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## **GET NICE HOLDINGS LIMITED**

### **結好控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 0064)

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017**

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 2017 together with comparative figures for the last corresponding period. The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2017 have been reviewed by the Company’s audit committee.

### **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2017</b>	<b>2016</b>
	<i>Notes</i>	<b>HK\$’000</b>	<b>HK\$’000</b>
Revenue	2	<b>257,963</b>	243,819
Other operating income		<b>4,312</b>	5,169
Other gains and losses		<b>(2,443)</b>	(14,219)
Depreciation		<b>(3,741)</b>	(3,815)
Commission expenses		<b>(6,137)</b>	(6,823)
Staff costs		<b>(9,909)</b>	(9,617)
Other expenses		<b>(16,198)</b>	(75,186)
Finance costs		<b>(8,731)</b>	(2,192)
		<hr/>	<hr/>
Profit before taxation		<b>215,116</b>	137,136
Taxation	3	<b>(36,351)</b>	(33,216)
		<hr/>	<hr/>
Profit for the period		<b>178,765</b>	103,920

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2017</b>	<b>2016</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Other comprehensive income (expenses)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference arising on translation		<b>90</b>	–
Fair value (losses) gains on revaluation of available-for-sale investments		<b>(1,973)</b>	499
Deferred tax arising on revaluation of available-for-sale investments		<b>–</b>	(44)
		<u>          </u>	<u>          </u>
Other comprehensive (expenses) income for the period		<b>(1,883)</b>	455
		<u>          </u>	<u>          </u>
Total comprehensive income for the period		<b>176,882</b>	104,375
		<u>          </u>	<u>          </u>
<b>Profit for the period attributable to:</b>			
Owners of the Company		<b>138,003</b>	70,352
Non-controlling interests		<b>40,762</b>	33,568
		<u>          </u>	<u>          </u>
		<b>178,765</b>	103,920
		<u>          </u>	<u>          </u>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		<b>136,120</b>	70,807
Non-controlling interests		<b>40,762</b>	33,568
		<u>          </u>	<u>          </u>
		<b>176,882</b>	104,375
		<u>          </u>	<u>          </u>
Dividends	4	<b>177,150</b>	289,219
		<u>          </u>	<u>          </u>
<b>Earnings per share</b>	5		
Basic – HK cents		<b>1.69</b>	1.01
		<u>          </u>	<u>          </u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited At 30 September 2017 <i>HK\$'000</i>	Audited At 31 March 2017 <i>HK\$'000</i>
Non-current assets			
Prepaid lease payments and property and equipment		119,201	122,850
Investment properties		761,886	513,670
Intangible assets		8,410	8,963
Goodwill		15,441	15,441
Other assets		6,117	6,069
Deferred tax assets		1,266	1,281
Loans and advances		29,593	5,607
Investments in securities		<u>538,930</u>	<u>559,881</u>
		<u>1,480,844</u>	<u>1,233,762</u>
Current assets			
Accounts receivable	6	3,869,703	3,000,547
Loans and advances		509,764	630,971
Prepayments, deposits and other receivables		22,289	18,927
Tax recoverable		–	343
Investments in securities		253,194	240,282
Bank balances – client accounts		311,596	649,170
Bank balances – general accounts and cash		<u>1,094,041</u>	<u>1,069,341</u>
		<u>6,060,587</u>	<u>5,609,581</u>

