



皓天財經集團

WONDERFUL SKY FINANCIAL GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 01260

2021

INTERIM REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Liu Tianni (*Chairman and Chief Executive Officer*)

Liu Lin

Independent Non-Executive Directors

Li Ling Xiu

Lam Yim Kei, Sally

Lee Wing Sze, Rosa

AUDIT COMMITTEE

Lee Wing Sze, Rosa (*Chairman*)

Li Ling Xiu

Lam Yim Kei, Sally

NOMINATION AND REMUNERATION COMMITTEES

Li Ling Xiu (*Chairman*)

Liu Tianni

Lam Yim Kei, Sally

Lee Wing Sze, Rosa

COMPANY SECRETARY

Li Liju

INDEPENDENT AUDITOR

Mazars CPA Limited

Certified Public Accountants

42nd Floor, Central Plaza

18 Harbour Road

Wanchai, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

The Hong Kong and Shanghai Banking

Corporation Limited

China Construction Bank (Asia) Corporation Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited

Suite 3204, Unit 2A, Block3

Building D,

P.O. Box 1586

Grand Cayman KY1-1110

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor

Services Limited

Shops 1712-1716

17/F, Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

9/F, The Center

No. 99 Queen's Road Central

Hong Kong

REGISTERED OFFICE

Grand Pavilion

Hibiscus Way

802 West Bay Road

P.O. Box 31119

Grand Cayman KY1-1205

Cayman Islands

STOCK CODE

1260

COMPANY WEBSITE

<http://www.wsfg.hk>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2021

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 2021 together with comparative figures for corresponding period in 2020 as follows:

	Notes	For the six months ended 30 September	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Revenue	3	188,925	179,386
Direct costs		(88,231)	(95,558)
Gross profit		100,694	83,828
Other income		45,144	52,286
Selling expenses		(12,677)	(12,584)
Administrative expenses		(49,811)	(59,697)
Other losses and gains		(11,238)	5,537
Impairment loss recognised on financial assets			
– Trade receivables, net		(10,220)	–
– Debt instruments at fair value through other comprehensive income (“ FVTOCI ”)		(22,176)	–
Share of results of associates		(991)	(841)
Finance costs		(284)	(2,320)
Profit before taxation	4	38,441	66,209
Taxation	5	(9,105)	(10,871)
Profit for the period		29,336	55,338

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 September 2021

	Notes	For the six months ended 30 September	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Other comprehensive income/(loss)			
Item that will not be reclassified to profit or loss:			
Net gain/(loss) on change in fair value of equity instruments at FVTOCI		2,902	(2,616)
Items that may be reclassified subsequently to profit or loss:			
Net (loss)/gain on change in fair value of debt instruments at FVTOCI		(125,628)	72,593
Impairment loss recognised on debt instruments at FVTOCI		22,176	–
Exchange difference arising on translating foreign operation		(2,399)	(4,337)
Other comprehensive income for the period		(102,949)	65,640
Total comprehensive income for the period		(73,613)	120,978
Earnings per share – Basic		HK2.5 cents	HK4.8 cents
Earnings per share – Diluted	7	HK2.5 cents	HK4.8 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

		As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		692,834	664,333
Right-of-use assets		288	1,894
Investment property		26,261	27,668
Intangible assets		5,000	5,000
Interests in associates		4,997	7,431
Equity instruments at FVTOCI	10	4,131	22,661
Financial assets at fair value through profit or loss ("FVTPL")	11	49,297	130,870
Debt instruments at FVTOCI	12	292,674	612,877
Club debenture	8	12,200	12,200
Deferred tax asset		466	466
Deposits for acquisition of property, plant and equipment		-	27,502
		1,088,148	1,512,902
Current assets			
Contract assets		445	445
Trade and other receivables	9	115,866	91,517
Amounts due from related parties	13	-	745
Financial assets at FVTPL	11	141,292	36,600
Debt instruments at FVTOCI	12	226,991	210,227
Financial products	14	500	500
Bank balances and cash		160,247	151,738
		645,341	491,772

