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GET NICE HOLDINGS LIMITED

結好控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0064)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2022

RESULTS

The board of directors (the “Board”) of Get Nice Holdings Limited (the “Company”) are pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2022 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 2022

	Notes	2022 HK\$'000	2021 HK\$'000
Revenue from contracts with customers within HKFRS 15	4	64,427	69,144
Revenue from other sources	4	28,083	28,354
Interest revenue calculated using the effective interest method	4	348,565	405,118
Revenue		441,075	502,616
Other operating income	6a	13,415	11,262
Other gains and losses, net	6b	(18,349)	(28,119)
Depreciation expenses		(23,893)	(18,658)
Commission expenses		(12,678)	(12,902)
Provision of net impairment loss on accounts receivable	13	(130,076)	(55,703)
Provision of net impairment loss on other receivables		(12,933)	–
Provision of net impairment loss on loans and advances	14	(29,580)	(11,100)
Reversal (Provision) of net impairment loss on debt investments measured at fair value through other comprehensive income (“Mandatory FVOCI”)		1,989	(6,300)
Staff costs	7	(29,769)	(27,320)
Finance costs	8	(1,753)	(4,953)
Other expenses		(40,908)	(42,281)

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Profit before taxation	9	156,540	306,542
Income tax expense	10	(60,968)	(58,556)
Profit for the year		95,572	247,986
Other comprehensive income (expense)			
<i>Items that are reclassified or may be reclassified subsequently to profit or loss</i>			
Exchange difference arising on translation of foreign operations		(9,124)	24,317
Fair value loss on Mandatory FVOCI reclassified to profit or loss upon disposal		(683)	(1,177)
Fair value (loss) gain on Mandatory FVOCI		(53,067)	21,792
Deferred tax arising on revaluation of Mandatory FVOCI		8,869	(3,401)
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation surplus of properties transfer from property and equipment to investment properties		336,505	–
Deficit on revaluation of properties		(14,351)	(2,263)
Deferred tax arising on revaluation of properties		2,368	373
Total other comprehensive income for the year		270,517	39,641
Total comprehensive income for the year		366,089	287,627
Profit for the year attributable to:			
Owners of the Company		60,185	189,640
Non-controlling interests		35,387	58,346
		95,572	247,986
Total comprehensive income attributable to:			
Owners of the Company		330,689	228,913
Non-controlling interests		35,400	58,714
		366,089	287,627
		<i>HK Cents</i>	<i>HK Cents</i>
Earnings per share			
Basic	12	0.62	1.96
Diluted	12	N/A	1.96

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Non-current assets			
Property and equipment		515,173	617,182
Investment properties		836,405	851,849
Intangible assets		8,512	8,963
Goodwill		17,441	17,441
Other assets		5,621	7,046
Deposits paid for acquisition of property and equipment		–	25,136
Deferred tax assets		12,939	1,692
Loans and advances	14	9,428	90,443
Investments		201,512	177,521
		1,607,031	1,797,273
Current assets			
Accounts receivable	13	2,826,396	3,655,082
Loans and advances	14	387,236	416,906
Prepayments, deposits and other receivables		47,725	48,330
Tax recoverable		15,123	2,318
Investments		238,196	375,986
Bank balances – client accounts		480,897	656,240
Bank balances – general accounts and cash		1,835,239	658,914
		5,830,812	5,813,776
Assets classified as held for sale	16	433,218	–
		6,264,030	5,813,776

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current liabilities			
Accounts payable	15	517,124	695,799
Accrued charges and other payables		9,019	8,787
Amounts due to non-controlling shareholders		30,257	30,257
Deposits received for disposal of a subsidiary	16	126,000	–
Tax payable		140,753	150,722
Lease liabilities		377	1,163
Bank borrowings		94,553	–
		918,083	886,728
Liability associated with assets classified as held for sales	16	4,215	–
		922,298	886,728
Net current assets		5,341,732	4,927,048
Total assets less current liabilities		6,948,763	6,724,321
Non-current liabilities			
Lease liabilities		–	377
Deferred tax liabilities		4,010	8,185
		4,010	8,562
Net assets		6,944,753	6,715,759
Capital and reserves			
Share capital	17	966,270	966,270
Reserves		4,785,269	4,642,795
Equity attributable to owners of the Company		5,751,539	5,609,065
Non-controlling interests		1,193,214	1,106,694
Total equity		6,944,753	6,715,759

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 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its immediate and ultimate holding company is Honeylink Agents Limited, a company incorporated in the British Virgin Islands with limited liability of which the entire share capital is beneficially owned by Mr. Hung Hon Man, who is also a director of the Company.

The Company’s registered office is located at Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands and its principal place of business is changed from 10th Floor, Cosco Tower, Grand Millennium Plaza, 183 Queen’s Road Central, Hong Kong to Ground Floor to 3rd Floor, Cosco Tower, Grand Millennium Plaza, 183 Queen’s Road Central, Hong Kong with effect from 3 May 2021.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are (i) money lending; (ii) property development and holding and investment in financial instruments; (iii) real estate agency and (iv) provision of financial services, including securities dealing and broking, futures and options broking, underwriting and placements, securities margin financing, asset management services and corporate finance services.

The 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 “HKCO”). 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”).

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2021 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.

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

Adoption of new / revised HKFRSs

Amendments to HKFRS 16: Covid-19-Related Rent Concessions Beyond 30 June 2021

The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and allow lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19-related rent concessions that reduce lease payments due on or before 30 June 2022. The amendments do not affect lessors.

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

Amendments to HKAS 39, HKFRSs 4, 7, 9 and 16: Interest Rate Benchmark Reform – Phase 2

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the “Reform”). The amendments complement those issued in November 2019 and relate to:

- changes to contractual cash flows – a company will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- hedge accounting – a company will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and
- disclosures – a company will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

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

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for buildings, investment properties and investments, 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.

