



Get Nice Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Stock code : 64



Interim Report

2015



UNAUDITED INTERIM RESULTS

The Board of Directors (the “Board” or the “Directors”) of Get Nice Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2015 together with comparative figures for the last corresponding period. The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2015 have been reviewed by the Company’s audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Unaudited Six months ended 30 September	
	Notes	2015 HK\$'000	2014 HK\$'000
Continuing operations			
Revenue	2	298,366	164,940
Other operating income		8,154	3,263
Other gains and losses		59,236	(1,022)
Depreciation		(2,586)	(3,385)
Commission expenses		(16,177)	(7,335)
Staff costs		(8,963)	(6,584)
Other expenses		(29,878)	(10,553)
Finance costs		(1,007)	(239)
Profit before taxation		307,145	139,085
Taxation	3	(42,042)	(22,152)
Profit for the period from continuing operations		265,103	116,933
Discontinued operations			
Profit for the period from discontinued operations	4	–	17,432
Profit for the period		265,103	134,365
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference arising on translation		(29)	(66)
Fair value gain on revaluation of available-for-sale investments		(2,173)	1,074
Deferred tax arising on revaluation of available-for-sale investments		359	(177)
<i>Items that will not be reclassified to profit or loss</i>			
Surplus on revaluation of properties		3,419	–
Deferred tax arising on revaluation of properties		(333)	–
Other comprehensive income for the period		1,243	831
Total comprehensive income for the period		266,346	135,196

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

	Notes	Unaudited Six months ended 30 September	
		2015 HK\$'000	2014 HK\$'000
Profit for the period attributable to:			
Owners of the Company			
– from continuing operations		265,040	116,933
– from discontinued operations		–	11,331
		<u>265,040</u>	<u>128,264</u>
Non-controlling interests			
– from continuing operations		63	–
– from discontinued operations		–	6,101
		<u>265,103</u>	<u>134,365</u>
Total comprehensive income for the period attributable to:			
Owners of the Company		266,283	129,095
Non-controlling interests		63	6,101
		<u>266,346</u>	<u>135,196</u>
Dividends	5	<u>134,204</u>	<u>89,470</u>
			(restated)
Earnings per share			
From continuing and discontinued operations:	6		
Basic – HK cents		<u>4.01</u>	<u>2.71</u>
Diluted – HK cents		<u>N/A</u>	<u>N/A</u>
From continuing operations:			
Basic – HK cents		<u>4.01</u>	<u>2.47</u>
From discontinued operations:			
Basic – HK cents		<u>–</u>	<u>0.24</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited	Audited
		At	At
		30 September	31 March
		2015	2015
<i>Notes</i>		HK\$'000	HK\$'000
Non-current assets			
Property and equipment		128,143	127,750
Investment properties		36,980	47,600
Intangible assets		8,955	8,955
Goodwill		15,441	15,441
Other assets		4,299	4,547
Deferred tax assets		1,542	1,686
Loans and advances	8	303,179	267,686
Investments in securities		80,326	93,455
		578,865	567,120
Current assets			
Accounts receivable	7	3,557,477	3,042,821
Loans and advances	8	350,259	366,616
Prepayments, deposits and other receivables		13,266	31,682
Amount due from a non-controlling shareholder		1,200	–
Taxation recoverable		44	67
Investments in securities		77,671	87,915
Bank balances – client accounts		722,121	205,388
Bank balances – general accounts and cash		650,892	1,237,590
		5,372,930	4,972,079