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 September 2021

	<i>Notes</i>	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Current liabilities			
Trade and other payables	15	136,588	165,807
Contract liabilities	17	9,252	23,931
Taxation payable		14,484	12,153
Bank borrowings	16	–	155,286
Lease liabilities		–	1,071
		160,324	358,248
<hr/>			
Net current assets		485,017	133,524
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Total assets less current liabilities		1,573,165	1,646,426
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Non-current liability			
Deferred tax liability		2,787	2,787
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Net assets		1,570,378	1,643,639
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Capital and reserves			
Share capital	18	11,515	11,515
Reserves		1,558,863	1,632,124
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Total equity		1,570,378	1,643,639

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

	For the six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Net cash (outflows)/inflows from:		
Operating activities	(9,326)	185,681
Investing activities	175,908	(40,580)
Financing activities	156,940	(76,399)
Net increase in cash and cash equivalents	9,642	68,702
Cash and cash equivalents at beginning of period	151,738	107,969
Effect of exchange rate changes	(1,133)	(49)
Cash and cash equivalents at end of period	160,247	176,622

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000 (Note i)	Capital reserve HK\$'000 (Note ii)	Capital redemption reserve HK\$'000	Share options reserve HK\$'000	Investment revaluation reserve/ FVTOCI reserve HK\$'000	Translation reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
At 31 March 2020 (Audited)	11,515	711,774	10	(1)	(4,773)	3,439	(90,442)	7,947	844,916	1,484,385
Profit for the period	-	-	-	-	-	-	-	-	55,338	55,338
Net gain on change in fair value of debt instruments at FVTOCI	-	-	-	-	-	-	72,593	-	-	72,593
Exchange difference on translating foreign operation	-	-	-	-	-	-	-	(4,337)	-	(4,337)
Loss on change in fair value of equity instruments at FVTOCI	-	-	-	-	-	-	(2,616)	-	-	(2,616)
Other comprehensive (expense) income for the period	-	-	-	-	-	-	69,977	(4,337)	-	65,640
Total comprehensive (expense) income for the period	-	-	-	-	-	-	69,977	(4,337)	55,338	120,978
Lapse of share options	-	-	-	-	-	(331)	-	-	331	-
At 30 September 2020 (Unaudited)	11,515	711,774	10	(1)	(4,773)	3,108	(20,465)	3,610	900,585	1,605,363
At 31 March 2021 (Audited)	11,515	711,774	10	(1)	(4,773)	3,560	(55,863)	13,685	963,732	1,643,639
Profit for the period	-	-	-	-	-	-	-	-	29,336	29,336
Net loss on change in fair value of debt instruments at FVTOCI	-	-	-	-	-	-	(125,628)	-	-	(125,628)
Reversal of impairment loss on debt instruments at FVTOCI included in profit or loss	-	-	-	-	-	-	22,176	-	-	22,176
Exchange difference on translating foreign operation	-	-	-	-	-	-	-	(2,399)	-	(2,399)
Gain on change in fair value of equity instruments at FVTOCI	-	-	-	-	-	-	2,902	-	-	2,902
Other comprehensive (expense) income for the period	-	-	-	-	-	-	(100,550)	(2,399)	-	(102,949)
Total comprehensive (expense) income for the period	-	-	-	-	-	-	(100,550)	(2,399)	29,336	(73,613)
Transfer within equity upon disposal of equity instruments at FVTOCI	-	-	-	-	-	-	(1,645)	-	1,645	-
Recognition of equity-settled share-based payment	-	-	-	-	-	352	-	-	-	352
At 30 September 2021 (Unaudited)	11,515	711,774	10	(1)	(4,773)	3,912	(158,058)	11,286	994,713	1,570,378

Notes:

- (i) The merger reserve of the Group represented the difference of the nominal value of the shares of Shine Talent Holdings Limited issued in exchange for the entire share capital of Wonderful Sky Financial Group Limited.
- (ii) The capital reserve of the Group represented capital contribution arising from transfer of interest in a subsidiary to its shareholder.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2021

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.

On 22 October 2021, Mr. Liu Tianni and his spouse have completed the transfer of their indirect interest in 750,000,000 Shares in aggregate, representing approximately 65.13% of the total issued share capital of the Company, to the Family Trust for their family wealth and succession planning purposes (the “**Transfer**”).

Mr. Liu Tianni remains the ultimate holding controlling party of the Company immediately after the Transfer.

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 2021 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2021.

APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

New and amendments to HKFRSs that are mandatorily effective for the current year

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The Group have applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current interim period:

Amendments to HKAS 39, HKFRSs 4, 7, 9 and 16 Interest Rate Benchmark Reform – Phase 2

The adoption of the new/revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the Period and prior years.

The Group has not early applied the new and amendments to HKFRSs that have been issued but are not yet effective.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

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 Chief Executive Officer 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 reportable segment:

For the six months ended 30 September 2021 (Unaudited)

	Provision of financial public relations services (Unaudited) <i>HK\$'000</i>	Organisation and coordination of international roadshows (Unaudited) <i>HK\$'000</i>	Consolidated (Unaudited) <i>HK\$'000</i>
Revenue	187,463	1,462	188,925
Segment profit (loss)	57,602	2,140	59,742
Unallocated corporate income			44,084
Impairment loss recognised on debt instrument at FVTOCI			(22,176)
Staff costs (including retirement benefit scheme contributions)			(10,812)
Share of results of associates			(991)
Other unallocated corporate expenses			(31,122)
Finance costs			(284)
Profit before taxation			38,441

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

For the six months ended 30 September 2020 (Unaudited)

	Provision of financial public relations services (Unaudited) HK\$'000	Organisation and coordination of international roadshows (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
Revenue	177,116	2,270	179,386
Segment profit/(loss)	65,885	(2,586)	63,299
Unallocated corporate income			45,269
Staff costs (including retirement benefit scheme contributions)			(11,062)
Share of results of associates			(841)
Other unallocated corporate expenses			(28,136)
Finance costs			(2,320)
Profit before taxation			66,209

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned (loss incurred) by each segment without allocation of other income, other gains and losses, central administration costs, directors' salaries, operating lease rentals, share of results of associates, impairment loss recognised on debt instruments and finance costs. This is the measure reported to the chief executive for the purposes of resource allocation and performance assessment.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

4. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	For the six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Directors' and chief executive's remuneration	2,869	2,554
Other staff costs	29,670	29,908
Retirement benefit scheme contributions for other staff	1,636	2,110
	34,175	34,572
Auditor's remuneration	350	257
Depreciation of property, plant and equipment	18,052	12,558
Depreciation of right-of-use assets	1,611	686
Depreciation of investment property	293	308
and after crediting:		
Interest income from bank deposits	72	414
Investment income from		
– financial assets at FVTPL (included in other income)	3,630	–
– debt instruments at FVTOCI (included in other income)	40,787	40,344

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

5. TAXATION

	For the six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Hong Kong Profits Tax – Current tax	9,105	10,871

Hong Kong profits tax is calculated at 16.5% (2020: 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 2021 (2020: Nil).

7. 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:

	For the six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Earnings		
Profit for the period attributable to owners of the Company for the purposes of basic and diluted earnings per share	29,336	55,338

	For the six months ended 30 September	
	2021	2020
Number of shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share	1,151,454,000	1,151,454,000

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

8. CLUB DEBENTURE

Club debenture is measured at cost less any impairment.

9. TRADE AND OTHER RECEIVABLES

Service income arising from project-based financial public relations services, financial printing services for non-IPO Clients and international roadshows is recognised when services are rendered and is generally billed within 30 days from the completion of the event. Service income arising from financial printing for IPO Clients is recognised when services are rendered and is generally billed in accordance with payment schedule set out in contracts and within one month from the date of listing. Service income arising from daily financial public relations services under subscription model is recognised when services are rendered and is billed monthly, quarterly or semi-annually in arrears. The Group generally grants a credit period of 30 days to its customers.

Before accepting a new customer, the Group will internally assess the potential customer's credit quality and determine an appropriate credit limit. Management then closely monitors the outstanding balance and follow-up action is taken when debts are overdue.

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Trade receivable, net of allowance	107,041	87,065

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

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Within 30 days	19,431	12,989
31 to 90 days	41,211	20,196
91 days to 1 year	46,399	51,078
Over 1 year	–	2,802
	107,041	87,065

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.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

10. EQUITY INSTRUMENTS AT FVTOCI

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Listed equity investments, at fair value		
– in Hong Kong	1,260	19,831
Unlisted equity investments, at fair value		
– in the PRC	2,871	2,830
Non-current assets	4,131	22,661

The above listed equity investments represent ordinary shares of an entity listed in the Stock Exchange. At 30 September 2021 and 31 March 2021, the fair value of the listed equity investments is based on the bid price quoted in the Stock Exchange at the end of the reporting periods respectively.