Amendments to HKAS 16	Proceeds before Intended Use ^[1]
Amendments to HKAS 37	Cost of Fulfilling a Contract ^[1]
Amendments to HKFRS 3	Reference to the Conceptual Framework ^[1]
Annual Improvements to HKFRSs	2018–2020 Cycle ^[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ^[2]
Amendments to HKAS 1	Disclosure of Accounting Policies ^[2]
Amendments to HKAS 8	Definition of Accounting Estimates ^[2]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ^[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ^[3]

^[1] Effective for annual periods beginning on or after 1 January 2022

^[2] Effective for annual periods beginning on or after 1 January 2023

^[3] The effective date to be determined

The Board does not anticipate that the adoption of these new / revised HKFRSs in future periods will have any material impact on the result of the Group.

4. REVENUE

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue from contracts with customers within HKFRS 15		
Brokerage commission	50,858	49,385
Underwriting and placing commission	5,830	8,751
Proof of funds commission	200	8,208
Other commission	793	88
Clearing and handling fee income	1,691	1,807
Advisory fee income	2,672	905
Asset management fee income	2,383	–
	<u>64,427</u>	<u>69,144</u>
Revenue from other sources		
Property rental income	18,303	15,359
Interest income from financial assets at fair value through profit or loss (“FVPL”)		
– Unlisted convertible notes	850	1,761
– Unlisted debt securities	8,930	11,234
	<u>28,083</u>	<u>28,354</u>
Interest revenue calculated using the effective interest method		
– Bank balances and time-deposits	3,141	1,942
– Other financial assets at amortised costs		
– Accounts receivable	287,259	307,714
– Loans and advances	43,291	75,178
– Mandatory FVOCI	14,874	20,284
	<u>348,565</u>	<u>405,118</u>
Total revenue	<u><u>441,075</u></u>	<u><u>502,616</u></u>

5. SEGMENT INFORMATION

The Group is currently organised into six operating divisions, namely broking, securities margin financing, money lending, corporate finance, asset management and investments. These divisions are the basis on which the Board, 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
Money lending	– Provision of mortgage and consumer loans
Corporate finance	– Provision of corporate advisory services
Asset management	– Provision of asset management services
Investments	– Holding of investment properties and investment in financial instruments

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 property and equipment, club memberships, certain prepayments, deposits and other receivables, certain bank balances and certain deferred tax assets.
- all liabilities are allocated to operating segments other than certain accrued charges and other payables, amounts due to non-controlling shareholders, deposits received for disposal of a subsidiary, certain tax payable, bank borrowings and certain deferred tax liabilities.
- all profit or loss are allocated to operating segments other than certain amortisation and depreciation, certain lease payments for short-term lease or lease of low value assets / operating lease rentals, certain management fees, certain staff costs and certain other expenses incurred for strategic planning by the Group.

5. SEGMENT INFORMATION (CONTINUED)

Segment information about these divisions is presented below.

Segment revenue and results

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

Year ended 31 March 2022

	Broking <i>HK\$'000</i>	Securities margin financing <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Asset management <i>HK\$'000</i>	Investments <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	<u>62,721</u>	<u>287,051</u>	<u>43,291</u>	<u>2,672</u>	<u>2,383</u>	<u>42,957</u>	<u>441,075</u>
Segment result	<u>7,370</u>	<u>156,975</u>	<u>13,306</u>	<u>2,416</u>	<u>2,122</u>	<u>6,424</u>	188,613
Unallocated other operating income and corporate expenses, net							<u>(32,073)</u>
Profit before taxation							<u>156,540</u>

Year ended 31 March 2021

	Broking <i>HK\$'000</i>	Securities margin financing <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Investments <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	<u>71,292</u>	<u>306,603</u>	<u>75,178</u>	<u>905</u>	<u>48,638</u>	<u>502,616</u>
Segment result	<u>19,478</u>	<u>250,900</u>	<u>62,557</u>	<u>606</u>	<u>13,004</u>	346,545
Unallocated other operating income and corporate expenses, net						<u>(40,003)</u>
Profit before taxation						<u>306,542</u>

5. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

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

At 31 March 2022

	Broking <i>HK\$'000</i>	Securities margin financing <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Asset management <i>HK\$'000</i>	Investments <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment assets	<u>1,564,542</u>	<u>3,002,337</u>	<u>457,852</u>	<u>11,122</u>	<u>7,115</u>	<u>1,766,715</u>	6,809,683
Unallocated assets (<i>Note 1</i>)							<u>1,061,378</u>
Consolidated assets							<u>7,871,061</u>
Segment liabilities	<u>300,559</u>	<u>222,492</u>	<u>453</u>	<u>95</u>	<u>493</u>	<u>7,612</u>	531,704
Unallocated liabilities (<i>Note 2</i>)							<u>394,604</u>
Consolidated liabilities							<u>926,308</u>

5. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

At 31 March 2021

	Broking <i>HK\$'000</i>	Securities margin financing <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Investments <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment assets	<u>769,140</u>	<u>3,894,302</u>	<u>606,193</u>	<u>10,419</u>	<u>1,513,273</u>	6,793,327
Unallocated assets (<i>Note 1</i>)						<u>817,722</u>
Consolidated assets						<u>7,611,049</u>
Segment liabilities	<u>417,517</u>	<u>295,300</u>	<u>466</u>	<u>82</u>	<u>3,716</u>	717,081
Unallocated liabilities (<i>Note 2</i>)						<u>178,209</u>
Consolidated liabilities						<u>895,290</u>

Note 1: The balance comprises property and equipment, and bank balances of approximately HK\$496,246,000 and HK\$543,588,000 respectively (2021: HK\$610,733,000 and HK\$172,479,000 respectively).

Note 2: The balance comprise amounts due to non-controlling shareholders, tax payables, bank borrowing and deposits received for disposal of a subsidiary of approximately HK\$30,257,000, HK\$138,321,000, HK\$94,553,000 and HK\$126,000,000 respectively (2021: amounts due to non-controlling shareholders and tax payables of approximately HK\$30,257,000 and HK\$138,326,000 respectively).