		<b>Unaudited</b>	Audited
		<b>At</b>	At
		<b>30 September</b>	31 March
		<b>2017</b>	2017
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Current liabilities			
Accounts payable	7	<b>380,989</b>	722,780
Accrued charges and other payables		<b>8,424</b>	10,170
Amounts due to non-controlling shareholders		<b>52,684</b>	52,684
Tax payable		<b>182,464</b>	161,707
		<u><b>624,561</b></u>	<u>947,341</u>
Net current assets		<u><b>5,436,026</b></u>	<u>4,662,240</u>
Total assets less current liabilities		<u><b>6,916,870</b></u>	<u>5,896,002</u>
Non-current liabilities			
Deferred tax liabilities		<b>7,585</b>	7,627
Convertible bonds issued by a listed subsidiary	8	<u><b>306,625</b></u>	<u>–</u>
		<u><b>314,210</b></u>	<u>7,627</u>
Net assets		<u><u><b>6,602,660</b></u></u>	<u><u>5,888,375</u></u>
Capital and reserves			
Share capital	9	<b>966,270</b>	805,225
Reserves		<u><b>4,388,917</b></u>	<u>4,075,647</u>
Equity attributable to owners of the Company		<b>5,355,187</b>	4,880,872
Non-controlling interests		<u><b>1,247,473</b></u>	<u>1,007,503</u>
Total equity		<u><u><b>6,602,660</b></u></u>	<u><u>5,888,375</u></u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2017*

### 1. BASIS OF PREPARATION AND APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The unaudited condensed consolidated financial statements have been prepared in accordance 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”) and are in compliance with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

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

Except as described below, the accounting policies used in the preparation of these unaudited condensed consolidated financial statements for the six months ended 30 September 2017 are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2017.

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA that are mandatorily effective for accounting periods beginning on or after 1 April 2017:

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses
Amendments to HKFRS 12	As part of the annual improvements to HKFRSs 2014–2016 cycle

The application of the above amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial performances and positions for the current and prior periods 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.

## 2. SEGMENT INFORMATION

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

*For the six months ended 30 September 2017*

	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>43,562</u>	<u>155,764</u>	<u>38,576</u>	<u>800</u>	<u>19,261</u>	<u>257,963</u>
SEGMENT PROFIT	<u>33,688</u>	<u>155,764</u>	<u>38,375</u>	<u>674</u>	<u>6,225</u>	<u>234,726</u>
Unallocated corporate expenses						<u>(19,610)</u>
Profit before taxation						<u>215,116</u>

*For the six months ended 30 September 2016*

	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>52,712</u>	<u>138,957</u>	<u>48,077</u>	<u>950</u>	<u>3,123</u>	<u>243,819</u>
SEGMENT PROFIT (LOSS)	<u>24,512</u>	<u>138,957</u>	<u>47,743</u>	<u>694</u>	<u>(38,084)</u>	<u>173,822</u>
Unallocated corporate expenses						<u>(36,686)</u>
Profit before taxation						<u>137,136</u>

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

*As at 30 September 2017*

*Unaudited*

	<b>Broking</b>	<b>Securities margin financing</b>	<b>Money lending</b>	<b>Corporate finance</b>	<b>Investments</b>	<b>Consolidated</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
SEGMENT ASSETS	<u>406,202</u>	<u>3,949,871</u>	<u>625,163</u>	<u>8,578</u>	<u>1,617,820</u>	<u>6,607,634</u>
Unallocated assets ( <i>Note 1</i> )						<u>933,797</u>
Consolidated total assets						<u>7,541,431</u>
SEGMENT LIABILITIES	<u>181,947</u>	<u>235,403</u>	<u>11,105</u>	<u>96</u>	<u>5,765</u>	<u>434,316</u>
Unallocated liabilities ( <i>Note 2</i> )						<u>504,455</u>
Consolidated total liabilities						<u>938,771</u>

As at 31 March 2017

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>881,759</u>	<u>3,315,860</u>	<u>727,485</u>	<u>8,426</u>	<u>1,375,907</u>	6,309,437
Unallocated assets (Note 1)						<u>533,906</u>
Consolidated total assets						<u>6,843,343</u>
SEGMENT LIABILITIES	<u>487,600</u>	<u>256,923</u>	<u>7,472</u>	<u>–</u>	<u>5,073</u>	757,068
Unallocated liabilities (Note 2)						<u>197,900</u>
Consolidated total liabilities						<u>954,968</u>

*Note 1:* The balance comprises bank balances of HK\$800,647,000 (at 31 March 2017: HK\$390,606,000).

