GET NICE FINANCIAL GROUP LIMITED
結好金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1469)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2019

RESULTS

The board of directors ("Board") of Get Nice Financial Group Limited (the "Company") are pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2019 with comparative figures for the previous financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2019

	Notes	**2019** *HK$'000*	2018 *HK$'000*
Revenue	4	**401,589**	440,128
Other operating income	6a	**435**	98
Other gains and losses, net	6b	**(38,297)**	19,884
Amortisation and depreciation		**(7,111)**	(7,054)
Commission expenses		**(9,460)**	(15,304)
Net impairment loss on accounts receivable	13	**(20,085)**	–
Staff costs	7	**(18,911)**	(16,674)
Finance costs	8	**(97,031)**	(60,405)
Other expenses		**(21,855)**	(20,481)
Profit before taxation	9	**189,274**	340,192
Taxation	10	**(56,219)**	(63,260)
Profit for the year		**133,055**	276,932

	Notes	**2019** *HK$'000*	2018 *HK$'000*
Other comprehensive income (expense)			
Items that will not be reclassified to profit or loss			
Surplus on revaluation of properties		**2,770**	842
Deferred tax arising on revaluation of properties		**(457)**	(140)
Total other comprehensive income for the year		**2,313**	702
Total comprehensive income for the year		**135,368**	277,634
Profit (loss) for the year attributable to:			
Owners of the Company		**132,980**	276,937
Non-controlling interests		**75**	(5)
		133,055	276,932
Total comprehensive income (expense) attributable to:			
Owners of the Company		**135,293**	277,639
Non-controlling interests		**75**	(5)
		135,368	277,634
Earnings per share			
– Basic and diluted (HK dollars)	12	**0.05**	0.11

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2019

	Notes	**2019** **HK$'000**	2018 HK$'000
Non-current assets			
Prepaid lease payments and property and equipment		**112,073**	115,547
Intangible assets		**8,413**	8,410
Other assets		**3,297**	6,821
Deferred tax assets		**259**	259
		124,042	131,037
Current assets			
Accounts receivable	13	**3,707,421**	4,118,049
Prepayments, deposits and other receivables		**2,927**	4,092
Tax recoverable		**7,349**	20
Investments in securities		**170**	158
Bank balances – client accounts		**1,143,120**	419,637
Bank balances – general accounts and cash		**422,942**	236,356
		5,283,929	4,778,312
Current liabilities			
Accounts payable	14	**1,196,203**	482,464
Accrued charges and other payables		**8,443**	6,922
Tax payable		**164**	6,762
Bank borrowings		**–**	60,000
Liability component of convertible bonds	15	**233,524**	–
		1,438,334	556,148
Net current assets		**3,845,595**	4,222,164
Total assets less current liabilities		**3,969,637**	4,353,201
Non-current liabilities			
Deferred tax liabilities		**3,706**	3,143
Liability component of convertible bonds	15	**–**	350,840
		3,706	353,983
Net assets		**3,965,931**	3,999,218
Capital and reserves			
Share capital		**25,000**	25,000
Reserves		**3,940,827**	3,974,185
Equity attributable to owners of the Company		**3,965,827**	3,999,185
Non-controlling interests		**104**	33
Total equity		**3,965,931**	3,999,218

Notes:

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 31 August 2015 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's immediate 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 P.O. Box 10008, Willow House, Cricket Square, Grand Cayman KY1-1001, 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 audited consolidated financial statements of the Group are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

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

Basis of preparation

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

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2018 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year.

Adoption of new/revised HKFRSs

HK(IFRIC)-Int 22: Foreign Currency Transactions and Advance Consideration

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognised the non-monetary asset or non-monetary liability arising from the advance consideration.

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

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

Adoption of new/revised HKFRSs (Continued)

HKFRS 9: Financial Instruments

The following terms are used in these consolidated financial statements:

- FVPL: fair value through profit or loss.
- FVOCI: fair value through other comprehensive income.
- Designated FVOCI: equity instruments measured at FVOCI.
- Mandatory FVOCI: debt instruments measured at FVOCI.

HKFRS 9 replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. It introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment for financial assets and hedge accounting.

In accordance with the transitional provisions in HKFRS 9, comparative information has not been restated and the Group has applied HKFRS 9 retrospectively to financial instruments that existed at 1 April 2018 (i.e. the date of initial application), except as described below:

(a) The following assessments are made on the basis of facts and circumstances that existed at the date of initial application:

 (i) the determination of the business model within which a financial asset is held;

 (ii) the designation of financial assets or financial liabilities at FVPL or, in case of financial assets, at Designated FVOCI; and

 (iii) the de-designation of financial assets or financial liabilities at FVPL.

