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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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2019

RESULTS

The board of directors (the "Board") of Get Nice Holdings Limited (the "Company") are pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2019 with comparative figures for the previous financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2019

	Notes	**2019** *HK$'000*	2018 *HK$'000*
Revenue	4	**561,905**	584,840
Other operating income	6a	**4,409**	5,066
Other gains and losses, net	6b	**(37,222)**	5,360
Amortisation and depreciation		**(7,687)**	(7,757)
Commission expenses		**(9,460)**	(15,304)
Net impairment loss on accounts receivable	13	**(20,085)**	–
Net impairment loss on loans and advances	15	**(16,508)**	(1,099)
Reversal of net impairment loss on Mandatory FVOCI		**1,129**	–
Staff costs	7	**(23,386)**	(21,230)
Finance costs	8	**(97,371)**	(59,020)
Other expenses		**(44,552)**	(37,492)
Profit before taxation	9	**311,172**	453,364
Taxation	10	**(79,076)**	(80,364)
Profit for the year		**232,096**	373,000

	Notes	**2019** *HK$'000*	2018 *HK$'000*
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		**(15,922)**	173
Fair value gain on Mandatory FVOCI reclassified to profit or loss upon disposal		**104**	–
Fair value loss on Mandatory FVOCI		**(540)**	–
Deferred tax arising on revaluation of Mandatory FVOCI		**72**	–
Fair value gain on available-for-sale investments reclassified to profit or loss upon disposal		**–**	2,181
Fair value change on available-for-sale investments		**–**	(7,400)
Deferred tax arising on revaluation of available-for-sale investments		**–**	862
Items that will not be reclassified to profit or loss			
Fair value loss on Designated FVOCI		**(6,083)**	–
Deferred tax arising on revaluation of Designated FVOCI		**1,004**	–
Surplus on revaluation of properties		**2,770**	842
Deferred tax arising on revaluation of properties		**(457)**	(140)
Total other comprehensive expense for the year		**(19,052)**	(3,482)
Total comprehensive income for the year		**213,044**	369,518
Profit for the year attributable to:			
Owners of the Company		**195,080**	297,143
Non-controlling interests		**37,016**	75,857
		232,096	373,000
Total comprehensive income attributable to:			
Owners of the Company		**175,403**	293,471
Non-controlling interests		**37,641**	76,047
		213,044	369,518
Earnings per share			
– Basic (HK cents)	12	**2.02**	3.34
– Diluted (HK cents)	12	**2.02**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2019

	Notes	**2019** **HK$'000**	2018 *HK$'000*
Non-current assets			
Prepaid lease payments and property and equipment		**112,407**	116,455
Investment properties		**881,896**	788,073
Intangible assets		**8,413**	8,410
Goodwill		**15,441**	15,441
Other assets		**3,517**	7,041
Deferred tax assets		**1,266**	1,266
Loans and advances	15	**47,553**	146,387
Investments in securities		**582,424**	233,055
		1,652,917	1,316,128
Current assets			
Accounts receivable	13	**3,707,421**	4,118,049
Loans and advances	15	**1,038,647**	550,353
Prepayments, deposits and other receivables		**29,868**	22,325
Tax recoverable		**7,637**	59
Investments in securities		**232,684**	661,239
Bank balances – client accounts		**1,143,120**	419,637
Bank balances – general accounts and cash		**505,871**	749,354
		6,665,248	6,521,016

	Notes	2019 HK$'000	2018 HK$'000
Current liabilities			
Accounts payable	14	**1,196,203**	482,464
Accrued charges and other payables		**10,661**	11,699
Amounts due to non-controlling shareholders		**43,665**	96,673
Tax payable		**144,724**	146,935
Bank borrowings		**50,000**	60,000
Liability components of convertible bonds issued by a listed subsidiary	16	**233,524**	–
		1,678,777	797,771
Net current assets		**4,986,471**	5,723,245
Total assets less current liabilities		**6,639,388**	7,039,373
Non-current liabilities			
Deferred tax liabilities		**6,506**	6,992
Liability component of convertible bonds issued by a listed subsidiary	16	**–**	350,840
		6,506	357,832
Net assets		**6,632,882**	6,681,541
Capital and reserves			
Share capital	17	**966,270**	966,270
Reserves		**4,498,789**	4,449,588
Equity attributable to owners of the Company		**5,465,059**	5,415,858
Non-controlling interests			
Existing		**1,061,514**	1,053,064
Potential	16	**106,309**	212,619
Total equity		**6,632,882**	6,681,541

Notes:

1. CORPORATE 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) 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 AND ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2018 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year.

Adoption of new/revised HKFRSs

Amendments to HKAS 40: Transfers of Investment Property

The amendments clarify that, to transfer to or from, investment properties, there must be a change in use. A change in use would involve (a) an assessment of whether a property meets, or has ceased to meet, the definition of investment property; and (b) supporting evidence that a change in use has occurred.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

2. BASIS OF PREPARATION AND ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

Adoption of new/revised HKFRSs (Continued)

Amendments to HKFRS 2: Classification and Measurement of Share-based Payment Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

HK(IFRIC)-Int 22: Foreign Currency Transactions and Advance Consideration

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognised the non-monetary asset or non-monetary liability arising from the advance consideration.

The adoption of the Interpretation does not have any significant impact on the consolidated financial statements.

HKFRS 9: Financial Instruments

The following terms are used in these consolidated financial statements:

- FVPL: fair value through profit or loss.
- FVOCI: fair value through other comprehensive income.
- Designated FVOCI: equity instruments measured at FVOCI.
- Mandatory FVOCI: debt instruments measured at FVOCI.

HKFRS 9 replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. It introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment for financial assets and hedge accounting.

In accordance with the transitional provisions in HKFRS 9, comparative information has not been restated and the Group has applied HKFRS 9 retrospectively to financial instruments that existed at 1 April 2018 (i.e. the date of initial application), except as described below:

(a) The following assessments are made on the basis of facts and circumstances that existed at the date of initial application:

    (i) the determination of the business model within which a financial asset is held;

2. BASIS OF PREPARATION AND ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

Adoption of new/revised HKFRSs (Continued)

HKFRS 9: Financial Instruments (Continued)

(ii) the designation of financial assets or financial liabilities at FVPL or, in case of financial assets, at Designated FVOCI; and

(iii) the de-designation of financial assets or financial liabilities at FVPL.

The above resulting classification shall be applied retrospectively.

(b) If, at the date of initial application, determining whether there has been a significant increase in credit risk since initial recognition would require undue cost or effort, a loss allowance is recognised at an amount equal to lifetime expected credit losses at each reporting date until the financial instrument is derecognised unless that financial instrument has low credit risk at a reporting date.

(c) For investments in equity instruments that were measured at cost under HKAS 39, the instruments are measured at fair value at the date of initial application.

