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 2018

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 2018 together with comparative figures for the last corresponding period. The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2018 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	
		2018	2017
	Notes	***HK$'000***	*HK$'000*
Revenue	4	**280,567**	257,963
Other operating income		**2,909**	4,312
Other gains and losses		**(22,083)**	(2,443)
Depreciation		**(3,760)**	(3,741)
Commission expenses		**(5,490)**	(6,137)
Staff costs		**(11,419)**	(9,909)
Other operating expenses		**(18,754)**	(16,198)
Finance costs		**(56,038)**	(8,731)
Profit before taxation		**165,932**	215,116
Income tax expense	5	**(40,386)**	(36,351)
Profit for the period		**125,546**	178,765

	Notes	Unaudited Six months ended 30 September **2018** *HK$'000*	2017 *HK$'000*
Other comprehensive income (expenses)			
Items that are reclassified or may be reclassified subsequently to profit or loss			
Exchange difference arising on translation of foreign operations		**(67)**	90
Fair value losses on revaluation of investments at fair value through other comprehensive income		**(6,426)**	(1,973)
Deferred tax arising on revaluation of investments at fair value through other comprehensive income		**1,060**	–
Item that will not be reclassified to profit or loss			
Surplus on revaluation of properties		**1,885**	–
Deferred tax arising on revaluation of properties		**(311)**	–
Total other comprehensive expenses for the period		**(3,859)**	(1,883)
Total comprehensive income for the period		**121,687**	176,882
Profit for the period attributable to:			
Owners of the Company		**110,075**	138,003
Non-controlling interests		**15,471**	40,762
		125,546	178,765
Total comprehensive income for the period attributable to:			
Owners of the Company		**105,791**	136,120
Non-controlling interests		**15,896**	40,762
		121,687	176,882
Dividends	6	**193,254**	177,150
Earnings per share	7		
Basic – HK cents		**1.14**	1.69

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**Unaudited At 30 September 2018 *HK$'000***	Audited At 31 March 2018 *HK$'000*
Non-current assets			
Prepaid lease payments, property and equipment		**114,855**	116,455
Investment properties		**813,593**	788,073
Intangible assets		**8,413**	8,410
Goodwill		**15,441**	15,441
Other assets		**4,457**	7,041
Deferred tax assets		**1,266**	1,266
Loans and advances		**130,485**	146,387
Investments in securities		**372,023**	233,055
		1,460,533	1,316,128
Current assets			
Accounts receivable	8	**3,803,094**	4,118,049
Loans and advances		**886,258**	550,353
Prepayments, deposits and other receivables		**24,758**	22,325
Tax recoverable		**26**	59
Investments in securities		**613,931**	661,239
Bank balances – client accounts		**561,612**	419,637
Bank balances – general accounts and cash		**496,966**	749,354
		6,386,645	6,521,016

	Notes	**Unaudited At 30 September 2018** *HK$'000*	Audited At 31 March 2018 *HK$'000*
Current liabilities			
Accounts payable	9	**602,205**	482,464
Accrued charges and other payables		**6,838**	11,699
Amounts due to non-controlling shareholders		**99,085**	96,673
Tax payable		**187,287**	146,935
Bank borrowings		**–**	60,000
Liability components of convertible bonds issued by a listed subsidiary	10	**275,402**	–
		1,170,817	797,771
Net current assets		**5,215,828**	5,723,245
Total assets less current liabilities		**6,676,361**	7,039,373
Non-current liabilities			
Deferred tax liabilities		**6,243**	6,992
Liability components of convertible bonds issued by a listed subsidiary	10	**–**	350,840
		6,243	357,832
Net assets		**6,670,118**	6,681,541
Capital and reserves			
Share capital	11	**966,270**	966,270
Reserves		**4,510,566**	4,449,588
Equity attributable to owners of the Company		**5,476,836**	5,415,858
Non-controlling interests			
Existing		**1,048,701**	1,053,064
Potential		**144,581**	212,619
Total equity		**6,670,118**	6,681,541

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

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 substantial shareholder is Honeylink Agents Limited, a company incorporated in the British Virgin Islands with limited liability of which the entire 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 P.O. Box 10008, Willow House, Cricket Square, Grand Cayman, KY1-1001, Cayman Islands and its principal place of business is located at 10th 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 2018 are the same as those followed in the preparation of the Group's audited consolidated financial statements for the year ended 31 March 2018.

