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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

The Board of Directors (the “Board” or the “Directors”) of Get Nice Holdings 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 2021 together with comparative figures for the last corresponding period. The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2021 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	
		2021	2020
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from contracts with customers within HKFRS 15		38,238	29,608
Revenue from other sources		14,542	17,084
Interest revenue calculated using the effective interest method		184,196	204,086
		<hr/>	<hr/>
Revenue	4	236,976	250,778
Other operating income		9,051	8,269
Other gains and losses, net		10,364	(24,779)
Amortisation and depreciation		(12,362)	(2,602)
Commission expenses		(6,558)	(4,404)
Net impairment loss on accounts receivable		(46,904)	(75,124)
Reversal (Provision) of net impairment loss on loans and advances		11,885	(2,898)
(Provision) Reversal of net impairment loss on investments mandatory at fair value through other comprehensive income		(1,628)	549
Staff costs		(14,511)	(12,464)
Finance costs		(223)	(647)
Other expenses		(20,310)	(18,331)
		<hr/>	<hr/>
Profit before taxation		165,780	118,347
Income tax expense	5	(36,998)	(20,220)
		<hr/>	<hr/>
Profit for the period		128,782	98,127

		Unaudited	
		Six months ended	
		30 September	
		2021	2020
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
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	(5,314)	7,746
	Fair value gain on investments mandatory at fair value through other comprehensive income reclassified to profit or loss upon disposal	91	11
	Fair value (loss) gain on investments mandatory at fair value through other comprehensive income	(13,668)	14,715
	Deferred tax arising on revaluation of investments mandatory at fair value through other comprehensive income	2,240	(2,430)
<i>Items that will not be reclassified to profit or loss</i>			
	Revaluation surplus regarding transfer from property and equipment at cost to investment properties at fair value	336,505	–
	Deferred tax arising on revaluation surplus regarding transfer from property and equipment at cost to investment properties at fair value	(55,523)	–
	(Deficit) Surplus on revaluation of properties	(12,876)	28,904
	Deferred tax arising on revaluation of properties	2,125	(4,769)
	Total other comprehensive income for the period	253,580	44,177
	Total comprehensive income for the period	382,362	142,304
Profit for the period attributable to:			
	Owners of the Company	103,090	78,744
	Non-controlling interests	25,692	19,383
		128,782	98,127
Total comprehensive income attributable to:			
	Owners of the Company	356,663	118,781
	Non-controlling interests	25,699	23,523
		382,362	142,304
Dividends	6	96,628	86,965
		HK Cents	HK Cents
Earnings per share			
Basic	7	1.07	0.81
Diluted	7	N/A	0.81

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited At 30 September 2021 <i>HK\$'000</i>	Audited At 31 March 2021 <i>HK\$'000</i>
Non-current assets			
Property and equipment		523,635	617,182
Investment properties		1,298,540	851,849
Intangible assets		8,963	8,963
Goodwill		17,441	17,441
Other assets		8,718	7,046
Deposits paid for acquisition of property and equipment		–	25,136
Deferred tax assets		6,061	1,692
Loans and advances		11,599	90,443
Investments		203,995	177,521
		2,078,952	1,797,273
Current assets			
Accounts receivable	8	3,135,838	3,655,082
Loans and advances		444,677	416,906
Prepayments, deposits and other receivables		108,826	48,330
Tax recoverable		34	2,318
Investments		410,008	375,986
Bank balances – client accounts		665,010	656,240
Bank balances – general accounts and cash		1,485,539	658,914
		6,249,932	5,813,776

		Unaudited	Audited
		At	At
		30 September	31 March
		2021	2021
	<i>Notes</i>	HK\$'000	HK\$'000
Current liabilities			
Accounts payable	9	903,688	695,799
Accrued charges and other payables		20,851	8,787
Amounts due to non-controlling shareholders		30,257	30,257
Tax payable		185,079	150,722
Lease liabilities		950	1,163
Bank borrowings		97,534	–
		<u>1,238,359</u>	<u>886,728</u>
Net current assets		<u>5,011,573</u>	<u>4,927,048</u>
Total assets less current liabilities		<u>7,090,525</u>	<u>6,724,321</u>
Non-current liabilities			
Lease liabilities		65	377
Deferred tax liabilities		60,912	8,185
		<u>60,977</u>	<u>8,562</u>
Net assets		<u>7,029,548</u>	<u>6,715,759</u>
Capital and reserves			
Share capital	10	966,270	966,270
Reserves		4,859,556	4,642,795
Equity attributable to owners of the Company		<u>5,825,826</u>	<u>5,609,065</u>
Non-controlling interests		<u>1,203,722</u>	<u>1,106,694</u>
Total equity		<u>7,029,548</u>	<u>6,715,759</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

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 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 issued 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 located at Ground Floor to 3rd 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 (i) money lending; (ii) property development and holding and investment in financial instruments; (iii) real estate agency and (iv) 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 2021 are the same as those followed in the preparation of the Group’s audited consolidated financial statements for the year ended 31 March 2021.