Differences between the previous carrying amounts under HKAS 39 and the current carrying amounts upon adoption of HKFRS 9 are recognised directly in components of equity at 1 April 2018 as summarised below:

	Investment revaluation reserve (recycling) *HK$'000*	Retained profits *HK$'000*
At 1 April 2018		
Recognition of additional loss allowance	–	(6,323)
Recognition of loss allowance on Mandatory FVOCI	11,164	(11,164)
Increase (Decrease)	11,164	(17,487)

Classification and measurement of financial assets and financial liabilities

The adoption of HKFRS 9 has no significant effect on the classification and measurement of the Group's financial liabilities.

The following table reconciles the original measurement categories and carrying amounts under HKAS 39 to the new measurement categories and carrying amounts under HKFRS 9 (before measurement effect) for each class of the Group's financial assets as at 1 April 2018.

2. BASIS OF PREPARATION AND ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

Adoption of new/revised HKFRSs (Continued)

HKFRS 9: Financial Instruments (Continued)

Classification and measurement of financial assets and financial liabilities (Continued)

At 1 April 2018

Measurement category under HKAS 39	Carrying amount under HKAS 39	Remeasurement on transition to HKFRS 9	Measurement category and carrying amount under HKFRS 9			
			Amortised cost	Mandatory FVOCI	Designated FVOCI	FVPL
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Available-for-sale financial assets						
Unlisted equity security not held for trading, at fair value *(note i)*	109,748	–	–	–	109,748	–
Listed debt securities, at fair value *(note ii)*	123,307	–	–	123,307	–	–
Loans and receivables *(note iii)*						
Accounts receivable	4,118,049	(844)	4,117,205	–	–	–
Loans and advances	696,740	(5,479)	691,261	–	–	–
Deposits and receivables	21,072	–	21,072	–	–	–
Bank balances – client accounts	419,637	–	419,637	–	–	–
Bank balances – general accounts and cash	749,354	–	749,354	–	–	–
Financial assets at FVPL *(note iv)*						
Listed equity securities held for trading	191,853	–	–	–	–	191,853
Financial assets designated at FVPL *(note v)*						
Convertible notes	19,692	–	–	–	–	19,692
Unlisted debt securities	449,694	–	–	–	–	449,694
	6,899,146	(6,323)	5,998,529	123,307	109,748	661,239

Notes:

(i) The unlisted equity security that were previously classified as available-for-sale financial assets amounted to approximately HK$109,748,000 are now classified as Designated FVOCI since, at the date of initial application, this investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies and are designated as Designated FVOCI.

2. BASIS OF PREPARATION AND ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

Adoption of new/revised HKFRSs (Continued)

HKFRS 9: Financial Instruments (Continued)

Classification and measurement of financial assets and financial liabilities (Continued)

Notes: (Continued)

(ii) The listed debt securities that were previously classified as available-for-sale financial assets amounted to approximately HK$123,307,000 are now classified as Mandatory FVOCI since, at the date of initial application, the Group's business model is to hold these investments both to collect the contractual cash flows and for sale and the cash flows represent solely payments of principal and interest on the principal amount outstanding.

(iii) These items continue to be measured at amortised cost because, at the date of initial application, the Group's business model is to hold these investments to collect the contractual cash flows and the cash flows represent solely payments of principal and interest on the principal amount outstanding.

(iv) The listed equity securities that were previously classified as financial assets at FVPL amounted to approximately HK$191,853,000 continue to be classified as financial assets at FVPL because, at the date of initial application, the investment is held for trading.

(v) The convertible notes and unlisted debt securities that were previously classified as financial assets designated at FVPL amounted to approximately HK$469,386,000 are now no longer designated at FVPL but continue to be classified as FVPL as they do not meet the criteria to be classified as amortised cost or Mandatory FVOCI or be designated as Designated FVOCI in accordance with HKFRS 9, because their cash flows do not represent solely payments of principal and interest and they are not equity investments.

Expected credit losses ("ECL")

The ECL model under HKFRS 9 requires an entity to account for ECL and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Impairment based on ECL model on these financial assets upon the adoption of HKFRS 9 was set out below.

The following table reconciles the loss allowances under HKAS 39 to the loss allowances under HKFRS 9 on 1 April 2018.

2. BASIS OF PREPARATION AND ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

Adoption of new/revised HKFRSs (Continued)

HKFRS 9: Financial Instruments (Continued)

Expected credit losses ("ECL") (Continued)

	Loss allowances under HKAS 39 as at 31 March 2018	Remeasurement on transition to HKFRS 9	Loss allowances under HKFRS 9 as at 1 April 2018
	HK$'000	*HK$'000*	*HK$'000*
Amortised cost			
Accounts receivable	17,321	844	18,165
Loans and advances	7,149	5,479	12,628
Mandatory FVOCI			
Listed debt securities	–	11,164	11,164
	24,470	17,487	41,957

HKFRS 15: Revenue from Contracts with Customers

HKFRS 15 replaces, among others, HKAS 18 and HKAS 11 which specified the revenue recognition arising from sale of goods and rendering of services and the accounting for construction contracts respectively. The Standard establishes a comprehensive framework for revenue recognition and certain costs from contracts with customers within its scope. It also introduces a cohesive set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group has elected to apply the cumulative effect transition method and recognised the cumulative effect of initial adoption as an adjustment to the opening balance of components of equity at 1 April 2018 (i.e. the date of initial application), if any. Therefore, the comparative information has not been restated for the effect of HKFRS 15.

In addition, the Group has applied HKFRS 15 retrospectively only to contracts that were not completed, if any, at 1 April 2018 in accordance with the transitional provisions therein.

The adoption of HKFRS 15 has no significant effect on the recognition and measurement of the Group's revenue.

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for certain properties and financial instruments, which are measured at revalued amounts or fair value.

3. FUTURE CHANGES IN HKFRSs

At the date of authorisation of the consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are relevant to the Group and are not yet effective for the current year, which the Group has not early adopted.

Annual Improvements to HKFRSs	2015–2017 Cycle [1]
HKFRS 16	Leases [1]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments [1]
Amendments to HKAS 19	Employee Benefits [1]
Amendments to HKAS 28	Investments in Associates and Joint Ventures [1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation [1]
Amendments to HKASs 1 and 8	Definition of Material [2]
Amendments to HKFRS 3	Definition of a Business [3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [4]

[1] Effective for annual periods beginning on or after 1 January 2019

[2] Effective for annual periods beginning on or after 1 January 2020

[3] Effective for acquisitions that occur on or after the beginning of the first annual period beginning on or after 1 January 2020

[4] The effective date to be determined

The directors are in the process of assessing the possible impact on the future adoption of these new/revised HKFRSs. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. While the assessment has been substantially completed for HKFRS 16, the actual impacts upon the initial adoption of the standard may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial information for the six months ending 30 September 2019. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that financial report.