The above unlisted equity investments represent the Group's equity interests in private entities which are engaged in broadcast of television shows and films in the PRC. At 30 September 2021 and 31 March 2021, the fair values of the unlisted equity instruments were derived based on market approach. 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.

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 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Renminbi ("RMB")	2,871	2,830

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

11. FINANCIAL ASSETS AT FVTPL

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Non-current assets		
Convertible bond securities, at fair value		
– with fixed coupon interest at 7% per annum and maturity date 2 July 2022 (Note 1)	–	111,207
Unlisted equity investment at fair value (Note 2)	49,297	19,663
	49,297	130,870
Current assets		
Convertible bond securities, at fair value		
– with fixed coupon interest at 7% per annum and maturity date 2 July 2022 (Note 1)	113,608	–
Listed equity investment, at fair value (Note 3)	27,684	36,600
	141,292	36,600

- At 30 September 2021, the convertible bond represents subscription in convertible bond issued by Silver Grant International Holdings Group Limited (“**Silver Grant**”), a company listed on the Stock Exchange, with principal amount of HK\$100,000,000. The Group can only exercise its conversion rights on the conditions that (i) no obligation will arise on the bondholder to make a general offer to the shareholders of Silver Grant for all securities of the Silver Grant under Rule 26 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission upon exercising of the conversion rights; and (ii) no Listing Rules, including the minimum public float requirements of Silver Grant under Listing Rules, will be breached as a result of an exercise of the conversion rights. Unless previously redeemed, converted, purchased or cancelled, Silver Grant will redeem all of the convertible bonds on the maturity date at such amount equivalent to 116.5% of the principal amount of the outstanding convertible bonds (inclusive of interests received up to the maturity date).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

11. FINANCIAL ASSETS AT FVTPL (Continued)

2. The amount represented the investment in four unlisted investment funds (As at 31 March 2021: Two) with primary objectives for capital appreciation and investment income. The unlisted investment funds are not quoted in an active market and transactions in such investment does not occur on a regular basis. The fair value of the unlisted investment funds are stated with reference to the net asset value provided by administrators of the funds at the reporting date. The directors believe that the estimated fair value provided by the administrators of the fund are reasonable, and these are the most appropriate values at the end of reporting period. No change in fair value of the unlisted investment funds were recognised to profit or loss for the six months ended 30 September 2021 (For the six months ended 30 September 2020: Nil).
3. The listed equity investment represents ordinary shares of an entity listed in the Stock Exchange. At 30 September 2021, the fair value of the listed equity investments is based on the bid price quoted in the Stock Exchange at the end of the reporting period.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

12. DEBT INSTRUMENTS AT FVTOCI

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Listed bond securities at fair value		
– listed on the Hong Kong Stock Exchange with fixed coupon interests ranging from 6.75% to 12.875% (31 March 2021: 4.7% to 13%) per annum and maturity dates ranging from 21 January 2022 to 21 July 2023 (31 March 2021: 4 April 2021 to 29 April 2025)	208,231	323,190
– listed on SGX with fixed coupon interests ranging from 7.5% to 12.875% (31 March 2021: 7.5% to 14.25%) per annum and maturity dates ranging from 28 September 2022 to 16 April 2025 (31 March 2021: 14 October 2021 to 16 April 2025)	311,434	472,401
Unlisted fund securities at fair value (<i>Note</i>)	–	27,513
	519,665	823,104
Analysed for reporting purposes:		
Non-current assets	292,674	612,877
Current assets	226,991	210,277
	519,665	823,104

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 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
USD	519,665	823,104

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

13. AMOUNTS DUE FROM RELATED PARTIES

Particular of the amounts due from related parties are disclosed as follows:

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Qingling Motor Company Ltd ("Qingling Motors") (Note a)	1,195	745
	1,195	745

Notes:

- (a) Mr. Liu Tianni, the controlling shareholder and director of the Company, is an independent non-executive director of Qingling Motors for both periods. The amount is trade related, unsecured and non-interest bearing.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

14. FINANCIAL PRODUCTS

At 30 September 2021, the Group's financial products are issued by banks in the PRC denominated in Renminbi, 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 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
RMB	500	500

15. TRADE AND OTHER PAYABLES

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

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Within 30 days	5,827	23,001
31 to 60 days	9,224	1,757
61 to 90 days	10,444	6,042
91 days to 1 year	27,848	44,919
Over 1 year	37,382	14,998
	90,725	90,717

The average credit period on purchase from suppliers is from 30 to 60 days.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

16. BANK BORROWINGS

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Secured and variable-rate bank loans	–	155,286

The bank borrowings as of 31 March 2020 bear interests at Hong Kong Interbank Offered Rate (“**HIBOR**”) plus 1% per annum.

