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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 2022**

**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 2022 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 2022*

|  | <i>NOTES</i> | <b>2022</b><br><b>HK\$'000</b> | 2021<br><i>HK\$'000</i> |
|--|--------------|--------------------------------|-------------------------|
| Revenue  | 3            | <b>303,597</b>                 | 371,121                 |
| Direct costs   |              | <u><b>(145,450)</b></u>        | <u>(201,551)</u>        |
| Gross profit   |              | <b>158,147</b>                 | 169,570                 |
| Other income   |              | <b>56,133</b>                  | 111,104                 |
| Selling expenses   |              | <b>(16,094)</b>                | (30,005)                |
| Administrative expenses  |              | <b>(90,188)</b>                | (118,450)               |
| Other gain and losses  | 4            | <b>(46,967)</b>                | 18,714                  |
| Impairment loss recognised on financial assets   |              |                                |                         |
| – Trade receivables, net   |              | <b>(3,993)</b>                 | (9,629)                 |
| – Debt instruments at fair value through other<br>comprehensive income (“ <b>FVTOCI</b> ”) |              | <b>(183,064)</b>               | (4,982)                 |
| Share of results of associates   |              | <b>993</b>                     | 1,687                   |
| Finance costs  | 5            | <u><b>(286)</b></u>            | <u>(2,761)</u>          |
| (Loss) profit before taxation  | 6            | <b>(125,319)</b>               | 135,248                 |
| Taxation   | 7            | <u><b>(3,604)</b></u>          | <u>(16,929)</u>         |
| (Loss) profit for the year   |              | <u><b>(128,923)</b></u>        | <u>118,319</u>          |

|   | <i>NOTES</i> | <b>2022</b><br><b>HK\$'000</b> | 2021<br><i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| <b>Other comprehensive income</b>   |              |                                |                         |
| Items that are or may be reclassified subsequently to profit or loss:             |              |                                |                         |
| Net (loss) gain on change in fair value of debt instruments at FVTOCI, net of tax |              | <b>(313,361)</b>               | 32,440                  |
| Impairment loss on debt instruments at FVTOCI included in profit or loss          |              | <b>183,064</b>                 | 4,982                   |
| Exchange difference arising on translating foreign operation                      |              | <b>(853)</b>                   | 5,738                   |
|   |              | <u><b>(131,150)</b></u>        | <u>43,160</u>           |
| Item that will not be reclassified subsequently to profit or loss:                |              |                                |                         |
| Gain (loss) on change in fair value of equity instruments at FVTOCI               |              | <u><b>7,255</b></u>            | <u>(2,843)</u>          |
|   |              | <u><b>7,255</b></u>            | <u>(2,843)</u>          |
| Other comprehensive income for the year   |              | <u><b>(123,895)</b></u>        | <u>40,317</u>           |
| Total comprehensive income for the year   |              | <u><b>(252,818)</b></u>        | <u>158,636</u>          |
| (Loss) earnings per share   | 9            |                                |                         |
| – Basic   |              | <u><b>HK(11.2) cents</b></u>   | <u>HK10.3 cents</u>     |
| – Diluted   |              | <u><b>HK(11.2) cents</b></u>   | <u>HK10.3 cents</u>     |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AT 31 MARCH 2022*

|  | <i>NOTES</i> | <b>2022</b><br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> |
|--|--------------|--------------------------------|-------------------------|
| <b>Non-current assets</b>  |              |                                |                         |
| Property, plant and equipment                                      |              | <b>677,765</b>                 | 664,333                 |
| Right-of-use assets  |              | –                              | 1,894                   |
| Investment property  |              | <b>27,113</b>                  | 27,668                  |
| Intangible assets  |              | <b>3,101</b>                   | 5,000                   |
| Interests in associates  |              | <b>8,471</b>                   | 7,431                   |
| Equity instruments at FVTOCI                                       |              | <b>2,946</b>                   | 22,661                  |
| Financial assets at fair value through profit<br>or loss (“FVTPL”) |              | <b>43,099</b>                  | 130,870                 |
| Debt instruments at FVTOCI   |              | <b>73,566</b>                  | 612,877                 |
| Club debenture   |              | <b>12,200</b>                  | 12,200                  |
| Deferred tax asset   |              | <b>4,307</b>                   | 466                     |
| Deposits for acquisition of property, plant<br>and equipment       |              | –                              | 27,502                  |
|  |              | <b>852,568</b>                 | 1,512,902               |
| <b>Current assets</b>  |              |                                |                         |
| Contract assets  |              | <b>770</b>                     | 445                     |
| Trade and other receivables  | 10           | <b>72,112</b>                  | 91,517                  |
| Amounts due from related parties                                   |              | <b>727</b>                     | 745                     |
| Financial assets at FVTPL  |              | <b>139,596</b>                 | 36,600                  |
| Debt instruments at FVTOCI   |              | <b>143,016</b>                 | 210,227                 |
| Tax recoverable  |              | <b>770</b>                     | –                       |
| Pledged bank deposit   |              | –                              | 500                     |
| Bank balances and cash   |              | <b>126,773</b>                 | 151,738                 |
| Time deposits  |              | <b>212,449</b>                 | –                       |
|  |              | <b>696,213</b>                 | 491,772                 |

