



Get Nice Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Stock code : 64

INTERIM REPORT **2021**

UNAUDITED INTERIM RESULTS

The Board of Directors (the “Board” or the “Directors”) of Get Nice Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2021 together with comparative figures for the last corresponding period. The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2021 have been reviewed by the Company’s audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Unaudited Six months ended 30 September	
	Notes	2021 HK\$'000	2020 HK\$'000
Revenue from contracts with customers within HKFRS 15		38,238	29,608
Revenue from other sources		14,542	17,084
Interest revenue calculated using the effective interest method		184,196	204,086
Revenue	4	236,976	250,778
Other operating income		9,051	8,269
Other gains and losses, net		10,364	(24,779)
Amortisation and depreciation		(12,362)	(2,602)
Commission expenses		(6,558)	(4,404)
Net impairment loss on accounts receivable		(46,904)	(75,124)
Reversal (Provision) of net impairment loss on loans and advances		11,885	(2,898)
(Provision) Reversal of net impairment loss on investments mandatory at fair value through other comprehensive income		(1,628)	549
Staff costs		(14,511)	(12,464)
Finance costs		(223)	(647)
Other expenses		(20,310)	(18,331)
Profit before taxation		165,780	118,347
Income tax expense	5	(36,998)	(20,220)
Profit for the period		128,782	98,127

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

		Unaudited	
		Six months ended	
		30 September	
		2021	2020
Notes		HK\$'000	HK\$'000
Other comprehensive income (expense)			
<i>Items that are reclassified or may be reclassified subsequently to profit or loss</i>			
Exchange difference arising on translation of foreign operations		(5,314)	7,746
Fair value gain on investments mandatory at fair value through other comprehensive income reclassified to profit or loss upon disposal		91	11
Fair value (loss) gain on investments mandatory at fair value through other comprehensive income		(13,668)	14,715
Deferred tax arising on revaluation of investments mandatory at fair value through other comprehensive income		2,240	(2,430)
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation surplus regarding transfer from property and equipment at cost to investment properties at fair value		336,505	–
Deferred tax arising on revaluation surplus regarding transfer from property and equipment at cost to investment properties at fair value		(55,523)	–
(Deficit) Surplus on revaluation of properties		(12,876)	28,904
Deferred tax arising on revaluation of properties		2,125	(4,769)
Total other comprehensive income for the period		253,580	44,177
Total comprehensive income for the period		382,362	142,304

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

	Notes	Unaudited Six months ended 30 September	
		2021 HK\$'000	2020 HK\$'000
Profit for the period attributable to:			
Owners of the Company		103,090	78,744
Non-controlling interests		25,692	19,383
		<u>128,782</u>	<u>98,127</u>
Total comprehensive income attributable to:			
Owners of the Company		356,663	118,781
Non-controlling interests		25,699	23,523
		<u>382,362</u>	<u>142,304</u>
Dividends	6	<u>96,628</u>	<u>86,965</u>
		HK Cents	HK Cents
Earnings per share			
Basic	7	<u>1.07</u>	<u>0.81</u>
Diluted	7	<u>N/A</u>	<u>0.81</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited At 30 September 2021 HK\$'000	Audited At 31 March 2021 HK\$'000
	Notes		
Non-current assets			
Property and equipment		523,635	617,182
Investment properties		1,298,540	851,849
Intangible assets		8,963	8,963
Goodwill		17,441	17,441
Other assets		8,718	7,046
Deposits paid for acquisition of property and equipment		–	25,136
Deferred tax assets		6,061	1,692
Loans and advances	9	11,599	90,443
Investments		203,995	177,521
		<u>2,078,952</u>	<u>1,797,273</u>
Current assets			
Accounts receivable	8	3,135,838	3,655,082
Loans and advances	9	444,677	416,906
Prepayments, deposits and other receivables		108,826	48,330
Tax recoverable		34	2,318
Investments		410,008	375,986
Bank balances – client accounts		665,010	656,240
Bank balances – general accounts and cash		1,485,539	658,914
		<u>6,249,932</u>	<u>5,813,776</u>
Current liabilities			
Accounts payable	10	903,688	695,799
Accrued charges and other payables		20,851	8,787
Amounts due to non-controlling shareholders		30,257	30,257
Tax payable		185,079	150,722
Lease liabilities		950	1,163
Bank borrowings		97,534	–
		<u>1,238,359</u>	<u>886,728</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

	Unaudited	Audited
	At	At
	30 September	31 March
	2021	2021
<i>Notes</i>	HK\$'000	HK\$'000
Net current assets	5,011,573	4,927,048
Total assets less current liabilities	7,090,525	6,724,321
Non-current liabilities		
Lease liabilities	65	377
Deferred tax liabilities	60,912	8,185
	60,977	8,562
Net assets	7,029,548	6,715,759
Capital and reserves		
Share capital	11 966,270	966,270
Reserves	4,859,556	4,642,795
Equity attributable to owners of the Company	5,825,826	5,609,065
Non-controlling interests	1,203,722	1,106,694
Total equity	7,029,548	6,715,759

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited
Six months ended 30 September 2021
Attributable to equity holders of the Company