17. CONTRACT LIABILITIES

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Deposits received from customers	9,252	23,931

Contract liabilities represent deposits received from customers for financial public relations services, financial printing services and international roadshow services respectively.

18. SHARE CAPITAL

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Authorised: 10,000,000,000 shares ordinary shares of HK\$0.01 each (31 March 2021:10,000,000,000 shares)	100,000	100,000
Issued and fully paid: 1,151,454,000 ordinary shares issued and fully paid of HK\$ 0.01 each (31 March 2021:1,151,454,000 shares)	11,515	11,515

None of the Company’s subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the period.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

18. SHARE CAPITAL (CONTINUED)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2021, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers and which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO were as follows:

Long positions in the ordinary shares of the Company

(i) The Company

Name of Director	Long/Short position	Interest in controlled corporation	Number of shares held			Total interests	Total interests as % of the issued share capital of the Company
			Personal interest	Joint interest	Family interest		
Mr. Liu Tianni	Long	750,000,000 <i>(Note 4)</i>	-	6,904,000 <i>(Note 2)</i>	58,712,000 <i>(Note 3)</i>	815,616,000	70.83%

Notes:

- These shares are owned by Sapphire Star Investments Limited ("**Sapphire Star**"), a company incorporated in the British Virgin Islands. Mr. Liu Tianni ("**Mr. Liu**") holds 51% of the issued share capital in Sapphire Star. Under the SFO, Mr. Liu is deemed to be interested in the remaining 49% of the issued share capital in Sapphire Star as they are held by his spouse, Ms. Luk Ching, Sanna ("**Mrs. Liu**"). Accordingly, Mr. Liu is deemed or taken to be interested in all the shares in the Company held by Sapphire Star under the SFO.
- These shares are owned by Mr. Liu and Mrs Liu jointly.
- These shares are owned by Mrs. Liu. Mr. Liu is deemed or taken to be interested in these shares for the purpose of the SFO.
- On 22 October 2021, Mr. Liu Tianni and his spouse have completed the transfer of their indirect interest in 750,000,000 Shares in aggregate, representing approximately 65.13% of the total issued share capital of the Company, to the Family Trust for their family wealth and succession planning purposes (the "**Transfer**").

Mr. Liu Tianni remains the ultimate holding controlling party of the Company immediately after the Transfer.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

18. SHARE CAPITAL (CONTINUED)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (CONTINUED)

Long positions in the ordinary shares of the Company (Continued)

(ii) Associate Corporation

Name of Director	Long/Short position	Name of associated corporation	Number of shares held	Approximately percentage of interest in Sapphire Star
Mr. Liu Tianni (<i>Note</i>)	Long	Sapphire Star	100	100%

Note: Mr. Liu Tianni holds 51% of the issued share capital in Sapphire Star. Under the SFO, Mr. Liu is deemed to be interested in the remaining 49% of the issued share capital in Sapphire Star, which is held by his spouse, Mrs. Liu. Accordingly, Mr. Liu Tianni is deemed or taken to be interested in 100% of the issued share capital of Sapphire Star.