|                                       | <i>NOTES</i> | <b>2022</b><br><b>HK\$'000</b> | 2021<br><i>HK\$'000</i> |
|---------------------------------------|--------------|--------------------------------|-------------------------|
| <b>Current liabilities</b>            |              |                                |                         |
| Trade and other payables              | 11           | <b>134,650</b>                 | 165,807                 |
| Contract liabilities                  |              | <b>19,236</b>                  | 23,931                  |
| Taxation payable                      |              | <b>3,746</b>                   | 12,153                  |
| Bank borrowings                       |              | –                              | 155,286                 |
| Lease liabilities                     |              | –                              | 1,071                   |
|                                       |              | <u><b>157,632</b></u>          | <u>358,248</u>          |
| Net current assets                    |              | <u><b>538,581</b></u>          | <u>133,524</u>          |
| Total assets less current liabilities |              | <u><b>1,391,149</b></u>        | <u>1,646,426</u>        |
| <b>Non-current liabilities</b>        |              |                                |                         |
| Deferred tax liability                |              | –                              | 2,787                   |
| Net assets                            |              | <u><b>1,391,149</b></u>        | <u>1,643,639</u>        |
| <b>Capital and reserves</b>           |              |                                |                         |
| Share capital                         |              | <b>11,515</b>                  | 11,515                  |
| Reserves                              |              | <u><b>1,379,634</b></u>        | <u>1,632,124</u>        |
| Total equity                          |              | <u><b>1,391,149</b></u>        | <u>1,643,639</u>        |

## 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 immediate 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 2021 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 Group.

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

|   |  |
|---|--|
| Amendments to HKAS 39,<br>HKFRSs 4, 7, 9 and 16 | Interest Rate Benchmark Reform – Phase 2                 |
| Amendments to HKFRS 16                          | Covid-19-Related Rent Concessions Beyond 30<br>June 2021 |

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

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the “Reform”). The amendments complement those issued in November 2019 and relate to:

- changes to contractual cash flows – a company will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- hedge accounting – a company will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and
- disclosures – a company will be required to disclose information about new risks arising from the Reform and how it manages the transition to alternative benchmark rates.

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 contract 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 30 June 2022. The amendments do not affect lessors.

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 2022*

|   | Provision of<br>financial<br>public<br>relations<br>services<br><i>HK\$'000</i> | Organisation<br>and<br>coordination<br>of<br>international<br>roadshows<br><i>HK\$'000</i> | Consolidated<br><i>HK\$'000</i> |
|---|---|--|---------------------------------|
| Revenue   | <u>302,412</u>  | <u>1,185</u>   | <u>303,597</u>                  |
| Segment profit  | <u>110,072</u>  | <u>2,165</u>   | 112,237                         |
| Unallocated corporate income  |   |  | 6,001                           |
| Investment income from debt<br>instruments at FVTOCI  |   |  | 46,931                          |
| Impairment loss recognised on debt<br>instruments at FVTOCI                                     |   |  | (183,064)                       |
| Loss on disposal of debt instruments at<br>FVTOCI   |   |  | (42,858)                        |
| Staff costs (including retirement<br>benefit schemes contributions and<br>share-based payments) |   |  | (24,308)                        |
| Share of results of associates  |   |  | 993                             |
| Other unallocated corporate expenses  |   |  | (40,965)                        |
| Finance costs   |   |  | <u>(286)</u>                    |
| Loss before taxation  |   |  | <u>(125,319)</u>                |