	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Property revaluation reserve HK\$'000	Investments revaluation reserve (recycling) HK\$'000	Share option reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2021	966,270	2,953,199	159,147	14,997	8,532	-	(3,285)	1,510,205	5,609,065	1,106,694	6,715,759
Profit for the period	-	-	-	-	-	-	-	103,090	103,090	25,692	128,782
Other comprehensive income (expense)											
Items that are reclassified or may be reclassified subsequently to profit or loss											
- Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	(5,314)	-	(5,314)	-	(5,314)
- Fair value gain on investments mandatory at fair value through other comprehensive income reclassified to profit or loss upon disposal	-	-	-	-	91	-	-	-	91	-	91
- Fair value loss on investments mandatory at fair value through other comprehensive income	-	-	-	-	(13,668)	-	-	-	(13,668)	-	(13,668)
- Deferred tax arising on revaluation of investments mandatory at fair value through other comprehensive income	-	-	-	-	2,240	-	-	-	2,240	-	2,240
Items that will not be reclassified to profit or loss											
- Revaluation surplus regarding to transfer from property and equipment at cost to investment properties at fair value	-	-	-	336,505	-	-	-	-	336,505	-	336,505
- Deferred tax arising on revaluation surplus regarding transfer from property and equipment at cost to investment properties at fair value	-	-	-	(55,523)	-	-	-	-	(55,523)	-	(55,523)
- Deficit on revaluation of properties	-	-	-	(12,884)	-	-	-	-	(12,884)	8	(12,876)
- Deferred tax arising on revaluation of properties	-	-	-	2,126	-	-	-	-	2,126	(1)	2,125
Total other comprehensive income (expense)	-	-	-	270,224	(11,337)	-	(5,314)	-	253,573	7	253,580
Total comprehensive income (expense) for the period	-	-	-	270,224	(11,337)	-	(5,314)	103,090	356,663	25,699	382,362
Transactions with equity holders											
Contributions and distributions											
- Dividends paid to owners	-	-	-	-	-	-	-	(48,314)	(48,314)	-	(48,314)
- Dividends paid to non-controlling interests of a non-wholly owned subsidiary	-	-	-	-	-	-	-	-	-	(20,259)	(20,259)
	-	-	-	-	-	-	-	(48,314)	(48,314)	(20,259)	(68,573)
Changes in ownership interests											
- Acquisition of non-controlling interests in a subsidiary	-	-	-	-	-	-	-	(91,588)	(91,588)	91,588	-
	-	-	-	-	-	-	-	(91,588)	(91,588)	91,588	-
At 30 September 2021	966,270	2,953,199	159,147	285,221	(2,805)	-	(8,599)	1,473,393	5,825,826	1,203,722	7,029,548

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	Unaudited Six months ended 30 September 2020 Attributable to equity holders of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Property revaluation reserve HK\$'000	Investments revaluation reserve (recycling) HK\$'000	Share option reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
At 1 April 2020	966,270	2,953,199	159,147	17,255	(8,682)	8,776	(27,602)	1,398,756	5,467,119	1,081,742	6,548,861
Profit for the period	-	-	-	-	-	-	-	78,744	78,744	19,383	98,127
Other comprehensive income (expense)											
<i>Items that are reclassified or may be reclassified subsequently to profit or loss</i>											
- Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	7,746	-	7,746	-	7,746
- Fair value gain on investments mandatory at fair value through other comprehensive income reclassified to profit or loss upon disposal	-	-	-	-	11	-	-	-	11	-	11
- Fair value gain on investments mandatory at fair value through other comprehensive income	-	-	-	-	14,715	-	-	-	14,715	-	14,715
- Deferred tax arising on revaluation of investments mandatory at fair value through other comprehensive income	-	-	-	-	(2,430)	-	-	-	(2,430)	-	(2,430)
<i>Items that will not be reclassified to profit or loss</i>											
- Surplus on revaluation of properties	-	-	-	23,946	-	-	-	-	23,946	4,958	28,904
- Deferred tax arising on revaluation of properties	-	-	-	(3,951)	-	-	-	-	(3,951)	(818)	(4,769)
Total other comprehensive income	-	-	-	19,995	12,286	-	7,746	-	40,037	4,140	44,177
Total comprehensive income for the period	-	-	-	19,995	12,286	-	7,746	78,744	118,781	23,523	142,304
Transactions with equity holders											
<i>Contributions and distributions</i>											
- Dividend paid to owners	-	-	-	-	-	-	-	(38,651)	(38,651)	-	(38,651)
- Dividend paid to non-controlling interests of a non-wholly owned subsidiary	-	-	-	-	-	-	-	-	-	(13,506)	(13,506)
	-	-	-	-	-	-	-	(38,651)	(38,651)	(13,506)	(52,157)
<i>Changes in ownership interests</i>											
- Acquisition of non-controlling interest in a subsidiary	-	-	-	-	-	-	-	(3)	(3)	3	-
	-	-	-	-	-	-	-	(3)	(3)	3	-
At 30 September 2020	966,270	2,953,199	159,147	37,250	3,614	8,776	(19,856)	1,438,846	5,547,246	1,091,762	6,639,008



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
Net cash from (used in) operating activities	889,108	(237,182)
Net cash used in investing activities	(90,545)	(599,954)
Net cash from financing activities	<u>28,274</u>	<u>411,391</u>
Net increase (decrease) in cash and cash equivalents	826,837	(425,745)
Effect on foreign exchange rate changes	(212)	20
Cash and cash equivalents at beginning of the period	<u>658,914</u>	<u>905,175</u>
Cash and cash equivalents at end of the period	<u><u>1,485,539</u></u>	<u><u>479,450</u></u>
Represented by:		
Bank balances – general accounts and cash	<u><u>1,485,539</u></u>	<u><u>479,450</u></u>



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its immediate and ultimate holding company is Honeylink Agents Limited, a company incorporated in the British Virgin Islands with limited liability of which the entire issued share capital is beneficially owned by Mr. Hung Hon Man, who is also a director of the Company.

The Company's registered office is located at Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands and its principal place of business is located at Ground Floor to 3rd Floor, Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are (i) money lending; (ii) property development and holding and investment in financial instruments; (iii) real estate agency and (iv) the provision of financial services, including securities dealing and broking, futures and options broking, underwriting and placements, securities margin financing and corporate finance services.

The unaudited condensed consolidated financial statements of the Group are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).



3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values at the end of each reporting period.

Other than changes in accounting policies resulting from application of new Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2021 are the same as those followed in the preparation of the Group’s audited consolidated financial statements for the year ended 31 March 2021.

Details of any changes in accounting policies are set out below.

Application of new and amendments to Hong Kong Financial Reporting Standards

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA that are relevant for the preparation of the Group’s unaudited condensed consolidated financial statements:

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

The application of the new or amendments to HKFRSs in current period has had no material effect on the Group’s financial performance and positions for the current period and prior years and/or disclosures set out in these unaudited condensed consolidated financial statements.

The Group has not early applied any new and revised HKFRSs that have been issued but are not yet effective for the current accounting period.

