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WONDERFUL SKY FINANCIAL GROUP HOLDINGS LIMITED

皓天財經集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1260)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

RESULTS

The board of directors (the “**Board**”) of Wonderful Sky Financial Group Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2021 together with the comparative figures for the previous year as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 MARCH 2021

	<i>NOTES</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	3	371,121	450,493
Direct costs		(201,551)	(236,252)
Gross profit		169,570	214,241
Other income		111,104	55,202
Selling expenses		(30,005)	(29,671)
Administrative expenses		(118,450)	(103,224)
Other gain and losses	4	18,714	(8,712)
Impairment loss recognised on financial assets			
– Trade receivables, net		(9,629)	(21,770)
– Debt instruments at fair value through other comprehensive income (“ FVTOCI ”)		(4,982)	(2,551)
Share of results of associates		1,687	850
Finance costs	5	(2,761)	(9,283)
Profit before taxation	6	135,248	95,082
Taxation	7	(16,929)	(19,408)
Profit for the year		118,319	75,674

	<i>NOTE</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Net gain (loss) on change in fair value of debt instruments at FVTOCI, net of tax		32,440	(37,390)
Impairment loss on debt instruments at FVTOCI included in profit or loss		4,982	2,551
Exchange difference arising on translating foreign operation		5,738	5,082
		43,160	(29,757)
Item that will not be reclassified subsequently to profit or loss:			
Loss on change in fair value of equity instruments at FVTOCI		(2,843)	(10,746)
		(2,843)	(10,746)
Other comprehensive income for the year		40,317	(40,503)
Total comprehensive income for the year		158,636	35,171
Earnings per share	9		
– Basic		HK10.3 cents	HK6.3 cents
– Diluted		HK10.3 cents	HK6.3 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2021

	<i>NOTE</i>	2021 HK\$'000	2020 HK\$'000
Non-current assets			
Property, plant and equipment		664,333	662,459
Right-of-use assets		1,894	4,958
Investment property		27,668	26,645
Intangible assets		5,000	10,006
Interests in associates		7,431	6,202
Equity instruments at FVTOCI		22,661	25,242
Financial assets at fair value through profit or loss (“FVTPL”)		130,870	106,952
Debt instruments at FVTOCI		612,877	373,981
Club debenture		12,200	12,200
Deferred tax asset		466	70
Deposits for acquisition of property, plant and equipment		27,502	381
		1,512,902	1,229,096
Current assets			
Contract assets		445	205
Trade and other receivables	10	91,517	84,621
Amounts due from related parties		745	12,148
Financial assets at FVTPL		36,600	–
Debt instruments at FVTOCI		210,227	465,285
Pledged bank deposit		500	–
Bank balances and cash		151,738	107,969
		491,772	670,228

	<i>NOTE</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	11	165,807	134,854
Contract liabilities		23,931	35,338
Taxation payable		12,153	6,997
Bank borrowings		155,286	163,319
Lease liabilities		1,071	2,139
Bank overdrafts		–	70,183
		358,248	412,830
Net current assets		133,524	257,398
Total assets less current liabilities		1,646,426	1,486,494
Non-current liabilities			
Deferred tax liability		2,787	1,103
Lease liabilities		–	1,006
		2,787	2,109
Net assets		1,643,639	1,484,385
Capital and reserves			
Share capital		11,515	11,515
Reserves		1,632,124	1,472,870
Total equity		1,643,639	1,484,385

NOTES

1. GENERAL

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

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

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

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

New and amendments to HKFRSs that are newly adopted for the current year

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2020 consolidated financial statements except for the adoption of the following new/revised HKFRSs issued by Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) that are relevant to the Company and its subsidiaries (collectively referred to as the “**Group**”).