HKFRS 16 Leases

HKFRS 16, which will be effective for annual periods beginning on or after 1 January 2019, significantly changes, among others, the lessee accounting by replacing the dual model under HKAS 17 with a single model which requires a lessee to recognise right-of-use and lease liabilities for the rights and obligations created by all leases with a term of more than 12 months, unless the underlying asset is of low value. For lessor accounting, HKFRS 16 substantially carry forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases differently. HKFRS 16 also requires enhanced disclosures to be provided by lessees and lessors.

The initial application of HKFRS 16 will result in recognition of right-of-use assets and lease liabilities for certain leases of the Group that are currently classified as operating leases under HKAS 17. Subsequently, depreciation (and, if applicable, impairment loss) and interest will be recognised on the right-of-use assets and the lease liabilities respectively. The total amount charged to profit or loss for each reporting period is not expected to be significantly different from the operating lease expense recognised under HKAS 17.

4. REVENUE

	2019	2018
	HK$'000	*HK$'000*
Revenue from contracts with customers within HKFRS 15		
Brokerage commission	**37,288**	66,896
Underwriting and placing commission	**5,509**	22,484
Proof of funds commission	**7,160**	3,600
Other commission	**33**	257
Clearing and handling fee income	**2,366**	2,525
Advisory fee income	**2,089**	1,360
Management fee	**–**	21
	54,445	97,143
Revenue from other sources		
Property rental income	**12,583**	7,964
Interest income from financial assets at FVPL		
– convertible notes	**1,560**	–
– unlisted debt securities	**33,861**	–
Interest income from financial assets designated at FVPL		
– convertible notes	**–**	2,083
– unlisted debt securities	**–**	32,807
	35,421	34,890
Interest revenue calculated using the effective interest method:		
– bank balances and time-deposits	**4,235**	1,386
– other financial assets at amortised costs		
– accounts receivable	**340,387**	334,892
– loans and advances	**102,337**	101,981
– Mandatory FVOCI	**12,497**	–
– available-for-sale investments	**–**	6,584
	459,456	444,843
Total revenue	**561,905**	584,840

5. SEGMENT INFORMATION

The Group is currently organised into five operating divisions, namely broking, securities margin financing, money lending, corporate finance and investments. These divisions are the basis on which board of directors of the Company, being the chief operating decision maker, reviews the operating results and financial information. The principal activities of these divisions are as follows:

Broking	–	provision of stockbroking, futures and options broking and underwriting and placements
Securities margin financing	–	provision of securities margin financing
Money lending	–	provision of mortgage and consumer loans
Corporate finance	–	provision of corporate advisory services
Investments	–	holding of investment properties and financial instruments

The accounting policies of the operating segments are the same as the Group's accounting policies. For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain prepaid lease payments and property and equipment, club memberships, goodwill, certain other assets, certain prepayments, deposits and other receivables, certain bank balances, certain tax recoverable and deferred tax assets.

- all liabilities are allocated to operating segments other than certain accrued charges and other payables, amounts due to non-controlling shareholders, bank borrowings, certain tax payable, deferred tax liabilities and liability component of convertible bonds issued by a listed subsidiary.

- all profit or loss are allocated to operating segments other than certain amortisation and depreciation, certain finance costs, certain staff costs and certain other expenses incurred for strategic planning by the Group.

Segment information about these divisions is presented below.

Segment revenue and results

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

For the year ended 31 March 2019

	Broking *HK$'000*	Securities margin financing *HK$'000*	Money lending *HK$'000*	Corporate finance *HK$'000*	Investments *HK$'000*	Consolidated *HK$'000*
SEGMENT REVENUE	56,637	340,343	102,337	2,089	60,499	561,905
SEGMENT RESULT	15,198	320,257	85,575	1,518	59,157	481,705
Unallocated corporate expenses						(73,858)
Unallocated finance costs						(96,675)
Profit before taxation						311,172

5. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

For the year ended 31 March 2018

	Broking *HK$'000*	Securities margin financing *HK$'000*	Money lending *HK$'000*	Corporate finance *HK$'000*	Investments *HK$'000*	Consolidated *HK$'000*
SEGMENT REVENUE	97,218	334,806	101,981	1,397	49,438	584,840
SEGMENT RESULT	64,889	334,806	99,329	1,369	29,813	530,206
Unallocated corporate expenses						(19,133)
Unallocated finance costs						(57,709)
Profit before taxation						453,364

Segment assets and liabilities

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

At 31 March 2019

	Broking ***HK$'000***	**Securities margin financing** ***HK$'000***	**Money lending** ***HK$'000***	**Corporate finance** ***HK$'000***	**Investments** ***HK$'000***	**Consolidated** ***HK$'000***
SEGMENT ASSETS	**538,300**	**4,732,833**	**1,060,998**	**9,732**	**1,822,751**	**8,164,614**
Unallocated assets *(note 1)*						**153,551**
Consolidated total assets						**8,318,165**
SEGMENT LIABILITIES	**159,828**	**1,041,015**	**115**	**146**	**74,008**	**1,275,112**
Unallocated liabilities *(note 2)*						**410,171**
Consolidated total liabilities						**1,685,283**

5. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

At 31 March 2018

	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 total assets						7,837,144
SEGMENT LIABILITIES	179,064	315,238	904	–	53,760	548,966
Unallocated liabilities *(note 2)*						606,637
Consolidated total liabilities						1,155,603

Note 1: The balance comprises bank balances of HK$20,338,000 (2018: HK$55,438,000).

Note 2: The balance includes amounts due to non-controlling shareholders amounting to HK$32,669,000 (2018: HK$52,684,000) and liability component of convertible bonds issued by a listed subsidiary of HK$233,524,000 (2018: HK$350,840,000).

