



Get Nice Financial Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code : 1469

The background is a collage of circular images. The top-left circle shows a blue-toned stock market chart with white and red lines and numerical data points: 9.334, 4.25647, 7.2235, and 15.8631. The bottom-left circle shows a blurred cityscape at night with lights. The bottom-right circle shows a person in a suit holding a tablet. The right side of the collage features a large circle with a grid pattern and silhouettes of people in a meeting. The central white circle contains the text 'Interim Report 2020'.

Interim Report 2020

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 2020 together with comparative figures for the last corresponding period. The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2020 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	
		2020	2019
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	185,537	191,701
Other operating income		1,783	322
Other gains and losses		(1,391)	87
Amortisation and depreciation		(2,441)	(3,470)
Commission expenses		(4,404)	(4,166)
Net impairment loss on accounts receivable		(75,124)	(55,432)
Staff costs		(9,946)	(10,042)
Finance costs		(874)	(31,933)
Other operating expenses		(9,874)	(10,535)
Profit before taxation		83,266	76,532
Income tax expense	5	(13,115)	(17,506)
Profit for the period		70,151	59,026

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (Continued)**

		Unaudited	
		Six months ended	
		30 September	
		2020	2019
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Other comprehensive income (expenses)			
<i>Items that will not be reclassified to profit or loss</i>			
Surplus on revaluation of properties		18,353	1,068
Deferred tax arising on revaluation of properties		(3,028)	(176)
Total other comprehensive income for the period		<u>15,325</u>	<u>892</u>
Total comprehensive income for the period		<u>85,476</u>	<u>59,918</u>
Profit for the period attributable to:			
Owners of the Company		70,151	58,957
Non-controlling interests		–	69
		<u>70,151</u>	<u>59,026</u>
Total comprehensive income for the period attributable to:			
Owners of the Company		85,476	59,849
Non-controlling interests		–	69
		<u>85,476</u>	<u>59,918</u>
Dividends	6	<u>125,000</u>	<u>175,000</u>
Earnings per share	7		
Basic and diluted		<u>2.8 (HK cents)</u>	<u>2.4 (HK cents)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited At 30 September 2020 HK\$'000	Audited At 31 March 2020 HK\$'000
	<i>Notes</i>		
Non-current assets			
Property and equipment		124,396	105,651
Intangible assets		9,118	8,413
Other assets		5,724	4,172
Deposit paid for acquisition of a subsidiary		–	6,200
Financial assets at fair value through profit or loss		2,001	–
Deferred tax assets		259	259
Goodwill		2,000	–
		<u>143,498</u>	<u>124,695</u>
Current assets			
Accounts receivable	8	4,133,324	3,564,867
Prepayments, deposits and other receivables		2,523	2,145
Tax recoverable		8,205	21,320
Investments in securities		95	104
Bank balances – client accounts		499,169	445,239
Bank balances – general accounts and cash		410,690	260,910
		<u>5,054,006</u>	<u>4,294,585</u>
Current liabilities			
Accounts payable	9	581,170	478,475
Accrued charges and other payables		5,788	5,374
Loan from ultimate holding company		170,000	–
Lease liabilities		1,151	–
Tax payable		823	–
Bank borrowings		463,623	–
		<u>1,222,555</u>	<u>483,849</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)

		Unaudited	Audited
		At	At
		30 September	31 March
		2020	2020
	<i>Notes</i>	HK\$'000	HK\$'000
Net current assets		3,831,451	3,810,736
Total assets less current liabilities		3,974,949	3,935,431
Non-current liabilities			
Lease liabilities		1,014	–
Deferred tax liabilities		6,986	3,958
		8,000	3,958
Net assets		3,966,949	3,931,473
Capital and reserves			
Share capital	10	25,000	25,000
Reserves		3,941,949	3,906,473
Equity attributable to owners of the Company		3,966,949	3,931,473
Total equity		3,966,949	3,931,473