The Group has applied, for the first time, the following new/revised HKFRSs that are relevant to the Group:

Amendments to HKASs 1 and 8	Definition of Material
Amendments to HKAS 39, HKFRSs 7 and 9	Interest Rate Benchmark Reform – Phase 1
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 16	Covid-19-Related Rent Concessions Beyond 30 June 2021

Amendments to HKASs 1 and 8: Definition of Material

The amendments clarify the definition of material and align the definition used across HKFRSs.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 39, HKFRSs 7 and 9: Interest Rate Benchmark Reform – Phase 1

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform (the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark). In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKFRS 3: Definition of a Business

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKFRS 16: Covid-19-Related Rent Concessions Beyond 30 June 2021

The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and allow lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19-related rent concessions that reduce lease payments due on or before June 30, 2022. The amendments do not affect lessors.

These amendments shall be applied for annual periods beginning on or after 1 April 2021 with earlier application permitted. The Group has elected to early adopt the amendments in the current year.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

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

For the year ended 31 March 2021

	Provision of financial public relations services <i>HK\$'000</i>	Organisation and coordination of international roadshows <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue	<u>363,890</u>	<u>7,231</u>	<u>371,121</u>
Segment profit (loss)	<u>105,796</u>	<u>(641)</u>	105,155
Unallocated corporate income			39,698
Investment income from debt instruments at FVTOCI			79,128
Impairment loss recognised on debt instruments at FVTOCI			(4,982)
Staff costs (including retirement benefit schemes contributions and share-based payments)			(34,587)
Share of results of associates			1,687
Other unallocated corporate expenses			(48,090)
Finance costs			<u>(2,761)</u>
Profit before taxation			<u>135,248</u>

For the year ended 31 March 2020

	Provision of financial public relations services HK\$'000	Organisation and coordination of international roadshows HK\$'000	Consolidated HK\$'000
Revenue	<u>373,236</u>	<u>77,257</u>	<u>450,493</u>
Segment profit	<u>112,915</u>	<u>30,879</u>	143,794
Unallocated corporate income			19,308
Investment income from debt instruments at FVTOCI			44,409
Impairment loss recognised on debt instruments at FVTOCI			(2,551)
Staff costs (including retirement benefit schemes contributions and share-based payments)			(37,338)
Expense relating to short-term leases and other leases with lease terms ended within 12 months of the date of initial application of HKFRS 16			(1,634)
Share of results of associates			850
Other unallocated corporate expenses			(62,473)
Finance costs			<u>(9,283)</u>
Profit before taxation			<u>95,082</u>

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit(loss) represents the profit earned (loss incurred) by each segment without allocation of certain other income, certain other gain and losses, central administration costs, directors' salaries, expenses relating to short-term leases and other leases with lease terms ended within 12 months of the date of initial application of HKFRS 16, operating lease rentals, share of results of associates, impairment loss recognised on debt instruments at FVTOCI and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

4. OTHER GAIN AND LOSSES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Net foreign exchange gain (loss)	5,223	(13,324)
Gain (loss) on disposal of debt instruments at FVTOCI	11,202	(3,903)
Gain on change in fair value of financial assets at FVTPL	7,722	7,839
Gain on disposal of interests in associates	–	676
Loss on disposal of property, plant and equipment	(427)	–
Written off of intangible asset	(5,006)	–
	<u>18,714</u>	<u>(8,712)</u>

5. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest on bank borrowings and bank overdrafts	2,657	9,197
Interest on lease liabilities	104	86
	<u>2,761</u>	<u>9,283</u>

6. PROFIT BEFORE TAXATION

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Directors' and chief executive's remuneration	4,708	6,908
Other staff costs	71,759	84,217
Retirement benefit schemes contributions for other staff	2,233	3,638
Share-based payments for other staff	618	457
	<u>79,318</u>	<u>95,220</u>
 Auditor's remuneration	 700	 1,700
Depreciation of property, plant and equipment	36,556	23,215
Depreciation of right-of-use assets	3,319	1,312
Depreciation of investment property	587	612
and after crediting:		
Interest income from bank deposits (included in other income)	650	1,262
Interest income from trade receivables (included in other income)	4,903	–
Other service fee income (included in other income)	11,664	–
Commission income (included in other income)	1,877	2,341
Investment income from debt instruments at FVTOCI (included in other income)	79,128	44,409
Investment income from financial products (included in other income)	631	2,713
Rental income from investment property (included in other income)	664	1,039
Government subsidies (included in other income) (note)	9,566	–
	<u><u>9,566</u></u>	<u><u>–</u></u>

Note: During the year ended 31 March 2021, the Group recognised government grants of approximately HK\$9,566,000 (2020: Nil) in respect of COVID-19-related subsidies provided by the local government authorities. In the opinion of the management of the Group, there were no unfulfilled conditions or contingencies relating to these grants.