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:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2017 Cycle
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

Except these, the application of the 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.

HKFRS 9 Financial instruments ("HKFRS 9")

HKFRS 9 replaces HKAS 39 "Financial Instruments: Recognition and Measurement" ("HKAS 39"). It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an "expected credit loss" ("ECL") model for the impairment of financial assets.

When adopting HKFRS 9, the Group has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of HKFRS 9 in relation to classification, measurement, and impairment are recognised in retained earnings. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39. The adoption of HKFRS 9 has impacted the following areas.

Classification and measurement of financial assets

Accounts receivable arising from contracts with customers are initially measured in accordance with HKFRS 15 "Revenue from Contracts with Customers" ("HKFRS 15").

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under HKAS 39. Such measurement basis depends on the Group's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

A financial asset is measured at amortised cost only if both of the following conditions are met:

– it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

– the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

Specifically, debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income ("FVTOCI").

All other financial assets are measured at their fair value at subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading and is not contingent consideration of an acquirer in a business combination) in other comprehensive income, with only dividend income generally recognised in profit or loss.

In addition, the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at fair value through profit or loss ("FVTPL") if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest earned and excludes any dividend on the financial asset.

The Directors of the Company reviewed and assessed the Group's financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date.

Impairment under expected credit loss model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group recognises lifetime ECL for accounts receivable, loans and advances and debt instruments measured at FVTOCI and the ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with debtors having similar credit ratings.

For all other instruments, the Group applies the general approach to measure ECL for financial assets which are subject to impairment under HKFRS 9. On this basis, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

The Group recognises impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of accounts receivable and loans and advances where the corresponding adjustments are recognised through a loss allowance account.

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

	Accounts Receivable, at amortised cost	Loans and advances, at amortised cost	Available-for-sale investments	Financial assets at FVTOCI – debt instruments	Financial assets designated at FVTOCI – equity instruments	Financial assets designated at FVTPL	Financial assets at FVTPL – trading and investment securities	Investments revaluation reserve	Retained profits
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Closing balance at 31 March 2018 – HKAS 39	4,118,049	696,740	233,055	–	–	469,386	191,853	(3,528)	1,325,325
Effect arising from initial application of HKFRS 9:									
Reclassification									
From available-for-sale	–	–	(233,055)	123,307	109,748	–	–	–	–
From financial assets designated at FVTPL	–	–	–	–	–	(469,386)	469,386	–	–
Remeasurement									
Impairment under ECL model	(844)	(5,479)	–	–	–	–	–	11,164	(17,487)
Opening balance at 1 April 2018	4,117,205	691,261	–	123,307	109,748	–	661,239	7,636	1,307,838

The following table reconciles the impairment allowance measured in accordance with HKAS 39 (under incurred loss model) as at 31 March 2018 to the new impairment allowance measured with HKFRS 9 (under ECL model) at 1 April 2018:

	Impairment allowance under HKAS 39 *HK$'000*	**Impairment allowance under remeasurement** *HK$'000*	**Impairment allowance under HKFRS 9** *HK$'000*
Accounts receivable	17,321	844	18,165
Loan and advances	7,149	5,479	12,628
Total	24,470	6,323	30,793

HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. The application of HKFRS 15 on 1 April 2018 has no material impact on the Group's financial performance and positions for the current period and prior years, and accordingly, there is no adjustment on the opening condensed consolidated statement of financial position and condensed consolidated statement of changes in equity.

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The revenue from financial advisory and asset management fee are recognised over time and other types of revenue are recognised at point in time.

