



Get Nice Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Stock code : 64



INTERIM REPORT

2013



UNAUDITED INTERIM RESULTS

The Board of 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 30th September, 2013 together with comparative figures for the last corresponding period. The unaudited condensed consolidated interim financial statements for the six months ended 30th September, 2013 have been reviewed by the Company’s audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Unaudited	
		Six months ended	
		30th September,	
	<i>Notes</i>	2013	2012
		HK\$’000	HK\$’000
			<i>(restated)</i>
Continuing operations			
Revenue	2	92,825	80,537
Other operating income		1,511	90
Other gains and losses		15,890	(9,005)
Depreciation		(3,402)	(506)
Commission expenses		(5,980)	(4,075)
Staff costs		(6,588)	(7,566)
Other expenses		(12,396)	(13,900)
Finance costs		(167)	(78)
Profit before taxation		81,693	45,497
Taxation	3	(11,083)	(5,182)
Profit for the period from continuing operations		70,610	40,315
Discontinued operations			
Profit (loss) for the period from discontinued operations	4	500,226	(56,828)
Profit (loss) for the period		570,836	(16,513)
Other comprehensive income (expense)			
Items that may be subsequently reclassified to profit and loss:			
Exchange difference arising on translation		14	(57)
Total comprehensive income (expense) for the period		570,850	(16,570)

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

	Notes	Unaudited	
		Six months ended 30th September, 2013 HK\$'000	2012 HK\$'000 (restated)
Profit (loss) for the period attributable to:			
Owners of the Company			
– from continuing operations		70,610	40,315
– from discontinued operations		325,147	(36,938)
		<u>395,757</u>	<u>3,377</u>
Non-controlling interests			
– from discontinued operations		175,079	(19,890)
		<u>175,079</u>	<u>(19,890)</u>
		<u>570,836</u>	<u>(16,513)</u>
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		395,771	3,320
Non-controlling interests		175,079	(19,890)
		<u>570,850</u>	<u>(16,570)</u>
Dividends	5	<u>134,205</u>	<u>89,470</u>
Earnings (loss) per share	6		
From continuing and discontinued operations:			
– Basic and diluted		<u>8.85 cents</u>	<u>0.08 cents</u>
From continuing operations:			
– Basic and diluted		<u>1.58 cents</u>	<u>0.90 cents</u>
From discontinued operations:			
– Basic and diluted		<u>7.27 cents</u>	<u>(0.82) cents</u>



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited At 30th September, 2013 <i>HK\$'000</i>	Audited At 31st March, 2013 <i>HK\$'000</i>
	<i>Notes</i>		
Non-current assets			
Prepaid lease payments		–	564,678
Property and equipment		133,465	872,903
Construction in progress		–	880
Investment properties		43,600	1,365,600
Intangible assets		8,955	8,955
Goodwill		15,441	15,441
Other assets		3,692	3,476
Deferred tax assets		494	558
Other receivable		615,218	–
Loans and advances	8	6,663	2,400
Deposit		–	50,000
Investments in securities		62,159	21,770
		889,687	2,906,661
Current assets			
Accounts receivable	7	1,834,691	1,456,675
Loans and advances	8	126,299	91,260
Prepaid lease payments		–	38,957
Inventories		–	1,736
Prepayments, deposits and other receivables		6,162	9,653
Taxation recoverable		118	314
Investments in securities		71,248	31,978
Bank balances – client accounts		160,571	198,372
Bank balances – general accounts and cash		1,253,216	213,628
		3,452,305	2,042,573

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

	Notes	Unaudited At 30th September, 2013 HK\$'000	Audited At 31st March, 2013 HK\$'000
Current liabilities			
Accounts payable	9	183,880	299,742
Accrued charges and other accounts payable		13,533	22,444
Amounts due to non-controlling shareholders		120,465	431,846
Taxation payable		141,211	3,631
Bank borrowings		–	169,627
		<u>459,089</u>	<u>927,290</u>
Net current assets		<u>2,993,216</u>	<u>1,115,283</u>
Total assets less current liabilities		<u>3,882,903</u>	<u>4,021,944</u>
Non-current liabilities			
Bank borrowings		–	162,840
Deferred tax liabilities		5,061	138,011
		<u>5,061</u>	<u>300,851</u>
Net assets		<u><u>3,877,842</u></u>	<u><u>3,721,093</u></u>
Capital and reserves			
Share capital		447,348	447,348
Reserves		3,278,236	2,927,200
Equity attributable to owners of the Company		<u>3,725,584</u>	<u>3,374,548</u>
Non-controlling interests		<u>152,258</u>	<u>346,545</u>
Total equity		<u><u>3,877,842</u></u>	<u><u>3,721,093</u></u>