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 HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9, and HKFRS 16	Interest Rate Benchmark Reform– Phase 2
Amendments to HKFRS 16	Covid-19-Related Rent Concessions Beyond 30 June 2021

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 operating segments:

For the six months ended 30 September 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>37,310</u>	<u>150,330</u>	<u>23,732</u>	<u>2,330</u>	<u>23,274</u>	<u>236,976</u>
Segment result	<u>14,151</u>	<u>103,426</u>	<u>36,748</u>	<u>2,077</u>	<u>20,695</u>	177,097
Unallocated other operating income and corporate expenses, net						<u>(11,317)</u>
Profit before taxation						<u>165,780</u>

For the six months ended 30 September 2020

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Consolidated HK\$'000
Segment revenue	<u>29,850</u>	<u>153,567</u>	<u>39,295</u>	<u>860</u>	<u>27,206</u>	<u>250,778</u>
Segment result	<u>8,096</u>	<u>78,443</u>	<u>35,694</u>	<u>563</u>	<u>5,943</u>	128,739
Unallocated other operating income and corporate expenses, net						<u>(10,392)</u>
Profit before taxation						<u>118,347</u>

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

As at 30 September 2021

Unaudited

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Consolidated HK\$'000
Segment assets	<u>1,639,829</u>	<u>3,406,686</u>	<u>490,939</u>	<u>10,979</u>	<u>2,071,190</u>	7,619,623
Unallocated assets (Note 1)						<u>709,261</u>
Consolidated assets						<u>8,328,884</u>
Segment liabilities	<u>497,610</u>	<u>451,885</u>	<u>1,339</u>	<u>117</u>	<u>76,249</u>	1,027,200
Unallocated liabilities (Note 2)						<u>272,136</u>
Consolidated liabilities						<u>1,299,336</u>

As at 31 March 2021

Audited

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Consolidated HK\$'000
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 (Note 1)						<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 (Note 2)						<u>178,209</u>
Consolidated liabilities						<u>895,290</u>

Note 1: The balance comprises property and equipment, and bank balances of approximately HK\$504,313,000 and HK\$196,710,000 respectively (at 31 March 2021: property and equipment, and bank balance of approximately HK\$610,733,000 and HK\$172,479,000 respectively).

Note 2: The balance comprise amounts due to non-controlling shareholders, tax payables and bank borrowing of approximately HK\$30,257,000, HK\$138,344,000 and \$97,534,000 respectively (at 31 March 2021: amounts due to non-controlling shareholders and tax payables of approximately HK\$30,257,000 and HK\$138,326,000 respectively).

The Group's operations are located in 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 Six months ended 30 September	
	2021 HK\$'000	2020 HK\$'000
Hong Kong	231,032	242,827
United Kingdom	<u>5,944</u>	<u>7,951</u>
	<u>236,976</u>	<u>250,778</u>

The following 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	
	At 30 September 2021 HK\$'000	At 31 March 2021 HK\$'000
Hong Kong	1,626,635	1,291,597
United Kingdom	230,662	236,020
	1,857,297	1,527,617

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

5. TAXATION

	Six months ended 30 September	
	2021 HK\$'000	2020 HK\$'000
Current tax		
<i>Hong Kong</i>		
Hong Kong Profit Tax	21,141	19,316
Under provision in prior years	14,872	–
	36,013	19,316
<i>United Kingdom</i>		
Overseas tax	985	904
	985	904
Income tax expense	36,998	20,220

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 both periods, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime.

The tax provision in respect of operations in United Kingdom is calculated at the rate of 20% on the subsidiary's estimated assessable profits for the period based on existing legislation, interpretation and practices in respect thereof.

6. DIVIDENDS

	Six months ended	
	30 September	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Final dividend paid	48,314	38,651
Proposed interim dividend of HK0.5 cents (2020: HK0.5 cents) per share	48,314	48,314
	<u>96,628</u>	<u>86,965</u>

On 10 September 2021, a dividend of HK0.5 cents per share was paid to shareholders as the final dividend for the year ended 31 March 2021.

