



Get Nice Financial Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code : 1469

Interim Report

2017



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 2017 together with comparative figures for the last corresponding period. The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2017 have been reviewed by the Company’s audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Unaudited Six months ended 30 September	
		2017 HK\$'000	2016 HK\$'000
Revenue	3	204,313	195,639
Other operating income		1,082	991
Other gains and losses		10,001	17
Amortisation and depreciation		(3,390)	(3,491)
Commission expenses		(6,137)	(6,677)
Staff costs		(7,775)	(7,469)
Finance costs		(9,676)	(2,173)
Other expenses		(9,243)	(23,139)
Profit before taxation		179,175	153,698
Taxation	4	(29,933)	(26,216)
Profit and total comprehensive income for the period		149,242	127,482
Dividends	5	112,500	175,000
Earnings per share	6		
– Basic		6.0 (HK cents)	5.3 (HK cents)
– Diluted		5.8 (HK cents)	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited At 30 September 2017	Audited At 31 March 2017
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Prepaid lease payments and property and equipment		117,944	121,246
Intangible assets		8,410	8,963
Other assets		5,897	5,849
Deferred tax assets		259	274
		<u>132,510</u>	<u>136,332</u>
Current assets			
Accounts receivable	7	3,869,703	3,000,547
Prepayments, deposits and other receivables		2,735	2,651
Tax recoverable		–	130
Financial assets held for trading		173	193
Bank balances – client accounts		311,596	649,170
Bank balances – general accounts and cash		347,045	582,096
		<u>4,531,252</u>	<u>4,234,787</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

		Unaudited At 30 September 2017 HK\$'000	Audited At 31 March 2017 HK\$'000
	Notes		
Current liabilities			
Accounts payable	8	380,989	722,780
Accrued charges and other payables		6,709	7,705
Tax payable		33,189	16,204
		<u>420,887</u>	<u>746,689</u>
Net current assets		<u>4,110,365</u>	<u>3,488,098</u>
Total assets less current liabilities		<u>4,242,875</u>	<u>3,624,430</u>
Non-current liabilities			
Deferred tax liabilities		2,962	3,003
Convertible bonds issued	9	306,625	–
		<u>309,587</u>	<u>3,003</u>
Net assets		<u>3,933,288</u>	<u>3,621,427</u>
Capital and reserves			
Share capital	10	25,000	25,000
Reserves		3,908,288	3,596,427
Equity attributable to owners of the Company and total equity		<u>3,933,288</u>	<u>3,621,427</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited
Six months ended 30 September 2017
Attributable to owners of the Company

	Share capital HK\$'000	Share premium HK\$'000	Contribution surplus HK\$'000	Other reserve HK\$'000	Properties revaluation reserve HK\$'000	Convertible bonds equity reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
Balance as at 1 April 2017	25,000	487,907	1,486,951	159,933	14,460	-	1,447,176	3,621,427
Profit and total comprehensive income for the period	-	-	-	-	-	-	149,242	149,242
Dividend recognised as distribution	-	-	-	-	-	-	(50,000)	(50,000)
Issue of convertible bonds	-	-	-	-	-	212,619	-	212,619
At 30 September 2017	25,000	487,907	1,486,951	159,933	14,460	212,619	1,546,418	3,933,288

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	Unaudited Six months ended 30 September 2016 Attributable to owners of the Company							
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Other reserve HK\$'000	Properties revaluation reserve HK\$'000	Convertible bonds equity reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
Balance as at 1 April 2016	100	-	-	159,933	14,148	-	1,348,116	1,522,297
Profit and total comprehensive income for the period	-	-	-	-	-	-	127,482	127,482
Issue of shares pursuant to shareholder's loan capitalisation	19,824	-	1,486,951	-	-	-	-	1,506,775
Issue of shares pursuant to global offering	5,076	487,907	-	-	-	-	-	492,983
Dividend recognised as distribution	-	-	-	-	-	-	(100,000)	(100,000)
At 30 September 2016	25,000	487,907	1,486,951	159,933	14,148	-	1,375,598	3,549,537

