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GET NICE HOLDINGS LIMITED

結好控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0064)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023

RESULTS

The board of directors (the “Board”) of Get Nice Holdings Limited (the “Company”) are pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2023 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 2023

	Notes	2023 HK\$'000	2022 HK\$'000
Revenue from contracts with customers within HKFRS 15	4	43,035	64,427
Revenue from other sources	4	34,694	28,083
Interest revenue calculated using the effective interest method	4	344,789	348,565
Revenue		422,518	441,075
Other operating income	6a	16,486	13,415
Other gains and losses, net	6b	(45,122)	(18,349)
Depreciation expenses		(23,369)	(23,893)
Commission expenses		(8,718)	(12,678)
Provision of net impairment loss on accounts receivable	13	(92,088)	(130,076)
Provision of net impairment loss on other receivables		(12,093)	(12,933)
Provision of net impairment loss on loans and advances	14	(1,151)	(29,580)
Reversal of net impairment loss on debt investments measured at fair value through other comprehensive income (“Mandatory FVOCI”)		2,755	1,989
Staff costs	7	(27,387)	(29,769)
Finance costs	8	(3,340)	(1,753)
Other expenses		(52,430)	(40,908)

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Profit before taxation	9	176,061	156,540
Income tax credit (expense)	10	88,153	(60,968)
Profit for the year		264,214	95,572
Other comprehensive income (expense)			
<i>Items that are reclassified or may be reclassified subsequently to profit or loss</i>			
Exchange difference arising on translation of foreign operations		4,309	(9,124)
Fair value loss on Mandatory FVOCI reclassified to profit or loss upon disposal		(2,853)	(683)
Fair value loss on Mandatory FVOCI		(10,907)	(53,067)
Deferred tax arising on revaluation of Mandatory FVOCI		2,270	8,869
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation surplus of properties transfer from property and equipment to investment properties		–	336,505
Surplus (Deficit) on revaluation of properties		4,914	(14,351)
Deferred tax arising on revaluation of properties		(812)	2,368
Total other comprehensive (expense) income for the year		(3,079)	270,517
Total comprehensive income for the year		261,135	366,089
Profit for the year attributable to:			
Owners of the Company		183,700	60,185
Non-controlling interests		80,514	35,387
		264,214	95,572
Total comprehensive income attributable to:			
Owners of the Company		180,586	330,689
Non-controlling interests		80,549	35,400
		261,135	366,089
		<i>HK Cents</i>	<i>HK Cents</i>
Earnings per share			
Basic	12	1.90	0.62

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Non-current assets			
Property and equipment		503,966	515,173
Investment properties		1,128,688	836,405
Intangible assets		8,514	8,512
Goodwill		17,441	17,441
Other assets		4,706	5,621
Deferred tax assets		14,424	12,939
Loans and advances	14	1,270	9,428
Investments		159,696	201,512
		<u>1,838,705</u>	<u>1,607,031</u>
Current assets			
Accounts receivable	13	2,079,209	2,826,396
Loans and advances	14	372,205	387,236
Prepayments, deposits and other receivables		38,118	47,725
Tax recoverable		16,039	15,123
Investments		228,265	238,196
Bank balances – client accounts		318,857	480,897
Bank balances – general accounts and cash		2,598,349	1,835,239
		<u>5,651,042</u>	<u>5,830,812</u>
Assets classified as held for sale		<u>–</u>	<u>433,218</u>
		<u>5,651,042</u>	<u>6,264,030</u>

	<i>Notes</i>	2023 HK\$'000	2022 HK\$'000
Current liabilities			
Accounts payable	15	349,235	517,124
Accrued charges and other payables		13,223	9,019
Amounts due to non-controlling shareholders		–	30,257
Deposits received for disposal of a subsidiary		–	126,000
Tax payable		26,365	140,753
Lease liabilities		–	377
Bank borrowings		89,263	94,553
		478,086	918,083
Liabilities associated with assets classified as held for sale		–	4,215
		478,086	922,298
Net current assets		5,172,956	5,341,732
Total assets less current liabilities		7,011,661	6,948,763
Non-current liabilities			
Deferred tax liabilities		4,063	4,010
Net assets		7,007,598	6,944,753
Capital and reserves			
Share capital	17	966,270	966,270
Reserves		4,869,228	4,785,269
Equity attributable to owners of the Company		5,835,498	5,751,539
Non-controlling interests		1,172,100	1,193,214
Total equity		7,007,598	6,944,753

Notes:

1. CORPORATE INFORMATION

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

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

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

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

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

Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance. 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 2022 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 HKAS 16: Proceeds before Intended Use

The amendments clarify the accounting requirements for proceeds received by an entity from selling items produced while testing an item of property, plant or equipment before it is used for its intended purpose. An entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss and measures the cost of those items applying the measurement requirements of HKAS 2.

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

Amendments to HKAS 37: Cost of Fulfilling a Contract

The amendments clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (for example, direct labour and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

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

Amendments to HKFRS 3: Reference to the Conceptual Framework

The amendments update a reference in HKFRS 3 to the Conceptual Framework for Financial Reporting issued in 2018. The amendments also add to HKFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying HKFRS 3 should instead refer to HKAS 37. The exception has been added to avoid an unintended consequence of updating the reference.

