



I n t e r i m   R e p o r t  
2 0 1 7



**Get Nice Holdings Limited**

(incorporated in the Cayman Islands with limited liability)

Stock code : 64

## UNAUDITED INTERIM RESULTS

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 2017 together with comparative figures for the last corresponding period. The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2017 have been reviewed by the Company’s audit committee.

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

	Notes	Unaudited	
		Six months ended	
		30 September	
		2017	2016
		HK\$'000	HK\$'000
Revenue	2	257,963	243,819
Other operating income		4,312	5,169
Other gains and losses		(2,443)	(14,219)
Depreciation		(3,741)	(3,815)
Commission expenses		(6,137)	(6,823)
Staff costs		(9,909)	(9,617)
Other expenses		(16,198)	(75,186)
Finance costs		(8,731)	(2,192)
Profit before taxation		215,116	137,136
Taxation	3	(36,351)	(33,216)
Profit for the period		178,765	103,920
Other comprehensive income (expenses)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference arising on translation		90	–
Fair value (losses) gains on revaluation of available-for-sale investments		(1,973)	499
Deferred tax arising on revaluation of available-for-sale investments		–	(44)
Other comprehensive (expenses) income for the period		(1,883)	455
Total comprehensive income for the period		176,882	104,375
<b>Profit for the period attributable to:</b>			
Owners of the Company		138,003	70,352
Non-controlling interests		40,762	33,568
		178,765	103,920

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

		Unaudited Six months ended 30 September	
		2017	2016
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		136,120	70,807
Non-controlling interests		<u>40,762</u>	<u>33,568</u>
		<u><b>176,882</b></u>	<u>104,375</u>
Dividends	4	<u><b>177,150</b></u>	<u>289,219</u>
<b>Earnings per share</b>	5		
Basic – HK cents		<u><b>1.69</b></u>	<u>1.01</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited At 30 September 2017 <i>HK\$'000</i>	Audited At 31 March 2017 <i>HK\$'000</i>
	<i>Notes</i>		
Non-current assets			
Prepaid lease payments and property and equipment		119,201	122,850
Investment properties		761,886	513,670
Intangible assets		8,410	8,963
Goodwill		15,441	15,441
Other assets		6,117	6,069
Deferred tax assets		1,266	1,281
Loans and advances	7	29,593	5,607
Investments in securities		538,930	559,881
		<u>1,480,844</u>	<u>1,233,762</u>
Current assets			
Accounts receivable	6	3,869,703	3,000,547
Loans and advances	7	509,764	630,971
Prepayments, deposits and other receivables		22,289	18,927
Tax recoverable		–	343
Investments in securities		253,194	240,282
Bank balances – client accounts		311,596	649,170
Bank balances – general accounts and cash		1,094,041	1,069,341
		<u>6,060,587</u>	<u>5,609,581</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*(Continued)*

		Unaudited At 30 September 2017 <i>HK\$'000</i>	Audited At 31 March 2017 <i>HK\$'000</i>
	<i>Notes</i>		
Current liabilities			
Accounts payable	8	380,989	722,780
Accrued charges and other payables		8,424	10,170
Amounts due to non-controlling shareholders		52,684	52,684
Tax payable		<u>182,464</u>	<u>161,707</u>
		<u>624,561</u>	<u>947,341</u>
Net current assets		<u>5,436,026</u>	<u>4,662,240</u>
Total assets less current liabilities		<u>6,916,870</u>	<u>5,896,002</u>
Non-current liabilities			
Deferred tax liabilities		7,585	7,627
Convertible bonds issued by a listed subsidiary	9	<u>306,625</u>	<u>–</u>
		<u>314,210</u>	<u>7,627</u>
Net assets		<u>6,602,660</u>	<u>5,888,375</u>
Capital and reserves			
Share capital	10	966,270	805,225
Reserves		<u>4,388,917</u>	<u>4,075,647</u>
Equity attributable to owners of the Company		<u>5,355,187</u>	<u>4,880,872</u>
Non-controlling interests		<u>1,247,473</u>	<u>1,007,503</u>
Total equity		<u>6,602,660</u>	<u>5,888,375</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited

Six months ended 30 September 2017

Attributable to owners of the Company

	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Properties	Investments	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
				revaluation reserve HK\$'000	revaluation reserve HK\$'000					
Balance as at 1 April 2017	805,225	2,695,526	159,147	14,376	829	384	1,205,385	4,880,872	1,007,503	5,888,375
Profit for the period	-	-	-	-	-	-	138,003	138,003	40,762	178,765
Other comprehensive income for the period										
Exchange difference arising on translation	-	-	-	-	-	90	-	90	-	90
Fair value losses on revaluation of available-for-sale investments	-	-	-	-	(1,973)	-	-	(1,973)	-	(1,973)
	-	-	-	-	(1,973)	90	-	(1,883)	-	(1,883)
Total comprehensive income for the period	-	-	-	-	(1,973)	90	138,003	136,120	40,762	176,882
Issue of shares under placing	161,045	257,673	-	-	-	-	-	418,718	-	418,718
Dividend recognised as distribution	-	-	-	-	-	-	(80,523)	(80,523)	-	(80,523)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(13,411)	(13,411)
Equity component of convertible bonds issued by a non-wholly owned subsidiary	-	-	-	-	-	-	-	-	212,619	212,619
At 30 September 2017	966,270	2,953,199	159,147	14,376	(1,144)	474	1,262,865	5,355,187	1,247,473	6,602,660

