



# Get Nice Financial Group Limited

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

Stock code : 1469

## Interim Report 2021



**UNAUDITED INTERIM RESULTS**

The Board of Directors (the “Board” or the “Directors”) of Get Nice Financial Group 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 2021 together with comparative figures for the last corresponding period. The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2021 have been reviewed by the Company’s audit committee.

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

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2021</b>	<b>2020</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>	4	<b>189,970</b>	185,537
Other operating income		<b>1,115</b>	1,783
Other gains and losses		<b>3,505</b>	(1,391)
Gain on disposal of subsidiaries		<b>339,060</b>	–
Amortisation and depreciation		<b>(6,665)</b>	(2,441)
Commission expenses		<b>(6,558)</b>	(4,404)
Net impairment loss on accounts receivable		<b>(46,904)</b>	(75,124)
Staff costs		<b>(11,925)</b>	(9,946)
Finance costs		<b>(490)</b>	(874)
Other operating expenses		<b>(10,792)</b>	(9,874)
		<hr/>	<hr/>
<b>Profit before taxation</b>		<b>450,316</b>	83,266
Income tax expense	5	<b>(17,754)</b>	(13,115)
		<hr/>	<hr/>
<b>Profit for the period</b>		<b>432,562</b>	70,151

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

	Notes	Unaudited	
		2021	2020
		HK\$'000	HK\$'000
<b>Other comprehensive income (expenses)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Surplus on revaluation of properties		29	18,353
Deferred tax arising on revaluation of properties		(5)	(3,028)
<b>Total other comprehensive income for the period</b>		<u>24</u>	<u>15,325</u>
<b>Total comprehensive income for the period</b>		<u><u>432,586</u></u>	<u><u>85,476</u></u>
Dividends	6	<u><u>150,000</u></u>	<u><u>125,000</u></u>
<b>Earnings per share</b>	7		
Basic and diluted		<u><u>17.3 (HK cents)</u></u>	<u><u>2.8 (HK cents)</u></u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		<b>Unaudited At 30 September 2021 HK\$'000</b>	<b>Audited At 31 March 2021 HK\$'000</b>
	<i>Notes</i>		
<b>Non-current assets</b>			
Property and equipment		<b>37,125</b>	5,969
Intangible assets		<b>8,963</b>	8,963
Other assets		<b>8,498</b>	6,826
Deposit paid for acquisition of property and equipment		–	2,123
Notes receivable from holding company		<b>218,596</b>	–
Investments		<b>58,907</b>	2,061
Deferred tax assets		<b>259</b>	259
Goodwill		<b>2,000</b>	2,000
		<b>334,348</b>	28,201
<b>Current assets</b>			
Accounts receivable	8	<b>3,135,838</b>	3,655,082
Prepayments, deposits and other receivables		<b>5,458</b>	3,302
Tax recoverable		<b>14</b>	62
Investments		<b>164</b>	139
Bank balances – client accounts		<b>665,010</b>	656,240
Bank balances – general accounts and cash		<b>1,206,601</b>	328,186
		<b>5,013,085</b>	4,643,011
Assets classified as held for sale		–	106,132
		<b>5,013,085</b>	4,749,143