***For the year ended 31 March 2021***

|   | <b>Provision of<br/>financial<br/>public<br/>relations<br/>services<br/><i>HK\$'000</i></b> | <b>Organisation<br/>and<br/>coordination<br/>of<br/>international<br/>roadshows<br/><i>HK\$'000</i></b> | <b>Consolidated<br/><i>HK\$'000</i></b> |
|---|---|---|---|
| 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  |   |   | 28,496                                  |
| Investment income from debt<br>instruments at FVTOCI  |   |   | 79,128                                  |
| Gain on disposal of debt instruments<br>at FVTOCI   |   |   | 11,202                                  |
| Impairment loss recognised on debt<br>instruments at FVTOCI                                     |   |   | (4,982)                                 |
| Staff costs (including retirement<br>benefit schemes contributions and<br>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>                          |

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, 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

|   | <b>2022</b><br><b>HK\$'000</b> | 2021<br><i>HK\$'000</i> |
|---|--------------------------------|-------------------------|
| Net foreign exchange gain   | <b>1,914</b>                   | 5,223                   |
| (Loss) gain on disposal of debt instruments at FVTOCI ( <i>Note</i> ) | <b>(42,858)</b>                | 11,202                  |
| Interest income from financial assets at FVTPL                        | <b>7,000</b>                   | 7,000                   |
| Gain on disposal of financial assets at FVTPL                         | <b>664</b>                     | –                       |
| (Loss) gain on change in fair value of financial assets at FVTPL      | <b>(11,884)</b>                | 722                     |
| Dividend income from financial assets at FVTPL                        | <b>96</b>                      | –                       |
| Loss on disposal of property, plant and equipment                     | –                              | (427)                   |
| Impairment loss on an intangible asset                                | <b>(1,899)</b>                 | –                       |
| Written off of an intangible asset                                    | –                              | (5,006)                 |
|   | <b>(46,967)</b>                | 18,714                  |

*Note:* The amount included reclassification adjustment of loss on debt instruments at FVTOCI of approximately HK\$202,000 (2021: loss of approximately HK\$46,566,000) from equity to profit of loss upon disposal.

#### 5. FINANCE COSTS

|   | <b>2022</b><br><b>HK\$'000</b> | 2021<br><i>HK\$'000</i> |
|---|--------------------------------|-------------------------|
| Interest on bank borrowings and bank overdrafts | <b>271</b>                     | 2,657                   |
| Interest on lease liabilities                   | <b>15</b>                      | 104                     |
|   | <b>286</b>                     | 2,761                   |

## 6. (LOSS) PROFIT BEFORE TAXATION

|  | 2022<br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| <b>(Loss) profit before taxation has been arrived at after charging:</b>     |                         |                         |
| Directors' and chief executive's remuneration                                | 4,764                   | 4,708                   |
| Other staff costs  | 57,862                  | 71,759                  |
| Retirement benefit schemes contributions for other staff                     | 1,948                   | 2,233                   |
| Share-based payments for other staff   | 328                     | 618                     |
|  | <u>64,902</u>           | <u>79,318</u>           |
| <br>   |                         |                         |
| Auditor's remuneration   | 750                     | 700                     |
| Depreciation of property, plant and equipment                                | 34,411                  | 36,556                  |
| Depreciation of right-of-use assets  | 1,933                   | 3,319                   |
| Depreciation of investment property  | 612                     | 587                     |
| <b>and after crediting:</b>  |                         |                         |
| Interest income from bank deposits (included in other income)                | 556                     | 650                     |
| Interest income from trade receivables (included in other income)            | –                       | 4,903                   |
| Other service fee income (included in other income)                          | 291                     | 11,664                  |
| Commission income (included in other income)                                 | 4,950                   | 1,877                   |
| Investment income from debt instruments at FVTOCI (included in other income) | 46,931                  | 79,128                  |
| Investment income from financial products (included in other income)         | 173                     | 631                     |
| Rental income from investment property (included in other income)            | 407                     | 664                     |
| Subsidy income (included in other income) ( <i>note</i> )                    | <u>671</u>              | <u>9,566</u>            |

*Note:* During the year ended 31 March 2022, the Group recognised a subsidy income of approximately HK\$671,000 in respect of New Graduates-New Opportunities Scheme provided by The Hong Kong Chinese Enterprises Association. During the year ended 31 March 2021, the Group recognised government grants of approximately HK\$9,566,000 in respect of COVID-19 related subsidiaries 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/subsidies.