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

Annual Improvements Project – 2018-2020 Cycle

(a) HKFRS 1: Subsidiary as a First-time Adopter

This amendment simplifies the application of HKFRS 1 for a subsidiary that becomes a first-time adopter of HKFRSs later than its parent – i.e. if a subsidiary adopts HKFRSs later than its parent and applies HKFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent’s date of transition to HKFRSs.

(b) HKFRS 9: Fees in the “10 per cent” Test for Derecognition of Financial Liabilities

This amendment clarifies that – for the purpose of performing the “10 per cent test” for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

(c) HKFRS 16: Lease Incentives

The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, Example 13 is not clear as to why such payments are not a lease incentive.

(d) HKAS 41: Taxation in Fair Value Measurements

This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in HKAS 41 with those in HKFRS 13.

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

Basis of measurement

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

3. FUTURE CHANGES IN HKFRSS

At the date of authorisation of these 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 1	Disclosure of Accounting Policies ^[1]
Amendments to HKAS 8	Definition of Accounting Estimates ^[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ^[1]
HKFRS 17	Insurance Contracts ^[1]
Amendment to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information ^[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ^[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants ^[2]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ^[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ^[3]

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

^[2] Effective for annual periods beginning on or after 1 January 2024

^[3] The effective date to be determined

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

4. REVENUE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue from contracts with customers within HKFRS 15		
Brokerage commission	29,187	50,858
Underwriting and placing commission	4,476	5,830
Proof of funds commission	2,860	200
Other commission	7	793
Clearing and handling fee income	3,383	1,691
Assets Management fee income	1,866	2,383
Advisory fee income	1,256	2,672
	<u>43,035</u>	<u>64,427</u>
Revenue from other sources		
Property rental income	26,064	18,303
Interest income from financial assets at fair value through profit or loss (“FVPL”)		
– Unlisted convertible notes	–	850
– Unlisted debt securities	8,630	8,930
	<u>34,694</u>	<u>28,083</u>
Interest revenue calculated using the effective interest method		
– Bank balances and time-deposits	30,386	3,141
– Other financial assets at amortised costs		
– Accounts receivable	263,591	287,259
– Loans and advances	45,900	43,291
– Mandatory FVOCI	4,912	14,874
	<u>344,789</u>	<u>348,565</u>
Total revenue	<u><u>422,518</u></u>	<u><u>441,075</u></u>

5. SEGMENT INFORMATION

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

Broking	– Provision of stockbroking, futures and options broking and underwriting and placements
Securities margin financing	– Provision of securities margin financing
Money lending	– Provision of mortgage and consumer loans
Corporate finance	– Provision of corporate advisory services
Asset management	– Provision of asset management services
Investments	– Holding of investment properties and investment in financial instruments

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

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

5. SEGMENT INFORMATION (CONTINUED)

Segment information about these divisions is presented below.

Segment revenue and results

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

Year ended 31 March 2023

	Broking <i>HK\$'000</i>	Securities margin financing <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Asset management <i>HK\$'000</i>	Investments <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	<u>70,479</u>	<u>263,411</u>	<u>45,900</u>	<u>1,256</u>	<u>1,866</u>	<u>39,606</u>	<u>422,518</u>
Segment result	<u>16,061</u>	<u>171,322</u>	<u>44,675</u>	<u>1,280</u>	<u>1,649</u>	<u>(46,505)</u>	188,482
Unallocated other gains and loss, net							17,428
Unallocated other operating income and corporate expenses, net							<u>(29,849)</u>
Profit before taxation							<u>176,061</u>

Year ended 31 March 2022

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

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 2023

	Broking <i>HK\$'000</i>	Securities margin financing <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Asset management <i>HK\$'000</i>	Investments <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment assets	<u>2,397,890</u>	<u>2,231,005</u>	<u>407,986</u>	<u>12,220</u>	<u>6,754</u>	<u>1,615,145</u>	<u>6,671,000</u>
Unallocated assets (<i>Note 1</i>)							<u>818,747</u>
Consolidated assets							<u>7,489,747</u>
Segment liabilities	<u>166,326</u>	<u>190,436</u>	<u>452</u>	<u>136</u>	<u>162</u>	<u>6,298</u>	363,810
Unallocated liabilities (<i>Note 2</i>)							<u>118,339</u>
Consolidated liabilities							<u>482,149</u>

5. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

At 31 March 2022

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

Note 1: The balance mainly comprises property and equipment, and bank balances of approximately HK\$486,213,000 and HK\$318,798,000 respectively (2022: HK\$496,246,000 and HK\$543,588,000 respectively).

Note 2: The balance mainly comprise tax payables and bank borrowings of approximately HK\$23,462,000, and HK\$89,263,000 respectively (2022: amounts due to non-controlling shareholders, tax payables, bank borrowings and deposits received for disposal of a subsidiary of approximately HK\$30,257,000, HK\$138,321,000, HK\$94,553,000 and HK\$126,000,000 respectively).

