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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 2023**

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 2023 together with comparative figures for corresponding period in 2022 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**  
*FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023*

	<i>Notes</i>	<b>For the six months ended 30 September</b>	
		<b>2023 (Unaudited) <i>HK\$'000</i></b>	<b>2022 (Unaudited) <i>HK\$'000</i></b>
<b>Revenue</b>	3	<b>140,435</b>	168,761
Direct costs		<b>(61,183)</b>	(80,271)
<b>Gross profit</b>		<b>79,252</b>	88,490
Other income		<b>9,568</b>	24,156
Selling expenses		<b>(10,600)</b>	(11,567)
Administrative expenses		<b>(45,301)</b>	(57,227)
Other gains and (losses), net		<b>(12,339)</b>	(5,193)
Impairment loss recognised on financial assets			
– Debt instruments at fair value through other comprehensive income ("FVTOCI")		<b>(17,161)</b>	(7,152)
Share of results of associates		<b>(4)</b>	(1,781)
Finance costs		<b>(20)</b>	(213)
<b>Profit before taxation</b>	4	<b>3,395</b>	29,513
Taxation	5	<b>(560)</b>	(5,158)
<b>Profit for the period</b>		<b>2,835</b>	24,355

		<b>For the six months ended 30 September</b>	
		<b>2023</b>	2022
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<i>Notes</i>		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Other comprehensive income(loss)</b>			
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	<b>(25,042)</b>	(42,219)
	Impairment loss on debt instruments at FVTOCI included in profit or loss	<b>17,161</b>	7,152
	Exchange difference arising on translating foreign operation	<b>2,367</b>	–
	<b>Other comprehensive loss for the period</b>	<b>(5,514)</b>	(35,067)
	<b>Total comprehensive loss for the period</b>	<b>(2,679)</b>	(10,712)
	<b>Earnings per share – Basic</b>	<b>HK0.25 cents</b>	HK2.1 cents
	<b>Earnings per share – Diluted</b>	<b>HK0.25 cents</b>	HK2.1 cents
	7		

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 30 SEPTEMBER 2023*

		<b>As at 30 September 2023 (Unaudited) HK\$'000</b>	<b>As at 31 March 2023 (Audited) HK\$'000</b>
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		<b>598,829</b>	617,783
Investment property		<b>47,031</b>	48,495
Interests in associates		<b>10,487</b>	13,804
Financial assets at fair value through profit or loss (“FVTPL”)		<b>76,201</b>	78,460
Debt instruments at FVTOCI		<b>25,969</b>	45,416
Club debenture	8	<b>12,200</b>	12,200
Deferred tax asset		<b>2,521</b>	2,521
		<hr/> <b>773,238</b> <hr/>	<hr/> 818,679 <hr/>
<b>Current assets</b>			
Contract costs		<b>624</b>	624
Trade and other receivables	9	<b>61,451</b>	54,411
Amounts due from related parties		<b>1,162</b>	1,228
Financial assets at FVTPL		<b>18,372</b>	23,148
Debt instruments at FVTOCI		<b>75,490</b>	81,086
Bank balances and cash		<b>226,822</b>	75,540
Time deposits		<b>419,738</b>	557,411
		<hr/> <b>803,659</b> <hr/>	<hr/> 793,448 <hr/>

		<b>As at 30 September 2023 (Unaudited) HK\$'000</b>	<b>As at 31 March 2023 (Audited) HK\$'000</b>
	<i>Notes</i>		
<b>Current liabilities</b>			
Trade and other payables	10	<b>83,380</b>	110,161
Contract liabilities		<b>18,466</b>	20,430
Taxation payable		<b>2,703</b>	6,509
		<u><b>104,549</b></u>	<u>137,100</u>
Net current assets		<u><b>699,110</b></u>	<u>656,348</u>
Total assets less current liabilities		<u><b>1,472,348</b></u>	<u>1,475,027</u>
<b>Net assets</b>		<u><b>1,472,348</b></u>	<u>1,475,027</u>
<b>Capital and reserves</b>			
Share capital		<b>11,515</b>	11,515
Reserves		<b>1,460,833</b>	1,463,512
<b>Total equity</b>		<u><b>1,472,348</b></u>	<u>1,475,027</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
*FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023*

**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 of the annual 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.