4. SEGMENT INFORMATION

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

For the six months ended 30 September 2021

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Consolidated HK\$'000
Segment revenue	<u>37,310</u>	<u>150,330</u>	<u>23,732</u>	<u>2,330</u>	<u>23,274</u>	<u>236,976</u>
Segment result	<u>14,151</u>	<u>103,426</u>	<u>36,748</u>	<u>2,077</u>	<u>20,695</u>	<u>177,097</u>
Unallocated other operating income and corporate expenses, net						<u>(11,317)</u>
Profit before taxation						<u>165,780</u>

For the six months ended 30 September 2020

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Consolidated HK\$'000
Segment revenue	<u>29,850</u>	<u>153,567</u>	<u>39,295</u>	<u>860</u>	<u>27,206</u>	<u>250,778</u>
Segment result	<u>8,096</u>	<u>78,443</u>	<u>35,694</u>	<u>563</u>	<u>5,943</u>	<u>128,739</u>
Unallocated other operating income and corporate expenses, net						<u>(10,392)</u>
Profit before taxation						<u>118,347</u>

4. SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's assets and liabilities by reportable operating segments:

As at 30 September 2021

Unaudited

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Consolidated HK\$'000
Segment assets	<u>1,639,829</u>	<u>3,406,686</u>	<u>490,939</u>	<u>10,979</u>	<u>2,071,190</u>	7,619,623
Unallocated assets (Note 1)						<u>709,261</u>
Consolidated assets						<u>8,328,884</u>
Segment liabilities	<u>497,610</u>	<u>451,885</u>	<u>1,339</u>	<u>117</u>	<u>76,249</u>	1,027,200
Unallocated liabilities (Note 2)						<u>272,136</u>
Consolidated liabilities						<u>1,299,336</u>

As at 31 March 2021

Audited

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Consolidated HK\$'000
Segment assets	<u>769,140</u>	<u>3,894,302</u>	<u>606,193</u>	<u>10,419</u>	<u>1,513,273</u>	6,793,327
Unallocated assets (Note 1)						<u>817,722</u>
Consolidated assets						<u>7,611,049</u>
Segment liabilities	<u>417,517</u>	<u>295,300</u>	<u>466</u>	<u>82</u>	<u>3,716</u>	717,081
Unallocated liabilities (Note 2)						<u>178,209</u>
Consolidated liabilities						<u>895,290</u>

4. SEGMENT INFORMATION (Continued)

Note 1: The balance comprises property and equipment, and bank balances of approximately HK\$504,313,000 and HK\$196,710,000 respectively (at 31 March 2021: property and equipment, and bank balance of approximately HK\$610,733,000 and HK\$172,479,000 respectively).

Note 2: The balance comprise amounts due to non-controlling shareholders, tax payables and bank borrowing of approximately HK\$30,257,000, HK\$138,344,000 and \$97,534,000 respectively (at 31 March 2021: amounts due to non-controlling shareholders and tax payables of approximately HK\$30,257,000 and HK\$138,326,000 respectively).

The Group's operations are located in Hong Kong and the United Kingdom.

The following table provides an analysis of the Group's revenue from external customers by geographical market:

	Revenue by geographical market	
	2021	2020
	HK\$'000	HK\$'000
Hong Kong	231,032	242,827
United Kingdom	5,944	7,951
	<u>236,976</u>	<u>250,778</u>

The following is an analysis of the carrying amounts of non-current assets by geographical area in which the assets are located:

	Carrying amounts of non-current assets	
	At 30 September 2021	At 31 March 2021
	HK\$'000	HK\$'000
Hong Kong	1,626,635	1,291,597
United Kingdom	230,662	236,020
	<u>1,857,297</u>	<u>1,527,617</u>

The non-current asset information above excludes loans and advances, financial instruments and deferred tax assets.

5. TAXATION

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
Current tax		
<i>Hong Kong</i>		
Hong Kong Profit Tax	21,141	19,316
Under provision in prior years	<u>14,872</u>	<u>–</u>
	<u>36,013</u>	<u>19,316</u>
<i>United Kingdom</i>		
Overseas tax	<u>985</u>	<u>904</u>
	<u>985</u>	<u>904</u>
Income tax expense	<u>36,998</u>	<u>20,220</u>

The profits tax rate for the first HK\$2,000,000 assessable profits arising from Hong Kong of qualifying entities will be taxed at 8.25%, and assessable profits arising from Hong Kong above HK\$2,000,000 will continue be taxed at the rate of 16.5% under two-tiered profits tax rates regime. As only one of the subsidiaries in the Group is eligible to elect the two-tiered profits tax rates, profits of the remaining subsidiaries of the Group will continue to be taxed at a flat rate of 16.5%.

For both periods, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime.

The tax provision in respect of operations in United Kingdom is calculated at the rate of 20% on the subsidiary's estimated assessable profits for the period based on existing legislation, interpretation and practices in respect thereof.

6. DIVIDENDS

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
Final dividend paid	48,314	38,651
Proposed interim dividend of HK0.5 cents (2020: HK0.5 cents) per share	<u>48,314</u>	<u>48,314</u>
	<u>96,628</u>	<u>86,965</u>

6. DIVIDENDS (Continued)

On 10 September 2021, a dividend of HK0.5 cents per share was paid to shareholders as the final dividend for the year ended 31 March 2021.

At a meeting held on 26 November 2021, the Directors recommended an interim dividend of HK0.5 cents per share for the six months ended 30 September 2021 to the shareholders whose names appear in the register of members on 17 December 2021. This proposed interim dividend is not reflected as a dividend payables in these unaudited condensed consolidated interim financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 March 2022.

7. EARNINGS PER SHARE

Basic

The calculation of the basic earnings per share is based on profit attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the period.

Diluted

The calculation of the diluted earnings per share is based on profit attributable to the equity holders of the Company and the adjusted weighted average number ordinary shares assuming conversion of all potential dilutive ordinary shares.

On 16 January 2019, the Company granted 289,800,000 share options to three independence third parties resulting in potential dilutive ordinary shares. The validity period of the share options is two years from the date of grant (i.e. from 16 January 2019 to 15 January 2021). The share options were cancelled on 20 November 2020.

Earnings

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
Earnings for the purpose of basic and diluted earnings per share		
Profit for the period attributable to equity shareholders of the Company	<u>103,090</u>	<u>78,744</u>



7. **EARNINGS PER SHARE (Continued)**

Number of shares

	Six months ended	
	30 September	
	2021	2020
	'000	'000
Weighted average number of ordinary shares, for the purpose of basic and diluted earnings per share	9,662,706	9,662,706
	<i>HK cents</i>	<i>HK cents</i>
Earnings per share:		
Basic	1.07	0.81
Dilutive	N/A	0.81

For the six months ended 30 September 2021, diluted earnings per share was the same as the basic earnings per share because there were no potential dilutive ordinary shares outstanding.