7. TAXATION

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong Profits Tax		
– Current tax	19,711	19,521
– Over provision in prior years	<u>(4,565)</u>	<u>(598)</u>
	15,146	18,923
The People's Republic of China (“PRC”) and overseas tax		
– Current tax	431	–
– Under provision in prior years	<u>64</u>	<u>–</u>
	495	–
Deferred taxation	<u>1,288</u>	<u>485</u>
	<u><u>16,929</u></u>	<u><u>19,408</u></u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The PRC enterprise income tax has been provided at the rate of 25% on the estimated assessable profits of a subsidiary in the PRC (2020: Nil).

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

8. DIVIDENDS

No final dividend was proposed for ordinary shareholders of the Company in respect of the years ended 31 March 2021 and 2020, nor has any dividend been proposed since the end of the reporting period.

During the year ended 31 March 2020, the Company declared and paid a final dividend of HK2.7 cents per share, totaling HK\$32,237,000 in respect of the year ended 31 March 2019.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Earnings		
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	<u>118,319</u>	<u>75,674</u>
	2021	2020
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>1,151,454,000</u>	<u>1,193,391,000</u>

The computation of diluted earnings per share does not assume the exercise of the Company's options at exercise prices of HK\$1.174 and HK\$1.5 (2020: HK\$1.174 and HK\$1.5) because the exercise prices of those options were higher than the average market price of shares for the year ended 31 March 2021 (2020: for the year ended 31 March 2020) or the period in which the options were outstanding.

10. TRADE RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables, net of allowance	<u>87,065</u>	<u>81,038</u>

The Group generally grants a credit period of 30 days to its customers.

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:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 30 days	12,989	9,414
31 to 90 days	20,196	6,125
91 days to 1 year	51,078	60,054
Over 1 year	<u>2,802</u>	<u>5,445</u>
	<u>87,065</u>	<u>81,038</u>

11. TRADE PAYABLES

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 30 days	23,001	15,312
31 to 60 days	1,757	2,579
61 to 90 days	6,042	2,413
91 days to 1 year	44,919	11,322
Over 1 year	<u>14,998</u>	<u>–</u>
	<u>90,717</u>	<u>31,626</u>

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

BUSINESS REVIEW

The Group's profit increased from approximately HK\$75.7 million for the year ended 31 March 2020 to approximately HK\$118.3 million for the year ended 31 March 2021, representing an increase of approximately 56.3%. The Group's revenue decreased from approximately HK\$450.5 million for the year ended 31 March 2020 to approximately HK\$371.1 million for the year ended 31 March 2021, representing a decrease of approximately 17.6%.

The Group's business consists of two major business segments, namely, the financial public relations service segment and the international roadshow service segment.

Financial public relation service segment

Our financial public relation services include (i) public relations services; (ii) investor relations services; (iii) financial printing services and (iv) capital markets branding. During the year ended 31 March 2021, this business segment delivered a turnover of approximately HK\$363.9 million (2020: HK\$373.2 million), representing a decrease of approximately 2.5%. The decrease in revenue of this business segment was attributed to the outbreak of epidemic, leading to suspension of normal activities. As Hong Kong's IPO market maintains active throughout the year, the turnover of financial public relation service remained relatively stable for the year ended 31 March 2021. The profit of this business segment for the year ended 31 March 2021 was approximately HK\$105.8 million (2020: HK\$112.9 million), representing a decrease of approximately 6.3%.

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 90.7%, to approximately HK\$7.2 million (2020: HK\$77.3 million) for the year ended 31 March 2021, which was attributed to the outbreak of epidemic, leading to suspension of international roadshow.

