Get Nice Financial Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code : 1469

Interim Report 2018

UNAUDITED INTERIM RESULTS

The Board of Directors (the "Board" or the "Directors") of Get Nice Financial Group Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2018 together with comparative figures for the last corresponding period. The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2018 have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Unaudited Six months ended 30 September	
		2018	2017
	Notes	***HK$'000***	*HK$'000*
Revenue	4	**206,841**	204,313
Other operating income		**448**	1,082
Other gains and losses		**(37,447)**	10,001
Amortisation and depreciation		**(3,471)**	(3,390)
Commission expenses		**(5,490)**	(6,137)
Staff costs		**(9,254)**	(7,775)
Finance costs		**(56,120)**	(9,676)
Other operating expenses		**(11,851)**	(9,243)
Profit before taxation		**83,656**	179,175
Income tax expense	5	**(28,891)**	(29,933)
Profit for the period		**54,765**	149,242
Other comprehensive income (expenses)			
Items that will not be reclassified to profit or loss			
Surplus on revaluation of properties		**1,885**	–
Deferred tax arising on revaluation of properties		**(311)**	–
Total other comprehensive income for the period		**1,574**	–
Total comprehensive income for the period		**56,339**	149,242
Dividends	6	**150,000**	112,500
Earnings per share	7		
Basic and diluted		**2.2 (HK cents)**	6.0 (HK cents)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited At 30 September 2018 HK$'000	Audited At 31 March 2018 HK$'000
Non-current assets			
Prepaid lease payments and property and equipment		**114,253**	115,547
Intangible assets		**8,413**	8,410
Other assets		**4,237**	6,821
Deferred tax assets		**259**	259
		127,162	131,037
Current assets			
Accounts receivable	8	**3,803,094**	4,118,049
Prepayments, deposits and other receivables		**3,066**	4,092
Tax recoverable		**20**	20
Investments in securities		**169**	158
Bank balances – client accounts		**561,612**	419,637
Bank balances – general accounts and cash		**399,247**	236,356
		4,767,208	4,778,312
Current liabilities			
Accounts payable	9	**602,205**	482,464
Accrued charges and other payables		**5,432**	6,922
Amounts due to non-controlling shareholders		**2,412**	–
Tax payable		**35,653**	6,762
Bank borrowings		**–**	60,000
Liability component of convertible bonds	10	**275,402**	–
		921,104	556,148

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	Notes	Unaudited At 30 September 2018 HK$'000	Audited At 31 March 2018 HK$'000
Net current assets		**3,846,104**	4,222,164
Total assets less current liabilities		**3,973,266**	4,353,201
Non-current liabilities			
Deferred tax liabilities		**3,454**	3,143
Liability component of convertible bonds	10	**–**	350,840
		3,454	353,983
Net assets		**3,969,812**	3,999,218
Capital and reserves			
Share capital	11	**25,000**	25,000
Reserves		**3,944,779**	3,974,185
Equity attributable to owners of the Company		**3,969,779**	3,999,185
Non-controlling interests		**33**	33
Total Equity		**3,969,812**	3,999,218

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited Six months ended 30 September 2018 Attributable to owners of the Company									
	Share capital *HK$'000*	Share premium *HK$'000*	Contributed surplus *HK$'000*	Convertible bonds reserve *HK$'000*	Property revaluation reserve *HK$'000*	Other reserve *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'000*
Balance as at 1 April 2018	25,000	375,407	1,486,951	212,619	15,162	159,933	1,724,113	3,999,185	33	3,999,218
Adoption of HKFRS 9	–	–	–	–	–	–	(844)	(844)	–	(844)
	25,000	375,407	1,486,951	212,619	15,162	159,933	1,723,269	3,998,341	33	3,998,374
Profit for the period	–	–	–	–	–	–	54,765	54,765	–	54,765
Other comprehensive income for the period										
Items that will not be reclassified to profit or loss										
Surplus on revaluation of properties	–	–	–	–	1,885	–	–	1,885	–	1,885
Deferred tax liability arising on revaluation of properties	–	–	–	–	(311)	–	–	(311)	–	(311)
Total other comprehensive income	–	–	–	–	1,574	–	–	1,574	–	1,574
Total comprehensive income for the period	–	–	–	–	1,574	–	54,765	56,339	–	56,339
Transactions with equity holders										
Contributions and distributions										
Dividend recognised as distribution	–	(75,000)	–	–	–	–	–	(75,000)	–	(75,000)
Changes in ownership interests										
Redemption of convertible bonds	–	–	–	(68,038)	–	–	58,137	(9,901)	–	(9,901)
	–	(75,000)	–	(68,038)	–	–	58,137	(84,901)	–	(84,901)
At 30 September 2018	25,000	300,407	1,486,951	144,581	16,736	159,933	1,836,171	3,969,779	33	3,969,812

