

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



## GET NICE FINANCIAL GROUP LIMITED

### 結好金融集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1469)**

### ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2022

#### RESULTS

The board of directors (“Board”) of Get Nice Financial Group Limited (the “Company”) are pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2022 with comparative figures for the previous financial year as follows:

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

*For the year ended 31 March 2022*

	<i>Notes</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue from contracts with customers within HKFRS 15	4	<b>64,427</b>	71,664
Interest revenue calculated using the effective interest method	4	<b>290,400</b>	309,656
<b>Revenue</b>		<b>354,827</b>	381,320
Other operating income	6a	<b>9,894</b>	3,834
Other gains and losses, net	6b	<b>341,094</b>	(271)
Depreciation expenses		<b>(13,338)</b>	(5,798)
Commission expenses		<b>(12,678)</b>	(12,902)
Net impairment loss on accounts receivable	13	<b>(130,076)</b>	(55,703)
Staff costs	7	<b>(24,544)</b>	(22,010)
Finance costs	8	<b>(763)</b>	(5,477)
Other expenses		<b>(24,696)</b>	(25,109)

	<i>Notes</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Profit before taxation</b>	9	<b>499,720</b>	257,884
Income tax expense	10	<u>(32,853)</u>	<u>(44,675)</u>
<b>Profit for the year</b>		<u><b>466,867</b></u>	<u>213,209</u>
<b>Other comprehensive income (expense)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Surplus on revaluation of properties		<b>59</b>	1,634
Deferred tax arising on revaluation of properties		<u>(10)</u>	<u>(270)</u>
<b>Total other comprehensive income for the year</b>		<u><b>49</b></u>	<u>1,364</u>
<b>Total comprehensive income for the year</b>		<u><b>466,916</b></u>	<u>214,573</u>
<b>Earnings per share</b>			
Basic and diluted (HK dollars)	12	<u><b>0.19</b></u>	<u>0.09</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property and equipment		32,881	5,969
Intangible assets		8,512	8,963
Other assets		5,401	6,826
Deposits paid for acquisition of property and equipment		–	2,123
Promissory note receivable from the immediate holding company	15	218,913	–
Investments		58,034	2,061
Deferred tax assets		259	259
Goodwill		2,000	2,000
		<b>326,000</b>	28,201
<b>Current assets</b>			
Accounts receivable	13	2,826,396	3,655,082
Prepayments, deposits and other receivables		7,350	3,302
Tax recoverable		9,523	62
Investments		163	139
Bank balances – client accounts		480,897	656,240
Bank balances – general accounts and cash		1,226,573	328,186
		<b>4,550,902</b>	4,643,011
Assets classified as held for sale		–	106,132
		<b>4,550,902</b>	4,749,143
<b>Current liabilities</b>			
Accounts payable	14	517,124	695,799
Accrued charges and other payables		6,277	6,137
Deposit received for disposal of subsidiaries		–	37,000
Lease liabilities		7,798	1,927
Tax payable		530	10,303
		<b>531,729</b>	751,166
Liabilities associated with assets classified as held for sale		–	4,217
		<b>531,729</b>	755,383
<b>Net current assets</b>		<b>4,019,173</b>	3,993,760
<b>Total assets less current liabilities</b>		<b>4,345,173</b>	4,021,961

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Non-current liabilities</b>		
Lease liabilities	7,117	831
Deferred tax liabilities	<u>94</u>	<u>84</u>
	<u>7,211</u>	<u>915</u>
<b>Net assets</b>	<u><b>4,337,962</b></u>	<u>4,021,046</u>
<b>Capital and reserves</b>		
Share capital	25,000	25,000
Reserves	<u>4,312,962</u>	<u>3,996,046</u>
<b>Total equity</b>	<u><b>4,337,962</b></u>	<u>4,021,046</u>

*Notes:*

## **1. CORPORATE INFORMATION**

The Company was incorporated in the Cayman Islands under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 31 August 2015 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company’s immediate holding company is Get Nice Holdings Limited (“GN Holdings”), a company incorporated in the Cayman Islands with its shares listed on the Stock Exchange. The Company’s ultimate holding company is Honeylink Agents Limited, a company incorporated in the British Virgin Islands with limited liability.