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited						
	Six months ended 30 September 2020						
	Attributable to owners of the Company						
	Share capital	Share premium	Contributed surplus	Property revaluation reserve	Other reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as at 1 April 2020	25,000	375,407	1,486,951	18,405	159,933	1,865,777	3,931,473
Profit for the period	-	-	-	-	-	70,151	70,151
Other comprehensive income for the period							
<i>Items that will not be reclassified to profit or loss</i>							
Surplus on revaluation of properties	-	-	-	18,353	-	-	18,353
Deferred tax liability arising on revaluation of properties	-	-	-	(3,028)	-	-	(3,028)
Total other comprehensive income	-	-	-	15,325	-	-	15,325
Total comprehensive income for the period	-	-	-	15,325	-	70,151	85,476
Transactions with equity holders							
<i>Contributions and distributions</i>							
Dividend recognized as distribution	-	-	-	-	-	(50,000)	(50,000)
At 30 September 2020	25,000	375,407	1,486,951	33,730	159,933	1,885,928	3,966,949

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	Unaudited Six months ended 30 September 2019 Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Convertible bond 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 2019	25,000	375,407	1,486,951	106,309	17,475	159,933	1,794,752	3,965,827	104	3,965,931
Profit for the period	-	-	-	-	-	-	58,957	58,957	69	59,026
Other comprehensive income for the period										
<i>Items that will not be reclassified to profit or loss</i>										
Surplus on revaluation of properties	-	-	-	-	1,068	-	-	1,068	-	1,068
Deferred tax liability arising on revaluation of properties	-	-	-	-	(176)	-	-	(176)	-	(176)
Total other comprehensive income	-	-	-	-	892	-	-	892	-	892
Total comprehensive income for the period	-	-	-	-	892	-	58,957	59,849	69	59,918
Transactions with equity holders										
<i>Contributions and distributions</i>										
Dividend recognized as distribution	-	-	-	-	-	-	(100,000)	(100,000)	-	(100,000)
<i>Change in ownership interest</i>										
Redemption of convertible bonds upon maturity	-	-	-	(106,309)	-	-	106,309	-	-	-
	-	-	-	(106,309)	-	-	6,309	(100,000)	-	(100,000)
At 30 September 2019	25,000	375,407	1,486,951	-	18,367	159,933	1,860,018	3,925,676	173	3,925,849

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended	
	30 September	
	2020	2019
	HK\$'000	HK\$'000
Net cash used in operating activities	(385,938)	(280,923)
Net cash used in investing activities	(47,830)	(57)
Net cash from financing activities	583,548	84,105
Net increase (decrease) in cash and cash equivalents	149,780	(196,875)
Cash and cash equivalents at beginning of the period	260,910	422,942
Cash and cash equivalents at end of the period	410,690	226,067
Represented by:		
Bank balances – general accounts and cash	410,690	226,067

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

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 Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY-1103, 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 2020 are the same as those followed in the preparation of the Group’s audited consolidated financial statements for the year ended 31 March 2020.

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:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

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 2020

	Broking HK\$'000	Securities margin financing HK\$'000	Corporate finance HK\$'000	Consolidated HK\$'000
Segment revenue	31,110	153,567	860	185,537
Segment result	9,356	78,443	563	88,362
Unallocated corporate expenses				(4,869)
Unallocated finance costs				(227)
Profit before taxation				83,266

For the six months ended 30 September 2019

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

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 2020

Unaudited

	Broking HK\$'000	Securities margin financing HK\$'000	Corporate finance HK\$'000	Consolidated HK\$'000
Segment assets	<u>808,148</u>	<u>4,232,844</u>	<u>10,440</u>	5,051,432
Unallocated assets				<u>146,072</u>
Consolidated assets				<u>5,197,504</u>
Segment liabilities	<u>345,278</u>	<u>707,607</u>	<u>5</u>	1,052,890
Unallocated liabilities				<u>177,665</u>
Consolidated liabilities				<u>1,230,555</u>

4. SEGMENT INFORMATION (Continued)

As at 31 March 2020

Audited

	Broking HK\$'000	Securities margin financing HK\$'000	Corporate finance HK\$'000	Consolidated HK\$'000
Segment assets	399,702	3,893,585	9,820	4,303,107
Unallocated assets				116,173
Consolidated assets				4,419,280
Segment liabilities	131,178	351,749	10	482,937
Unallocated liabilities				4,870
Consolidated liabilities				487,807

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	
	2020 HK\$'000	2019 HK\$'000
Current tax:		
Hong Kong	13,115	17,506

The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods, except for one of the subsidiaries of the Group which is a qualifying corporation under the two-tiered profits tax rate regime. For this subsidiary, the first HK\$2,000,000 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	
	2020	2019
	HK\$'000	HK\$'000
Final dividend paid	50,000	100,000
Proposed interim dividend of HK3.0 cents (2019: HK3.0 cents) per share	75,000	75,000
	125,000	175,000

On 10 September 2020, a dividend of HK2.0 cents per share was paid to shareholders as the final dividend for the year ended 31 March 2020.