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

	Unaudited Six months ended 30 September 2017 Attributable to owners of the Company									
	Share capital *HK$'000*	Share premium *HK$'000*	Contributed surplus *HK$'000*	Convertible bonds reserve *HK$'000*	Property revaluation reserve *HK$'000*	Other reserve *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'000*
Balance as at 1 April 2017	25,000	487,907	1,486,951	–	14,460	159,933	1,447,176	3,621,427	–	3,621,427
Profit and total comprehensive income for the period	–	–	–	–	–	–	149,242	149,242	–	149,242
Dividend recognised as distribution	–	–	–	–	–	–	(50,000)	(50,000)	–	(50,000)
Issue of convertible bonds	–	–	–	212,619	–	–	–	212,619	–	212,619
At 30 September 2017	25,000	487,907	1,486,951	212,619	14,460	159,933	1,546,418	3,933,288	–	3,933,288

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months ended 30 September 2018 HK$'000	2017 HK$'000
Net cash from (used in) operating activities	**468,355**	(703,874)
Net cash (used in) from investing activities	**(311)**	9,255
Net cash (used in) from financing activities	**(305,153)**	459,568
Net increase (decrease) in cash and cash equivalents	**162,891**	(235,051)
Cash and cash equivalents at beginning of the period	**236,356**	582,096
Cash and cash equivalents at end of the period	**399,247**	347,045
Represented by:		
Bank balances – general accounts and cash	**399,247**	347,045

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 31 August 2015 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's immediate and ultimate 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 registered office is located at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands and its principal place of business is located at 10th 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 the provision of financial services, including securities dealing and broking, futures and options broking, underwriting and placements, securities margin financing and corporate finance services.

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

2. BASIS OF PREPARATION

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

3. PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of new Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2018 are the same as those followed in the preparation of the Group's audited consolidated financial statements for the year ended 31 March 2018.

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

Application of new and amendments to Hong Kong Financial Reporting Standards

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

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2017 Cycle
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

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

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

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

HKFRS 9 Financial instruments ("HKFRS 9")

HKFRS 9 replaces HKAS 39 "Financial Instruments: Recognition and Measurement" ("HKAS 39"). It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an "expected credit loss" ("ECL") model for the impairment of financial assets.

When adopting HKFRS 9, the Group has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of HKFRS 9 in relation to classification, measurement, and impairment are recognised in retained earnings. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39. The adoption of HKFRS 9 has impacted the following areas.

Classification and measurement of financial assets

Accounts receivable arising from contracts with customers are initially measured in accordance with HKFRS 15 "Revenue from Contracts with Customers" ("HKFRS 15").

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under HKAS 39. Such measurement basis depends on the Group's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

A financial asset is measured at amortised cost only if both of the following conditions are met:

– it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

– the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

Specifically, debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income ("FVTOCI").

All other financial assets are measured at their fair value at subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading and is not contingent consideration of an acquirer in a business combination) in other comprehensive income, with only dividend income generally recognised in profit or loss.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

HKFRS 9 Financial instruments ("HKFRS 9") (Continued)

Classification and measurement of financial assets (Continued)

In addition, the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at fair value through profit or loss ("FVTPL") if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest earned and excludes any dividend on the financial asset.

The Directors of the Company reviewed and assessed the Group's financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date.

Impairment under expected credit loss model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group recognises lifetime ECL for accounts receivable and the ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with debtors having similar credit ratings.