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

		Unaudited At 30 September 2021 HK\$'000	Audited At 31 March 2021 HK\$'000
	<i>Notes</i>		
<b>Current liabilities</b>			
Accounts payable	9	903,688	695,799
Accrued charges and other payables		17,959	6,137
Deposit received for disposal of subsidiaries		–	37,000
Lease liabilities		8,682	1,927
Tax payable		27,698	10,303
		<u>958,027</u>	<u>751,166</u>
Liabilities associated with assets classified as held for sale		–	4,217
		<u>958,027</u>	<u>755,383</u>
<b>Net current assets</b>		<u>4,055,058</u>	<u>3,993,760</u>
<b>Total assets less current liabilities</b>		<u>4,389,406</u>	<u>4,021,961</u>
<b>Non-current liabilities</b>			
Lease liabilities		10,685	831
Deferred tax liabilities		89	84
		<u>10,774</u>	<u>915</u>
<b>Net assets</b>		<u>4,378,632</u>	<u>4,021,046</u>
<b>Capital and reserves</b>			
Share capital	10	25,000	25,000
Reserves		4,353,632	3,996,046
		<u>4,378,632</u>	<u>4,021,046</u>
<b>Equity attributable to owners of the Company</b>		<u>4,378,632</u>	<u>4,021,046</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Unaudited Six months ended 30 September 2021 Attributable to owners of the Company						
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Property revaluation reserve HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
Balance as at 1 April 2021	25,000	375,407	1,486,951	19,769	159,933	1,953,986	4,021,046
Profit for the period	-	-	-	-	-	432,562	432,562
<b>Other comprehensive income for the period</b> <i>Items that will not be reclassified to profit or loss</i>							
Surplus on revaluation of properties	-	-	-	29	-	-	29
Deferred tax liability arising on revaluation of properties	-	-	-	(5)	-	-	(5)
<b>Total other comprehensive income</b>	-	-	-	24	-	-	24
<b>Total comprehensive income for the period</b>	-	-	-	24	-	432,562	432,586
<b>Transactions with equity holders</b> <i>Contributions and distributions</i>							
Dividend recognized as distribution	-	-	-	-	-	(75,000)	(75,000)
<i>Change in ownership interest</i>							
Disposal of interests in a subsidiary	-	-	-	(18,966)	-	18,966	-
	-	-	-	(18,966)	-	(56,034)	(75,000)
<b>At 30 September 2021</b>	<b>25,000</b>	<b>375,407</b>	<b>1,486,951</b>	<b>827</b>	<b>159,933</b>	<b>2,330,514</b>	<b>4,378,632</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	Unaudited Six months ended 30 September 2020 Attributable to owners of the Company						
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Property revaluation reserve HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
Balance as at 1 April 2020	25,000	375,407	1,486,951	18,405	159,933	1,865,777	3,931,473
Profit for the period	-	-	-	-	-	70,151	70,151
<b>Other comprehensive income for the period</b>							
<i>Items that will not be reclassified to profit or loss</i>							
Surplus on revaluation of properties	-	-	-	18,353	-	-	18,353
Deferred tax liability arising on revaluation of properties	-	-	-	(3,028)	-	-	(3,028)
<b>Total other comprehensive income</b>	-	-	-	15,325	-	-	15,325
<b>Total comprehensive income for the period</b>	-	-	-	15,325	-	70,151	85,476
<b>Transactions with equity holders</b>							
<i>Contributions and distributions</i>							
Dividend recognized as distribution	-	-	-	-	-	(50,000)	(50,000)
<b>At 30 September 2020</b>	<u>25,000</u>	<u>375,407</u>	<u>1,486,951</u>	<u>33,730</u>	<u>159,933</u>	<u>1,885,928</u>	<u>3,966,949</u>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Net cash generated from (used in) operating activities</b>	<b>804,166</b>	<b>(385,938)</b>
<b>Net cash generated from (used in) investing activities</b>	<b>153,778</b>	<b>(47,830)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>(79,529)</b>	<b>583,548</b>
<b>Net increase in cash and cash equivalents</b>	<b>878,415</b>	<b>149,780</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>328,186</b>	<b>260,910</b>
<b>Cash and cash equivalents at end of the period</b>	<b>1,206,601</b>	<b>410,690</b>
Represented by:		
Bank balances – general accounts and cash	<b>1,206,601</b>	<b>410,690</b>



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2021*

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 31 August 2015 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's immediate is Get Nice Holdings Limited ("GN Holdings"), a company incorporated in the Cayman Islands with its shares listed on the Stock Exchange. The Company's ultimate holding company is Honeylink Agents Limited, a company incorporated in the British Virgin Islands with limited liability of which the entire issued share capital is beneficially owned by Mr. Hung Hon Man, who is also a director of the Company.

The Company's registered office is located at Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY-1103, Cayman Islands and its principal place of business is located at Ground Floor to 3rd Floor, Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are engaged in (i) the provision of financial services, including securities dealing and broking, futures and options broking, underwriting and placements, securities margin financing and corporate finance services and (ii) investment in financial instruments.