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

		Unaudited At 30 September 2015 HK\$'000	Audited At 31 March 2015 HK\$'000
	<i>Notes</i>		
Current liabilities			
Accounts payable	9	952,619	278,371
Accrued charges and other accounts payable		5,086	799,512
Amounts due to non-controlling shareholders		124,688	124,688
Taxation payable		201,938	166,403
Bank borrowings		–	328,490
		<u>1,284,331</u>	<u>1,697,464</u>
Net current assets		<u>4,088,599</u>	<u>3,274,615</u>
Total assets less current liabilities		<u>4,667,464</u>	<u>3,841,735</u>
Non-current liabilities			
Deferred tax liabilities		6,375	6,175
Net assets		<u>4,661,089</u>	<u>3,835,560</u>
Capital and reserves			
Share capital	10	671,021	447,348
Reserves		4,053,983	3,452,190
Equity attributable to owners of the Company		<u>4,725,004</u>	<u>3,899,538</u>
Non-controlling interests		<u>(63,915)</u>	<u>(63,978)</u>
Total equity		<u>4,661,089</u>	<u>3,835,560</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited Six months ended 30 September 2015 Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Properties revaluation reserve HK\$'000	Investments revaluation reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
Balance as at 1 April 2015	447,348	2,289,139	123,337	11,861	(3,575)	406	1,031,022	3,899,538	(63,978)	3,835,560
Profit for the period	-	-	-	-	-	-	265,040	265,040	63	265,103
Other comprehensive income for the period										
Exchange difference arising on translation	-	-	-	-	-	(29)	-	(29)	-	(29)
Fair value gain on revaluation of available-for-sale investments	-	-	-	-	(2,173)	-	-	(2,173)	-	(2,173)
Deferred tax liability arising on revaluation of available-for-sale investments	-	-	-	-	359	-	-	359	-	359
Surplus on revaluation of properties	-	-	-	3,419	-	-	-	3,419	-	3,419
Deferred tax liability arising on revaluation of properties	-	-	-	(333)	-	-	-	(333)	-	(333)
	-	-	-	3,086	(1,814)	(29)	-	1,243	-	1,243
Total comprehensive income for the period	-	-	-	3,086	(1,814)	(29)	265,040	266,283	63	266,346
Issue of shares under rights issue	223,673	402,612	-	-	-	-	-	626,285	-	626,285
Dividend recognised as distribution	-	-	-	-	-	-	(67,102)	(67,102)	-	(67,102)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-
At 30 September 2015	671,021	2,691,751	123,337	14,947	(5,389)	377	1,228,960	4,725,004	(63,915)	4,661,089

	Unaudited Six months ended 30 September 2014 Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Properties revaluation reserve HK\$'000	Investments revaluation reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
Balance as at 1 April 2014	447,348	2,289,139	123,337	10,539	(1,029)	428	859,909	3,729,671	151,526	3,881,197
Profit for the period	-	-	-	-	-	-	128,264	128,264	6,101	134,365
Other comprehensive income for the period										
Exchange difference arising on translation	-	-	-	-	-	(66)	-	(66)	-	(66)
Fair value gain on revaluation of available-for-sale investments	-	-	-	-	1,074	-	-	1,074	-	1,074
Deferred tax liability arising on revaluation of available-for-sale investments	-	-	-	-	(177)	-	-	(177)	-	(177)
	-	-	-	-	897	(66)	-	831	-	831
Total comprehensive income for the period	-	-	-	-	897	(66)	128,264	129,095	6,101	135,196
Dividend recognised as distribution	-	-	-	-	-	-	(44,735)	(44,735)	-	(44,735)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(84,000)	(84,000)
At 30 September 2014	447,348	2,289,139	123,337	10,539	(132)	362	943,638	3,814,031	73,627	3,887,658

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended	
	30 September	
	2015	2014
	HK\$'000	HK\$'000
Net cash used in operating activities	(906,638)	(497,857)
Net cash from (used in) investing activities	23,373	(11,286)
Net cash from financing activities	296,596	11,097
Net decrease in cash and cash equivalents	(586,669)	(498,046)
Effect on foreign exchange rate changes	(29)	(66)
Cash and cash equivalents at beginning of the period	1,237,590	812,432
Cash and cash equivalents at end of the period	<u>650,892</u>	<u>314,320</u>
Represented by:		
Bank balances – general accounts and cash	<u>650,892</u>	<u>314,320</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

1. Basis of preparation

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

Principal accounting policies

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis 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 31 March 2015, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which also include HKASs and Interpretations) issued by HKICPA in the current interim period.

Amendment to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

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 unaudited condensed consolidated financial statements.

2. Segment information

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

For the six months ended 30 September 2015

	Securities margin financing	Money lending	Corporate finance	Investments	Consolidated
	Broking HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
SEGMENT REVENUE	<u>96,873</u>	<u>161,969</u>	<u>34,151</u>	<u>4,004</u>	<u>298,366</u>
SEGMENT PROFIT	<u>63,007</u>	<u>161,908</u>	<u>32,005</u>	<u>63,002</u>	<u>320,806</u>
Unallocated corporate expenses					<u>(13,661)</u>
Profit before taxation from continuing operations					<u>307,145</u>

For the six months ended 30 September 2014

	Securities margin financing	Money lending	Corporate finance	Investments	Consolidated
	Broking HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
SEGMENT REVENUE	<u>41,078</u>	<u>87,827</u>	<u>30,851</u>	<u>3,152</u>	<u>164,940</u>
SEGMENT PROFIT	<u>20,441</u>	<u>87,713</u>	<u>30,611</u>	<u>2,113</u>	<u>142,600</u>
Unallocated corporate expenses					<u>(3,515)</u>
Profit before taxation from continuing operations					<u>139,085</u>

