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 2020

RESULTS

The board of directors (the "**Board**") of Wonderful Sky Financial Group Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2020 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 2020

	NOTES	2020 HK$'000	2019 HK$'000
Revenue	3	**450,493**	651,393
Direct costs		**(236,252)**	(311,616)
Gross profit		**214,241**	339,777
Other income		**55,202**	48,922
Selling expenses		**(29,671)**	(30,707)
Administrative expenses		**(103,224)**	(91,391)
Other gains and losses	4	**(8,712)**	(31,758)
Impairment loss recognised on financial assets			
– Trade receivables, net		**(21,770)**	(28,395)
– Debt instruments at fair value through other comprehensive income ("**FVTOCI**")		**(2,551)**	(960)
Share of results of associates		**850**	1,263
Finance costs	5	**(9,283)**	(10,990)
Profit before taxation	6	**95,082**	195,761
Taxation	7	**(19,408)**	(34,248)
Profit for the year		**75,674**	161,513

	NOTE	2020 HK$'000	2019 HK$'000
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Net (loss) gain on change in fair value of debt instruments at FVTOCI		**(37,390)**	9,000
Impairment loss on debt instruments at FVTOCI included in profit or loss		**2,551**	960
Exchange difference arising on translating foreign operation		**5,082**	11,927
		(29,757)	21,887
Item that will not be reclassified to profit or loss:			
Loss on change in fair value of equity instruments at FVTOCI		**(10,746)**	(17,530)
		(10,746)	(17,530)
Other comprehensive (expense) income for the year		**(40,503)**	4,357
Total comprehensive income for the year		**35,171**	165,870
Earnings per share	9		
– Basic		**HK6.3 cents**	HK13.5 cents
– Diluted		**HK6.3 cents**	HK13.5 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2020

	NOTE	**2020** **HK$'000**	2019 HK$'000
Non-current assets			
Property, plant and equipment		**662,459**	702,679
Right-of-use assets		**4,958**	–
Investment property		**26,645**	–
Intangible assets		**10,006**	10,006
Interests in associates		**6,202**	16,185
Equity instruments at FVTOCI		**25,242**	35,988
Financial assets at fair value through profit or loss ("**FVTPL**")		**106,952**	169,020
Debt instruments at FVTOCI		**373,981**	361,272
Club debenture		**12,200**	12,200
Deferred tax asset		**70**	1,245
Deposits for acquisition of property, plant and equipment		**381**	152
		1,229,096	1,308,747
Current assets			
Contract assets		**205**	897
Trade and other receivables	10	**84,621**	260,653
Amounts due from related parties		**12,148**	5,652
Debt instruments at FVTOCI		**465,285**	77,242
Financial products		**–**	109,717
Taxation recoverable		**–**	10,802
Bank balances and cash		**107,969**	158,900
		670,228	623,863

	NOTE	2020 HK$'000	2019 HK$'000
Current liabilities			
Trade and other payables	11	**134,854**	149,097
Contract liabilities		**35,338**	63,805
Taxation payable		**6,997**	21,723
Bank borrowings		**163,319**	198,164
Lease liabilities		**2,139**	–
Bank overdrafts		**70,183**	–
		412,830	432,789
Net current assets		**257,398**	191,074
Total assets less current liabilities		**1,486,494**	1,499,821
Non-current liabilities			
Deferred tax liability		**1,103**	1,793
Lease liabilities		**1,006**	–
		2,109	1,793
Net assets		**1,484,385**	1,498,028
Capital and reserves			
Share capital		**11,515**	11,940
Reserves		**1,472,870**	1,486,088
Total equity		**1,484,385**	1,498,028

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 and principal associate 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 mandatorily effective 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 year:

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

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.1 HKFRS 16 "Leases"

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 "Leases", and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) - Int 4 "Determining whether an Arrangement contains a Lease" and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 April 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019.