5. SEGMENT INFORMATION (CONTINUED)

Other segment information

For the year ended 31 March 2019

	Broking *HK$'000*	Securities margin financing *HK$'000*	Money lending *HK$'000*	Corporate finance *HK$'000*	Investments *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:							
Additions of property and equipment	**879**	**–**	**3**	**–**	**–**	**31**	**913**
Additions of investment properties	**–**	**–**	**–**	**–**	**99,041**	**–**	**99,041**
Amortisation of prepaid lease payment, and depreciation of property and equipment	**(1,220)**	**–**	**–**	**(1)**	**(20)**	**(6,446)**	**(7,687)**
Impairment loss on accounts receivable	**–**	**(20,085)**	**–**	**–**	**–**	**–**	**(20,085)**
Impairment loss on loans and advances	**–**	**–**	**(16,508)**	**–**	**–**	**–**	**(16,508)**
Reversal of impairment loss on Mandatory FVOCI	**–**	**–**	**–**	**–**	**1,129**	**–**	**1,129**
Fair value gains on investment properties	**–**	**–**	**–**	**–**	**10,686**	**–**	**10,686**
Fair value losses on financial assets at FVPL	**(22)**	**–**	**–**	**–**	**(11,022)**	**–**	**(11,044)**
Interest income (including revenue and other operating income)	**4,498**	**340,343**	**102,337**	**63**	**47,931**	**353**	**495,525**
Finance costs	**(274)**	**–**	**–**	**–**	**(422)**	**(96,675)**	**(97,371)**
Commission expenses	**(8,851)**	**–**	**–**	**(609)**	**–**	**–**	**(9,460)**
Write off of property and equipment	**(15)**	**–**	**–**	**–**	**–**	**–**	**(15)**
Loss on redemptions of convertible bonds issued by a listed subsidiary	**–**	**–**	**–**	**–**	**–**	**(38,867)**	**(38,867)**

For the year ended 31 March 2018

	Broking *HK$'000*	Securities margin financing *HK$'000*	Money lending *HK$'000*	Corporate finance *HK$'000*	Investments *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:							
Additions of property and equipment	513	–	–	–	–	7	520
Additions of investment properties	–	–	–	–	233,797	–	233,797
Amortisation of prepaid lease payment, and depreciation of property and equipment	(1,109)	–	–	–	(191)	(6,457)	(7,757)
Net recognition of impairment loss on loans and advances	–	–	(1,099)	–	–	–	(1,099)
Gains on disposal of subsidiaries	20,000	–	–	–	–	–	20,000
Fair value gains on investment properties	–	–	–	–	40,606	–	40,606
Fair value losses on financial assets							
- Held for trading	(35)	–	–	–	(46,174)	–	(46,209)
- Designated at FVPL	–	–	–	–	(12,299)	–	(12,299)
Interest income (including revenue and other operating income)	1,436	334,806	101,981	37	41,474	369	480,103
Finance costs	(1,311)	–	–	–	–	(57,709)	(59,020)
Commission expenses	(15,304)	–	–	–	–	–	(15,304)

5. SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are located in Hong Kong and the United Kingdom (2018: 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	
	2019	2018
	HK$'000	*HK$'000*
Hong Kong	**550,984**	578,436
United Kingdom	**10,921**	6,404
	561,905	584,840

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	
	2019	2018
	HK$'000	*HK$'000*
Hong Kong	**811,765**	704,477
United Kingdom	**209,909**	230,943
	1,021,674	935,420

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

Information about major customers

During the years ended 31 March 2019 and 2018, there were no customers contributing 10% or more of the Group's total revenue.

6. OTHER OPERATING INCOME/OTHER GAINS AND LOSSES, NET

6a. Other operating income

	2019	2018
	HK$'000	*HK$'000*
Bank interest income	**648**	370
Sundry income	**3,761**	4,696
	4,409	5,066

6b. Other gains and losses, net

	2019	2018
	HK$'000	*HK$'000*
Fair value changes on investment properties	**10,686**	40,606
Net realised gains (losses) on error trades	**36**	(60)
Fair value losses on		
– financial assets at FVPL	**(11,044)**	(46,209)
– financial assets designated at FVPL	**–**	(12,299)
Realised gains (losses) on disposal of		
– financial assets at FVPL	**2,498**	(1,495)
– Mandatory FVOCI	**(234)**	–
– financial assets designated at FVPL	**–**	(44)
– available-for-sale investments	**–**	2,749
Exchange difference, net	**(297)**	2,112
Gain on disposal of subsidiaries	**–**	20,000
Loss on redemption of convertible bonds issued by a listed subsidiary	**(38,867)**	–
	(37,222)	5,360

7. STAFF COSTS

	2019	2018
	HK$'000	*HK$'000*
Staff costs including directors' emoluments:		
Salaries and other benefits	**22,489**	20,395
Retirement benefit scheme contributions	**897**	835
	23,386	21,230

8. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
Interest on bank borrowings	**549**	1,165
Interest on clients' accounts	**147**	146
Interest on convertible bonds issued by a listed subsidiary	**96,675**	57,709
	97,371	59,020

9. PROFIT BEFORE TAXATION

	2019	2018
	HK$'000	*HK$'000*
This is stated after charging:		
Auditor's remuneration	**2,800**	2,750
Operating lease rentals in respect of premises	**1,693**	1,669
Direct operating expenses relating to investment properties that generated rental income	**191**	269
Direct operating expenses relating to investment properties that did not generate rental income	**1,434**	1,622
Write off of property and equipment	**15**	–
Share-based payment expenses	**8,776**	–

10. TAXATION

	2019	2018
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profit Tax	**76,147**	80,916
Overseas Profit Tax	**1,769**	–
(Over) Under provision in prior years:		
Hong Kong Profit Tax	**(2)**	(639)
Overseas Profit Tax	**1,029**	–
Deferred tax:		
Origination and reversal of temporary difference	**133**	87
Income tax expense	**79,076**	80,364

10. TAXATION (CONTINUED)

The two-tiered profits tax rates regime have been implemented from 1 April 2018, under which, the profit 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%. 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 the year ended 31 March 2019, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime. For the year ended 31 March 2018, Hong Kong Profits Tax has been provided at the rate of 16.5% on the Group's estimated assessable profits arising from Hong Kong.

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 year based on existing legislation, interpretation and practices in respect thereof.

11. DIVIDENDS

	2019	2018
	HK$'000	*HK$'000*
Final dividend for prior financial year, paid – HK 1 cent (2018: HK 1 cent) per share	**96,627**	80,523
Interim dividend for current financial year, paid – HK 1 cent (2018: HK 1 cent) per share	**96,627**	96,627
	193,254	177,150

A final dividend in respect of the year ended 31 March 2019 of HK 1 cent (2018: HK 1 cent) per share, amounting to approximately HK$96,627,000 (2018: HK$96,627,000) has been proposed by the directors of the Company and is subject to the approval by the owners of the Company in the forthcoming annual general meeting.

12. 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 ordinary shares in issue during the year.

	2019	2018
	HK$'000	*HK$'000*
Profit for the year attributable to equity shareholders of the Company	**195,080**	297,143
Weighted average number of ordinary shares for the purpose of basic earnings per share	**9,662,706**	8,903,809
Basic earnings per share (HK cents)	**2.02**	3.34

12. EARNINGS PER SHARE (CONTINUED)

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.

	2019	2018
	HK$'000	*HK$'000*
Profit for the year attributable to equity shareholders of the Company	**195,080**	297,143
Weighted average number of ordinary shares for the purpose of basic earnings per share	**9,662,706**	8,903,809
Adjustment for share option	**6,471**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**9,669,177**	8,903,809
Diluted earnings per share (HK cents)	**2.02**	N/A

Diluted earnings per share is the same as the basic earnings per share for the year ended 31 March 2018 because there were no potential dilutive ordinary shares outstanding.

