

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

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 2019 together with comparative figures for the last corresponding period. The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2019 have been reviewed by the Company’s audit committee.

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

		<b>Unaudited Six months ended 30 September</b>	
		<b>2019</b>	<b>2018</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>	4	<b>191,701</b>	206,841
Other operating income		<b>322</b>	448
Other gains and losses		<b>87</b>	(31,728)
Amortisation and depreciation		<b>(3,470)</b>	(3,471)
Commission expenses		<b>(4,166)</b>	(5,490)
Net impairment loss on accounts receivable		<b>(55,432)</b>	(5,719)
Staff costs		<b>(10,042)</b>	(9,254)
Finance costs		<b>(31,933)</b>	(56,120)
Other operating expenses		<b>(10,535)</b>	(11,851)
		<hr/>	<hr/>
<b>Profit before taxation</b>		<b>76,532</b>	83,656
Income tax expense	5	<b>(17,506)</b>	(28,891)
		<hr/>	<hr/>
<b>Profit for the period</b>		<b>59,026</b>	54,765

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2019</b>	<b>2018</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Other comprehensive income (expenses)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Surplus on revaluation of properties		<b>1,068</b>	1,885
Deferred tax arising on revaluation of properties		<b>(176)</b>	(311)
		<u>892</u>	<u>1,574</u>
<b>Total other comprehensive income for the period</b>		<b>892</b>	1,574
		<u>59,918</u>	<u>56,339</u>
<b>Total comprehensive income for the period</b>		<b>59,918</b>	56,339
<b>Profit for the period attributable to:</b>			
Owners of the Company		<b>58,957</b>	54,765
Non-controlling interests		<b>69</b>	–
		<u>59,026</u>	<u>54,765</u>
		<u>59,918</u>	<u>56,339</u>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		<b>59,849</b>	56,339
Non-controlling interests		<b>69</b>	–
		<u>59,918</u>	<u>56,339</u>
		<u>59,918</u>	<u>56,339</u>
Dividends	6	<b>175,000</b>	150,000
		<u>175,000</u>	<u>150,000</u>
<b>Earnings per share</b>	7		
Basic and diluted		<b>2.4 (HK cents)</b>	2.2 (HK cents)
		<u>2.4 (HK cents)</u>	<u>2.2 (HK cents)</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited At 30 September 2019 <i>HK\$'000</i>	Audited At 31 March 2019 <i>HK\$'000</i>
<b>Non-current assets</b>			
Prepaid lease payments and property and equipment		<b>109,726</b>	112,073
Intangible assets		<b>8,413</b>	8,413
Other assets		<b>5,534</b>	3,297
Deferred tax assets		<b>259</b>	259
		<b>123,932</b>	124,042
<b>Current assets</b>			
Accounts receivable	8	<b>4,162,498</b>	3,707,421
Prepayments, deposits and other receivables		<b>2,710</b>	2,927
Tax recoverable		<b>400</b>	7,349
Investments in securities		<b>134</b>	170
Bank balances – client accounts		<b>796,312</b>	1,143,120
Bank balances – general accounts and cash		<b>226,067</b>	422,942
		<b>5,188,121</b>	5,283,929

		<b>Unaudited</b>	Audited
		<b>At</b>	At
		<b>30 September</b>	31 March
		<b>2019</b>	2019
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Current liabilities</b>			
Accounts payable	9	<b>914,413</b>	1,196,203
Accrued charges and other payables		<b>7,190</b>	8,443
Loan from ultimate holding company		<b>200,000</b>	–
Tax payable		<b>10,720</b>	164
Bank borrowings		<b>250,000</b>	–
Liability component of convertible bonds	10	<b>–</b>	233,524
		<u><b>1,382,323</b></u>	<u>1,438,334</u>
<b>Net current assets</b>		<u><b>3,805,798</b></u>	<u>3,845,595</u>
<b>Total assets less current liabilities</b>		<u><b>3,929,730</b></u>	<u>3,969,637</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		<u><b>3,881</b></u>	<u>3,706</u>
<b>Net assets</b>		<u><b>3,925,849</b></u>	<u>3,965,931</u>
<b>Capital and reserves</b>			
Share capital	11	<b>25,000</b>	25,000
Reserves		<u><b>3,900,676</b></u>	<u>3,940,827</u>
<b>Equity attributable to owners of the Company</b>		<u><b>3,925,676</b></u>	<u>3,965,827</u>
<b>Non-controlling interests</b>		<u><b>173</b></u>	<u>104</u>
<b>Total Equity</b>		<u><b>3,925,849</b></u>	<u>3,965,931</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2019*

## 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 P.O. Box 10008, Willow House, Cricket Square, Grand Cayman, KYI-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 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 2019 are the same as those followed in the preparation of the Group’s audited consolidated financial statements for the year ended 31 March 2019.