5. SEGMENT INFORMATION (CONTINUED)

Other segment information

2023

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Asset management HK\$'000	Investments HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:								
Additions of property and equipment	2,832	-	-	-	-	3,795	664	7,291
Additions of intangible assets	2	-	-	-	-	-	-	2
Depreciation of property and equipment	(5,434)	-	(157)	-	-	(250)	(17,528)	(23,369)
Provision of net impairment loss on accounts receivable	-	(92,088)	-	-	-	-	-	(92,088)
Provision of net impairment loss on loans and advances	-	-	(1,151)	-	-	-	-	(1,151)
Reversal (Provision) of net impairment loss on other receivables	-	-	390	-	-	(12,483)	-	(12,093)
Reversal of impairment loss on Mandatory FVOCI	-	-	-	-	-	2,755	-	2,755
Bad debt recovery from loans and advances	-	-	5,450	-	-	-	-	5,450
Additions of investment properties	-	-	-	-	-	337,863	-	337,863
Government subsidies	1,650	-	60	-	64	-	360	2,134
Fair value losses on investment properties	-	-	-	-	-	(47,055)	-	(47,055)
Fair value losses on financial assets at FVPL	(6)	-	-	-	-	(21,723)	-	(21,729)
Gain on disposal of property and equipment	11	-	-	-	-	-	220	231
Loss on disposal of subsidiaries	-	-	-	-	-	-	(9,686)	(9,686)
Gain on deregistration of a subsidiary	-	-	-	-	-	-	26,883	26,883
Interest income (including revenue and other operating income)	31,050	263,411	45,900	103	-	13,543	7,613	361,620
Finance costs	(88)	-	-	-	-	-	(3,252)	(3,340)
Commission expenses	(8,718)	-	-	-	-	-	-	(8,718)
Write back of other payables	26	-	-	-	-	-	-	26
Write-off of property and equipment	(43)	-	-	-	-	-	-	(43)
Bad debt written-off	-	-	(4,305)	-	-	-	-	(4,305)
Write-off of loss allowance	-	-	(44,795)	-	-	-	-	(44,795)
Gain on lease termination	6	-	-	-	-	-	-	6

2022

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Asset management HK\$'000	Investments HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:								
Additions of property and equipment	19,295	-	-	-	-	143	17,535	36,973
Depreciation of property and equipment	(5,674)	-	(157)	-	(3)	(38)	(18,021)	(23,893)
Provision of net impairment loss on accounts receivable	-	(130,076)	-	-	-	-	-	(130,076)
Provision of net impairment loss on loans and advances	-	-	(29,580)	-	-	-	-	(29,580)
Provision of net impairment loss on other receivables	-	-	(450)	-	-	(12,483)	-	(12,933)
Reversal of impairment loss on Mandatory FVOCI	-	-	-	-	-	1,989	-	1,989
Bad debt recovery from loans and advances	-	-	180	-	-	-	-	180
Additions of investment properties	-	-	-	-	-	9,156	-	9,156
Government subsidies	410	-	-	-	80	-	15	505
Fair value losses on investment properties	-	-	-	-	-	(21,457)	-	(21,457)
Fair value gains (losses) on financial assets at FVPL	79	-	-	-	-	(6,416)	-	(6,337)
Gain on disposal of loans and advances	-	-	1,848	-	-	-	-	1,848
Gain on disposal of property and equipment	-	-	-	-	-	-	950	950
Write-off of intangible assets	(451)	-	-	-	-	-	-	(451)
Write-off of loss allowance	-	-	(3,500)	-	-	-	-	(3,500)
Interest income (including revenue and other operating income)	3,375	287,051	43,291	8	-	24,654	429	358,808
Finance costs	(319)	-	-	-	-	-	(1,434)	(1,753)
Commission expenses	(12,496)	-	-	(182)	-	-	-	(12,678)

5. SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are located in Hong Kong and the United Kingdom (2022: Hong Kong and the United Kingdom).

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

	Revenue by geographical market	
	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong	404,590	428,948
The United Kingdom	17,928	12,127
	422,518	441,075

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

	Carrying amounts of non-current assets	
	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong	1,172,036	1,156,518
The United Kingdom	491,279	226,634
	1,663,315	1,383,152

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

Information about major customers

During the years ended 31 March 2023 and 2022, there were no customers individually contributing 10% or more of the Group's total revenue.

During the years ended 31 March 2023 and 2022, 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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Bank interest income	8,201	463
CCASS income	25	2,877
Rebate fee income	–	5,050
Dividend income	2,323	2,632
Sundry income	3,563	1,888
Government subsidies	2,134	505
Management fee income	240	–
	<u>16,486</u>	<u>13,415</u>

6b. Other gains and losses, net

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
	<i>Note</i>	
Bad debt recovery from loans and advances	5,450	180
Fair value changes on investment properties	(47,055)	(21,457)
Net realised losses on error trades	(54)	(7)
Fair value losses on financial assets at FVPL	(21,729)	(6,337)
Realised gains on disposal / redemption of		
– Financial assets at FVPL	347	4,192
– Mandatory FVOCI	2,361	936
Exchange difference, net	(1,859)	1,797
Write-off of intangible assets	–	(451)
Write back of other payables	26	–
Write-off of property and equipment	(43)	–
Gain on disposal of property and equipment	231	950
Loss on disposal of a subsidiaries	16	–
Gain on deregistration of a subsidiary	26,883	–
Gain on lease termination	6	–
Gain on disposal of loans and advances	–	1,848
	<u>(45,122)</u>	<u>(18,349)</u>