2. Segment information (Continued)

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

As at 30 September 2015

Unaudited

	Broking	Securities margin financing	Money lending	Corporate finance	Investments	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
SEGMENT ASSETS	<u>1,423,264</u>	<u>3,320,994</u>	<u>684,108</u>	<u>8,099</u>	<u>217,134</u>	5,653,599
Unallocated assets (Note 1)						<u>298,196</u>
Total segment assets						<u>5,951,795</u>
Consolidated total assets						<u>5,951,795</u>
SEGMENT LIABILITIES	<u>99,612</u>	<u>856,529</u>	<u>239</u>	<u>4</u>	<u>1,270</u>	957,654
Unallocated liabilities (Note 2)						<u>333,052</u>
Total segment liabilities						<u>1,290,706</u>
Consolidated total liabilities						<u>1,290,706</u>

2. Segment information (Continued)

As at 31 March 2015

Audited

	Broking	Securities margin financing	Money lending	Corporate finance	Investments	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
SEGMENT ASSETS	<u>1,238,212</u>	<u>3,086,990</u>	<u>609,867</u>	<u>8,181</u>	<u>317,725</u>	5,260,975
Unallocated assets (Note 1)						<u>278,224</u>
Total segment assets						<u>5,539,199</u>
Consolidated total assets						<u>5,539,199</u>
SEGMENT LIABILITIES	<u>170,122</u>	<u>1,235,611</u>	<u>284</u>	<u>66</u>	<u>150</u>	1,406,233
Unallocated liabilities (Note 2)						<u>297,406</u>
Total segment liabilities						<u>1,703,639</u>
Consolidated total liabilities						<u>1,703,639</u>

Note 1: The balance comprises bank balance of HK\$268,364,000 (31 March 2015: HK\$268,268,000) relating to the discontinued operation.

Note 2: The balance includes amounts due to non-controlling shareholders amounting to HK\$124,688,000 (31 March 2015: HK\$124,688,000).

All continuing segments' operations are primarily located in Hong Kong and the majority of the Group's revenue is derived from Hong Kong.

3. Taxation

	Six months ended	
	30 September	
	2015	2014
	HK\$'000	HK\$'000
Continuing operations		
Current tax:		
Hong Kong	42,042	21,854
Deferred taxation		
Current period	–	298
	<u>42,042</u>	<u>22,152</u>

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

4. Discontinued operations

On 4 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 24 May 2013. The hotel and entertainment business of the Group was discontinued upon the completion of the Disposal on 17 July 2013. Accordingly, the operating results of the hotel and entertainment business for the period were disclosed as discontinued operations.

4. Discontinued operations (Continued)

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 30 September 2014 were as follows:

	Unaudited	
	Six months ended	
	30 September	
	2015	2014
	HK\$'000	HK\$'000
Other operating income	–	18,765
Staff costs	–	(970)
Other expenses	–	(363)
	<hr/>	<hr/>
Profit before taxation	–	17,432
Taxation	–	–
	<hr/>	<hr/>
Profit for the period from discontinued operations	–	17,432
	<hr/>	<hr/>
Profit for the period from discontinued operations attributable to:		
Owners of the Company	–	11,331
Non-controlling interests	–	6,101
	<hr/>	<hr/>
	–	17,432
	<hr/> <hr/>	<hr/> <hr/>

5. Dividends

	Six months ended	
	30 September	
	2015	2014
	HK\$'000	HK\$'000
Final dividend paid	67,102	44,735
Proposed interim dividend of HK1.0 cent (2014: HK1.0 cent) per share	67,102	44,735
	<hr/>	<hr/>
	134,204	89,470
	<hr/> <hr/>	<hr/> <hr/>

5. Dividends (Continued)

On 10 September 2015, a dividend of HK1.0 cent per share was paid to shareholders as the final dividend for the year ended 31 March 2015.

At a meeting held on 26 November 2015, the Directors recommended an interim dividend of HK1.0 cent per share for the six months ended 30 September 2015 to the shareholders whose names appear in the register of members on 21 December 2015. This proposed interim dividend is not reflected as a dividend payable in these unaudited condensed consolidated interim financial statements, but will be reflected as an appropriation of retained earnings for the year ended 31 March 2016.

6. Earnings per share

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

	Six months ended	
	30 September	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings		
Earnings for the purpose of basic and diluted earnings per share:		
– from continuing operations	265,040	116,933
– from discontinued operations	–	11,331
	<hr/>	<hr/>
Total earnings from continuing and discontinued operations	265,040	128,264
	<hr/> <hr/>	<hr/> <hr/>
	2015	2014
	'000	'000
		(restated)

Number of shares

Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	6,602,166	4,731,969
	<hr/> <hr/>	<hr/> <hr/>

The denominator for the purpose of calculating basic earning per share for the six months period ended 30 September 2014 has been adjusted to reflect bonus element of the rights issue completed in April 2015 on the basis of one rights share for every two shares held.