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 16	Leases
HK(IFRIC)-Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Annual improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

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

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

#### **4. SEGMENT INFORMATION**

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

*For the six months ended 30 September 2019*

	<b>Broking</b>	<b>Securities margin financing</b>	<b>Corporate finance</b>	<b>Consolidated</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue	<u>21,165</u>	<u>170,329</u>	<u>207</u>	<u>191,701</u>
Segment result	<u>(100)</u>	<u>114,897</u>	<u>155</u>	<u>114,952</u>
Unallocated corporate expenses				(6,701)
Unallocated finance costs				<u>(31,719)</u>
Profit before taxation				<u>76,532</u>

For the six months ended 30 September 2018

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

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

*As at 30 September 2019*

*Unaudited*

	Broking <i>HK\$'000</i>	Securities margin financing <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment assets	<u>331,624</u>	<u>4,850,533</u>	<u>9,924</u>	5,192,081
Unallocated assets				<u>119,972</u>
Consolidated assets				<u>5,312,053</u>
Segment liabilities	<u>374,234</u>	<u>804,796</u>	<u>141</u>	1,179,171
Unallocated liabilities				<u>207,033</u>
Consolidated liabilities				<u>1,386,204</u>

As at 31 March 2019

Audited

	Broking <i>HK\$'000</i>	Securities margin financing <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment assets	<u>538,300</u>	<u>4,732,833</u>	<u>9,732</u>	5,280,865
Unallocated assets				<u>127,106</u>
Consolidated assets				<u>5,407,971</u>
Segment liabilities	<u>159,828</u>	<u>1,041,015</u>	<u>146</u>	1,200,989
Unallocated liabilities				<u>241,051</u>
Consolidated liabilities				<u>1,442,040</u>

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	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax:		
Hong Kong	<u>17,506</u>	<u>28,891</u>

The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rate regime. For this subsidiary, the first HK\$2 million assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% for both periods.

## 6. DIVIDENDS

	Six months ended 30 September	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Final dividend paid	<u>100,000</u>	75,000
Proposed interim dividend of HK3.0 cents (2018: HK3.0 cents) per share	<u>75,000</u>	<u>75,000</u>
	<u>175,000</u>	<u>150,000</u>



On 10 September 2019, a dividend of HK4.0 cents per share was paid to shareholders as the final dividend for the year ended 31 March 2019.

At a meeting held on 27 November 2019, the Directors recommended an interim dividend of HK3.0 cents per share for the six months ended 30 September 2019 to the shareholders whose names appear in the register of members on 19 December 2019. 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 2020.

## 7. EARNINGS PER SHARE

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2019</b>	2018
	<b>HK\$'000</b>	HK\$'000
<b>Earnings</b>		
Earnings for the purpose of basic and diluted earnings per share		
Profit for the period attributable to equity shareholders of the Company	<u><b>58,957</b></u>	<u>54,765</u>
	<b>2019</b>	2018
	<b>'000</b>	'000
<b>Number of shares</b>		
Weighted average number of ordinary shares		
for the purpose of basic and diluted earnings per share	<u><b>2,500,000</b></u>	<u>2,500,000</u>

Diluted earnings per share is the same as the basic earnings per share for the period ended 30 September 2019 because there were no potential dilutive ordinary shares outstanding.

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 2019 <i>HK\$'000</i>	At 31 March 2019 <i>HK\$'000</i>
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	4,671	8,879
– Margin clients:		
– Directors and their close family members	225,848	167,189
– Other margin clients	4,018,535	3,565,374
– Hong Kong Securities Clearing Company Limited	537	–
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	<u>5,450</u>	<u>3,390</u>
	4,255,041	3,744,832
Less: Loss allowance	<u>(92,543)</u>	<u>(37,411)</u>
	<u><u>4,162,498</u></u>	<u><u>3,707,421</u></u>

The normal settlement terms of accounts receivable from cash clients and securities clearing house are two days after trade date while accounts receivable from futures clearing house is one day after trade date.