7. STAFF COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Staff costs including directors' emoluments:		
Salaries and other benefits	26,337	28,651
Retirement benefit scheme contributions	1,050	1,118
	<u>27,387</u>	<u>29,769</u>

8. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest on bank borrowings	3,252	1,612
Interest on clients' accounts	88	121
Interest on lease liabilities	–	20
	<u>3,340</u>	<u>1,753</u>

9. PROFIT BEFORE TAXATION

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
This is stated after charging:		
Auditor's remuneration	2,750	2,720
Direct operating expenses relating to investment properties that generated rental income	2,561	1,777
Direct operating expenses relating to investment properties that did not generated rental income	99	88
Bad debt written off	4,305	–
	<u>4,305</u>	<u>–</u>

10. TAXATION

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax		
<i>Hong Kong</i>		
Hong Kong Profits Tax	26,499	39,559
(Over) Under provision in prior years	<u>(1,136)</u>	<u>19,624</u>
	<u>25,363</u>	<u>59,183</u>
 <i>The United Kingdom</i>		
Overseas tax	1,343	1,848
Over provision in prior years	<u>–</u>	<u>(90)</u>
	<u>1,343</u>	<u>1,758</u>
 <i>Macau</i>		
Over provision in prior years	<u>(114,885)</u>	<u>–</u>
	<u>(88,179)</u>	<u>60,941</u>
 Deferred tax		
Origination and reversal of temporary differences	<u>26</u>	<u>27</u>
Income tax (credit) expense	<u>(88,153)</u>	<u>60,968</u>

10. TAXATION (CONTINUED)

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

For the years ended 31 March 2023 and 2022, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime.

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

11. DIVIDENDS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Final dividend for prior financial year, paid – HK0.5 cent (2022: HK0.5 cent) per share	48,314	48,314
Interim dividend for current financial year, paid – HK0.5 cent (2022: HK0.5 cent) per share	48,313	48,313
	<u>96,627</u>	<u>96,627</u>

A final dividend in respect of the year ended 31 March 2023 of HK0.5 cent (2022: HK0.5 cent) per share, amounting to approximately HK\$48,314,000 (2022: HK\$48,314,000) has been proposed by the directors of the Company and is subject to the approval by the owners of the Company in the forthcoming annual general meeting.

12. EARNINGS PER SHARE

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

Earnings

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Earnings for the purpose of basic earnings per share		
Profit for the year attributable to equity shareholders of the Company	<u>183,700</u>	<u>60,185</u>

Number of shares

	2023 <i>'000</i>	2022 <i>'000</i>
Weighted average number of ordinary shares, for the purpose of basic earnings per share	<u>9,662,706</u>	<u>9,662,706</u>
	<i>HK cents</i>	<i>HK cents</i>

Earnings per share:

Basic	<u>1.90</u>	<u>0.62</u>
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For the years ended 31 March 2023 and 2022, no diluted earnings per share was presented because there were no potential dilutive ordinary shares outstanding during both years.

13. ACCOUNTS RECEIVABLE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	6,160	9,235
– Margin clients:		
– Directors and their close family members	48,863	185,463
– Other margin clients	2,411,235	2,928,045
– Hong Kong Securities Clearing Company Limited (“HKSCC”)	12,032	12,302
– Broker	514	–
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	<u>26,590</u>	<u>25,448</u>
	2,505,394	3,160,493
Less: Loss allowances	<u>(426,185)</u>	<u>(334,097)</u>
	<u><u>2,079,209</u></u>	<u><u>2,826,396</u></u>

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

Included in the accounts receivable from cash clients are debtors with a carrying amount of approximately HK\$77,000 (2022: HK\$133,000) 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:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 – 30 days	11	129
31 – 60 days	7	1
Over 60 days	<u>59</u>	<u>3</u>
	<u><u>77</u></u>	<u><u>133</u></u>

The accounts receivable from cash clients with a carrying amount of approximately HK\$6,083,000 (2022: HK\$9,102,000) 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\$7,066,718,000 (2022: HK\$11,686,337,000). 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 9.252% per annum (2022: range from 7.236% to 9.500% per annum) at 31 March 2023. 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 51% (2022: 57%) of the total accounts receivable from margin clients was due from the Group's ten largest margin clients.

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

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

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

The Group has established a margin client credit risk classification system and performs credit risk management based on margin client classification in one of three categories of internal credit rating. The information about the ECL for the accounts receivable from margin clients at the end of the reporting period is summarised below. After considering the above factors, net impairment loss of approximately HK\$92,088,000 (2022: HK\$130,076,000) was recognised during the year.