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	Unaudited									
	Six months ended 30 September 2016									
	Attributable to owners of the Company									
	Share capital	Share premium	Special reserve	Properties revaluation reserve	Investments revaluation reserve	Translation reserve	Retained profits	Total	Non-controlling interests	Total
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance as at 1 April 2016	671,021	2,691,752	123,337	14,148	(1,354)	387	1,340,068	4,839,359	29,642	4,869,001
Profit for the period	-	-	-	-	-	-	70,352	70,352	33,568	103,920
Other comprehensive income for the period										
Fair value gain on revaluation of available-for-sale investments	-	-	-	-	499	-	-	499	-	499
Deferred tax liability arising on revaluation of available-for-sale investments	-	-	-	-	(44)	-	-	(44)	-	(44)
	-	-	-	-	455	-	-	455	-	455
Total comprehensive income for the period	-	-	-	-	455	-	70,352	70,807	33,568	104,375
Distribution in specie	-	(163,981)	35,810	-	-	-	-	(128,171)	128,171	-
Deemed loss arising from capitalisation of inter-company balance due from a non-wholly owned subsidiary	-	-	-	-	-	-	(108,159)	(108,159)	108,159	-
Deemed disposal of partial interest in a subsidiary without losing control	-	-	-	-	-	-	(207,423)	(207,423)	714,977	507,554
Issue of shares under placing	134,204	167,755	-	-	-	-	-	301,959	-	301,959
Dividend recognised as distribution	-	-	-	-	-	-	(80,524)	(80,524)	-	(80,524)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(27,012)	(27,012)
At 30 September 2016	805,225	2,695,526	159,147	14,148	(899)	387	1,014,314	4,687,848	987,505	5,675,353

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months ended 30 September	
	2017 HK\$'000	2016 HK\$'000
Net cash (used in) from operating activities	(45,879)	77,771
Net cash used in investing activities	(245,566)	(459,659)
Net cash from financing activities	<u>316,055</u>	<u>266,977</u>
Net increase (decrease) in cash and cash equivalents	24,610	(114,911)
Effect on foreign exchange rate changes	90	–
Cash and cash equivalents at beginning of the period	<u>1,069,341</u>	<u>1,271,207</u>
Cash and cash equivalents at end of the period	<u><u>1,094,041</u></u>	<u><u>1,156,296</u></u>
Represented by:		
Bank balances – general accounts and cash	<u><u>1,094,041</u></u>	<u><u>1,156,296</u></u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2017*

### 1. BASIS OF PREPARATION AND APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The unaudited condensed consolidated financial statements have been prepared in accordance 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”) and are in compliance with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period.

Except as described below, the accounting policies used in the preparation of these unaudited condensed consolidated financial statements for the six months ended 30 September 2017 are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2017.

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA that are mandatorily effective for accounting periods beginning on or after 1 April 2017:

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses
Amendments to HKFRS 12	As part of the annual improvements to HKFRSs 2014–2016 cycle

The application of the above amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial performances and positions for the current and prior periods 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.

## 2. SEGMENT INFORMATION

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

*For the six months ended 30 September 2017*

	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>43,562</u>	<u>155,764</u>	<u>38,576</u>	<u>800</u>	<u>19,261</u>	<u>257,963</u>
SEGMENT PROFIT	<u>33,688</u>	<u>155,764</u>	<u>38,375</u>	<u>674</u>	<u>6,225</u>	<u>234,726</u>
Unallocated corporate expenses						<u>(19,610)</u>
Profit before taxation						<u>215,116</u>

*For the six months ended 30 September 2016*

	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>52,712</u>	<u>138,957</u>	<u>48,077</u>	<u>950</u>	<u>3,123</u>	<u>243,819</u>
SEGMENT PROFIT (LOSS)	<u>24,512</u>	<u>138,957</u>	<u>47,743</u>	<u>694</u>	<u>(38,084)</u>	<u>173,822</u>
Unallocated corporate expenses						<u>(36,686)</u>
Profit before taxation						<u>137,136</u>

## 2. SEGMENT INFORMATION (Continued)

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

As at 30 September 2017

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>406,202</u>	<u>3,949,871</u>	<u>625,163</u>	<u>8,578</u>	<u>1,617,820</u>	6,607,634
Unallocated assets (Note 1)						<u>933,797</u>
Consolidated total assets						<u>7,541,431</u>
SEGMENT LIABILITIES	<u>181,947</u>	<u>235,403</u>	<u>11,105</u>	<u>96</u>	<u>5,765</u>	434,316
Unallocated liabilities (Note 2)						<u>504,455</u>
Consolidated total liabilities						<u>938,771</u>

## 2. SEGMENT INFORMATION (Continued)

As at 31 March 2017

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>881,759</u>	<u>3,315,860</u>	<u>727,485</u>	<u>8,426</u>	<u>1,375,907</u>	6,309,437
Unallocated assets (Note 1)						<u>533,906</u>
Consolidated total assets						<u>6,843,343</u>
SEGMENT LIABILITIES	<u>487,600</u>	<u>256,923</u>	<u>7,472</u>	<u>-</u>	<u>5,073</u>	757,068
Unallocated liabilities (Note 2)						<u>197,900</u>
Consolidated total liabilities						<u>954,968</u>

Note 1: The balance comprises bank balances of HK\$800,647,000 (at 31 March 2017: HK\$390,606,000).