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited Six months ended 30th September, 2013 Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Properties revaluation reserve HK\$'000	Share option reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1st April, 2013	447,348	2,289,139	123,337	7,556	6,703	461	500,004	3,374,548	346,545	3,721,093
Profit for the period	-	-	-	-	-	-	395,757	395,757	175,079	570,836
Other comprehensive income for the period										
Exchange differences arising on translation	-	-	-	-	-	14	-	14	-	14
Total comprehensive income for the period	-	-	-	-	-	14	395,757	395,771	175,079	570,850
Dividend recognised as distribution	-	-	-	-	-	-	(44,735)	(44,735)	-	(44,735)
Release upon lapse of share option granted	-	-	-	-	(6,703)	-	6,703	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(369,366)	(369,366)
At 30th September, 2013	<u>447,348</u>	<u>2,289,139</u>	<u>123,337</u>	<u>7,556</u>	<u>-</u>	<u>475</u>	<u>857,729</u>	<u>3,725,584</u>	<u>152,258</u>	<u>3,877,842</u>

	Unaudited Six months ended 30th September, 2012 Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Properties revaluation reserve HK\$'000	Share option and warrants reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1st April, 2012	447,348	2,289,139	123,337	6,399	29,612	222	593,722	3,489,779	433,866	3,923,645
Profit (loss) for the period	-	-	-	-	-	-	3,377	3,377	(19,890)	(16,513)
Other comprehensive income for the period										
Exchange differences arising on translation	-	-	-	-	-	(57)	-	(57)	-	(57)
Total comprehensive income (expense) for the period	-	-	-	-	-	(57)	3,377	3,320	(19,890)	(16,570)
Dividend recognised as distribution	-	-	-	-	-	-	(44,735)	(44,735)	-	(44,735)
Release upon expiry of share option granted	-	-	-	-	(3,735)	-	3,735	-	-	-
Recognition of share based payment expenses	-	-	-	-	507	-	-	507	-	507
At 30th September, 2012	<u>447,348</u>	<u>2,289,139</u>	<u>123,337</u>	<u>6,399</u>	<u>26,384</u>	<u>165</u>	<u>556,099</u>	<u>3,448,871</u>	<u>413,976</u>	<u>3,862,847</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended	
	30th September, 2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash (used in) from operating activities	(426,325)	158,884
Net cash from investing activities	2,525,801	45,552
Net cash used in financing activities	<u>(1,059,902)</u>	<u>(114,649)</u>
Net increase in cash and cash equivalents	1,039,574	89,787
Effect on foreign exchange rate changes	14	(57)
Cash and cash equivalents at beginning of period	<u>213,628</u>	<u>184,371</u>
Cash and cash equivalents at end of period	<u><u>1,253,216</u></u>	<u><u>274,101</u></u>
Being:		
Bank balances – general accounts and cash	<u><u>1,253,216</u></u>	<u><u>274,101</u></u>



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September, 2013

1. Basis of preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and are in compliance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Principal accounting policies

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention except for certain financial instruments and properties, which are measured at fair value as appropriate.

This unaudited condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's financial statements for the year ended 31st March, 2013, except for the adoption of the following new and revised standards, amendments and interpretations issued by HKICPA in the current interim period.

Amendments to HKFRSs	Annual improvements to HKFRSs 2009-2011 cycle
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
Amendments to HKAS 1	Presentation of items of other comprehensive income
HK (IFRIC) – Int 20	Stripping cost in the production phase of a surface mine

The directors of the Company consider that the adoption of these new and revised HKFRSs have had no material effect on the amounts reported and/or disclosures set out in the Group's consolidated financial statements.

2. Segment information

The following is an analysis of the Group's unaudited revenue and results from continuing operations for the period by reporting segments:

For the six months ended 30th September, 2013

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE	<u>25,150</u>	<u>59,778</u>	<u>5,204</u>	<u>233</u>	<u>2,460</u>	<u>92,825</u>
SEGMENT PROFIT (LOSS)	<u>4,517</u>	<u>59,661</u>	<u>6,546</u>	<u>(52)</u>	<u>16,843</u>	<u>87,515</u>
Unallocated corporate expenses						<u>(5,822)</u>
Profit before taxation						<u>81,693</u>
Taxation						<u>(11,083)</u>
Profit for the period from continuing operations						<u><u>70,610</u></u>

For the six months ended 30th September, 2012

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE	<u>17,089</u>	<u>57,498</u>	<u>5,136</u>	<u>300</u>	<u>514</u>	<u>80,537</u>
SEGMENT PROFIT (LOSS)	<u>(58)</u>	<u>57,444</u>	<u>4,992</u>	<u>4</u>	<u>(13,160)</u>	<u>49,222</u>
Unallocated corporate expenses						<u>(3,725)</u>
Profit before taxation						<u>45,497</u>
Taxation						<u>(5,182)</u>
Profit for the period from continuing operations						<u><u>40,315</u></u>