As at 1 April 2019, the Group recognised additional lease liabilities and measured right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid or accrued lease payments by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening accumulated profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and

ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

	At 1 April 2019
	HK$'000
Operating lease commitments disclosed at 31 March 2019	1,766
Less: Recognition exemption – short term lease	(1,632)
Practical expedient – leases with lease term ending within 12 months from the date of initial application	(134)
Lease liabilities as at 1 April 2019	–

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the new and amendments to HKFRSs that have been issued but are 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. 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 2020

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshows *HK$'000*	Consolidated *HK$'000*
Revenue	**373,236**	**77,257**	**450,493**
Segment profit	**112,915**	**30,879**	**143,794**
Unallocated corporate income			**63,717**
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 leases 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			**(9,283)**
Profit before taxation			**95,082**

For the year ended 31 March 2019

	Provision of financial public relations services	Organisation and coordination of international roadshows	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
Revenue	526,925	124,468	651,393
Segment profit	232,194	23,598	255,792
Unallocated corporate income			54,607
Impairment loss recognised on debt instruments at FVTOCI			960
Staff costs (including retirement benefit schemes contributions and share-based payments)			(42,896)
Operating lease rentals			(3,316)
Share of results of associates			1,263
Other unallocated corporate expenses			(59,659)
Finance costs			(10,990)
Profit before taxation			195,761

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of other income, other gains 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 GAINS AND LOSSES

	2020	2019
	HK$'000	*HK$'000*
Net foreign exchange loss	**(13,324)**	(1,349)
Loss on disposal of debt instruments at FVTOCI	**(3,903)**	(35,345)
Gain on change in fair value of financial assets at FVTPL	**7,839**	5,685
Gain on disposal of interests in associates	**676**	–
Loss on disposal of property, plant and equipment	**–**	(749)
	(8,712)	(31,758)

5. FINANCE COSTS

	2020	2019
	HK$'000	*HK$'000*
Interest on bank borrowings and bank overdrafts	**9,197**	10,990
Interest on lease liabilities	**86**	–
	9,283	10,990

6. PROFIT BEFORE TAXATION

	2020	2019
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Directors' and chief executive's remuneration	**6,908**	4,098
Other staff costs	**84,217**	87,194
Retirement benefit schemes contributions for other staff	**3,638**	5,254
Share-based payments for other staff	**457**	1,577
	95,220	98,123
Auditor's remuneration	**1,700**	1,370
Depreciation of property, plant and equipment	**23,215**	23,079
Depreciation of right-of-use assets	**1,312**	–
Depreciation of investment property	**612**	–
Operating lease rentals in respect of office premises and staff quarters	**–**	3,316
and after crediting:		
Interest income from bank deposits	**1,262**	525
Commission income (included in other income)	**2,341**	5,358
Investment income from debt instruments at FVTOCI (included in other income)	**44,409**	37,569
Investment income from financial products (included in other income)	**2,713**	2,086
Rental income from investment property	**1,039**	–

7. TAXATION

	2020	2019
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– Current tax	**19,521**	36,996
– Overprovision in prior years	**(598)**	(3,280)
	18,923	33,716
Deferred taxation	**485**	532
	19,408	34,248

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%.

8. DIVIDENDS

No final dividend was proposed for ordinary shareholders of the Company for the year ended 31 March 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, totalling 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:

	2020	2019
	HK$'000	*HK$'000*
Earnings		
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	**75,674**	161,513

	2020	2019
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,193,391,000**	1,193,974,000
Effect of dilutive potential ordinary shares on share options	**–**	200,709
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,193,391,000**	1,194,174,709

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 (2019: HK$1.174 and HK$1.5) because the exercise prices of those options were higher than the average market price for shares for the year ended 31 March 2020.

10. TRADE RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
Trade receivables, net of allowance	**81,038**	252,460

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:

	2020	2019
	HK$'000	*HK$'000*
Within 30 days	**9,414**	73,639
31 to 90 days	**6,125**	43,212
91 days to 1 year	**60,054**	122,538
Over 1 year	**5,445**	13,071
	81,038	252,460

11. TRADE PAYABLES

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

	2020	2019
	HK$'000	*HK$'000*
Within 30 days	**15,312**	22,806
31 to 60 days	**2,579**	1,536
61 to 90 days	**2,413**	2,770
91 days to 1 year	**11,322**	4,792
Over 1 year	**–**	1,830
	31,626	33,734

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

BUSINESS REVIEW

The Group's profit decreased from approximately HK$161.5 million for the year ended 31 March 2019 to approximately HK$75.7 million for the year ended 31 March 2020, representing a decrease of approximately 53.1%. The Group's revenue decreased from approximately HK$651.4 million for the year ended 31 March 2019 to approximately HK$450.5 million for the year ended 31 March 2020, representing a decrease of approximately 30.8%.

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 2020, this business segment delivered a turnover of approximately HK$373.2 million (2019: HK$526.9 million), representing a decrease of approximately 29.2%. The profit of this business segment for the year ended 31 March 2020 was approximately HK$112.9 million (2019: HK$232.2 million), representing a decrease of approximately 51.4%. The decrease in revenue and profit of this business segment was attributed to the social events and the outbreak of epidemic, leading to suspension of normal activities.

