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皓天財經集團

WONDERFUL SKY FINANCIAL GROUP HOLDINGS LIMITED

皓天財經集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1260)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

The board of directors (the “**Board**”) 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 2024 together with comparative figures for corresponding period in 2023 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	<i>Notes</i>	For the six months ended	
		30 September	
		2024	2023
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
Revenue	3	89,280	140,435
Direct costs		(44,039)	(61,183)
Gross profit		45,241	79,252
Other income		23,369	9,568
Selling expenses		(9,603)	(10,600)
Administrative expenses		(36,196)	(45,301)
Other gains and (losses), net		10,383	(12,339)
Impairment loss recognised on financial assets			
– Debt instruments at fair value through other comprehensive income (“FVTOCI”)		(2,594)	(17,161)
Share of results of associates		448	(4)
Finance costs		(28)	(20)
Profit before taxation	4	31,020	3,395
Taxation	5	(2,742)	(560)
Profit for the period		28,278	2,835

		For the six months ended 30 September	
		2024	2023
		(Unaudited)	(Unaudited)
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
Other comprehensive income (loss)			
Items that are or may be reclassified subsequently to profit or loss:			
	Net loss on change in fair value of debt instruments at FVTOCI, net of tax	(12,938)	(25,042)
	Impairment loss on debt instruments at FVTOCI included in profit or loss	2,594	17,161
	Exchange difference arising on translating foreign operation	2,124	2,367
	Other comprehensive loss for the period	(8,220)	(5,514)
	Total comprehensive income (loss) for the period	20,058	(2,679)
	Earnings per share – Basic	HK2.46 cents	HK0.25 cents
	Earnings per share – Diluted	HK2.46 cents	HK0.25 cents
	7		

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

		As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		570,415	585,315
Investment properties		45,028	45,808
Interests in associates		4,599	4,151
Financial assets at fair value through profit or loss (“FVTPL”)		62,400	63,240
Debt instruments at FVTOCI		23,741	29,914
Club debenture	8	12,200	12,200
Deferred tax asset		1,769	1,769
		<hr/> 720,152 <hr/>	<hr/> 742,397 <hr/>
Current assets			
Contract costs		624	257
Trade and other receivables	9	26,922	39,356
Financial assets at FVTPL		26,676	18,228
Debt instruments at FVTOCI		47,536	57,594
Bank balances and cash		226,733	213,710
Time deposits		549,511	506,339
		<hr/> 878,002 <hr/>	<hr/> 835,484 <hr/>

		As at 30 September 2024 (Unaudited) <i>HK\$'000</i>	As at 31 March 2024 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
Current liabilities			
Trade and other payables	10	107,191	109,718
Contract liabilities		8,752	8,752
Taxation payable		4,908	2,166
		<u>120,851</u>	<u>120,636</u>
Net current assets		<u>757,151</u>	<u>714,848</u>
Total assets less current liabilities		<u>1,477,303</u>	<u>1,457,245</u>
Net assets		<u><u>1,477,303</u></u>	<u><u>1,457,245</u></u>
Capital and reserves			
Share capital		11,515	11,515
Reserves		1,465,788	1,445,730
Total equity		<u><u>1,477,303</u></u>	<u><u>1,457,245</u></u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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 addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the interim report.

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

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

The Company and its subsidiaries (collectively referred to as the “**Group**”) have applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time in the current interim period:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

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 adopted the new and amendments to HKFRSs that have been issued but not yet effective.

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 services. 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 2024 (Unaudited)

	Provision of financial public relations services <i>HK\$'000</i> (Unaudited)	Organisation and coordination of international roadshows <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
Revenue	89,156	124	89,280
Segment profit	20,249	6	20,255
Unallocated corporate income			4,325
Interest income from bank deposits			20,736
Gain on change in fair value of financial assets at FVTPL			8,691
Impairment loss recognised on debt instruments at FVTOCI			(2,594)
Staff costs (including retirement benefit scheme contributions)			(9,217)
Share of results of associates			448
Other unallocated corporate expenses			(11,596)
Finance costs			(28)
Profit before taxation			31,020

For the six months ended 30 September 2023 (Unaudited)

