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GET NICE FINANCIAL GROUP LIMITED

結好金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1469)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023

RESULTS

The board of directors (“Board”) of Get Nice Financial Group Limited (the “Company”) are pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2023 with comparative figures for the previous financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

	<i>Notes</i>	2023 <i>HK\$’000</i>	2022 <i>HK\$’000</i>
Revenue from contracts with customers within HKFRS 15	4	43,035	64,427
Interest revenue calculated using the effective interest method	4	293,977	290,400
Revenue		337,012	354,827
Other operating income	6a	4,695	9,894
Other gains and losses, net	6b	(5,367)	341,094
Depreciation expenses		(13,121)	(13,338)
Commission expenses		(8,718)	(12,678)
Net impairment loss on accounts receivable	13	(92,088)	(130,076)
Staff costs	7	(21,849)	(24,544)
Finance costs	8	(337)	(763)
Other expenses		(26,491)	(24,696)

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Profit before taxation	9	173,736	499,720
Income tax expense	10	<u>(23,905)</u>	<u>(32,853)</u>
Profit for the year		<u>149,831</u>	<u>466,867</u>
Other comprehensive income (expense)			
<i>Items that will not be reclassified to profit or loss</i>			
Surplus on revaluation of properties		155	59
Deferred tax arising on revaluation of properties		<u>(26)</u>	<u>(10)</u>
Total other comprehensive income for the year		<u>129</u>	<u>49</u>
Total comprehensive income for the year		<u>149,960</u>	<u>466,916</u>
Earnings per share			
Basic and diluted (HK dollars)	12	<u>0.06</u>	<u>0.19</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2023

	<i>Notes</i>	2023 HK\$'000	2022 HK\$'000
Non-current assets			
Property and equipment		23,023	32,881
Intangible assets		8,514	8,512
Other assets		4,486	5,401
Promissory note receivable from the immediate holding company		–	218,913
Investments		18,447	58,034
Deferred tax assets		259	259
Goodwill		2,000	2,000
		<hr/> 56,729 <hr/>	<hr/> 326,000 <hr/>
Current assets			
Accounts receivable	13	2,079,209	2,826,396
Prepayments, deposits and other receivables		3,581	7,350
Tax recoverable		8,673	9,523
Investments		157	163
Bank balances – client accounts		318,857	480,897
Bank balances – general accounts and cash		2,235,035	1,226,573
		<hr/> 4,645,512 <hr/>	<hr/> 4,550,902 <hr/>
Current liabilities			
Accounts payable	14	349,235	517,124
Accrued charges and other payables		7,701	6,277
Lease liabilities		7,117	7,798
Tax payable		146	530
		<hr/> 364,199 <hr/>	<hr/> 531,729 <hr/>
Net current assets		<hr/> 4,281,313 <hr/>	<hr/> 4,019,173 <hr/>
Total assets less current liabilities		<hr/> 4,338,042 <hr/>	<hr/> 4,345,173 <hr/>

	2023 <i>HK\$'000</i>	2022 HK\$'000
Non-current liabilities		
Lease liabilities	–	7,117
Deferred tax liabilities	<u>120</u>	<u>94</u>
	<u>120</u>	<u>7,211</u>
Net assets	<u><u>4,337,922</u></u>	<u><u>4,337,962</u></u>
Capital and reserves		
Share capital	25,000	25,000
Reserves	<u>4,312,922</u>	<u>4,312,962</u>
Total equity	<u><u>4,337,922</u></u>	<u><u>4,337,962</u></u>

Notes:

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 31 August 2015 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company’s immediate holding company 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.

The Company’s registered office is located at Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, 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, corporate finance services and asset management services and (ii) investment in financial instruments.

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

2. BASIS OF PREPARATION AND ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

Basis of preparation

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

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2022 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year.

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

Adoption of new/revised HKFRSs

Amendments to HKAS 16: Proceeds before Intended Use

The amendments clarify the accounting requirements for proceeds received by an entity from selling items produced while testing an item of property, plant or equipment before it is used for its intended purpose. An entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss and measures the cost of those items applying the measurement requirements of HKAS 2.