At a meeting held on 26 November 2021, the Directors recommended an interim dividend of HK0.5 cents per share for the six months ended 30 September 2021 to the shareholders whose names appear in the register of members on 17 December 2021. 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 ending 31 March 2022.

7. EARNINGS PER SHARE

Basic

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 period.

Diluted

The calculation of the diluted earnings per share is based on profit attributable to the equity holders of the Company and the adjusted weighted average number ordinary shares assuming conversion of all potential dilutive ordinary shares.

On 16 January 2019, the Company granted 289,800,000 share options to three independence third parties resulting in potential dilutive ordinary shares. The validity period of the share options is two years from the date of grant (i.e. from 16 January 2019 to 15 January 2021). The share options were cancelled on 20 November 2020.

Earnings

	Six months ended	
	30 September	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings for the purpose of basic and diluted earnings per share		
Profit for the period attributable to equity shareholders of the Company	<u>103,090</u>	<u>78,744</u>

Number of shares

	Six months ended 30 September	
	2021	2020
	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares, for the purpose of basic and diluted earnings per share	9,662,706	9,662,706
	<i>HK cents</i>	<i>HK cents</i>
Earnings per share:		
Basic	1.07	0.81
Dilutive	N/A	0.81

For the six months ended 30 September 2021, diluted earnings per share was the same as the basic earnings per share because there were no potential dilutive ordinary shares outstanding.

For the six months ended 30 September 2020, 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 period under the Company's share option scheme have an anti-dilutive effect on the basic earnings per share.

8. ACCOUNTS RECEIVABLE

	At 30 September 2021 <i>HK\$'000</i>	At 31 March 2021 <i>HK\$'000</i>
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	24,798	8,735
– Margin clients:		
– Directors and their close family members	255,993	290,077
– Other margin clients	3,055,437	3,521,227
– Hong Kong Securities Clearing Company Limited	294	22,462
– Broker	2,382	350
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	47,859	16,252
	3,386,763	3,859,103
Less: Loss allowance	(250,925)	(204,021)
	3,135,838	3,655,082

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. All the accounts receivable (net of loss allowance) are expected to be recovered within one year.

Included in the accounts receivable from cash clients are debtors with a carrying amount of approximately HK\$318,000 (31 March 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.

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 2021 HK\$'000	At 31 March 2021 HK\$'000
0 – 30 days	316	145
31 – 60 days	–	13
Over 60 days	2	3
	318	161

The accounts receivable from cash clients with a carrying amount of approximately HK\$24,480,000 (31 March 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.

Accounts receivables from margin clients are secured by clients' pledged securities with fair value of approximately HK\$20,382,359,000 (31 March 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 (31 March 2021: range from 7.236% to 9.500% per annum) at 30 September 2021. 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 collateral held can be pledged and can be sold at the Group's discretion to settle any outstanding amount owed by margin clients. No ageing analysis is disclosed, as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

9. ACCOUNTS PAYABLE

	At 30 September 2021 HK\$'000	At 31 March 2021 HK\$'000
Accounts payable arising from the business of dealing in securities:		
– Cash clients	286,136	374,297
– Margin clients	451,752	295,300
– Hong Kong Securities Clearing Company Limited	58,982	2,043
– Broker	133	–
Accounts payable to clients arising from the business of dealing in futures contracts	<u>106,685</u>	<u>24,159</u>
	<u><u>903,688</u></u>	<u><u>695,799</u></u>

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

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

Amounts due to securities margin clients and futures client are repayable on demand and carry interest at 0.025% (31 March 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 and their close family members and a controlling entity of approximately HK\$17,000 (31 March 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 (“HKFE”). The excesses of the outstanding amounts over the required initial margin deposits stipulated by the HKFE are repayable to clients on demand.

10. SHARE CAPITAL

	Number of shares '000	Nominal value HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 April 2020, 31 March 2021 and 30 September 2021	<u>30,000,000</u>	<u>3,000,000</u>
Issued and fully paid:		
At 1 April 2020, 31 March 2021 and 30 September 2021	<u>9,662,706</u>	<u>966,270</u>

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK0.5 cents per share for the six months ended 30 September 2021. The interim dividend will be payable on or about 29 December 2021 to those shareholders whose names appear on the register of members on 17 December 2021.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 16 December 2021 to 17 December 2021, both dates inclusive (record date being 17 December 2021), 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 15 December 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the six months ended 30 September 2021, the Group's revenue amounted to approximately HK\$237.0 million, representing a decrease of 5.5% as compared with approximately HK\$250.8 million reported in the last corresponding financial period. The decrease in revenue was mainly attributable to the decrease in interest income from margin financing business, money lending business, and debt securities during the period.