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

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are engaged in the provision of financial services, including securities dealing and broking, futures and options broking, underwriting and placements, securities margin financing, corporate finance services and asset management services.

The consolidated financial statements of the Group are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

## **2. BASIS OF PREPARATION AND ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS**

### **Basis of preparation**

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance (the “HKCO”). The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

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

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2021 consolidated financial statements except for the adoption of the following new / revised HKFRSs that are relevant to the Group and effective from the current year.

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

### **Adoption of new/ revised HKFRSs**

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

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

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

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

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

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

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

### **Basis of measurement**

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for certain properties and investments which are measured at revalued amounts or fair value.

### 3. FUTURE CHANGES IN HKFRSs

At the date of authorisation of the consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are relevant to the Group and are not yet effective for the current year, which the Group has not early adopted.

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

<sup>[1]</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>[2]</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>[3]</sup> The effective date to be determined

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

#### 4. REVENUE

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b><u>Revenue from contracts with customers within HKFRS 15</u></b>		
Brokerage commission	50,858	49,385
Underwriting and placing commission	5,830	8,751
Proof of funds commission	200	8,208
Other commission	793	88
Clearing and handling fee income	1,691	1,807
Advisory fee income	2,672	905
Asset management fee income	2,383	–
Management fee	–	2,520
	<u>64,427</u>	<u>71,664</u>
<b>Interest revenue calculated using the effective interest method</b>		
– Bank balances and time-deposits	3,141	1,942
– Other financial assets at amortised costs		
– Accounts receivable	287,259	307,714
	<u>290,400</u>	<u>309,656</u>
<b>Total revenue</b>	<u><u>354,827</u></u>	<u><u>381,320</u></u>



#### 4. REVENUE (CONTINUED)

In addition to the information shown in segment disclosures, the revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<i>Timing of revenue recognition:</i>		
<b>At a point in time</b>		
Brokerage commission	50,858	49,385
Underwriting and placing commission	5,830	8,751
Proof of funds commission	200	8,208
Other commission	793	88
Clearing and handling fee income	1,691	1,807
	<u>59,372</u>	<u>68,239</u>
<b>Over time</b>		
Advisory fee income	2,672	905
Asset management fee income	2,383	–
Management fee	–	2,520
	<u>5,055</u>	<u>3,425</u>

#### 5. SEGMENT INFORMATION

The Group is currently organised into five operating divisions, namely, broking, securities margin financing, corporate finance, asset management and investments. These divisions are the basis on which the Board, being the chief operating decision maker, reviews the operating results and financial information. The principal activities of these divisions are as follows:

Broking	–	Provision of stockbroking, futures and options broking and underwriting and placements
Securities margin financing	–	Provision of securities margin financing
Corporate finance	–	Provision of corporate advisory services
Asset management	–	Provision of asset management services
Investments	–	Investment in financial instruments

The accounting policies of the operating segments are the same as the Group's accounting policies. For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain property and equipment, club memberships, certain prepayments, deposits and other receivables, promissory note receivable from the immediate holding company, certain bank balances and certain tax recoverable.
- all liabilities are allocated to operating segments other than certain accrued charges and other payables, certain deferred tax liabilities and certain tax payable.
- all profit or loss are allocated to operating segments other than certain depreciation expenses, certain lease payments for short-term leases or leases of low value assets/operating lease rentals, certain management fees, certain finance costs, certain staff costs and certain other expenses incurred for strategic planning by the Group.

Segment information about these divisions is presented below.

## 5. SEGMENT INFORMATION (CONTINUED)

### Segment revenue and results

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

#### Year ended 31 March 2022

	Broking <i>HK\$'000</i>	Securities margin financing <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Asset management <i>HK\$'000</i>	Investments <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT REVENUE	<u>62,721</u>	<u>287,051</u>	<u>2,672</u>	<u>2,383</u>	<u>-</u>	<u>354,827</u>
SEGMENT RESULT	<u>(696)</u>	<u>156,975</u>	<u>2,416</u>	<u>2,122</u>	<u>902</u>	<u>161,719</u>
Unallocated other gains and losses, net						339,767
Unallocated other operating income and corporate expenses, net						(1,728)
Unallocated finance costs						<u>(38)</u>
Profit before taxation						<u>499,720</u>