Save as disclosed above, as at 30 September 2021, none of the Directors or chief executive of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Issuers and which were required to be entered into the register required to be kept under Section 352 of the SFO.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

18. SHARE CAPITAL (CONTINUED)

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2020, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Long/Short position	Beneficial Owner	Interest in controlling corporation	Total interests	Percentage of issued share capital of the Company
Sapphire Star	Long	750,000,000 <i>(Note 3)</i>	–	750,000,000	65.14%
Mrs. Liu	Long	65,616,000 <i>(Note 2)</i>	750,000,000 <i>(Note 1)</i>	815,616,000	70.83%
FIL Limited	Long	106,208,000	–	106,208,000	9.22%
Pandanus Associate Inc.	Long	106,208,000	–	106,208,000	9.22%
Fidelity China Special Situations PLC	Long	105,772,000	–	105,772,000	9.19%

Notes:

- The shares are owned by Sapphire Star. Mrs. Liu holds 49% of the issued share capital in Sapphire Star. Therefore, for the purposes of the SFO, Mrs. Liu is deemed or taken to be interested in all the shares in the Company held by Sapphire Star.
- 58,712,000 shares in the Company are beneficially owned by Mrs. Liu and 6,904,000 shares are jointly owned by Mrs. Liu and Mr. Liu.
- On 22 October 2021, Mr. Liu Tianni and his spouse have completed the transfer of their indirect interest in 750,000,000 Shares in aggregate, representing approximately 65.13% of the total issued share capital of the Company, to the Family Trust for their family wealth and succession planning purposes.

Immediately after the Transfer, Mr. Liu Tianni remains the ultimate holding controlling party of the Company.

Save as disclosed above, as at 30 September 2021, the Directors are not aware that there is any party (not being a Director) who had any interests or short positions in the shares and underlying shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such shares.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

19. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had also entered into the following related party transactions:

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Financial public relations service income from Qingling Motors	127	555
Financial public relation service income from Hong Kong Chinese Enterprise Association (<i>Note 1</i>)	–	126
Salaries and allowance paid to related parties (<i>Note 2</i>)	684	1,093

Notes:

1. Mr. Liu Tianni, the controlling shareholder and director of the Company, has been a member of key management of Hong Kong Chinese Enterprises Association for both years.
2. These related parties are close family members of Mr. Liu Tianni, the controlling shareholder and director of the Company.

20. CAPITAL COMMITMENT

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of capital contributions to associates	–	4,402

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

21. SHARE OPTION SCHEME

The Share Option Scheme of the Company was adopted pursuant to a resolution in writing of the sole shareholder passed on 7 March 2012. The purposes of the Share Option Scheme is to enable the Group to grant options to full-time or part-time employees, directors (whether executive or non-executive), supplier, customer, joint venture partner, business associates and advisor (professional or otherwise) of the Company as incentives or rewards for their contribution to the Group. The Share Option Scheme became effective on 7 March 2012 (the “**Effective Date**”) will remain in force for 10 years, subject to earlier termination by the directors and approved in advance by the shareholders in a general meeting. The Share Option Scheme shall be valid and effecting for a period commencing from the Effective Date.

At 30 September 2021, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 8,790,000 (31 March 2021: 8,790,000), representing 0.76% (31 March 2021: 0.76%) of the shares of the Company in issue at that date. The total number of shares of the Company available for issue under the Share Option Scheme must not in aggregate exceeds 30% of the issued share capital of the Company from time to time.

The maximum number of shares issuable upon exercise of the options which may be granted under the Share Option Scheme (including exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates (as defined under the Listing Rules), are subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, (as defined under the Listing Rules) in excess of 0.1% of the shares of the Company in issue with an aggregate value (based on the closing price of the Company’s shares at the date of the grant) in excess of HK\$5,000,000, in the 12-month period up to and including the date of grant, are subject to shareholders’ approval in a general meeting.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

21. SHARE OPTION SCHEME (CONTINUED)

Options granted must be accepted in writing within 28 days from the date of grant upon payment of a nominal consideration of HK\$1 by the grantee. The exercise period for the share options granted is determined by the directors of the Company, which period may commence from the date of acceptance of the offer for the grant of share options but shall end, in any event, not later than 10 years from the date of grant of the option subject to the provisions for early termination under the Share Option Scheme. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share on the date of grant.