For the six months ended 30 September 2020, diluted earnings per share was the same as basic earnings per share as the potential new ordinary shares to be issued on exercise of the outstanding share options during the period under the Company's share option scheme have an anti-dilutive effect on the basic earnings per share.

8. ACCOUNTS RECEIVABLE

	At 30 September 2021 HK\$'000	At 31 March 2021 HK\$'000
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	24,798	8,735
– Margin clients:		
– Directors and their close family members	255,993	290,077
– Other margin clients	3,055,437	3,521,227
– Hong Kong Securities Clearing Company Limited	294	22,462
– Broker	2,382	350
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	<u>47,859</u>	<u>16,252</u>
	3,386,763	3,859,103
Less: Loss allowance	<u>(250,925)</u>	<u>(204,021)</u>
	<u>3,135,838</u>	<u>3,655,082</u>

The normal settlement terms of accounts receivable from cash clients and securities clearing house are two days after trade date while accounts receivable from futures clearing house is one day after trade date. All the accounts receivable (net of loss allowance) are expected to be recovered within one year.

Included in the accounts receivable from cash clients are debtors with a carrying amount of approximately HK\$318,000 (31 March 2021: HK\$161,000) which are past due at the end of the reporting period but which the directors of the Company consider not to be impaired as there has not been a significant change in credit quality.

8. ACCOUNTS RECEIVABLE (Continued)

In respect of accounts receivable from cash clients which are past due but not impaired at the end of the reporting period, the ageing analysis (from settlement date) is as follows:

	At 30 September 2021 HK\$'000	At 31 March 2021 HK\$'000
0 – 30 days	316	145
31 – 60 days	–	13
Over 60 days	2	3
	<u>318</u>	<u>161</u>

The accounts receivable from cash clients with a carrying amount of approximately HK\$24,480,000 (31 March 2021: HK\$8,574,000) are neither past due nor impaired at the end of the reporting period and the directors of the Company are of the opinion that the amounts are recoverable.

Accounts receivables from margin clients are secured by clients' pledged securities with fair value of approximately HK\$20,382,359,000 (31 March 2021: HK\$34,659,941,000). Significant portion of the pledged securities are listed equity securities in Hong Kong. The loans are repayable on demand subsequent to settlement date and carry interest typically at a range from 7.236% to 9.500% per annum (31 March 2021: range from 7.236% to 9.500% per annum) at 30 September 2021. Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collaterals are required if the outstanding amount exceeds the eligible margin value of securities deposited. The collateral held can be pledged and can be sold at the Group's discretion to settle any outstanding amount owed by margin clients. No ageing analysis is disclosed, as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

Included in accounts receivable from margin clients arising from the business of dealing in securities are amounts due from directors of the Company and their close family members and a controlling entity. The details are as follows:

Name	Balance at 1 April 2021 HK\$'000	Balance at 30 September 2021 HK\$'000	Maximum amount outstanding during the period HK\$'000	Market value of pledged securities at 30 September 2021 HK\$'000
Mr. Hung Hon Man, director of the Company, his close family members and a controlling entity	290,060	255,993	324,535	2,162,920
Mr. Kam, Eddie Shing Cheuk, director of the Company, his close family members and a controlling entity	17	–	16	141

The above balances are repayable on demand and bear interest at commercial rates which are similar to the rates offered to other margin clients.

9. LOANS AND ADVANCES

	At 30 September 2021 HK\$'000	At 31 March 2021 HK\$'000
Fixed rate loan receivables	462,836	529,293
Less: Loss allowance	<u>(6,560)</u>	<u>(21,944)</u>
	<u>456,276</u>	<u>507,349</u>
Secured	193,861	234,531
Unsecured	<u>262,415</u>	<u>272,818</u>
	<u>456,276</u>	<u>507,349</u>
Analysed as:		
Current assets	444,677	416,906
Non-current assets	<u>11,599</u>	<u>90,443</u>
	<u>456,276</u>	<u>507,349</u>

At 30 September 2021, loans and advances with carrying amount of approximately HK\$193,861,000 are secured by first mortgage of properties in Hong Kong with an aggregate market value of approximately HK\$408,340,000.

At 31 March 2021, loans and advances with carrying amount of approximately HK\$234,531,000 are secured by first mortgage of properties in Hong Kong with an aggregate market value of approximately HK\$556,460,000.

The fixed rate loan receivables carry interest ranging from 8% to 15% (2020: 8% to 24%) per annum.

The Group determines the impairment allowances of loans and advances for losses that expected to be incurred under ECL model. The Group has concentration of credit risk as 72% (31 March 2021: 60%) of the total loans and advances was due from the Group's five largest borrowers. The directors of the Company consider that the allowances for impaired debts are sufficient.

9. LOANS AND ADVANCES (Continued)

Movement in the allowance for impaired debts is as follows:

	At 30 September 2021 HK\$'000	At 31 March 2021 HK\$'000
Balance at beginning	21,944	10,844
(Decrease) increase in allowance	(11,885)	11,100
Amount written off	(3,499)	–
	<u>6,560</u>	<u>21,944</u>

There were no loans and advances past due but not impaired as at 30 September 2021 and 31 March 2021.

The loans and advances with a carrying amount of approximately HK\$456,276,000 (31 March 2021: HK\$507,349,000) are neither past due nor impaired at the end of the reporting period. In view of the repayment history of these borrowers and collateral provided, the directors of the Company consider the amount to be recoverable and of good credit quality.

10. ACCOUNTS PAYABLE

	At 30 September 2021 HK\$'000	At 31 March 2021 HK\$'000
Accounts payable arising from the business of dealing in securities:		
– Cash clients	286,136	374,297
– Margin clients	451,752	295,300
– Hong Kong Securities Clearing Company Limited	58,982	2,043
– Broker	133	–
Accounts payable to clients arising from the business of dealing in futures contracts	<u>106,685</u>	<u>24,159</u>
	<u>903,688</u>	<u>695,799</u>

No ageing analysis is disclosed as, in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of business.

The normal settlement terms of accounts payable to cash clients and securities cleaning houses are two days after trade date.



10. ACCOUNTS PAYABLE (Continued)

Amounts due to securities margin clients and futures client are repayable on demand and carry interest at 0.025% (31 March 2020: 0.025%) per annum.

Included in accounts payable to margin clients arising from the business of dealing in securities are amounts due to directors of the Company and their close family members and a controlling entity of approximately HK\$17,000 (31 March 2021: HK\$553,000).