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

Amendments to HKAS 37: Cost of Fulfilling a Contract

The amendments clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (for example, direct labour and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

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

Amendments to HKFRS 3: Reference to the Conceptual Framework

The amendments update a reference in HKFRS 3 to the Conceptual Framework for Financial Reporting issued in 2018. The amendments also add to HKFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying HKFRS 3 should instead refer to HKAS 37. The exception has been added to avoid an unintended consequence of updating the reference.

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

Annual Improvements Project – 2018-2020 Cycle

HKFRS 1: Subsidiary as a First-time Adopter

This amendment simplifies the application of HKFRS 1 for a subsidiary that becomes a first-time adopter of HKFRSs later than its parent – i.e. if a subsidiary adopts HKFRSs later than its parent and applies HKFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to HKFRSs.

HKFRS 9: Fees in the “10 per cent” Test for Derecognition of Financial Liabilities

This amendment clarifies that – for the purpose of performing the “10 per cent test” for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

HKFRS 16: Lease Incentives

The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, Example 13 is not clear as to why such payments are not a lease incentive.

HKAS 41: Taxation in Fair Value Measurements

This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in HKAS 41 with those in HKFRS 13.

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

Basis of measurement

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

3. FUTURE CHANGES IN HKFRSs

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

Amendments to HKAS 1	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹
HKFRS 17	Insurance Contracts ¹
Amendment to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2023

² Effective for annual periods beginning on or after 1 January 2024

³ The effective date to be determined

The Board does not anticipate that the adoption of these new/revised HKFRSs in future periods will have any material impact on the result of the Group.

4. REVENUE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<u>Revenue from contracts with customers within HKFRS 15</u>		
Brokerage commission	29,187	50,858
Underwriting and placing commission	4,476	5,830
Proof of funds commission	2,860	200
Other commission	7	793
Clearing and handling fee income	3,383	1,691
Advisory fee income	1,256	2,672
Asset management fee income	1,866	2,383
	<u>43,035</u>	<u>64,427</u>
<u>Interest revenue calculated using the effective interest method</u>		
– Bank balances and time-deposits	30,386	3,141
– Other financial assets at amortised costs		
– Accounts receivable	263,591	287,259
	<u>293,977</u>	<u>290,400</u>
Total revenue	<u><u>337,012</u></u>	<u><u>354,827</u></u>

4. REVENUE (CONTINUED)

In addition to the information shown in segment disclosures, the revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<i>Timing of revenue recognition:</i>		
At a point in time		
Brokerage commission	29,187	50,858
Underwriting and placing commission	4,476	5,830
Proof of funds commission	2,860	200
Other commission	7	793
Clearing and handling fee income	3,383	1,691
	<u>39,913</u>	<u>59,372</u>
Over time		
Advisory fee income	1,256	2,672
Asset management fee income	1,866	2,383
	<u>3,122</u>	<u>5,055</u>

5. SEGMENT INFORMATION

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

Broking	–	Provision of stockbroking, futures and options broking and underwriting and placements
Securities margin financing	–	Provision of securities margin financing
Corporate finance	–	Provision of corporate advisory services
Asset management	–	Provision of asset management services
Investments	–	Investment in financial instruments

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

- all assets are allocated to operating segments other than certain property and equipment, club memberships, certain prepayments, deposits and other receivables, promissory note receivable from the immediate holding company, certain bank balances and certain tax recoverable.
- all liabilities are allocated to operating segments other than certain accrued charges and other payables, certain deferred tax liabilities and certain tax payable.
- all profit or loss are allocated to operating segments other than certain depreciation expenses, certain lease payments for short-term leases or leases of low value assets/operating lease rentals, certain management fees, certain finance costs, certain staff costs and certain other expenses incurred for strategic planning by the Group.

Segment information about these divisions is presented below.

5. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

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

Year ended 31 March 2023

	Broking <i>HK\$'000</i>	Securities margin financing <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Asset management <i>HK\$'000</i>	Investments <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT REVENUE	<u>70,479</u>	<u>263,411</u>	<u>1,256</u>	<u>1,866</u>	<u>-</u>	<u>337,012</u>
SEGMENT RESULT	<u>8,131</u>	<u>171,322</u>	<u>1,280</u>	<u>1,649</u>	<u>(4,486)</u>	<u>177,896</u>
Unallocated other gains and losses, net						(96)
Unallocated other operating income and corporate expenses, net						<u>(4,064)</u>
Profit before taxation						<u>173,736</u>

Year ended 31 March 2022

	Broking <i>HK\$'000</i>	Securities margin financing <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Asset management <i>HK\$'000</i>	Investments <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT REVENUE	<u>62,721</u>	<u>287,051</u>	<u>2,672</u>	<u>2,383</u>	<u>-</u>	<u>354,827</u>
SEGMENT RESULT	<u>(696)</u>	<u>156,975</u>	<u>2,416</u>	<u>2,122</u>	<u>902</u>	<u>161,719</u>
Unallocated other gains and losses, net						339,767
Unallocated other operating income and corporate expenses, net						(1,728)
Unallocated finance costs						<u>(38)</u>
Profit before taxation						<u>499,720</u>

5. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

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

At 31 March 2023

	Broking <i>HK\$'000</i>	Securities margin financing <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Assets management <i>HK\$'000</i>	Investments <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT ASSETS	<u>2,390,823</u>	<u>2,231,005</u>	<u>12,220</u>	<u>6,754</u>	<u>43,755</u>	4,684,557
Unallocated assets						<u>17,684</u>
Consolidated assets						<u>4,702,241</u>
SEGMENT LIABILITIES	<u>173,443</u>	<u>190,436</u>	<u>136</u>	<u>162</u>	<u>-</u>	364,177
Unallocated liabilities						<u>142</u>
Consolidated liabilities						<u>364,319</u>

At 31 March 2022

	Broking <i>HK\$'000</i>	Securities margin financing <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Assets management <i>HK\$'000</i>	Investments <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT ASSETS	<u>1,564,843</u>	<u>3,002,337</u>	<u>11,122</u>	<u>7,115</u>	<u>56,440</u>	4,641,857
Unallocated assets						<u>235,045</u>
Consolidated assets						<u>4,876,902</u>
SEGMENT LIABILITIES	<u>315,097</u>	<u>222,492</u>	<u>95</u>	<u>493</u>	<u>-</u>	538,177
Unallocated liabilities						<u>763</u>
Consolidated liabilities						<u>538,940</u>

5. SEGMENT INFORMATION (CONTINUED)

Other segment information

2023

	Broking HK\$'000	Securities margin financing HK\$'000	Corporate finance HK\$'000	Asset management HK\$'000	Investments HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or segment assets:							
Additions of property and equipment	4,363	-	-	-	-	-	4,363
Additions of intangible assets	2	-	-	-	-	-	2
Depreciation of property and equipment	(13,120)	-	-	-	-	(1)	(13,121)
Fair value losses on investments	(6)	-	-	-	(4,423)	-	(4,429)
Gain on disposal of property and equipment	11	-	-	-	-	-	11
Gain on lease termination	6	-	-	-	-	-	6
Loss on disposal of subsidiaries	-	-	-	-	-	(96)	(96)
Government subsidies	1,650	-	-	64	-	-	1,714
Interest income (including revenue and other operating income)	31,050	263,411	103	-	1,430	-	295,994
Provision of net impairment loss on accounts receivable	-	(92,088)	-	-	-	-	(92,088)
Finance costs	(337)	-	-	-	-	-	(337)
Commission expenses	(8,718)	-	-	-	-	-	(8,718)
Write back of other payables	26	-	-	-	-	-	26
Write-off of property and equipment	(43)	-	-	-	-	-	(43)

2022

	Broking HK\$'000	Securities margin financing HK\$'000	Corporate finance HK\$'000	Asset management HK\$'000	Investments HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or segment assets:							
Additions of property and equipment	40,191	-	-	-	-	-	40,191
Depreciation of property and equipment	(13,334)	-	-	(3)	-	(1)	(13,338)
Fair value gains on investments	79	-	-	-	918	-	997
Gain on disposal of property and equipment	-	-	-	-	-	950	950
Gain on disposal of subsidiaries	-	-	-	-	-	338,817	338,817
Government subsidies	410	-	-	80	-	-	490
Interest income (including revenue and other operating income)	3,375	287,051	8	-	-	6,181	296,615
Provision of net impairment loss on accounts receivable	-	(130,076)	-	-	-	-	(130,076)
Finance costs	(724)	-	-	-	-	(39)	(763)
Commission expenses	(12,496)	-	(182)	-	-	-	(12,678)
Write-off of intangible assets	(451)	-	-	-	-	-	(451)

5. SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are located in Hong Kong. Accordingly, the Group's revenue from external customers and all non-current assets (excluding financial assets and deferred tax assets) are located in Hong Kong.