*Note 2:* The balance includes the carrying amount of the debt component of convertible bonds issued by a listed subsidiary amounting to HK\$306,625,000 (at 31 March 2017: HK\$Nil) and the amounts due to non-controlling shareholders amounting to HK\$52,684,000 (at 31 March 2017: HK\$52,684,000).

All segments' operations are primarily located in Hong Kong except for an investment property located in United Kingdom and its relevant leasing operation and the majority of the Group's revenue is derived from Hong Kong.



### 3. TAXATION

	Six months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	<u>36,351</u>	<u>33,216</u>

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both periods.

### 4. DIVIDENDS

	Six months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
Final dividend paid	80,523	80,524
Special interim dividend by way of distribution of shares in a subsidiary in respect of its spin-off and separate listing	–	128,171
Proposed interim dividend of HK1.0 cent (2016: HK1.0 cent) per share	<u>96,627</u>	<u>80,524</u>
	<u>177,150</u>	<u>289,219</u>

On 13 September 2017, a dividend of HK1.0 cent per share was paid to shareholders as the final dividend for the year ended 31 March 2017.

At a meeting held on 29 November 2017, the Directors recommended an interim dividend of HK1.0 cent per share for the six months ended 30 September 2017 to the shareholders whose names appear in the register of members on 22 December 2017. This proposed interim dividend is not reflected as a dividend payable in these unaudited condensed consolidated interim financial statements, but will be reflected as an appropriation of retained earnings for the year ended 31 March 2018.

## 5. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
<b>Earnings</b>		
Profit for the period attributable to the owners of the Company for the purpose of basic earnings per share	<u>138,003</u>	<u>70,352</u>
	2017	2016
	'000	'000

## Number of shares

Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>8,149,059</u>	<u>6,944,888</u>
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Diluted earnings per share is not presented as there were no potential ordinary shares outstanding during both periods.

## 6. ACCOUNTS RECEIVABLE

	At 30 September 2017 HK\$'000	At 31 March 2017 HK\$'000
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	93,984	13,641
– Margin clients:		
– Directors and their close family members	898	1,819
– Other margin clients	3,747,582	2,921,480
– Hong Kong Securities Clearing Company Limited	20,786	65,591
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	<u>23,774</u>	<u>15,345</u>
	3,887,024	3,017,876
Less: Impairment allowance	<u>(17,321)</u>	<u>(17,329)</u>
	<u>3,869,703</u>	<u>3,000,547</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.

Included in the accounts receivable from cash clients are debtors with a carrying amount of HK\$909,000 (31 March 2017: HK\$162,000) 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 and a substantial portion of the carrying amount is subsequently settled.

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:

	<b>At 30 September 2017 HK\$'000</b>	<b>At 31 March 2017 HK\$'000</b>
0 – 30 days	<b>889</b>	125
31 – 60 days	–	–
Over 60 days	<b>20</b>	37
	<hr/> <b>909</b> <hr/>	<hr/> 162 <hr/>

The accounts receivable from cash clients with a carrying amount of HK\$93,075,000 (31 March 2017: HK\$13,479,000) 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.

Loans to securities margin clients are secured by clients' pledged securities with fair value of HK\$14,766,824,000 (31 March 2017: HK\$15,308,956,000). Significant portion of the pledged securities are listed equity securities in Hong Kong. The loans are repayable on demand and carry interest at Hong Kong prime rate + 2% to 4.45% per annum (and in some cases the rate may go up to 18% per annum) (31 March 2017: Hong Kong prime rate + 2% to 4.45% per annum (and in some cases the rate may go up to 18% per annum)). 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 collaterals held can be repledged 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.