13. ACCOUNTS RECEIVABLE

	2019	2018
	HK$'000	*HK$'000*
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	**8,879**	23,460
– Margin clients:		
– Directors and their close family members	**167,054**	23,113
– Other margin clients	**3,565,509**	4,068,362
– Hong Kong Securities Clearing Company Limited	**–**	4,438
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	**3,390**	15,997
	3,744,832	4,135,370
Less: Loss allowances	**(37,411)**	(17,321)
	3,707,421	4,118,049

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

13. ACCOUNTS RECEIVABLE (CONTINUED)

Included in the accounts receivable from cash clients are debtors with a carrying amount of HK$154,000 (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 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:

	2019	2018
	HK$'000	*HK$'000*
0 – 30 days	**141**	1,586
31 – 60 days	**1**	–
Over 60 days	**12**	11
	154	1,597

The accounts receivable from cash clients with a carrying amount of HK$8,725,000 (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$13,791,493,000 (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 subsequent to settlement date and carry interest typically at Hong Kong prime rate + 2% to 5.13% per annum as at 31 March 2019 (2018: Hong Kong prime rate +2% to 4.45% per annum). Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collateral are required if the outstanding amount exceeds the eligible margin value of securities deposited. The collateral held can be repledged and can be sold at the Group's discretion to settle any outstanding amount owed by margin clients.

The Group has concentration of credit risk as 44% (2018: 44%) of the total loans to securities margin clients was due from the Group's ten largest securities 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.

The Group's customer base consists of a wide range of clients and the accounts receivable from margin clients are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

13. ACCOUNTS RECEIVABLE (CONTINUED)

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial asset is credit-impaired, the Group has taken into account the credit quality of clients, the collateral to account receivable balances ratio, amount of margin shortfall of margin clients and pledged marketable securities and adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. There was no change in the estimation techniques or significant assumptions made during the year.

The Group has established a margin client credit risk classification system and performs credit risk management based on margin client classification in one of three categories of internal credit rating. The information about the ECL for the accounts receivable from margin clients at 31 March 2019 is summarised below.

Internal credit rating	Basis of ECL	Gross carrying amount	Loss allowance
		HK$'000	*HK$'000*
Performing	12-month	3,647,664	17,702
Underperforming	Lifetime	53,167	3,795
Not performing	Lifetime	31,732	15,914
		3,732,563	37,411

At 31 March 2018, included in the Group's accounts receivable are margin loans with an aggregate outstanding balance of approximately HK$37,108,000 which are not fully secured. The Group has no significant concentration of credit risk on these loans, with exposure spread over a number of clients, and which are closely monitored by the Group. The Group held collateral of listed equity securities with a fair value of approximately HK$13,731,000 at the end of the reporting period in respect of these loans. Loss allowance of approximately HK$17,321,000 has been made for the shortfall portion of those margin loans amounted to approximately HK$23,377,000. No further impairment allowance is considered necessary for the remaining margin loans based on the Group's evaluation of their collectability after considering, among others, repayment subsequent to the reporting period.

At 31 March 2019, the Group recognised loss allowance of approximately HK$37,411,000 (2018: HK$17,321,000) on its accounts receivable from margin clients. The movement in the loss allowance for accounts receivable from margin clients during the year is summarised below. The comparative amounts represent the loss allowance for impairment losses recognised under HKAS 39.

13. ACCOUNTS RECEIVABLE (CONTINUED)

The movement of the loss allowance, by measurement basis of ECL, is as follows:

	2019					2018
	12-month ECL	Lifetime ECL			Under	Under
			Not	Under	HKFRS 9	HKAS 39
	Performing	Underperforming	performing	HKAS 39	Total	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At the beginning of the reporting period, as previously reported	–	–	–	17,321	17,321	17,321
Effect of adoption of HKFRSs 9						
– Derecognition of provision under HKAS 39	–	–	–	(17,321)	(17,321)	–
– Increase in allowance	15,902	2,243	20	–	18,165	–
Loss allowance	15,902	2,243	20	–	18,165	17,321
At the beginning of the reporting period, as restated	15,902	2,243	20	–	18,165	17,321
Increase in allowance	1,800	1,552	16,733	–	20,085	–
Amount written off	–	–	(839)	–	(839)	–
At the end of the reporting period	17,702	3,795	15,914	–	37,411	17,321

The following significant changes in the gross carrying amounts of the balances contributed to the increase in the loss allowance during the year:

(i) Increase in loss given default rate due to the increased in shortfall portion of margin loans which are not fully secured amounted to approximately HK$34,553,000 (2018: HK$23,377,000); and

(ii) Additional loss allowance of approximately HK$15,838,000 as a result of difficulties on repayment by accounts receivable from margin clients.

The Group has collateral amounted to approximately HK$3,642,000 in respect of the credit-impaired accounts receivable from margin clients.

14. ACCOUNTS PAYABLE

	2019	2018
	HK$'000	*HK$'000*
Accounts payable arising from the business of dealing in securities:		
– Cash clients	**119,718**	148,234
– Margin clients	**1,041,015**	315,238
– Hong Kong Securities Clearing Company Limited	**25,586**	–
Accounts payable to clients arising from the business of dealing in futures contracts	**9,884**	18,992
	1,196,203	482,464

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 clearing houses are two days after trade date.

Amounts due to securities margin clients and future clients are repayable on demand and carry interest at 0.25% (2018: 0.25%) 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, their close family members and a controlling entity of HK$60,000 (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 (the "HKFE"). The excesses of the outstanding amounts over the required initial margin deposits stipulated by the HKFE are repayable to clients on demand.

15. LOANS AND ADVANCES

	2019	2018
	HK$'000	*HK$'000*
Fixed-rate loan receivables	**1,115,336**	703,889
Less: Loss allowance	**(29,136)**	(7,149)
	1,086,200	696,740
Secured	**229,281**	148,671
Unsecured	**856,919**	548,069
	1,086,200	696,740
Analysed as:		
Current	**1,038,647**	550,353
Non-current	**47,553**	146,387
	1,086,200	696,740

At the end of the reporting period, loans and advances with carrying amount of approximately HK$223,084,000 (2018: HK$140,472,000) are secured by first mortgage of properties in Hong Kong with an aggregate fair value of approximately HK$464,029,000 (2018: HK$359,110,000); carrying amount of HK$6,197,000 (2018: HK$8,199,000) are covered by second mortgages of properties in Hong Kong with an aggregate fair value of approximately HK$34,750,000 (2018: HK$25,150,000). The fixed rate loan receivables carry interest ranging from 8% to 24% (2018: 8% to 24%) per annum. The outstanding balances are repayable on the respective maturity dates.