13. ACCOUNTS RECEIVABLE (CONTINUED)

At 31 March 2023

<u>Internal credit rating</u>	<u>Basis of ECL</u>	<u>Gross carrying amount</u> <i>HK\$'000</i>	<u>Loss allowance</u> <i>HK\$'000</i>	<u>Net carrying amount</u> <i>HK\$'000</i>
Performing				
– Ten largest margin clients	12-month	979,776	5,211	974,565
– Directors and their close family members which not included in ten largest margin clients (including Mr. Hung Hon Man and his close family members)	12-month	48,863	260	48,603
– Other margin clients	12-month	727,648	12,076	715,572
		<u>1,756,287</u>	<u>17,547</u>	<u>1,738,740</u>
Underperforming	Lifetime	57,063	27,915	29,148
Not performing	Lifetime	646,748	380,723	266,025
		<u>2,460,098</u>	<u>426,185</u>	<u>2,033,913</u>

At 31 March 2022

<u>Internal credit rating</u>	<u>Basis of ECL</u>	<u>Gross carrying amount</u> <i>HK\$'000</i>	<u>Loss allowance</u> <i>HK\$'000</i>	<u>Net carrying amount</u> <i>HK\$'000</i>
Performing				
– Ten largest margin clients (including Mr. Hung Hon Man and his close family members)	12-month	1,589,543	7,460	1,582,083
– Other directors and their close family members which not included in ten largest margin clients	12-month	541	3	538
– Other margin clients	12-month	1,058,100	15,777	1,042,323
		<u>2,648,184</u>	<u>23,240</u>	<u>2,624,944</u>
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>

13. ACCOUNTS RECEIVABLE (CONTINUED)

At 31 March 2023, the Group recognised loss allowance of approximately HK\$426,185,000 (2022: HK\$334,097,000) 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 2023

	12-month ECL			Lifetime ECL			Total HK\$'000
	Performing	Under-performing	Not performing	Under-performing	Not performing	Total	
Directors and their close family members which not included in ten largest margin clients (including Mr. Hung Hon Man and his Ten largest margin clients)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other margin clients							
At the beginning of the reporting period	4,724	870	17,646	23,240	49,065	261,792	334,097
Increase (Decrease) in allowance, net	487	(610)	(5,570)	(5,693)	(21,150)	118,931	92,088
At the end of the reporting period	<u>5,211</u>	<u>260</u>	<u>12,076</u>	<u>17,547</u>	<u>27,915</u>	<u>380,723</u>	<u>426,185</u>

Year ended 31 March 2022

	12-month ECL			Lifetime ECL			Total HK\$'000
	Performing	Under-performing	Not performing	Under-performing	Not performing	Total	
Ten largest margin clients (including Mr. Hung Hon Man and his close family members)	HK\$'000	HK\$'000	Other margin clients	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other directors and their close family members which not included in ten largest margin clients							
At the beginning of the reporting period	6,458	–	9,855	16,313	10,953	176,755	204,021
Increase in allowance, net	1,002	3	5,922	6,927	38,112	85,037	130,076
At the end of the reporting period	<u>7,460</u>	<u>3</u>	<u>15,777</u>	<u>23,240</u>	<u>49,065</u>	<u>261,792</u>	<u>334,097</u>

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

- (i) Increase in shortfall portion of margin loans which are not fully secured amounted to approximately HK\$462,091,000 (2022: HK\$337,850,000); and
- (ii) Additional loss allowance for not performing category of approximately HK\$55,108,000 (2022: HK\$72,459,000) as a result of difficulties on repayment by accounts receivable from margin clients.

The Group has pledged securities as collateral amounted to approximately HK\$229,809,000 (2022: HK\$41,307,000) in respect of the credit-impaired accounts receivable from margin clients.

14. LOANS AND ADVANCES

	<i>Notes</i>	2023 HK\$'000	2022 HK\$'000
Fixed-rate loan receivables		377,855	444,688
Less: Loss allowances		(4,380)	(48,024)
		373,475	396,664
Secured	(i)	185,268	167,301
Unsecured	(ii)	188,207	229,363
		373,475	396,664
Analysed as:			
Current		372,205	387,236
Non-current		1,270	9,428
		373,475	396,664

Note (i): For secured loans, the total net carrying amount of approximately HK\$185,268,000 (2022: HK\$167,301,000) with principal amounts ranging from HK\$3,500,000 to HK\$100,000,000 (2022: ranging from HK\$1,000,000 to HK\$100,000,000) with 5 customers (2022: 6 customers) and were accounted for approximately 50% (2022: 42%) of the entire loan portfolio of the Group. The interest rates charged to the secured loan customers were at the range from 9% to 13% per annum (2022: range from 8% to 13% per annum) with the maturity profile from 6 to 72 months (2022: from 20 to 54 months).

Note (ii): For unsecured loans, the total net carrying amount of approximately HK\$188,207,000 (2022: HK\$229,363,000) with principal amounts ranging from HK\$200,000 to HK\$66,000,000 (2022: ranging from HK\$300,000 to HK\$100,000,000) with 15 customers (2022: 14 customers) and were accounted for approximately 50% (2022: 58%) of the entire loan portfolio of the Group. The interest rates charged to the unsecured loan customers were at the range from 10% to 12% per annum (2022: range from 11% to 15% per annum) with the maturity profile from 2 to 72 months (2022: from 1 to 79 months).