2. Segment information (Continued)

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

As at 30th September, 2013

Unaudited

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Discontinued hotel and entertainment business HK\$'000	Consolidated HK\$'000
SEGMENT ASSETS	<u>1,150,320</u>	<u>1,898,209</u>	<u>135,384</u>	<u>6,936</u>	<u>263,493</u>	<u>880,738</u>	4,335,080
Unallocated assets							<u>6,912</u>
Consolidated total assets							<u>4,341,992</u>
SEGMENT LIABILITIES	<u>83,770</u>	<u>109,502</u>	<u>227</u>	<u>11</u>	<u>151</u>	<u>255,896</u>	449,557
Unallocated liabilities							<u>14,593</u>
Consolidated total liabilities							<u>464,150</u>

As at 31st March, 2013

Audited

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Discontinued hotel and entertainment business HK\$'000	Consolidated HK\$'000
SEGMENT ASSETS	<u>344,115</u>	<u>1,510,439</u>	<u>94,564</u>	<u>6,988</u>	<u>152,552</u>	<u>2,833,403</u>	4,942,061
Unallocated assets							<u>7,173</u>
Consolidated total assets							<u>4,949,234</u>
SEGMENT LIABILITIES	<u>185,991</u>	<u>113,559</u>	<u>275</u>	<u>71</u>	<u>74</u>	<u>786,529</u>	1,086,499
Unallocated liabilities							<u>141,642</u>
Consolidated total liabilities							<u>1,228,141</u>

Geographical information

The Group's continuing operations are principally located in Hong Kong and therefore no geographical segmental information is presented.

3. Taxation

	Six months ended 30th September, 2013	
	HK\$'000	2012 HK\$'000
Current tax:		
Hong Kong	11,083	6,751
Deferred taxation		
Current period	<u>—</u>	<u>(1,569)</u>
	<u>11,083</u>	<u>5,182</u>

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

4. Discontinued operations

On 4th May, 2013, the Group entered into agreements, through its 65% owned subsidiaries, Great China Company Limited together with its subsidiaries and Grand Waldo Entertainment Limited (collectively the "Disposal Group") which carried out the Group's entire hotel and entertainment operations, to dispose of hotel complex and certain assets (the "Disposal" or the "Assets"). The Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and details of the Disposal were set out in the Company's circular publicly published on 24th May, 2013. The hotel and entertainment business of the Group was discontinued upon the completion of the Disposal on 17th July, 2013. Accordingly, the operating results of the hotel and entertainment business for the period were disclosed as discontinued operations.

The results of the hotel and entertainment business for the period, which have been included in the current condensed consolidated statement of profit or loss and other comprehensive income and corresponding six months ended 30th September, 2012 were as follows:

	Unaudited	
	Six months ended	
	30th September,	
	2013	2012
	HK\$'000	HK\$'000
Revenue	67,249	179,905
Other operating income	3,566	1,235
Gain on disposal of the Assets	526,846	-
Depreciation	(24,034)	(49,168)
Amortisation of prepaid lease payments	(9,653)	(19,226)
Commission expenses	(9,713)	(53,488)
Staff costs	(16,366)	(32,142)
Consumables used	(5,383)	(13,696)
Other expenses	(31,394)	(66,951)
Finance costs	(2,055)	(5,623)
Profit(loss) before taxation	499,063	(59,154)
Taxation	1,163	2,326
Profit(loss) for the period from discontinued operations	500,226	(56,828)
Profit(loss) for the period from discontinued operations attributable to:		
Owners of the Company	325,147	(36,938)
Non-controlling interests	175,079	(19,890)
	500,226	(56,828)



4. Discontinued operations (Continued)

Gain on disposal of the Assets is calculated as follows:

	<i>HK\$'000</i>
Consideration satisfied by:	
Cash	2,600,000
Deferred cash (<i>note</i>)	611,980
	<hr/>
	3,211,980
Assets disposed of	(2,631,137)
Transaction costs	(53,997)
	<hr/>
Gain on disposal of the Assets	<u>526,846</u>

Note: The fair value of the deferred consideration is determined using the effective yield on the receivable and the difference between the nominal amount of the consideration and the cash price equivalent is recognized as interest revenue. The deferred cash consideration will be settled in cash by the buyer on or about 16th January, 2015.

5. Dividends

	Six months ended	
	30th September,	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Final dividend paid	44,735	44,735
Proposed interim dividend of HK2.0 cent (2012: HK1.0 cent) per share	89,470	44,735
	<hr/>	<hr/>
	<u>134,205</u>	<u>89,470</u>

On 11th September, 2013, a dividend of HK1.0 cent per share was paid to shareholders as the final dividend for the year ended 31st March, 2013.