7. Accounts receivable

	At 30 September 2015 HK\$'000	At 31 March 2015 HK\$'000
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	25,320	12,969
– Margin clients:		
– Directors and their associates	925	1,566
– Other margin clients	3,337,456	2,996,931
– Broker	–	629
– Hong Kong Securities Clearing Company Limited	204,354	40,094
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	6,809	5,234
	3,574,864	3,057,423
Less: Impairment allowance	(17,387)	(14,602)
	<u>3,557,477</u>	<u>3,042,821</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\$518,000 (31 March 2015: HK\$835,000) 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.

7. Accounts receivable (Continued)

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

	At 30 September 2015 HK\$'000	At 31 March 2015 HK\$'000
0 – 30 days	503	748
31 – 60 days	–	67
Over 60 days	15	20
	<hr/> 518 <hr/>	<hr/> 835 <hr/>

The accounts receivable from cash clients with a carrying amount of HK\$24,802 (31 March 2015: HK\$12,134,000) 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\$17,890,621,000 (31 March 2015: HK\$18,915,005,000). Significant portion of the pledged securities are listed equity securities in Hong Kong. The loans are repayable on demand and carry interest at Hong Kong prime rate + 2% to 4.45% per annum (31 March 2015: 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 collaterals are required if the outstanding amount exceeds the eligible margin value of securities deposited. The collaterals held can be repledged and can be sold at the Group's discretion to settle any outstanding amount owed by margin clients. No ageing analysis is disclosed, as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

7. Accounts receivable (Continued)

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 1 April 2015 HK\$'000	Balance at 30 September 2015 HK\$'000	Maximum amount outstanding during the period HK\$'000	Market value of pledged securities at 30 September 2015 HK\$'000
Mr. Lung Hon Lui (Director of the Company)	129	351	356	81,858
Mr. Hung Hon Man (Director of the Company)'s associate	796	-	2,514	-
Mr. Hung Sui Kwan (Director of the Company)'s associate	641	574	1,458	10,316

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

8. Loans and advances

	At 30 September 2015 HK\$'000	At 31 March 2015 HK\$'000
Fixed-rate loan receivables	658,916	633,813
Variable-rate loan receivables	-	5,000
	658,916	638,813
Less: Allowance for impaired debts	(5,478)	(4,511)
	653,438	634,302
Secured	353,336	269,645
Unsecured	300,102	364,657
	653,438	634,302
Analysed as:		
Current assets	350,259	366,616
Non-current assets	303,179	267,686
	653,438	634,302

8. Loans and advances (Continued)

At 30 September 2015, certain loans and advances with carrying amount of HK\$353,336,000 (31 March 2015: HK\$269,645,000) are secured by first mortgage of properties in Hong Kong with an aggregate fair value of HK\$544,030,000 (31 March 2015: HK\$397,500,000); carrying amount of HK\$38,689,000 (31 March 2015: HK\$23,790,000) are covered by second mortgages of properties in Hong Kong with an aggregate fair value of HK\$197,670,000 (31 March 2015: HK\$108,440,000). The fixed-rate loan receivables carry interest ranging from 8% to 24% (2015: 8% to 24%) per annum. The variable-rate loan receivables carry interest at Hong Kong prime rate + 2% to + 3% (2015: Hong Kong prime rate +2% to +3%) per annum, ranging from 7.25% to 8% per annum.

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 70% (31 March 2015: 81%) 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 30 September 2015 HK\$'000	At 31 March 2015 HK\$'000
Balance at beginning	4,511	18
Impairment loss recognised	967	4,493
	<u>5,478</u>	<u>4,511</u>

There are no loans and advances individually impaired as at 30 September 2015.

At 31 March 2015, included in the Group's loans and advances were an individually impaired customer with an aggregate balance of HK\$180,000. The borrower was facing financial difficulties in meeting commitments and full repayment of principal and interest was in doubt. After taking into account collateral held for the loan, an impairment of HK\$180,000 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 30 September 2015 and 31 March 2015.

The loans and advances with a carrying amount of HK\$653,438,000 (31 March 2015: HK\$634,122,000) 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 30 September 2015 HK\$'000	At 31 March 2015 HK\$'000
Accounts payable arising from the business of dealing in securities:		
– Cash clients	78,276	144,913
– Margin clients	856,701	114,360
– Brokers	–	84
– Clearing houses	6,864	1,219
Accounts payable to clients arising from the business of dealing in futures contracts	10,778	17,795
	<u>952,619</u>	<u>278,371</u>

The normal settlement terms of accounts payable to cash clients and brokers 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% (2015: 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\$59,299,000 (31 March 2015: HK\$294,000).