4. 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 2018

	Broking	Securities margin financing	Money lending	Corporate finance	Investments	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue	**31,227**	**173,039**	**45,358**	**1,315**	**29,628**	**280,567**
Segment profit	**5,797**	**167,320**	**42,809**	**1,160**	**46,583**	**263,669**
Unallocated corporate expenses						**(41,808)**
Unallocated finance costs						**(55,929)**
Profit before taxation						**165,932**

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	43,562	155,764	38,576	800	19,261	257,963
Segment profit	33,688	155,764	38,375	674	6,225	234,726
Unallocated corporate expenses						(11,366)
Unallocated finance costs						(8,244)
Profit before taxation						215,116

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

As at 30 September 2018
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	**612,783**	**4,144,940**	**980,236**	**9,326**	**1,931,692**	**7,678,977**
Unallocated assets *(Note 1)*						**168,201**
Consolidated assets						**7,847,178**
Segment liabilities	**187,787**	**454,320**	**7,401**	**15**	**53,755**	**703,278**
Unallocated liabilities *(Note 2)*						**473,782**
Consolidated liabilities						**1,177,060**

As at 31 March 2018
Audited

	Broking	Securities margin financing	Money lending	Corporate finance	Investments	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	376,330	4,371,825	1,030,107	8,566	1,858,430	7,645,258
Unallocated assets *(Note 1)*						191,886
Consolidated assets						7,837,144
Segment liabilities	179,064	315,238	904	–	53,760	548,966
Unallocated liabilities *(Note 2)*						606,637
Consolidated liabilities						1,155,603

Note 1: The balance comprises bank balances of HK$39,004,000 (at 31 March 2018: HK$55,438,000).

Note 2: The balance includes the carrying amount of the liability component of convertible bonds issued by a listed subsidiary amounting to HK$275,402,000 (at 31 March 2018: HK$350,840,000) and the amounts due to non-controlling shareholders amounting to HK$55,096,000 (at 31 March 2018: HK$52,684,000).

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 Six months ended 30 September	
	2018	2017
	HK$'000	*HK$'000*
Hong Kong	**275,078**	257,963
United Kingdom	**5,489**	–
	280,567	257,963

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	At 31 March
	2018	2018
	HK$'000	*HK$'000*
Hong Kong	**725,816**	704,477
United Kingdom	**230,943**	230,943
	956,759	935,420

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

5. TAXATION

	Six months ended 30 September	
	2018	2017
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**40,386**	36,351

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

6. DIVIDENDS

	Six months ended 30 September	
	2018	2017
	HK$'000	*HK$'000*
Final dividend paid	**96,627**	80,523
Proposed interim dividend of HK1.0 cent (2017: HK1.0 cent) per share	**96,627**	96,627
	193,254	177,150

On 12 September 2018, a dividend of HK1.0 cent per share was paid to shareholders as the final dividend for the year ended 31 March 2018.

At a meeting held on 29 November 2018, the Directors recommended an interim dividend of HK1.0 cent per share for the six months ended 30 September 2018 to the shareholders whose names appear in the register of members on 21 December 2018. 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 ended 31 March 2019.

7. EARNINGS PER SHARE

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 as follows:

	Six months ended 30 September	
	2018	2017
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic earnings per share		
Profit for the period attributable to equity shareholders of the Company	**110,075**	138,003

	2018	2017
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**9,662,706**	8,149,059

Diluted earnings per share was not presented as there were no potential ordinary shares outstanding during both periods.

8. ACCOUNTS RECEIVABLE

	At 30 September 2018	At 31 March 2018
	HK$'000	*HK$'000*
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	**11,339**	23,460
– Margin clients:		
– Directors and their close family members	**200,225**	23,113
– Other margin clients	**3,530,472**	4,068,362
– Hong Kong Securities Clearing Company Limited	**79,809**	4,438
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	**5,133**	15,997
	3,826,978	4,135,370
Less: Impairment allowance	**(23,884)**	(17,321)
	3,803,094	4,118,049

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$208,000 (31 March 2018: HK$1,597,000) which are past due at the end of the reporting period but which the directors of the Company consider not to be impaired.