International roadshow service segment

Our international roadshow services include coordination, organisation and management of the overall logistics of roadshows for our clients. While we handle this for our clients, they would be able to focus on the presentation aspect of the roadshows. The revenue of this segment decreased by approximately 37.9%, to approximately HK$77.3 million (2019: HK$124.5 million) for the year ended 31 March 2020, 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$52.3 million (2019: HK$40.5 million) from its bond securities for the year ended 31 March 2020. However, affected by performance of the global bond market, the Group made a loss of HK$3.9 million (2019: HK$35.3 million) from its disposals of bond securities, debt instruments at FVTOCI 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 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 2020 are as follows:

Bond issuer name	Listed on	Investee's principle activities	Bond code	Coupon Rate	Maturity date	Face value	Market value	Coupon interest receivable	Fair value gain (loss) on each significant investment	Size of fair value relative to the total asset of the Company as at 31 March 2020
						US Dollars	*HK$*	*HK$*	*HK$*	
Agile Group Holdings Limited	SGX	Property development	XS2003471617	8.38%	4 June 2168	1,000,000	6,627,025	209,142	(1,122,975.00)	0.35%
CALC Bond 2 Limited	HKEx	Investment holding	XS1479152685	4.90%	22 August 2021	3,000,000	21,738,750	123,416	(1,511,250.00)	1.14%
Central China Real Estate Limited	SGX	Property development	XS1809984625	6.88%	23 October 2020	2,000,000	15,050,500	464,731	(449,500.00)	0.79%
	SGX	Property development	XS1809984625	6.88%	23 October 2020	1,000,000	7,541,913	233,849	(208,087.50)	0.40%
Central Plaza Development Limited	HKEx	Property development	XS2076167456	5.75%	N/A	2,500,000	18,914,844	423,964	(460,156.25)	1.00%
CFLD (Cayman) Investment Limited	SGX	Investment holding	XS1729851490	6.50%	21 December 2020	1,000,000	7,481,850	139,934	(268,150.00)	0.39%
	SGX	Investment holding	XS2100597256	6.90%	13 January 2023	4,000,000	25,807,500	463,450	(5,192,500.00)	1.36%
	SGX	Investment holding	XS1729851490	6.50%	21 December 2020	3,000,000	22,087,756	415,594	(1,162,244.25)	1.16%
China Evergrande Group Limited	SGX	Property development	XS2001800890	8.90%	24 May 2021	4,000,000	27,902,170	–	(3,097,830.00)	1.47%
	SGX	Property development	XS1982036961	9.50%	11 April 2022	5,000,000	31,485,406	1,728,142	(7,264,594.25)	1.66%
China South City Holding Limited	SGX	Property development	XS1756727290	7.25%	25 January 2021	5,000,000	33,712,902	507,248	(5,037,097.54)	1.77%
Gemstones International	SGX	Investment holding	XS2098347821	12.00%	10 March 2023	10,000,000	76,746,304	103,333	(753,695.71)	4.04%
Golden Wheel Tiandi Holdings Company Limited	SGX	Property development	XS1751017218	7.00%	18 January 2021	500,000	3,429,375	55,002	(445,625.00)	0.18%
Greenland Global Investment Limited	HKEx	Investment holding	XS2016768439	6.75%	25 June 2022	3,000,000	22,014,262	418,500	(1,235,737.81)	1.16%
	HKEx	Investment holding	XS2055399054	6.75%	26 September 2023	5,000,000	34,349,938	36,332	(4,400,062.19)	1.81%