Information about major customers

During the years ended 31 March 2023 and 2022, there were no customers individually contributing 10% or more of the Group's total revenue.

During the years ended 31 March 2023 and 2022, the aggregate revenue attributable to the five largest customers of the Group accounted for less than 30% of the Group's total revenue.

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

6a. Other operating income

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Bank interest income	587	34
CCASS income	25	2,877
Interest income from promissory note issued by the immediate holding company	1,430	6,181
Government subsidies	1,714	490
Sundry income	939	312
	<u>4,695</u>	<u>9,894</u>

6b. Other gains and losses, net

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Gain on disposal of property and equipment	11	950
Gain on lease termination	6	–
(Loss) Gain on disposal of subsidiaries	(96)	338,817
Net realised losses on error trades	(54)	(7)
Write-off of intangible assets	–	(451)
Write back of other payables	26	–
Write-off property, plant and equipment	(43)	–
Fair value changes on investments	(4,429)	997
Net exchange (losses) gains	(788)	788
	<u>(5,367)</u>	<u>341,094</u>

7. STAFF COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Staff costs including directors' emoluments:		
Salaries and other benefits	21,009	23,632
Retirement benefit scheme contributions	840	912
	<u>21,849</u>	<u>24,544</u>

8. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest on bank borrowings	–	178
Interest on clients' accounts	88	119
Interest on lease liabilities	249	427
Interest on loan from the immediate holding company	–	39
	<u>337</u>	<u>763</u>

9. PROFIT BEFORE TAXATION

This is stated after charging:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Auditor's remuneration	<u>1,375</u>	<u>1,360</u>

10. TAXATION

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax		
Hong Kong Profits Tax		
Current year	24,161	33,137
Over provision in prior years	<u>(256)</u>	<u>(284)</u>
Income tax expense	<u>23,905</u>	<u>32,853</u>

The profits 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 the years ended 31 March 2023 and 2022, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime.

11. DIVIDENDS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Final dividend for prior financial year, paid – HK3 cents (2022: HK3 cents) per share	75,000	75,000
Interim dividend for current financial year, paid – HK3 cents (2022: HK3 cents) per share	<u>75,000</u>	<u>75,000</u>
	<u><u>150,000</u></u>	<u><u>150,000</u></u>

A final dividend in respect of the year ended 31 March 2023 of HK3 cents (2022: HK3 cents) per share, amounting to HK\$75,000,000 (2022: HK\$75,000,000) has been proposed by the directors of the Company and is subject to the approval by the owners of the Company in the forthcoming annual general meeting.

12. EARNINGS PER SHARE

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 year as follows:

Earnings

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Earnings for the purpose of basic and diluted earnings per share		
Profit for the year attributable to equity shareholders of the Company	<u>149,831</u>	<u>466,867</u>

Number of shares

	2023 <i>'000</i>	2022 <i>'000</i>
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>

For the years ended 31 March 2023 and 2022, diluted earnings per share are same as the basic earnings per share as there are no dilutive potential ordinary shares in existence during the year.

13. ACCOUNTS RECEIVABLE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	6,160	9,235
– Margin clients:		
– Directors and their close family members	48,863	186,004
– Other margin clients	2,411,235	2,927,504
– Hong Kong Securities Clearing Company Limited (“HKSCC”)	12,032	12,302
– Broker	514	–
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	<u>26,590</u>	<u>25,448</u>
	2,505,394	3,160,493
Less: Loss allowances	<u>(426,185)</u>	<u>(334,097)</u>
	<u><u>2,079,209</u></u>	<u><u>2,826,396</u></u>

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

Included in the accounts receivable from cash clients are debtors with a carrying amount of approximately HK\$77,000 (2022: HK\$133,000) which are past due at the end of the reporting period but which the directors of the Company consider not to be impaired as there has not been a significant change in credit quality and a substantial portion of the carrying amount is subsequently settled.