 The above resulting classification shall be applied retrospectively.

(b) If, at the date of initial application, determining whether there has been a significant increase in credit risk since initial recognition would require undue cost or effort, a loss allowance is recognised at an amount equal to lifetime expected credit losses at each reporting date until the financial instrument is derecognised unless that financial instrument has low credit risk at a reporting date.

(c) For investments in equity instruments that were measured at cost under HKAS 39, the instruments are measured at fair value at the date of initial application.

Differences between the previous carrying amounts under HKAS 39 and the current carrying amounts upon adoption of HKFRS 9 are recognised directly in components of equity at 1 April 2018 as summarised below:

	Retained profits
	HK$'000
At 1 April 2018	
Decrease, represented by recognition of additional loss allowance	(844)

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

Adoption of new/revised HKFRSs (Continued)

HKFRS 9: Financial Instruments (Continued)

Classification and measurement of financial assets and financial liabilities

The adoption of HKFRS 9 has no significant effect on the classification and measurement of the Group's financial liabilities.

The following table reconciles the original measurement categories and carrying amounts under HKAS 39 to the new measurement categories and carrying amounts under HKFRS 9 for each class of the Group's financial assets as at 1 April 2018.

As at 1 April 2018			**Measurement category and carrying amount under HKFRS 9**	
Measurement category under HKAS 39	**Carrying amount under HKAS 39**	**Remeasurement on transition to HKFRS 9**	**Amortised cost**	**FVPL**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets at FVPL				
Listed equity securities held for trading *(note i)*	158	–	–	158
Loans and receivables *(note ii)*				
Accounts receivable	4,118,049	(844)	4,117,205	–
Deposits and other receivables	2,620	–	2,620	–
Bank balances – client accounts	419,637	–	419,637	–
Bank balances – general accounts and cash	236,356	–	236,356	–
	4,776,820	(844)	4,775,818	158

Notes:

(i) The listed equity securities that were previously classified as financial assets at FVPL amounted to approximately HK$158,000 continue to be classified as financial assets at FVPL because the investment is held for trading.

(ii) These items continue to be measured at amortised cost because, at the date of initial application, the Group's business model is to hold these investments to collect the contractual cash flows and the cash flows represent solely payments of principal and interest on the principal amount outstanding.

Expected credit losses ("ECL")

The ECL model under HKFRS 9 requires an entity to account for ECL and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Impairment based on ECL model on these financial assets upon the adoption of HKFRS 9 was set out below.

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

Adoption of new/revised HKFRSs (Continued)

HKFRS 9: Financial Instruments (Continued)

Expected credit losses ("ECL") (Continued)

The following table reconciles the loss allowances under HKAS 39 to the loss allowances under HKFRS 9 on 1 April 2018.

	Loss allowances under HKAS 39 as at 31 March 2018	Remeasurement on transition to HKFRS 9	Loss allowances under HKFRS 9 as at 1 April 2018
	HK$'000	*HK$'000*	*HK$'000*
Amortised cost			
Accounts receivable	17,321	844	18,165

HKFRS 15: Revenue from Contracts with Customers

HKFRS 15 replaces, among others, HKAS 18 and HKAS 11 which specified the revenue recognition arising from sale of goods and rendering of services and the accounting for construction contracts respectively. The Standard establishes a comprehensive framework for revenue recognition and certain costs from contracts with customers within its scope. It also introduces a cohesive set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group has elected to apply the cumulative effect transition method and recognised the cumulative effect of initial adoption as an adjustment to the opening balance of components of equity at 1 April 2018 (i.e. the date of initial application), if any. Therefore, the comparative information has not been restated for the effect of HKFRS 15.

In addition, the Group has applied HKFRS 15 retrospectively only to contracts that were not completed, if any, at 1 April 2018 in accordance with the transitional provisions therein.

The adoption of HKFRS 15 has no significant effect on the recognition and measurement of the Group's revenue.