5. SEGMENT INFORMATION (CONTINUED)

Other segment information

2022

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Asset management HK\$'000	Investments HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:								
Additions of property and equipment	19,295	-	-	-	-	143	17,535	36,973
Depreciation of property and equipment	(5,674)	-	(157)	-	(3)	(38)	(18,021)	(23,893)
Provision of net impairment loss on accounts receivable	-	(130,076)	-	-	-	-	-	(130,076)
Provision of net impairment loss on other receivables	-	-	(450)	-	-	(12,483)	-	(12,933)
Provision of net impairment loss on loans and advances	-	-	(29,580)	-	-	-	-	(29,580)
Reversal of net impairment loss on Mandatory FVOCI	-	-	-	-	-	1,989	-	1,989
Bad debt recovery from loans and advances	-	-	180	-	-	-	-	180
Additions of investment properties	-	-	-	-	-	9,156	-	9,156
Government subsidies	410	-	-	-	80	-	15	505
Fair value losses on investment properties	-	-	-	-	-	(21,457)	-	(21,457)
Fair value gains (losses) on financial assets at FVPL	79	-	-	-	-	(6,416)	-	(6,337)
Gain on disposal of loans and advances	-	-	1,848	-	-	-	-	1,848
Gain on disposal of property and equipment	-	-	-	-	-	-	950	950
Interest income (including revenue and other operating income)	3,375	287,051	43,291	8	-	24,654	429	358,808
Finance costs	(319)	-	-	-	-	-	(1,434)	(1,753)
Commission expenses	(12,496)	-	-	(182)	-	-	-	(12,678)
Write-off of intangible assets	(451)	-	-	-	-	-	-	(451)

2021

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:							
Additions of property and equipment through acquisition of subsidiaries	335	-	-	-	-	425,000	425,335
Additions of investment properties through acquisition of subsidiaries	-	-	-	-	75,000	-	75,000
Additions of intangible assets through acquisition of subsidiaries	550	-	-	-	-	-	550
Additions of property and equipment	3,484	-	18	-	-	1,879	5,381
Depreciation of property and equipment	(1,496)	-	(157)	-	(92)	(16,913)	(18,658)
Provision of net impairment loss on accounts receivable	-	(55,703)	-	-	-	-	(55,703)
Provision of net impairment loss on loans and advances	-	-	(11,100)	-	-	-	(11,100)
Provision of net impairment loss on Mandatory FVOCI	-	-	-	-	(6,300)	-	(6,300)
Additions of investment properties	-	-	-	-	9,573	-	9,573
Government subsidies	3,045	-	108	-	8	779	3,940
Fair value losses on investment properties	-	-	-	-	(30,093)	-	(30,093)
Fair value gains (losses) on financial assets at FVPL	95	-	-	-	(7,291)	-	(7,196)
Interest income (including revenue and other operating income)	3,123	306,603	75,177	23	33,280	869	419,075
Finance costs	(4,953)	-	-	-	-	-	(4,953)
Commission expenses	(12,750)	-	-	(152)	-	-	(12,902)
Write-off of accounts receivable	-	(193)	-	-	-	-	(193)

5. SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are located in Hong Kong and the United Kingdom (2021: Hong Kong and the United Kingdom).

The following table provides an analysis of the Group's revenue from external customers by geographical market:

	Revenue by geographical market	
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Hong Kong	428,948	491,608
United Kingdom	12,127	11,008
	<u>441,075</u>	<u>502,616</u>

The following table is an analysis of the carrying amounts of non-current assets by geographical area in which the assets are located:

	Carrying amounts of non-current assets	
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Hong Kong	1,156,518	1,291,597
United Kingdom	226,634	236,020
	<u>1,383,152</u>	<u>1,527,617</u>

The non-current asset information above excludes financial instruments and deferred tax assets.

Information about major customers

During the years ended 31 March 2022 and 2021, there were no customers individually contributing 10% or more of the Group's total revenue.

During the years ended 31 March 2022 and 2021, the aggregate revenue attributable to the five largest customers of the Group accounted for less than 30% of the Group's total revenue.

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

6a. Other operating income

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Bank interest income	463	962
CCASS income	2,877	–
Rebate fee income	5,050	–
Dividend income	2,632	1,233
Government subsidies	505	3,940
Sundry income	1,888	5,127
	<u>13,415</u>	<u>11,262</u>

6b. Other gains and losses, net

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Fair value changes on investment properties	(21,457)	(30,093)
Net realised losses on error trades	(7)	(2)
Fair value losses on financial assets at FVPL	(6,337)	(7,196)
Realised gains on disposal / redemption of		
– Financial assets at FVPL	4,192	7,067
– Mandatory FVOCI	936	30
Exchange difference, net	1,797	2,075
Gain on disposal of property and equipment	950	–
Write-off of intangible assets	(451)	–
Gain on disposal of loans and advances	1,848	–
Bad debt recovery from loans and advances	180	–
	<u>(18,349)</u>	<u>(28,119)</u>

7. STAFF COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Staff costs including directors' emoluments:		
Salaries and other benefits	28,651	26,321
Retirement benefit scheme contributions	1,118	999
	<u>29,769</u>	<u>27,320</u>

8. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on bank borrowings	1,612	3,098
Interest on clients' accounts	121	1,827
Interest on lease liabilities	20	28
	<u>1,753</u>	<u>4,953</u>

9. PROFIT BEFORE TAXATION

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
This is stated after charging:		
Auditor's remuneration	2,720	2,720
Direct operating expenses relating to investment properties that generated rental income	1,777	1,848
Direct operating expenses relating to investment properties that did not generated rental income	88	–
Write-off of accounts receivable	–	193
	<u>–</u>	<u>193</u>

10. TAXATION

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current tax		
<i>Hong Kong</i>		
Hong Kong Profits Tax	39,559	55,682
Under provision in prior years	19,624	901
	<u>59,183</u>	<u>56,583</u>
<i>United Kingdom</i>		
Overseas tax	1,848	1,878
Over provision in prior years	(90)	–
	<u>1,758</u>	<u>1,878</u>
	<u>60,941</u>	<u>58,461</u>
Deferred tax		
Origination and reversal of temporary differences	27	95
	<u>27</u>	<u>95</u>
Income tax expense	<u>60,968</u>	<u>58,556</u>

10. TAXATION (CONTINUED)

The profits 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% under two-tiered profits tax rates regime. 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 years ended 31 March 2022 and 2021, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime.