Included in the accounts receivable from cash clients are debtors with a carrying amount of HK\$207,000 (31 March 2019: HK\$154,000) 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 2019 <i>HK\$'000</i>	At 31 March 2019 <i>HK\$'000</i>
0 – 30 days	171	141
31 – 60 days	9	1
Over 60 days	<u>27</u>	<u>12</u>
	<u><u>207</u></u>	<u><u>154</u></u>

The accounts receivable from cash clients with a carrying amount of HK\$4,464,000 (31 March 2019: HK\$8,725,000) 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\$12,076,406,000 (31 March 2019: HK\$13,791,493,000). 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 5.13% per annum (31 March 2019: Hong Kong prime rate plus 2% to 5.13% 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.

## 9. ACCOUNTS PAYABLE

	At 30 September 2019 <i>HK\$'000</i>	At 31 March 2019 <i>HK\$'000</i>
Accounts payable arising from the business of dealing in securities:		
– Cash clients	96,542	119,718
– Margin clients	804,859	1,041,015
– Hong Kong Securities Clearing Company Limited	–	25,586
Accounts payable to clients arising from the business of dealing in futures contracts	<u>13,012</u>	<u>9,884</u>
	<u><b>914,413</b></u>	<u><b>1,196,203</b></u>

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

Amounts due to securities margin clients are repayable on demand and carry interest at 0.25% (2018: 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\$365,000 (31 March 2019: HK\$1,000).

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 2019, all remaining Convertible Bonds of principal amount HK\$262,500,000 were redeemed due to maturity. No Convertible Bonds were converted into ordinary shares of the Company up to the maturity date.

During the period ended 30 September 2018, Convertible Bonds of principal amount HK\$168,000,000 were redeemed by the Company.

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 31 March 2019, the carrying values of the debt component and equity component of the Convertible Bonds are HK\$233,524,000 and HK\$106,309,000, respectively.

## 11. SHARE CAPITAL

	<b>Number of ordinary shares of HK\$0.01 each</b>	<b>Nominal value HK\$'000</b>
Authorised:		
At 1 April 2018, 31 March 2019 and 30 September 2019	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 1 April 2018, 31 March 2019 and 30 September 2019	<u>2,500,000,000</u>	<u>25,000</u>

## **INTERIM DIVIDEND**

The Directors have declared an interim dividend of HK3.0 cents per share for the six months ended 30 September 2019. The interim dividend will be payable on or about 27 December 2019 to those shareholders whose names appear on the register of members on 19 December 2019.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 18 December 2019 to 19 December 2019, both dates inclusive (record date being 19 December 2019), during which period no transfer of shares of the Company will be registered.

In order to qualify for entitlement to the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 17 December 2019.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OVERVIEW**

For the period ended 30 September 2019, the Group's revenue amounted to approximately HK\$191.7 million, representing an decrease of 7.3% as compared with approximately HK\$206.8 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\$59.0 million (2018: HK\$54.8 million). The increase in profit was mainly attributable to the decrease in finance costs during the current period and the loss on redemption of convertible bonds recorded in prior period. The Group recorded imputed interest expenses arising from convertible bonds issued in September 2017 of HK\$31 million during current period (2018: HK\$56 million). Net impairment loss on accounts receivable HK\$55.4 million (2018: HK\$5.7 million) was recorded during the period.

Earnings per share increased to HK2.4 cents (2018: HK2.2 cents) as a result of increase in profit for the period.

## REVIEW AND OUTLOOK

### *Market Review*

During the first three quarters of 2019, the Hong Kong stock market experienced a roller coaster ride. In the first quarter, the stock market recorded a considerable increase, reflecting investors' optimism about the stock market. However, investors are still worried about the global economy. In the second quarter of 2019, US-China trade negotiations were deadlocked. Investors expected the US and China to adopt a more forward-looking approach to the trade war, leading to the drop of Hong Kong stock market. Since the third quarter of 2019, the stock market has continued to be weak.

In the third quarter of 2019, US-China trade war was heating up and the recent political events in Hong Kong have destroyed investors' confidence in the stock market. The trade restrictive measures imposed by the two countries on each other were escalated, causing economic losses to the economic systems of the two countries, while at the same time increasing the trade costs and markets uncertainty globally. The stock prices of listed companies in China and Hong Kong drop due to the trade war between China and the US. Affected by the US-China trade war, the exchange rate of the renminbi continued to be weak, which caused the further decline of the Hong Kong stock market. On the other hand, the market's concern about the slowdown of China's economic activity has deepened the pessimism mood of the investment market. Due to the continued trade conflicts with the US and weak domestic demand, China's economic growth has slowed to its lowest level in recent years.