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended	
	30 September	
	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash (used in) from operating activities	(703,874)	240,350
Net cash from (used in) investing activities	9,255	(3,401)
Net cash from (used in) financing activities	<u>459,568</u>	<u>(1,042,017)</u>
Net decrease in cash and cash equivalents	(235,051)	(805,068)
Cash and cash equivalents at beginning of the period	<u>582,096</u>	<u>1,143,837</u>
Cash and cash equivalents at end of the period	<u><u>347,045</u></u>	<u><u>338,769</u></u>
Represented by:		
Bank balances – general accounts and cash	<u><u>347,045</u></u>	<u><u>338,769</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 31 August 2015. The Company's immediate and ultimate holding company is Get Nice Holdings Limited ("GN Holdings"), a company incorporated in the Cayman Islands with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Pursuant to the reorganisation to rationalise the group structure to prepare for the listing of the shares of the Company (the "Group Reorganisation"), the Company acquired the entire equity interests in the companies comprising the Group from GN Holdings. The Group Reorganisation was completed on 16 March 2016 and, since then, the Company became the holding company of the companies comprising the Group (the "Combined Entities"). The Combined Entities and the Company are under common control of GN Holdings before and after the Group Reorganisation. Therefore, the acquisition of the Combined Entities is accounted for as business combination under common control by applying the principles of merger accounting.

The unaudited condensed consolidated statement of profit or loss and other comprehensive income, the unaudited condensed consolidated statement of changes in equity and the unaudited condensed consolidated statement of cash flows of the Group have been prepared to include the results, changes in equity and cash flows of the Combined Entities as if the current group structure had been in existence since 1 April 2015, or since the respective dates of incorporation or acquisition by GN Holdings, whichever period is shorter.

Details of the Group Reorganisation were set out in section headed "History, Reorganisation and Development" of the Company's prospectus dated 24 March 2016 (the "Prospectus").

The Company's shares were listed on the Stock Exchange on 8 April 2016 (the "Listing" or "Listing Date").



2. BASIS OF PREPARATION AND APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

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

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

Except as described below, the accounting policies used in the preparation of these unaudited condensed consolidated financial statements for the six months ended 30 September 2017 are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2017.

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA that are mandatorily effective for accounting periods beginning on or after 1 April 2017:

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses
Amendments to HKFRS 12	As part of the annual improvements to HKFRSs 2014–2016 cycle

The application of the above amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial performances and positions for the current and prior periods 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.



3. 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 2017

	Broking HK\$'000	Securities margin financing HK\$'000	Corporate finance HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE	<u>47,749</u>	<u>155,764</u>	<u>800</u>	<u>204,313</u>
SEGMENT PROFIT	<u>37,875</u>	<u>155,764</u>	<u>674</u>	194,313
Unallocated corporate expenses				<u>(15,138)</u>
Profit before taxation				<u>179,175</u>

For the six months ended 30 September 2016

	Broking HK\$'000	Securities margin financing HK\$'000	Corporate finance HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE	<u>55,732</u>	<u>138,957</u>	<u>950</u>	<u>195,639</u>
SEGMENT PROFIT	<u>27,532</u>	<u>138,957</u>	<u>694</u>	167,183
Unallocated corporate expenses				<u>(13,485)</u>
Profit before taxation				<u>153,698</u>



3. SEGMENT INFORMATION (Continued)

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

As at 30 September 2017
Unaudited

	Broking HK\$'000	Securities margin financing HK\$'000	Corporate finance HK\$'000	Consolidated HK\$'000
SEGMENT ASSETS	<u>406,202</u>	<u>3,949,871</u>	<u>8,578</u>	4,364,651
Unallocated assets				<u>299,111</u>
Consolidated total assets				<u>4,663,762</u>
SEGMENT LIABILITIES	<u>181,947</u>	<u>235,403</u>	<u>96</u>	417,446
Unallocated liabilities				<u>313,028</u>
Consolidated total liabilities				<u>730,474</u>

