244,722**	192,966
– listed on SGX with fixed coupon interests ranging from 7.25% to 9.5% per annum and maturity dates ranging from 15 August 2020 to 11 April 2022	**202,311**	232,658
Unlisted fund securities at fair value *(Note)*	**13,538**	12,890
	460,571	438,514
Analysed for reporting purposes:		
Non-current assets	**238,886**	361,272
Current assets	**221,685**	77,242
	460,571	438,514

Note: The unlisted fund securities represent unlisted mutual funds managed by financial institutions.

The fair values of the listed bond securities and the unlisted fund securities are based on market bid prices and quotes from fund managers, respectively at the end of reporting period.

Included in debt instruments at FVTOCI is the following amount which is denominated in a currency other than functional currency of the respective group entities which they relate:

	As at 30 September 2019 (Unaudited)	As at 31 March 2019 (Audited)
	HK$'000	*HK$'000*
USD	**457,732**	435,663

15. FINANCIAL PRODUCTS

At 30 September 2019, the Group's financial products are issued by banks in the PRC, with maturity of 9 days to 109 days (31 March 2019: 92 days to 103 days) and expected but not guaranteed returns ranging from 2.20% to 3.60% (31 March 2019: 3.75% to 3.90%) 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 values of the financial products approximate to the carrying amounts at the end of the reporting period because of their short maturities.

Included in financial products is the following amount which is denominated in a currency other than the functional currency of the respective group entity which it relates:

	As at 30 September 2019 (Unaudited)	As at 31 March 2019 (Audited)
	HK$'000	*HK$'000*
RMB	**136,801**	109,717

16. TRADE AND OTHER PAYABLES

	As at 30 September 2019 (Unaudited) ***HK$'000***	As at 31 March 2019 (Audited) *HK$'000*
Trade payables	**53,613**	33,734
Salaries payable	**5,655**	13,493
Accrued expenses	**4,874**	3,175
Other payables	**114,732**	98,695
	125,261	115,363
Total trade and other payables	**178,874**	149,097

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

	As at 30 September 2019 (Unaudited) ***HK$'000***	As at 31 March 2019 (Audited) *HK$'000*
Within 30 days	**36,892**	22,806
31 to 60 days	**6,393**	1,536
61 to 90 days	**4,038**	2,770
91 days to 1 year	**3,443**	4,792
Over 1 year	**2,847**	1,830
	53,613	33,734

17. CONTRACT LIABILITIES

	As at 30 September 2019 (Unaudited) ***HK\$'000***	As at 31 March 2019 (Audited) *HK\$'000*
Deposits received from customers	**70,823**	63,805

* The amount in this column is after the adjustment from the application of HKFRS 15.

The contract liabilities at 1 April 2019 of HK\$63,805,000 were fully recognised as revenue in the current year. The contract liabilities as at 30 September 2019 of HK\$70,823,000 are expected to be recognised as revenue for the year ending 31 March 2020.

18. SHARE CAPITAL

	Number of shares	*HK\$'000*
Authorised:		
Ordinary shares of HK\$0.01 each at 31 March 2019 and 30 September 2019	10,000,000,000	100,000
Issued and fully paid:		
At 31 March 2019 and 30 September 2019 *(Note)*	1,193,974,000	11,940

Note: During the period ended 30 September 2019, no shares were exercised under the share option scheme of the Company by share option holders.

BUSINESS REVIEW

The Group's revenue decreased from approximately HK$348.8 million for the six months ended 30 September 2018 to approximately HK$298.0 million for the six months ended 30 September 2019, representing an decrease of approximately 14.6%. The Group's profit during the period increased from approximately HK$90.9 million for the six months ended 30 September 2018 to approximately HK$97.5 million for the six months ended 30 September 2019, representing an increase of approximately 7.3%. The increase in the profit of the Group for the current period is mainly attributable to a decrease in loss on disposal of investments during the six months ended 30 September 2019.

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 the overall logistics of roadshows for our clients.