Accounts payable to clients arising from the business of dealing in futures contracts are margin deposits received from clients for their trading of futures contracts on the Hong Kong Futures Exchange Limited (“HKFE”). The excesses of the outstanding amounts over the required initial margin deposits stipulated by the HKFE are repayable to clients on demand.

11. SHARE CAPITAL

	Number of shares '000	Nominal value HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 April 2020, 31 March 2021 and 30 September 2021	<u>30,000,000</u>	<u>3,000,000</u>
Issued and fully paid:		
At 1 April 2020, 31 March 2021 and 30 September 2021	<u>9,662,706</u>	<u>966,270</u>



12. FINANCIAL RISK MANAGEMENT

The Group adopts stringent risk management policies and monitoring system in particular on the exposure associated with the financial risks as set out below:

- *Capital risk management*

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the amounts due to non-controlling shareholders and bank borrowings and equity attributable to owners of the Company, comprising issued share capital, reserves and retained earnings as disclosed in the condensed consolidated statement of changes in equity. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged throughout the period.

- *Market risk*

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to accounts receivable, loans and advances, bank balances and bank borrowings. The Group is also exposed to fair value interest rate risk in relation to fixed rate loans and advances, convertible notes and debt securities held by the Group. The Group currently does not have an interest rate hedging policy. However, the Group closely manages its exposure arising from margin financing, money lending activities and investment activities undertaken by allowing an appropriate margin on the interest received and paid by the Group.

Equity price risk

The Group is exposed to equity price risk through its investments in listed equity securities, convertible notes and investment fund. The directors of the Company manage the exposure by closely monitoring the portfolio of these financial instruments. The fair value of these financial instruments will be affected either positively or negatively, amongst others, by the changes in the closing market prices of the relevant listed equity securities.

- *Currency risk*

Except for an investment property in United Kingdom and its related rental income which are denominated in British Pound, the business activities of the Group are not exposed to material fluctuations in exchange rates as the majority of the transactions are denominated in Hong Kong dollar. The Directors consider that a reasonably possible annual change of 5% in the exchange rate between Hong Kong dollars and British Pound would not have material impact on the Group's results and therefore hedging through the use of derivative instruments is considered unnecessary. In the cases of Macau Pataca ("MOP") and United States dollars ("US\$"), the exposure is limited as MOP and US\$ are pegged to HK\$.

12. FINANCIAL RISK MANAGEMENT (*Continued*)

- *Credit risk*

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failures to discharge an obligation by the counterparts is arising from the carrying amount of the respective recognised financial assets as stated in the condensed consolidated statement of financial position.

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment allowances are made for losses that expected to be incurred at the end of the reporting period. Significant changes in the economy, or in the health of a particular industry segment, could result in losses that are different from those provided for at the end of the reporting period. Management therefore carefully manages its exposure to credit risk.

The Group structures the levels of credit risk it undertakes in relation of accounts receivable, loans and advances, other receivables, convertible notes and debt securities by placing limits on the amount of risk accepted in relation to any borrower or issuer, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to a quarterly or more frequent review.

In respect of money lending activities of the Group, exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees.

The credit risk on bank balances is limited as the counterparties are banks with high credit rating assigned by international credit-rating agencies.

The exposure of credit risk on debt securities is limited as they are issued or guaranteed by the holding companies listed on the Stock Exchange.

- *Liquidity risk*

As part of ordinary broking activities, the Group is exposed to liquidity risk arising from timing difference between settlement with clearing houses or brokers and clients. To address the risk, treasury team works closely with the settlement division on monitoring the liquidity gap.

13. RELATED PARTY TRANSACTIONS

In addition to the transactions and information disclosed elsewhere in the unaudited condensed consolidated interim financial statements, the Group had the following related party transactions during the period:

Name of related party	Nature of transaction	Six months ended 30 September	
		2021 HK\$'000	2020 HK\$'000
Messrs. Hung Hon Man, Cham Wai Ho, Anthony, Kam Eddie Shing Cheuk, Hung Sui Kwan, Shum Kin Wai, Frankie, Cheng Wai Ho, Ng Hon Sau, Larry, their close family members and controlling entities	Brokerage commission income (note i)	1,872	1,027
Messrs. Hung Hon Man, Kam Eddie Shing Cheuk, Hung Sui Kwan, Cheng Wai Ho, Ng Hon Sau, Larry, their close family members and controlling entities	Interest income (note ii)	5,100	9,143
Mr. Hung Hon Man's associate	Rental income (note iii)	300	300
	License fee income (note iv)	120	120

Notes:

- (i) Commission was charged at 0.1% to 0.25% (2020: 0.1% to 0.25%) on the total value of transactions.
- (ii) Interest was charged at 7.236% to 9.252% per annum (2020: 7.236% to 9.252%) on the outstanding balances of margin loans.
- (iii) Monthly rental fee was charged at HK\$50,000 (2020: HK\$50,000).
- (iv) Monthly license fee income was charged at HK\$20,000 (2020: HK\$20,000).

Compensation of key management personnel

The remuneration of Directors and other members of key management during the period was as follows:

	Six months ended 30 September	
	2021 HK\$'000	2020 HK\$'000
Short-term employee benefits	2,304	2,265
Post-employment benefits	57	82
	<u>2,361</u>	<u>2,347</u>

The remuneration of Directors and other members of key management is determined by the performance of individuals and market trends.



INTERIM DIVIDEND

The Directors have declared an interim dividend of HK0.5 cents per share for the six months ended 30 September 2021. The interim dividend will be payable on or about 29 December 2021 to those shareholders whose names appear on the register of members on 17 December 2021.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 16 December 2021 to 17 December 2021, both dates inclusive (record date being 17 December 2021), during which period no transfer of shares of the Company will be registered.

In order to qualify for entitlement to the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 15 December 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the six months ended 30 September 2021, the Group's revenue amounted to approximately HK\$237.0 million, representing a decrease of 5.5% as compared with approximately HK\$250.8 million reported in the last corresponding financial period. The decrease in revenue was mainly attributable to the decrease in interest income from margin financing business, money lending business, and debt securities during the period.

Profit attributable to owners of the Company in the period was approximately HK\$103.1 million (2020: HK\$78.7 million). The increase in profit was mainly attributable to the decrease in net impairment loss on accounts receivable, reversal of net impairment loss on loans and advances and increase in fair value of investment properties during the current period.