At a meeting held on 28th November, 2013, the directors recommended an interim dividend of HK2.0 cent per share for the six months ended 30th September, 2013 to the shareholders whose names appear in the register of members on 18th December, 2013. 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 31st March, 2014.

6. Earnings (loss) per share

The calculation of the basic and diluted earning (loss) per share attributable to the owners of the Company is based on the following data:

	Six months ended 30th September,	
	2013	2012
	HK\$'000	HK\$'000
Earnings (loss)		
Profit (loss) for the purpose of calculating basic and diluted earnings (loss) per share:		
Continuing operations	70,610	40,315
Discontinued operations	325,147	(36,938)
	<hr/>	<hr/>
Total profit from continuing and discontinued operations	395,757	3,377
	<hr/> <hr/>	<hr/> <hr/>
	2013	2012
	'000	'000
Number of shares		
Number of ordinary shares for the purpose of basic and diluted earnings (loss) per share	4,473,476	4,473,476
	<hr/> <hr/>	<hr/> <hr/>

Note: The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options and/or warrants as the exercise prices of those options and/or warrants are higher than the average market price for shares for both periods.



7. Accounts receivable

	At 30th September, 2013 HK\$'000	At 31st March, 2013 HK\$'000
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	15,544	22,195
– Margin clients:		
– Directors and their associates	967	593
– Other margin clients	1,805,979	1,426,090
– Hong Kong Securities Clearing Company Limited	26,451	2
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	1,708	9,968
Accounts receivable from hotel and entertainment operations	–	13,792
	<u>1,850,649</u>	<u>1,472,640</u>
Less: Impairment allowance	<u>(15,958)</u>	<u>(15,965)</u>
	<u>1,834,691</u>	<u>1,456,675</u>

The normal settlement terms of accounts receivable from cash clients and securities clearing house are two days after trade date while accounts receivable from futures clearing house is one day after trade date.

Included in the accounts receivable from cash clients are debtors with a carrying amount of HK\$444,000 (2013: HK\$710,000) 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:

	At 30th September, 2013 HK\$'000	At 31st March, 2013 HK\$'000
0 – 30 days	439	624
31 – 60 days	5	86
	<u>444</u>	<u>710</u>

7. Accounts receivable (Continued)

The accounts receivable from cash clients with a carrying amount of HK\$15,100,000 (2013: HK\$21,485,000) 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\$5,592,988,000 (2013: HK\$3,820,025,000). Significant portion of the pledged securities are listed equity securities in Hong Kong. The loans are repayable on demand and carry interest at Hong Kong prime rate + 2% to 4.25% (2012: Hong Kong prime rate + 2% to 4.25%). 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.

Included in accounts receivable from margin clients arising from the business of dealing in securities are amounts due from certain related parties. The details are as follows:

Name	Balance at	Balance at	Maximum	Market value
	1st April, 2013	30th September, 2013	amount outstanding during the period	of pledged securities at fair value at 30th September, 2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Mr. Lung Hon Lui	593	564	601	36,696
Mr. Ho Kwok Kwan	–	300	580	332
Mr. Hung Hon Man's associate	–	103	103	73,057
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

As at 31st March, 2013, included in the Group's accounts receivable arising from hotel and entertainment operations are trade and other receivables. The Group normally allows credit periods of up to 60 days to customers relating to hotel and entertainment operations, except for certain creditworthy customers with long term relationship and stable repayment pattern, where the terms are extended to a longer period.

The following is an ageing analysis of accounts receivable from hotel and entertainment operations presented based on the invoice date at the end of the reporting period.



7. Accounts receivable (Continued)

	At 30th September, 2013 HK\$'000	At 31st March, 2013 HK\$'000
0 – 30 days	–	10,624
31 – 60 days	–	2,394
61 – 90 days	–	141
Over 90 days	–	633
	<u>–</u>	<u>13,792</u>

There were no accounts receivable from hotel and entertainment operations as at 30th September, 2013. As at 31st March, 2013, the accounts receivable from hotel and entertainment operations with a carrying amount of HK\$13,018,000 are neither past due nor impaired and with a carrying amount of HK\$774,000 are past due over 30 days but not impaired at the end of the reporting period. The directors of the Company are of the opinion that the amounts are recoverable based on historical experience and on-going monitoring of the customers' credit quality.