As at 31 March 2017
Audited

	Broking HK\$'000	Securities margin financing HK\$'000	Corporate finance HK\$'000	Consolidated HK\$'000
SEGMENT ASSETS	<u>881,759</u>	<u>3,315,860</u>	<u>8,426</u>	4,206,045
Unallocated assets				<u>165,074</u>
Consolidated total assets				<u>4,371,119</u>
SEGMENT LIABILITIES	<u>487,600</u>	<u>256,923</u>	<u>–</u>	744,523
Unallocated liabilities				<u>5,169</u>
Consolidated total liabilities				<u>749,692</u>

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

4. TAXATION

	Six months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	29,933	26,216

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

5. DIVIDENDS

	Six months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
Final dividend paid	50,000	100,000
Proposed interim dividend of HK2.5 cents (2016: HK3.0 cents) per share	62,500	75,000
	112,500	175,000

On 13 September 2017, a dividend of HK2.0 cents per share was paid to shareholders as the final dividend for the year ended 31 March 2017.

At a meeting held on 29 November 2017, the Directors recommended an interim dividend of HK2.5 cents per share for the six months ended 30 September 2017 to the shareholders whose names appear in the register of members on 22 December 2017. 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 2018.



6. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data on the assumption that the Group had been in existence throughout both periods:

	Six months ended	
	30 September	
	2017	2016
	HK\$'000	HK\$'000
Earnings		
Profit for the period attributable to the owners of the Company used as earnings for the purpose of basic earnings per share calculation	149,242	127,482
Effect of dilutive potential ordinary shares:		
Interest on convertible bonds issued	<u>721</u>	<u>N/A</u>
Earnings for the purpose of dilutive earnings per share calculation	<u>149,963</u>	<u>N/A</u>
	2017	2016
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share calculation	2,500,000	2,404,754
Effect on dilutive potential ordinary shares on convertible bonds issued	<u>79,235</u>	<u>N/A</u>
Weighted average number of ordinary shares for the purpose of dilutive earnings per share calculation	<u>2,579,235</u>	<u>N/A</u>

7. ACCOUNTS RECEIVABLE

	At 30 September 2017 HK\$'000	At 31 March 2017 HK\$'000
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	93,984	13,641
– Margin clients:		
– Directors and their close family members	78	1,819
– Other margin clients	3,748,402	2,921,480
– Hong Kong Securities Clearing Company Limited	20,786	65,591
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	<u>23,774</u>	<u>15,345</u>
	3,887,024	3,017,876
Less: Impairment allowance	<u>(17,321)</u>	<u>(17,329)</u>
	<u>3,869,703</u>	<u>3,000,547</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\$909,000 (31 March 2017: HK\$162,000) which are past due at the end of the reporting period but which the directors of the Company consider not to be impaired as there has not been a significant change in credit quality and a substantial portion of the carrying amount is subsequently settled.

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

	At 30 September 2017 HK\$'000	At 31 March 2017 HK\$'000
0 – 30 days	889	125
31 – 60 days	–	–
Over 60 days	<u>20</u>	<u>37</u>
	<u>909</u>	<u>162</u>

7. ACCOUNTS RECEIVABLE (Continued)

The accounts receivable from cash clients with a carrying amount of HK\$93,075,000 (31 March 2017: HK\$13,479,000) are neither past due nor impaired at the end of the reporting period and the directors of the Company are of the opinion that the amounts are recoverable.