## 7. ACCOUNTS PAYABLE

	At 30 September 2017 <i>HK\$'000</i>	At 31 March 2017 <i>HK\$'000</i>
Accounts payable arising from the business of dealing in securities:		
– Cash clients	118,934	441,434
– Margin clients	235,403	256,923
Accounts payable to clients arising from the business of dealing in futures contracts	<u>26,652</u>	<u>24,423</u>
	<u><u>380,989</u></u>	<u><u>722,780</u></u>

The normal settlement terms of accounts payable to cash clients and clearing houses are two days after trade date. The age of these balances is within 30 days.

Amounts due to securities margin clients are repayable on demand and carry interest at 0.25% (2016: 0.25%) per annum. 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 of securities margin financing.

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 associates of HK\$23,575,000 (31 March 2017: HK\$90,000).

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. 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 of futures contract dealing.

## 8. CONVERTIBLE BONDS ISSUED BY A SUBSIDIARY

On 1 September 2017, a listed subsidiary of the Group, Get Nice Financial Group Limited (“GNFG”, stock code: 1469), issued 2% coupon convertible bonds (the “Convertible Bonds”) with a nominal value of HK\$525,000,000 to independent third parties. The Convertible Bonds are convertible at the option of the bondholders into ordinary shares within 2 years from the date of issuance of the Convertible Bonds at the conversion price of HK\$1.05 per conversion share. Any Convertible Bonds not converted will be redeemed after 2 years from the date of issuance at the outstanding principal amounts.

As at 30 September 2017, the carrying values of the debt component and equity component as non-controlling interest of the Convertible Bonds are HK\$306,625,000 and HK\$212,619,000, respectively. No Convertible Bonds were converted to ordinary shares up to 30 September 2017.

## 9. SHARE CAPITAL

	Number of shares '000	HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 April 2016, 31 March 2017 and 30 September 2017	30,000,000	3,000,000
Issued and fully paid:		
At 1 April 2016	6,710,214	671,021
Issue of shares on 29 August 2016	1,342,042	134,204
At 31 March 2017	8,052,256	805,225
Issue of shares on 20 September 2017	1,610,450	161,045
At 30 September 2017	9,662,706	966,270

## **INTERIM DIVIDEND**

The Directors have declared an interim dividend of HK1.0 cent per share for the six months ended 30 September 2017. The interim dividend will be payable on or about 29 December 2017 to those shareholders whose names appear on the register of members on 22 December 2017.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 21 December 2017 to 22 December 2017, both dates inclusive (record date being 22 December 2017), 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 20 December 2017.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OVERVIEW**

For the period ended 30 September 2017, the Group's revenue amounted to approximately HK\$258.0 million, representing an increase of 5.8% as compared with approximately HK\$243.8 million reported in the last corresponding financial period. Profit attributable to owners of the Company in the period was approximately HK\$138.0 million (2016: HK\$70.4 million). The increase in revenue and profit was mainly attributable to the increase in interest income from margin financing business, increase in interest income from investments in debt securities, and decrease in other expenses during the period. Operating expenses such as commission expenses and settlement expenses generally in line with the revenue. Significant decrease in other expenses was due to (i) listing expenses in respect of the separate listing of GNFG incurred during the prior period of approximately HK\$23.1 million; and (ii) expenses incurred in relation to the acquisition of a commercial property during the prior period of approximately HK\$30 million. Basic earnings per share increased to HK1.69 cents (2016: HK1.01 cents) mainly as a result of increase in profit for the period.

### **REVIEW AND OUTLOOK**

#### *Market Review*

During the period under review, the investment sentiment in Hong Kong stock market was greatly improved. In light of the development of Stock Connect scheme between three stocks exchanges, the positive outlook on One Belt One Road Initiative and the resilience of recent China's economic data, the confidence of professional investors and general public had been restored. The Hong Kong stock market was going bullish due to the strong inflows of mainland capital into Hong Kong.

Despite the diverging trends of financial policies between countries, for instance, Canada started its interest rate hikes cycle, Japan committed to continue its quantitative easing measures, the European Central Bank was revisiting the continuity of its asset purchase program, China focused on the compliance and credibility of different financial industries, the global financial market was turning positive and most of the market indices were breaking records high.