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 – 30 days	11	129
31 – 60 days	7	1
Over 60 days	<u>59</u>	<u>3</u>
	<u><u>77</u></u>	<u><u>133</u></u>

The accounts receivable from cash clients with a carrying amount of approximately HK\$6,083,000 (2022: HK\$9,102,000) 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.

13. ACCOUNTS RECEIVABLE (CONTINUED)

Accounts receivable from margin clients are secured by clients' pledged securities with fair value of approximately HK\$7,066,718,000 (2022: HK\$11,686,337,000). 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 9.252% per annum (2022: range from 7.236% to 9.500% per annum) at 31 March 2023. Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collateral are required if the outstanding amount exceeds the eligible margin value of securities deposited. The collateral held can be pledged and can be sold at the Group's discretion to settle any outstanding amount owed by margin clients upon failure to provide additional fund against shortfalls.

The Group provides financing services only to recognised and creditworthy third parties. It is the Group's policy that all these margin clients are subject to credit verification procedures. The margin loans are secured by pledged marketable securities and margin facilities are set to ensure that certain proportion of the fair value of pledged marketable securities of the individual margin clients is higher than the corresponding outstanding loans.

The Group has concentration of credit risk as 51% (2022: 57%) of the total accounts receivable from margin clients was due from the Group's ten largest margin clients.

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

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

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

13. ACCOUNTS RECEIVABLE (CONTINUED)

The Group has established a margin client credit risk classification system and performs credit risk management based on margin client classification in one of three categories of internal credit rating. The information about the ECL for the accounts receivable from margin clients at the end of the reporting period is summarised below. After considering the above factors, net impairment loss of approximately HK\$92,088,000 (2022: HK\$130,076,000) was recognised during the year.

At 31 March 2023

<u>Internal credit rating</u>	<u>Basis of ECL</u>	<u>Gross carrying amount</u>	<u>Loss allowance</u>	<u>Net carrying amount</u>
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Performing				
– Ten largest margin clients	12-month	979,776	5,211	974,565
– Directors and their close family members which not included in ten largest margin clients (including Mr. Hung Hon Man and his close family members)	12-month	48,863	260	48,603
– Other margin clients	12-month	727,648	12,076	715,572
		<u>1,756,287</u>	<u>17,547</u>	<u>1,738,740</u>
Underperforming	Lifetime	57,063	27,915	29,148
Not performing	Lifetime	646,748	380,723	266,025
		<u>2,460,098</u>	<u>426,185</u>	<u>2,033,913</u>

13. ACCOUNTS RECEIVABLE (CONTINUED)

At 31 March 2022

<u>Internal credit rating</u>	<u>Basis of ECL</u>	<u>Gross carrying amount</u>	<u>Loss allowance</u>	<u>Net carrying amount</u>
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Performing				
– Ten largest margin clients (including Mr. Hung Hon Man and his close family members)	12-month	1,589,543	7,460	1,582,083
– Other directors and their close family members which not included in ten largest margin clients	12-month	541	3	538
– Other margin clients	12-month	1,058,100	15,777	1,042,323
		2,648,184	23,240	2,624,944
Underperforming	Lifetime	146,241	49,065	97,176
Not performing	Lifetime	319,083	261,792	57,291
		<u>3,113,508</u>	<u>334,097</u>	<u>2,779,411</u>

13. ACCOUNTS RECEIVABLE (CONTINUED)

At 31 March 2023, the Group recognised loss allowance of approximately HK\$426,185,000 (2022: HK\$334,097,000) on its accounts receivable from margin clients. The movement in the loss allowance for accounts receivable from margin clients during the year is summarised below.