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 2018 *HK$'000*	At 31 March 2018 *HK$'000*
0 – 30 days	**193**	1,586
31 – 60 days	**4**	–
Over 60 days	**11**	11
	208	1,597

The accounts receivable from cash clients with a carrying amount of HK$11,131,000 (31 March 2018: HK$21,863,000) 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$15,222,810,000 (31 March 2018: HK$18,438,760,000). Significant portion of the pledged securities are listed equity securities in Hong Kong. The loans are repayable on demand and carry interest typically at Hong Kong prime rate plus 2% to 4.45% per annum (31 March 2018: Hong Kong prime rate plus 2% to 4.45% 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.

9. ACCOUNTS PAYABLE

	At 30 September 2018	At 31 March 2018
	HK$'000	*HK$'000*
Accounts payable arising from the business of dealing in securities:		
– Cash clients	**134,472**	148,234
– Margin clients	**454,320**	315,238
Accounts payable to clients arising from the business of dealing in futures contracts	**13,413**	18,992
	602,205	482,464

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

Amounts due to securities margin clients and futures client are repayable on demand and carry interest at 0.25% (2017: 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 close family members and a controlling entity of HK$132,000 (31 March 2018: HK$23,000).

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.

10. CONVERTIBLE BONDS ISSUED BY A LISTED 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.

During the period ended 30 September 2018, Convertible Bonds of principal amount HK$168,000,000 (2017: HK$Nil) were redeemed by a bondholder. No Convertible Bonds were converted into ordinary shares of GNFG up to 30 September 2018.

On initial recognition, the fair value of the Convertible Bonds was allocated among the debt component and equity component of the Convertible Bonds. As at 30 September 2018, the carrying values of the debt component and equity component as potential non-controlling interests are HK$275,402,000 (31 March 2018: HK$350,840,000) and HK$144,581,000 (31 March 2018: HK$212,619,000), respectively.

11. SHARE CAPITAL

	Number of shares	
	'000	*HK$'000*
Ordinary shares of HK$0.10 each		
Authorised:		
At 1 April 2017, 31 March 2018 and 30 September 2018	30,000,000	3,000,000
Issued and fully paid:		
At 1 April 2017	8,052,256	805,225
Issue of shares on 20 September 2017	1,610,450	161,045
At 31 March 2018 and 30 September 2018	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 2018. The interim dividend will be payable on or about 31 December 2018 to those shareholders whose names appear on the register of members on 21 December 2018.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 20 December 2018 to 21 December 2018, both dates inclusive (record date being 21 December 2018), 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 19 December 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the period ended 30 September 2018, the Group's revenue amounted to approximately HK$280.6 million, representing an increase of 8.8% as compared with approximately HK$258.0 million reported in the last corresponding financial period. The increase in revenue was mainly attributable to the increase 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$110.1 million (2017: HK$138.0 million). The decrease in profit was mainly attributable to the increase in finance costs and the loss on redemption of convertible bonds issued by GNFG during the current period netting off the increase in revenue. The Group recorded imputed interest expenses arising from convertible bonds issued by GNFG in September 2017 of HK$56 million during current period (2017: HK$8.2 million). Loss on redemption of HK$31.7 million (2017: HK$Nil) recorded upon the redemption of convertible bonds issued by GNFG of principal amount HK$168 million in September 2018.

Earnings per share decreased to HK1.14 cents (2017: HK1.69 cents) as a result of decrease in profit attributable to owners of the Company for the period.

REVIEW AND OUTLOOK

Market Review

During the first three quarters of 2018, the Hong Kong stock market experienced a roller coaster ride. The market had a bullish beginning of the year; Hang Seng Index once soared to a record high of 33,484 points on 29 January 2018. Starting with the second quarter of 2018, United States demonstrated positive impact leading the recovery of global economy. China also recorded stable GDP growth. However, the rally came fast and left fast, the stock market lost its momentum turning into the third quarter of 2018.