Profit attributable to owners of the Company in the period was approximately HK\$103.1 million (2020: HK\$78.7 million). The increase in profit was mainly attributable to the decrease in net impairment loss on accounts receivable, reversal of net impairment loss on loans and advances and increase in fair value of investment properties during the current period.

Earnings per share increased to HK1.07 cents (2020: HK0.81 cents) as a result of increase in profit attributable to owners of the Company for the period.

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, 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.

In the third quarter, 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. The Hang Seng Index closed at 24,576 points at the end of September 2021 compared with 28,378 points at the end of March 2021. The average daily turnover on the Main Board and GEM during the six months period ended 30 September 2021 was approximately HK\$158.4 billion, an increase of 24.4% as compared with approximately HK\$127.3 billion for the prior financial period.

In respect of the local money lending market, as the Hong Kong economy continues to recover from the epidemic, GDP has recorded growth for the second consecutive quarter, and the credit market has improved. The growth in personal consumption in the second quarter was a major factor driving 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 period.

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 year-on-year. Some of the new properties have oversubscribed and the developers even raised prices, it reflects the continued demand in the market. Also, the interest rates remain low which also help stabilize the property market. The market believes that after the epidemic is fully under control, the industry's prospects will be brighter. Regarding the UK property market, the Bank of England has previously hinted that it may need to raise interest rates in next year, 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 period ended 30 September 2021, the broking business posted a profit of approximately HK\$14.2 million (2020: HK\$8.1 million). The operating result of the broking business increased by 75.3% 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 24.7% to approximately HK\$37.3 million (2020: HK\$29.9 million) as compared with last financial period, of which approximately HK\$3.4 million (2020: HK\$10.0 million) was contributed by the underwriting, placing and proof of funds business. The decrease in these fee income was due to the decrease in number of deals as a result of the less active capital market during the current period.

Securities margin financing remained to be the Group's major revenue contributor for the period. During the period, total interest income from securities margin financing reduced by 2.1% to approximately HK\$150.3 million (2020: HK\$153.6 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 2021 amounted to approximately HK\$3,311.4 million (as at 31 March 2021: HK\$3,811.3 million). Impairment loss on margin clients receivable of approximately HK\$46.9 million was charged during the current period (2020: HK\$75.1 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 showed a stable performance during the period while the Group took cautious approach in granting new loans. The aggregated loan amount decreased to approximately HK\$456.3 million at 30 September 2021 from approximately HK\$507.3 million at 31 March 2021. Total interest income decreased by 39.7% to approximately HK\$23.7 million (2020: HK\$39.3 million) for the period. It recorded profit before tax of approximately HK\$36.7 million (2020: HK\$35.7 million) for the six months ended 30 September 2021. Net impairment loss on loans and advances of approximately HK\$11.9 million was reversed during the period (2020: provision of net impairment loss approximately HK\$2.9 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.

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 2021, it completed 5 financial advisory transactions (2020: 4). The operation reported a profit of approximately HK\$2.1 million for the period (2020: HK\$0.6 million).

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 period under review, this division reported a profit of approximately HK\$20.7 million (2020: HK\$5.9 million), mainly attributable to the interest income from convertible notes and two unlisted debt securities of approximately HK\$5.9 million (2020: HK\$7.0 million), interest income from listed debt securities of approximately HK\$8.7 million (2020: HK\$10.1 million), fair value gains on investment properties of approximately HK\$9.3 million (2020: losses HK\$27.8 million), rental income of approximately HK\$8.7 million (2020: HK\$10.1 million) mainly arising from the leasing business in London, and realised gains on equity securities of approximately HK\$3.0 million (2020: HK\$2.8 million).

As at 30 September 2021, the Group held a portfolio of investment properties with a total fair value of approximately HK\$1,298.5 million (31 March 2021: HK\$851.8 million), comprised residential, commercial and industrial properties in Hong Kong and a commercial building in London. The increase in total fair value of investment properties portfolio was mainly due to one of the properties with carrying value of approximately HK\$442 million was transferred from property and equipment to investment properties upon change of usage.