For all other instruments, the Group applies the general approach to measure ECL for all financial assets which are subject to impairment under HKFRS 9. On this basis, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

HKFRS 9 Financial instruments ("HKFRS 9") (Continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

The Group recognises impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of accounts receivable where the corresponding adjustment is recognised through a loss allowance account.

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of financial assets subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

	Accounts receivable, at amortised cost	**Retained profits**
	HK$'000	*HK$'000*
Closing balance at 31 March 2018 – HKAS 39	**4,118,049**	**1,724,113**
Effect arising from initial application of HKFRS 9:		
Remeasurement		
Impairment under ECL model	(844)	(844)
Opening balance at 1 April 2018	**4,117,205**	**1,723,269**

The following table reconciles the impairment allowance measured in accordance with HKAS 39 (under incurred loss model) as at 31 March 2018 to the new impairment allowance measured with HKFRS 9 (under ECL model) at 1 April 2018:

	Impairment allowance under HKAS 39	**Impairment allowance under remeasurement**	**Impairment allowance under HKFRS 9**
	HK$'000	***HK$'000***	***HK$'000***
Accounts receivable	**17,321**	**844**	**18,165**

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. The application of HKFRS 15 on 1 April 2018 has no material impact on the Group's financial performance and positions for the current period and prior years, and accordingly, there is no adjustment on the opening condensed consolidated statement of financial position and condensed consolidated statement of changes in equity.

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

HKFRS 15 Revenue from Contracts with Customers (Continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The revenue from financial advisory and asset management fee are recognised over time and other types of revenue are recognised at point in time.

4. SEGMENT INFORMATION

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

For the six months ended 30 September 2018

	Broking HK$'000	Securities margin financing HK$'000	Corporate finance HK$'000	Consolidated HK$'000
Segment revenue	**32,487**	**173,039**	**1,315**	**206,841**
Segment result	**7,057**	**167,320**	**1,160**	**175,537**
Unallocated corporate expenses				**(35,870)**
Unallocated finance costs				**(56,011)**
Profit before taxation				**83,656**

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	47,749	155,764	800	204,313
Segment result	37,875	155,764	674	194,313
Unallocated corporate expenses				(6,894)
Unallocated finance costs				(8,244)
Profit before taxation				179,175

4. SEGMENT INFORMATION *(Continued)*

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

As at 30 September 2018
Unaudited

	Broking	Securities margin financing	Corporate finance	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	612,783	4,144,940	9,326	4,767,049
Unallocated assets				127,321
Consolidated assets				4,894,370
Segment liabilities	187,787	454,320	15	642,122
Unallocated liabilities				282,436
Consolidated liabilities				924,558

4. SEGMENT INFORMATION *(Continued)*

As at 31 March 2018

Audited

	Broking	Securities margin financing	Corporate finance	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	376,330	4,371,825	8,566	4,756,721
Unallocated assets				152,628
Consolidated assets				4,909,349
Segment liabilities	179,064	315,238	–	494,302
Unallocated liabilities				415,829
Consolidated liabilities				910,131

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

5. TAXATION

	Six months ended 30 September	
	2018	2017
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**28,891**	29,933

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

6. DIVIDENDS

	Six months ended 30 September	
	2018	2017
	HK$'000	*HK$'000*
Final dividend paid	**75,000**	50,000
Proposed interim dividend of HK3.0 cents (2017: HK2.5 cents) per share	**75,000**	62,500
	150,000	112,500

On 12 September 2018, a dividend of HK3.0 cents per share was paid to shareholders as the final dividend for the year ended 31 March 2018.

At a meeting held on 28 November 2018, the Directors recommended an interim dividend of HK3.0 cents per share for the six months ended 30 September 2018 to the shareholders whose names appear in the register of members on 21 December 2018. 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 2019.

7. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2018	2017
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic and diluted earnings per share		
Profit for the period attributable to equity shareholders of the Company	**54,765**	149,242

7. EARNINGS PER SHARE *(Continued)*

	2018	2017
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**2,500,000**	2,500,000

As the Company's outstanding convertible bonds had an anti-dilutive effect to the basic earnings per share calculation for the period ended 30 September 2018, the computation of diluted earnings per share for the period ended 30 September 2018 did not assume the exercise of certain convertible bonds since their assumed exercise would result in increase in earnings per share.