Basis of measurement

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

3. FUTURE CHANGES IN HKFRSs

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

Annual Improvements to HKFRSs	2015–2017 Cycle[1]
HKFRS 16	Leases[1]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKAS 19	Employee Benefits[1]
Amendments to HKAS 28	Investments in Associates and Joint Ventures[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKASs 1 and 8	Definition of Material[2]
Amendments to HKFRS 3	Definition of a Business[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [4]

[1] Effective for annual periods beginning on or after 1 January 2019
[2] Effective for annual periods beginning on or after 1 January 2020
[3] Effective for acquisitions that occur on or after the beginning of the first annual period beginning on or after 1 January 2020
[4] The effective date to be determined

The directors do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the results of the Company.

4. REVENUE

	2019	2018
	HK$'000	*HK$'000*
Brokerage commission	**37,288**	66,896
Underwriting and placing commission	**5,509**	26,671
Proof of funds commission	**7,160**	3,600
Other commission	**33**	257
Interest income from loans and receivables		
– clients	**340,382**	334,888
– financial institutions	**4,235**	1,386
– clearing house	**8**	4
Clearing and handling fee income	**2,365**	2,525
Advisory fee income	**2,089**	1,360
Management fee	**2,520**	2,541
	401,589	440,128

5. SEGMENT INFORMATION

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

Broking	–	provision of stockbroking, futures and options broking and underwriting and placements
Securities margin financing	–	provision of securities margin financing
Corporate finance	–	provision of corporate advisory services

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

- all assets are allocated to operating segments other than certain prepaid lease payments and property and equipment, club memberships, certain other assets, certain prepayments, deposits and other receivables, certain bank balances, certain tax recoverable and deferred tax assets.

- all liabilities are allocated to operating segments other than bank borrowings, certain accrued charges and other payables, certain tax payable, deferred tax liabilities and liability component of convertible bonds.

- all profit or loss are allocated to operating segments other than certain amortisation and depreciation, operating lease rentals, management fees, certain finance costs and certain other expenses incurred for strategic planning by the Group.

Segment information about these divisions is presented below.

5. **SEGMENT INFORMATION (CONTINUED)**

Segment revenue and results

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

For the year ended 31 March 2019

	Broking *HK$'000*	**Securities margin financing** *HK$'000*	**Corporate finance** *HK$'000*	**Consolidated** *HK$'000*
SEGMENT REVENUE	**59,157**	**340,343**	**2,089**	**401,589**
SEGMENT RESULT	**17,718**	**320,257**	**1,518**	**339,493**
Unallocated corporate expenses				**(53,462)**
Unallocated finance costs				**(96,757)**
Profit before taxation				**189,274**

For the year ended 31 March 2018

	Broking *HK$'000*	Securities margin financing *HK$'000*	Corporate finance *HK$'000*	Consolidated *HK$'000*
SEGMENT REVENUE	103,925	334,806	1,397	440,128
SEGMENT RESULT	71,596	334,806	1,369	407,771
Unallocated corporate expenses				(8,485)
Unallocated finance costs				(59,094)
Profit before taxation				340,192

5. **SEGMENT INFORMATION (CONTINUED)**

Segment assets and liabilities

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

As at 31 March 2019

	Broking	**Securities margin financing**	**Corporate finance**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
SEGMENT ASSETS	**538,300**	**4,732,833**	**9,732**	**5,280,865**
Unallocated assets				**127,106**
Consolidated total assets				**5,407,971**
SEGMENT LIABILITIES	**159,828**	**1,041,015**	**146**	**1,200,989**
Unallocated liabilities				**241,051**
Consolidated total liabilities				**1,442,040**

As at 31 March 2018

	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 total assets				4,909,349
SEGMENT LIABILITIES	179,064	315,238	–	494,302
Unallocated liabilities				415,829
Consolidated total liabilities				910,131

5. SEGMENT INFORMATION (CONTINUED)

Other segment information

For the year ended 31 March 2019

	Broking *HK$'000*	**Securities margin financing** *HK$'000*	**Corporate finance** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Amounts included in the measure of segment profit or segment assets:					
Additions of property and equipment	**879**	**–**	**–**	**3**	**882**
Amortisation of prepaid lease payment, and depreciation of property and equipment	**(1,220)**	**–**	**(1)**	**(5,890)**	**(7,111)**
Fair value losses on investments in securities	**(22)**	**–**	**–**	**–**	**(22)**
Gain on disposal of subsidiaries	**–**	**–**	**–**	**12**	**12**
Interest income (including revenue and other operating income)	**4,498**	**340,343**	**63**	**–**	**344,904**
Impairment loss on accounts receivable	**–**	**(20,085)**	**–**	**–**	**(20,085)**
Loss on redemptions of convertible bonds	**–**	**–**	**–**	**(38,867)**	**(38,867)**
Finance costs	**(274)**	**–**	**–**	**(96,757)**	**(97,031)**
Commission expenses	**(8,851)**	**–**	**(609)**	**–**	**(9,460)**
Write off of property and equipment	**(15)**	**–**	**–**	**–**	**(15)**