At 31 March 2019, the Group has concentration of credit risk as 43% (2018: 65%) of total loans and advances was due from the Group's five largest borrowers, within the money lending segment.

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial asset is credit-impaired, the Group has taken into account the historical actual credit loss experience for the borrowers and the financial position of the counterparties by reference to, among others, the background search for individual clients, their management or audited accounts and available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. There was no change in the estimation techniques or significant assumptions made during the year.

15. LOANS AND ADVANCES (CONTINUED)

The Group has established a loan credit risk classification system and performs credit risk management based on loan classification in one of three categories of internal credit rating. The information about the ECL for the loan receivables as at 31 March 2019 is summarised below. After considering the above factors, a loss allowance of approximately HK$16,508,000 was recognised during the year.

Internal credit rating	Basis of ECL	Gross carrying amount	Loss allowance
		HK$'000	*HK$'000*
Performing	12-month	612,718	2,127
Underperforming	Lifetime	472,415	13,421
Not performing	Lifetime	30,203	13,588
		1,115,336	29,136

At 31 March 2019, the Group recognised loss allowance of approximately HK$29,136,000 (2018: approximately HK$7,149,000) on its loans and advances. The movement in the loss allowance for loans and advances during the year is summarised below. The comparative amounts represent the loss allowance for impairment losses recognised under HKAS 39.

The movement of the loss allowance, by measurement basis of ECL, is as follows:

	2019					2018
	12-month ECL	Lifetime ECL				
	Performing	Underperforming	Not performing	Under HKAS 39	Under HKFRS 9 Total	Under HKAS 39 Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At the beginning of the reporting period, as previously reported	–	–	–	7,149	7,149	6,050
Effect of adoption of HKFRSs 9						
– Derecognition of provision under HKAS 39	–	–	–	(7,149)	(7,149)	–
– Increase in allowance	1,677	10,951	–	–	12,628	–
Loss allowance	1,677	10,951	–	–	12,628	6,050
At the beginning of reporting period, as restated	1,677	10,951	–	–	12,628	6,050
Increase (Decrease) in allowance	450	2,470	13,588	–	16,508	1,506
Amount written off	–	–	–	–	–	(407)
At the end of the reporting period	2,127	13,421	13,588	–	29,136	7,149

As one of the borrowers is facing significant financial difficulties and it is becoming probable that it will have financial reorganisation, the relevant gross carrying amount of the balances contributed to additional loss allowance of approximately HK$13,203,000 during the year.

The management closely monitor the credit quality of the loans and there are no indications that the loan receivables neither past due nor impaired will be uncollectible.

16. CONVERTIBLE BONDS ISSUED BY A LISTED SUBSIDIARY

On 1 September 2017 (the "Bond Issue Date"), a listed subsidiary of the Group, Get Nice Financial Group Limited ("GNFG", stock code: 1469) issued convertible bonds, with coupon interest rate of 2% per annum, in the principal amount of HK$525,000,000 ("GNFG CB") to not less than six independent placees who were professional, institutional or private investors and whose ultimate beneficial owners were independent third parties. The coupon interest is accrued at the outstanding principal amount of GNFG CB and shall only be payable by GNFG to the bondholders once every six months from the Bond Issue Date if GNFG CB are neither converted during the conversion period nor redeemed prior to 1 September 2019 (the "Bond Maturity Date"). GNFG CB can be converted into maximum 500,000,000 ordinary shares of GNFG at a conversion price of HK$1.05 per share. The conversion period commenced from the Bond Issue Date up to and including the date falling on the seventh day immediately prior to the Bond Maturity Date.

Assuming all GNFG CB were fully converted into the ordinary shares of GNFG at 31 March 2019, the Company's shareholding in GNFG would be diluted from 72.99% to 66.36% (2018: 72.99% to 60.82%) which would result in deemed disposal of the equity interest in GNFG. Accordingly, the equity component of the GNFG CB is reported as "Potential non-controlling interests" in the consolidated financial statements.

At initial recognition, GNFG CB were separated into a liability component and an equity component representing the conversion options of the bondholders which is reported as potential non-controlling interests. The fair value of the liability component and the value of the equity conversion component were determined at the Bond Issue Date. The fair value of the liability component was calculated using a market interest rate of 5.94% per annum for instruments without a conversion option of comparable credit status which is referenced to professional valuation conducted by an independent professionally qualified valuer. The residual amount, representing the value of the equity conversion component, has been reported as potential non-controlling interests.

As the fair value of GNFG CB was determined using valuation models for which involved unobservable inputs, the day-one loss, which represented difference between the nominal value and the fair value of GNFG CB at the Bond Issue Date, was not recognised in profit or loss immediately but was deferred.

The carrying value of the liability component and the equity conversion component of GNFG CB is net of the deferred day-one loss which is allocated to the liability component and potential non-controlling interests on the same allocation basis of the allocation of the fair value of GNFG CB. The deferred day-one loss in the liability components is amortised over the term of GNFG CB on the basis similar with the effective interest method and included in "Interest on convertible bonds" in profit or loss and the deferred day-one loss in the potential non-controlling interests will be accounted for in the same basis as the equity conversion component.

The effective interest rate of the liability component of GNFG CB on initial recognition, which excluded the impact of the deferred day-one loss, is 7.43% per annum and is subsequently carried at amortised cost.

16. **CONVERTIBLE BONDS ISSUED BY A LISTED SUBSIDIARY (CONTINUED)**

During the year ended 31 March 2019, GNFG CB held by four bondholders of principal amount of HK$262,500,000 were redeemed by GNFG at the redemption price of HK$262,500,000. The redemption price was allocated to the liability component and the equity component on the same basis as used in the allocation of the fair value of GNFG CB at initial recognition. At the date of redemption, the difference between the redemption price allocated to the liability component and the carrying amount of the liability component amounted to approximately HK$38,867,000 was recognised as a loss in profit or loss and the residual amount of the redemption price of approximately HK$17,811,000 was recognised in equity. Upon the redemption of GNFG CB, remaining amount of the potential non-controlling interests attributable to the redeemed GNFG CB approximately HK$88,499,000 was transferred to retained profits and existing non-controlling interests.

No GNFG CB were converted into ordinary shares of the Company up to 31 March 2019.