8. Loans and advances

	At 30th September, 2013 HK\$'000	At 31st March, 2013 HK\$'000
Fixed-rate loan receivables	132,980	93,678
Less: allowance for impaired debts	(18)	(18)
	<u>132,962</u>	<u>93,660</u>
Secured	2,162	41,915
Unsecured	130,800	51,745
	<u>132,962</u>	<u>93,660</u>
Analysed as:		
Current assets	126,299	91,260
Non-current assets	6,663	2,400
	<u>132,962</u>	<u>93,660</u>

8. Loans and advances (Continued)

At 30th September, 2013, certain loans and advances with carrying amount of HK\$2,162,000 (2013: HK\$3,162,000) are secured by first mortgage of properties in Hong Kong with an aggregate fair value of HK\$8,000,000 (2013: HK\$9,000,000); carrying amount of HK\$22,000,000 (2013: HK\$38,200,000) are covered by second mortgages of properties in Hong Kong with an aggregate fair value of HK\$114,200,000 (2013: HK\$116,400,000) As at 31st March, 2013, loans and advances with carrying amount of HK\$38,753,000 were secured by shares listed on the Hong Kong Stock Exchange with an aggregate fair value of HK\$144,362,000. The loan receivables carry interest ranging from 10% to 24% per annum for both periods.

The Group determines the allowances for impaired debts based on the evaluation of collectability and ageing analysis of accounts and management's judgment, including assessment of change of credit quality, collateral and the past collection history of each customer. The Group has concentration of credit risk as 90% (2013: 91%) of the total loans and advances was due from the five largest borrowing customers. The directors of the Company believe that the allowances for impaired debts are sufficient.

Movement in the allowance for impaired debts is as follows:

	At 30th September, 2013 HK\$'000	At 31st March, 2013 HK\$'000
Balance at beginning	18	7,137
Reversal	–	(34)
Write-off	–	(7,085)
	<hr/>	<hr/>
Balance at end	18	18

Included in the Group's loans and advances are individually impaired customers with an aggregate balance of HK\$180,000 (2013: HK\$180,000). The balance is spread over a number of borrowers. Such borrowers are facing financial difficulties in meeting commitments and full repayment of principal and interest is in doubt. After taking into account collateral held for certain impaired loans and advances which are properties situated in Hong Kong, an impairment of HK\$18,000 (2013: HK\$18,000) was made. No further impairment allowance was considered necessary based on the Group's evaluation of collectability.

There were no loans and advances past due but not impaired as at 30th September, 2013 and 31st March, 2013.

The loans and advances with a carrying amount of HK\$132,800,000 (2013: HK\$93,498,000) are neither past due nor impaired at the end of the reporting period. In view of the repayment history of these borrowers and collateral provided, the directors of the Company consider the amount to be recoverable and of good credit quality.



9. Accounts payable

	At 30th September, 2013 <i>HK\$'000</i>	At 31st March, 2013 <i>HK\$'000</i>
Accounts payable arising from the business of dealing in securities:		
– Cash clients	56,884	110,514
– Margin clients	109,788	113,841
– Clearing houses	–	50,278
Accounts payable to clients arising from the business of dealing in futures contracts	14,526	18,112
Accounts payable arising from hotel and entertainment operations	2,682	6,997
	<u>183,880</u>	<u>299,742</u>

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

Amounts due to securities margin clients are repayable on demand and carry interest at 0.25% (2012: 0.25%) per annum. No ageing analysis is disclosed as, in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

Included in accounts payable to margin clients arising from the business of dealing in securities are amounts due to directors of the Company and their associates of HK\$311,000 (2013: HK\$3,070,000).

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.

The average credit period granted by the suppliers or service providers of hotel and entertainment operations is 60 days. The following is an ageing analysis of accounts payable arising from hotel and entertainment operations, presented based on the invoice date at the end of the reporting period.

9. Accounts payable (Continued)

	At 30th September, 2013 HK\$'000	At 31st March, 2013 HK\$'000
0 – 30 days	–	3,270
31 – 60 days	–	3,261
61 – 90 days	2,682	12
Over 90 days	–	454
	<u>2,682</u>	<u>6,997</u>

10. Financial risk management

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

- *Capital risk management*

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

- *Market risk*

- *Interest rate risk*

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

- *Equity price risk*

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



10. Financial risk management (*Continued*)

- *Currency risk*

In the opinion of the directors of the Company, the currency risk exposure is not significant as most of the transactions and financial assets and liabilities of the group entities are denominated in the functional currency of the respective entities and, in the case of Macau Pataca (“MOP”), the exposure is limited as MOP is pegged to HK\$.

- *Credit risk*

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

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

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to a quarterly or more frequent review.

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

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

- *Liquidity risk*

As part of ordinary broking activities, the Group is exposed to liquidity risk arising from timing difference between settlement with clearing houses or brokers and clients. To address the risk, treasury team works closely with the settlement division on monitoring the liquidity gap. In addition, for contingency purposes, clean loan facilities are put in place.

11. Related Party Transactions

In addition to the balance detailed in note 7, the Group had the following transactions with related parties.