The revenue for Financial PR Services was approximately HK$232.6 million for the six months ended 30 September 2019, representing a decrease of approximately 11.5% compared with approximately HK$262.9 million for the last corresponding period. The segment result for Financial PR Services during the six months ended 30 September 2019 was approximately HK$100.0 million, representing a decrease of approximately 25.5% compared with approximately HK$134.3 million for the last corresponding period. The revenue and segment results for international roadshow services were approximately HK$65.3 million and HK$22.9 million for the six months ended 30 September 2019 respectively, representing a decrease of approximately 23.9% and an increase of approximately 87.7% respectively compared with approximately HK$85.8 million and approximately HK$12.2 million respectively of last corresponding period.

Aside from the profit generated from the two business segments, during the six months ended 30 September 2019 the Group also generated investment income of HK$26.7 million (six months ended 30 September 2018: HK$39.1 million) from its investments. As benefited from performance of the global bond market, the Group made a gain of HK$4.2 million from disposal of investments (six months ended 30 September 2018: loss of HK$47.2 million). The investments comprise bonds listed on the HKEx or the Singapore Stock Exchange, unlisted bonds and unlisted fund securities. The Group takes a prudent approach on its investments and reviews their performance regularly.

Details of the Group's significant investments which exceed 5% of total balance of investments as at 30 September 2019 are as follows:

Name of significant investments	Investee's principal activities	Holding percentage to investment class %	Fair value as at 30 Sep 2019 HK$	Size of fair value relative to the total asset of the Company as at 30 Sep 2019 (Note 1) %	Fair value gain/(loss) on each significant investment HK$	Coupon interest HK$
Silver Grant International Industries Limited	Property investment	8.70	100,000,000	4.89	–	1,750,000
Gemstones International Limited	Investment holding	2.50	74,866,544	3.66	(599,945)	823,440
Sunshine 100 China Holdings Limited	Property development	2.50	67,037,500	3.28	(3,330,622)	54,893
Xinyuan Real Estate Company Limited	Property development	3.28	53,574,851	2.62	(10,443,482)	480,504
Greenland Global Investment Limited	Investment holding	1.00	38,639,756	1.89	81,569	71,661
Jingrui Holdings Limited	Property development	1.25	37,362,750	1.83	(713,070)	2,002,081
Xinhu Zhangbao Holding Company Limited	Property development	0.76	35,863,125	1.75	(1,104,394)	187,292
China Evergrande Group	Property development	0.34	35,455,355	1.73	(3,197,770)	1,728,142
China South City Holdings Limited	Property development	2.10	34,874,450	1.71	(1,165,980)	507,248

Notes:

1. This total assets figure used as the denominator to calculate the relative size of each financial instruments on the Company's total asset as at 30 September 2019, represents the unaudited total assets of the Company as at 30 September 2019 of HK$2,044,212,000.

2. The Company's strategy is to invest in a diversified portfolio of debt securities including fixed rate bonds and high-yield bonds in the Greater China region.

3. Remaining investments comprise 8 listed bond investments and 3 unlisted fund investments. The individual balance of these investments represent less than 5% of the total investments balance as at 30 September 2019.

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 is healthy. The Group's bank balances and cash as of 30 September 2019 amounted to approximately HK$342.6 million. Aside from placing deposits with commercial banks, the Group also purchased principal-guaranteed, short-term and low risk unlisted financial products so as to ensure the security and value of the capital. These products were offered and guaranteed by banks with good reputation. At 30 September 2019, the aggregate principal of these products amounted to HK$136.8 million (at 31 March 2019: HK$109.7 million). The maturity dates of these products are before 14 January 2020. The unguaranteed annualised rate of returns of these products range from 2.2% to 3.6% (at 31 March 2019: 3.75% to 3.9%). The Group takes a prudent approach when selecting financial products.

The Group's gearing ratio as at 30 September 2019, calculated based on the short-term bank loans of the Group (net of bank balances and cash) and the equity attributable to owners of the Company, was nil (31 March 2019: 2.6%). 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 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 2019, 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 2019, leasehold land and building amounted to approximately HK$629.4 million (31 March 2019: HK$655.8 million) was pledged as securities for banking facilities.

CONTINGENT LIABILITIES

As at 30 September 2019, the Group had no contingent liabilities.

PROSPECTS

Despite of the complicated world economic condition, leading that the economic growth is slowing down. Hong Kong, as the top 3 financial center city in terms of IPO fund raising for ten consecutive years, with a series of reform measures successively launched by HKEx to further enhance the activity and competitiveness of the stock market, is still the preferred listing place for numerous high quality enterprises. The Group is confident about the prospects of Hong Kong IPO market.