As at 30 September 2021, the Group held an investment portfolio mainly consisted of equity securities, debt securities, convertibles notes and investment funds with a total fair values of approximately HK\$614.0 million (31 March 2021: HK\$553.5 million). The increase in total fair values of the investment portfolio was mainly attributable to the acquisition of an unlisted redeemable bond of HK\$30.0 million (2020: HK\$100.0 million) and the acquisition of an unlisted investment funds of HK\$55.0 million (2020: HK\$7.0 million) during the period. The portfolio of equity securities mainly comprised listed companies in Hong Kong while the portfolio of debt securities mainly comprises listed and unlisted bonds, and redeemable bonds issued by certain listed and unlisted companies in Hong Kong and overseas.

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, 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

The equity attributable to owners of the Company amounted to approximately HK\$5,825.8 million (31 March 2021: HK\$5,609.1 million) as at 30 September 2021, representing an increase of approximately HK\$216.7 million, or 3.9% from that of 31 March 2021 and there is an increase in non-controlling interest from approximately HK\$1,106.7 million at 31 March 2021 to approximately HK\$1,203.7 million at 30 September 2021. These movements were mainly attributable to the profit for the year netting off dividend distributed during the period.

The Group's net current assets as at 30 September 2021 increased to approximately HK\$5,011.6 million (31 March 2021: HK\$4,927.0 million) and the liquidity of the Group, as demonstrated by the current ratio (current assets/current liabilities) was 5.0 times (31 March 2021: 6.6 times). The decrease in current ratio were mainly attributable to the increase in accounts payable. The Group's bank balances and cash on hand amounted to approximately HK\$1,485.5 million as at 30 September 2021 (31 March 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\$97.5 million and the repayment from accounts receivable. The Group had bank borrowings of approximately HK\$97.5 million as at 30 September 2021 (31 March 2021: HK\$Nil) and the Group had undrawn banking facilities amounting to approximately HK\$968 million as at 30 September 2021 (31 March 2021: HK\$918 million) which were secured by charges over clients' pledged securities, properties and corporate guarantees issued by Get Nice Financial Group Limited ("GNFG") and the Company.

The number of issued shares of the Company was 9,662,705,938 as at 30 September 2021 (31 March 2021: 9,662,705,938).

As at 30 September 2021, the Group's gearing ratio (total borrowings over equity attributable to owners of the Company) was 0.02 times (31 March 2021: 0.01 times).

Except for an investment property in United Kingdom and its related rental income which are denominated in British Pound, the business activities of the Group are not exposed to material fluctuations in exchange rates as the majority of the transactions are denominated in Hong Kong dollar. The Directors consider 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 is considered unnecessary.

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

Charges on Group Assets

As at 30 September 2021, investment property, and leasehold land and building of the Group with a carrying amount of approximately HK\$515.0 million and HK\$404.9 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

There were no material acquisitions or disposals of subsidiaries, associates or jointly controlled entities completed during the reporting period.

Employee Information

As at 30 September 2021, the Group had 100 employees (31 March 2021: 94). 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 approximately HK\$14.5 million (2020: HK\$12.5 million). The Group provides employee benefits including mandatory provident fund, discretionary share options and performance bonus for its staff.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES

During the current period, 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 period ended 30 September 2021, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 to the Listing Rules, except for deviations which are summarised below:

CG Code provision A.4.1 stipulates that non-executive Directors should be appointed for a specific term subject to re-election. The non-executive directors of the Company are not appointed for specific terms but subject to retirement by rotation and re-election at the annual general meeting of the Company according to the provisions of the Company's articles of association.

Upon successful spin off and separate listing of GNFG in April 2016, Mr. Hung Sui Kwan resigned as CEO of the Company and Mr. Hung Hon Man took up the role of CEO of the Company on 7 April 2016. The roles of the chairman of the Board and the CEO are performed by the same individual, which is a non-compliance to the CG Code Provision A.2.1. However, 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. The Board has full confidence in Mr. Hung Hon Man and believes that having Mr. Hung performing the roles of the chairman of the Board and the CEO is beneficial to the Company as a whole.

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 2021 including the accounting principles and practices adopted by the Group.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

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

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the websites of the Stock Exchanges at <http://www.hkexnews.hk> under “Listed Company Information” and the Company at <http://www.getnice.com.hk>. The 2021 Interim Report of the Company containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange at <http://www.hkexnews.hk> under “Listed Company Information” and the Company at <http://www.getnice.com.hk> in due course.

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

Hong Kong, 26 November 2021

As at the date of this announcement, the executive directors of the Company are Mr. Hung Hon Man (Chairman and Chief Executive Officer), Mr. Cham Wai Ho, Anthony (Deputy Chairman) and Mr. Kam, Eddie Shing Cheuk; 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.