Loans to securities margin clients are secured by clients' pledged securities with fair value of HK\$14,766,824,000 (31 March 2017: HK\$15,308,956,000). Significant portion of the pledged securities are listed equity securities in Hong Kong. The loans are repayable on demand and carry interest at Hong Kong prime rate + 2% to 4.45% per annum (and in some cases the rate may go up to 18% per annum) (31 March 2017: Hong Kong prime rate + 2% to 4.45% per annum (and in some cases the rate may go up to 18% per annum)). Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collaterals are required if the outstanding amount exceeds the eligible margin value of securities deposited. The collaterals held can be repledged and can be sold at the Group's discretion to settle any outstanding amount owed by margin clients. No ageing analysis is disclosed, as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

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

Name	Balance at 1 April 2017 HK\$'000	Balance at 30 September 2017 HK\$'000	Maximum amount outstanding during the period HK\$'000	Market value of pledged securities at 30 September 2017 HK\$'000
Mr. Hung Hon Man (Director of the Company), close family members and a controlling entity	1,819	78	2,779	1,590,218
Mr. Ng Hon Sau, Larry (key management personnel of the Group)	—	34	717	—
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

8. ACCOUNTS PAYABLE

	At 30 September 2017 HK\$'000	At 31 March 2017 HK\$'000
Accounts payable arising from the business of dealing in securities:		
– Cash clients	118,934	441,434
– Margin clients	235,403	256,923
Accounts payable to clients arising from the business of dealing in futures contracts	<u>26,652</u>	<u>24,423</u>
	<u><u>380,989</u></u>	<u><u>722,780</u></u>

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

Amounts due to securities margin clients are repayable on demand and carry interest at 0.25% (2016: 0.25%) per annum. No ageing analysis is disclosed as, in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

Included in accounts payable to margin clients arising from the business of dealing in securities are amounts due to directors of the Company and their associates of HK\$24,351,000 (31 March 2017: HK\$285,000).

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

9. CONVERTIBLE BONDS ISSUED

On 1 September 2017, the Company issued 2% coupon convertible bonds (the “Convertible Bonds”) with a nominal value of HK\$525,000,000 to independent third parties. The Convertible Bonds are convertible at the option of the bondholders into ordinary shares within 2 years from the date of issuance of the Convertible Bonds at the conversion price of HK\$1.05 per conversion share. Any Convertible Bonds not converted will be redeemed after 2 years from the date of issuance at the outstanding principal amounts.

On initial recognition, the fair value of the Convertible Bonds was allocated among the debt component and equity component of the Convertible Bonds. As at 30 September 2017, the carrying values of the debt component and equity component of the Convertible Bonds are HK\$306,625,000 and HK\$212,619,000, respectively. No Convertible Bonds were converted to ordinary shares up to 30 September 2017.

10. SHARE CAPITAL

	Number of ordinary shares of HK\$0.01 each	Nominal value HK\$'000
Authorised:		
At 1 April 2016, 31 March 2017 and 30 September 2017	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 1 April 2016	10,000,000	100
Issue of shares on 8 April 2016 (Note 1)	<u>2,490,000,000</u>	<u>24,900</u>
At 31 March 2017 and 30 September 2017	<u>2,500,000,000</u>	<u>25,000</u>

Note 1: On 8 April 2016, the Company issued 1,982,445,519 ordinary shares to GN Holdings pursuant to the shareholder's loan capitalisation.

On the same day, the Company issued 507,554,481 ordinary shares pursuant to the Listing.

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 amount due to the 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.

11. FINANCIAL RISK MANAGEMENT (Continued)

- **Market risk**

- *Interest rate risk*

- The Group is exposed to cash flow interest rate risk in relation to accounts receivable, bank balances 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.

- **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 have been incurred at the end of the reporting period. Significant changes in the economy, or in the health of a particular industry segment, could result in losses that are different from those provided for at the end of the reporting period. Management therefore carefully manages its exposure to credit risk.