At 31 March 2023, loans and advances with carrying amount of approximately HK\$115,268,000 are secured by first mortgage of properties in Hong Kong with an aggregate market value of approximately HK\$238,200,000 and carrying amount of approximately HK\$70,000,000 are secured by pledged shares with an aggregate fair value of approximately HK\$1,105,692,000.

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

At 31 March 2023, the Group has concentration of credit risk as 65% (2022: 70%) of the total loans and advances was due from the Group's five largest borrowers.

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial asset is credit-impaired, the Group has taken into account the historical actual credit loss experience of the borrowers and the financial position of the counterparties by reference to, among others, the background search for individual clients, amount of pledged assets, their management or audited accounts or available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. There was no change in the estimation techniques or methodology made during the year.

The Group has established a loan credit risk classification system and performs credit risk management based on loan classification in one of three categories of internal credit rating. The information about the ECL for the loan receivables at the end of the reporting period is summarised below. After considering the above factors, provision of net impairment loss of approximately HK\$1,151,000 (2022: HK\$29,580,000) was recognised during the year.

14. LOANS AND ADVANCES (CONTINUED)

At 31 March 2023

Internal credit rating	Basis of ECL	Gross carrying amount <i>HK\$'000</i>	Loss allowance <i>HK\$'000</i>	Net carrying amount <i>HK\$'000</i>
Performing				
– Five largest borrowers	12-month	172,000	160	171,840
– Other borrowers	12-month	127,651	2,265	125,386
		<u>299,651</u>	<u>2,425</u>	<u>297,226</u>
Underperforming				
– Five largest borrowers	Lifetime	73,000	1,624	71,376
– Other borrowers	Lifetime	5,204	331	4,873
		<u>78,204</u>	<u>1,955</u>	<u>76,249</u>
		<u>377,855</u>	<u>4,380</u>	<u>373,475</u>

At 31 March 2022

Internal credit rating	Basis of ECL	Gross carrying amount <i>HK\$'000</i>	Loss allowance <i>HK\$'000</i>	Net carrying amount <i>HK\$'000</i>
Performing				
– Five largest borrowers	12-month	217,200	1,293	215,907
– Other borrowers	12-month	92,537	1,185	91,352
		<u>309,737</u>	<u>2,478</u>	<u>307,259</u>
Underperforming				
– Five largest borrowers	Lifetime	95,000	33,250	61,750
– Other borrowers	Lifetime	24,101	751	23,350
		<u>119,101</u>	<u>34,001</u>	<u>85,100</u>
Not performing				
	Lifetime	15,850	11,545	4,305
		<u>444,688</u>	<u>48,024</u>	<u>396,664</u>

14. LOANS AND ADVANCES (CONTINUED)

Aging analysis

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Less than 1 month	20,085	60,509
1 to 3 months	1,492	29,354
4 to 6 months	59,214	6,204
7 to 12 months	111,554	2,617
Over 12 months	<u>181,130</u>	<u>297,980</u>
At the end of the reporting period	<u><u>373,475</u></u>	<u><u>396,664</u></u>

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Not yet past due	373,475	334,914
1 to 3 months past due	<u>–</u>	<u>61,750</u>
At the end of the reporting period	<u><u>373,475</u></u>	<u><u>396,664</u></u>

14. LOANS AND ADVANCES (CONTINUED)

At 31 March 2023, the Group recognised loss allowance of approximately HK\$4,380,000 (2022: HK\$48,024,000) on its loans and advances. The movement in the loss allowance for loans and advances during the year is summarised below.

Year ended 31 March 2023

	12-month ECL			Lifetime ECL			Not performing	Total
	Performing			Underperforming				
	Five largest borrowers	Other borrowers	Total	Five largest borrowers	Other borrowers	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At the beginning of the reporting period	1,293	1,185	2,478	-	34,001	34,001	11,545	48,024
Increase (Decrease) in allowance, net	(1,133)	1,080	(53)	1,624	(420)	1,204	-	1,151
Amount written off	-	-	-	-	(33,250)	(33,250)	(11,545)	(44,795)
At the end of the reporting period	<u>160</u>	<u>2,265</u>	<u>2,425</u>	<u>1,624</u>	<u>331</u>	<u>1,955</u>	<u>-</u>	<u>4,380</u>

Year ended 31 March 2022

	12-month ECL			Lifetime ECL			Not performing	Total
	Performing			Underperforming				
	Five largest borrowers	Other borrowers	Total	Five largest borrowers	Other borrowers	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At the beginning of the reporting period	596	2,361	2,957	2,606	12,881	15,487	3,500	21,944
Increase (Decrease) in allowance, net	697	(1,176)	(479)	30,644	(12,130)	18,514	11,545	29,580
Amount written off	-	-	-	-	-	-	(3,500)	(3,500)
At the end of the reporting period	<u>1,293</u>	<u>1,185</u>	<u>2,478</u>	<u>33,250</u>	<u>751</u>	<u>34,001</u>	<u>11,545</u>	<u>48,024</u>

At 31 March 2023, the significant decrease in loss allowance is mainly due to the written off of loss allowance arise from disposal of an underperforming loan and further deterioration of financial position of borrowers which classified as not performing.