In addition, the Group was able to cater for the needs of its customers, and generated stable income from providing one-stop full chain services to its customers by virtue of years of extensive experience in the industry. At the same time, the Group provided customers with more professional services by developing its financial database platform, forming the business and financial integration of management system, recruiting capable talents and developing new products.

Looking forward, the Group will continue to amplify the competitive strengths that make it a market leader. These strengths include its expertise in Hong Kong stocks, loyal customer base, extensive resource network in capital market, and the trusted "Wonderful Sky" brand. The Group believes it can overcome the market uncertainties by efficiently utilizing these strengths and provide greater return to shareholders.

DIVIDENDS

The Board does not recommend the payment of interim dividends for the six months ended 30 September 2019 (2018: nil).

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

As at 30 September 2019, details of use of proceeds from initial public offering are as follows:

Net proceeds allocation	Intended use of the proceeds	Actual use of the proceeds as at 31 March 2019	The amount of remaining net proceeds as at 31 March 2019 for the intended use	Actual use of the total proceeds during the year ended 30 September 2019	The amount of remaining net proceeds as at 30 September 2019 for the intended use	Total proceeds used as at 30 September 2019	Expected time of utilisation (Note 1)	Change in intention
Approximately HK$124.9 million	For strategic mergers with and acquisitions of companies with experience in the public relations business, investor relations business, financial printing business or international roadshow business.	Approximately HK$19.8 million has been used in purchasing approximately 5.11% registered capital of Weconvene Group Limited.	HK$105.1 million	–	Approximately HK$105.1 million	HK$19.8 million	30 April 2022	No
Approximately HK$124.9 million	For financing the possible acquisition or setting up of a joint venture with a public relations firm in the PRC.	Approximately HK$14.9 million has been used in acquisition of interest in 柘西(上海)文化傳媒有限公司, and approximately HK$5.0 million has been used in setting up of 皓天策略投資顧問(北京)有限公司.	HK$105.0 million	–	Approximately HK$105.0 million	HK$19.9 million	30 April 2022	No

Net proceeds allocation	Intended use of the proceeds	Actual use of the proceeds as at 31 March 2019	The amount of remaining net proceeds as at 31 March 2019 for the intended use	Actual use of the total proceeds during the year ended 30 September 2019	The amount of remaining net proceeds as at 30 September 2019 for the intended use	Total proceeds used as at 30 September 2019	Expected time of utilisation *(Note 1)*	Change in intention
Approximately HK$65.0 million	For the establishment of an additional office in Hong Kong, the recruitment of additional staff members and other general corporate purposes.	Approximately HK$54.9 million has been utilized for purchase of office equipment and general corporate purposes.	HK$10.1 million	HK$0.9 million	Approximately HK$9.2 million	HK$55.8 million	31 December 2021	No

Note:

1. The expected time frame for fully applying the unutilised proceeds is based on the best estimation of the future market conditions and strategic development made by the Company, which may be subject to changes and adjustments based on the future development of market conditions.

As at 30 September 2019, details of use of proceeds from the top-up placement are as follows:

Net proceeds allocation	Intended use of the proceeds	Actual use of the proceeds as at 31 March 2019	The amount of remaining net proceeds as at 31 March 2019 for the intended use	Actual use of the total proceeds during the year ended 30 September 2019	The amount of remaining net proceeds as at 30 September 2019 for the intended use	Total proceeds used as at 30 September 2019	Expected time of utilisation *(Note 1)*	Change in intention
Approximately HK$423.0 million	For developing a mobile internet professional service platform, the "Wonderful Sky Cloud", which provides online to offline ("O2O") financial services to our customers and the public investment community.	Approximately HK$26.1 million has been used in development of professional service platform, improvement of backstage databases and professional consulting fee.	HK$396.9 million	HK$4.1 million	HK$392.8 million	HK$30.2 million	31 January 2022	No

Note:

1. The expected time frame for fully applying the unutilised proceeds is based on the best estimation of the future market conditions and strategic development made by the Company, which may be subject to changes and adjustments based on the future development of market conditions.

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 2019.

Code Provision A.2.1

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

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

During the six months ended 30 September 2019, 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 2019, the Group had approximately 291 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 2019.

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 2019.

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 2019

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.