In light of the global economic headwinds, the Hang Seng Index closed at 26,092 point at the end of September 2019 compared with 29,051 point at the end of March 2019. The average daily turnover on the Main Board and GEM during the six months period ended 30 September 2019 was approximately HK\$42.9 billion, a decrease of 56.8% as compared with approximately HK\$99.2 billion for the prior financial period.

## ***Business Review***

### *Broking and securities margin financing*

During the period ended 30 September 2019, the broking business posted a loss of approximately HK\$0.1 million (2018: profit of HK\$7.1 million). The operating result of the broking business decreased by 101.4% as a result of the decrease in our broking turnover and number of sizeable corporate finance transactions during current 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 34.8% to approximately HK\$21.2 million (2018: HK\$32.5 million) as compared with last financial period, of which approximately HK\$2.6 million (2018: HK\$6.1 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 down by 1.6% to approximately HK\$170.3 million (2018: HK\$173.0 million) with the decrease in average level of securities margin lending during the period. Total outstanding loan of securities margin financing as at 30 September 2019 amounted to approximately HK\$4,244.4 million (as at 31 March 2019: HK\$3,732.6 million). Impairment loss on margin clients receivable of HK\$55.1 million was charged during the current period (2018: HK\$5.7). 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 2019, it completed 1 financial advisory transaction (2018: 3). The operation reported a profit of approximately HK\$0.2 million for the period (2018: HK\$1.2 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. On the other hand, the recent political events in Hong Kong have brought haze to both stock market and property market in Hong Kong. In the foreseeable future, the prospect of the Hong Kong markets is still uncertain.

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\$3,925.8 million as at 30 September 2019 (as at 31 March 2019: HK\$3,965.9 million), representing a decrease of approximately HK\$40.1 million or 1.0% over that of last financial year end. The decrease was mainly attributable to the profit for the period net of dividend payment during the period.

As at 30 September 2019, the Group's net current assets amounted to HK\$3,805.8 million (as at 31 March 2019: HK\$3,845.6 million), and its liquidity as represented by current ratio (current assets/current liabilities) was 3.75 times (as at 31 March 2019: 3.67 times). Bank balances and cash on hand amounted to HK\$226.1 million (as at 31 March 2019: HK\$422.9 million). The decrease in bank balances and cash on hand was mainly due to the increase in accounts receivable of HK\$455 million, net of the cash outflow in respect of the redemption of convertible bonds of HK\$262.5 million. Bank borrowings were HK\$250 million as at 30 September 2019 (as at 31 March 2019: HK\$Nil) and unutilised banking facilities as at the end of the period were approximately HK\$655 million (as at 31 March 2019: HK\$905 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. Loan from ultimate holding company was HK\$200 million as at 30 September 2019 (as at 31 March 2019: HK\$Nil), which was unsecured and interest charged on 2% per annum.

As at 30 September 2019, there was no debt component of convertible bonds issued by the Group (as at 31 March 2019: HK\$233.5 million) and the Group's gearing ratio (total borrowing over equity attributable to owners of the Company) as at 30 September 2019 was 0.11 times (as at 31 March 2019: 0.06 times). The increase of gearing ratio has mainly due to the increase in the bank borrowings and loan from ultimate holding company, net of the decrease of debt component of convertible bonds issued by the Group.

The number of issued shares of Company amounted to 2,500,000,000 shares as at 30 September 2019 (as at 31 March 2019: 2,500,000,000 shares).

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

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

### ***Charges on Group Assets***

As at 30 September 2019, leasehold land and building of the Group with a carrying amount of HK\$104.7 million (as at 31 March 2019: HK\$105.5 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 2019.

### ***Employee Information***

As at 30 September 2019, the Group had 61 (as at 31 March 2019: 59) full time employees. The Group's employees were remunerated according to their performance, working experience and market conditions. The total amount of remuneration cost of employees of the Group for the period was HK\$10.0 million (2018: HK\$9.3 million). The Group provides employee benefits including mandatory provident fund, discretionary share options and performance bonus to its staff.

### **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 2019.

### **CORPORATE GOVERNANCE CODE**

During the period ended 30 September 2019, 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 2019 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.

## **PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT**

This results announcement is published on the websites of the Stock Exchange at <http://www.hkexnews.hk> under “Listed Company Information” and the Company at <http://www.getnicefg.com.hk>. The 2019 Interim 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 “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, 27 November 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.*