	Provision of financial public relations services <i>HK\$'000</i> (Unaudited)	Organisation and coordination of international roadshows <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
Revenue	140,435	–	140,435
Segment profit (loss)	41,006	(138)	40,868
Unallocated corporate income			4,729
Interest income from bank deposits			4,839
Loss on change in fair value of financial assets at FVTPL			(7,035)
Impairment loss recognised on debt instruments at FVTOCI			(17,161)
Staff costs (including retirement benefit scheme contributions)			(13,580)
Share of results of associates			(4)
Other unallocated corporate expenses			(9,241)
Finance costs			(20)
Profit before taxation			<u>3,395</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 other income, certain other gains and losses, central administration costs, directors' salaries, operating lease rentals, share of results of associates, impairment loss recognised on debt instruments of 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. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	For the six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Directors' and chief executive's remuneration	2,374	2,373
Other staff costs	21,859	27,159
Retirement benefit scheme contributions for other staff	1,420	1,738
	<u>25,653</u>	<u>31,270</u>
Depreciation of property, plant and equipment	14,900	15,767
Depreciation of investment properties	780	299
and after crediting:		
Interest income from bank deposits (included in other income)	20,736	4,839
Investment income from		
– financial assets at FVTPL (included in other income)	154	144
– debt instruments at FVTOCI (included in other income)	1,434	2,938
	<u><u>1,434</u></u>	<u><u>2,938</u></u>

5. TAXATION

	For the six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Hong Kong Profits Tax		
– Current tax	2,742	560
	<u>2,742</u>	<u>560</u>

Hong Kong profits tax is calculated at 16.5% (2023: 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 2024 (2023: 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	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Earnings		
Profit for the period attributable to owners of the Company for the purposes of basic and diluted earnings per share	28,278	2,835
	<u>28,278</u>	<u>2,835</u>

	For the six months ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)
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
	<u>1,151,454,000</u>	<u>1,151,454,000</u>

8. CLUB DEBENTURE

Club debenture is measured at cost less any impairment.

9. TRADE RECEIVABLES

	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Trade receivables, net of allowance	<u>23,199</u>	<u>36,079</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:

	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Within 30 days	4,600	5,184
31 to 90 days	4,974	13,066
91 days to 1 year	11,468	17,320
Over 1 year	<u>2,157</u>	<u>509</u>
	<u>23,199</u>	<u>36,079</u>

10. TRADE PAYABLES

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

	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Within 30 days	1,423	3,429
31 to 60 days	1,701	911
61 to 90 days	3,016	102
91 days to 1 year	2,279	2,363
Over 1 year	<u>52,234</u>	<u>56,252</u>
	<u>60,653</u>	<u>63,057</u>

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

BUSINESS REVIEW

The Group's profit increased from approximately HK\$2.8 million for the six months ended 30 September 2023 to approximately HK\$28.3 million for the six months ended 30 September 2024, representing an increase of approximately 10.1 times. This is mainly attributable to the substantial increase in interest income from bank deposits and gain on change in fair value of financial assets at FVTPL during the period. The Group's revenue decreased from approximately HK\$140.4 million for the six months ended 30 September 2023 to approximately HK\$89.3 million for the six months ended 30 September 2024, representing a decrease of approximately 36.4%.

The Group's business consists of two major business segments, namely, the financial public relations services segment and the international roadshow services 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 2024, this business segment delivered a turnover of approximately HK\$89.2 million (Six months ended 30 September 2023: HK\$140.4 million), representing a decrease of approximately 36.5%. The profit of this business segment for the six months ended 30 September 2024 was approximately HK\$20.2 million (Six months ended 30 September 2023: HK\$41.0 million), representing a decrease of approximately 50.7%. The decrease in profit of this business segment was attributed to the sluggish recovery of the IPO market. The global economic uncertainties and high interest rates has impacted market liquidity and valuations, causing a small size of IPOs in the first half of 2024.

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. During the six months ended 30 September 2024, a revenue of HK\$124,000 was recorded for this segment (Six months ended 30 September 2023: nil). There were no revenue for the past few years due to the suspension of international roadshow activities during pandemic. A segment profit of approximately HK\$6,000 was resulted for the six months ended 30 September 2024 (six months ended 30 September 2023: loss of approximately HK\$138,000).

Aside from the profit generated from the two business segments, the Group also generated interest income of HK\$1.4 million (Six months ended 30 September 2023: HK\$2.9 million) from its investments in bond securities for the six months ended 30 September 2024. The bond securities comprise bonds listed on the Stock Exchange and Singapore Exchange Securities Trading Limited (“**SGX**”). The Group takes a conservative approach on its investments and reviews their performance regularly.

Taking the advantage of a high interest rates environment, the Group has deposited most of its investments and excess cash into fixed deposits. During the six months ended 30 September 2024, the Group has earned bank interests of approximately HK\$20.7 million (Six months ended 30 September 2023: approximately HK\$4.8 million), representing an increase of approximately 331.3%.