#### Year ended 31 March 2021

	Broking <i>HK\$'000</i>	Securities margin financing <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT REVENUE	<u>73,812</u>	<u>306,603</u>	<u>905</u>	<u>381,320</u>
SEGMENT RESULT	<u>21,693</u>	<u>250,900</u>	<u>606</u>	<u>273,199</u>
Unallocated corporate expenses				(14,804)
Unallocated finance costs				<u>(511)</u>
Profit before taxation				<u>257,884</u>

## 5. SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities

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

#### At 31 March 2022

	Broking <i>HK\$'000</i>	Securities margin financing <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Assets management <i>HK\$'000</i>	Investments <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT ASSETS	<u>1,564,843</u>	<u>3,002,337</u>	<u>11,122</u>	<u>7,115</u>	<u>56,440</u>	4,641,857
Unallocated assets						<u>235,045</u>
Consolidated assets						<u>4,876,902</u>
SEGMENT LIABILITIES	<u>315,097</u>	<u>222,492</u>	<u>95</u>	<u>493</u>	<u>-</u>	538,177
Unallocated liabilities						<u>763</u>
Consolidated liabilities						<u>538,940</u>

#### At 31 March 2021

	Broking <i>HK\$'000</i>	Securities margin financing <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT ASSETS	<u>756,204</u>	<u>3,894,302</u>	<u>10,419</u>	4,660,925
Unallocated assets				<u>116,419</u>
Consolidated assets				<u>4,777,344</u>
SEGMENT LIABILITIES	<u>418,735</u>	<u>295,300</u>	<u>82</u>	714,117
Unallocated liabilities				<u>42,181</u>
Consolidated liabilities				<u>756,298</u>

## 5. SEGMENT INFORMATION (CONTINUED)

### Other segment information

2022

	Broking HK\$'000	Securities margin financing HK\$'000	Corporate finance HK\$'000	Asset management HK\$'000	Investments HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or segment assets:							
Additions of property and equipment	40,191	-	-	-	-	-	40,191
Depreciation of property and equipment	(13,334)	-	-	(3)	-	(1)	(13,338)
Fair value gains on investments	79	-	-	-	918	-	997
Gain on disposal of property and equipment	-	-	-	-	-	950	950
Gain on disposal of subsidiaries	-	-	-	-	-	338,817	338,817
Government subsidies	410	-	-	80	-	-	490
Interest income (including revenue and other operating income)	3,375	287,051	8	-	-	6,181	296,615
Provision of net impairment loss on accounts receivable	-	(130,076)	-	-	-	-	(130,076)
Finance costs	(724)	-	-	-	-	(39)	(763)
Commission expenses	(12,496)	-	(182)	-	-	-	(12,678)
Write-off of intangible assets	(451)	-	-	-	-	-	(451)

2021

	Broking HK\$'000	Securities margin financing HK\$'000	Corporate finance HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or segment assets:					
Additions of property and equipment	4,885	-	-	-	4,885
Additions of property and equipment through acquisition of a subsidiary	335	-	-	-	335
Additions of intangible assets through acquisition of a subsidiary	550	-	-	-	550
Depreciation of property and equipment	(1,788)	-	-	(4,010)	(5,798)
Fair value gains on investments	95	-	-	-	95
Government subsidies	3,045	-	-	-	3,045
Interest income (including revenue and other operating income)	3,123	306,603	23	-	309,749
Provision of net impairment loss on accounts receivable	-	(55,703)	-	-	(55,703)
Finance costs	(4,966)	-	-	(511)	(5,477)
Commission expenses	(12,750)	-	(152)	-	(12,902)
Write-off of accounts receivable	-	(193)	-	-	(193)

## 5. SEGMENT INFORMATION (CONTINUED)

### Geographical information

The Group's operations are located in Hong Kong. Accordingly, the Group's revenue from external customers and all non-current assets (excluding financial assets and deferred tax assets) are located in Hong Kong.