During the third quarter of 2018, tensions around unfair trade practices and intellectual property theft were dominating market highlights. Substantial escalation of trade-restrictive measures between the United States and China was leading to economic losses for these two economies and increasing trade costs and market uncertainties globally. The US-China trade war further undermined stock prices in China and Hong Kong market and also weighed on the Chinese currency. The renminbi recorded unusual depreciations in response to trade-related news. Meanwhile, a renewed US dollar rally drew investors from the Southeast Asia market including Hong Kong. Depreciation of the renminbi further pushed a downside momentum to the Hong Kong stock market. On the other hand, concerns over decelerating economic activity in China added to investors' pessimism. As a result of the Chinese government's efforts to curb shadow banking activities, credit to the real economy had begun to decline and equity markets to slip during the current period. Indicators of economic activity of China also generally disappointed the market. Reflecting to the global economic and political issues, the monthly turnover of Hong Kong stock market continued a decline trend during the current period.

In light of the global economic headwinds, the Hang Seng Index closed at 27,789 point at the end of September 2018 compared with 30,093 point at the end of March 2018. The average daily turnover on the Main Board and GEM during the six months period ended 30 September 2018 was approximately HK$99.2 billion, an increase of 15.6% as compared with approximately HK$85.8 billion for the prior financial period.

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.

Regarding the local property market, buying sentiment was impacted by the declining stock market and rising interest rates. With real interest rates turning positive, potential buyers estimated their affordability more carefully and became more conservative. During the third quarter of 2018, Hong Kong's overall residential prices declined according to the monthly figures available from the Rating and Valuation Department. On the other hand, more investors focused on redevelopment potential, such as data centres or commercial buildings, which were driving investment transactions of industrial market. Meanwhile, the property market in United Kingdom maintained stable during the current period, with continued modest downward pressure on overall vacancy, coupled with further small increments in transaction levels.

Business Review

Broking and securities margin financing

During the period ended 30 September 2018, the broking business posted a profit of approximately HK$5.8 million (2017: HK$33.7 million). The operating result of the broking business decreased by 82.8% as a result of the decrease in our broking turnover and number of sizeable corporate finance transactions during current period and also the one-off gain on disposal of a subsidiary engaged in broking business of HK$10 million recorded in prior period. The decrease in broking turnover was affected by the volatile local stock market and negative global investment atmosphere. Revenue from broking for the period decreased by 28.4% to approximately HK$31.2 million (2017: HK$43.6 million) as compared with last financial period, of which approximately HK$6.1 million (2017: HK$18.7 million) was contributed by the underwriting, placing and proof of funds business. The decrease in these fee 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 went up by 11.0% to approximately HK$173.0 million (2017: HK$155.8 million) with the increase in average level of securities margin lending during the period. Total outstanding loan of securities margin financing as at 30 September 2018 amounted to approximately HK$3,730.7 million (as at 31 March 2018: HK$4,091.5 million). Impairment loss on margin clients receivable of HK$5.7 million was charged during the current period (2017: HK$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 good performance during the period. The aggregated loan amount increased to HK$1,016.7 million at 30 September 2018 from HK$696.7 million at 31 March 2018, with interest income increased by 17.6% to HK$45.4 million (2017: HK$38.6 million) for the period. It recorded profit before tax of HK$42.8 million (2017: HK$38.4 million) for the six months ended 30 September 2018. 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 2018, it completed 3 financial advisory transactions (2017: 5). The operation reported a profit of approximately HK$1.2 million for the period (2017: HK$0.7 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 HK$46.6 million (2017: HK$6.2 million), mainly attributable to the fair value gains on two unlisted debt securities measured at FVTPL of HK$9.4 million (2017: fair value losses of HK$24.5 million) mainly arising from a redeemable bond of HK$450 million principal amount, interest income from two unlisted debt securities of HK$18.8 million (2017: HK$16.7 million), fair value gains on investment properties of HK$15.7 million (2017: HK$21.6 million), rental income of HK$6.3 million (2017: HK$0.8 million) mainly arising from the leasing business in London started from the fourth quarter of 2017, and realised gains on equity securities of HK$2.5 million (2017: realised losses of HK$3.3 million).