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	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKFRS 17	Insurance Contracts
Amendments to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information

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 has two operating segments, namely, the financial public relations service segment and the organisation and coordination of international roadshow service segment. These operating segments have been identified on the basis of internal management reports that are regularly reviewed by the Chief Executive Officer of the Company who is the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance. No operating segments have been aggregated in arriving at the reportable segments of the Group.

#### Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

*For the six months ended 30 September 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	<u>140,435</u>	<u>-</u>	<u>140,435</u>
Segment profit (loss)	<u>41,006</u>	<u>(138)</u>	40,868
Unallocated corporate income			9,568
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			(16,276)
Finance costs			<u>(20)</u>
Profit before taxation			<u><u>3,395</u></u>

*For the six months ended 30 September 2022 (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	<u>168,761</u>	<u>–</u>	<u>168,761</u>
Segment profit (loss)	<u>55,560</u>	<u>(5)</u>	55,555
Unallocated corporate income			24,156
Impairment loss recognised on debt instruments at FVTOCI			(7,152)
Staff costs (including retirement benefit scheme contributions)			(15,244)
Share of results of associates			(1,781)
Other unallocated corporate expenses			(25,808)
Finance costs			<u>(213)</u>
Profit before taxation			<u><u>29,513</u></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	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Directors' and chief executive's remuneration	2,373	2,373
Other staff costs	27,159	31,679
Retirement benefit scheme contributions for other staff	1,738	2,058
	<u>31,270</u>	<u>36,110</u>
Auditor's remuneration	–	375
Depreciation of property, plant and equipment	15,767	17,046
Depreciation of investment properties	299	306
<b>and after crediting:</b>		
Interest income from bank deposits	4,839	1,393
Investment income from		
– financial assets at FVTPL (included in other income)	144	4,750
– debt instruments at FVTOCI (included in other income)	2,938	17,353
	<u><u>2,938</u></u>	<u><u>17,353</u></u>

## 5. TAXATION

	<b>For the six months ended 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong Profits Tax		
– Current tax	<b>560</b>	<b>5,158</b>

Hong Kong profits tax is calculated at 16.5% (2022: 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 2023 (2022: 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:

	<b>For the six months ended 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings</b>		
Profit for the period attributable to owners of the Company for the purposes of basic and diluted earnings per share	<b>2,835</b>	<b>24,355</b>
	<b>For the six months ended 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share	<b>1,151,454,000</b>	<b>1,151,454,000</b>

## 8. CLUB DEBENTURE

Club debenture is measured at cost less any impairment.

## 9. TRADE RECEIVABLES

	<b>As at 30 September 2023 (Unaudited) HK\$'000</b>	<b>As at 31 March 2023 (Audited) HK\$'000</b>
Trade receivables, net of allowance	<b><u>42,966</u></b>	<b><u>46,568</u></b>

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:

	<b>As at 30 September 2023 (Unaudited) HK\$'000</b>	<b>As at 31 March 2023 (Audited) HK\$'000</b>
Within 30 days	<b>9,365</b>	9,718
31 to 90 days	<b>13,966</b>	15,977
91 days to 1 year	<b>16,916</b>	19,849
Over 1 year	<b><u>2,719</u></b>	<u>1,024</u>
	<b><u>42,966</u></b>	<b><u>46,568</u></b>

## 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 2023 (Unaudited) <i>HK\$'000</i>	As at 31 March 2023 (Audited) <i>HK\$'000</i>
Within 30 days	1,070	2,043
31 to 60 days	1,758	162
61 to 90 days	1,155	6,903
91 days to 1 year	7,622	3,099
Over 1 year	<u>60,656</u>	<u>64,083</u>
	<u><u>72,261</u></u>	<u><u>76,290</u></u>

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

## BUSINESS REVIEW

The Group's profit decreased from approximately HK\$24.4 million for the six months ended 30 September 2022 to approximately HK\$2.8 million for the six months ended 30 September 2023, representing a decrease of approximately 88.5%. The Group's revenue decreased from approximately HK\$168.8 million for the six months ended 30 September 2022 to approximately HK\$140.4 million for the six months ended 30 September 2023, representing a decrease of approximately 16.8%.