The Hang Seng Index closed at 27,554 at the end of September 2017, compared with 23,297 at the end of September 2016 and 24,111 at the end of March 2017. The average daily turnover on the Main Board and GEM Board during the six months period ended 30 September 2017 was approximately HK\$85.8 billion, an increase of 31% as compared with HK\$65.5 billion for the same period in prior year.

In respect of the local money lending market, more restrictions and compliance requirements imposed on banks would offer more business opportunities to non-bank money lenders as they could provide more flexible lending services to both retail and corporate clients.

### ***Business Review***

#### ***Broking and securities margin financing***

During the period ended 30 September 2017, the Group recorded solid performance from both its broking and margin financing businesses. Operating result of the broking business increased by 37.6% as a result of the gain on disposal of an insignificant subsidiary engaged in broking business of HK\$10 million in current period. Interest income from securities margin financing also went up with the increase in securities margin lending. Revenue from broking for the period decreased by 17.3% to approximately HK\$43.6 million (2016: HK\$52.7 million) as compared with last financial period, of which approximately HK\$18.7 million (2016: HK\$18.7 million) was contributed by the underwriting, placing and proof of funds business. The broking business posted a profit of approximately HK\$33.7 million (2016: HK\$24.5 million) for the period. The movement in broking turnover was affected by the average market turnover during the 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 increased by 12.1% to approximately HK\$155.8 million (2016: HK\$139.0 million). Total outstanding loans of securities margin financing as at 30 September 2017 amounted to approximately HK\$3,748.5 million (as at 31 March 2017: HK\$2,923.3 million), which increased by 28.2% as compared with that on 31 March 2017. No impairment charge was recorded in the period (2016: HK\$Nil). 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.

### *Money lending*

The money lending vehicle is engaged in provision of consumer and mortgage loans. The money lending business continued to show stable performance during the period. The aggregated loan amount decreased to HK\$539.4 million at 30 September 2017 from HK\$636.6 million at 31 March 2017, with interest income decreased by 19.8% to HK\$38.6 million (2016: HK\$48.1 million) for the period. It recorded profit before tax of HK\$38.4 million (2016: HK\$47.7 million) for the six months ended 30 September 2017. No material impairment loss was made on the loan book of money lending for the period. 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 2017, it completed 5 financial advisory transactions (2016: 6). The operation reported a profit of approximately HK\$0.7 million for the period (2016: HK\$0.7 million).

### *Investments*

The investments division held investment 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 HK\$6.2 million (2016: loss of HK\$38.1 million), mainly attributable to the interest income from an unlisted debt security of HK\$15.8 million (2016: HK\$Nil) and expenses incurred in relation to the acquisition of a commercial property of HK\$30 million in prior period. The realised and unrealised loss of financial instruments for the period was HK\$0.6 million (2016: HK\$Nil) and HK\$34.0 million (2016: HK\$14.6 million), respectively. As at 30 September 2017, the Group held a portfolio of equity and debt securities and convertible notes with a total fair value of HK\$792.1 million (31 March 2017: HK\$800.2 million).

During the current period, the Group acquired a commercial building in United Kingdom, at consideration of HK\$213.4 million. As at 30 September 2017, the Group held a portfolio of investment properties with a total fair value of HK\$761.9 million (31 March 2017: HK\$513.7 million).

### ***Outlook***

Looking ahead, the economic backdrop of Hong Kong and China remains stable and optimistic. The cross-border Stock Connect scheme, the geographical advantages of Hong Kong and the integration of the Hong Kong and China markets would continue to derive capital inflow to Hong Kong and create financial synergy.



Notwithstanding the recent positive performance of the Hong Kong stock market supported by improved investment atmosphere, our Group is facing with uncertainties in global financial environment, expecting new local regulatory requirements and also variation of financial policies in China. 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 has utilised the proceeds from placing of shares, the Listing of GNFG and issuance of convertible bonds by GNFG to expand our securities margin financing and broking business and further develop our underwriting and placing service. Looking ahead, the Group is going to further enlarge the sales and marketing team and corporate finance team, and further improve our information and technology infrastructure.