## 7. TAXATION

|   | 2022<br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Hong Kong Profits Tax                                       |                         |                         |
| – Current tax   | 9,409                   | 19,711                  |
| – Under (over) provision in prior years                     | 823                     | (4,565)                 |
|   | <u>10,232</u>           | <u>15,146</u>           |
| The People's Republic of China (the "PRC") and overseas tax |                         |                         |
| – Current tax   | –                       | 431                     |
| – Under provision in prior years                            | –                       | 64                      |
|   | –                       | 495                     |
| Deferred taxation   | <u>(6,628)</u>          | <u>1,288</u>            |
|   | <u><u>3,604</u></u>     | <u><u>16,929</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 (2021: 25%).

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 2022 and 2021, nor has any dividend been proposed since the end of the reporting period.

## 9. (LOSS) EARNINGS PER SHARE

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

|  | 2022<br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| <b>(Loss) earnings</b>   |                         |                         |
| (Loss) profit for the year attributable to owners of the Company for the purposes of basic and diluted (loss) earnings per share | <u>(128,923)</u>        | <u>118,319</u>          |
|  | 2022                    | 2021                    |
| <b>Number of shares</b>  |                         |                         |
| Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share                        | <u>1,151,454,000</u>    | <u>1,151,454,000</u>    |

The computation of diluted (loss) earnings per share does not assume the exercise of the Company's options at exercise prices of HK\$1.174 and HK\$1.5 (2021: 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 2022 or the period in which the options were outstanding.

## 10. TRADE RECEIVABLES

|                                     | 2022<br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> |
|-------------------------------------|-------------------------|-------------------------|
| Trade receivables, net of allowance | <u>67,653</u>           | <u>87,065</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:

|                   | 2022<br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> |
|-------------------|-------------------------|-------------------------|
| Within 30 days    | 17,842                  | 12,989                  |
| 31 to 90 days     | 19,737                  | 20,196                  |
| 91 days to 1 year | 28,990                  | 51,078                  |
| Over 1 year       | <u>1,084</u>            | <u>2,802</u>            |
|                   | <u>67,653</u>           | <u>87,065</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:

|                   | 2022<br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> |
|-------------------|-------------------------|-------------------------|
| Within 30 days    | 11,020                  | 23,001                  |
| 31 to 60 days     | 1,566                   | 1,757                   |
| 61 to 90 days     | 316                     | 6,042                   |
| 91 days to 1 year | 25,644                  | 44,919                  |
| Over 1 year       | <u>60,440</u>           | <u>14,998</u>           |
|                   | <u>98,986</u>           | <u>90,717</u>           |

Trade payables are non-interest bearing and generally have credit terms ranging from 1 to 360 days.

## **BUSINESS REVIEW**

The Group recorded a loss of approximately HK\$128.9 million for the year ended 31 March 2022 as compared to the profit of approximately HK\$118.3 million for the previous year. The Group's revenue decreased from approximately HK\$371.1 million for the year ended 31 March 2021 to approximately HK\$303.6 million for the year ended 31 March 2022, representing a decrease of approximately 18.2%.

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 2022, this business segment delivered a turnover of approximately HK\$302.4 million (2021: approximately HK\$363.9 million), representing a decrease of approximately 16.9%. The decrease in revenue of this business segment was attributed to the continuation of pandemic for the year, leading to suspension of normal activities. The profit of this business segment for the year ended 31 March 2022 was approximately HK\$110.1 million (2021: approximately HK\$105.8 million), representing a slight increase of approximately 4.0%.

### **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 83.6%, to approximately HK\$1.2 million (2021: approximately HK\$7.2 million) for the year ended 31 March 2022, which was attributed to the outbreak of the pandemic, leading to the continuing suspension of international roadshow.