Accounts payable to clients arising from the business of dealing in futures contracts are margin deposits received from clients for their trading of futures contracts on the Hong Kong Futures Exchange Limited ("HKFE"). The excesses of the outstanding amounts over the required initial margin deposits stipulated by the HKFE are repayable to clients on demand. No ageing analysis is disclosed as, in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of business of futures contract dealing.

10. Share capital

	Number of shares	HK\$'000
	'000	
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 April 2014 and 31 March 2015	10,000,000	1,000,000
Increase during the period (<i>Note 1</i>)	20,000,000	2,000,000
	<u>30,000,000</u>	<u>3,000,000</u>
At 30 September 2015	<u>30,000,000</u>	<u>3,000,000</u>
Issued and fully paid:		
At 1 April 2014 and 31 March 2015	4,473,476	447,348
Issue of shares from a rights issue (<i>Note 2</i>)	2,236,738	223,673
	<u>6,710,214</u>	<u>671,021</u>
At 30 September 2015	<u>6,710,214</u>	<u>671,021</u>

Note 1: By a shareholders resolution dated 20 August 2015, the Company increased its authorised share capital from HK\$1,000,000,000 to HK\$3,000,000,000 by the creation of an additional 20,000,000,000 new shares.

Note 2: On 10 April 2015, the Company allotted 2,236,737,979 rights shares at the subscription price of HK\$0.28 per rights share on the basis of one rights share for every two shares in issue held.

11. Financial risk management

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

- *Capital risk management*

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

11. Financial risk management (*Continued*)

- *Market risk*

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to accounts receivable, loans and advances, bank balances and bank borrowings. The Group is also exposed to fair value interest rate risk in relation to fixed-rate loans and advances, convertible notes and debt securities held by the Group. The Group currently does not have an interest rate hedging policy. However, the Group closely manages its exposure arising from margin financing 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 these financial instruments. The fair value of these financial instruments will be affected either positively or negatively, amongst others, by the changes in the closing market prices of the relevant listed equity securities and quoted price of the investment fund.

- *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") and United States dollars ("US\$"), the exposure is limited as MOP and US\$ are pegged to HK\$, respectively.

- *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 different from those provided for at the end of the reporting period. Management therefore carefully manages its exposure to credit risk.

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

11. Financial risk management (*Continued*)

- *Credit risk (Continued)*

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

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

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

- *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.

12. 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 30 September		
	2015 HK\$'000	2014 HK\$'000	
Name of related party			
Messrs. Shum Kin Wai, Frankie, Cham Wai Ho, Anthony, Lung Hon Lui, Hung Sui Kwan, Hung Hon Man, Ng Hon Sau Larry, Cheng Wai Ho, Ho Kwok Kwan and their associates	Commission income (<i>note i</i>)	862	33
Messrs. Hung Sui Kwan, Lung Hon Lui, Ho Kwok Kwan, Ng Hon Sau Larry, Hung Hon Man and their associates	Interest income (<i>note ii</i>)	82	50
Mr. Hung Hon Man's associate	Rental income (<i>note iii</i>)	<u>252</u>	<u>252</u>

12. Related Party Transactions (Continued)

Notes:

- (i) Commission was charged at 0.1% to 0.15% (2014: 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% (2014: 7.2360% to 9.2520%) on the outstanding balance of margin loans.
- (iii) Monthly rental fee was charged at HK\$42,000 (2014: HK\$42,000).

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	
	30 September	
	2015	2014
	HK\$'000	HK\$'000
Short-term employee benefits	4,982	2,208
Post-employment benefits	62	68
	<u>5,044</u>	<u>2,276</u>

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

13. Capital Commitments

	At	At
	30 September	31 March
	2015	2015
	HK\$'000	HK\$'000
Capital expenditure in respect of the acquisition of investment properties contracted for but not provided in the condensed consolidated financial statements	<u>28,300</u>	<u>—</u>

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK1.0 cent per share for the six months ended 30 September 2015. The interim dividend will be payable on or about 30 December 2015 to those shareholders whose names appear on the register of members on 21 December 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 18 December 2015 to 21 December 2015, both dates inclusive (record date being 21 December 2015), during which period no transfer of shares of the Company will be registered.