The unaudited condensed consolidated financial statements of the Group are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

### 2. BASIS OF PREPARATION

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

### 3. **PRINCIPAL ACCOUNTING POLICIES**

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

Other than changes in accounting policies resulting from application of new Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2021 are the same as those followed in the preparation of the Group’s audited consolidated financial statements for the year ended 31 March 2021.

Details of any changes in accounting policies are set out below.

#### **Application of new and amendments to Hong Kong Financial Reporting Standards**

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA that are relevant for the preparation of the Group’s unaudited condensed consolidated financial statements:

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9, and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendments to HKFRS 16	Covid-19-Related Rent Concessions Beyond 30 June 2021

The application of the new or amendments to HKFRSs in current period has had no material effect on the Group’s financial performance and positions for the current period and prior years and/or disclosures set out in these unaudited condensed consolidated financial statements.

The Group has not early applied any new and revised HKFRSs that have been issued but are not yet effective for the current accounting period.

#### 4. SEGMENT INFORMATION

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

##### *For the six months ended 30 September 2021*

	Broking HK\$'000	Securities margin financing HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Consolidated HK\$'000
Segment revenue	<u>37,310</u>	<u>150,330</u>	<u>2,330</u>	<u>-</u>	<u>189,970</u>
Segment result	<u>6,092</u>	<u>103,426</u>	<u>2,077</u>	<u>1,838</u>	<u>113,433</u>
Unallocated other income and corporate expenses, net					<u>336,921</u>
Unallocated finance costs					<u>(38)</u>
Profit before taxation					<u><u>450,316</u></u>

##### *For the six months ended 30 September 2020*

	Broking HK\$'000	Securities margin financing HK\$'000	Corporate finance HK\$'000	Consolidated HK\$'000
Segment revenue	<u>31,110</u>	<u>153,567</u>	<u>860</u>	<u>185,537</u>
Segment result	<u>9,356</u>	<u>78,443</u>	<u>563</u>	<u>88,362</u>
Unallocated corporate expenses				<u>(4,869)</u>
Unallocated finance costs				<u>(227)</u>
Profit before taxation				<u><u>83,266</u></u>

**4. SEGMENT INFORMATION (Continued)**

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

**As at 30 September 2021**

**Unaudited**

	Broking HK\$'000	Securities margin financing HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Consolidated HK\$'000
Segment assets	<u>1,643,950</u>	<u>3,406,686</u>	<u>10,979</u>	<u>57,357</u>	5,118,972
Unallocated assets					<u>228,461</u>
Consolidated assets					<u>5,347,433</u>
Segment liabilities	<u>515,962</u>	<u>451,885</u>	<u>117</u>	<u>-</u>	967,964
Unallocated liabilities					<u>837</u>
Consolidated liabilities					<u>968,801</u>

#### 4. SEGMENT INFORMATION (Continued)

As at 31 March 2021

Audited

	Broking HK\$'000	Securities margin financing HK\$'000	Corporate finance HK\$'000	Consolidated HK\$'000
Segment assets	756,204	3,894,302	10,419	4,660,925
Unallocated assets				116,419
Consolidated assets				4,777,344
Segment liabilities	418,735	295,300	82	714,117
Unallocated liabilities				42,181
Consolidated liabilities				756,298

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

#### 5. TAXATION

	Six months ended 30 September	
	2021 HK\$'000	2020 HK\$'000
Current tax:		
Hong Kong	17,754	13,115

The profit tax rate for the first HK\$2,000,000 assessable profits arising from Hong Kong of qualifying entities will be taxed at 8.25%, and assessable profits arising from Hong Kong above HK\$2,000,000 will continue be taxed at the rate of 16.5% under two-tiered profits tax rates regime. As only one of the subsidiaries in the Group is eligible to elect the two-tiered profits tax rates, profits of the remaining subsidiaries of the Group will continue to be taxed at a flat rate of 16.5%.

For both periods, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime.

**6. DIVIDENDS**

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Final dividend paid	<b>75,000</b>	50,000
Proposed interim dividend of HK3.0 cents (2020: HK3.0 cents) per share	<b>75,000</b>	75,000
	<b>150,000</b>	125,000

On 10 September 2021, a dividend of HK3 cents per share was paid to shareholders as the final dividend for the year ended 31 March 2021.