Note 2: The balance includes the carrying amount of the debt component of convertibles bonds issued by a listed subsidiary amounting to HK\$306,625,000 (at 31 March 2017: HK\$Nil) and the amounts due to non-controlling shareholders amounting to HK\$52,684,000 (at 31 March 2017: HK\$52,684,000).

All segments' operations are primarily located in Hong Kong except for an investment property located in United Kingdom and its relevant leasing operation and the majority of the Group's revenue is derived from Hong Kong.

## 3. TAXATION

	Six months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	<u>36,351</u>	<u>33,216</u>

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both periods.

#### 4. DIVIDENDS

	<b>Six months ended</b>	
	<b>30 September</b>	
	2017	2016
	<b>HK\$'000</b>	<b>HK\$'000</b>
Final dividend paid	<b>80,523</b>	80,524
Special interim dividend by way of distribution of shares in a subsidiary in respect of its spin-off and separate listing	–	128,171
Proposed interim dividend of HK1.0 cent (2016: HK1.0 cent) per share	<b>96,627</b>	80,524
	<b>177,150</b>	289,219

On 13 September 2017, a dividend of HK1.0 cent per share was paid to shareholders as the final dividend for the year ended 31 March 2017.

At a meeting held on 29 November 2017, the Directors recommended an interim dividend of HK1.0 cent per share for the six months ended 30 September 2017 to the shareholders whose names appear in the register of members on 22 December 2017. This proposed interim dividend is not reflected as a dividend payables in these unaudited condensed consolidated interim financial statements, but will be reflected as an appropriation of retained earnings for the year ended 31 March 2018.

#### 5. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	<b>Six months ended</b>	
	<b>30 September</b>	
	2017	2016
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Earnings</b>		
Profit for the period attributable to the owners of the Company for the purpose of basic earnings per share	<b>138,003</b>	70,352
	<b>2017</b>	2016
	<b>'000</b>	<b>'000</b>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>8,149,059</b>	6,944,888

Diluted earnings per share is not presented as there were no potential ordinary shares outstanding during both periods.

## 6. ACCOUNTS RECEIVABLE

	At 30 September 2017 <i>HK\$'000</i>	At 31 March 2017 <i>HK\$'000</i>
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	93,984	13,641
– Margin clients:		
– Directors and their close family members	898	1,819
– Other margin clients	3,747,582	2,921,480
– Hong Kong Securities Clearing Company Limited	20,786	65,591
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	<u>23,774</u>	<u>15,345</u>
	<b>3,887,024</b>	3,017,876
Less: Impairment allowance	<u>(17,321)</u>	<u>(17,329)</u>
	<b><u>3,869,703</u></b>	<b><u>3,000,547</u></b>

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

Included in the accounts receivable from cash clients are debtors with a carrying amount of HK\$909,000 (31 March 2017: HK\$162,000) 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.

## 6. ACCOUNTS RECEIVABLE (Continued)

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 2017 HK\$'000	At 31 March 2017 HK\$'000
0 – 30 days	889	125
31 – 60 days	–	–
Over 60 days	20	37
	<u>909</u>	<u>162</u>

The accounts receivable from cash clients with a carrying amount of HK\$93,075,000 (31 March 2017: HK\$13,479,000) are neither past due nor impaired at the end of the reporting period and the directors of the Company are of the opinion that the amounts are recoverable.

Loans to securities margin clients are secured by clients' pledged securities with fair value of HK\$14,766,824,000 (31 March 2017: HK\$15,308,956,000). Significant portion of the pledged securities are listed equity securities in Hong Kong. The loans are repayable on demand and carry interest at Hong Kong prime rate + 2% to 4.45% per annum (and in some cases the rate may go up to 18% per annum) (31 March 2017: Hong Kong prime rate + 2% to 4.45% per annum (and in some cases the rate may go up to 18% per annum)). Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collaterals are required if the outstanding amount exceeds the eligible margin value of securities deposited. The collaterals held can be repledged and can be sold at the Group's discretion to settle any outstanding amount owed by margin clients. No ageing analysis is disclosed, as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

Included in accounts receivable from margin clients arising from the business of dealing in securities are amounts due from certain related parties. The details are as follows:

Name	Balance at 1 April 2017 HK\$'000	Balance at 30 September 2017 HK\$'000	Maximum amount outstanding during the period HK\$'000	Market value of pledged securities at 30 September 2017 HK\$'000
Mr. Hung Hon Man (Director of the Company), close family members and a controlling entity	1,819	78	2,779	1,590,218
Mr. Kam Leung Ming (Director of the Company), close family members and a controlling entity	–	820	1,397	979
Mr. Ng Hon Sau, Larry (key management personnel of the Group)	–	34	717	–
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## 7. LOANS AND ADVANCES

	At 30 September 2017 HK\$'000	At 31 March 2017 HK\$'000
Fixed-rate loan receivables	545,202	642,628
Less: Allowance for impaired debts	<u>(5,845)</u>	<u>(6,050)</u>
	<b>539,357</b>	<b>636,578</b>
Secured	178,961	75,141
Unsecured	<u>360,396</u>	<u>561,437</u>
	<b>539,357</b>	<b>636,578</b>
Analysed as:		
Current assets	509,764	630,971
Non-current assets	<u>29,593</u>	<u>5,607</u>
	<b>539,357</b>	<b>636,578</b>

At 30 September 2017, certain loans and advances with carrying amount of HK\$179,860,000 (31 March 2017: HK\$75,141,000) are secured by first mortgage of properties in Hong Kong with an aggregate fair value of HK\$449,440,000 (31 March 2017: HK\$133,700,000); carrying amount of HK\$13,800,000 (31 March 2017: HK\$115,800,000) are covered by second mortgages of properties in Hong Kong with an aggregate fair value of HK\$48,440,000 (31 March 2017: HK\$1,044,410,000). The fixed-rate loan receivables carry interest ranging from 8% to 24% (2016: 8% to 24%) per annum.