The tax provision in respect of operations in the United Kingdom is calculated at the rate of 19% on the subsidiary's estimated assessable profits for the year based on existing legislation, interpretation and practices in respect thereof.

11. DIVIDENDS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Final dividend for prior financial year, paid – HK0.5 cent (2021: HK0.4 cent) per share	48,314	38,650
Interim dividend for current financial year, paid – HK0.5 cent (2021: HK0.5 cent) per share	<u>48,313</u>	<u>48,314</u>
	<u><u>96,627</u></u>	<u><u>86,964</u></u>

A final dividend in respect of the year ended 31 March 2022 of HK0.5 cent (2021: HK0.5 cent) per share, amounting to approximately HK\$48,314,000 (2021: HK\$48,314,000) 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 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.

Earnings

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Earnings for the purpose of basic and diluted earnings per share		
Profit for the year attributable to equity shareholders of the Company	<u>60,185</u>	<u>189,640</u>

Number of shares

	2022 <i>'000</i>	2021 <i>'000</i>
Weighted average number of ordinary shares, for the purpose of basic and diluted earnings per share	<u>9,662,706</u>	<u>9,662,706</u>
	<i>HK cents</i>	<i>HK cents</i>

Earnings per share:

Basic	<u>0.62</u>	<u>1.96</u>
Dilutive	<u>N/A</u>	<u>1.96</u>

For the year ended 31 March 2022, diluted earnings per share was the same as the basic earnings per share because there were no potential dilutive ordinary shares outstanding in existence during the year.

For the year ended 31 March 2021, diluted earnings per share was the same as basic earnings per share as the potential new ordinary shares to be issued on exercise of the outstanding share options during the year under the Company's share option scheme have an anti-dilutive effect on the basic earnings per share. The share options were cancelled on 20 November 2020.

13. ACCOUNTS RECEIVABLE

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	9,235	8,735
– Margin clients:		
– Directors and their close family members	185,463	290,077
– Other margin clients	2,928,045	3,521,227
– Hong Kong Securities Clearing Company Limited (“HKSCC”)	12,302	22,462
– Broker	–	350
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	<u>25,448</u>	<u>16,252</u>
	3,160,493	3,859,103
Less: Loss allowances	<u>(334,097)</u>	<u>(204,021)</u>
	<u>2,826,396</u>	<u>3,655,082</u>

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 is one day after trade date. All the accounts receivable (net of loss allowance), except for accounts receivables from margin clients, are expected to be recovered within one year.

Included in the accounts receivable from cash clients are debtors with a carrying amount of approximately HK\$133,000 (2021: HK\$161,000) 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 aging analysis (from settlement date) is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0 – 30 days	129	145
31 – 60 days	1	13
Over 60 days	<u>3</u>	<u>3</u>
	<u>133</u>	<u>161</u>

The accounts receivable from cash clients with a carrying amount of approximately HK\$9,102,000 (2021: HK\$8,574,000) 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.

13. ACCOUNTS RECEIVABLE (CONTINUED)

Accounts receivable from margin clients are secured by clients' pledged securities with fair value of approximately HK\$11,686,337,000 (2021: HK\$34,659,941,000). 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 a range from 7.236% to 9.500% per annum (2021: range from 7.236% to 9.500% per annum) at 31 March 2022. 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 pledged and can be sold at the Group's discretion to settle any outstanding amount owed by margin clients upon failure to provide additional fund against shortfalls.

The Group provides financing services only to recognised and creditworthy third parties. It is the Group's policy that all these margin clients are subject to credit verification procedures. The margin loans are secured by pledged marketable securities and margin facilities are set to ensure that certain proportion of the fair value of pledged marketable securities of the individual margin clients is higher than the corresponding outstanding loans.

The Group has concentration of credit risk as 57% (2021: 68%) of the total accounts receivable from margin clients was due from the Group's ten largest margin clients.

No aging analysis is disclosed, as in the opinion of the directors of the Company, the aging 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 expected credit loss ("ECL") and in determining whether there is a significant increase in credit risk since initial recognition, whether the financial asset is credit-impaired and the amount of loss given default, the Group has taken into account the credit quality of margin clients, the collateral to accounts 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 financial industry, 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 methodology 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 the end of the reporting period is summarised below. After considering the above factors, net impairment loss of approximately HK\$130,076,000 (2021: HK\$55,703,000) was recognised during the year.

13. ACCOUNTS RECEIVABLE (CONTINUED)

At 31 March 2022

<u>Internal credit rating</u>	<u>Basis of ECL</u>	<u>Gross carrying amount</u>	<u>Loss allowance</u>	<u>Net carrying amount</u>
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Performing	12-month	2,648,184	23,240	2,624,944
Underperforming	Lifetime	146,241	49,065	97,176
Not performing	Lifetime	319,083	261,792	57,291
		<u>3,113,508</u>	<u>334,097</u>	<u>2,779,411</u>

At 31 March 2021

<u>Internal credit rating</u>	<u>Basis of ECL</u>	<u>Gross carrying amount</u>	<u>Loss allowance</u>	<u>Net carrying amount</u>
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Performing	12-month	3,476,320	16,313	3,460,007
Underperforming	Lifetime	70,578	10,953	59,625
Not performing	Lifetime	264,406	176,755	87,651
		<u>3,811,304</u>	<u>204,021</u>	<u>3,607,283</u>

13. ACCOUNTS RECEIVABLE (CONTINUED)

At 31 March 2022, the Group recognised loss allowance of approximately HK\$334,097,000 (2021: HK\$204,021,000) 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.