At a meeting held on 25 November 2021, the Directors recommended an interim dividend of HK3 cents per share for the six months ended 30 September 2021 to the shareholders whose names appear in the register of members on 17 December 2021. This proposed interim dividend is not reflected as a dividend payables in these unaudited condensed consolidated interim financial statements, but will be reflected as an appropriation of retained earnings for the year ended 31 March 2022.

**7. EARNINGS PER SHARE**

The calculation of the basic and diluted earnings per share is based on profit attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the period as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Earnings</b>		
Earnings for the purpose of basic and diluted earnings per share		
Profit for the period attributable to equity shareholders of the Company	<b>432,562</b>	70,151

**7. EARNINGS PER SHARE (Continued)**

	2021 '000	2020 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>2,500,000</u>	<u>2,500,000</u>

Diluted earnings per share is the same as the basic earnings per share for the period ended 30 September 2021 because there were no potential dilutive ordinary shares outstanding.

**8. ACCOUNTS RECEIVABLE**

	At 30 September 2021 HK\$'000	At 31 March 2021 HK\$'000
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	24,798	8,735
– Margin clients:		
– Directors and their close family members	256,787	290,060
– Other margin clients	3,054,643	3,521,244
– Hong Kong Securities Clearing Company Limited	294	22,462
– Broker	2,382	350
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	<u>47,859</u>	<u>16,252</u>
	<b>3,386,763</b>	3,859,103
Less: Loss allowance	<u>(250,925)</u>	<u>(204,021)</u>
	<u><b>3,135,838</b></u>	<u>3,655,082</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\$318,000 (31 March 2021: HK\$161,000) 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.

## 8. 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 2021 HK\$'000	At 31 March 2021 HK\$'000
0 – 30 days	316	145
31 – 60 days	–	13
Over 60 days	2	3
	<u>318</u>	<u>161</u>

The accounts receivable from cash clients with a carrying amount of HK\$24,480,000 (31 March 2021: HK\$8,574,000) 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.

Accounts receivable from margin clients are secured by clients' pledged securities with fair value of HK\$20,382,359,000 (31 March 2021: HK\$34,659,941,000). Significant portion of the pledged securities are listed equity securities in Hong Kong. The loans are repayable on demand subsequent to settlement date and carry interest typically at a range from 7.236% to 9.500% per annum (31 March 2021: range from 7.236% to 9.500% per annum) at 30 September 2021. 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 collateral held can be pledged 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 directors of the Company and their close family members and a controlling entity. The details are as follows:

Name	Balance at 1 April 2021 HK\$'000	Balance at 30 September 2021 HK\$'000	Maximum amount outstanding during the period HK\$'000	Market value of pledged securities at 30 September 2021 HK\$'000
Mr. Hung Hon Man, director of the Company, his close family members and a controlling entity	290,060	255,993	324,535	2,162,920
Mr. Hung Sui Kwan, director of the Company and his close family members	–	794	954	15,824

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



## 9. ACCOUNTS PAYABLE

	At 30 September 2021 HK\$'000	At 31 March 2021 HK\$'000
Accounts payable arising from the business of dealing in securities:		
– Cash clients	286,136	374,297
– Margin clients	451,752	295,300
– Hong Kong Securities Clearing Company Limited	58,982	2,043
– Broker	133	–
Accounts payable to clients arising from the business of dealing in futures contracts	<u>106,685</u>	<u>24,159</u>
	<u><b>903,688</b></u>	<u><b>695,799</b></u>

No ageing analysis is disclosed as, in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of business.

The normal settlement terms of accounts payable to cash clients and clearing houses are two days after trade date.

Amounts due to securities margin clients are repayable on demand and carry interest at 0.025% (31 March 2021: 0.025%) per annum.

Included in accounts payable to margin clients arising from the business of dealing in securities are amounts due to directors of the Company and their close family members and a controlling entity of HK\$187,000 (31 March 2021: HK\$1,528,000).

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.