GNFG CB recognised at the end of the reporting period are calculated as follows:

	Gross Amount *HK$'000*	Deferred day-one loss *HK$'000*	Net Amount *HK$'000*
Liability component			
Fair value of liability component at the Bond Issue Date	**480,615**	**(173,694)**	**306,921**
Allocated issue costs	**(7,665)**	**–**	**(7,665)**
	472,950	**(173,694)**	**299,256**
Interest expenses for the period:			
Imputed interest expenses	**17,040**	**–**	**17,040**
Amortisation of deferred day-one loss	**–**	**40,669**	**40,669**
	17,040	**40,669**	**57,709**
Coupon interest paid/accrued	**(6,125)**	**–**	**(6,125)**
At 31 March 2018 and 1 April 2018	**483,865**	**(133,025)**	**350,840**
Interest expenses for the year:			
Imputed interest expenses	**31,934**	**–**	**31,934**
Amortisation of deferred day one loss	**–**	**64,741**	**64,741**
	31,934	**64,741**	**96,675**
Coupon interest paid/accrued	**(8,169)**	**–**	**(8,169)**
Redemption of the GNFG CB	**(250,837)**	**45,015**	**(205,822)**
	(259,006)	**45,015**	**(213,991)**
At 31 March 2019	**256,793**	**(23,269)**	**233,524**

16. CONVERTIBLE BONDS ISSUED BY A LISTED SUBSIDIARY (CONTINUED)

	Gross Amount *HK$'000*	Deferred day-one loss *HK$'000*	Net Amount *HK$'000*
Potential non-controlling interests			
Nominal value of the GNFG CB	**822,421**	**(297,421)**	**525,000**
Fair value of liability component at the Bond Issue Date	**(480,615)**	**173,694**	**(306,921)**
Allocated issue costs	**(5,460)**	**–**	**(5,460)**
Potential non-controlling interests at the Bond Issue Date, 31 March 2018 and 1 April 2018	**336,346**	**(123,727)**	**212,619**
Redemption of the GNFG CB	**(168,173)**	**61,863**	**(106,310)**
At 31 March 2019	**168,173**	**(61,864)**	**106,309**

17. SHARE CAPITAL

	Number of shares		Amount	
	2019	2018	**2019**	2018
	'000	*'000*	***HK$'000***	*HK$'000*
Ordinary shares of HK$0.10 each				
Authorised:				
At the beginning and the end of the reporting period	**30,000,000**	30,000,000	**3,000,000**	3,000,000
Issued and fully paid:				
At beginning of reporting period	**9,662,706**	8,052,256	**966,270**	805,225
Issue of shares on 20 September 2017 *(Note)*	**–**	1,610,450	**–**	161,045
At the end of the reporting period	**9,662,706**	9,662,706	**966,270**	966,270

Note: On 20 September 2017, the Company allotted and issued 1,610,450,000 shares by way of placing at the placing price of HK$0.26 per placing share.

FINAL DIVIDEND

The Directors recommended a final dividend of HK 1 cent per share, together with the interim dividend paid during the year, amounting to total dividends of HK 2 cents per share for this financial year.

The final dividend will be payable on or about 10 September 2019 to shareholders of the Company whose names appear on the register of members of the Company on 3 September 2019.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed on the following time periods during which no transfer of shares of the Company will be registered:

For attendance to 2019 Annual General Meeting	:	16 August 2019 – 21 August 2019, both dates inclusive
For entitlement to final dividend	:	2 September 2019 – 3 September 2019, both dates inclusive (Record date being 3 September 2019)

In order to qualify for attendance to the Company's 2019 Annual General Meeting which is scheduled to be held on 21 August 2019, Wednesday and/or entitlement to the final 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 the following dates:

Events		**Last date of lodegment of transfer documents**
For attendance to 2019 Annual General Meeting	:	15 August 2019, Thursday
For entitlement to final dividend	:	30 August 2019, Friday

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the year ended 31 March 2019, the Group's revenue amounted to approximately HK$561.9 million, representing a decrease of 3.9% as compared with approximately HK$584.8 million reported in the last corresponding financial year. The slight decrease in revenue was mainly attributable to the decrease in brokerage commission with less turnover during the year. On the other hand, the interest income from margin financing business, money lending business, debt securities held by the Group and also property rental income recorded increment as compared with the last financial year.

Profit for the year attributable to owners of the Company was approximately HK$195.1 million (2018: HK$297.1 million). The decrease in profit was mainly attributable to the decrease in revenue, increase in finance costs, loss on redemptions of convertible bonds issued by GNFG and recognition of impairment loss on loans to securities margin clients and loans and advances during the current year. The Group recorded imputed interest expenses arising from convertible bonds issued by GNFG in September 2017 of HK$96.7 million during the current year (2018: HK$57.7 million). Loss on redemptions of HK$38.9 million (2018: HK$Nil) were recorded upon redemptions of convertible bonds issued by GNFG of total principal amounts of HK$262.5 million during the year. The Group recorded impairment losses on loans to securities margin clients and loans and advances of HK$20.1 million (2018: HK$Nil) and HK$16.5 million (2018: HK$1.1 million), respectively in current financial year.

Basic earnings per share for the year were HK2.02 cents (2018: HK3.34 cents) as a result of decrease in profit during the year.

REVIEW AND OUTLOOK

Market Review

During the current financial year, the Hong Kong stock market experienced a roller coaster ride. The market had a bullish beginning of the year 2018; Hang Seng Index once soared to a record high of 33,484 points on 29 January 2018 and then closed at 30,093 points on 31 March 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 period from the third quarter of 2018 to the first quarter of 2019, 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 year.

In light of the global economic headwinds, the Hang Seng Index closed at 29,051 point at the end of March 2019 compared with 30,093 point at the end of March 2018. The average daily turnover on the Main Board and GEM during the year ended 31 March 2019 was approximately HK$96.4 billion, a decrease of 9.2% as compared with approximately HK$106.2 billion for the prior financial year.

In respect of the local money lending market, more restrictions and compliance requirements imposed on banks would offer more business opportunities to nonbank 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. Local Best Lending Rates increased since September 2018 further dampened the market sentiment, yet the overall residential prices stably increased during the year. 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, resilience continued to define the property market in United Kingdom even as the political and global trading environment remained challenging. Subsiding Brexit uncertainty fostered a recovery in investor and consumer confidence.

Business review

Broking and securities margin financing

During the year ended 31 March 2019, the broking business posted a profit of approximately HK$15.2 million (2018: HK$64.9 million). The operating result of the broking business decreased by 76.6% as a result of the decrease in our broking turnover and number of sizeable corporate finance transactions during current year and also the one-off gains on disposal of two subsidiaries engaged in broking business of HK$20 million recorded in prior year. The decrease in broking turnover was affected by the volatile local stock market and negative global investment atmosphere. Revenue from broking for the year decreased by 41.8% to approximately HK$56.6 million (2018: HK$97.2 million) as compared with last financial year, of which approximately HK$12.7 million (2018: HK$26.1 million) was contributed by the underwriting, placing and proof of funds business. The decrease in these fee incomes was due to the decrease in number of deals as a result of the less active capital market during the current year.