At 31 March 2023, no loss allowance was recognised for loans and advances with carrying amounts of approximately HK\$142,000,000 (2022: HK\$163,817,000) due to the relevant pledged assets with fair value of approximately HK\$1,265,692,000 (2022: HK\$382,650,000).

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

Credit Assessment Policy

- (i) For secured loans, the Group will conduct a credit assessment test against a potential customer. It will take into account the term of the loan and the results from the credit assessment in totality to assess the repayment ability of the potential customer. A valuation report on the underlying property will be prepared by an independent valuer to determine its current fair value. The Group has set a clear guideline on the loan-to-value ratios for granting and renewing mortgage loans and the term of the loan shall normally be within a reasonable tenor accepted by the Group.

The Group will then conduct a credit assessment exercise according to the credit policy by considering factors, including but not limited to, the relevant risks of the Group (e.g. the default risk of the potential customer), the cost of funds, cashflows, etc. of the Group as well as the market offer, customer's repayment ability, etc. Afterwards, the Group will determine the terms of the offer and notify the customer about the loan approval.

- (ii) For unsecured loans, the Group will carry out the credit assessment on every unsecured loan applicant based on the following factors:
 - (a) Total amount of the principal and interest payable to be granted;
 - (b) Duration of the term for repayment of the loan to be granted;
 - (c) Frequency and amount of the repayments to be made;
 - (d) The interest rate of the loan to be granted;
 - (e) Purpose of obtaining the loan to be granted;
 - (f) The employment or business of the unsecured loan applicant;
 - (g) Current credit and financial information on the unsecured loan applicant;
 - (h) Any other factors which may affect the unsecured loan applicant's affordability;
 - (i) Current income and expenditure of the unsecured loan applicant;
 - (j) Foreseeable reduction in income or increase in expenditure of the unsecured loan applicant; and
 - (k) Savings and assets of the unsecured loan applicant.

15. ACCOUNTS PAYABLE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Accounts payable arising from the business of dealing in securities:		
– Cash clients	107,229	198,575
– Margin clients	189,848	222,492
– Broker	588	–
Accounts payable to clients arising from the business of dealing in futures contracts	<u>51,570</u>	<u>96,057</u>
	<u><u>349,235</u></u>	<u><u>517,124</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% (2022: 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\$13,000 (2022: HK\$386,000).

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

16. DISPOSAL OF SUBSIDIARIES

On 30 November 2021, the Group entered into a sales and purchase agreement with an independent third party to dispose the 100% of its equity interests in Grace Field Limited, a wholly-owned subsidiary of the Group, at a consideration of HK\$422,153,000 (the “Disposal”). Details of the Disposal have been disclosed in the Company’s announcement dated 30 November 2021 and circular dated 20 December 2021. The Disposal has been completed on 14 April 2022. The Group has recorded a loss on disposal of approximately HK\$9,590,000 as a result of the Disposal.

On 30 September 2022, the Group disposed the entire equity interests in Billion Wealth Investment Management Limited, a wholly-owned subsidiary of the Group, to an individual independent third party at a consideration of HK\$1. Upon completion, a loss on disposal of the subsidiary of approximately HK\$96,000 was charged to profit or loss during the year ended 31 March 2023.

17. SHARE CAPITAL

	<u>Number of shares</u>		<u>Amount</u>	
	2023	2022	2023	2022
	<i>'000</i>	<i>'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Ordinary shares of HK\$0.1 each				
Authorised:				
At the beginning and the end of the reporting period	<u>30,000,000</u>	<u>30,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Issued and fully paid:				
At the beginning and the end of the reporting period	<u>9,662,706</u>	<u>9,662,706</u>	<u>966,270</u>	<u>966,270</u>

FINAL DIVIDEND

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

The final dividend will be payable on or about 7 September 2023 to shareholders of the Company whose names appear on the register of members of the Company on 1 September 2023.

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 2023 Annual General Meeting</i>	:	21 August 2023 – 24 August 2023, both dates inclusive
<i>For entitlement to final dividend</i>	:	31 August 2023 – 1 September 2023, both dates inclusive (Record date being 1 September 2023)

In order to qualify for attendance to the Company's 2023 Annual General Meeting which is scheduled to be held on 24 August 2023, 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 at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on the following dates:

Events		Last date of lodgement of transfer documents
<i>For attendance to 2023 Annual General Meeting</i>	:	18 August 2023, Friday
<i>For entitlement to final dividend</i>	:	30 August 2023, Wednesday

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the year ended 31 March 2023, the Group's revenue amounted to approximately HK\$422.5 million, representing a decrease of 4.2% as compared with approximately HK\$441.1 million reported in the last corresponding financial year. The decrease in revenue was mainly attributable to the decrease in brokerage commission with less turnover during the year. In addition, the interest income from margin financing business and debt securities held by the Group during the year also recorded a decrease as compared with the last financial year. On the other hand, the interest income from money lending business recorded a slightly increment as compared with the last financial year.