**10. SHARE CAPITAL**

	Number of ordinary shares of HK\$0.01 each	Nominal value HK\$'000
Authorised:		
At 1 April 2020, 31 March 2021 and 30 September 2021	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 1 April 2020, 31 March 2021 and 30 September 2021	<u>2,500,000,000</u>	<u>25,000</u>

**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 loan from ultimate holding company 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.

- **Market risk**

*Interest rate risk*

The Group is exposed to cash flow interest rate risk in relation to accounts receivable, bank balances, loan from ultimate holding company and bank borrowings. The Group currently does not have an interest rate hedging policy. However, the Group closely manages its exposure arising from margin financing 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. 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.

## 11. 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 United States dollars ("US\$"), the exposure is limited as US\$ are 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 expected to be 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 of accounts receivable, and other receivables, by placing limits on the amount of risk accepted in relation to any 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.

The credit risk on bank balances 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.

## 12. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the unaudited condensed consolidated interim financial statements, the Group had the following related party transactions during the period:

Name of related party	Nature of transaction	Six months ended 30 September	
		2021 HK\$'000	2020 HK\$'000
Directors of the Company and their close family members Messrs. Hung Hon Man, Shum Kin Wai, Frankie, Hung Sui Kwan, their close family members and a controlling entity	Brokerage Commission income (note i)	1,867	975
Key management personnel and directors of GN Holdings and their close family members Messrs. Cham Wai Ho, Anthony, Kam, Eddie Shing Cheuk, Cheng Wai Ho, Ng Hon Sau, Larry, their close family members and a controlling entity	Brokerage Commission income (note i)	4	52
Directors of the Company and their close family members Messrs. Hung Hon Man, Hung Sui Kwan, their close family members and a controlling entity	Interest income (note ii)	5,099	9,140
Key management personnel and directors of GN Holdings and their close family members Messrs. Kam, Eddie Shing Cheuk, Ng Hon Sau, Larry, their close family members and a controlling entity	Interest income (note ii)	–	3
GN Holdings	Management fee income (note iii)	–	1,260
GN Holdings	Interest expense (note iv)	38	227
Fellow subsidiary under GN Holdings Bowell Limited	License fee payment (note v)	390	–
Fellow subsidiary under GN Holdings Tao Yun Company Limited	Rental payment (note vi)	3,600	–
Mr. Hung Hon Man's associate	License fee income (note vii)	120	–
Fellow subsidiary under GN Holdings Get Nice Development Limited	Disposal of subsidiaries (note viii)	457,000	–

## 12. RELATED PARTY TRANSACTIONS (Continued)

Notes:

- (i) Commission was charged at 0.1% to 0.25% (2020: 0.1% to 0.25%) on the total value of transactions.
- (ii) Interest was charged at 7.236% to 9.252% per annum (2020: 7.236% to 9.252%) on the outstanding balances of margin loans.
- (iii) Management fee income was earned from GN Holdings for office areas sharing.
- (iv) Loan interest expense was charged by GN Holdings at 2% per annum outstanding pursuant to the revolving loan facility agreement.
- (v) Monthly license fee was paid at approximately HK\$65,000 during the period.
- (vi) Monthly rental was paid at HK\$600,000 during the period.
- (vii) Monthly license fee income was charged at HK\$20,000 during the period.
- (viii) For details of the disposal, please refer to the Company's announcement date 18 March 2021 and circular date 29 April 2021.

### Compensation of key management personnel

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Short-term employee benefits	<b>1,444</b>	1,734
Post-employment benefits	<b>36</b>	58
	<b>1,480</b>	1,792

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 HK3 cents per share for the six months ended 30 September 2021. The interim dividend will be payable on or about 29 December 2021 to those shareholders whose names appear on the register of members on 17 December 2021.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 16 December 2021 to 17 December 2021, both dates inclusive (record date being 17 December 2021), 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 15 December 2021.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OVERVIEW**

For the period ended 30 September 2021, the Group's revenue amounted to approximately HK\$190.0 million, representing an increase of 2.4% as compared with approximately HK\$185.5 million reported in the last corresponding financial period. Operating expenses such as commission expenses and settlement expenses were generally in line with the revenue.