As at 30 September 2018, the Group held a portfolio of investment properties with a total fair values of HK$813.6 million (31 March 2018: HK$788.1 million), comprised mainly the commercial buildings in Hung Hom (under renovation) and London.

As at 30 September 2018, the Group held a portfolio of equity and debt securities and convertibles notes with a total fair values of HK$986.0 million (31 March 2018: HK$894.3 million). The increase in total fair values of the investment portfolio was mainly attributable to the investment in an unlisted investment fund of HK$40.2 million (31 March 2018: HK$Nil) during the period and the abovementioned fair value gains on unlisted debt securities. The portfolio of equity securities mainly comprised listed companies in Hong Kong and the portfolio of debt securities mainly comprises listed and unlisted bonds and convertible bonds issued by certain listed companies in Hong Kong.

Outlook

Looking ahead, the global economic backdrop remains clouded with uncertainties. Since the United States and China are the most central players in the highly integrated global trade network, escalating US-China commercial tensions represent a significant risk to global financial markets. The aggressive US trade policy remains being a liability to the market as rising trade barriers is a particular issue for those markets that are most dependent on global trade and investment, including Hong Kong. Most of the Asian economies are in stronger positions than years ago but given the integration in the global supply chain, they are still vulnerable to the trade tension between United State and China.

In the future, the business environment of the Group will continue to be competitive but optimistic. The development of the Greater Bay Area and China's Belt & Road initiative are expected to create opportunities for Hong Kong in the coming decades. On the other hand, the increasing compliance-related and system-related costs in meeting the regulatory requirements may impact the cost efficiency and earnings growth of the Group.

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.

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. 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 HK$5,476.8 million (31 March 2018: HK$5,415.9 million) as at 30 September 2018, representing an increase of HK$60.9 million, or 1.1% from that of 31 March 2018. The decrease in non-controlling interest from approximately HK$1,265.7 million at 31 March 2018 to HK$1,193.3 million at 30 September 2018. These movements were mainly attributable to the reclassification of the equity conponent of convertible bonds issued by GNFG from potential non-controlling interests to retained earnings upon redemption of convertible bonds of principal amount HK$168 million.

The Group's net current assets as at 30 September 2018 decreased to HK$5,215.8 million (31 March 2018: HK$5,723.2 million) and the liquidity of the Group, as demonstrated by the current ratio (current assets/current liabilities) was 5.45 times (31 March 2018: 8.17 times) which were mainly attributable to the reclassification of the liability component of convertible bonds issued by GNFG from non-current liabilities to current liabilities as the convertible bonds will be mature within one year from 30 September 2018. The Group's bank balances and cash on hand amounted to HK$497 million as at 30 September 2018 (31 March 2018: HK$749.4 million). The decrease in bank balances and cash on hand was mainly due to the cash outflow in respect of the repayment of bank borrowing of HK$60 million and redemption of convertible bonds issued by GNFG of HK$168 million. The Group had no bank borrowings as at 30

September 2018 (31 March 2018: HK$60 million) and the Group had undrawn banking facilities amounting to HK$983 million as at 30 September 2018 (31 March 2018: HK$650 million) which were secured by charges over clients' pledged securities, a property and corporate guarantees issued by GNFG and the Company.

The number of issued shares of the Company was 9,662,705,938 as at 30 September 2018 (31 March 2018: 9,662,705,938).

As at 30 September 2018, the Group's gearing ratio (total borrowings over equity attributable to owners of the Company) was 0.07 time (31 March 2018: 0.09 time).

Except for an investment in unlisted equity, 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 period end.

Charges on Group Assets

As at 30 September 2018, leasehold land and building of the Group with a carrying amount of HK$106.1 million (31 March 2018: HK$105.9 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 2018, the Group had 82 employees (31 March 2018: 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$11.4 million (2017: HK$9.9 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 2018, 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 2018 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 under "Listed Company Information" and the Company at http://www.getnice.com.hk. The 2018 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 at http://www.hkexnews.hk under "Listed Company Information" and the Company at http://www.getnice.com.hk in due course.

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

Hong Kong, 29 November 2018

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 (Deputy Chairman) 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.