Nature of transaction	Unaudited Six months ended 30th September,		
	2013 HK\$'000	2012 HK\$'000	
Name of related party			
Messrs. Shum Kin Wai, Frankie, Cham Wai Ho, Anthony, Lung Hon Lui, Hung Sui Kwan, Hung Hon Man, Cheng Wai Ho, Ho Kwok Kwan and their associates	Commission income (note i)	65	127
Messrs. Lung Hon Lui, Ho Kwok Kwan and Hung Hon Man's associate	Interest income (note ii)	40	100
Mr. Hung Hon Man's associate	Rental income (note iii)	168	-
Substantial shareholder			
Honeylink Agents Limited	Commission income (note i)	-	12

Notes:

- (i) Commission was charged at 0.1% to 0.15% on the total value of transactions.
- (ii) Interest was charged at fixed rates ranging from 7.2360% to 9.2520% on the outstanding balance of margin loans.
- (iii) Rental was charged at a rate mutually agreed between the parties with reference to market rates.

Compensation of key management personnel

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

	Unaudited Six months ended 30th September,	
	2013 HK\$'000	2012 HK\$'000
Short-term employee benefits	12,571	2,413
Post-employment benefits	59	62
Share-based payment	-	124
	<u>12,630</u>	<u>2,599</u>

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



INTERIM DIVIDEND

The directors have declared an interim dividend of HK2.0 cent per share for the six months ended 30th September, 2013. The interim dividend will be payable on or about 30th December, 2013 to those shareholders whose names appear on the register of members on 18th December, 2013.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 17th December, 2013 to 18th December, 2013, both dates inclusive (record date being 18th December, 2013), 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 16th December, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OVERVIEW

As mentioned in note 4, the revenue and operating results of the hotel and entertainment business for the six months ended 30th September, 2013 are presented as discontinued operations. The comparative figures in the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30th September, 2012 have been restated accordingly.

For the six months ended 30th September, 2013, the Group's revenue (continuing and discontinued operations) amounted to HK\$160.1 million, a decrease of 38.5% as compared to HK\$260.4 million for the same corresponding period last year. The Group recorded profit attributable to owners of the Company of HK\$395.8 million (2012: HK\$3.4 million), of which HK\$70.6 million was from the continuing operations and HK\$325.1 million was from the discontinued operations. The basic earnings per share for the period was HK8.85 cents (2012: HK0.08 cents). The substantial increase in profit attributable to owners of the Company was mainly due to a profit of HK\$500.2 million contributed by the discontinued hotel and entertainment business of which the Group shares 65%. That profit included a gain of HK\$526.8 million on disposal of the Assets.

Excluding the revenue and results from the discontinued operations, the Group should have revenue of HK\$92.8 million (2012: HK\$80.5 million), profit attributable to owners of the Company of HK\$70.6 million (2012: HK\$40.3 million) and basic earnings per share of HK1.58 cents (2012: HK0.90 cents) from its continuing operations. The good results achieved by the financial services operations were largely because the broking income and others had benefited from the improvement in market turnover, supported by management's ongoing focus on driving efficiency gains.



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL SERVICES BUSINESS

Market Review

The global economic outlook remains challenge for investors, with concerns over the potential tapering of the US monetary stimulus program and expectations on weaker growth in China. The stock market in Hong Kong has shown mild growth and improvement during the period under review despite the uncertainties in economic outlook. For the six months ended 30th September, 2013, the average daily stock market turnover was HK\$59 billion, rose 23% when compared with HK\$48 billion for the same period last year and the Hang Seng Index was up by 10% to close at 22,860 at 30th September, 2013, compared to that on 30th September, 2012. IPO fund raising activities in Hong Kong recorded HK\$50 billion for the six months ended 30th September, 2013, up by 43%, as compared with the same period last year.

Business Review

Broking and securities margin financing

Higher stock market turnover has helped the Group's brokerage commission increased during the reporting period. The broking segment reported 47.4% rise in revenue for the six months ended 30th September, 2013 at HK\$25.2 million (2012: HK\$17.1 million) compared with the corresponding period last year, of which HK\$3.2 million (2012: HK\$2.5 million) was contributed by the Group's underwriting and placing businesses. The broking segment recorded a profit of HK\$4.5 million (2012: a loss of HK\$58,000) for the six month ended 30th September, 2013. Though the broking segment benefited from higher stock market turnover, the Group will continue to maintain stringent cost controls over its operations and to focus on profitability rather than pursuing unprofitable growth strategies in the mass market segment.