Year ended 31 March 2022

	12-month ECL	Lifetime ECL		Total HK\$'000
	Performing HK\$'000	Underperforming HK\$'000	Not performing HK\$'000	
At the beginning of the reporting period	16,313	10,953	176,755	204,021
Increase in allowance, net	6,927	38,112	85,037	130,076
At the end of the reporting period	<u>23,240</u>	<u>49,065</u>	<u>261,792</u>	<u>334,097</u>

Year ended 31 March 2021

	12-month ECL	Lifetime ECL		Total HK\$'000
	Performing HK\$'000	Underperforming HK\$'000	Not performing HK\$'000	
At the beginning of the reporting period	16,408	7,822	124,088	148,318
(Decrease) Increase in allowance, net	(95)	3,131	52,667	55,703
At the end of the reporting period	<u>16,313</u>	<u>10,953</u>	<u>176,755</u>	<u>204,021</u>

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 shortfall portion of margin loans which are not fully secured amounted to approximately HK\$337,850,000 (2021: HK\$218,945,000); and
- (ii) Additional loss allowance for not performing category of approximately HK\$72,459,000 (2021: HK\$31,960,000) as a result of difficulties on repayment by accounts receivable from margin clients.

The Group has pledged securities as collateral amounted to approximately HK\$41,307,000 (2021: HK\$80,018,000) in respect of the credit-impaired accounts receivable from margin clients.

14. LOANS AND ADVANCES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Fixed-rate loan receivables	444,688	529,293
Less: Loss allowances	<u>(48,024)</u>	<u>(21,944)</u>
	<u>396,664</u>	<u>507,349</u>
Secured	167,301	234,531
Unsecured	<u>229,363</u>	<u>272,818</u>
	<u>396,664</u>	<u>507,349</u>
Analysed as:		
Current	387,236	416,906
Non-current	<u>9,428</u>	<u>90,443</u>
	<u>396,664</u>	<u>507,349</u>

At 31 March 2022, loans and advances with carrying amount of approximately HK\$167,301,000 (2021: HK\$234,531,000) are secured by first mortgage of properties in Hong Kong with an aggregate market value of approximately HK\$389,450,000 (2021: HK\$556,460,000).

The fixed rate loan receivables carry interest ranging from 8% to 15% (2021: ranging from 8% to 24%) per annum. The net outstanding balances are repayable on the respective maturity dates from 2022 to 2025 (2021: from 2021 to 2025).

At 31 March 2022, the Group has concentration of credit risk as 70% (2021: 60%) of total loans and advances was due from the Group's five largest borrowers, within the money lending segment.

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 historical actual credit loss experience of the borrowers and the financial position of the counterparties by reference to, among others, the background search for individual clients, amount of pledged assets, their management or audited accounts or available press information, 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 methodology made during the year.

14. LOANS AND ADVANCES (CONTINUED)

The Group has established a loan credit risk classification system and performs credit risk management based on loan classification in one of three categories of internal credit rating. The information about the ECL for the loan receivables at the end of the reporting period is summarised below. After considering the above factors, provision of net impairment loss of approximately HK\$29,580,000 (2021: HK\$11,100,000) was recognised during the year.

At 31 March 2022

<u>Internal credit rating</u>	<u>Basis of ECL</u>	<u>Gross carrying amount</u>	<u>Loss allowance</u>	<u>Net carrying amount</u>
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Performing	12-month	309,737	2,478	307,259
Underperforming	Lifetime	119,101	34,001	85,100
Not performing	Lifetime	15,850	11,545	4,305
		<u>444,688</u>	<u>48,024</u>	<u>396,664</u>

At 31 March 2021

<u>Internal credit rating</u>	<u>Basis of ECL</u>	<u>Gross carrying amount</u>	<u>Loss allowance</u>	<u>Net carrying amount</u>
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Performing	12-month	350,143	2,957	347,186
Underperforming	Lifetime	175,650	15,487	160,163
Not performing	Lifetime	3,500	3,500	–
		<u>529,293</u>	<u>21,944</u>	<u>507,349</u>

14. LOANS AND ADVANCES (CONTINUED)

Aging analysis

Aging analysis of loan receivables (net of loss allowance) prepared based on loan commencement date set out in the relevant contracts is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Less than 1 month	60,509	9,953
1 to 3 months	29,354	12,229
4 to 6 months	6,204	–
7 to 12 months	2,617	165,438
Over 12 months	297,980	319,729
	<u>396,664</u>	<u>507,349</u>
At the end of the reporting period	<u><u>396,664</u></u>	<u><u>507,349</u></u>

Aging analysis of loan receivables (net of loss allowance) prepared based on contractual due date is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Not yet past due	334,914	503,620
Less than 1 month past due	–	750
1 to 3 months past due	61,750	–
Over 3 months past due	–	2,979
	<u>396,664</u>	<u>507,349</u>
At the end of the reporting period	<u><u>396,664</u></u>	<u><u>507,349</u></u>

14. LOANS AND ADVANCES (CONTINUED)

At 31 March 2022, the Group recognised loss allowance of approximately HK\$48,024,000 (2021: HK\$21,944,000) on its loans and advances. The movement in the loss allowance for loans and advances during the year is summarised below.

Year ended 31 March 2022

	12-month ECL	Lifetime ECL		Total <i>HK\$'000</i>
	Performing <i>HK\$'000</i>	Underperforming <i>HK\$'000</i>	Not performing <i>HK\$'000</i>	
At the beginning of the reporting period	2,957	15,487	3,500	21,944
(Decrease) Increase in allowance, net	(479)	18,514	11,545	29,580
Amount written off	-	-	(3,500)	(3,500)
	2,478	34,001	11,545	48,024

Year ended 31 March 2021

	12-month ECL	Lifetime ECL		Total <i>HK\$'000</i>
	Performing <i>HK\$'000</i>	Underperforming <i>HK\$'000</i>	Not performing <i>HK\$'000</i>	
At the beginning of the reporting period	5,667	1,677	3,500	10,844
(Decrease) Increase in allowance, net	(2,710)	13,810	-	11,100
	2,957	15,487	3,500	21,944

At 31 March 2022, the significant increase in credit risk refers to increase in rate for exposure at default due to the deterioration of financial performance of the borrower.