Bond issuer name	Listed on	Investee's principle activities	Bond code	Coupon Rate	Maturity date	Face value	Market value	Coupon interest receivable	Fair value gain (loss) on each significant investment	Size of fair value relative to the total asset of the Company as at 31 March 2020
						US Dollars	*HK$*	*HK$*	*HK$*	
Greentown China Holdings Limited	HKEx	Property development	XS2076070619	4.55%	10 November 2020	10,000,000	75,659,375	1,351,724	(1,840,625.00)	3.98%
Helenbergh China Holdings Limited	SGX	Property development	XS2045761140	12.88%	14 October 2021	5,000,000	35,936,750	2,314,367	(2,813,250.00)	1.89%
Jiayuan International Group Limited	HKEx	Property development	XS2024526043	13.75%	11 March 2022	3,000,000	19,764,668	168,724	(3,485,332.33)	1.04%
	HKEx	Property development	XS2066357034	13.75%	18 February 2023	2,000,000	15,189,946	959,063	(310,054.25)	0.80%
Jingrui Holdings Limited	HKEx	Property development	XS159037886	7.75%	12 April 2020	5,000,000	37,355,000	1,401,456	(1,395,000.00)	1.97%
New Metro Global Limited	SGX	Investment holding	XS2084413454	7.50%	16 December 2021	500,000	3,655,326	–	(219,673.75)	0.19%
Power Best Global Investments Limited	HKEx	Investment holding	XS1972871013	13.00%	4 April 2021	2,000,000	14,416,765	985,111	(1,083,234.55)	0.76%
Radiance Capital Investments Limited	SGX	Investment holding	XS2100023832	10.50%	16 January 2022	2,500,000	19,496,094	423,832	121,093.75	1.03%
Redco Properties Group Limited	SGX	Property development	XS1871136286	11.00%	29 August 2020	3,200,000	23,312,149	242,489	(1,487,851.20)	1.23%
	SGX	Property development	XS2088868273	11.50%	8 December 2020	4,000,000	27,900,000	1,099,206	(3,100,000.00)	1.47%
	SGX	Property development	XS1871136286	11.00%	29 August 2020	1,000,000	7,323,750	71,044	(426,250.00)	0.39%
Right Time Steady Investment SP (Class M)	Unlisted	Investment holding	N/A	N/A	N/A	N/A	8,437,659	–	–	0.44%
Scenery Journey Limited	SGX	Property development	XS1903671698	11.00%	6 November 2020	1,000,000	7,441,240	–	(308,760.00)	0.39%
Silver Grant Convertible Bond	Unlisted	Investment holding	N/A	7.00%	2 July 2022	12,903,226	106,951,481	–	6,951,481.00	5.63%
Sinic Holdings (Group) Company Limited	SGX	Investment holding	XS2107314234	11.75%	10 March 2021	5,000,000	36,318,438	–	(2,431,562.50)	1.91%
Sunshine 100 China Holdings Limited	SGX	Property development	XS1690385460	8.50%	27 September 2020	12,000,000	80,910,000	69,533	(12,090,000.00)	4.26%
Xinyuan Real Estate Company Limited	SGX	Property development	XS1567240418	7.75%	28 February 2021	5,000,000	31,000,399	266,944	(7,749,600.88)	1.63%
	SGX	Property development	XS1567240418	7.75%	28 February 2021	4,000,000	25,361,875	220,232	(5,638,125.00)	1.34%

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 2020 amounted to approximately HK$108.0 million.

The Group's gearing ratio as at 31 March 2020 was 8.5% (2019: 2.6%), 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 increased.

Exchange Rates Exposure

Most of the transactions of the Group were made in Hong Kong dollars, US dollars and Renminbi. As of 31 March 2020, 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 2020, owned properties amounted to approximately HK$613.9 million (31 March 2019: HK$655.8 million) and investment property amounted to approximately HK$26.6 million (31 March 2019: nil) were pledged as securities for bank facilities.

Contingent Liabilities

As at 31 March 2020, the Group had no contingent liabilities.

PROSPECTS

Looking back to 2019, the global economy was stagnant due to the outbreak of global epidemic, as well as the Sino-US trade frictions, and the economy of Hong Kong was also under severe strain. Hong Kong, however, maintains prominence as an international financial center with its IPO market active as ever throughout the year. In 2019, the Hong Kong Stock Exchange successfully defended its position as the world's top IPO fundraising market with HK$312.8 billion of net proceeds raised. As a result, the Group continues to enjoy an absolute leading market share in the Hong Kong IPO market. All at the same time, the Group continues to provide long-term financial services for listed companies.

In the era of intelligent digitalisation, the Group actively carries out the construction of digital platforms, and the independently developed WS Cloud APP has become the leading high-end financial APP in Hong Kong. WS Cloud APP integrates group resources with market information and live roadshows, and provides customers with "one-stop" financial services online. More than 100,000 institutional investors/brokerage analysts/media reporters and other professionals have started using the APP. In 2019, WS Cloud has successfully hosted nearly a hundred IPO ceremonies, press conferences and industry summits that attracted worldwide attention.

Commutation between Hong Kong and the Mainland has been disrupted by COVID-19 in early 2020. WS Cloud live provides customers with a "one-stop" cross-border online roadshow solution, and has since provided online roadshows and live results conference services for a number of listed companies in Hong Kong. With its "professional and convenient" features, WS Cloud APP not only maximizes the expansion of online services, but also increases the loyalty of existing customers, assisting the Group's intelligently digitalized strategies.