For the year ended 31 March 2018

	Broking *HK$'000*	Securities margin financing *HK$'000*	Corporate finance *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment profit or segment assets:					
Additions of property and equipment	513	–	–	–	513
Amortisation of prepaid lease payment, and depreciation of property and equipment	(1,109)	–	–	(5,945)	(7,054)
Fair value losses on investments in securities	(35)	–	–	–	(35)
Gain on disposal of subsidiaries	20,000	–	–	–	20,000
Interest income (including revenue and other operating income)	1,436	334,806	37	–	336,279
Finance costs	(1,311)	–	–	(59,094)	(60,405)
Commission expenses	(15,304)	–	–	–	(15,304)

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

Information about major customers

During the years ended 31 March 2019 and 2018, there were no customers contributing 10% or more of the Group's total revenue.

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

	2019	2018
	HK$'000	*HK$'000*
6a. Other operating income		
Bank interest income	**279**	1
Dividend income	**–**	9
Sundry income	**156**	88
	435	98

	2019	2018
	HK$'000	*HK$'000*
6b. Other gains and losses, net		
Loss on redemptions of convertible bonds	**(38,867)**	–
Gain on disposal of subsidiaries	**–**	20,000
Others	**570**	(116)
	(38,297)	19,884

7. STAFF COSTS

	2019	2018
	HK$'000	*HK$'000*
Staff costs including directors' emoluments:		
Salaries and other benefits	**18,200**	16,042
Retirement benefits scheme contributions	**711**	632
	18,911	16,674

8. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
Interest on bank borrowings	**127**	1,165
Interest on clients' accounts	**147**	146
Interest on convertible bonds	**96,675**	57,709
Interest on loan from the ultimate holding company	**82**	1,385
	97,031	60,405

9. PROFIT BEFORE TAXATION

	2019	2018
	HK$'000	*HK$'000*
This is stated after charging (crediting):		
Auditor's remuneration	**1,400**	1,375
Operating lease rentals in respect of rented premises	**1,235**	1,172
Write off of property and equipment	**15**	–
Management fee income from GN Holdings	**(2,520)**	(2,520)

10. TAXATION

	2019	2018
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**56,277**	63,649
Overprovision in prior years	**(164)**	(389)
Deferred taxation:		
Origination and reversal of temporary differences	**106**	–
	56,219	63,260

The two-tiered profits tax rates regime have been implemented from 1 April 2018, under which, the profit tax rate for the first HK$2,000,000 assessable profits arising from Hong Kong of qualifying entities will be taxed at 8.25%, and assessable profits arising from Hong Kong above HK$2,000,000 will continue be taxed at the rate of 16.5%. As only one of the subsidiaries in the Group is eligible to elect the two-tiered profits tax rates, profits of the remaining subsidiaries of the Group will continue to be taxed at a flat rate of 16.5%.

For the year ended 31 March 2019, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime. For the year ended 31 March 2018, Hong Kong Profits Tax has been provided at the rate of 16.5% on the Group's estimated assessable profits arising from Hong Kong.

11. DIVIDENDS

	2019	2018
	HK$'000	*HK$'000*
Final dividend for prior financial year, paid – HK3 cents (2018: HK 2 cents) per share	**75,000**	50,000
Interim dividend for current financial year, paid – HK3 cents (2018: HK 2.5 cents) per share	**75,000**	62,500
	150,000	112,500

A final dividend in respect of the year ended 31 March 2019 of HK4 cents (2018: HK 3 cents) per share, amounting to approximately HK$100,000,000 (2018: HK$75,000,000) has been proposed by the directors of the Company and is subject to the approval by the owners of the Company in the forthcoming annual general meeting.

12. EARNINGS PER SHARE

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

	2019	2018
	HK$'000	*HK$'000*
Earnings		
Profit for the year attributable to the owners of the Company for the purpose of basic and diluted earnings per share	**132,980**	276,937

	2019	2018
	'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 years ended 31 March 2019 and 2018, the computation of diluted earnings per share for the years ended 31 March 2019 and 2018 did not assume the exercise of certain convertible bonds since their assumed exercise would result in increase in earnings per share.