The Group determines the allowances for impaired debts based on the evaluation of collectability and ageing analysis of accounts and management's judgment, including assessment of change of credit quality, collateral and the past collection history of each customer. The Group has concentration of credit risk as 66% (31 March 2017: 78%) of the total loans and advances was due from the five largest borrowing customers. The directors of the Company believe that the allowances for impaired debts are sufficient.

7. **LOANS AND ADVANCES (Continued)**

Movement in the allowance for impaired debts is as follows:

	<b>At 30 September 2017 HK\$'000</b>	<b>At 31 March 2017 HK\$'000</b>
Balance at beginning	<b>6,050</b>	4,438
Impairment loss recognised	–	1,612
Write-off	<b>(205)</b>	–
	<b><u>5,845</u></b>	<b><u>6,050</u></b>

Loan and advances are netted off by allowance for impaired debts of HK\$5,845,000 (31 March 2017: HK\$6,050,000) which were collective allowance.

There were no loans and advances past due but not impaired as at 30 September 2017 and 31 March 2017.

The loans and advances with a carrying amount of HK\$539,357,000 (31 March 2017: HK\$636,578,000) are neither past due nor impaired at the end of the reporting period. In view of the repayment history of these borrowers and collateral provided, the directors of the Company consider the amount to be recoverable and of good credit quality.

## 8. ACCOUNTS PAYABLE

	At 30 September 2017 <i>HK\$'000</i>	At 31 March 2017 <i>HK\$'000</i>
Accounts payable arising from the business of dealing in securities:		
– Cash clients	118,934	441,434
– Margin clients	235,403	256,923
Accounts payable to clients arising from the business of dealing in futures contracts	<u>26,652</u>	<u>24,423</u>
	<u><b>380,989</b></u>	<u><b>722,780</b></u>

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

Amounts due to securities margin clients are repayable on demand and carry interest at 0.25% (2016: 0.25%) per annum. No ageing analysis is disclosed as, in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

Included in accounts payable to margin clients arising from the business of dealing in securities are amounts due to directors of the Company and their associates of HK\$23,575,000 (31 March 2017: HK\$90,000).

Accounts payable to clients arising from the business of dealing in futures contracts are margin deposits received from clients for their trading of futures contracts on the Hong Kong Futures Exchange Limited ("HKFE"). The excesses of the outstanding amounts over the required initial margin deposits stipulated by the HKFE are repayable to clients on demand. No ageing analysis is disclosed as, in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of business of futures contract dealing.

## 9. CONVERTIBLE BONDS ISSUED BY A SUBSIDIARY

On 1 September 2017, a listed subsidiary of the Group, Get Nice Financial Group Limited (“GNFG”, stock code: 1469), issued 2% coupon convertible bonds (the “Convertible Bonds”) with a nominal value of HK\$525,000,000 to independent third parties. The Convertible Bonds are convertible at the option of the bondholders into ordinary shares within 2 years from the date of issuance of the Convertible Bonds at the conversion price of HK\$1.05 per conversion share. Any Convertible Bonds not converted will be redeemed after 2 years from the date of issuance at the outstanding principal amounts.

On initial recognition, the fair value of the Convertible Bonds was allocated among the debt component and equity component of the Convertible Bonds. As at 30 September 2017, the carrying values of the debt component and equity component as non-controlling interest of the Convertible Bonds are HK\$306,625,000 and HK\$212,619,000, respectively. No Convertible Bonds were converted to ordinary shares up to 30 September 2017.

## 10. SHARE CAPITAL

	Number of shares '000	HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 April 2016, 31 March 2017 and 30 September 2017	<u>30,000,000</u>	<u>3,000,000</u>
Issued and fully paid:		
At 1 April 2016	6,710,214	671,021
Issue of shares on 29 August 2016 ( <i>Note 1</i> )	<u>1,342,042</u>	<u>134,204</u>
At 31 March 2017	<u>8,052,256</u>	<u>805,225</u>
Issue of shares on 20 September 2017 ( <i>Note 2</i> )	<u>1,610,450</u>	<u>161,045</u>
At 30 September 2017	<u>9,662,706</u>	<u>966,270</u>

### Notes:

- (1) On 29 August 2016, the Company allotted and issued 1,342,042,000 shares by way of placing at the placing price of HK\$0.225 per placing share.
- (2) On 20 September 2017, the Company allotted and issued 1,610,450,000 shares by way of placing at the placing price of HK\$0.26 per placing share.

## 11. FINANCIAL RISK MANAGEMENT

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

- *Capital risk management*

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

- *Market risk*

*Interest rate risk*

The Group is exposed to cash flow interest rate risk in relation to accounts receivable, loans and advances, bank balances and bank borrowings. The Group is also exposed to fair value interest rate risk in relation to fixed-rate loans and advances, convertible notes and debt securities held by the Group. The Group currently does not have an interest rate hedging policy. However, the Group closely manages its exposure arising from margin financing and other lending activities undertaken by allowing an appropriate margin on the interest received and paid by the Group.