The Group's margin lending business remained relatively stable. The interest income from margin financing amounted to HK\$59.8 million for the period under review (2012: HK\$57.5 million), accounting for 64.4% of total revenue. This business contributed a segmental profit of HK\$59.7 million (2012: HK\$57.4 million). The Group's margin loan book at the period end stood at HK\$1,806.9 million (2013: HK\$1,426.7 million). There was no significant loan impairment made for both periods.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Business Review (continued)

Money lending

The money lending vehicle which was mainly engaged in the provision of consumer and mortgage loans posted a profit of HK\$6.5 million (2012: HK\$5 million), representing an increase of 30%. The increase in profit was due to the loan principal growth during the period and recovery of a bad debt.

Corporate finance

The Group's corporate finance division continued to focus on the provision of financial advisory services to listed issuers. It completed 3 financial advisory assignments during the period. This business reported a segmental loss of HK\$52,000 for the period (2012: a profit of HK\$4,000).

Investments

The investments division held properties and other treasury investments for the Group. For the period under review, this division reported a profit of HK\$16.8 million (2012: a loss of HK\$13.2 million), mainly attributable to the increase in fair value of financial instruments. As at 30th September, 2013, the Group held a portfolio of equity and debt securities and convertibles notes with a total fair value of HK\$133.4 million (2013: HK\$53.7 million).

Hotel and Entertainment Business (The Group's Discontinued Operations)

The Group's entire hotel and entertainment business at Grand Waldo complex in Macau is operated through the Disposal Group. The Group has ceased all operations and business of the Disposal Group upon completion of the Disposal during the period. Accordingly, the results from the Disposal Group were classified as discontinued operations. For the six months ended 30th September 2013, the hotel and entertainment business recorded revenue of HK\$67.2 million (2012: HK\$179.9 million) and a profit of HK\$500.2 million (2012: a loss of HK\$56.8 million), which included a gain of HK\$526.8 million on disposal of the Assets. Substantial decrease in revenue was mainly due to the fact that the business was run for about three months over the period under review. Further details regarding the results of the discontinued operations are set out in note 4 to the financial statements.

OUTLOOK

With challenges ahead, the Group will remain vigilant on costs, diversify its businesses and adopt a prudent approach in its growth strategies. With considerable cash inflow generated from the Macau Disposal, it provides further financial resources to the Group for potential business developments.



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Financial Review

Financial Resources and Gearing Ratio

The equity attributable to owners of the Company amounted to HK\$3,725.6 million (2013: HK\$3,374.5 million) as at 30th September, 2013, representing an increase of HK\$351.1 million, or 10.4% from that of 31st March, 2013. The movement was mainly attributed to the profit for the period and dividend payment.

The Group's net current assets as at 30th September, 2013 amounted to HK\$2,993.2 million (2013: HK\$1,115.3 million) and the liquidity of the Group, as demonstrated by the current ratio (current assets/current liabilities) was 7.5 times (2013: 2.2 times). The Group's cash on hand amounted to HK\$1,253.2 million as at 30th September, 2013 (2013: HK\$213.6 million). As at 30th September, 2013, the Group had no bank borrowings (2013: HK\$332.5 million) and the Group had unutilised banking facilities amounting to HK\$570.4 million (2013: HK\$1,532.9 million) which were secured by charges over clients' pledged securities, properties as well as corporate guarantees issued by the Company.

The number of issued shares of the Company was 4,473,476,000 as at 30th September, 2013 and 31st March, 2013.

As at 30th September, 2013, the Group's gearing ratio (total liabilities over equity attributable to owners of the Company) was 0.12 time (2013: 0.36 time).

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 and Macau Pataca ("MOP"), of which is pegged to Hong Kong dollar.

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

As at 30th September, 2013, the Group did not have any material outstanding capital commitment.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Financial Review (continued)

Charges on Group Assets

As at 30th September, 2013, leasehold land, building and an investment property of the Group with a carrying amount of HK\$122.1 million (2013: HK\$2,523.6 million) were pledged for banking facilities 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 30th September, 2013, the Group had 71 employees (2012: 679). 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\$6.6 million for its continuing operations (2012: HK\$7.6 million). The Group provides employee benefits including mandatory provident fund, discretionary share options and performance bonus for its staff.



DIRECTORS' INTERESTS IN SHARES

At 30th September, 2013, the interests of the directors and their associates in the shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

1. Long positions

Ordinary shares of HK\$0.1 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Mr. Hung Hon Man	Interest of controlled corporation (<i>note</i>)	1,342,018,583	29.99%
Mr. Lung Hon Lui	Beneficial owner	3,000,000	0.07%

Note: Mr. Hung Hon Man is deemed to be interested in 1,342,018,583 ordinary shares of the Company which are held by Honeylink Agents Limited ("Honeylink"), a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man.