Profit attributable to owners of the Company for the period was approximately HK\$432.6 million (2020: HK\$70.2 million). The increase in profit was mainly attributable to the recognition of a gain on disposal of subsidiaries and decrease in net impairment loss on accounts receivable. Net impairment loss on accounts receivable HK\$46.9 million (2020: HK\$75.1 million) was recorded during the period.

Earnings per share increased to HK17.3 cents (2020: HK2.8 cents) as a result of increase in profit for the period.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### REVIEW AND OUTLOOK

#### Market Review

At the beginning of 2021, with the launch of vaccines and the gradual relaxation of cross-border restrictions, global stock markets extend the uptrend of the end of last year, Hang Seng Index rose to a 52-week high of 31,183 points on 18 February 2021. Afterwards, the market worried about the recession of easing policies in China, the rise in US 10-year Treasury bond yields and the renewed tension between China and Europe and the United States which affected the market sentiment.

In the second quarter, China's export grew since the epidemic drove the demand for goods. Also, consumer habits have changed and they are more inclined to consume online, which improve the consumption growth. However, China began anti-monopoly investigations on some large Internet and technology companies and strengthened the industry supervision, which led to the decline and consolidation of those internet and technology stocks. Hong Kong stock market was stable with reduced volatility.

In the third quarter, the raging Delta variant of COVID-19 frustrated the restart of the global economy and delayed the economic recovery expected by the market this year. China was not immune to the impact of the epidemic and the pace of economic growth slowed down. The stock market experienced a downward adjustment and the decline began to stabilize in September. The Hang Seng Index closed at 24,576 points at the end of September 2021 compared with 28,378 points at the end of March 2021. The average daily turnover on the Main Board and GEM during the six months period ended 30 September 2021 was approximately HK\$158.4 billion, an increase of 24.4% as compared with approximately HK\$127.3 billion for the prior financial period.

## **MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

### **REVIEW AND OUTLOOK (Continued)**

#### **Business Review**

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

During the period ended 30 September 2021, the broking business posted a profit of approximately HK\$6.1 million (2020: profit of HK\$9.4 million). The reason of decrease in operating result of the broking business is mainly due to the increase in operating expenses. Revenue from broking for the period increased by 19.9% to approximately HK\$37.3 million (2020: HK\$31.1 million) as compared with last financial period as a result of the increase in broking turnover which affected by the volatile local stock market and positive global investment atmosphere. Approximately HK\$3.4 million (2020: HK\$10.0 million) of revenue was contributed by the underwriting, placing and proof of funds business. The decrease in these fee income was due to the decrease in number of deals as a result of the inactive capital market during the current period.

Securities margin financing remained to be the Group's major revenue contributor for the period. During the period, total interest income from securities margin financing went down by 2.1% to approximately HK\$150.3 million (2020: HK\$153.6 million) with the decrease in average level of securities margin lending during the period. Total outstanding loan of securities margin financing as at 30 September 2021 amounted to approximately HK\$3,311.4 million (as at 31 March 2021: HK\$3,811.3 million). Impairment loss on margin clients receivable of HK\$46.9 million was charged during the current period (2020: HK\$75.1 million). 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.

##### *Corporate finance*

The Group's corporate finance business focused on the provision of financial advisory services to listed companies in Hong Kong. During the period ended 30 September 2021, it completed 5 financial advisory transactions (2020: 4). The operation reported a profit of approximately HK\$2.1 million for the period (2020: HK\$0.6 million).

##### *Investments*

The investment division reported a profit of approximately HK\$1.8 million. The profit was contributed by the increase in fair value of the investment portfolio. As of 30 September 2021, the Group's investment portfolio mainly consisted of a investment fund with a total fair value of approximately HK\$56.8 million.



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### REVIEW AND OUTLOOK (Continued)

#### Outlook

With the efforts of governments all over the world, the COVID-19 vaccination plan has been successfully implemented. The number of people vaccinated against COVID-19 is increasing continuously and the epidemic seems to be under control. Global economic activity has recovered in an orderly manner during the period and people also expect that border restrictions will be relaxed.

Since the emergence of COVID-19, people have become accustomed to virtual and online consumption. In order to keep pace with the times, the Group has upgraded its securities service mobile application and added multiple functions such as remote account opening and E-IPO application, aiming to enhance the user experience of customers.