At a meeting held on 23 November 2020, the Directors recommended an interim dividend of HK3.0 cents per share for the six months ended 30 September 2020 to the shareholders whose names appear in the register of members on 22 December 2020. 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 2021.

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	
	2020	2019
	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	70,151	58,957

7. EARNINGS PER SHARE (Continued)

	2020 '000	2019 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>2,500,000</u>	<u>2,500,000</u>

Diluted earnings per share is the same as the basic earnings per share for the period ended 30 September 2020 because there were no potential dilutive ordinary shares outstanding.

8. ACCOUNTS RECEIVABLE

	At 30 September 2020 HK\$'000	At 31 March 2020 HK\$'000
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	67,641	8,240
– Margin clients:		
– Directors and their close family members	269,096	313,568
– Other margin clients	3,949,083	3,378,726
– Hong Kong Securities Clearing Company Limited	58,860	369
– Broker	2,399	–
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	<u>9,688</u>	<u>12,282</u>
	4,356,767	3,713,185
Less: Loss allowance	<u>(223,443)</u>	<u>(148,318)</u>
	<u>4,133,324</u>	<u>3,564,867</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.

8. ACCOUNTS RECEIVABLE (Continued)

Included in the accounts receivable from cash clients are debtors with a carrying amount of HK\$127,000 (31 March 2020: HK\$546,000) 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 2020 HK\$'000	At 31 March 2020 HK\$'000
0 – 30 days	125	438
31 – 60 days	–	1
Over 60 days	2	107
	<u>127</u>	<u>546</u>

The accounts receivable from cash clients with a carrying amount of HK\$67,514,000 (31 March 2020: HK\$7,694,000) 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.

Accounts receivable from margin clients are secured by clients' pledged securities with fair value of HK\$15,460,237,000 (31 March 2020: HK\$11,060,046,000). Significant portion of the pledged securities are listed equity securities in Hong Kong. The loans are repayable on demand and carry interest typically at a range from 7.236% to 9.252% per annum (31 March 2020: range from 7.236% to 9.252% 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:

Name	Balance at 1 April 2020 HK\$'000	Balance at 30 September 2020 HK\$'000	Maximum amount outstanding during the period HK\$'000	Market value of pledged securities at 30 September 2020 HK\$'000
Mr. Hung Hon Man, director of the Company, his close family members and a controlling entity	313,555	269,096	320,330	2,916,505
Mr. Hung Sui Kwan, director of the Company and his close family members	13	–	734	15,298
Mr. Shum Kin Wai, Frankie, director of the Company and his close family members	–	–	11	4,817
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

9. ACCOUNTS PAYABLE

	At 30 September 2020 HK\$'000	At 31 March 2020 HK\$'000
Accounts payable arising from the business of dealing in securities:		
– Cash clients	299,732	105,081
– Margin clients	243,984	351,749
– Hong Kong Securities Clearing Company Limited	–	7,673
– Broker	20,556	–
Accounts payable to clients arising from the business of dealing in futures contracts	16,898	13,972
	<u>581,170</u>	<u>478,475</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% (2019: 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\$72,000 (31 March 2020: HK\$247,000).

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. SHARE CAPITAL

	Number of ordinary shares of HK\$0.01 each	Nominal value HK\$'000
Authorised:		
At 1 April 2019, 31 March 2020 and 30 September 2020	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 1 April 2019, 31 March 2020 and 30 September 2020	<u>2,500,000,000</u>	<u>25,000</u>

11. FINANCIAL RISK MANAGEMENT

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

- **Capital risk management**

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

- **Market risk**

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to accounts receivable, bank balances, loan from ultimate holding company 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.

11. 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.