Year ended 31 March 2023

	12-month ECL				Lifetime ECL		
	Performing				Under-performing	Not performing	Total
	Directors and their close family members which not included in ten largest margin clients (including Mr. Hung Hon Man and his close family members)				Other margin clients	Total	
	Ten largest margin clients	and his close family members)	Other margin clients	Total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At the beginning of the reporting period	4,724	870	17,646	23,240	49,065	261,792	334,097
Increase (Decrease) in allowance, net	487	(610)	(5,570)	(5,693)	(21,150)	118,931	92,088
At the end of the reporting period	5,211	260	12,076	17,547	27,915	380,723	426,185

13. ACCOUNTS RECEIVABLE (CONTINUED)

Year ended 31 March 2022

	12-month ECL				Lifetime ECL		
	Ten largest margin clients (including Mr. Hung Hon Man and his close family members)	Other directors and their close family members which not included in ten largest margin clients	Other margin clients	Total	Under-performing	Not performing	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At the beginning of the reporting period	6,458	–	9,855	16,313	10,953	176,755	204,021
Increase in allowance, net	1,002	3	5,922	6,927	38,112	85,037	130,076
At the end of the reporting period	<u>7,460</u>	<u>3</u>	<u>15,777</u>	<u>23,240</u>	<u>49,065</u>	<u>261,792</u>	<u>334,097</u>

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

- (i) Increase in shortfall portion of margin loans which are not fully secured amounted to approximately HK\$462,091,000 (2022: HK\$337,850,000); and
- (ii) Additional loss allowance for not performing category of approximately HK\$55,108,000 (2022: HK\$72,459,000) as a result of difficulties on repayment by accounts receivable from margin clients.

The Group has pledged securities as collateral amounted to approximately HK\$229,809,000 (2022: HK\$41,307,000) in respect of the credit-impaired accounts receivable from margin clients.

14. ACCOUNTS PAYABLE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Accounts payable arising from the business of dealing in securities:		
– Cash clients	107,229	198,575
– Margin clients	189,848	222,492
– Broker	588	–
Accounts payable to clients arising from the business of dealing in futures contracts	<u>51,570</u>	<u>96,057</u>
	<u><u>349,235</u></u>	<u><u>517,124</u></u>

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

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

Amounts due to securities margin clients are repayable on demand and carry interest at 0.025% (2022: 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, their close family members and a controlling entity of approximately HK\$378,000 (2022: HK\$758,000).

Accounts payable to clients arising from the business of dealing in futures contracts are margin deposits received from clients for their trading of futures contracts on the Hong Kong Futures Exchange Limited. The amounts payable are repayable on demand except for the required margin deposits for the trading of futures contracts.

FINAL DIVIDEND

The Directors recommended a final dividend of HK3 cents per share, together with the interim dividend paid during the year, amounting to total dividends of HK6 cents per share for this financial year.

The final dividend will be payable on or about 7 September 2023 to shareholders of the Company whose names appear on the register of members of the Company on 1 September 2023.

CLOSURE OF REGISTER OF MEMBERS

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

<i>For attendance to 2023 Annual General Meeting</i>	:	21 August 2023 – 24 August 2023, both dates inclusive
<i>For entitlement to final dividend</i>	:	31 August 2023 – 1 September 2023, both dates inclusive (Record date being 1 September 2023)

In order to qualify for attendance to the Company's 2023 Annual General Meeting which is scheduled to be held on 24 August 2023, Thursday and/or entitlement to the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Secretaries Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, for registration not later than 4:30 p.m. on the following dates:

Events	Last date of lodgment of transfer documents
<i>For attendance to 2023 Annual General Meeting</i>	: 18 August 2023, Friday
<i>For entitlement to final dividend</i>	: 30 August 2023, Wednesday

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the year ended 31 March 2023, the Group's revenue amounted to approximately HK\$337.0 million, representing an decrease of 5.0% as compared with approximately HK\$354.8 million reported in the last corresponding financial year. The slight decrease in revenue was mainly attributable to the decrease in brokerage commission of HK\$21.7 million with lower turnover and decrease in interest income from margin financing of HK\$23.7 million, netting off the increase in interest revenue from bank balances and time-deposits calculated using effective interest method of HK\$27.2 million during the year. Operating expenses such as commission expenses and settlement expenses were generally in line with the revenue.

Profit for the year attributable to owners of the Company was approximately HK\$149.8 million (2022: HK\$466.9 million). The decrease in profit was mainly attributable to absent of gain on disposal of subsidiaries. The Group recorded net impairment losses on accounts receivable from margin clients of HK\$92.1 million (2022: HK\$130.1 million) in current year.