8. ACCOUNTS RECEIVABLE

	At 30 September 2018	At 31 March 2018
	HK$'000	*HK$'000*
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	**11,339**	23,460
– Margin clients:		
– Directors and their close family members	**200,206**	22,469
– Other margin clients	**3,530,491**	4,069,006
– Hong Kong Securities Clearing Company Limited	**79,809**	4,438
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	**5,133**	15,997
	3,826,978	4,135,370
Less: Impairment allowance	**(23,884)**	(17,321)
	3,803,094	4,118,049

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.

8. ACCOUNTS RECEIVABLE *(Continued)*

Included in the accounts receivable from cash clients are debtors with a carrying amount of HK$208,000 (31 March 2018: HK$1,597,000) which are past due at the end of the reporting period but which the directors of the Company consider not to be impaired.

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 2018	At 31 March 2018
	HK$'000	*HK$'000*
0 – 30 days	**193**	1,586
31 – 60 days	**4**	–
Over 60 days	**11**	11
	208	1,597

The accounts receivable from cash clients with a carrying amount of HK$11,131,000 (31 March 2018: HK$21,863,000) 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$15,222,810,000 (31 March 2018: HK$18,438,760,000). Significant portion of the pledged securities are listed equity securities in Hong Kong. The loans are repayable on demand and carry interest typically at Hong Kong prime rate plus 2% to 4.45% per annum (31 March 2018: Hong Kong prime rate plus 2% to 4.45% per annum). Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collaterals are required if the outstanding amount exceeds the eligible margin value of securities deposited. The collaterals held can be repledged and can be sold at the Group's discretion to settle any outstanding amount owed by margin clients. No ageing analysis is disclosed, as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

8. ACCOUNTS RECEIVABLE *(Continued)*

Included in accounts receivable from margin clients arising from the business of dealing in securities are amounts due from directors of the Company and their close family members and a controlling entity. The details are as follows:

	Balance at 1 April 2018	Balance at 30 September 2018	Maximum amount outstanding during the period	Market value of pledged securities at 30 September 2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Name				
Mr. Hung Hon Man, director of the Company, his close family members and a controlling entity	22,469	200,206	228,338	2,028,593

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

9. ACCOUNTS PAYABLE

	At 30 September 2018	At 31 March 2018
	HK$'000	*HK$'000*
Accounts payable arising from the business of dealing in securities:		
– Cash clients	**134,472**	148,234
– Margin clients	**454,320**	315,238
Accounts payable to clients arising from the business of dealing in futures contracts	**13,413**	18,992
	602,205	482,464

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.

9. ACCOUNTS PAYABLE *(Continued)*

Amounts due to securities margin clients are repayable on demand and carry interest at 0.25% (2017: 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 close family members and a controlling entity of HK$478,000 (31 March 2018: HK$1,104,000).

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

10. 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.

During the period ended 30 September 2018, Convertible Bonds of principal amount HK$168,000,000 (2017: HK$Nil) were redeemed by a bondholder. No Convertible Bonds were converted into ordinary shares of the Company up to 30 September 2018.

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 2018, the carrying values of the debt component and equity component of the Convertible Bonds are HK$275,402,000 (31 March 2018: HK$350,840,000) and HK$144,581,000 (31 March 2018: HK$212,619,000), respectively.

11. SHARE CAPITAL

	Number of ordinary shares of HK$0.01 each	Nominal value *HK$'000*
Authorised:		
At 1 April 2017, 31 March 2018 and 30 September 2018	10,000,000,000	100,000
Issued and fully paid:		
At 1 April 2017, 31 March 2018 and 30 September 2018	2,500,000,000	25,000

12. FINANCIAL RISK MANAGEMENT

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

- **Capital risk management**

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

- **Market risk**

  Interest rate risk

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

12. FINANCIAL RISK MANAGEMENT *(Continued)*

- **Currency risk**

  In the opinion of the directors of the Company, the currency risk exposure is not significant as most of the transactions and financial assets and liabilities of the group entities are denominated in the functional currency of the respective entities and, in the case of United States dollars ("US$"), the exposure is limited as US$ are pegged to HK$.