In May 2021, the Group has moved the headquarter to new premises. The new headquarter are located in a prime financial district with three-storey commercial units and an office unit with total gross floor areas of 27,808 square feet. The low rise commercial units with large outdoor LED display screen, which would significantly enhance the Group's corporate brand and image which are important to increase customers' perception in the securities industry. In order to enhance our corporate image and attract financial talents to join our Group, the Group has invested in marketing and advertising, such as production of TV advertising, which have been broadcast on TV and on the LED display screen on the exterior wall of our headquarters.

Dealing with the future challenges, the management of the Group would review and adjust business strategies on regular basis with a prudent and balanced risk management approach. The management of the Group remains cautiously optimistic about the business development and overall performance of the Group in the future. The Group is endeavoring to render comprehensive services to our affluent and high-net-worth clients in order to maintain our clients' confidence and loyalty. The Group will also continue to recruit and train financial talents to provide high quality financial services to our clients. Given our lean and efficient organization structure, stable clients base, strong track record and solid business fundamentals, the Group is poised to expand its horizons and scale new heights in the years to come in order to continue maximizing returns and value for all shareholders.

## **FINANCIAL REVIEW**

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

Equity attributable to owners of the Company amounted to approximately HK\$4,378.6 million as at 30 September 2021 (as at 31 March 2021: HK\$4,021.0 million), representing an increase of approximately HK\$357.6 million or 8.9% over that of last financial year end. The increase was mainly attributable to the profit for the period net of dividend payment during the period.

As at 30 September 2021, the Group's net current assets amounted to HK\$4,055.1 million (as at 31 March 2021: HK\$3,993.8 million), and its liquidity as represented by current ratio (current assets/current liabilities) was 5.23 times (as at 31 March 2021: 6.29 times). Bank balances and cash on hand amounted to HK\$1,206.6 million (as at 31 March 2021: HK\$328.2 million). The increase in bank balances and cash on hand was mainly due to the cash inflow from disposal of subsidiaries and repayment from accounts receivable. The Group has no bank borrowings as at 30 September 2021 (as at 31 March 2021: HK\$Nil) and unutilised banking facilities as at the end of the period were approximately HK\$710.0 million (as at 31 March 2021: HK\$740.0 million), which were mainly secured by charges over the Group's clients' pledged securities, a property owned by a fellow subsidiary and corporate guarantees issued by the Company.

The Group's gearing ratio (total borrowing over equity attributable to owners of the Company) as at 30 September 2021 was zero (as at 31 March 2021: zero).

The number of issued shares of Company amounted to 2,500,000,000 shares as at 30 September 2021 (as at 31 March 2021: 2,500,000,000 shares).

The business activities of the Group are not exposed to any major exchange risks as the majority of transactions are denominated in Hong Kong dollar.

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

### **Charges on Group Assets**

As at 30 September 2021, there was no charges on the Group's assets. As at 31 March 2021, leasehold land and building of the Group with a carrying amount of HK\$100.7 million were pledged for a banking facility granted to the Group.

## FINANCIAL REVIEW (Continued)

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

On 18 March 2021, the Group entered into a sales and purchase agreement with Get Nice Development Limited, a wholly-owned subsidiary of GN Holdings, to dispose of 100% of its equity interests in NobleNet Limited (“NobleNet”), a wholly-owned subsidiary of the Group, and its wholly-owned subsidiary, Grace Field Limited (“Grace Field”) for a consideration of HK\$457,000,000 (subject to adjustment). Details of the disposal have been disclosed in the Company’s announcement dated 18 March 2021 and circular dated 29 April 2021. The disposal was completed on 24 May 2021. Upon completion, NobleNet and Grace Field ceased to be the subsidiaries of the Company.

Save as disclosed above, the Group had no other material acquisitions or disposals of subsidiaries, associates or jointly controlled entity completed during the period ended 30 September 2021.