Aside from the profit generated from the two business segments, the Group also generated investment income of HK\$79.1 million (2020: HK\$44.4 million) from its bond securities for the year ended 31 March 2021. The Group made a gain of HK\$11.2 million (2020: loss of HK\$3.9 million) from its disposals of debt instruments at FVTOCI which comprising bond securities and unlisted fund. The bond securities comprise bonds listed on The Stock Exchange of Hong Kong Limited (“**HKEx**”), Singapore Exchange Securities Trading Limited (“**SGX**”) or overseas exchanges. The management of the Company observed among the bond securities market, property development bonds recorded a significant decline subsequent to the year ended 31 March 2021. There is net loss on change in fair value of debt instruments at FVTOCI with amount of approximately HK\$17.6 million for the subsequent period when compare to the amount of debt instruments at FVTOCI as at 31 March 2021. The financial impact would be reflected in 2022 financial year. 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 balance of investment as at 31 March 2021 are as follows:

Name of significant investments	Investee’s principle activities	Market value HK\$	Size of fair value relative to the total asset of the Group as at 31 March 2021	Fair value gain (loss) on each significant investment for the year ended 31 March 2021 HK\$	Interest income during the year ended 31 March 2021 HK\$
Silver Grant International Holdings Group Limited	Investment holding	111,206,556	5.5%	9,505,075	–
Kaisa Group Holdings Ltd	Property development	82,140,313	4.1%	1,792,188	–
Gemstones International Limited	Investment holding	76,115,584	3.8%	(630,720)	9,300,000
Xinyuan Real Estate Co., Ltd.	Property development	60,588,640	3.0%	4,346,890	6,405,158

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 and Singapore. The Group is financially sound and its cash position remains healthy. The Group’s bank balances and cash as of 31 March 2021 amounted to approximately HK\$151.7 million.

The Group’s gearing ratio as at 31 March 2021 was 0.2% (2020: 8.5%), based on the short-term bank loans and bank overdrafts of the Group (net of bank balances and cash) and the equity attributable to owners of the Company. As such, the gearing ratio of the Group decreased.

Exchange Rates Exposure

Most of the transactions of the Group were made in Hong Kong dollars, US dollars and Renminbi. As of 31 March 2021, the Group was not exposed to any material exchange risk on US dollars as the exchange rates of Hong Kong dollars and US dollars were relatively stable under the currency peg system. The Group does not currently have a hedging policy on Renminbi but its management monitors such exposure closely and will consider hedging such exposure should the need arise.

Pledge of assets

As at 31 March 2021, owned properties amounted to approximately HK\$592.1 million (31 March 2020: HK\$613.9 million), investment property amounted to approximately HK\$27.7 million (31 March 2020: HK\$26.6 million) and bank deposit amounted to approximately HK\$0.5 million (31 March 2020: Nil) were pledged as securities for bank facilities.

Contingent Liabilities

As at 31 March 2021, the Group had no contingent liabilities.

PROSPECTS

Looking back upon 2020, the impact of novel coronavirus pneumonia (“COVID-19”) as well as political, social and economic uncertainties on the global IPO market, coupled with the rising geopolitical risks, brought more challenges to the economy. Despite this, the Group continued to occupy the relatively stable market shares in Hong Kong IPO market. In the meantime, the Group worked continuously to provide long-term financial services to listed companies.

The continuous outbreaks of COVID-19 have disrupted the traveling between Hong Kong and the mainland since early 2020. Since its inception, the Group has always been adhering to the principle that “the success of our clients is our greatest motivation”. Therefore, in addition to continuing to provide clients with “one-stop” cross-border online roadshows and performance live streaming services through its own Wonderful Sky Cloud APP, the Group has also launched two major online services during the period: the Wonderful Sky Think Tank and Wonderful Sky Ideas Summit, which are designed to offer a more efficient and valuable communication channel for listed company clients and investors, and build the most authoritative think tank platform for capital market.

- “Wonderful Sky Think Tank”: Based on years of in-depth exploration of the capital market and its huge customer base, it integrates data, research and sharing, and has an intelligent network composed of leaders from investment banks, listed companies, industry associations and other sectors;
- “Wonderful Sky Ideas Summit”: It aims to promote the exchange of market views and information sharing between listed companies and investors to achieve mutual inspiration and a win-win situation.