### Information about major customers

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

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

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

### 6a. Other operating income

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Bank interest income	34	93
CCASS income	2,877	–
Interest income from promissory note issued by the immediate holding company	6,181	–
Government subsidies	490	3,045
Sundry income	312	696
	<u>9,894</u>	<u>3,834</u>

### 6b. Other gains and losses, net

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Gain on disposal of property and equipment	950	–
Gain on disposal of subsidiaries	338,817	–
Net realised losses on error trades	(7)	(2)
Write-off of intangible assets	(451)	–
Fair value changes on investments	997	95
Net exchange gains (losses)	788	(364)
	<u>341,094</u>	<u>(271)</u>

## 7. STAFF COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Staff costs including directors' emoluments:		
Salaries and other benefits	23,632	21,230
Retirement benefit scheme contributions	912	780
	<u>24,544</u>	<u>22,010</u>

## 8. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on bank borrowings	178	3,098
Interest on clients' accounts	119	1,827
Interest on lease liabilities	427	41
Interest on loan from the immediate holding company	39	511
	<u>763</u>	<u>5,477</u>

## 9. PROFIT BEFORE TAXATION

This is stated after charging:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Auditor's remuneration	1,360	1,360
Write-off of accounts receivable	–	193
	<u>–</u>	<u>193</u>

## 10. TAXATION

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Current tax</b>		
Hong Kong Profits Tax		
Current year	33,137	43,686
(Over) Under provision in prior years	(284)	921
	<u>32,853</u>	<u>44,607</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	–	68
	<u>–</u>	<u>68</u>
Income tax expense	<u>32,853</u>	<u>44,675</u>

The profits tax rate for the first HK\$2,000,000 assessable profits arising from Hong Kong of qualifying entities will be taxed at 8.25%, and assessable profits arising from Hong Kong above HK\$2,000,000 will continue be taxed at the rate of 16.5% under two-tiered profits tax rates regime. As only one of the subsidiaries in the Group is eligible to elect the two-tiered profits tax rates, profits of the remaining subsidiaries of the Group will continue to be taxed at a flat rate of 16.5%.

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

## 11. DIVIDENDS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Final dividend for prior financial year, paid – HK3 cents (2021: HK2 cents) per share	75,000	50,000
Interim dividend for current financial year, paid – HK3 cents (2021: HK3 cents) per share	<u>75,000</u>	<u>75,000</u>
	<u><u>150,000</u></u>	<u><u>125,000</u></u>

A final dividend in respect of the year ended 31 March 2022 of HK3 cents (2021: HK3 cents) per share, amounting to HK\$75,000,000 (2021: HK\$75,000,000) has been proposed by the directors of the Company and is subject to the approval by the owners of the Company in the forthcoming annual general meeting.

## 12. EARNINGS PER SHARE

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

### Earnings

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Earnings for the purpose of basic and diluted earnings per share		
Profit for the year attributable to equity shareholders of the Company	<u>466,867</u>	<u>213,209</u>

### Number of shares

	2022 <i>'000</i>	2021 <i>'000</i>
Weighted average number of ordinary shares, for the purpose of basic and diluted earnings per share	<u>2,500,000</u>	<u>2,500,000</u>

For the years ended 31 March 2022 and 2021, diluted earnings per share are same as the basic earnings per share as there are no dilutive potential ordinary shares in existence during the year.

### 13. ACCOUNTS RECEIVABLE

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	9,235	8,735
– Margin clients:		
– Directors and their close family members	186,004	290,060
– Other margin clients	2,927,504	3,521,244
– Hong Kong Securities Clearing Company Limited (“HKSCC”)	12,302	22,462
– Broker	–	350
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	<u>25,448</u>	<u>16,252</u>
	<b>3,160,493</b>	3,859,103
Less: Loss allowances	<u>(334,097)</u>	<u>(204,021)</u>
	<b><u>2,826,396</u></b>	<b><u>3,655,082</u></b>

The normal settlement terms of accounts receivable from cash clients and securities clearing house are two days after trade date while for accounts receivable from futures clearing house are one day after trade date. All the accounts receivable (net of loss allowance), except for accounts receivable from margin clients, are expected to be recovered within one year.

Included in the accounts receivable from cash clients are debtors with a carrying amount of approximately HK\$133,000 (2021: HK\$161,000) which are past due at the end of the reporting period but which the directors of the Company consider not to be impaired as there has not been a significant change in credit quality and a substantial portion of the carrying amount is subsequently settled.

In respect of accounts receivable from cash clients which are past due but not impaired at the end of the reporting period, the aging analysis (from settlement date) is as follows:

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

The accounts receivable from cash clients with a carrying amount of approximately HK\$9,102,000 (2021: HK\$8,574,000) are neither past due nor impaired at the end of the reporting period and the directors of the Company are of the opinion that the amounts are recoverable.