Securities margin financing remained to be the Group's major revenue contributor for the year. During the year, total interest income from securities margin financing went up by 1.6% to approximately HK$340.3 million (2018: HK$334.8 million) with the increase in average level of securities margin lending during the year. Total outstanding loan of securities margin financing as at 31 March 2019 amounted to approximately HK$3,732.6 million (as at 31 March 2018: HK$4,091.5 million). Impairment loss on margin clients receivable of HK$20.1 million was charged during the current year (2018: HK$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$1,086.2 million at 31 March 2019 from HK$696.7 million at 31 March 2018, with interest income for the year increased to HK$102.3 million (2018: HK$102.0 million). Money lending business recorded profit before tax of HK$85.6 million for the year ended 31 March 2019 (2018: HK$99.3 million). Impairment loss on loans and advances of HK$16.5 million was charged during the current year (2018: HK$1.1 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.

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 year under review, this division reported a profit of HK$59.2 million (2018: HK$29.8 million), mainly attributable to interest income from two unlisted debt securities of HK$35.4 million (2018: HK$34.9 million); interest income from listed debt securities of HK$12.5 million (2018: HK$6.6 million); fair value gains on investment properties of HK$10.7 million (2018: HK$40.6 million); rental income of HK$12.6 million (2018: HK$8 million); realised gains on equity securities of HK$2.5 million (2018: realised losses of HK$1.5 million); and the unrealised losses on financial assets measured at fair value through profit or loss of HK$11 million (2018: HK$58.5 million) due to the drop of share prices of certain equity securities listed in Hong Kong among the portfolio held of HK$126.9 million as at 31 March 2019 (as at 31 March 2018: HK$191.9 million).

During the year ended 31 March 2019, the Group newly acquired two investment properties in Hong Kong at total considerations of HK$40 million. As at 31 March 2019, the Group held a portfolio of investment properties with total fair values of HK$881.9 million (as at 31 March 2018: HK$788.1 million), comprised mainly the commercial buildings in Hung Hom (under renovation) and London.

As at 31 March 2019, the Group held an investment portfolio consisted of equity securities, debt securities, convertibles notes and investment funds with total fair values of HK$815.1 million (as at 31 March 2018: HK$894.3 million). The decrease in total fair values of the investment portfolio was mainly attributable to the partial redemption of an unlisted redeemable note of HK$150 million (2018: HK$Nil) during the year while the Group held larger portfolio of listed debt securities of HK$246.1 million as at 31 March 2019 (as at 31 March 2018: HK$123.3 million). The portfolio of equity securities mainly comprised listed companies in Hong Kong and unlisted shares of a company established in United Kingdom engaged in business of properties development while the portfolio of debt securities mainly comprises listed bonds, unlisted redeemable notes and unlisted convertible notes issued by certain listed companies in Hong Kong and overseas.

Corporate finance

The Group's corporate finance business focused on the provision of financial advisory services to listed companies in Hong Kong. During the year ended 31 March 2019, it completed 5 financial advisory transactions (2018: 6). The operation reported a segment profit of approximately HK$1.5 million for the year (2018: HK$1.4 million).

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

Equity attributable to owners of the Company amounted to approximately HK$5,465.1 million as at 31 March 2019 (2018: HK$5,415.9 million), representing an increase of approximately HK$49.2 million or 0.9% over that of last financial year end. The non-controlling interests decreased from approximately HK$1,265.7 million at 31 March 2018 to approximately HK$1,167.8 million at 31 March 2019. These movements were mainly attributable to the reclassification of the equity component of convertible bonds issued by GNFG from potential non-controlling interests to retained earnings upon redemptions of convertible bonds of principal amount of HK$262.5 million.

As at 31 March 2019, the Group's net current assets amounted to HK$4,986.5 million (2018: HK$5,723.2 million), and its liquidity as represented by current ratio (current assets/current liabilities) was 3.97 times (2018: 8.17 times). The decrease in net current assets and current ratio were mainly attributable to the reclassification of the liability component of convertible bonds issued by GNFG of HK$233.5 million (2018: HK$350.8 million) from non-current liabilities to current liabilities as the convertible bonds will be mature within one year from 31 March 2019. Moreover, an investment in redeemable notes of HK$305.4 million (2018: HK$449.7 million) was reclassified from current assets to non-current assets as the maturity date of the redeemable notes was extended from December 2018 to December 2020. Also, the Group's bank balances and cash on hand decreased to HK$505.9 million (2018: HK$749.4 million). The decrease in bank balances and cash on hand was mainly due to the redemptions of convertible bonds issued by GNFG of HK$262.5 million and the increase in loans and advances of approximately HK$389.5 million, net of the cash inflows in respect of the decrease in accounts receivable of approximately HK$410.6 million.

The Group had bank borrowings of HK$50 million as at 31 March 2019 (2018: HK$60 million) and its unutilised banking facilities as at the end of the year were approximately HK$1,033 million (2018: HK$650 million), which were mainly secured by charges over the Group's clients' pledged securities, a property owned by a subsidiary of the Group and corporate guarantees issued by GNFG and the Company. The liability component of convertible bonds issued by GNFG amounted to HK$233.5 million as at 31 March 2019 (2018: HK$350.8 million). The decrease in the liability component of convertible bonds issued by GNFG was mainly due to the redemptions of convertible bonds during the year. The Group's gearing ratio (total borrowing over equity attributable to owners of the Company) as at 31 March 2019 was 0.06 (2018: 0.09).

The number of issued shares of Company amounted to 9,662,705,938 shares as at 31 March 2019 (2018: 9,662,705,938 shares).

Except for an investment in unlisted equity, an investment property located in United Kingdom and its related rental income which were denominated in British Pound, the business activities of the Group were not exposed to material fluctuations in exchange rates as the majority of the transactions were denominated in Hong Kong dollar. The Directors considered 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 was considered unnecessary.

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

Charges on Group Assets

As at 31 March 2019, leasehold land and building of the Group with a carrying amount of HK$105.5 million (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

There were no material acquisitions or disposals of subsidiaries, associates or jointly controlled entity completed during the year ended 31 March 2019.

Employee Information

As at 31 March 2019, the Group had 78 (2018: 81) full time employees. 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 year was HK$23.4 million (2018: HK$21.2 million). The Group provides employee benefits including mandatory provident fund, discretionary share options and performance bonus to its staff.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the year, 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 year ended 31 March 2019, 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 of 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 Articles of Association.

Upon successful spin off and separate listing of GNFG in April 2016, Mr. Hung Sui Kwan resigned as Chief Executive Officer ("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 Group's financial statements for the year ended 31 March 2019, 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.

SCOPE OF WORK OF MAZARS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2019 as set out in the preliminary announcement have been agreed by the Group's auditor, Mazars CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Mazars CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars CPA Limited on the preliminary announcement.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange at http://www.hkexnews.hk under "Latest Listed Company Information" and the Company at http://www.getnice.com.hk. The 2019 Annual 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 "Latest 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, 27 June 2019

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.