*Equity price risk*

The Group is exposed to equity price risk through its investments in listed equity securities, convertible notes and investment fund. The directors of the Company manage the exposure by closely monitoring the portfolio of these financial instruments. The fair value of these financial instruments will be affected either positively or negatively, amongst others, by the changes in the closing market prices of the relevant listed equity securities and quoted price of the investment fund.

## 11. FINANCIAL RISK MANAGEMENT (Continued)

- *Currency risk*

In the opinion of the directors of the Company, except for the acquisition of an investment property in United Kingdom in August 2017 and its related rental income which are denominated in British Pound, the currency risk exposure is not significant as most of the transactions and financial assets and liabilities of the group entities are denominated in the functional currency of the respective entities and, in the case of Macau Pataca (“MOP”) and United States dollars (“US\$”), the exposure is limited as MOP and US\$ are pegged to HK\$, respectively.

- *Credit risk*

The Group’s maximum exposure to credit risk which will cause a financial loss to the Group due to failures to discharge an obligation by the counterparts is arising from the carrying amount of the respective recognised financial assets as stated in the condensed consolidated statement of financial position.

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment allowances are made for losses that have been incurred at the end of the reporting period. Significant changes in the economy, or in the health of a particular industry segment, could result in losses that are different from those provided for at the end of the reporting period. Management therefore carefully manages its exposure to credit risk.

The Group structures the levels of credit risk it undertakes in relation of accounts receivable, loans and advances, other receivables, convertible notes and debt securities by placing limits on the amount of risk accepted in relation to any borrower or issuer, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to a quarterly or more frequent review.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees.

The credit risk on bank balances is limited as the counterparties are banks with high credit rating assigned by international credit-rating agencies.

The exposure of credit risk on debt securities is limited as they are issued or guaranteed by the holding companies listed on The Stock Exchange of Hong Kong Limited.

## 11. FINANCIAL RISK MANAGEMENT (Continued)

- *Liquidity risk*

As part of ordinary broking activities, the Group is exposed to liquidity risk arising from timing difference between settlement with clearing houses or brokers and clients. To address the risk, treasury team works closely with the settlement division on monitoring the liquidity gap.

## 12. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the unaudited condensed consolidated interim financial statements, the Group had the following related party transactions during the period:

Name of related party	Nature of transaction	Six months ended 30 September	
		2017 HK\$'000	2016 HK\$'000
Messrs. Hung Hon Man, Cham Wai Ho, Anthony, Lung Hon Lui, Shum Kin Wai, Frankie, Hung Sui Kwan, Kam Leung Ming, Ng Hon Sau, Larry, Cheng Wai Ho, their close family members and controlling entities	Commission income (Note i)	950	737
Messrs. Hung Hon Man, Lung Hon Lui, Hung Sui Kwan, Kam Leung Ming, Ng Hon Sau, Larry, their close family members and controlling entities	Interest income (Note ii)	93	26
Mr. Hung Hon Man's associate	Rental income (Note iii)	252	252

*Notes:*

- Commission was charged at 0.1% to 0.15% (2016: 0.1% to 0.15%) on the total value of transactions.
- Interest was charged at fixed rates ranging from 7.236% to 9.252% (2016: 7.236% to 9.252%) on the outstanding balance of margin loans.
- Monthly rental fee was charged at HK\$42,000 (2016: HK\$42,000).

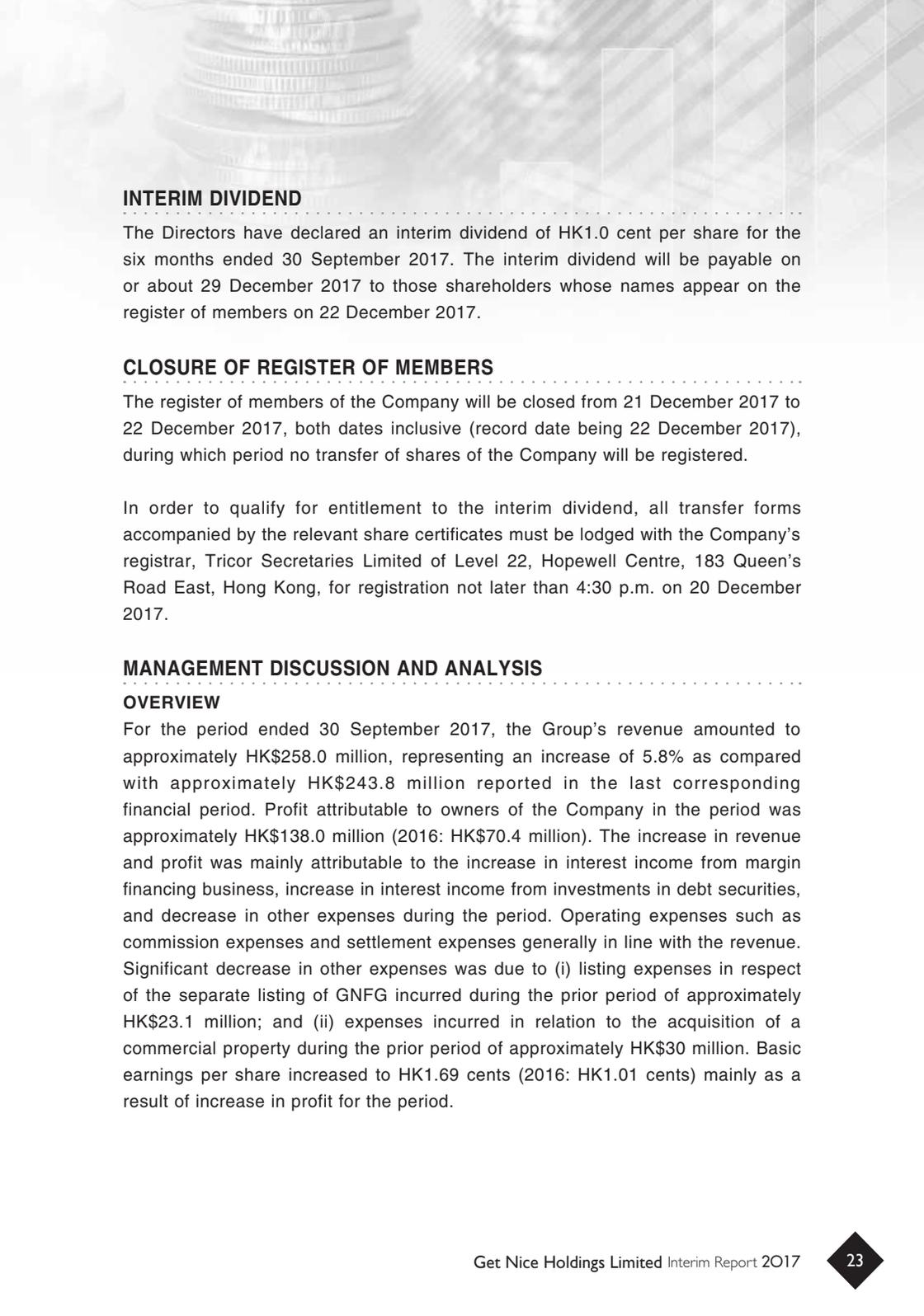
**12. RELATED PARTY TRANSACTIONS (Continued)**