Aside from the profit generated from the two business segments, the Group also generated investment income of approximately HK\$46.9 million (2021: approximately HK\$79.1 million) from its bond securities for the year ended 31 March 2022. The Group made a loss of approximately HK\$42.9 million (2021: gain of approximately HK\$11.2 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. During the year ended 31 March 2022, a net loss on change in fair value of debts instruments at FVTOCI of approximately HK\$313.4 million (2021: a net gain on change in fair value of approximately HK\$32.4 million) was recognised in other comprehensive income and accumulated in the Group’s reserve primarily due to a significant decline in market value of bond securities. At the year end, the Group performed impairment assessment on debt instruments at FVTOCI under the ECL model individually. Based on the results of assessment, the Group recognised impairment loss of approximately HK\$183.1 million (2021: approximately HK\$5.0 million) in profit or loss in connection with the debt instruments at FVTOCI as the credit risk of the bond securities had increased significantly since initial recognition. The Group takes a prudent approach on its investments and reviews their performance regularly. Details of the Group’s significant investment which exceeded 5% of total assets as at 31 March 2022 are as follows:

| Name of significant investment                    | Investee’s principle activities | Market value<br><i>HK\$</i> | Size of fair value relative to the total asset of the Group as at 31 March 2022 | Fair value gain on the significant investment for the year ended 31 March 2022<br><i>HK\$</i> | Interest income during the year ended 31 March 2022<br><i>HK\$</i> |
|---|---------------------------------|-----------------------------|---|---|--|
| Silver Grant International Holdings Group Limited | Investment holding              | 117,144,189                 | 7.56%   | 5,937,633   | 7,000,000  |

## **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. As at 31 March 2022, the Group's bank balances and cash amounted to approximately HK\$126.8 million (2021: approximately HK\$151.7 million), and the Group's time deposits amounted to approximately HK\$212.4 million (2021: Nil).

The Group's gearing ratio as at 31 March 2022 was 0% (2021: 0.2%), 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 2022, 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 2022, owned properties amounted to approximately HK\$570.4 million (31 March 2021: approximately HK\$592.1 million), investment property amounted to approximately HK\$27.1 million (31 March 2021: approximately HK\$27.7 million), and nil of bank deposit (31 March 2021: approximately HK\$0.5 million) were pledged as securities for bank facilities.

### **Contingent Liabilities**

As at 31 March 2022, the Group had no contingent liabilities.

## **PROSPECTS**

Looking back upon 2022, 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, continued to 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 kept on disrupting the traveling between Hong Kong and the mainland during the year. The Group has always been adhering to the principle that “the success of our clients is our greatest motivation”. Under such difficult situations, the management of the Group not only resisted huge market pressure, but also maintained more focus on seeking opportunities among difficulties. In the crisis of the pandemic and the resulting blockade, we seized the opportunities to give full play to our own Wonderful Sky Cloud APP, so as to provide clients with “one-stop” cross-border online roadshows and performance live streaming services. The two major online services launched by the Group last year: the Wonderful Sky Think Tank and Wonderful Sky Ideas Summit, continue 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 professional teams at its business premises in Beijing, Shanghai, Shenzhen and Chengdu, and strive to provide better services for regional clients with the expanded teams. In the future, the Group will further strengthen its business layout in the mainland, make full use of the 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 be volatiled 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, knowledge and the development of online technology 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 2022, 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 2022 | The amount of remaining net proceeds as at 31 March 2022 for the intended use | Expected time of utilisation<br><i>(Note 1)</i> | 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   | 31 December 2023                                | 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   | 31 December 2023                                | 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\$65.0 million                        | Nil   | Completed                                       | Not applicable      |

*Note:*

- 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 2022, 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 2022 | The amount of remaining net proceeds as at 31 March 2022 for the intended use | Expected time of utilisation<br><i>(Note 1)</i> | 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 December 2023                                | 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 2022, the Group had 288 (2021: 224) full-time employees. Total staff costs (including Directors’ emoluments) were approximately HK\$64.9 million (2021: approximately HK\$79.3 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 23 September 2022. 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 2022 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 2022.

## **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 2022, 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 2022 and also to discuss auditing, internal controls and other financial reporting matters.

## **SCOPE OF WORK OF MAZARS CPA LIMITED**

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 2022 as set out in the preliminary announcement have been agreed by the Group’s auditor, Mazars CPA Limited (“**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 2022.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

The AGM will be held on 23 September 2022. 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**  
**Li Liju**  
*Company Secretary*

Hong Kong, 30 June 2022

*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, Sally and Mr. Leung Tsz Wing.*

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