### Employee Information

As at 30 September 2021, the Group had 78 (as at 31 March 2021: 73) full time employees. The Group’s employees were remunerated according to their performance, working experience and market conditions. The total amount of remuneration cost of employees of the Group for the period was HK\$11.9 million (2020: HK\$9.9 million). The Group provides employee benefits including mandatory provident fund, discretionary share options and performance bonus to its staff.

## DIRECTORS' INTERESTS IN SHARES

At 30 September 2021, 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 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\$0.01 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> )	1,875,000,000	75%

*Note:* Mr. Hung Hon Man is deemed to be interested in (i) 50,309,829 ordinary shares of the Company which are held by Honeylink Agents Limited ("Honeylink"), a company incorporated in the British Virgin Island with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man; and (ii) 1,824,690,171 ordinary shares of the Company which are held by GN Holdings. Honeylink is interested in 5,947,459,872 ordinary shares of GN Holdings, representing 61.55% of issued share capital of GN Holdings.

**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%
		40,000,000	100%

- \* 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.

**DIRECTORS' INTERESTS IN SHARES (Continued)****3. Long positions in the ordinary shares of HK\$0.1 each of GN Holdings, the immediate holding company of the Company**

<b>Name of Director</b>	<b>Capacity</b>	<b>Number of issued ordinary shares held</b>	<b>Percentage of the issued share capital of GN Holdings</b>
Mr. Hung Hon Man	Held by controlled corporation ( <i>Note</i> )	5,947,459,872	61.55%

*Note:* Mr. Hung Hon Man is deemed to be interested in 5,947,459,872 ordinary shares of GN Holdings, 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, at 30 September 2021, 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 Company has adopted a share option scheme (“Option Scheme”) pursuant to a resolution passed on 16 March 2016. The Company is thus entitled to issue a maximum of 250,000,000 shares upon exercise of the share options to be granted under the Option Scheme limit, representing 10% of the shares in issue. The purpose of the Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers of the Group, distributor, contractor, supplier, agent, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

No share option has been granted under the Option Scheme since its adoption.

### ARRANGEMENTS TO PURCHASE SHARES AND OPTIONS *(Continued)*

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 2021, 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\$0.01 each of the Company.

#### Long positions in the ordinary shares of HK\$0.01 each of the Company

Name	Capacity	Number of issued/underlying ordinary shares held	Percentage of the Company's issued share capital (%)
GN Holdings	Beneficial owner	1,824,690,171	72.99
Honeylink	Held by controlled corporation <i>(Note)</i>	1,824,690,171	72.99
	Beneficial owner <i>(Note)</i>	50,309,829	2.01
Mr. Hung Hon Man	Held by controlled corporation <i>(Note)</i>	1,875,000,000	75.00

*Note:* Mr. Hung Hon Man is deemed to be interested in (i) 50,309,829 ordinary shares of the Company which are held by Honeylink, a company incorporated in the British Virgin Island with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man; and (ii) 1,824,690,171 ordinary shares of the Company which are held by GN Holdings. Honeylink is interested in 5,947,459,872 ordinary shares of GN Holdings, representing 61.55% of issued share capital of GN Holdings.

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 2021.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES**

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed shares of the Company during the period ended 30 September 2021.

## **CORPORATE GOVERNANCE CODE**

During the period ended 30 September 2021, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

## **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 2021 including the accounting principles and practices adopted by the Group.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have fully complied with the required standard as set out in the Model Code throughout the period under review.



## CHANGE IN INFORMATION OF DIRECTORS

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:

With effect from 27 July 2021, Ms. Ng Yau Kuen Carmen, an independent non-executive director of the Company, has resigned as an independent non-executive director of Simplicity Holding Limited, a company listed on the GEM of The Stock Exchange of Hong Kong Limited (Stock Code: 8367).

Save as disclosed above, there is no other information to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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

Hong Kong, 25 November 2021

*As at the date of this report, the executive directors of the Company are Mr. Shum Kin Wai, Frankie (Managing Director) and Mr. Hung Sui Kwan (Chief Executive Officer). The non-executive director of the Company is Mr. Hung Hon Man (Chairman). The independent non-executive directors of the Company are Ms. Ng Yau Kuen, Carmen, Mr. Cheung Chi Kong, Ronald and Mr. Chan Ka Kit.*