**Compensation of key management personnel**

The remuneration of Directors and other members of key management during the period was as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2017</b>	2016
	<b>HK\$'000</b>	HK\$'000
Short-term employee benefits	<b>3,335</b>	3,465
Post-employment benefits	<b>77</b>	82
	<b><u>3,412</u></b>	<u>3,547</u>

The remuneration of Directors and other members of key management is determined by the performance of individuals and market trends.



## **INTERIM DIVIDEND**

The Directors have declared an interim dividend of HK1.0 cent per share for the six months ended 30 September 2017. The interim dividend will be payable on or about 29 December 2017 to those shareholders whose names appear on the register of members on 22 December 2017.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 21 December 2017 to 22 December 2017, both dates inclusive (record date being 22 December 2017), 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 20 December 2017.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OVERVIEW**

For the period ended 30 September 2017, the Group's revenue amounted to approximately HK\$258.0 million, representing an increase of 5.8% as compared with approximately HK\$243.8 million reported in the last corresponding financial period. Profit attributable to owners of the Company in the period was approximately HK\$138.0 million (2016: HK\$70.4 million). The increase in revenue and profit was mainly attributable to the increase in interest income from margin financing business, increase in interest income from investments in debt securities, and decrease in other expenses during the period. Operating expenses such as commission expenses and settlement expenses generally in line with the revenue. Significant decrease in other expenses was due to (i) listing expenses in respect of the separate listing of GNFG incurred during the prior period of approximately HK\$23.1 million; and (ii) expenses incurred in relation to the acquisition of a commercial property during the prior period of approximately HK\$30 million. Basic earnings per share increased to HK1.69 cents (2016: HK1.01 cents) mainly as a result of increase in profit for the period.



## MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

---

### REVIEW AND OUTLOOK

#### *Market Review*

During the period under review, the investment sentiment in Hong Kong stock market was greatly improved. In light of the development of Stock Connect scheme between three stocks exchanges, the positive outlook on One Belt One Road Initiative and the resilience of recent China's economic data, the confidence of professional investors and general public had been restored. The Hong Kong stock market was going bullish due to the strong inflows of mainland capital into Hong Kong.

Despite the diverging trends of financial policies between countries, for instance, Canada started its interest rate hikes cycle, Japan committed to continue its quantitative easing measures, the European Central Banks was revisiting the continuity of its asset purchase program, China focused on the compliance and credibility of different financial industries, the global financial market was turning positive and most of the market indices were breaking records high.

The Hang Seng Index closed at 27,554 at the end of September 2017, compared with 23,297 at the end of September 2016 and 24,111 at the end of March 2017. The average daily turnover on the Main Board and GEM Board during the six months period ended 30 September 2017 was approximately HK\$85.8 billion, an increase of 31% as compared with HK\$65.5 billion for the same period in prior year.