The Group structures the levels of credit risk it undertakes in relation 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 and balances 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	
		2017 HK\$'000	2016 HK\$'000
Directors of the Company and their close family members Messrs. Hung Hon Man, Shum Kin Wai, Frankie, Hung Sui Kwan, Kam Leung Ming, their close family members and a controlling entity	Commission income (note i)	922	727
Directors and key management personnel of GN Holdings and their close family members Messrs. Cham Wai Ho, Anthony, Kam Leung Ming, Cheng Wai Ho, Lung Hon Lui, Ng Hon Sau, Larry, their close family members and a controlling entity	Commission income (note i)	29	10
Directors of the Company and their close family members Messrs. Hung Hon Man, Hung Sui Kwan, Kam Leung Ming, their close family members and a controlling entity	Interest income (note ii)	40	21
Directors and key management personnel of GN Holdings and their close family members Messrs. Kam Leung Ming, Lung Hon Lui, Ng Hon Sau, Larry, Cheng Wai Ho, their close family members and a controlling entity	Interest income (note ii)	53	5
GN Holdings	Commission income (note iii)	4,187	3,020
GN Holdings	Management fee income (note iv)	1,260	1,260
GN Holdings	Interest expense (note v)	945	–

12. RELATED PARTY TRANSACTIONS (Continued)*Notes:*

- (i) Commission was charged at rates ranging from 0.1% to 0.15% (2016: 0.1% to 0.15%) on the total value of transactions.
- (ii) Interest was charged at fixed rates ranging from 7.236% to 9.252% (2016: 7.236% to 9.252%) on the outstanding balance of margin loans.
- (iii) Commission was earned from GN Holdings for placing services provided.
- (iv) Management fee income was earned from GN Holdings for office area leased.
- (v) Interest expenses was charged by GN Holdings at interest rate of 2% per annum (2016: Nil) on the outstanding balance of loan facility.

Compensation of key management personnel

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

	Six months ended	
	30 September	
	2017	2016
	HK\$'000	HK\$'000
Short-term employee benefits	2,804	2,966
Post-employment benefits	57	64
	2,861	3,030

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

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK2.5 cents per share for the six months ended 30 September 2017. The interim dividend will be payable on or about 29 December 2017 to those shareholders whose names appear on the register of members on 22 December 2017.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 21 December 2017 to 22 December 2017, both dates inclusive (record date being 22 December 2017), during which period no transfer of shares of the Company will be registered.

In order to qualify for entitlement to the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 20 December 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the period ended 30 September 2017, the Group's revenue amounted to approximately HK\$204.3 million, representing an increase of 4.4% as compared with approximately HK\$195.6 million reported in the last corresponding financial period. Profit attributable to owners of the Company in the period was approximately HK\$149.2 million (2016: HK\$127.5 million). The increase in revenue and profit was mainly attributable to the increase in interest income from margin financing business and a gain on disposal of an insignificant subsidiary of HK\$10 million during the period. Operating expenses such as commission expenses and settlement expenses were generally in line with the revenue. The decrease in other expenses was mainly attributable to the listing expenses in relation to the Listing incurred in prior period. Basic earnings per share increased to HK6.0 cents (2016: HK5.3 cents) as a result of increase in profit and diluted earnings per share was HK5.8 cents as a result of the potential ordinary shares to be issued upon conversion of the convertible bonds issued during the current period.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

REVIEW AND OUTLOOK

Market Review

During the period under review, the investment sentiment in Hong Kong stock market was greatly improved. In light of the development of Stock Connect scheme between three stocks exchanges, the positive outlook on One Belt One Road Initiative and the resilience of recent China's economic data, the confidence of professional investors and general public had been restored. The Hong Kong stock market was going bullish due to the strong inflows of mainland capital into Hong Kong.

Despite the diverging trends of financial policies between countries, for instance, Canada started its interest rate hikes cycle, Japan committed to continue its quantitative easing measures, the European Central Banks was revisiting the continuity of its asset purchase program, China focused on the compliance and credibility of different financial industries, the global financial market was turning positive and most of the market indices were breaking records high.

The Hang Seng Index closed at 27,554 at the end of September 2017, compared with 23,297 at the end of September 2016 and 24,111 at the end of March 2017. The average daily turnover on the Main Board and GEM Board during the six months period ended 30 September 2017 was approximately HK\$85.8 billion, an increase of 31% as compared with HK\$65.5 billion for the same period in prior year.