As the Stock Connect between capital markets of China and Hong Kong brings forth long-term momentum and opportunities, as well as the deepening of investors' understanding of the Stock Connect mechanism, the capital markets in China and Hong Kong will be imbued with new found vitality. While continuing to expand into the overseas and the Hong Kong markets, the Group has increased its presence in the Mainland market. In 2019, the Group expanded its offices in Beijing, Shanghai, Shenzhen and Chengdu, and also their respective teams to provide better services to regional customers. The Group has further deepened the layout in the Mainland, harnessed the geographical advantages of its Mainland branches and the clustering effect of listed companies, and injected strong momentum into the development of the Mainland market.

Looking ahead, Hong Kong's position as the global financial center will not be undermined by the impact of COVID-19 and increased global economic uncertainties in 2020, it will rather play an ever more important role in the global economic turmoil. The Group believes that with years of experience, expertise, a huge customer base and efficient service capabilities in the industry, Wonderful Sky will continue to enhance its competitive edge for a brighter future.

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

As at 31 March 2020, details of use of proceeds from initial public offering are as follows:

Net proceeds allocation	Intended use of the proceeds	Actual use of the proceeds as at 31 March 2019	The amount of remaining net proceeds as at 31 March 2019 for the intended use	Actual use of the total proceeds during the year ended 31 March 2020	The amount of remaining net proceeds as at 31 March 2020 for the intended use	Total proceeds used as at 31 March 2020	Expected time of utilisation *(Note 1)*	Change in intention
Approximately HK$124.9 million	For strategic mergers with and acquisitions of companies with experience in the public relations business, investor relations business, financial printing business or international roadshow business.	Approximately HK$19.8 million has been used in purchasing approximately 5.11% registered capital of Weconvene Group Limited.	HK$105.1 million	–	Approximately HK$105.1 million	HK$19.8 million	30 April 2022	No
Approximately HK$65.0 million	For the establishment of an additional office in Hong Kong, the recruitment of additional staff members and other general corporate purposes.	Approximately HK$54.9 million has been utilized for purchase of office equipment and general corporate purposes.	HK$10.1 million	HK$0.9 million	Approximately HK$9.2 million	HK$55.8 million	31 December 2021	No

Note:

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

As at 31 March 2020, details of use of proceeds from the top-up placement are as follows:

Net proceeds allocation	Intended use of the proceeds	Actual use of the proceeds as at 31 March 2019	The amount of remaining net proceeds as at 31 March 2019 for the intended use	Actual use of the total proceeds during the year ended 31 March 2020	The amount of remaining net proceeds as at 31 March 2020 for the intended use	Total proceeds used as at 31 March 2020	Expected time of utilisation *(Note 1)*	Change in intention
Approximately HK$423.0 million	For developing a mobile internet professional service platform, the "Wonderful Sky Cloud", which provides online to offline ("**O2O**") financial services to our customers and the public investment community.	Approximately HK$26.1 million has been used in development of professional service platform, improvement of backstage databases and professional consulting fee.	HK$396.9 million	HK$4.1 million	HK$392.8 million	HK$30.2 million	31 January 2022	No

Note:

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

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 March 2020, the Group had 169 full-time employees. 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 25 September 2020. 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) and sent to the shareholders of the Company, together with the Company's annual report, in due course.

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

During the year, the Company repurchased a total of 42,520,000 ordinary shares of the Company on the Stock Exchange, which were cancelled on 2 April 2020. The details of the repurchases were disclosed as follows:

Date of Repurchase	No. of Shares Repurchase	Repurchased Price Highest	Repurchased Price Lowest	Total Consideration Paid
		HK$	*HK$*	*HK$'000*
19 March 2020	20,000	0.35	0.35	7,000
27 March 2020	42,500,000	0.40	0.40	17,000,000
Total	**42,520,000**			**17,007,000**

Saved as disclosed herein, 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 2020.

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 2020, the accounting principles and practices adopted by the Group in the preparation of the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2020 and also to discuss auditing, internal controls and other financial reporting matters.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

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 2020 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu 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.

Code provision A.6.7

Under code provision A.6.7 of the Code, independent non-executive directors and other non-executive directors, should attend general meetings and develop a balanced understanding of the views of shareholders.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on the same terms as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, they have confirmed compliance with the required standard set out in the Model Code during the year ended 31 March 2020.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The AGM will be held on 25 September 2020. 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, and will be dispatched to the shareholders in due course.

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

Hong Kong, 30 June 2020

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.