In respect of the local money lending market, more restrictions and compliance requirements imposed on banks would offer more business opportunities to non-bank money lenders as they could provide more flexible lending services to both retail and corporate clients.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### **Business Review**

#### *Broking and securities margin financing*

During the period ended 30 September 2017, the Group recorded solid performance from both its broking and margin financing businesses. Operating result of the broking business increased by 37.6% as a result of the gain on disposal of an insignificant subsidiary engaged in broking business of HK\$10 million in current period. Interest income from securities margin financing also went up with the increase in securities margin lending. Revenue from broking for the period decreased by 17.3% to approximately HK\$43.6 million (2016: HK\$52.7 million) as compared with last financial period, of which approximately HK\$18.7 million (2016: HK\$18.7 million) was contributed by the underwriting, placing and proof of funds business. The broking business posted a profit of approximately HK\$33.7 million (2016: HK\$24.5 million) for the period. The movement in broking turnover was affected by the average market turnover during the 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 increased by 12.1% to approximately HK\$155.8 million (2016: HK\$139.0 million). Total outstanding loans of securities margin financing as at 30 September 2017 amounted to approximately HK\$3,748.5 million (as at 31 March 2017: HK\$2,923.3 million), which increased by 28.2% as compared with that on 31 March 2017. No impairment charge was recorded in the period (2016: HK\$Nil). The Group will continue to maintain a balance on yield relative to risk and cautious approach to the credit control of its margin financing business.

#### *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 period. The aggregated loan amount decreased to HK\$539.4 million at 30 September 2017 from HK\$636.6 million at 31 March 2017, with interest income decreased by 19.8% to HK\$38.6 million (2016: HK\$48.1 million) for the period. It recorded profit before tax of HK\$38.4 million (2016: HK\$47.7 million) for the six months ended 30 September 2017. No material impairment loss was made on the loan book of money lending for the period. 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.



## **MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

---

### *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 2017, it completed 5 financial advisory transactions (2016: 6). The operation reported a profit of approximately HK\$0.7 million for the period (2016: HK\$0.7 million).

### *Investments*

The investments division held investment 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 HK\$6.2 million (2016: loss of HK\$38.1 million), mainly attributable to the interest income from an unlisted debt security of HK\$15.8 million (2016: HK\$Nil) and expenses incurred in relation to the acquisition of a commercial property of HK\$30 million in prior period. The realised and unrealised loss of financial instruments for the period was HK\$0.6 million (2016: HK\$Nil) and HK\$34.0 million (2016: HK\$14.6 million), respectively. As at 30 September 2017, the Group held a portfolio of equity and debt securities and convertible notes with a total fair value of HK\$792.1 million (31 March 2017: HK\$800.2 million).

During the current period, the Group acquired a commercial building in United Kingdom, at consideration of HK\$213.4 million. As at 30 September 2017, the Group held a portfolio of investment properties with a total fair value of HK\$761.9 million (31 March 2017: HK\$513.7 million).

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### **Outlook**

Looking ahead, the economic backdrop of Hong Kong and China remains stable and optimistic. The cross-border Stock Connect scheme, the geographical advantages of Hong Kong and the integration of the Hong Kong and China markets would continue to derive capital inflow to Hong Kong and create financial synergy.

Notwithstanding the recent positive performance of the Hong Kong stock market supported by improved investment atmosphere, our Group is facing with uncertainties in global financial environment, expecting new local regulatory requirements and also variation of financial policies in China. 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 has utilised the proceeds from placing of shares, the Listing of GNFG and issuance of convertible bonds by GNFG to expand our securities margin financing and broking business and further develop our underwriting and placing service. Looking ahead, the Group is going to further enlarge the sales and marketing team and corporate finance team, and further improve our information and technology infrastructure.

In addition, the Group will keep seeking quality and upscale investment properties and 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.

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.

## USE OF PROCEEDS FROM PLACING OF NEW SHARES

The Company has received net proceeds of approximately HK\$414.5 million in connection with the placing of new shares completed on 20 September 2017. Set forth below is a summary of the utilization of the net proceeds:

	Amount of net proceeds intended to be used <i>HK\$ million</i> <i>(approximately)</i>	Actual utilized amount as of 30 September 2017 <i>HK\$ million</i> <i>(approximately)</i>	Unutilized amount as of 30 September 2017 <i>HK\$ million</i> <i>(approximately)</i>
Intended use as disclosed in the Company's announcement dated 5 September 2017	414.5	14.6	399.9

## FINANCIAL REVIEW

### *Financial Resources and Gearing Ratio*

The equity attributable to owners of the Company amounted to HK\$5,355.2 million (31 March 2017: HK\$4,880.9 million) as at 30 September 2017, representing an increase of HK\$474.3 million, or 9.7% from that of 31 March 2017. The movement was mainly attributable to the placing of new shares and profit for the period net of dividend payment. The increase in non-controlling interest from approximately HK\$1,007.5 million at 31 March 2017 to HK\$1,247.5 million at 30 September 2017 was mainly attributable to the non-controlling interest sharing of the profit for the period of GNFG, and the non-controlling interest of equity component of the convertible bonds issued by GNFG.

## **FINANCIAL REVIEW (Continued)**

### ***Financial Resources and Gearing Ratio (Continued)***

The Group's net current assets as at 30 September 2017 amounted to HK\$5,436.0 million (31 March 2017: HK\$4,662.2 million) and the liquidity of the Group, as demonstrated by the current ratio (current assets/current liabilities) was 9.70 times (31 March 2017: 5.92 times). The Group's cash on hand amounted to HK\$1,094 million as at 30 September 2017 (31 March 2017: HK\$1,069.3 million). The Group had no bank borrowings as at 30 September 2017 and 31 March 2017 and the Group had undrawn banking facilities amounting to HK\$710 million as at 30 September 2017 (31 March 2017: HK\$935 million) which were secured by charges over clients' pledged securities, a property and corporate guarantees issued by GNFG.

The number of issued shares of the Company was 9,662,705,938 as at 30 September 2017 (31 March 2017: 8,052,255,938). The increase is resulted from the placing of new shares under general mandate during the period.