Earnings per share increased to HK1.07 cents (2020: HK0.81 cents) as a result of increase in profit attributable to owners of the Company for the period.



MANAGEMENT DISCUSSION AND ANALYSIS (*Continued*)

REVIEW AND OUTLOOK

Market Review

At the beginning of 2021, with the launch of vaccines and the gradual relaxation of cross-border restrictions, global stock markets extend the uptrend of the end of last year, Hang Seng Index rose to a 52-week high of 31,183 points on 18 February 2021. Afterwards, the market worried about the recession of easing policies in China, the rise in US 10-year Treasury bond yields and the renewed tension between China and Europe and the United States which affected the market sentiment.

In the second quarter, China's export grew since the epidemic drove the demand for goods. Also, consumer habits have changed and they are more inclined to consume online, which improve the consumption growth. However, China began anti-monopoly investigations on some large Internet and technology companies and strengthened the industry supervision, which led to the decline and consolidation of those internet and technology stocks. Hong Kong stock market was stable with reduced volatility.

In the third quarter, the raging Delta variant of COVID-19 frustrated the restart of the global economy and delayed the economic recovery expected by the market this year. China was not immune to the impact of the epidemic and the pace of economic growth slowed down. The stock market experienced a downward adjustment and the decline began to stabilize in September. The Hang Seng Index closed at 24,576 points at the end of September 2021 compared with 28,378 points at the end of March 2021. The average daily turnover on the Main Board and GEM during the six months period ended 30 September 2021 was approximately HK\$158.4 billion, an increase of 24.4% as compared with approximately HK\$127.3 billion for the prior financial period.

In respect of the local money lending market, as the Hong Kong economy continues to recover from the epidemic, GDP has recorded growth for the second consecutive quarter, and the credit market has improved. The growth in personal consumption in the second quarter was a major factor driving the recovery of the money lending market. For the sake of caution, our Group still adopt a prudent approach, such as implementing strict credit policies. In order to manage the credit risk, we focused on debt recovery during the period.



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

REVIEW AND OUTLOOK (Continued)

Market Review (Continued)

Regarding the local property market, despite the impact of the fourth wave of the epidemic and the restriction order, the value of the first-hand residential property sale and purchase contract has increased year-on-year. Some of the new properties have oversubscribed and the developers even raised prices, it reflects the continued demand in the market. Also, the interest rates remain low which also help stabilize the property market. The market believes that after the epidemic is fully under control, the industry's prospects will be brighter. Regarding the UK property market, the Bank of England has previously hinted that it may need to raise interest rates in next year, which will undoubtedly become a major variable in the UK property market. During the period, property prices in the UK were stable.

Business Review

Broking and securities margin financing

During the period ended 30 September 2021, the broking business posted a profit of approximately HK\$14.2 million (2020: HK\$8.1 million). The operating result of the broking business increased by 75.3% as a result of the increase in broking turnover and number of sizeable corporate finance transactions during current period. The increase in broking turnover was affected by the volatile local stock market and positive global investment atmosphere. Revenue from broking for the period increased by 24.7% to approximately HK\$37.3 million (2020: HK\$29.9 million) as compared with last financial period, of which approximately HK\$3.4 million (2020: HK\$10.0 million) was contributed by the underwriting, placing and proof of funds business. The decrease in these fee income was due to the decrease in number of deals as a result of the less active capital market during the current period.

Securities margin financing remained to be the Group's major revenue contributor for the period. During the period, total interest income from securities margin financing reduced by 2.1% to approximately HK\$150.3 million (2020: HK\$153.6 million) with the decrease in average level of securities margin lending during the period. Total outstanding loan of securities margin financing as at 30 September 2021 amounted to approximately HK\$3,311.4 million (as at 31 March 2021: HK\$3,811.3 million). Impairment loss on margin clients receivable of approximately HK\$46.9 million was charged during the current period (2020: HK\$75.1 million). The Group will continue to maintain a balance on yield relative to risk and cautious approach to the credit control of its margin financing business.



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

REVIEW AND OUTLOOK (Continued)

Business Review (Continued)

Money lending

The money lending vehicle is engaged in provision of consumer and mortgage loans. The money lending business showed a stable performance during the period while the Group took cautious approach in granting new loans. The aggregated loan amount decreased to approximately HK\$456.3 million at 30 September 2021 from approximately HK\$507.3 million at 31 March 2021. Total interest income decreased by 39.7% to approximately HK\$23.7 million (2020: HK\$39.3 million) for the period. It recorded profit before tax of approximately HK\$36.7 million (2020: HK\$35.7 million) for the six months ended 30 September 2021. Net impairment loss on loans and advances of approximately HK\$11.9 million was reversed during the period (2020: provision of net impairment loss approximately HK\$2.9 million). Building on the Group's expertise and relationships with high net worth customers, the Group remains positive about the money lending business and will continue to target high net worth customers with short-term financial needs.

Corporate finance

The Group's corporate finance business focused on the provision of financial advisory services to listed companies in Hong Kong. During the period ended 30 September 2021, it completed 5 financial advisory transactions (2020: 4). The operation reported a profit of approximately HK\$2.1 million for the period (2020: HK\$0.6 million).

Investments

The investments division held properties and financial instruments for the Group. Assets allocations are based on expected return rates and available funding capital. For the period under review, this division reported a profit of approximately HK\$20.7 million (2020: HK\$5.9 million), mainly attributable to the interest income from convertible notes and two unlisted debt securities of approximately HK\$5.9 million (2020: HK\$7.0 million), interest income from listed debt securities of approximately HK\$8.7 million (2020: HK\$10.1 million), fair value gains on investment properties of approximately HK\$9.3 million (2020: losses HK\$27.8 million), rental income of approximately HK\$8.7 million (2020: HK\$10.1 million) mainly arising from the leasing business in London, and realised gains on equity securities of approximately HK\$3.0 million (2020: HK\$2.8 million).



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

REVIEW AND OUTLOOK (Continued)

Business Review (Continued)

Investments (Continued)

As at 30 September 2021, the Group held a portfolio of investment properties with a total fair value of approximately HK\$1,298.5 million (31 March 2021: HK\$851.8 million), comprised residential, commercial and industrial properties in Hong Kong and a commercial building in London. The increase in total fair value of investment properties portfolio was mainly due to one of the properties with carrying value of approximately HK\$442 million was transferred from property and equipment to investment properties upon change of usage.