In addition, the Group will keep seeking quality and upscale investment properties and 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.

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.

#### **USE OF PROCEEDS FROM PLACING OF NEW SHARES**

The Company has received net proceeds of approximately HK\$414.5 million in connection with the placing of new shares completed on 20 September 2017. Set forth below is a summary of the utilization of the net proceeds:

<b>Intended use as disclosed in the Company's announcement dated 5 September 2017</b>	<b>Amount of net proceeds intended to be used</b>	<b>Actual utilized amount as of 30 September 2017</b>	<b>Unutilized amount as of 30 September 2017</b>
	<i>HK\$ million (approximately)</i>	<i>HK\$ million (approximately)</i>	<i>HK\$ million (approximately)</i>
General working capital	414.5	14.6	399.9

## **FINANCIAL REVIEW**

### ***Financial Resources and Gearing Ratio***

The equity attributable to owners of the Company amounted to HK\$5,355.2 million (31 March 2017: HK\$4,880.9 million) as at 30 September 2017, representing an increase of HK\$474.3 million, or 9.7% from that of 31 March 2017. The movement was mainly attributable to the placing of new shares and profit for the period net of dividend payment. The increase in non-controlling interest from approximately HK\$1,007.5 million at 31 March 2017 to HK\$1,247.5 million at 30 September 2017 was mainly attributable to the non-controlling interest sharing of the profit for the period of GNFG, and the non-controlling interest of equity component of the convertible bonds issued by GNFG.

The Group's net current assets as at 30 September 2017 amounted to HK\$5,436.0 million (31 March 2017: HK\$4,662.2 million) and the liquidity of the Group, as demonstrated by the current ratio (current assets/current liabilities) was 9.70 times (31 March 2017: 5.92 times). The Group's cash on hand amounted to HK\$1,094 million as at 30 September 2017 (31 March 2017: HK\$1,069.3 million). The Group had no bank borrowings as at 30 September 2017 and 31 March 2017 and the Group had undrawn banking facilities amounting to HK\$710 million as at 30 September 2017 (31 March 2017: HK\$935 million) which were secured by charges over clients' pledged securities, a property and corporate guarantees issued by GNFG.

The number of issued shares of the Company was 9,662,705,938 as at 30 September 2017 (31 March 2017: 8,052,255,938). The increase is resulted from the placing of new shares under general mandate during the period.

As at 30 September 2017, the Group's gearing ratio (total liabilities over equity attributable to owners of the Company) was 0.2 time (31 March 2017: 0.2 time).

Except for the acquisition of an investment property in United Kingdom in August 2017 and its related rental income which is 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 Group had no material contingent liabilities at the period end.

### ***Charges on Group Assets***

As at 30 September 2017, leasehold land and building of the Group with a carrying amount of HK\$106.7 million (31 March 2017: HK\$108.1 million) were pledged for a banking facility granted to the Group.

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

The Group did not make any material acquisitions or disposals of subsidiaries, associates or jointly controlled entities during the period.

### ***Employee Information***

As at 30 September 2017, the Group had 77 employees (31 March 2017: 81). 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 HK\$9.9 million (2016: HK\$9.6 million). The Group provides employee benefits including mandatory provident fund, discretionary share options and performance bonus for its staff.

### **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 2017, 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 2017 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.

## **PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT**

This results announcement is published on the websites of the Stock Exchanges at <http://www.hkexnews.hk> and the Company at <http://www.getnice.com.hk>. The 2017 Interim Report of the Company containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 29 November 2017

*As at the date of this announcement, the executive directors of the Company are Mr. Hung Hon Man (Chairman and chief executive officer), Mr. Cham Wai Ho, Anthony and Mr. Kam Leung Ming; 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.*