At 31 March 2022, no loss allowance was recognised for loans and advances with carrying amounts of approximately HK\$163,817,000 (2021: HK\$135,765,000) due to the relevant pledged assets with fair value of approximately HK\$382,650,000 (2021: HK\$369,240,000).

The management closely monitor the credit quality of the loans and there are no indications that the loan receivables neither past due nor impaired will be uncollectible.

15. ACCOUNTS PAYABLE

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Accounts payable arising from the business of dealing in securities:		
– Cash clients	198,575	374,297
– Margin clients	222,492	295,300
– HKSCC	–	2,043
Accounts payable to clients arising from the business of dealing in futures contracts	<u>96,057</u>	<u>24,159</u>
	<u><u>517,124</u></u>	<u><u>695,799</u></u>

No aging analysis is disclosed as, in the opinion of directors of the Company, the aging 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 are repayable on demand and carry interest at 0.025% (2021: 0.025%) 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 a controlling entity of approximately HK\$386,000 (2021: HK\$553,000).

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.

16. ASSETS / LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

On 30 November 2021, the Group entered into a sales and purchase agreement with an independent third party to dispose the 100% of its equity interests in Grace Field Limited (“Grace Field”), a wholly-owned subsidiary of the Group, at a consideration of HK\$422,153,000 (the “Disposal”). Details of the Disposal have been disclosed in the Company’s announcement dated 30 November 2021 and circular dated 20 December 2021. A deposit of HK\$126,000,000 was received during the reporting period. The Disposal has been completed on 14 April 2022.

17. SHARE CAPITAL

	<u>Number of shares</u>		<u>Amount</u>	
	2022	2021	2022	2021
	<i>'000</i>	<i>'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Ordinary shares of HK\$0.1 each				
Authorised:				
At the beginning and the end of the reporting period	<u>30,000,000</u>	<u>30,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Issued and fully paid:				
At the beginning and the end of the reporting period	<u>9,662,706</u>	<u>9,662,706</u>	<u>966,270</u>	<u>966,270</u>

FINAL DIVIDEND

The Directors recommended a final dividend of HK0.5 cent per share, together with the interim dividend paid during the year, amounting to total dividends of HK1 cent per share for this financial year.

The final dividend will be payable on or about 8 September 2022 to shareholders of the Company whose names appear on the register of members of the Company on 2 September 2022.

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:

<i>For attendance to 2022 Annual General Meeting</i>	:	22 August 2022 – 25 August 2022, both dates inclusive
<i>For entitlement to final dividend</i>	:	1 September 2022 – 2 September 2022, both dates inclusive (Record date being 2 September 2022)

In order to qualify for attendance to the Company's 2022 Annual General Meeting which is scheduled to be held on 25 August 2022, Thursday 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 (if the transfer will be lodged before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong (if the transfer will be lodged on or after 15 August 2022), for registration not later than 4:30 p.m. on the following dates:

Events		Last date of lodgement of transfer documents
<i>For attendance to 2022 Annual General Meeting</i>	:	19 August 2022, Friday
<i>For entitlement to final dividend</i>	:	31 August 2022, Wednesday

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the year ended 31 March 2022, the Group's revenue amounted to approximately HK\$441.1 million, representing a decrease of 12.2% as compared with approximately HK\$502.6 million reported in the last corresponding financial year. The decrease in revenue was mainly attributable to the decrease in the interest income from margin financing business, money lending business and debt securities held by the Group during the year. On the other hand, the brokerage commission recorded an slightly increment as compared with the last financial year.

Profit for the year attributable to owners of the Company was approximately HK\$60.2 million (2021: HK\$189.6 million). The decrease in profit was mainly attributable to the net effect of (i) decrease in loss on changes in fair value of investment properties; (ii) increase in impairment loss on account receivable from margin clients; (iii) increase in net impairment loss on other receivables; (iv) increase in provision of net impairment loss on loans and advances and (v) decrease in finance cost resulted from decrease in bank borrowing drew down during the year and decrease in clients' accounts. The Group recorded net impairment loss on accounts receivable from margin clients and provision of net impairment loss on loans and advances of approximately HK\$130.1 million (2021: HK\$55.7 million) and HK\$29.6 million (2021: HK\$11.1 million), respectively in current financial year.

Basic earnings per share for the year were HK0.62 cents (2021: HK1.96 cents) as a result of decrease in profit during the year.

REVIEW AND OUTLOOK

Market Review

At the beginning of 2021, with the launch of vaccines and the gradual relaxation of cross-border restrictions, global stock markets extend the uptrend of the end of last year, Hang Seng Index rose to a 52-week high of 31,183 points on 18 February 2021. Afterwards, the market worried about the recession of easing policies in China, the rise in US 10-year Treasury bond yields and the renewed tension between China and Europe and the United States which affected the market sentiment.

In the second quarter of 2021, China's export grew since the epidemic drove the demand for goods. Also, consumer habits have changed and they are more inclined to consume online, which improve the consumption growth. However, China began anti-monopoly investigations on some large Internet and technology companies and strengthened the industry supervision, which led to the decline and consolidation of those internet and technology stocks. Hong Kong stock market was stable with reduced volatility.

During the third quarter to forth quarter of 2021, the raging Delta variant of COVID-19 frustrated the restart of the global economy and delayed the economic recovery expected by the market this year. China was not immune to the impact of the epidemic and the pace of economic growth slowed down. The stock market experienced a downward adjustment and the decline began to stabilize in September.