DIRECTORS' INTERESTS IN SHARES (continued)**2. Long positions in the non-voting deferred shares of HK\$1.0 each of Get Nice Securities Limited ("GNS"), a wholly owned subsidiary of the Company**

Name of Director	Capacity	Number of non-voting deferred shares* held	Percentage of the issued non-voting deferred share of GNS
Mr. Hung Hon Man	Beneficial owner	36,000,000	90%
Mr. Shum Kin Wai Frankie	Beneficial owner	4,000,000	10%
		<u>40,000,000</u>	<u>100%</u>

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

Save as disclosed above, at 30th September, 2013, none of the directors nor their associates had any interests or short positions in any shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



SUBSTANTIAL SHAREHOLDERS

At 30th September, 2013, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders had an interest of 5% or more in the issued share capital of the Company and these interests represent long positions in the ordinary shares of HK\$0.1 each of the Company.

Long positions

Ordinary Shares of HK\$0.1 each of the Company

Name	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Hung Hon Man	Held by controlled corporation (<i>note</i>)	1,342,018,583	29.99%
Honeylink Agents Limited ("Honeylink")	Beneficial owner (<i>note</i>)	1,342,018,583	29.99%
		<hr style="border-top: 3px double #000;"/>	<hr style="border-top: 3px double #000;"/>

Note: Mr. Hung Hon Man is deemed to be interested in 1,342,018,583 ordinary shares of the Company which are held by Honeylink, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man.

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company at 30th September, 2013.

SHARE OPTIONS SCHEME

Details of share options to subscribe for shares in the Company granted to participants under the share options scheme of the Company during the six months ended 30th September, 2013 were as follows:

Option grant date	Outstanding as at 1st April, 2013	Number of share option		Outstanding as at 30th September, 2013
		Granted during the period	Lapsed during the period	
Employees and Services providers				
10th August, 2010 (<i>notes</i>)	65,900,000	-	(65,900,000)	-

Notes:

On 10th August, 2010, the Company had granted 115,800,000 share options to certain employees and services providers relating to its then jointly controlled entities, Great China Company Limited ("Great China") and Grand Waldo Entertainment Limited ("GWE"). The purpose of granting the options is to provide incentive and reward to those employees and services providers making contribution to, and continuing efforts to promote the interest of and develop the businesses of Great China and GWE.

The terms of share options granted to employees are as follows:

- a. 24,300,000 options are exercisable within the next 12 months from 9th February, 2011 which is the end of the vesting period for the first batch of options;
- b. 24,300,000 options are exercisable within the next 12 months from 9th February, 2012; which is the end of the vesting period for the second batch of options;
- c. 25,300,000 options are exercisable within the next 12 months from 9th February, 2013; which is the end of the vesting period for the third batch of options;
- d. The right of the options would automatically expire (i) when the employee ceases employment with Great China and GWE or (ii) three years after 9th February, 2011, whichever is the earlier.



SHARE OPTIONS SCHEME (continued)

Remaining 41,900,000 share options were granted to services providers in August 2010. There was no new share options granted to employees and services providers in the current period.

The closing price of the Company's share immediately before the date of grant of share options was HK\$0.50 per share.

The directors of the Company considered that the fair value of the services received cannot be estimated reliably. The Group measured the value of the services and the corresponding increase in equity by reference to the fair value of the options granted.

The estimated fair value of the 115,800,000 options granted was HK\$11,773,000. The Group amortised the expenses over the vesting periods and no charge (2012: HK\$507,000) was recognised as staff costs during the period. 65,900,000 outstanding options were lapsed during the period.

Save as disclosed above, at no time during the period was the Company, its ultimate holding company or any subsidiaries of its ultimate holding company a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the directors, their spouses or children under the age of 18, had any right to subscribe for the shares of the Company, or had exercised any such rights during the period.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

AUDIT COMMITTEE

The audit committee has three members comprising Messrs. Liu Chun Ning, Wilfred, Man Kong Yui and Kwong Chi Kit, Victor, all being independent non-executive directors. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee has reviewed with directors the accounting principals and practices adopted by the Group and discussed internal controls and financial reporting matters related to the preparation of the unaudited condensed consolidated interim financial statements for the current period.

CORPORATE GOVERNANCE

Throughout the period ended 30th September, 2013, the Company had duly complied with the code provisions of the Corporate Governance Code (“CG Code”) as contained in Appendix 14 of the Listing Rules, except for the deviation summarised as follows:

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.

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.

By order of the Board
Hung Hon Man
Chairman

Hong Kong, 28th November, 2013

As at the date of this report, Mr. Hung Hon Man, Mr. Cham Wai Ho, Anthony, Mr. Shum Kin Wai, Frankie, Mr. Hung Sui Kwan and Mr. Lung Hon Lui are executive directors of the Company. Mr. Liu Chun Ning, Wilfred, Mr. Man Kong Yui and Mr. Kwong Chi Kit, Victor are independent non-executive directors of the Company.