In order to qualify for entitlement to the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 17 December 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OVERVIEW

For the six months ended 30 September 2015, the Group's revenue amounted to HK\$298.4 million, surged 81% as compared with HK\$164.9 million for the corresponding period last year. The Group recorded profit attributable to owners of the Company of HK\$265.0 million (2014: HK\$128.2 million), of which HK\$265.0 million was from continuing operations (2014: HK\$116.9 million) and nil was from discontinued operations (2014: HK\$11.3 million). The basic earnings per share for the period was HK4.01 cents (2014: HK2.71 cents, restated), of which HK4.01 cents (2014: HK2.47 cents, restated) was from continuing operations and nil cents (2014: HK0.24 cents, restated) was from discontinued operations. The profit attributable to owners of the Company from continuing operations for the current period has significantly increased by 126.7% as compared to that on the same period in 2014.

CONTINUING OPERATIONS

Market Review

During the period under review, the Hong Kong stock market experienced a roller coaster ride. Starting from April to June 2015, investors experienced wonderful leading to significant raises and increased trading volume in the market. The Hang Seng index raised from 25,083 on 1 April 2015 to 28,443 a record high of this year on 28 April 2015 and closed at 26,250 on 30 June 2015. The average daily turnover of main board for the second quarter of 2015 ("Q2 2015") was HK\$162,707 million, an increase of 186% when compared with HK\$56,986 million for the same period last year. As turnover grew and more investors entered into the market, the valuation of the market was slowly becoming overpriced and economic data from China did not support the strong forward price to earning ratio of some of the stocks trading at their high share prices. The rally came fast and left fast; the bullish market from April to June this year was over. The early summer Eurozone crisis triggered by near default of Greece, a series of policies implemented initially by the Chinese government to cool the market, and a sudden depreciation of the Renminbi led the stock markets to correct from July onwards. The Hang Seng Index reached the lowest at 20,557 for the third quarter of 2015 ("Q3 2015") and closed at 20,846 on 30 September 2015, a decrease of 20.6% when compared with 26,250 on 30 June 2015. The average daily turnover of main board for Q3 2015 were HK\$100,697 million, a decrease of 38% when compared with Q2 2015. In line with the Hong Kong Stock Market, our monthly trading turnover peaked at approximately HK\$8.3 billion in May 2015 and gradually decreased to approximately HK\$2.6 billion in September 2015.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Business Review

Broking and securities margin financing

Despite the ups and downs of the stock market during the period under review, the Group was able to capture the opportunities to boost its brokerage income. The broking segment recorded 136% rise in revenue for the six months ended 30 September 2015 at HK\$96.9 million (2014: HK\$41.1 million) as compared with the corresponding period last year, of which HK\$29.3 million (2014: HK\$6.7 million) was contributed from the underwriting and placing businesses. During the current period, the Group provided fund proofs to offerors for three mandatory general offers that had generated revenue of HK\$10.2 million to the Group (2014: HK\$6.9 million). The broking segment posted profit of HK\$63.0 million (2014: HK\$20.4 million) for the six month ended 30 September 2015. The Group will continue to broaden its income sources, with maintaining stringent cost controls over its operations to tackle fragmented and low-margin operating conditions of the security brokerage sector.

Share margin financing remained a major source of income for the Group. Total margin interest income grew to HK\$161.9 million (2014: HK\$87.8 million), up 84% as compared to the same period last year. The increase in margin interest income was largely supported by margin loan growth. Revenue from this business segment accounted for 54% of the Group's total revenue. The Group's margin loan book at period end stood at HK\$3,321.0 million (31 March 2015: HK\$2,983.9 million), an increase of 11% compared to that on 31 March 2015. The margin loan business has grown steadily and 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 steady growth during the period. The aggregated loan amount slightly increased to HK\$653 million at 30 September 2015 from HK\$634 million at 31 March 2015, with interest income increased by 11% to HK\$34.1 million (2014: HK\$30.9 million) for the period. It recorded profit of HK\$32.0 million (2014: HK\$30.6 million) for the six months ended 30 September 2015. No material impairment loss was made on the loan book of money lending for the period. Building on the Group's expertise and relationships with high net worth customers, the Group remains positive about the money lending business and will continue to target high net worth customers with short-term financial needs.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Business Review (continued)

Corporate finance

The Group's corporate finance division continued to focus on the provision of financial advisory services to listed issuers. It engaged eight financial advisory assignments during the period. This segment recorded a profit of HK\$884,000 for the period (2014: HK\$1.7 million).