The following table sets out the movements in the Company's share options held by the employees of the Group during the six months ended 30 September 2021:

Date of grant	Exercisable period	Exercise price HK\$	Outstanding at 1.4.2021	Lapsed during the period	Outstanding at 30.9.2021
<i>Employees:</i>					
28.1.2014	28.7.2015–27.7.2020	1.174	432,000	–	432,000
28.1.2014	28.7.2016–27.7.2020	1.174	912,000	–	912,000
28.1.2014	28.7.2017–27.7.2020	1.174	542,000	–	542,000
28.1.2014	28.7.2018–27.7.2020	1.174	1,904,000	–	1,904,000
26.1.2018	27.7.2019–27.7.2024	1.500	1,000,000	–	1,000,000
26.1.2018	27.7.2020–27.7.2024	1.500	1,000,000	–	1,000,000
26.1.2018	27.7.2021–27.7.2024	1.500	1,000,000	–	1,000,000
26.1.2018	27.7.2022–27.7.2024	1.500	2,000,000	–	2,000,000
			8,790,000	–	8,790,000

Note: The vesting period ends on the date the exercisable period of the share options begins.

During the six months ended 30 September 2021, there were neither options granted, exercised nor share option held by the directors.

No share-based payment was recognised by the Group during the six months ended 30 September 2021 (six months ended 30 September 2020: Nil) in relation to share options granted by the Company.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2021

22. RETIREMENT BENEFITS PLAN

The Group participates in the MPF Scheme for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes the lower of 5% of the relevant payroll costs, with maximum of HK\$1,500 per employee per month, to the MPF Scheme, which contribution is matched by employees.

Employees of a subsidiary in the PRC are members of the state-managed retirement benefits schemes operated by the PRC government. The subsidiary is required to contribute a certain percentage of their payroll to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the state-managed retirement benefits schemes is to make the required contributions.

23. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by board of directors on 30 November 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's profit decreased from approximately HK\$55.3 million for the six months ended 30 September 2020 to approximately HK\$29.3 million for the six months ended 30 September 2021, representing a decrease of approximately 47.0%. The Group's revenue increased from approximately HK\$179.4 million for the six months ended 30 September 2020 to approximately HK\$188.9 million for the six months ended 30 September 2021, representing an increase of approximately 5.3%.

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 six months ended 30 September 2021, this business segment delivered a turnover of approximately HK\$187.5 million (Six months ended 30 September 2020: HK\$177.1 million), representing an increase of approximately 5.8%. The profit of this business segment for the six months ended 30 September 2021 was approximately HK\$57.6 million (Six months ended 30 September 2020: HK\$65.9 million), representing a decrease of approximately 12.6%. The decrease in profit of this business segment was attributed to the effect of the continuation of the epidemic, leading to the prolonged suspension of normal activities.

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 of this segment decreased by approximately 35.6%, to approximately HK\$1.5 million (Six months ended 30 September 2020: HK\$2.3 million) for the six months ended 30 September 2021, which was attributed to the continuation of the epidemic, leading to the prolonged suspension of international roadshow. The segment profit during the six months ended 30 September 2021 of HK\$2.1 million (six months ended 30 September 2020: loss of HK\$2.6 million) primarily represented reversal of expected credit loss recognised in previous financial period.

Aside from the profit generated from the two business segments, the Group also generated interest income of HK\$44.1 million (Six months ended 30 September 2020: HK\$40.3 million) from its bond securities for the six months ended 30 September 2021. The bond securities comprise bonds listed on The Stock Exchange of Hong Kong Limited ("HKEX") and Singapore Exchange Securities Trading Limited ("SGX"). The Group takes a prudent approach on its investments and reviews their performance regularly. Details of the Group's significant investments which exceeded 5% of total assets of the Group as at 30 September 2021 are as follows:

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Bond issuer name	Investee's principle activities	Coupon Rate	Market value HK\$	Size of fair value relative to the total asset of the Group as at 30 September 2021
Silver Grant International Holdings Group Limited	Investment holding	11.50%	111,206,000	6.42%

Notes: This total assets figure used as the denominator to calculate the relative size of each financial instruments on the Group's total asset as at 30 September 2021, represents the total assets of the Group as at 30 September 2021 of approximately HK\$1,733 million.

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 30 September 2021 amounted to approximately HK\$161.0 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.

The Group's gearing ratio as at 30 September 2021 was 0% (31 March 2021: 0.2%), based on the short-term bank loans of the Group (30 September 2021: nil; 31 March 2021: HK\$155.3 million) (net of bank balances and cash) and the equity attributable to owners of the Company.

Exchange rate exposure

Most of the transactions, assets and liabilities of the Group were made in Hong Kong dollars, Renminbi and US dollars. As of 30 September 2021, 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. The Group did not have any hedging policy on Renminbi but its management monitors such exposure closely and will consider hedging such exposures should the need arise.