As at 30 September 2021, the Group held an investment portfolio mainly consisted of equity securities, debt securities, convertibles notes and investment funds with a total fair values of approximately HK\$614.0 million (31 March 2021: HK\$553.5 million). The increase in total fair values of the investment portfolio was mainly attributable to the acquisition of an unlisted redeemable bond of HK\$30.0 million (2020: HK\$100.0 million) and the acquisition of an unlisted investment funds of HK\$55.0 million (2020: HK\$7.0 million) during the period. The portfolio of equity securities mainly comprised listed companies in Hong Kong while the portfolio of debt securities mainly comprises listed and unlisted bonds, and redeemable bonds issued by certain listed and unlisted companies in Hong Kong and overseas.

Outlook

With the efforts of governments all over the world, the COVID-19 vaccination plan has been successfully implemented. The number of people vaccinated against COVID-19 is increasing continuously and the epidemic seems to be under control. Global economic activity has recovered in an orderly manner during the period and people also expect that border restrictions will be relaxed.

Since the emergence of COVID-19, people have become accustomed to virtual and online consumption. In order to keep pace with the times, the Group has upgraded its securities service mobile application and added multiple functions such as remote account opening and E-IPO application, aiming to enhance the user experience of customers.



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

REVIEW AND OUTLOOK (Continued)

Outlook (Continued)

In May 2021, the Group has moved the headquarter to new premises. The new headquarter are located in a prime financial district with three-storey commercial units and an office unit with total gross floor areas of 27,808 square feet. The low rise commercial units with large outdoor LED display screen, which would significantly enhance the Group's corporate brand and image which are important to increase customers' perception in the securities industry. In order to enhance our corporate image and attract financial talents to join our Group, the Group has invested in marketing and advertising, such as production of TV advertising, which have been broadcast on TV and on the LED display screen on the exterior wall of our headquarters.

In respect of the investment activities of the Group, management will keep seeking quality and upscale investment properties in both Asia and Europe, and also investment in securities with good potential, to enhance its investment portfolio and continue to provide a source of steady rental income and investment gains in the future. Meanwhile, management will adopt cautious measures to manage the Group's investment portfolio.

Dealing with the future challenges, the management of the Group would review and adjust business strategies on regular basis with a prudent and balanced risk management approach. The management of the Group remains cautiously optimistic about the business development and overall performance of the Group in the future. The Group is endeavoring to render comprehensive services to our affluent and high-net-worth clients in order to maintain our clients' confidence and loyalty. The Group will also continue to recruit and train financial talents to provide high quality financial services to our clients. Given our lean and efficient organization structure, stable clients base, strong track record and solid business fundamentals, the Group is poised to expand its horizons and scale new heights in the years to come in order to continue maximizing returns and value for all shareholders.



FINANCIAL REVIEW

Financial Resources and Gearing Ratio

The equity attributable to owners of the Company amounted to approximately HK\$5,825.8 million (31 March 2021: HK\$5,609.1 million) as at 30 September 2021, representing an increase of approximately HK\$216.7 million, or 3.9% from that of 31 March 2021 and there is an increase in non-controlling interest from approximately HK\$1,106.7 million at 31 March 2021 to approximately HK\$1,203.7 million at 30 September 2021. These movements were mainly attributable to the profit for the year netting off dividend distributed during the period.

The Group's net current assets as at 30 September 2021 increased to approximately HK\$5,011.6 million (31 March 2021: HK\$4,927.0 million) and the liquidity of the Group, as demonstrated by the current ratio (current assets/current liabilities) was 5.0 times (31 March 2021: 6.6 times). The decrease in current ratio were mainly attributable to the increase in accounts payable. The Group's bank balances and cash on hand amounted to approximately HK\$1,485.5 million as at 30 September 2021 (31 March 2021: HK\$658.9 million). The increase in bank balances and cash on hand was mainly due to the cash inflow in respect of the borrowing from bank of approximately HK\$97.5 million and the repayment from accounts receivable. The Group had bank borrowings of approximately HK\$97.5 million as at 30 September 2021 (31 March 2021: HK\$Nil) and the Group had undrawn banking facilities amounting to approximately HK\$968 million as at 30 September 2021 (31 March 2021: HK\$918 million) which were secured by charges over clients' pledged securities, properties and corporate guarantees issued by Get Nice Financial Group Limited ("GNFG") and the Company.

The number of issued shares of the Company was 9,662,705,938 as at 30 September 2021 (31 March 2021: 9,662,705,938).

As at 30 September 2021, the Group's gearing ratio (total borrowings over equity attributable to owners of the Company) was 0.02 times (31 March 2021: 0.01 times).



FINANCIAL REVIEW (Continued)

Financial Resources and Gearing Ratio (Continued)

Except for an investment property in United Kingdom and its related rental income which are denominated in British Pound, the business activities of the Group are not exposed to material fluctuations in exchange rates as the majority of the transactions are denominated in Hong Kong dollar. The Directors consider that a reasonably possible annual change of 5% in the exchange rate between Hong Kong dollars and British Pound would not have material impact on the Group's results and therefore hedging through the use of derivative instruments is considered unnecessary.

The Group had no material contingent liabilities at the end of the period.

Charges on Group Assets

As at 30 September 2021, investment property, and leasehold land and building of the Group with a carrying amount of approximately HK\$515.0 million and HK\$404.9 million respectively (31 March 2021: HK\$Nil and HK\$100.7 million respectively) were pledged for banking facilities granted to the Group.

Material Acquisitions and Disposals of Subsidiaries, Associates and Jointly Controlled Entities

There were no material acquisitions or disposals of subsidiaries, associates or jointly controlled entities completed during the reporting period.

Employee Information

As at 30 September 2021, the Group had 100 employees (31 March 2021: 94). The Group's employees were remunerated according to their performance, working experience and market conditions. The total amount of remuneration cost of employees of the Group for the period was approximately HK\$14.5 million (2020: HK\$12.5 million). The Group provides employee benefits including mandatory provident fund, discretionary share options and performance bonus for its staff.

DIRECTORS' INTERESTS IN SHARES

At 30 September 2021, the interests of the Directors and their associates in the shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

1. Long positions in the ordinary shares of HK\$0.1 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Mr. Hung Hon Man	Held by controlled corporation (<i>Note</i>)	5,947,459,872	61.55%

Note: Mr. Hung Hon Man is deemed to be interested in 5,947,459,872 ordinary shares of the Company which are held by Honeylink Agents Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man.