13. ACCOUNTS RECEIVABLE

	2019	2018
	HK$'000	*HK$'000*
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	**8,879**	23,460
– Margin clients:		
– Directors and their close family members	**167,189**	22,469
– Other margin clients	**3,565,374**	4,069,006
– Hong Kong Securities Clearing Company Limited	**–**	4,438
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	**3,390**	15,997
	3,744,832	4,135,370
Less: Loss allowances	**(37,411)**	(17,321)
	3,707,421	4,118,049

13. ACCOUNTS RECEIVABLE (CONTINUED)

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

Included in the accounts receivable from cash clients are debtors with a carrying amount of HK$154,000 (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 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:

	2019	2018
	HK$'000	*HK$'000*
0 – 30 days	**141**	1,586
31 – 60 days	**1**	–
Over 60 days	**12**	11
	154	1,597

The accounts receivable from cash clients with a carrying amount of HK$8,725,000 (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$13,791,493,000 (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 subsequent to settlement date and carry interest typically at Hong Kong prime rate + 2% to 5.13% per annum as at 31 March 2019 (2018: Hong Kong prime rate + 2% to 4.45% per annum). Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collateral are required if the outstanding amount exceeds the eligible margin value of securities deposited. The collateral held can be repledged and can be sold at the Group's discretion to settle any outstanding amount owed by margin clients.

13. ACCOUNTS RECEIVABLE (CONTINUED)

The Group has concentration of credit risk as 44% (2018: 44%) of the total loans to securities margin clients was due from the Group's ten largest securities 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.

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

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

The Group has established a margin client credit risk classification system and performs credit risk management based on margin client classification in one of three categories of internal credit rating. The information about the ECL for the accounts receivable from margin clients at 31 March 2019 is summarised below.

Internal credit rating	**Basis of ECL**	**Gross carrying amount** *HK$'000*	**Loss allowance** *HK$'000*
Performing	12-month	3,647,664	17,702
Underperforming	Lifetime	53,167	3,795
Not performing	Lifetime	31,732	15,914
		3,732,563	37,411

At 31 March 2018, included in the Group's accounts receivable are margin loans with an aggregate outstanding balance of approximately HK$37,108,000 which are not fully secured. The Group has no significant concentration of credit risk on these loans, with exposure spread over a number of clients, and which are closely monitored by the Group. The Group held collateral of listed equity securities with a fair value of approximately HK$13,731,000 at the end of the reporting period in respect of these loans. Loss allowance of approximately HK$17,321,000 has been made for the shortfall portion of those margin loans amounted to approximately HK$23,377,000. No further impairment allowance is considered necessary for the remaining margin loans based on the Group's evaluation of their collectability after considering, among others, repayment subsequent to the reporting period.

13. ACCOUNTS RECEIVABLE (CONTINUED)

At 31 March 2019, the Group recognised loss allowance of approximately HK$37,411,000 (2018: HK$17,321,000) on its accounts receivable from margin clients. The movement in the loss allowance for accounts receivable from margin clients during the year is summarised below. The comparative amounts represent the loss allowance for impairment losses recognised under HKAS 39.

The movement of the loss allowance, by measurement basis of ECL, is as follows:

	2019					2018
	12-month ECL	Lifetime ECL			**Under**	Under
	Performing	Underperforming	Not performing	Under HKAS 39	**HKFRS 9 Total**	HKAS 39 Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***	*HK$'000*
At the beginning of the reporting period, as previously reported	–	–	–	17,321	**17,321**	17,321
Effect of adoption of HKFRSs 9						
– Derecognition of provision under HKAS 39	–	–	–	(17,321)	**(17,321)**	–
– Increase in allowance	15,902	2,243	20	–	**18,165**	–
Loss allowance under HKFRS 9	15,902	2,243	20	–	**18,165**	–
At the beginning of the reporting period, as restated	15,902	2,243	20	–	**18,165**	17,321
Increase in allowance	1,800	1,552	16,733	–	**20,085**	–
Amount written off	–	–	(839)	–	**(839)**	–
At the end of the reporting period	17,702	3,795	15,914	–	**37,411**	17,321

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

(i) Increase in loss given default rate due to the increased in shortfall portion of margin loans which are not fully secured amounted to approximately HK$34,553,000 (2018: HK$23,377,000); and

(ii) Additional loss allowance of approximately HK$15,838,000 as a result of difficulties on repayment by accounts receivable from margin clients.