Basic earnings per share for the year were HK6 cents (2022: HK19 cents) as a result of increase in profit during the year.

REVIEW AND OUTLOOK

Market Review

In the first half of 2022, the Hong Kong economy saw a marked deterioration. The local stock market exhibited substantial volatility. The Hang Seng Index underwent a correction amid concerns over the impending tightening of US monetary policy, situation in Ukraine, regulatory requirements in the Mainland and the fifth wave of local epidemic situation and the epidemic situation in the Mainland.

During the third quarter to fourth quarter of 2022, the local stock market underwent a sharp correction in tandem with the downslides in many stock markets across the globe. The Hang Seng Index trended down to reach a low of 14,687 on 31 October 2022, the lowest level since April 2009. The market sentiment was hard hit by the external macro factors, attributable to worries about US interest rate hikes and recession risks affected corporate earnings, persistent global inflationary pressures, global economic slowdown, prolonged geopolitical conflicts in Ukraine and energy supply issues in Europe. In late 2022, the expectation of slower US interest rate hikes and the optimisation of anti-epidemic measures in the Mainland trimmed some losses. Investor sentiment was also lifted by alleviated worries over the financial conditions of Mainland property developers and relaxation of pandemic-related restrictions. During the year, the performance of the Hong Kong market seemed to be largely in line with major overseas markets.

In the first quarter of 2023, the Hong Kong economy improved visibly, led by the strong recovery of inbound tourism and domestic demand. The Hang Seng Index was first supported by expectations of a slower pace of US monetary policy tightening and the return of economic activities to normalcy, then dampened by concerns over the global economic outlook and the banking sector stress in the US and Europe. The Hang Seng Index closed at 20,400 points at the end of March 2023 compared with 21,996 points at the end of March 2022. The average daily turnover on the Main Board and GEM during the year ended 31 March 2023 was approximately HK\$120.5 billion, a decrease of 18.0% as compared with approximately HK\$147.0 billion for the prior financial period.

Business review

Broking and securities margin financing

During the year ended 31 March 2023, the broking business posted a profit of approximately HK\$8.1 million (2022: loss of approximately HK\$0.7 million). The operating result of the broking business increased by 1,257.1% as a result of the increase in interest revenue from time-deposits outweighed the decrease in broking turnover and number of sizeable corporate finance transactions during current year. The decrease in broking turnover was affected by the silent local stock market and negative global investment atmosphere. Revenue from broking for the year increased by 12.4% to approximately HK\$70.5 million (2022: HK\$62.7 million) as compared with last financial year, it mainly comprised of broking commission amounted to approximately HK\$29.2 million (2022: HK\$50.9 million) and interest from bank balance and time deposits amounted to approximately HK\$30.4 million (2022: HK\$3.1 million).

Securities margin financing remained to be the Group's major revenue contributor for the year. During the year, total interest income from securities margin financing dropped by 8.3% to approximately HK\$263.4 million (2022: HK\$287.1 million) with the decrease in average level of securities margin lending during the year. Total gross accounts receivable from margin clients at 31 March 2023 amounted to approximately HK\$2,460.1 million (as at 31 March 2022: HK\$3,113.5 million). Net impairment loss on margin clients receivable of HK\$92.1 million was charged during the current year (2022: HK\$130.1 million).

The provision of net impairment loss was provided for the whole margin loan portfolio of the Group, no matter the client has margin shortfall or not, to recognise the expected credit loss of accounts receivable from margin clients. Depending on the degree of margin shortfall of each client, which is calculated by outstanding loan balance minus market value of pledged securities, margin clients are categorised into different credit ratings and the expected credit loss is recognised based on the corresponding default rate and recovery rate from Moody's. For clients with significant margin shortfall, additional impairment loss up to 100% of the margin shortfall amount will be recognised. To recover overdue account receivables, the Group has taken various actions, including issuing margin call, forced selling of pledged securities, issuing demand letter and legal action.