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 six months ended 30 September 2023, this business segment delivered a turnover of approximately HK\$140.4 million (Six months ended 30 September 2022: HK\$168.8 million), representing a decrease of approximately 16.8%. The profit of this business segment for the six months ended 30 September 2023 was approximately HK\$41.0 million (Six months ended 30 September 2022: HK\$55.6 million), representing a decrease of approximately 26.2%. The decrease in profit of this business segment was attributed to the slow recovery of the IPO market after the pandemic, which had a significant impact to this business segment.

## **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. Due to the suspension of international roadshow activities in the past few years, no revenue was generated from the business segment (Six months ended 30 September 2022: nil) for the six months ended 30 September 2023. A segment loss of HK\$138,000 was resulted for the six months ended 30 September 2023 (six months ended 30 September 2022: loss of HK\$5,000).

Aside from the profit generated from the two business segments, the Group also generated interest income of HK\$2.9 million (Six months ended 30 September 2022: HK\$22.2 million) from its investments in bond securities for the six months ended 30 September 2023. The bond securities comprise bonds listed on The Stock Exchange of Hong Kong Limited (“**HKE**”) and Singapore Exchange Securities Trading Limited (“**SGX**”). The Group takes a prudent approach on its investments and reviews their performance regularly.

## **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 2023 amounted to approximately HK\$226.8 million (31 March 2023: HK\$75.5 million) and HK\$419.7 million (31 March 2023: HK\$557.4 million), respectively.

The Group has no short-term bank loan or bank overdraft as at 30 September 2023 (31 March 2022: nil), therefore, the Group's gearing ratio as at 30 September 2023 was 0% (31 March 2023: 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 2023, 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 30 September 2023, owned properties amounted to approximately HK\$536.6 million (31 March 2023: HK\$547.9 million), and investment properties amounted to approximately HK\$26.8 million (31 March 2023: HK\$26.8 million) were pledged as securities for revolving banking facilities.

## CONTINGENT LIABILITIES

As at 30 September 2023, the Group had no contingent liabilities.

### Outlook

The global IPO market has gradually returned to normal since the uplifted of the lockdown measures. However, geopolitical risks and the interest rate hikes resulting from the high inflation expectations, brought uncertainties to the world economy. Despite this, the Group continued to maintain a relatively stable market share in the Hong Kong financial market. At the same time, the Group continued to provide long-term professional services to hundreds of listed companies.

During the three-year pandemic period, there has been a significant increase in demand for online services in the market, which has fundamentally changed people's ways and habits of communication and transportation. The Group launched two major online services, namely Wonderful Sky Think Tank and Wonderful Sky Ideas Summit, to establish more efficient and valuable communication channels for listed company clients and investors, creating the most authoritative online communication platform for the capital market. We expected they would be one of the revenue growth elements of our Group.

Other than the online services, we will continue to expand its business scope in the mainland market. Our established professional teams at our Beijing, Shanghai, Shenzhen and Chengdu offices, and strived to provide better services for clients in these regions. In the future, the Group will continue to strengthen its business layout in the mainland, effectively utilise the geographical advantages of its mainland subsidiaries and the cluster effect of our listed company clients, and cement solid foundation for the expansion of the mainland market.

Besides, the Group has continued to conduct research on the integration of AI technology into the Group's self-developed Wonderful Sky Cloud APP to enhance service levels and improve customer experience. The Group's management team has continuously improved internal management and optimized processes to strengthen cost control during this period of transition. Improving capabilities of the team not only can withstand risks but also seek and seize opportunities in difficult environments.

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

As at 30 September 2023, 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 2023 for the intended use	Total proceeds used as at 30 September 2023	Expected time of utilisation <i>(Note)</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	Approximately HK\$105.1 million	HK\$19.8 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	Approximately HK\$59.4 million	HK\$65.5 million	31 December 2023	No

As at 30 September 2023, 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 2023 for the intended use	Total proceeds used as at 30 September 2023	Expected time of utilisation <i>(Note)</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	Approximately HK\$360.4 million	HK\$62.6 million	31 December 2023	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 2023, the Group had 261 full-time employees. Total staff costs (including Directors' emoluments) were approximately HK\$31.3 million for the six months period ended 30 September 2023. 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 2023.

### **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 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 six months ended 30 September 2023.

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

During the six months ended 30 September 2023, 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. Leung Tsz Wing, Ms. Li Ling Xiu and Ms. Lam, Sally. This Committee is chaired by Mr. Leung Tsz Wing.

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 2023.

## **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, 30 November 2023

*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.*