The Group has collateral amounted to approximately HK$3,642,000 in respect of the credit-impaired accounts receivable from margin clients.

14. ACCOUNTS PAYABLE

	2019	2018
	HK$'000	*HK$'000*
Accounts payable arising from the business of dealing in securities:		
– Cash clients	**119,718**	148,234
– Margin clients	**1,041,015**	315,238
– Hong Kong Securities Clearing Company Limited	**25,586**	–
Accounts payable to clients arising from the business of dealing in futures contracts	**9,884**	18,992
	1,196,203	482,464

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

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

Amounts due to securities margin clients and futures clients are repayable on demand and carry interest at 0.25% (2018: 0.25%) per annum.

Included in accounts payable to margin clients arising from the business of dealing in securities are amounts due to directors of the Company, their close family members and controlling entity of HK$1,000 (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 (the "HKFE"). The excesses of the outstanding amounts over the required initial margin deposits stipulated by the HKFE are repayable to clients on demand.

15. LIABILITY COMPONENT OF CONVERTIBLE BONDS

On 1 September 2017 (the "Bond Issue Date"), the Company issued convertible bonds, with coupon interest rate of 2% per annum, in the principal amount of HK$525,000,000 ("Convertible Bonds") to not less than six independent placees who were professional, institutional or private investors and whose ultimate beneficial owners were independent third parties. The coupon interest is accrued at the outstanding principal amount of Convertible Bonds and shall only be payable by the Company to the bondholders once every six months from the Bond Issue Date if Convertible Bonds are neither converted during the conversion period nor redeemed prior to 1 September 2019 (the "Bond Maturity Date"). Convertible Bonds can be converted into maximum 500,000,000 ordinary shares of the Company at a conversion price of HK$1.05 per share. The conversion period commenced from the Bond Issue Date up to and including the date falling on the seventh day immediately prior to the Bond Maturity Date.

15. LIABILITY COMPONENT OF CONVERTIBLE BONDS (CONTINUED)

At initial recognition, Convertible Bonds were separated into a liability component and an equity component representing the conversion options of the bondholders. The fair value of the liability component and the value of the equity conversion component were determined at the Bond Issue Date. The fair value of the liability component was calculated using a market interest rate of 5.94% per annum for instruments without a conversion option of comparable credit status which is referenced to professional valuation conducted by an independent professionally qualified valuer. The residual amount, representing the value of the equity conversion component, has been included in the convertible bonds reserve.

As the fair value of Convertible Bonds was determined using valuation models for which involved unobservable inputs, the day-one loss, which represented difference between the nominal value and the fair value of Convertible Bonds at the Bond Issue Date, was not recognised in profit or loss immediately but was deferred.

The carrying value of the liability component and the equity conversion component of Convertible Bonds is net of the deferred day-one loss which is allocated to the liability component and the equity conversion component on the same allocation basis of the allocation of the fair value of Convertible Bonds. The deferred day-one loss in the liability components is amortised over the term of Convertible Bonds on the basis similar with the effective interest method and included in "Interest on convertible bonds" in profit or loss and the deferred day-one loss in the equity conversion component will be accounted for in the same basis as the equity conversion component.

The effective interest rate of the liability component of Convertible Bonds on initial recognition, which excluded the impact of the deferred day-one loss, is 7.43% per annum and is subsequently carried at amortised cost.

During the year ended 31 March 2019, Convertible Bonds held by four bondholders of principal amount of HK$262,500,000 were redeemed by the Company at the redemption price of HK$262,500,000. The redemption price was allocated to the liability component and the equity component on the same basis as used in the allocation of the fair value of Convertible Bonds at initial recognition. At the date of redemption, the difference between the redemption price allocated to the liability component and the carrying amount of the liability component amounted to approximately HK$38,867,000 was recognised as loss in profit or loss and the residual amount of the redemption price of approximately HK$17,811,000 was recognised in equity. Upon the redemption of Convertible Bonds, the remaining amount of the convertible bond reserve attributable to the redeemed Convertible Bonds of approximately HK$88,499,000 was transferred to retained profits.

No Convertible Bonds were converted into ordinary shares of the Company up to 31 March 2019.