Business Review

Broking and securities margin financing

During the period ended 30 September 2017, the Group recorded solid performance from both its brokerage and margin financing businesses. Operating result of the broking business increased by 37.8% as a result of the gain on disposal of an insignificant subsidiary engaged in broking business of HK\$10 million in current period. Interest income from securities margin financing also went up with the increase in securities margin lending. Revenue from broking for the period decreased by 14.4% to approximately HK\$47.7 million (2016: HK\$55.7 million) as compared with last financial period, of which approximately HK\$18.7 million (2016: HK\$18.7 million) was contributed by the underwriting, placing and proof of funds business. The broking business posted a profit of approximately HK\$37.9 million (2016: HK\$27.5 million) for the period. The movement in broking turnover was affected by the average market turnover during the period.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

REVIEW AND OUTLOOK (Continued)

Business Review (Continued)

Broking and securities margin financing (Continued)

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 increased by 12.1% to approximately HK\$155.8 million (2016: HK\$139.0 million). Total outstanding loan of securities margin financing as at 30 September 2017 amounted to approximately HK\$3,748.5 million (as at 31 March 2017: HK\$2,923.3 million), which increased by 28.2% as compared with that on 31 March 2017. No impairment charge was recorded in the period (2016: HK\$Nil). The Group will continue to maintain a balance on yield relative to risk and cautious approach to the credit control of its margin financing business.

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 2017, it completed 5 financial advisory transactions (2016: 6). The operation reported a profit of approximately HK\$0.7 million for the period (2016: HK\$0.7 million).

Outlook

Looking ahead, the economic backdrop of Hong Kong and China remains stable and optimistic. The cross-border Stock Connect scheme, the geographical advantages of Hong Kong and the integration of the Hong Kong and China markets would continue to derive capital inflow to Hong Kong and create financial synergy.

Notwithstanding the recent positive performance of the Hong Kong stock market supported by improved investment atmosphere, our Group is facing with uncertainties in global financial environment, expecting new local regulatory requirements and also variation of financial policies in China. 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.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

REVIEW AND OUTLOOK (Continued)

Outlook (Continued)

The Group has utilised the proceeds from the Listing and issuance of convertible bonds to expand our securities margin financing and broking business and develop our underwriting and placing service. Looking ahead, the Group is going to further enlarge the sales and marketing team and corporate finance team, and further improve our information and technology infrastructure.

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.

USE OF NET PROCEEDS FROM THE LISTING

The net proceeds from the Listing have been utilized subsequent to the Listing in accordance with the proposed applications set out in the section “Future Plans and Use of Proceeds” of the Prospectus and the Company’s announcement dated 7 April 2016 (based on the final offer price of HK\$1.00). There is no further update on the usage of the net proceeds from the Listing since the disclosure in the Company’s announcement dated 28 June 2017.

USE OF PROCEEDS FROM PLACING OF CONVERTIBLE BONDS

The Company has received net proceeds of approximately HK\$511.9 million in connection with the placing of convertible bonds completed on 1 September 2017. Set forth below is a summary of the utilization of the net proceeds:

Intended use as disclosed in the Company’s announcement dated 28 July 2017	Amount of net proceeds intended to be allocated <i>HK\$’ million (approximately)</i>	Actual utilized amount as of 30 September 2017 <i>HK\$’ million (approximately)</i>	Unutilized amount as of 30 September 2017 <i>HK\$’ million (approximately)</i>
General working capital	<u>511.9</u>	<u>371.1</u>	<u>140.8</u>

FINANCIAL REVIEW

Financial Resources and Gearing Ratio

Equity attributable to owners of the Company amounted to approximately HK\$3,933.3 million as at 30 September 2017 (as at 31 March 2017: HK\$3,621.4 million), representing an increase of approximately HK\$311.9 million or 8.6% over that of last financial year end. The increase was mainly attributable to the profit for the period net of dividend payment and the equity component of convertible bonds issued recognised in current period.