### 13. ACCOUNTS RECEIVABLE (CONTINUED)

Accounts receivable from margin clients are secured by clients' pledged securities with fair value of approximately HK\$11,686,337,000 (2021: HK\$34,659,941,000). Significant portion of the pledged securities are listed equity securities in Hong Kong. The loans are repayable on demand subsequent to settlement date and carry interest typically at a range from 7.236% to 9.500% per annum (2021: range from 7.236% to 9.500% per annum) at 31 March 2022. Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collateral are required if the outstanding amount exceeds the eligible margin value of securities deposited. The collateral held can be pledged and can be sold at the Group's discretion to settle any outstanding amount owed by margin clients upon failure to provide additional fund against shortfalls.

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

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

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

The Group's customer base consists of a wide range of clients and the accounts receivable from margin clients are categorised by common risk characteristics that are representative of the customers' abilities to pay the amounts due in accordance with the contractual terms.

In estimating the expected credit losses ("ECL") and in determining whether there is a significant increase in credit risk since initial recognition, whether the accounts receivable from margin clients are credit-impaired and the amount of loss given default, the Group has taken into account the credit quality of margin clients, the collateral to accounts receivable balances ratio, amount of margin shortfall of margin clients and pledged marketable securities and adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the financial industry, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. There was no change in the estimation techniques or methodology made during the year.

### 13. ACCOUNTS RECEIVABLE (CONTINUED)

The Group has established a margin client credit risk classification system and performs credit risk management based on margin client classification in one of three categories of internal credit rating. The information about the ECL for the accounts receivable from margin clients at the end of the reporting period is summarised below. After considering the above factors, net impairment loss of approximately HK\$130,076,000 (2021: HK\$55,703,000) was recognised during the year.

#### At 31 March 2022

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

#### At 31 March 2021

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

### 13. ACCOUNTS RECEIVABLE (CONTINUED)

At 31 March 2022, the Group recognised loss allowance of approximately HK\$334,097,000 (2021: HK\$204,021,000) on its accounts receivable from margin clients. The movement in the loss allowance for accounts receivable from margin clients during the year is summarised below.

#### Year ended 31 March 2022

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

#### Year ended 31 March 2021

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

The following significant changes in the gross carrying amounts of the balances contributed to the increase in the loss allowance during the year:

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

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

#### 14. ACCOUNTS PAYABLE

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

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

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

Amounts due to securities margin clients are repayable on demand and carry interest at 0.025% (2021: 0.025%) per annum. Included in accounts payable to margin clients arising from the business of dealing in securities are amounts due to directors of the Company, their close family members and a controlling entity of approximately HK\$758,000 (2021: HK\$1,528,000).

Accounts payable to clients arising from the business of dealing in futures contracts are margin deposits received from clients for their trading of futures contracts on the Hong Kong Futures Exchange Limited (the “HKFE”). The amounts payable are repayable on demand except for the required margin deposits for the trading of futures contracts.

#### 15. DISPOSAL OF SUBSIDIARIES

On 18 March 2021, the Group entered into a sales and purchase agreement with Get Nice Development Limited, a wholly-owned subsidiary of GN Holdings, to dispose of 100% of its equity interests in NobleNet Limited (“NobleNet”), a wholly-owned subsidiary of the Group, and its wholly-owned subsidiary, Grace Field Limited (“Grace Field”) at a consideration of HK\$454,575,000 (the “Disposal”). The consideration was partly settled by a 3% coupon promissory note receivable at principal amount of HK\$220,000,000 issued by GN Holdings and the remaining was settled by cash. The fair value of the promissory note was approximately HK\$218,373,000 at issue date. Details of the Disposal have been disclosed in the Company’s announcement dated 18 March 2021 and circular dated 29 April 2021. The Disposal was approved by the shareholders of the Company at an extraordinary general meeting held on 21 May 2021.

The Disposal has been completed on 24 May 2021. The Group has recorded a gain on disposal of approximately HK\$338,817,000 as a result of the Disposal.

## **FINAL DIVIDEND**

The Directors recommended a final dividend of HK3 cents per share, together with the interim dividend paid during the year, amounting to total dividends of HK6 cents per share for this financial year.