12. 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	
		2020 HK\$'000	2019 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 (<i>note i</i>)	975	433
Key management personnel and directors of GN Holdings and their close family members Messrs. Cham Wai Ho, Anthony, Kam, Eddie Shing Cheuk, Cheng Wai Ho, Ng Hon Sau, Larry, their close family members and a controlling entity	Brokerage Commission income (<i>note i</i>)	52	19
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 (<i>note ii</i>)	9,140	7,405
Key management personnel and directors of GN Holdings and their close family members Messrs. Kam, Eddie Shing Cheuk, Cheng Wai Ho, Ng Hon Sau, Larry, their close family members and a controlling entity	Interest income (<i>note ii</i>)	3	3
GN Holdings	Management fee income (<i>note iii</i>)	1,260	1,260
GN Holdings	Interest expense (<i>note iv</i>)	227	541

12. RELATED PARTY TRANSACTIONS (Continued)

Notes:

- (i) Commission was charged at 0.1% to 0.25% (2019: 0.1% to 0.25%) on the total value of transactions.
- (ii) Interest was charged at 7.236% to 9.252% per annum (2019: 7.236% to 9.252%) on the outstanding balances of margin loans.
- (iii) Management fee income was earned from GN Holdings for office areas sharing.
- (iv) 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	
	2020	2019
	HK\$'000	HK\$'000
Short-term employee benefits	1,734	1,891
Post-employment benefits	58	58
	1,792	1,949

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 2020. The interim dividend will be payable on or about 30 December 2020 to those shareholders whose names appear on the register of members on 22 December 2020.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 21 December 2020 to 22 December 2020, both dates inclusive (record date being 22 December 2020), 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 18 December 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the period ended 30 September 2020, the Group's revenue amounted to approximately HK\$185.5 million, representing a decrease of 3.2% as compared with approximately HK\$191.7 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\$70.2 million (2019: HK\$59.0 million). The increase in profit was mainly attributable to the decrease in finance costs arising from the convertible bonds which were redeemed in prior period. Net impairment loss on accounts receivable HK\$75.1 million (2019: HK\$55.4 million) was recorded during the period.

Earnings per share increased to HK2.8 cents (2019: HK2.4 cents) as a result of increase in profit for the period.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

REVIEW AND OUTLOOK

Market Review

At the beginning of 2020, the market expected the US-China trade war to be relieved, the U.S. economy continues to grow and economic activities in the mainland regain momentum. An optimistic atmosphere dominates the market, Hang Seng Index once again rose to an eight-month high of 29,174 points on 20 January 2020. Immediately afterwards, the number of confirmed COVID-19 cases surged and the stock market began to collapse. During the first quarter of 2020, the COVID-19 outbreak spreads globally, caused disruptions in various business segments across the world and investors retreated from risky assets to hold cash. The plunge of asset prices and oil prices triggered panic sale and liquidity crunches globally. In March, Hang Seng Index dropped to a three-year low of 21,139 points.

After experiencing a crash, the stock market has start to rebound in the second quarter as many countries have successively introduced fiscal and monetary policy measures to try to support employment, stabilize growth, and support enterprises to tide over difficulties. Also, some countries over the world have started to resume work after the peak of the epidemic. At the same time, China and the United States have caused disputes due to the COVID-19 epidemic and Hong Kong's national security law. In the third quarter, the second wave of the epidemic broke out and US-China relations fell into a trough, stock markets have undergone some correction.

With fears and pessimisms caused by the continuing spread of COVID-19 and concerns regarding global economy, the Hang Seng Index closed at 23,459 points at the end of September 2020 compared with 23,603 points at the end of March 2020. Despite the challenging macroeconomic environment, investors' activity in the stock market has not decreased but increased due to the initial public offering boom and the market's vision for new economic stocks. The average daily turnover on the Main Board and GEM during the six months ended 30 September 2020 was approximately HK\$127.3 billion, an increase of 48.4% 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 2020, the broking business posted a profit of approximately HK\$9.4 million (2019: loss of HK\$0.1 million). The operating result of the broking business turned into profit as a result of the increase in broking turnover and number of sizeable corporate finance transactions during current period. The increase in broking turnover was affected by the volatile local stock market and positive global investment atmosphere. Revenue from broking for the period increased by 46.7% to approximately HK\$31.1 million (2019: HK\$21.2 million) as compared with last financial period, of which approximately HK\$10.0 million (2019: HK\$2.6 million) was contributed by the underwriting, placing and proof of funds business. The increase in these fee income was due to the increase in number of deals as a result of the 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 9.8% to approximately HK\$153.6 million (2019: HK\$170.3 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 2020 amounted to approximately HK\$4,218.2 million (as at 31 March 2020: HK\$3,692.3 million). Impairment loss on margin clients receivable of HK\$75.1 million was charged during the current period (2019: HK\$55.4). 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 2020, it completed 4 financial advisory transactions (2019: 1). The operation reported a profit of approximately HK\$0.6 million for the period (2019: HK\$0.2 million).