As at 30 September 2017, the Group's net current assets amounted to HK\$4,110.4 million (as at 31 March 2017: HK\$3,488.1 million), and its liquidity as represented by current ratio (current assets/current liabilities) was 10.77 times (as at 31 March 2017: 5.67 times). The significant increase in current ratio was mainly due to the increase in accounts receivable of HK\$869.2 million. Bank balances and cash on hand amounted to HK\$347.0 million (as at 31 March 2017: HK\$582.1 million). The significant decrease in bank balances and cash on hand was mainly due to the increase in accounts receivable of HK\$869.2 million, net of profit for the period of HK\$149.2 million and net proceeds from issuance of convertible bonds of HK\$511.9 million. There were no bank borrowings as at 30 September 2017 and 31 March 2017 and unutilised banking facilities as at the end of the period were approximately HK\$710 million (as at 31 March 2017: HK\$935 million), which were mainly secured by charges over the Group's clients' pledged securities, a property owned by the Group and corporate guarantees issued by the Company.

The number of issued shares of Company amounted to 2,500,000,000 shares as at 30 September 2017 (as at 31 March 2017: 2,500,000,000 shares).



FINANCIAL REVIEW (Continued)

Financial Resources and Gearing Ratio (Continued)

As at 30 September 2017, the debt component of convertible bonds issued by the Group was approximately HK\$306.6 million and the Group's gearing ratio (total borrowing over equity attributable to owners of the Company) as at 30 September 2017 was 0.08 times. The Group had no borrowing as at 31 March 2017.

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 2017, leasehold land and building of the Group with a carrying amount of HK\$106.7 million (as at 31 March 2017: HK\$108.1 million) were pledged for a banking facility granted to the Group.

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

There were no material acquisitions or disposals of subsidiaries, associates or jointly controlled entity during the period ended 30 September 2017.

Employee Information

As at 30 September 2017, the Group had 56 (as at 31 March 2017: 59) 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\$7.8 million (2016: HK\$7.5 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 2017, the interests of the Directors and their associates in the shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

1. Long positions in the ordinary shares of HK\$0.01 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>)	50,309,829	2.01%

Note: Mr. Hung Hon Man is deemed to be interested in 50,309,829 ordinary shares of the Company which are held by Honeylink Agents Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man.

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

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

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

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

3. Long positions in the ordinary shares of HK\$0.1 each of GN Holdings, the immediate holding company of the Company

Name of Director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of GN Holdings
Mr. Hung Hon Man	Held by controlled corporation (Note)	2,488,257,874	25.75%

Note: Mr. Hung Hon Man is deemed to be interested in 2,488,257,874 ordinary shares of GN Holdings which are held by Honeylink Agents Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man.

Save as disclosed above, at 30 September 2017, 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 as at the Listing Date. 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.

During the period and since the Listing Date, no options were granted to any director of the Company.

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 2017, 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
AVALON Global Fixed Income Fund LP	Beneficial owner (Note 1)	235,000,000	9.40
Jifu Financial Investment Company Limited	Held by controlled corporation (Note 1)	235,000,000	9.40
Maxwealth Investment Management Limited	Held by controlled corporation (Note 1)	235,000,000	9.40
PAN SHANGCONG	Held by controlled corporation (Note 1)	235,000,000	9.40
KWOK WAI TAK	Held by controlled corporation (Note 2)	160,000,000	6.40
LPD Investments Limited	Beneficial owner (Note 2)	160,000,000	6.40

Note:

1. Mr. Pan Shangcong, AVALON Global Fixed Income Fund LP, Maxwealth Investment Management Limited and Jifu Financial Investment Company Limited, were deemed to be interested in the same parcel of these 235,000,000 underlying ordinary shares of the Company by virtue of the SFO.
2. Mr. Kwok Wai Tak and LPD Investments Limited were deemed to be interested in the same parcel of these 160,000,000 underlying ordinary shares of the Company by virtue of the SFO.

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 2017.

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 2017.

CORPORATE GOVERNANCE CODE

During the period ended 30 September 2017, 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 2017 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.

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

Hong Kong, 29 November 2017

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.