Thanks to the long-term driving force of growth and opportunities generated by the interconnection of the capital markets between Hong Kong and the mainland, and further enhancement of Hong Kong’s status as an international financial center, China supports further interconnection of market between Hong Kong and the mainland, and is gradually expanding the scope of eligible securities under Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

In addition, while continuing to expand overseas and Hong Kong markets, the Group has also expanded its business scope in the mainland market. The Group has established the professional teams at its business premises in Beijing, Shanghai, Shenzhen and Chengdu, and begun to provide better services for regional clients. In the future, the Group will further strengthen its business layout in the mainland, make full use of its geographical advantages of its mainland subsidiaries and the cluster effect of the listed companies, and cement solid foundation for the expansion of the mainland market.

Looking ahead, capital markets will continue to fluctuate due to global political, social and economic uncertainties, and will play more important roles in the context of the global economic turmoil. With its years of industry experience, professional expertise, and efficient service capabilities, the Group will continue to leverage on its experiences, skills and knowledge to continuously expand new growth momentum, create new services with advantages, and consolidate its leading position in the industry.

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

As at 31 March 2021, details of use of proceeds from initial public offering are as follows:

Net proceeds allocation	Intended use of the proceeds	Total proceeds used as at 31 March 2021	The amount of remaining net proceeds as at 31 March 2021 for the intended use	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\$19.8 million	HK\$105.1 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\$19.9 million	HK\$105.0 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\$58.9 million	HK\$6.1 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 31 March 2021, details of use of proceeds from the top-up placement are as follows:

Net proceeds allocation	Intended use of the proceeds	Total proceeds used as at 31 March 2021	The amount of remaining net proceeds as at 31 March 2021 for the intended use	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\$32.9 million	HK\$390.1 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.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 March 2021, the Group had 224 (2020: 169) full-time employees. Total staff costs (including Directors’ emoluments) were approximately HK\$79.3 million (2020: approximately HK\$95.2 million). Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed on an annual basis and bonuses paid, if any, will be based on performance appraisals and other relevant factors. Staff benefits plans maintained by the Group include mandatory provident fund scheme, share option scheme and medical insurance.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “AGM”) will be held on 24 September 2021. The notice of the AGM will be published on the Company’s website (<http://www.wsfg.hk>) and the HKEx’s website (<http://www.hkexnews.hk>) together with the Company’s annual report, in due course in the manner required by the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the year ended 31 March 2021 and up to the date of this announcement.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2021.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The audit committee has met with management to review the Group's annual results for the year ended 31 March 2021, the accounting principles and practices adopted by the Group in the preparation of the consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2021 and also to discuss auditing, internal controls and other financial reporting matters.

CHANGE OF AUDITOR

Deloitte Touche Tohmatsu ("**Deloitte**") has resigned as auditor of the Company with effect from 19 March 2021 as Deloitte and the Company could not reach a consensus on the auditors' remuneration for the year ended 31 March 2021. Deloitte stated in its letter of resignation that, as part of its normal procedures which include an annual consideration of whether it would continue to act for its audit clients, having taken into account many factors including the professional risk associated with the audit, the level of audit fees and its available internal resources in light of its current work flows, it decided to tender its resignation as the auditor of the Company. Mazars CPA Limited ("**Mazars**") has been appointed as auditor of the Company with effect from 19 March 2021 to fill the casual vacancy occasioned by the resignation of Deloitte and to hold office until the conclusion of the next annual general meeting of the Company.

SCOPE OF WORK OF MAZARS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, Mazars, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars on the preliminary announcement.

CORPORATE GOVERNANCE PRACTICES

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

Code provision A.2.1

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors’ securities transactions on the same terms as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, they have confirmed compliance with the required standard set out in the Model Code during the year ended 31 March 2021.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The AGM will be held on 24 September 2021. The result announcement is published on the Company’s website (<http://www.wsfg.hk>) and the HKEx’s website (<http://www.hkexnews.hk>). The annual report containing all the information required by the Listing rules will be available on the same websites in due course in the manner required by the Listing Rules.

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

Hong Kong, 30 June 2021

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.