15. LIABILITY COMPONENT OF CONVERTIBLE BONDS (CONTINUED)

The Convertible Bonds recognised at the end of the reporting period are calculated as follows:

	Gross Amount *HK$'000*	Deferred day-one loss *HK$'000*	Net Amount *HK$'000*
Liability component			
Fair value of liability component at the Bond Issue Date	480,615	(173,694)	306,921
Allocated issue costs	(7,665)	–	(7,665)
	472,950	(173,694)	299,256
Interest expenses for the period:			
Imputed interest expenses	17,040	–	17,040
Amortisation of deferred day one loss	–	40,669	40,669
	17,040	40,669	57,709
Coupon interest paid/accrued	(6,125)	–	(6,125)
At 31 March 2018 and 1 April 2018	483,865	(133,025)	350,840
Interest expenses for the year:			
Imputed interested expenses	31,934	–	31,934
Amortisation of deferred day one loss	–	64,741	64,741
	31,934	64,741	96,675
Coupon interest paid/accrued	(8,169)	–	(8,169)
Redemption of Convertible Bonds	(250,837)	45,015	(205,822)
	(259,006)	45,015	(213,991)
At 31 March 2019	256,793	(23,269)	233,524
Equity component			
Nominal value of Convertible Bonds	822,421	(297,421)	525,000
Fair value of liability component at the Bond Issue Date	(480,615)	173,694	(306,921)
Allocated issue costs	(5,460)	–	(5,460)
Equity component at the Bond Issue Date, 31 March 2018 and 1 April 2018	336,346	(123,727)	212,619
Redemption of Convertible Bonds	(168,173)	61,863	(106,310)
At 31 March 2019	168,173	(61,864)	106,309

FINAL DIVIDEND

The Directors recommended a final dividend of HK4 cents per share, together with the interim dividend paid during the year, amounting to total dividends of HK7 cents per share for this financial year.

The final dividend will be payable on or about 10 September 2019 to shareholders of the Company whose names appear on the register of members of the Company on 3 September 2019.

CLOSURE OF REGISTER OF MEMBERS

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

For attendance to 2019 Annual General Meeting	:	16 August 2019 – 21 August 2019, both dates inclusive
For entitlement to final dividend	:	2 September 2019 – 3 September 2019, both dates inclusive (Record date being 3 September 2019)

In order to qualify for attendance to the Company's 2019 Annual General Meeting which is scheduled to be held on 21 August 2019, Wednesday and/or entitlement to the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on the following dates:

Events		**Last date of lodgment of transfer documents**
For attendance to 2019 Annual General Meeting	:	15 August 2019, Thursday
For entitlement to final dividend	:	30 August 2019, Friday

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the year ended 31 March 2019, the Group's revenue amounted to approximately HK$401.6 million, representing a decrease of 8.7% as compared with approximately HK$440.1 million reported in the last corresponding financial year. The slight decrease in revenue was mainly attributable to the decrease in brokerage commission with less turnover during the year. Operating expenses such as commission expenses and settlement expenses were generally in line with the revenue.

Profit for the year attributable to owners of the Company was approximately HK$133.0 million (2018: HK$276.9 million). The decrease in profit was mainly attributable to the decrease in revenue, increase in finance costs, loss on redemptions of convertible bonds and recognition of impairment loss on loans to securities margin clients during the current year. The Group recorded imputed interest expenses arising from convertible bonds issued in September 2017 of HK$96.7 million during the current year (2018: HK$57.7 million). Loss on redemptions of HK$38.9 million (2018: HK$Nil) were recorded upon redemptions of convertible bonds of total principal amounts of HK$262.5 million during the year. The Group recorded impairment losses on loans to securities margin clients of HK$20.1 million (2018: HK$Nil) in current year and there were one-off gains on disposal of two subsidiaries of HK$20 million recorded in prior year.

Basic earnings per share for the year were HK5 cents (2018: HK11 cents) as a result of decrease in profit during the year.

REVIEW AND OUTLOOK

Market Review

During the current financial year, the Hong Kong stock market experienced a roller coaster ride. The market had a bullish beginning of the year 2018; Hang Seng Index once soared to a record high of 33,484 points on 29 January 2018 and then closed at 30,093 points on 31 March 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 period from the third quarter of 2018 to the first quarter of 2019, 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 year.

In light of the global economic headwinds, the Hang Seng Index closed at 29,051 point at the end of March 2019 compared with 30,093 point at the end of March 2018. The average daily turnover on the Main Board and GEM during the year ended 31 March 2019 was approximately HK$96.4 billion, a decrease of 9.2% as compared with approximately HK$106.2 billion for the prior financial year.