DIRECTORS' INTERESTS IN SHARES (Continued)

2. Long positions in the non-voting deferred shares of HK\$1.0 each of Get Nice Securities Limited ("GNS"), an indirect non-wholly owned subsidiary of the Company

Name of director	Capacity	Number of non-voting deferred shares ^(Note 1) held	Percentage of the issued non-voting deferred share of GNS ^(Note 2)
Mr. Hung Hon Man	Beneficial owner	36,000,000	90%

Note 1: The non-voting deferred shares carry practically no rights to dividends nor to receive notice of nor to attend or vote at any general meeting of GNS and on liquidation, the assets of GNS available for distribution among the holders of ordinary shares and the holders of non-voting deferred shares shall be applied first in paying to the holders of ordinary shares the sum of HK\$1,000,000,000,000 per ordinary share and secondly in repaying to the holders of non-voting deferred shares the nominal amount paid up or credited as paid up on such shares, and the balances of the GNS's assets shall belong to and be distributed among the holders of ordinary shares in proportion to the amount paid up or credited as paid up on such ordinary shares respectively.

Note 2: The other 10% of the issued non-voting deferred shares of GNS, being 4,000,000 shares are held by Mr. Shum Kin Wai, Frankie, the managing director of GNS.

3. Long positions in the ordinary shares of HK\$0.01 each of GNFG, a non-wholly owned subsidiary of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of GNFG
Mr. Hung Hon Man	Held by controlled corporation ^(Note)	1,875,000,000	75%

Note: Mr. Hung Hon Man is deemed to be interested in (i) 50,309,829 ordinary shares of GNFG which are held by Honeylink Agents Limited ("Honeylink"), a company incorporated in the British Virgin Island with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man; and (ii) 1,824,690,171 ordinary shares of GNFG which are held by the Company. Honeylink is interested in 5,947,459,872 ordinary shares of the Company, representing 61.55% of issued share capital of the Company.

Save as disclosed above, at 30 September 2021, none of the Directors nor their associates had any interests or short positions in any shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



ARRANGEMENTS TO PURCHASE SHARES AND OPTIONS

The share option scheme of the Company adopted on 16 May 2002 has expired on 5 June 2012. The Company has adopted a new share option scheme (the “Option Scheme”) pursuant to a resolution passed on 24 August 2012. The purpose of the Option Scheme is to provide an incentive for eligible participant to work with commitment towards enhancing the value of the Company and the shares for the benefit of the shareholders of the Company and to retain and attract persons whose contribution are or may be beneficial to the growth and development of the Group.

On 16 January 2019, options to subscribe 289,800,000 ordinary shares were granted to 3 eligible participants other than employees under the Option Scheme at an exercise price HK\$0.26 per share. The validity period of the share options is two years from the date of grant (i.e. from 16 January 2019 to 15 January 2021). The share options vest immediately as the eligible participants are not required to complete a specified period of service before becoming unconditionally entitled to those equity instruments. The Company recognised the services provided in full at the date of grant. The share options were cancelled on 20 November 2020.

On 21 August 2019, the refreshment of scheme mandate limit under the Option Scheme was approved by the shareholders of the Company at the annual general meeting by way of an ordinary resolution. The Company is thus entitled to issue a maximum of 966,270,593 shares upon exercise of the share options to be granted under the refreshed scheme mandate limit, representing 10% of the issued shares as at the date of the annual general meeting held on 21 August 2019.

As at 30 September 2021, the number of share options to subscribe for a total of 966,270,593 shares in the Company, representing approximately 10% of the total number of issued ordinary shares of the Company, may still be granted under the share option scheme.



SUBSTANTIAL SHAREHOLDERS

At 30 September 2021, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders had an interest of 5% or more in the issued share capital of the Company and these interests represent long positions in the ordinary shares of HK\$0.1 each of the Company.

Long positions in the ordinary shares of HK\$0.1 each of the Company

Name	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Hung Hon Man	Held by controlled corporation (<i>Note</i>)	5,947,459,872	61.55%
Honeylink Agents Limited	Beneficial owner (<i>Note</i>)	<u>5,947,459,872</u>	<u>61.55%</u>

Note: Mr. Hung Hon Man is deemed to be interested in 5,947,459,872 ordinary shares of the Company which are held by Honeylink Agents Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man.

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company at 30 September 2021.



PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES

During the current period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed shares of the Company.

CORPORATE GOVERNANCE CODE

Throughout the period ended 30 September 2021, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix 14 to the Listing Rules, except for deviations which are summarised below:

CG Code provision A.4.1 stipulates that non-executive Directors should be appointed for a specific term subject to re-election. The non-executive directors of the Company are not appointed for specific terms but subject to retirement by rotation and re-election at the annual general meeting of the Company according to the provisions of the Company’s articles of association.

Upon successful spin off and separate listing of GNFG in April 2016, Mr. Hung Sui Kwan resigned as CEO of the Company and Mr. Hung Hon Man took up the role of CEO of the Company on 7 April 2016. The roles of the chairman of the Board and the CEO are performed by the same individual, which is a non-compliance to the CG Code Provision A.2.1. However, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals and meets regularly to discuss issues relating to the operations of the Company. The Board has full confidence in Mr. Hung Hon Man and believes that having Mr. Hung performing the roles of the chairman of the Board and the CEO is beneficial to the Company as a whole.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with management of the Company the Group’s unaudited condensed consolidated interim financial statements for the six months ended 30 September 2021 including the accounting principles and practices adopted by the Group.



CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have fully complied with the required standard as set out in the Model Code throughout the period under review.

DISCLOSURE OF THE INFORMATION OF THE DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Upon specific enquiry by the Company and following respective confirmations from the Directors, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's annual report for the year ended 31 March 2021.

By order of the Board
Get Nice Holdings Limited
Hung Hon Man
Chairman

Hong Kong, 26 November 2021

As at the date of this report, the executive directors of the Company are Mr. Hung Hon Man (Chairman and Chief Executive Officer), Mr. Cham Wai Ho, Anthony (Deputy Chairman) and Mr. Kam, Eddie Shing Cheuk; and the independent non-executive directors of the Company are Mr. Man Kong Yui, Mr. Sun Ka Ziang, Henry and Mr. Siu Hi Lam, Alick.