As at 30 September 2017, the Group's gearing ratio (total liabilities over equity attributable to owners of the Company) was 0.2 time (31 March 2017: 0.2 time).

Except for the acquisition of an investment property in United Kingdom in August 2017 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 Group had no material contingent liabilities at the period end.

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

As at 30 September 2017, leasehold land and building of the Group with a carrying amount of HK\$106.7 million (31 March 2017: HK\$108.1 million) were pledged for a banking facility granted to the Group.

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

The Group did not make any material acquisitions or disposals of subsidiaries, associates or jointly controlled entities during the period.

## FINANCIAL REVIEW (Continued)

### Employee Information

As at 30 September 2017, the Group had 77 employees (31 March 2017: 81). The Group's employees were remunerated according to their performance, working experience and market conditions. The total amount of remuneration cost of employees of the Group for the period was HK\$9.9 million (2016: HK\$9.6 million). The Group provides employee benefits including mandatory provident fund, discretionary share options and performance bonus for its staff.

### DIRECTORS' INTERESTS IN SHARES

At 30 September 2017, the interests of the Directors and their associates in the shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

#### 1. Long positions in the ordinary shares of HK\$0.1 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Mr. Hung Hon Man	Held by controlled corporation (Note)	2,488,257,874	25.75%

*Note:* Mr. Hung Hon Man is deemed to be interested in 2,488,257,874 ordinary shares of the Company which are held by Honeylink Agents Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man.

## DIRECTORS' INTERESTS IN SHARES (continued)

### 2. Long positions in the non-voting deferred shares of HK\$1.0 each of Get Nice Securities Limited ("GNS"), an indirect non-wholly owned subsidiary of the Company

Name of director	Capacity	Number of non-voting deferred shares* held	Percentage of the issued non-voting deferred share of GNS
Mr. Hung Hon Man	Beneficial owner	36,000,000	90%

\* The non-voting deferred shares carry practically no rights to dividends nor to receive notice of nor to attend or vote at any general meeting of GNS and on liquidation, the assets of GNS available for distribution among the holders of ordinary shares and the holders of non-voting deferred shares shall be applied first in paying to the holders of ordinary shares the sum of HK\$1,000,000,000,000 per ordinary share and secondly in repaying to the holders of non-voting deferred shares the nominal amount paid up or credited as paid up on such shares, and the balances of the GNS's assets shall belong to and be distributed among the holders of ordinary shares in proportion to the amount paid up or credited as paid up on such ordinary shares respectively.

### 3. Long positions in the ordinary shares of HK\$0.01 each of GNFG, a non-wholly owned subsidiary of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of GNFG
Mr. Hung Hon Man	Held by controlled corporation (Note)	50,309,829	2.01%

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

Save as disclosed above, at 30 September 2017, none of the Directors nor their associates had any interests or short positions in any shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## ARRANGEMENTS TO PURCHASE SHARES AND OPTIONS

The share option scheme of the Company adopted on 16 May 2002 has expired on 5 June 2012. The Company has adopted a new share option scheme (“Option Scheme”) pursuant to a resolution passed on 24 August 2012. On 20 August 2015, the refreshment of scheme mandate limit under the Option Scheme was approved by the shareholders of the Company at the annual general meeting by way of an ordinary resolution. The Company is thus entitled to issue a maximum of 671,021,393 shares upon exercise of the share options to be granted under the refreshed scheme mandate limit, representing 10% of the issued shares as at the date of the annual general meeting held on 20 August 2015. The purpose of the Option Scheme is to provide an incentive for eligible participant to work with commitment towards enhancing the value of the Company and the shares for the benefit of the shareholders of the Company and to retain and attract persons whose contribution are or may be beneficial to the growth and development of the Group. No share options were granted during the period.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors, their spouses or children under the age of 18, had any right to subscribe for the shares of the Company, or had exercised any such rights during the period.

## SUBSTANTIAL SHAREHOLDERS

At 30 September 2017, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders had an interest of 5% or more in the issued share capital of the Company and these interests represent long positions in the ordinary shares of HK\$0.1 each of the Company.

### Long positions in the ordinary shares of HK\$0.1 each of the Company

Name	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Hung Hon Man	Held by controlled corporation (Note)	2,488,257,874	25.75%
Honeylink Agents Limited	Beneficial owner (Note)	2,488,257,874	25.75%

*Note:* Mr. Hung Hon Man is deemed to be interested in 2,488,257,874 ordinary shares of the Company which are held by Honeylink Agents Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man.

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company at 30 September 2017.

## **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 2017, 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 2017 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.

## **DISCLOSURE OF THE INFORMATION OF THE DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES**

---

Pursuant to rule 13.51B(1) of the Listing Rules, changes in the information of the Directors required to be disclosed in this report are as follows:

With effect from 20 June 2017, Mr. Kam Leung Ming, Executive Director and Company Secretary of the Company, has been appointed as an independent non-executive director and a member of the audit committee of Genes Tech Group Holdings Company Limited (Stock Code: 8257).

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

Hong Kong, 29 November 2017

*As at the date of this report, the executive directors of the Company are Mr. Hung Hon Man (Chairman and chief executive officer), Mr. Cham Wai Ho, Anthony and Mr. Kam Leung Ming; and the independent non-executive directors of the Company are Mr. Man Kong Yui, Mr. Sun Ka Zieng, Henry and Mr. Siu Hi Lam, Alick.*