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

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed on the following time periods during which no transfer of shares of the Company will be registered:

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

In order to qualify for attendance to the Company's 2022 Annual General Meeting which is scheduled to be held on 25 August 2022, Thursday and/or entitlement to the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (if the transfer will be lodged before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong (if the transfer will be lodged on or after 15 August 2022), for registration not later than 4:30 p.m. on the following dates:

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OVERVIEW**

For the year ended 31 March 2022, the Group's revenue amounted to approximately HK\$354.8 million, representing an decrease of 6.9% as compared with approximately HK\$381.3 million reported in the last corresponding financial year. The slight decrease in revenue was mainly attributable to the decrease in underwriting and placing commission and proof of funds commission with lower turnover and decrease in interest income from margin financing during the year. Operating expenses such as commission expenses and settlement expenses were generally in line with the revenue.

Profit for the year attributable to owners of the Company was approximately HK\$466.9 million (2021: HK\$213.2 million). The increase in profit was mainly attributable to (i) gain on disposal of subsidiaries and (ii) decrease in finance costs resulted from reduction in bank borrowings, clients' accounts and loan from the immediate holding company. The Group recorded net impairment losses on accounts receivable from margin clients of HK\$130.1 million (2021: HK\$55.7 million) in current year.

Basic earnings per share for the year were HK19 cents (2021: HK9 cents) as a result of increase in profit during the year.

## **REVIEW AND OUTLOOK**

### ***Market Review***

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

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

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

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

## ***Business review***

### *Broking and securities margin financing*

During the year ended 31 March 2022, the broking business posted a loss of approximately HK\$0.7 million (2021: profit of approximately HK\$21.7 million). The operating result of the broking business decreased by 103.2% as a result of the decrease in our broking turnover and number of sizeable corporate finance transactions during current year. The decrease in broking turnover was affected by the silent local stock market and negative global investment atmosphere. Revenue from broking for the year decreased by 15.0% to approximately HK\$62.7 million (2021: HK\$73.8 million) as compared with last financial year, of which approximately HK\$6.0 million (2021: HK\$17.0 million) was contributed by the underwriting, placing and proof of funds business. The decrease in these fee incomes was due to the decrease in number of deals as a result of the less active capital market during the current year.

Securities margin financing remained to be the Group's major revenue contributor for the year. During the year, total interest income from securities margin financing dropped by 6.4% to approximately HK\$287.1 million (2021: HK\$306.6 million) with the decrease in average level of securities margin lending during the year. Total gross accounts receivable from margin clients at 31 March 2022 amounted to approximately HK\$3,113.5 million (as at 31 March 2021: HK\$3,811.3 million). Net impairment loss on margin clients receivable of HK\$130.1 million was charged during the current year (2021: HK\$55.7 million). The Group will continue to maintain a balance on yield relative to risk and cautious approach to the credit control of its margin financing business.

### *Corporate finance*

The Group's corporate finance business focused on the provision of financial advisory services to listed companies in Hong Kong. During the year ended 31 March 2022, it completed 4 financial advisory transactions (2021: 4). The operation reported a segment profit of approximately HK\$2.4 million for the year (2021: HK\$0.6 million).

### *Asset Management*

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

### *Investments*

The Group held an investment portfolio mainly consisted of investment funds with total fair values of approximately HK\$55.9 million (2021: HK\$nil). For the year under review, this division reported a profit of approximately HK\$0.9 million (2021: HK\$nil), mainly attributable to the fair value gain on investments.

## ***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.

Dealing with the future challenges, the management of the Group would review and adjust business strategies on regular basis with a prudent and balanced risk management approach. The management of the Group remains cautiously optimistic about the business development and overall performance of the Group in the future. The Group is endeavoring to render comprehensive services to our affluent and high-net-worth clients in order to maintain our clients' confidence and loyalty. The Group will also continue to recruit and train financial talents to provide high quality financial services to our clients. Given our lean and efficient organization structure, stable clients base, strong track record and solid business fundamentals, the Group is poised to expand its horizons and scale new heights in the years to come in order to continue maximizing returns and value for all shareholders.