Investments

The investments division held properties and financial instruments for the Group. Assets allocations are based on expected return rates and available funding capital. For the period under review, this division reported a significant increase in profit to HK\$63.0 million this period (2014: HK\$2.1 million), mainly attributable to interest income on debt securities and significant realised and unrealised gain of financial instruments. The realised and unrealised gain of financial instruments for the period was HK\$35.6 million (2014: HK\$ nil) and HK\$24.9 million (2014: unrealised loss HK\$1.2 million), respectively. As at 30 September 2015, the Group held a portfolio of equity and debt securities and convertibles notes with a total fair value of HK\$158 million (31 March 2015: HK\$181 million).

OUTLOOK

The Group has successfully solidified the robustness of its main revenue streams over the past years and time and again proved its resilience in various economic cycles. In order to continue maximizing shareholder wealth in the times ahead, the Group has a plethora of strategies and advantages which will be discussed in more depth below.

Spin-off

As disclosed in the Company's announcement dated 30 September 2015 ("Spin-off Announcement"), the Group has submitted a listing application to the Stock Exchange in relation to spin-off and separate listing of the securities business of the Group on the main board of the Stock Exchange by way of a distribution in specie and global offering (the "Proposed Spin-off"). The Board believes that the Proposed Spin-off, if successful, will be beneficial to the Group and its shareholders as it can create a more defined business focus and efficient resource allocation which in turn facilitates and enhances the growth of the businesses. Details of the Proposed Spin-off have been disclosed in the Spin-off Announcement and the Company's circular dated 24 November 2015.

OUTLOOK (continued)

Diversification

The Group's diversification strategy hinges on our teams vigilance in spotting sound diversification opportunities. This includes looking for potential properties to acquire with good yields. In late September 2015 we have acquired a retail shop in the Western District for investment purposes. Furthermore, we have recently set up a new business line engaged in real estate agency services in order to further diversify our business operations and provide a fresh stream of wealth generation. The first shop in Tsim Sha Tsui will open in December 2015.

Promotion

In order to expand our brand and product awareness and enhance our public image we are in the process of a two phase plan. As of earlier this year we launched our maiden TV advertisements relating to our money lending business and as part of phase two in the coming months we will launch another TV advertisements relating to our securities business. It is our hope that this will also provide fresh business in the times ahead.

Money lending

Given the current market conditions and increasingly stringent conventional bank lending requirements, licensed and non-bank money lenders provide one of the best alternatives for potential borrowers to obtain efficient and flexible liquidity solutions. This has driven an increase in demand for loan services from money lenders, and creates a huge potential for the Group to further expand its money lending segment. Accordingly, the Group will strive to sharpen its edge and increase its penetration in the money lending market, whilst seeking to strengthen its lending capacity to enhance overall profitability.

Others

Given our lean and efficient organization structure, stable client 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, aiming to maximize returns and value for all shareholders.

USE OF PROCEEDS FROM RIGHTS ISSUE

The Company has received net proceeds of approximately HK\$623.09 million in connection with the rights issue completed on 10 April 2015. As of 30 September 2015, all net proceeds have been used by the Group. Set forth below is a summary of the utilization of the net proceeds:

Intended use as disclosed in the Company's announcement dated 5 May 2015	Amount of net proceeds intended to be allocated <i>HK\$ million</i> <i>(approximately)</i>	Actual utilized amount as of 30 September 2015 <i>HK\$ million</i> <i>(approximately)</i>	Unutilized amount as of 30 September 2015 <i>HK\$ million</i> <i>(approximately)</i>
Money lending business	220.0	220.0	–
Margin financing business	240.0	240.0	–
General working capital	163.09	163.09	–
Total	623.09	623.09	–

FINANCIAL REVIEW

Financial Resources and Gearing Ratio

The equity attributable to owners of the Company amounted to HK\$4,725 million (31 March 2015: HK\$3,900 million) as at 30 September 2015, representing an increase of HK\$825 million, or 21% from that of 31 March 2015. The movement was mainly attributable to the profit for the period, increase in shares resulting from a rights issue completed on 10 April 2015 and dividend payment.

The Group's net current assets as at 30 September 2015 amounted to HK\$4,088 million (31 March 2015: HK\$3,275 million) and the liquidity of the Group, as demonstrated by the current ratio (current assets/current liabilities) was 4.2 times (31 March 2015: 2.9 times). The Group's cash on hand amounted to HK\$651 million as at 30 September 2015 (31 March 2015: HK\$1,238 million). As at 30 September 2015, the Group had no bank borrowings (31 March 2015: HK\$328 million) and the Group had undrawn banking facilities amounting to HK\$856 million (31 March 2015: HK\$715 million) which were secured by charges over clients' pledged securities, properties as well as corporate guarantees issued by the Company.

FINANCIAL REVIEW (continued)

Financial Resources and Gearing Ratio (continued)

The number of issued shares of the Company was 6,710,213,938 as at 30 September 2015 (31 March 2015: 4,473,475,959).