In the first quarter of 2022, the Russo-Ukrainian War started, introduced new uncertainty to global stock market. In US, the Federal Reserve announced to raise interest rates by 25 basis points, this is the first time the Federal Reserve has raised interest rates since 2018. At the same time, the Federal Reserve also revealed more aggressive measures, expected to raise interest rates at six policy meetings this year, as it intensifies efforts to slow down the inflation, which is at its highest level in 40 years. In addition, the Federal Reserve announced that the process of shrinking the balance sheet will be started in June. The Hang Seng Index closed at 21,996 points at the end of March 2022 compared with 28,378 points at the end of March 2021. The average daily turnover on the Main Board and GEM during the year ended 31 March 2022 was approximately HK\$147.0 billion, a decrease of 5.2% as compared with approximately HK\$155.1 billion for the prior financial period.

In respect of the local money lending market, the Hong Kong economy has recovered in 2021, GDP has recorded growth as compared to 2020. However, in first quarter of 2022, with the fears of widespread Omicron outbreak in Hong Kong and tightening of social distancing measures, the personal consumption in this quarter dropped sharply, which deteriorate the recovery of the money lending market. For the sake of caution, our Group still adopt a prudent approach, such as implementing strict credit policies. In order to manage the credit risk, we focused on debt recovery during the year.

Regarding the local property market, despite the impact of the fourth wave of the epidemic and the restriction order, the value of the first-hand residential property sale and purchase contract has increased in 2021 year on year. However, in the first quarter of 2022, due to the tight monetary policy set by the Federal Reserve and the local outbreak of Omicron virus, the property market sentiment is sluggish, transaction volume in the first quarter plunged 34% quarter on quarter. Some of the new properties have undersubscribed and the developers even delay the sale of new properties. Also, the interest rates start to climb which put pressure on the property market. Regarding the UK property market, the Bank of England has previously hinted that it may need to raise interest rates, which will undoubtedly become a major variable in the UK property market. During the period, property prices in the UK were stable.

Business review

Broking and securities margin financing

During the year ended 31 March 2022, the broking business posted a profit of approximately HK\$7.4 million (2021: HK\$19.5 million). The operating result of the broking business decreased by 62.1% as a result of the decrease in our broking turnover and number of sizeable corporate finance transactions during current 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 12% to approximately HK\$62.7 million (2021: HK\$71.3 million) as compared with last financial year, of which approximately HK\$6 million (2021: HK\$17 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 dropped by 6.4% to approximately HK\$287.1 million (2021: HK\$306.6 million) with the decrease in average level of securities margin lending during the year. Total gross accounts receivable from margin clients at 31 March 2022 amounted to approximately HK\$3,113.5 million (as at 31 March 2021: HK\$3,811.3 million). Net impairment loss on margin clients receivable of approximately HK\$130.1 million was charged during the current year (2021: HK\$55.7 million). 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.

Money lending

The money lending vehicle is engaged in provision of consumer and mortgage loans. The money lending business continued to show stable performance during the year. The aggregated loan amount decreased to approximately HK\$396.7 million at 31 March 2022 from approximately HK\$507.3 million at 31 March 2021, with interest income for the year decreased to approximately HK\$43.3 million (2021: HK\$75.2 million). Money lending business recorded profit before tax of approximately HK\$13.3 million for the year ended 31 March 2022 (2021: HK\$62.6 million). Net impairment loss on loans and advances of approximately HK\$29.6 million was provided during the year (2021: HK\$11.1 million). Building on the Group's expertise and relationships with high net worth customers, the Group remains positive about the money lending business and will continue to target high net worth customers with short-term financial needs.

Investments

The investments division held properties and financial instruments for the Group. Assets allocations are based on expected return rates and available funding capital. For the year under review, this division reported a profit of approximately HK\$6.4 million (2021: HK\$13.0 million), mainly attributable to fair value losses on investment properties of approximately HK\$21.5 million (2021: HK\$30.1 million); interest income from convertible notes and unlisted debt securities of approximately HK\$9.8 million (2021: HK\$13.0 million); interest income from listed debt securities of approximately HK\$14.9 million (2021: HK\$20.3 million); rental income of approximately HK\$18.3 million (2021: HK\$15.4 million); and the unrealised losses on financial assets measured at fair value through profit or loss of approximately HK\$6.3 million (2021: HK\$7.2 million) due to the drop of share prices of certain equity securities listed in Hong Kong among the portfolio held of approximately HK\$110.4 million at 31 March 2022 (31 March 2021: HK\$117.2 million).

As at 31 March 2022, the Group held a portfolio of investment properties with a total fair value of approximately HK\$836.4 million (31 March 2021: HK\$851.8 million), comprised residential, commercial and industrial properties in Hong Kong and a commercial building in London.

As at 31 March 2022, the Group held an investment portfolio mainly consisted of listed equity securities, debt securities, convertible notes and unlisted equity securities with total fair values of approximately HK\$439.7 million (2021: HK\$553.5 million). The decrease in total fair values of the investment portfolio was mainly attributable to the net effect of the acquisition of an unlisted redeemable note with principal amount of HK\$30 million (2021: HK\$100 million); the acquisition of an unlisted equity securities of HK\$24.3 million (2021: HK\$7.3 million), the partial redemption of an unlisted redeemable note of HK\$80 million (2021: HK\$70.8 million) and the disposal of certain listed debt securities during the year while the Group held portfolio of listed debt securities of approximately HK\$120.4 million at 31 March 2022 (2021: HK\$257.6 million). The portfolio of listed equity securities mainly comprised listed companies in Hong Kong while the portfolio of debt securities mainly comprises listed and unlisted bonds, and redeemable notes issued by certain listed and unlisted companies in Hong Kong and overseas.

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 2022, it completed 4 financial advisory transactions (2021: 4). The operation reported a segment profit of approximately HK\$2.4 million for the year (2021: HK\$0.6 million).