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, and time deposits as of 30 September 2024 amounted to approximately HK\$226.7 million (31 March 2024: HK\$213.7 million) and HK\$549.5 million (31 March 2024: HK\$506.3 million), respectively.

The Group has no short-term bank loan or bank overdraft as at 30 September 2024 (31 March 2024: nil), therefore, the Group's gearing ratio as at 30 September 2024 was 0% (31 March 2024: 0%).

Exchange rate exposure

Most of the transactions of the Group were made in Hong Kong dollars, US dollars and Renminbi. As of 30 September 2024, 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 does not currently have a 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 31 March 2024, owned properties amounted to approximately HK\$525.4 million million, and investment properties amounted to approximately HK\$26.0 million were pledged as securities for revolving banking facilities.

The Group has no pledge of assets as at 30 September 2024.

CONTINGENT LIABILITIES

As at 30 September 2024, the Group had no contingent liabilities.

Outlook

From mid-April, the Hang Seng Index rebounded, improving market liquidity and valuations. This positive trend continued into the second half of the year and led into a particular strong performance in third quarter of 2024, with Hong Kong regaining its position among the top five global IPO venues. This resurgence was driven by the listing of one of the Group's customers, a major Chinese home appliance manufacturer. With an IPO fund raising record of HK\$31.01 billion, it has marked the largest IPO in Hong Kong since 2022.

There are several key factors behind the boosting of the capital market. These include the US Federal Reserve's interest rate cut and the Chinese government's newly announced stimulus package, aiming to enhance liquidity inflows and support economic growth. Combined with the State Council's new regulatory measures introduced since April 2024 which helped maintain the pace of A-share IPOs, the initiative is expected to lead to an increase in large IPOs for the remainder of 2024 and beyond.

Despite of initial challenges, the Hong Kong IPO market demonstrated resilience and adaptability, positioning itself as a leading fundraising hub. With continued government support and favorable economic conditions, the Hong Kong IPO market is expected to see more large and sizable listings in the coming months. As the leader of financial public relations services in the Hong Kong IPO industry, the Group will seize opportunities to expand its customer base in the uprising cycle and to deepen its professional services among existing long-term customers.

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

As at 30 September 2024, 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 2024 for the intended use	Total proceeds used as at 30 September 2024	Expected time of utilisation ^(Note)	Change in intention
Approximately HK\$124.9 million	For strategic mergers with and acquisitions of companies with experience in the public relations business, investor relations business, financial printing business or international roadshow business	Approximately HK\$105.1 million	HK\$19.8 million	31 December 2024	No
Approximately HK\$124.9 million	For financing the possible acquisition or setting up of a joint venture with a public relations firm in the PRC	Approximately HK\$59.4 million	HK\$65.5 million	31 December 2024	No

As at 30 September 2024, 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 2024 for the intended use	Total proceeds used as at 30 September 2024	Expected time of utilisation ^(Note)	Change in intention
Approximately HK\$423.0 million	For developing a mobile internet professional service platform, the “Wonderful Sky Cloud”, which provides online to offline (“O2O”) financial services to our customers and the public investment community	Approximately HK\$353.7 million	HK\$69.3 million	31 December 2024	No

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.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 September 2024, the Group had 180 full-time employees. Total staff costs (including Directors' emoluments) were approximately HK\$25.7 million for the six months period ended 30 September 2024. 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 2024.

Code provision C.2.1

Under code provision C.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 to facilitate the implementation and execution of the Group's business strategies. 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 six months ended 30 September 2024.

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

During the six months ended 30 September 2024, 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 (“**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 Mr. Cheung Kwong Tat, Ms. Li Ling Xiu and Ms. Lam, Sally. This Committee is chaired by Mr. Cheung Kwong Tat.

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 2024.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement is published on the websites of the Company and the HKEx. The interim report will be despatched to shareholders of the Company and made available on the same websites in due course.

APPRECIATION

On behalf of the Board, I would like to express its sincere gratitude to all our staff for their dedication and contribution, as well as to all our customers, suppliers, business associates and shareholders for their continuous support to the Group over the period.

By order of the Board
Wonderful Sky Financial Group Holdings Limited
Li Liju
Company Secretary

Hong Kong, 29 November 2024

As at the date of this announcement, the executive directors of the Company are Mr. Liu Tianni and Ms. Liu Yan Yi, Joyce; the independent non-executive directors of the Company are Ms. Li Ling Xiu, Ms. Lam, Sally and Mr. Cheung Kwong Tat.

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