As at 30 September 2015, the Group's gearing ratio (total liabilities over equity attributable to owners of the Company) was 0.27 time (31 March 2015: 0.44 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 MOP and US\$ which are pegged to HK\$.

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

As at 30 September 2015, the Group had outstanding capital commitment amounting to approximately HK\$28.3 million in relation to acquisition of an investment property.

Charges on Group Assets

As at 30 September 2015, leasehold land, building and an investment property of the Group with a carrying amount of HK\$113 million (31 March 2015: HK\$123 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 30 September 2015, the Group had 69 employees (31 March 2015: 66). 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\$8.9 million for its continuing operations (2014: HK\$6.6 million). The Group provides employee benefits including mandatory provident fund, discretionary share options and performance bonus for its staff.

DIRECTORS' INTERESTS IN SHARES

At 30 September 2015, 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 in the ordinary shares of HK\$0.1 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Mr. Hung Hon Man	Held by controlled corporation (<i>Note</i>)	2,013,027,874	29.99%

Note: Mr. Hung Hon Man is deemed to be interested in 2,013,027,874 ordinary shares of the Company which are held by Honeylink Agents Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man.

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%
		40,000,000	100%

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 (continued)

- * 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 30 September 2015, none of the Directors nor their associates had any interests or short positions in any shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

ARRANGEMENTS TO PURCHASE SHARES AND OPTIONS

The share option scheme of the Company adopted on 16 May 2002 has expired on 5 June 2012. The Company has adopted a new share option scheme ("Option Scheme") pursuant to a resolution passed on 24 August 2012. On 20 August 2015, the refreshment of scheme mandate limit under the Option Scheme was approved by the shareholders of the Company at the annual general meeting by way of an ordinary resolution. The Company is thus entitled to issue a maximum of 671,021,393 Shares upon exercise of the share options to be granted under the refreshed scheme mandate limit, representing 10% of the issued Shares as at the date of the annual general meeting. The purpose of the Option Scheme is to provide an incentive for eligible participant to work with commitment towards enhancing the value of the Company and the shares for the benefit of the shareholders of the Company and to retain and attract persons whose contribution are or may be beneficial to the growth and development of the Group. No share options were granted during the period.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries, 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.

SUBSTANTIAL SHAREHOLDERS

At 30 September 2015, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders had an interest of 5% or more in the issued share capital of the Company and these interests represent long positions in the ordinary shares of HK\$0.1 each of the Company.

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

Name	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Hung Hon Man	Held by controlled corporation (<i>Note</i>)	2,013,027,874	29.99%
Honeylink Agents Limited ("Honeylink")	Beneficial owner (<i>Note</i>)	2,013,027,874	29.99%

Note: Mr. Hung Hon Man is deemed to be interested in 2,013,027,874 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 30 September 2015.

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 REVIEW

The Audit Committee has reviewed with management of the Company the Group's unaudited condensed consolidated interim financial statements for the six months ended 30 September 2015 including the accounting principles and practices adopted by the Group.

CORPORATE GOVERNANCE CODE

Throughout the period ended 30 September 2015, 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 Rules Governing the Listing of Securities on the Stock Exchange, except for a deviation which is 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 least once every three years 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.

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

Pursuant to rule 13.51B(1) of the Listing Rules, changes in the information of the Directors required to be disclosed in this report are as follows:

Mr. Hung Sui Kwan With effect from 1 September 2015, the monthly salary of Mr. Hung has been changed from HK\$32,000 to HK\$50,000.

Mr. Shum Kin Wai, Frankie With effect from 1 September 2015, the monthly salary of Mr. Shum has been changed from HK\$28,000 to HK\$35,000.

Mr. Man Kong Yui With effect from 1 September 2015, the monthly director fee of Mr. Man has been changed from HK\$5,000 to HK\$7,000.

With effect from 18 September 2015, Mr. Man resigned as an independent non-executive director of 21 Holdings Limited (now known as “Huanxi Media Group Limited”, Stock code: 1003).

Mr. Siu Hi Lam, Alick With effect from 1 September 2015, the monthly director fee of Mr. Siu has been changed from HK\$5,000 to HK\$7,000.

Mr. Sun Ka Ziang, Henry With effect from 1 September 2015, the monthly director fee of Mr. Sun has been changed from HK\$5,000 to HK\$7,000.

By order of the Board

Hung Hon Man

Chairman

Hong Kong, 26 November 2015

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. Man Kong Yui, Mr. Siu Hi Lam, Alick and Mr. Sun Ka Ziang, Henry are independent non-executive directors of the Company.