- **Credit risk**

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

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

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

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

- **Liquidity risk**

  As part of ordinary broking activities, the Group is exposed to liquidity risk arising from timing difference between settlement with clearing houses or brokers and clients. To address the risk, treasury team works closely with the settlement division on monitoring the liquidity gap.

13. RELATED PARTY TRANSACTIONS

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

Name of related party	Nature of transaction	Six months ended 30 September 2018 HK$'000	2017 HK$'000
Directors of the Company and their close family members Messrs. Hung Hon Man, Shum Kin Wai, Frankie, Hung Sui Kwan, their close family members and a controlling entity	Brokerage Commission income *(note i)*	**2,291**	922
Key management personnel and directors of GN Holdings and their close family members Messrs. Cham Wai Ho, Anthony, Kam Leung Ming, Cheng Wai Ho, Ng Hon Sau, Larry, their close family members and a controlling entity	Brokerage Commission income *(note i)*	**26**	29
Directors of the Company and their close family members Messrs. Hung Hon Man, Hung Sui Kwan, their close family members and a controlling entity	Interest income *(note ii)*	**3,680**	40
Key management personnel and directors of GN Holdings and their close family members Messrs. Kam Leung Ming, Cheng Wai Ho, Ng Hon Sau, Larry, their close family members and a controlling entity	Interest income *(note ii)*	**8**	53
GN Holdings	Underwriting and placing commission income *(note iii)*	**–**	4,187
GN Holdings	Management fee income *(note iv)*	**1,260**	1,260
GN Holdings	Interest expense *(note v)*	**82**	945

13. RELATED PARTY TRANSACTIONS *(Continued)*

Notes:

(i) Commission was charged at 0.1% to 0.25% (2017: 0.1% to 0.15%) on the total value of transactions.

(ii) Interest was charged at 7.236% to 9.252% per annum (2017: 7.236% to 9.252%) on the outstanding balances of margin loans.

(iii) Underwriting commission income was earned from GN Holdings for underwriting and placing services provided.

(iv) Management fee income was earned from GN Holdings for office areas sharing.

(v) Loan interest expense was charged by GN Holdings at 2% per annum outstanding pursuant to the revolving loan facility agreement.

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	
	2018	2017
	HK$'000	*HK$'000*
Short-term employee benefits	**2,264**	2,804
Post-employment benefits	**57**	57
	2,321	2,861

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

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK3.0 cents per share for the six months ended 30 September 2018. The interim dividend will be payable on or about 31 December 2018 to those shareholders whose names appear on the register of members on 21 December 2018.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 20 December 2018 to 21 December 2018, both dates inclusive (record date being 21 December 2018), 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 19 December 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the period ended 30 September 2018, the Group's revenue amounted to approximately HK$206.8 million, representing an increase of 1.2% as compared with approximately HK$204.3 million reported in the last corresponding financial period. Operating expenses such as commission expenses and settlement expenses were generally in line with the revenue.

Profit attributable to owners of the Company for the period was approximately HK$54.8 million (2017: HK$149.2 million). The decrease in profit was mainly attributable to the increase in finance costs and the loss on redemption of convertible bonds during the current period. The Group recorded imputed interest expenses arising from convertible bonds issued in September 2017 of HK$56 million during current period (2017: HK$8.2 million). Loss on redemption of HK$31.7 million (2017: HK$Nil) recorded upon the redemption of convertible bonds of principal amount HK$168 million in September 2018. Moreover, there was a one-off gain on disposal of a subsidiary of HK$10 million recorded in prior period.

Earnings per share decreased to HK2.2 cents (2017: HK6.0 cents) as a result of decrease in profit for the period.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

REVIEW AND OUTLOOK

Market Review

During the first three quarters of 2018, the Hong Kong stock market experienced a roller coaster ride. The market had a bullish beginning of the year; Hang Seng Index once soared to a record high of 33,484 points on 29 January 2018. Starting with the second quarter of 2018, United States demonstrated positive impact leading the recovery of global economy. China also recorded stable GDP growth. However, the rally came fast and left fast, the stock market lost its momentum turning into the third quarter of 2018.