Included in the total provision of net impairment loss on accounts receivable from margin clients amounted to approximately HK\$92.1 million during the year ended 31 March 2023, net provision of approximately HK\$487,000 was provided for the Group's ten largest margin clients, excluding directors of the Company and their close family members, and net reversal of impairment loss of approximately HK\$610,000 was reversed for the Company's directors and their close family members.

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 year ended 31 March 2023, it completed 4 financial advisory transactions (2022: 4). The operation reported a segment profit of approximately HK\$1.3 million for the year (2022: HK\$2.4 million).

Asset Management

During the year ended 31 March 2023, this division reported a profit of approximately HK\$1.6 million (2022: HK\$2.1 million) mainly attributable to the asset management related income of approximately HK\$1.9 million (2022: HK\$2.4 million) received during the year.

Investments

The Group held an investment portfolio mainly consisted of investment funds with total fair values of approximately HK\$18.4 million (2022: HK\$55.9 million), the decrease in fair values was mainly due to redemption of fund during the year. For the year under review, this division reported a loss of approximately HK\$4.5 million (2022: profit of approximately HK\$0.9 million), mainly attributable to the fair value loss on investments.

Outlook

Upon the lifting of COVID-19 restrictions, Hong Kong has returned to normalcy after more than three years of challenges. The HKSAR Government has launched the "Hello Hong Kong" campaign to welcome global visitors. Now that our fast and convenient links with the Mainland and the rest of the world have resumed and restaurants, shops and more in the city are reviving.

However, the global economic recovery remains uneven and overshadowed by the U.S. interest rate hikes, the tightening of monetary policies, inflation and geographical tensions. The situation of military conflict between Russia and Ukraine is still uncertain. People are watching closely for whether there will be a new wave of economic crisis.

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\$4,337.9 million as at 31 March 2023 (2022: HK\$4,338.0 million), representing a decrease of approximately HK\$0.1 million over that of last financial year end. The decrease was mainly attributable to the profit for the year net of dividend distributed.

As at 31 March 2023, the Group's net current assets amounted to HK\$4,281.3 million (2022: HK\$4,019.2 million), and its liquidity as represented by current ratio (current assets/current liabilities) was 12.8 times (2022: 8.56 times). The increase in current ratio was mainly due to the increase in bank balances and decrease of accounts payable.

Bank balances and cash on hand amounted to HK\$2,235.0 million (2022: HK\$1,226.6 million). The increase in bank balances and cash on hand was mainly due to the cash inflows in respect of the repayment from accounts receivable.

The Group had no bank borrowings as at 31 March 2023 (2022: HK\$nil) and its unutilised banking facilities as at the end of the year were approximately HK\$530 million (2022: HK\$530 million), which were mainly secured by charges over the Group's clients' pledged securities. The Group's gearing ratio (total borrowing over equity attributable to owners of the Company) as at 31 March 2023 was zero (2022: nil).

The number of issued shares of Company amounted to 2,500,000,000 shares as at 31 March 2023 (2022: 2,500,000,000 shares).

The business activities of the Group are not exposed to any significant exchange risks.

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

Charges on Group Assets

As at 31 March 2023 and 31 March 2022, there were no charges on group assets.

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

The Group had no material acquisitions or disposals of subsidiaries, associates or jointly controlled entity completed during the year ended 31 March 2023.

Employee Information

As at 31 March 2023, the Group had 64 (2022: 76) full time employees. The Group's employees were remunerated according to their performance, working experience and market conditions. The total amount of remuneration cost of employees of the Group for the year was HK\$21.8 million (2022: HK\$24.5 million). The Group provides employee benefits including mandatory provident fund, discretionary share options and performance bonus to its staff.

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed shares of the Company during the year.

CORPORATE GOVERNANCE CODE

During the year, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with management of the Group's financial statements for the year ended 31 March 2023, including the accounting principles and practices adopted by the Group.

SCOPE OF WORK OF MAZARS CPA LIMITED

The figures in respect of the Company's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2023 as set out in the preliminary announcement have been agreed by the Company's auditors, Mazars CPA Limited, to the amounts set out in the Company's audited consolidated financial statements for the year. The work performed by Mazars CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars CPA Limited on the preliminary announcement.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.getnicefg.com.hk. The 2023 Annual Report of the Company containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 27 June 2023

As at the date of this announcement, 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.