Business review

Broking and securities margin financing

During the year ended 31 March 2019, the broking business posted a profit of approximately HK$17.7 million (2018: HK$71.6 million). The operating result of the broking business decreased by 75.3% as a result of the decrease in our broking turnover and number of sizeable corporate finance transactions during current year and also the one-off gains on disposal of two subsidiaries engaged in broking business of HK$20 million recorded in prior year. The decrease in broking turnover was affected by the volatile local stock market and negative global investment atmosphere. Revenue from broking for the year decreased by 43% to approximately HK$59.2 million (2018: HK$103.9 million) as compared with last financial year, of which approximately HK$12.7 million (2018: HK$30.3 million) was contributed by the underwriting, placing and proof of funds business. The decrease in these fee incomes was due to the decrease in number of deals as a result of the less active capital market during the current year.

Securities margin financing remained to be the Group's major revenue contributor for the year. During the year, total interest income from securities margin financing went up by 1.6% to approximately HK$340.3 million (2018: HK$334.8 million) with the increase in average level of securities margin lending during the year. Total outstanding loan of securities margin financing as at 31 March 2019 amounted to approximately HK$3,732.6 million (as at 31 March 2018: HK$4,091.5 million). Impairment loss on margin clients receivable of HK$20.1 million was charged during the current year (2018: HK$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 year ended 31 March 2019, it completed 5 financial advisory transactions (2018: 6). The operation reported a segment profit of approximately HK$1.5 million for the year (2018: HK$1.4 million).

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.

FINANCIAL REVIEW

Financial Resources and Gearing Ratio

Equity attributable to owners of the Company amounted to approximately HK$3,965.8 million as at 31 March 2019 (2018: HK$3,999.2 million), representing a decrease of approximately HK$33.4 million or 0.8% over that of last financial year end. The decrease was mainly attributable to the profit for the year net of dividend distributed, and the net effect of the decrease in equity component of convertible bonds and increase in retained earning upon redemptions of convertible bonds during the year.

As at 31 March 2019, the Group's net current assets amounted to HK$3,845.6 million (2018: HK$4,222.2 million), and its liquidity as represented by current ratio (current assets/current liabilities) was 3.67 times (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 31 March 2019.

Bank balances and cash on hand amounted to HK$422.9 million (2018: HK$236.4 million). The increase in bank balances and cash on hand was mainly due to the decrease in accounts receivable of approximately HK$410.6 million, net of the cash outflows in respect of the redemptions of convertible bonds of HK$262.5 million.

The Group had no bank borrowings as at 31 March 2019 (2018: HK$60 million) and its unutilised banking facilities as at the end of the year were approximately HK$905 million (2018: HK$650 million), which were mainly secured by charges over the Group's clients' pledged securities, a property owned by a subsidiary of the Group and corporate guarantees issued by the Company. The liability component of convertible bonds issued by the Company amounted to HK$233.5 million as at 31 March 2019 (2018: HK$350.8 million). The decrease in the liability component of convertible bonds was mainly due to the redemptions of convertible bonds during the year. The Group's gearing ratio (total borrowing over equity attributable to owners of the Company) as at 31 March 2019 was 0.06 (2018: 0.1).

The number of issued shares of Company amounted to 2,500,000,000 shares as at 31 March 2019 (2018: 2,500,000,000 shares).

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

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

Charges on Group Assets

As at 31 March 2019, leasehold land and building of the Group with a carrying amount of HK$105.5 million (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 completed during the year ended 31 March 2019.

Employee Information

As at 31 March 2019, the Group had 59 (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 year was HK$18.9 million (2018: HK$16.7 million). The Group provides employee benefits including mandatory provident fund, discretionary share options and performance bonus to its staff.

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

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

CORPORATE GOVERNANCE CODE

During the year, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code 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 Group's financial statements for the year ended 31 March 2019, including the accounting principles and practices adopted by the Group.

SCOPE OF WORK OF MAZARS CPA LIMITED

The figures in respect of the Company's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2019 as set out in the preliminary announcement have been agreed by the Company's auditors, Mazars CPA Limited, to the amounts set out in the Company's audited consolidated financial statements for the year. The work performed by Mazars CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars CPA Limited on the preliminary announcement.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange at http://www.hkexnews.hk under "Latest Listed Company Information" and the Company at http://www.getnicefg.com.hk. The 2019 Annual Report of the Company containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange at http://www.hkexnews.hk under "Latest Listed Company Information" and the Company at http://www.getnicefg.com.hk in due course.

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

Hong Kong, 26 June 2019

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