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

REVIEW AND OUTLOOK (Continued)

Outlook

The ups and downs of the global epidemic is still the biggest uncertainty to the global economy, the impact of COVID-19 will probably last for a period of time. Economic activities will not fully resume until the crisis is under control. Countries along the “Belt and Road” were also affected and China’s investment in these countries’ infrastructure development was slow down. At the same time, the conflict between China and the United States brought further uncertainties to the global trade environment. It is expected that the uncertainties to the overall economy will last for a period of time.

In the future, the business environment of the Group will continue to be competitive. The increasing regulatory requirements such as the recent effected guidelines for securities margin financing activities issued by the Securities and Futures Commission brought further compliance-related and system-related costs to the Group which may impact the cost efficiency and earnings growth of the Group. However, in recent there have been waves of initial public offering in the Hong Kong stock market and investors are enthusiastic about applying for subscription, it may be a chance for the Group to attract potential clients and expand the client base.

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\$3,966.9 million as at 30 September 2020 (as at 31 March 2020: HK\$3,931.5 million), representing an increase of approximately HK\$35.4 million or 0.9% over that of last financial year end. The increase was mainly attributable to the profit for the period net of dividend payment during the period.

As at 30 September 2020, the Group's net current assets amounted to HK\$3,831.5 million (as at 31 March 2020: HK\$3,810.7 million), and its liquidity as represented by current ratio (current assets/current liabilities) was 4.14 times (as at 31 March 2020: 8.88 times). Bank balances and cash on hand amounted to HK\$410.7 million (as at 31 March 2020: HK\$260.9 million). The increase in bank balances and cash on hand was mainly due to the cash inflow from a loan from ultimate holding company. Bank borrowings were HK\$463.6 million as at 30 September 2020 (as at 31 March 2020: HK\$Nil) and unutilised banking facilities as at the end of the period were approximately HK\$710.0 million (as at 31 March 2020: HK\$905.0 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\$170.0 million as at 30 September 2020 (as at 31 March 2020: HK\$Nil), which was unsecured and interest charged on 2% per annum.

As at 30 September 2020, the Group's gearing ratio (total borrowing over equity attributable to owners of the Company) as at 30 September 2020 was 0.16 times (as at 31 March 2020: zero). The increase of gearing ratio has mainly due to the increase in the bank borrowings and loan from ultimate holding company.

The number of issued shares of Company amounted to 2,500,000,000 shares as at 30 September 2020 (as at 31 March 2020: 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.

FINANCIAL REVIEW (Continued)

Charges on Group Assets

As at 30 September 2020, leasehold land and building of the Group with a carrying amount of HK\$118.8 million (as at 31 March 2020: HK\$102.8 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 2020.

Employee Information

As at 30 September 2020, the Group had 58 (as at 31 March 2020: 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\$9.9 million (2019: HK\$10.0 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 2020, 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 (<i>Note</i>)	50,309,829	2.01%

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

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

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	<u>4,000,000</u>	<u>10%</u>
		<u><u>40,000,000</u></u>	<u><u>100%</u></u>

- * 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)	2,904,423,874	30.05%

Note: Mr. Hung Hon Man is deemed to be interested in 2,904,423,874 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 2020, 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.

No share option has been granted under the Option Scheme since its adoption.

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 2020, 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

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 2020.

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 2020.

CORPORATE GOVERNANCE CODE

During the period ended 30 September 2020, 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 2020 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 2020.

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

Hong Kong, 23 November 2020

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.