During the third quarter of 2018, tensions around unfair trade practices and intellectual property theft were dominating market highlights. Substantial escalation of trade-restrictive measures between the United States and China was leading to economic losses for these two economies and increasing trade costs and market uncertainties globally. The US-China trade war further undermined stock prices in China and Hong Kong market and also weighed on the Chinese currency. The renminbi recorded unusual depreciations in response to trade-related news. Meanwhile, a renewed US dollar rally drew investors from the Southeast Asia market including Hong Kong. Depreciation of the renminbi further pushed a downside momentum to the Hong Kong stock market. On the other hand, concerns over decelerating economic activity in China added to investors' pessimism. As a result of the Chinese government's efforts to curb shadow banking activities, credit to the real economy had begun to decline and equity markets to slip during the current period. Indicators of economic activity of China also generally disappointed the market. Reflecting to the global economic and political issues, the monthly turnover of Hong Kong stock market continued a decline trend during the current period.

In light of the global economic headwinds, the Hang Seng Index closed at 27,789 point at the end of September 2018 compared with 30,093 point at the end of March 2018. The average daily turnover on the Main Board and GEM during the six months period ended 30 September 2018 was approximately HK$99.2 billion, an increase of 15.6% as compared with approximately HK$85.8 billion for the prior financial period.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

REVIEW AND OUTLOOK *(Continued)*

Business Review

Broking and securities margin financing

During the period ended 30 September 2018, the broking business posted a profit of approximately HK$7.1 million (2017: HK$37.9 million). The operating result of the broking business decreased by 81.3% as a result of the decrease in our broking turnover and number of sizeable corporate finance transactions during current period and also the one-off gain on disposal of a subsidiary engaged in broking business of HK$10 million recorded in prior period. The decrease in broking turnover was affected by the volatile local stock market and negative global investment atmosphere. Revenue from broking for the period decreased by 31.9% to approximately HK$32.5 million (2017: HK$47.7 million) as compared with last financial period, of which approximately HK$6.1 million (2017: HK$18.7 million) was contributed by the underwriting, placing and proof of funds business. The decrease in these fee income was due to the decrease in number of deals as a result of the less active capital market during the current period.

Securities margin financing remained to be the Group's major revenue contributor for the period. During the period, total interest income from securities margin financing went up by 11.0% to approximately HK$173.0 million (2017: HK$155.8 million) with the increase in average level of securities margin lending during the period. Total outstanding loan of securities margin financing as at 30 September 2018 amounted to approximately HK$3,730.7 million (as at 31 March 2018: HK$4,091.5 million). Impairment loss on margin clients receivable of HK$5.7 million was charged during the current period (2017: HK$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 2018, it completed 3 financial advisory transactions (2017: 5). The operation reported a profit of approximately HK$1.2 million for the period (2017: HK$0.7 million).

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

REVIEW AND OUTLOOK *(Continued)*

Outlook

Looking ahead, the global economic backdrop remains clouded with uncertainties. Since the United States and China are the most central players in the highly integrated global trade network, escalating US-China commercial tensions represent a significant risk to global financial markets. The aggressive US trade policy remains being a liability to the market as rising trade barriers is a particular issue for those markets that are most dependent on global trade and investment, including Hong Kong. Most of the Asian economies are in stronger positions than years ago but given the integration in the global supply chain, they are still vulnerable to the trade tension between United State and China.

In the future, the business environment of the Group will continue to be competitive but optimistic. The development of the Greater Bay Area and China's Belt & Road initiative are expected to create opportunities for Hong Kong in the coming decades. On the other hand, the increasing compliance-related and system-related costs in meeting the regulatory requirements may impact the cost efficiency and earnings growth of the Group.

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. 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 GLOBAL OFFERING

The net proceeds from the global offering of the Company as set out in the Company's prospectus date 24 March 2016, after deduction of the underwriting fees and commissions and other expenses in connection with the global offering, amounted to approximately HK$475.6 million (the "Net Proceeds"). After the change of the intended use of the unutilised portion of the Net Proceeds as set out in the Company's announcement dated 26 June 2018, the Company has utilised all Net Proceeds as at the date of this report.