Asset Management

During the year ended 31 March 2022, this division reported a profit of approximately HK\$2.1 million (2021: HK\$Nil) mainly attributable to the asset management fee income of approximately HK\$2.4 million (2021: HK\$Nil) received during the year.

Outlook

With the efforts of governments all over the world, the COVID-19 vaccination plan has been successfully implemented. The number of people vaccinated against COVID-19 is increasing continuously and the epidemic seems to be under control. Global economic activity has recovered in an orderly manner during the period and people also expect that border restrictions will be relaxed.

Since the emergence of COVID-19, people have become accustomed to virtual and online consumption. In order to keep pace with the times, the Group has upgraded its securities service mobile application and added multiple functions such as remote account opening and E-IPO application, aiming to enhance the user experience of customers.

In May 2021, the Group has moved the headquarter to new premises. The new headquarter are located in a prime financial district with three-storey commercial units and an office unit with total gross floor areas of 27,808 square feet. The low rise commercial units with large outdoor LED display screen, which would significantly enhance the Group's corporate brand and image which are important to increase customers' perception in the securities industry. In order to enhance our corporate image and attract financial talents to join our Group, the Group has invested in marketing and advertising, such as production of TV advertising, which have been broadcast on TV and on the LED display screen on the exterior wall of our headquarters.

In respect of the investment activities of the Group, the management will keep seeking quality and upscale investment properties in both Asia and Europe, and also investment in securities with good potential, to enhance its investment portfolio and continue to provide a source of steady rental income and investment gains in the future. Meanwhile, management will adopt cautious measures to manage the Group's investment portfolio. 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. The Group will also continue to recruit and train financial talents to provide high quality financial services to our clients.

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\$5,751.5 million as at 31 March 2022 (2021: HK\$5,609.1 million), representing an increase of approximately HK\$142.4 million or 2.5% over that of last financial year end. The non-controlling interests increased from approximately HK\$1,106.7 million at 31 March 2021 to approximately HK\$1,193.2 million at 31 March 2022. These movements were mainly attributable to the profit for the year netting off dividend distributed during the year.

As at 31 March 2022, the Group's net current assets amounted to approximately HK\$5,341.7 million (2021: HK\$4,927.0 million), and its liquidity as represented by current ratio (current assets/current liabilities) was 6.8 times (2021: 6.6 times). The increase in net current assets and current ratio were mainly attributable to the increase in bank balances and an investment property classified as assets held for sale. The Group's bank balances and cash on hand increased to approximately HK\$1,835.2 million (2021: HK\$658.9 million). The increase in bank balances and cash on hand was mainly due to the cash inflow in respect of the borrowing from bank of approximately HK\$94.6 million, a deposit of HK\$126 million was received for disposal of a subsidiary and the repayment from accounts receivable.

The Group had bank borrowings of approximately HK\$94.6 million as at 31 March 2022 (2021: HK\$Nil) and the Group had undrawn banking facilities amounting to approximately HK\$763.4 million as at 31 March 2022 (2021: HK\$918.0 million) which were secured by charges over clients' pledged securities, certain properties of the Group and corporate guarantees issued by Get Nice Financial Group Limited ("GNFG") and the Company.

The Group's gearing ratio (total borrowing over equity attributable to owners of the Company) as at 31 March 2022 was 0.02 (2021: 0.01).

The number of issued shares of Company amounted to 9,662,705,938 shares as at 31 March 2022 (2021: 9,662,705,938 shares).

An investment property located in United Kingdom and its related rental income which were denominated in British Pound, the business activities of the Group were not exposed to material fluctuations in exchange rates as the majority of the transactions were denominated in Hong Kong dollar. The Directors considered that a reasonably possible annual change of 5% in the exchange rate between Hong Kong dollars and British Pound would not have material impact on the Group's results and therefore hedging through the use of derivative instruments was considered unnecessary.

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

Charges on Group Assets

As at 31 March 2022, investment property, and leasehold land and building of the Group with a carrying amount of approximately HK\$69 million and HK\$398 million respectively (31 March 2021: HK\$Nil and HK\$100.7 million respectively) were pledged for banking facilities granted to the Group.

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

Save as disclosed in note 16, there were no material acquisitions or disposals of subsidiaries, associates or jointly controlled entities during the reporting period.

Employee Information

As at 31 March 2022, the Group had 96 (2021: 94) 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 approximately HK\$29.8 million (2021: HK\$27.3 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

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

CORPORATE GOVERNANCE CODE

Throughout the year ended 31 March 2022, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules, except for the following deviation:

CG Code provision A.2.1 (which has been re-numbered as C.2.1 under the new CG Code that came into effect on 1 January 2022) stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year, Mr. Hung Hon Man was the chairman of the Board and the CEO of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals and meets regularly to discuss issues relating to the operations of the Company.

On 31 May 2022, Mr. Hung Hon Man resigned as the CEO of the Company and Mr. Kam, Eddie Shing Cheuk was appointed as the CEO of the Company on 1 June 2022. Since the change of CEO, the Company has complied with the CG code provision A.2.1.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with management of the Group's financial statements for the year ended 31 March 2022, 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.

SCOPE OF WORK OF MAZARS CPA LIMITED

The figures in respect of the Group'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 2022 as set out in the preliminary announcement have been agreed by the Group's auditor, Mazars CPA Limited, to the amounts set out in the Group'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.getnice.com.hk>. The 2022 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.getnice.com.hk> in due course.

By order of the Board
GET NICE HOLDINGS LIMITED
Hung Hon Man
Chairman

Hong Kong, 28 June 2022

As at the date of this announcement, the executive directors of the Company are Mr. Hung Hon Man (Chairman), Mr. Cham Wai Ho, Anthony (Deputy Chairman) and Mr. Kam, Eddie Shing Cheuk (Chief Executive Officer); and the independent non-executive directors of the Company are Mr. Man Kong Yui, Mr. Sun Ka Ziang, Henry and Mr. Siu Hi Lam, Alick.