Pledge of assets

As at 30 September 2021, leasehold land and building amounted to approximately HK\$581.2 million (31 March 2021: HK\$592.1 million), investment property amounted to approximately HK\$26.3 million (31 March 2021: HK\$27.7 million) and bank deposit amounted to approximately HK\$0.5 million (31 March 2021: HK\$0.5 million) were pledged as securities for banking revolving facilities.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

CONTINGENT LIABILITIES

As at 30 September 2021, the Group had no contingent liabilities.

PROSPECTS

2021 Outlook

Global economic growth and recovery are still being dominated by the development of the COVID-19 pandemic, leading to repeated performance of the global capital market in the first three quarters of 2021. In the context of rising upstream costs and increasing policy uncertainty, China's economic growth is slowing.

Nevertheless, the continuous rise of the proportion of new economy in the Hong Kong stock market will continue to increase its long-term attractiveness to southbound and overseas investors. Although the number of IPOs in the Hong Kong market in the year to date has hit the lowest level since 2012, 81% of the IPO proceeds have flown to the new economy sector. In addition, the continuous efforts of the HKEx in the reform of the listing system (the introduction of the SPAC mechanism) and connect scheme (MSCI China A50 Futures, Cross-boundary Wealth Management Connect, etc.) will also continue to enhance the vitality of the Hong Kong stock market in the medium to long term and create a better environment for more local and domestic enterprises to list in Hong Kong.

With the continuation of COVID-19 pandemic, it is expected that in the short to medium term, global economic activity will still weaken. Coupled with the intensified Sino-US tensions and increasing geopolitical risks, this will bring more challenges to the economic recovery.

Regarding the investment business of the Company, the real estate industry in China was subject to unprecedented scrutiny during the year due to tightening regulation. Certain real estate companies have difficulties in refinancing, and companies such as Evergrande and Fantasia have even defaulted on debt. Under the prevailing negative sentiment in the market, international credit rating agencies downgraded the debt ratings of some real estate companies, resulting in a significant fluctuations in the US dollar bond prices of the Chinese-owned housing enterprises which was relatively stable in the past, affecting the unrealized profit and loss of the investment portfolio of the Company. The Company has reassessed and adjusted its investment strategy according to market changes, and will carefully identify suitable investment opportunities in the market with a more healthy and prudent investment attitude, and ensure the safety of funds while maximizing the effectiveness of funds as so to bring returns to the shareholders.

The Group continues to enjoy an absolute leading market share in the Hong Kong IPO market with its strong expertise and efficient services capabilities. Looking forward to strengthening controls on the spread of the COVID-19 epidemic and restoring economic growth.

OTHER INFORMATION

DIVIDENDS

The Board does not recommend the payment of interim dividends for the six months ended 30 September 2021 (2020: nil).

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

As at 30 September 2021, details of use of proceeds from initial public offering are as follows:

Net proceeds allocation	Intended use of the proceeds	The amount of remaining net proceeds as at 30 September 2021 for the intended use	Total proceeds used as at 30 September 2021	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.	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	HK\$105.0 million	HK\$19.9 million	30 April 2022	No
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.	HK\$6.1 million	HK\$58.9 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.

OTHER INFORMATION (CONTINUED)

As at 30 September 2021, details of use of proceeds from the top-up placement are as follows:

Net proceeds allocation	Intended use of the proceeds	The amount of remaining net proceeds as at 30 September 2021 for the intended use	Total proceeds used as at 30 September 2020	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.	HK\$387.4 million	HK\$35.6 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.

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the six months ended 30 September 2021.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the directors, the management shareholders or the substantial shareholders of the Company, or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interests with the Group.

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 2021.

OTHER INFORMATION (CONTINUED)

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.

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.

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 six months ended 30 September 2021.

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

During the six months ended 30 September 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules throughout the year ended 30 September 2021.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 September 2021, the Group had 143 full-time employees. Total staff costs (including Directors' emoluments) were approximately HK\$34.2 million for the six months period ended 30 September 2021. 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.

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 2021.

OTHER INFORMATION (CONTINUED)

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.

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 2021.

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

During the six months ended 30 September 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

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 2021.

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

Liu Tianni

Chairman and Chief Executive Officer

Hong Kong, 30 November 2021