FINANCIAL REVIEW

Financial Resources and Gearing Ratio

Equity attributable to owners of the Company amounted to approximately HK$3,969.8 million as at 30 September 2018 (as at 31 March 2018: HK$3,999.2 million), representing a decrease of approximately HK$29.4 million or 0.7% over that of last financial year end. The decrease was mainly attributable to the profit for the period net of dividend payment and the decrease in equity component of convertible bonds upon redemption during the period.

As at 30 September 2018, the Group's net current assets amounted to HK$3,846.1 million (as at 31 March 2018: HK$4,222.2 million), and its liquidity as represented by current ratio (current assets/current liabilities) was 5.18 times (as at 31 March 2018: 8.59 times). The decrease in current ratio was mainly due to the reclassification of the liability component of convertible bonds from non-current liabilities to current liabilities as the convertible bonds will be mature within one year from 30 September 2018. Bank balances and cash on hand amounted to HK$399.2 million (as at 31 March 2018: HK$236.4 million). The increase in bank balances and cash on hand was mainly due to the decrease in accounts receivable of HK$315 million, net of the cash outflow in respect of the redemption of convertible bonds of HK$168 million. There were no bank borrowings as at 30 September 2018 (as at 31 March 2018: HK$60 million) and unutilised banking facilities as at the end of the period were approximately HK$905 million (as at 31 March 2018: HK$650 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.

FINANCIAL REVIEW *(Continued)*

Financial Resources and Gearing Ratio *(Continued)*

The number of issued shares of Company amounted to 2,500,000,000 shares as at 30 September 2018 (as at 31 March 2018: 2,500,000,000 shares).

As at 30 September 2018, the debt component of convertible bonds issued by the Group was approximately HK$275.4 million (as at 31 March 2018: HK$350.8 million) and the Group's gearing ratio (total borrowing over equity attributable to owners of the Company) as at 30 September 2018 was 0.07 times (as at 31 March 2018: 0.1 times).

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 2018, leasehold land and building of the Group with a carrying amount of HK$106.1 million (as at 31 March 2018: HK$105.9 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 2018.

Employee Information

As at 30 September 2018, the Group had 62 (as at 31 March 2018: 61) 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$9.3 million (2017: HK$7.8 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 2018, the interests of the Directors and their associates in the shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

1. Long positions in the ordinary shares of HK$0.01 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Mr. Hung Hon Man	Held by controlled corporation *(Note)*	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%
		40,000,000	100%

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

DIRECTORS' INTERESTS IN SHARES *(Continued)*

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

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)*	2,898,049,874	29.99%

Note: Mr. Hung Hon Man is deemed to be interested in 2,898,049,874 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 2018, none of the Directors nor their associates had any interests or short positions in any shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

ARRANGEMENTS TO PURCHASE SHARES AND OPTIONS

The Company has adopted a share option scheme ("Option Scheme") pursuant to a resolution passed on 16 March 2016. The Company is thus entitled to issue a maximum of 250,000,000 shares upon exercise of the share options to be granted under the Option Scheme limit, representing 10% of the shares in issue. The purpose of the Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers of the Group, distributor, contractor, supplier, agent, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

During the period ended 30 September 2018, no options were granted to any director of the Company.

ARRANGEMENTS TO PURCHASE SHARES AND OPTIONS *(Continued)*

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

SUBSTANTIAL SHAREHOLDERS

At 30 September 2018, 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)*	235,000,000	9.40
Jifu Financial Investment Company Limited	Held by controlled corporation *(Note)*	235,000,000	9.40
Maxwealth Investment Management Limited	Held by controlled corporation *(Note)*	235,000,000	9.40
PAN SHANGCONG	Held by controlled corporation *(Note)*	235,000,000	9.40

SUBSTANTIAL SHAREHOLDERS *(Continued)*

Long positions in the ordinary shares of HK$0.01 each of the Company *(Continued)*

Note:

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.

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 2018.

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 2018.

CORPORATE GOVERNANCE CODE

During the period ended 30 September 2018, 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 2018 including the accounting principles and practices adopted by the Group.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

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

CHANGE IN INFORMATION OF DIRECTORS

Upon specific enquiry by the Company and following respective confirmations from the Directors, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's annual report for the year ended 31 March 2018.

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

Hong Kong, 28 November 2018

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.