## **FINANCIAL REVIEW**

### **Financial Resources and Gearing Ratio**

Equity attributable to owners of the Company amounted to approximately HK\$4,338.0 million as at 31 March 2022 (2021: HK\$4,021.0 million), representing an increase of approximately HK\$317.0 million or 7.9% over that of last financial year end. The increase was mainly attributable to the profit for the year net of dividend distributed.

As at 31 March 2022, the Group's net current assets amounted to HK\$4,019.2 million (2021: HK\$3,993.8 million), and its liquidity as represented by current ratio (current assets/current liabilities) was 8.56 times (2021: 6.29 times). The increase in current ratio was mainly due to the increase in bank balances and decrease of accounts payable.

Bank balances and cash on hand amounted to HK\$1,226.6 million (2021: HK\$328.2 million). The increase in bank balances and cash on hand was mainly due to the cash inflows in respect of the repayment from accounts receivable and disposal of subsidiaries.

The Group had no bank borrowings as at 31 March 2022 (2021: HK\$nil) and its unutilised banking facilities as at the end of the year were approximately HK\$530 million (2021: HK\$740 million), which were mainly secured by charges over the Group's clients' pledged securities. The Group's gearing ratio (total borrowing over equity attributable to owners of the Company) as at 31 March 2022 was zero (2021: nil).

The number of issued shares of Company amounted to 2,500,000,000 shares as at 31 March 2022 (2021: 2,500,000,000 shares).

The business activities of the Group are not exposed to any significant exchange risks.

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

### **Charges on Group Assets**

As at 31 March 2022, there was no charges on group assets. As at 31 March 2021, leasehold land and building of the Group classified as assets held for sale with a carrying amount of HK\$100.7 million were pledged for a banking facility granted to the Group.

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

On 18 March 2021, the Group entered into a sales and purchase agreement with Get Nice Development Limited, a wholly-owned subsidiary of GN Holdings, to dispose of 100% of its equity interests in NobleNet, a wholly-owned subsidiary of the Group, and its wholly-owned subsidiary, Grace Field for a consideration of HK\$454,575,000 (the "Disposal"). Details of the disposal have been disclosed in the Company's announcement dated 18 March 2021 and circular dated 29 April 2021. The Disposal was approved by the Shareholders of the Company at an extraordinary general meeting held on 21 May 2021.

The Disposal has been completed on 24 May 2021. The Group has recorded gain on disposal of approximately HK\$338,817,000 as a result of the Disposal.

Save as disclosed above, the Group had no other material acquisitions or disposals of subsidiaries, associates or jointly controlled entity completed during the year ended 31 March 2022.

### **Employee Information**

As at 31 March 2022, the Group had 76 (2021: 73) full time employees. The Group's employees were remunerated according to their performance, working experience and market conditions. The total amount of remuneration cost of employees of the Group for the year was HK\$24.5 million (2021: HK\$22.0 million). The Group provides employee benefits including mandatory provident fund, discretionary share options and performance bonus to its staff.

### **PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SHARES**

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

### **CORPORATE GOVERNANCE CODE**

During the year, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

### **AUDIT COMMITTEE REVIEW**

The Audit Committee has reviewed with management of the Group's financial statements for the year ended 31 March 2022, including the accounting principles and practices adopted by the Group.

### **SCOPE OF WORK OF MAZARS CPA LIMITED**

The figures in respect of the Company's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2022 as set out in the preliminary announcement have been agreed by the Company's auditors, Mazars CPA Limited, to the amounts set out in the Company's audited consolidated financial statements for the year. The work performed by Mazars CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars CPA Limited on the preliminary announcement.

## **PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the websites of the Stock Exchange at <http://www.hkexnews.hk> under “Latest Listed Company Information” and the Company at <http://www.getnicefg.com.hk>. The 2022 Annual Report of the Company containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange at <http://www.hkexnews.hk> under “Latest Listed Company Information” and the Company at <http://www.getnicefg.com.hk> in due course.

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

Hong Kong, 27 June 2022

*As at the date of this announcement, the executive directors of the Company are Mr. Shum Kin Wai, Frankie (Managing Director) and Mr. Hung Sui Kwan (Chief Executive Officer). The non-executive director of the Company is Mr. Hung Hon Man (Chairman). The independent non-executive directors of the Company are Ms. Ng Yau Kuen, Carmen, Mr. Cheung Chi Kong, Ronald and Mr. Chan Ka Kit.*