Profit for the year attributable to owners of the Company was approximately HK\$183.7 million (2022: HK\$60.2 million). The increase in profit was mainly attributable to the net effect of (i) increase in fair value losses of investment properties and unlisted equity securities; (ii) decrease in impairment loss on accounts receivable from margin clients; (iii) decrease in impairment loss on loans and advances; and (iv) the reversal of over provision of income tax. The Group recorded provision of net impairment loss on accounts receivable from margin clients and provision of net impairment loss on loans and advances of approximately HK\$92.1 million (2022: HK\$130.1 million) and HK\$1.2 million (2022: HK\$29.6 million) respectively in current financial year.

Basic earnings per share for the year were HK1.90 cents (2022: HK0.62 cents) as a result of increase in profit during the year.

REVIEW AND OUTLOOK

Market Review

In the first half of 2022, the Hong Kong economy saw a marked deterioration. The local stock market exhibited substantial volatility. The Hang Seng Index underwent a correction amid concerns over the impending tightening of US monetary policy, situation in Ukraine, regulatory requirements in the Mainland and the fifth wave of local epidemic situation and the epidemic situation in the Mainland.

During the third quarter to fourth quarter of 2022, the local stock market underwent a sharp correction in tandem with the downslides in many stock markets across the globe. The Hang Seng Index trended down to reach a low of 14,687 on 31 October 2022, the lowest level since April 2009. The market sentiment was hard hit by the external macro factors, attributable to worries about US interest rate hikes and recession risks affected corporate earnings, persistent global inflationary pressures, global economic slowdown, prolonged geopolitical conflicts in Ukraine and energy supply issues in Europe. In late 2022, the expectation of slower US interest rate hikes and the optimisation of anti-epidemic measures in the Mainland trimmed some losses. Investor sentiment was also lifted by alleviated worries over the financial conditions of Mainland property developers and relaxation of pandemic-related restrictions. During the year, the performance of the Hong Kong market seemed to be largely in line with major overseas markets.

In the first quarter of 2023, the Hong Kong economy improved visibly, led by the strong recovery of inbound tourism and domestic demand. The Hang Seng Index was first supported by expectations of a slower pace of US monetary policy tightening and the return of economic activities to normalcy, then dampened by concerns over the global economic outlook and the banking sector stress in the US and Europe. The Hang Seng Index closed at 20,400 points at the end of March 2023 compared with 21,996 points at the end of March 2022. The average daily turnover on the Main Board and GEM during the year ended 31 March 2023 was approximately HK\$120.5 billion, a decrease of 18% as compared with approximately HK\$147.0 billion for the prior financial period.

In respect of the local money lending market, the Hong Kong economy weakened notably in 2022. GDP contracted by 3.5%. Consumption activities were seriously disrupted by the fifth wave of the local epidemic in the first half of 2022. With the local epidemic situation stabilising and social distancing measures progressively relaxed, improvement had been seen afterwards. The improved labour market and disbursement of consumption vouchers had also provided support. As a whole, private consumption expenditure recorded a mild decline. For the sake of caution, our Group still adopt a prudent approach, such as implementing strict credit policies. In order to manage the credit risk, we focused on debt recovery and closely monitor the borrowers' credit limit during the year.

Regarding the local property market, the residential property market underwent a marked correction in 2022 amid tightened financial conditions resulting from the sharp interest rate hikes by the US Federal Reserve and worsened global and local economic outlook. Trading activities were moderate quietened visibly. Flat prices fell over 15% by the end of 2022. The non-residential property market weakened during 2022 amid subdued economic conditions. Prices and rentals for most major market segments declined. Trading activities fell to very low levels. However, following the China-Hong Kong border reopening earlier in the first quarter of 2023, the residential property market revived after undergoing a marked correction last year. Market sentiment improved along with the local economy recovered. Both trading activities and flat prices rebounded. Interest rates are expected to peak during 2023 while higher financing costs will continue to weigh on real estate investment demand.

Regarding the UK property market, the annual house price growth marked a further slowdown in year end of 2022 as the impact of surging mortgage costs reversed some of the pandemic-led boom in the market. In the first quarter of 2023, the growth continued to ease as the concerns over inflation remain undiminished which could yet lead to a further base rate hikes from the Bank of England.

Business review

Broking and securities margin financing

During the year ended 31 March 2023, the broking business posted a profit of approximately HK\$16.1 million (2022: HK\$7.4 million). The operating result of the broking business increased by 117.6% as a result of the increase in interest revenue from time-deposits outweighed the decrease in 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 increased by 12.4% to approximately HK\$70.5 million (2022: HK\$62.7 million) as compared with last financial year, it mainly comprised of broking commission amounted to approximately HK\$29.2 million (2022: HK\$50.9 million) and interest from bank balance and time deposits amounted to approximately HK\$30.4 million (2022: HK\$3.1 million).

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 8.3% to approximately HK\$263.4 million (2022: HK\$287.1 million) with the decrease in average level of securities margin lending during the year. Total gross accounts receivable from margin clients at 31 March 2023 amounted to approximately HK\$2,460.1 million (as at 31 March 2022: HK\$3,113.5 million). Net impairment loss on margin clients receivable of approximately HK\$92.1 million was charged during the current year (2022: HK\$130.1 million).

The provision of net impairment loss was provided for the whole margin loan portfolio of the Group, no matter the client has margin shortfall or not, to recognise the expected credit loss of accounts receivable from margin clients. Depending on the degree of margin shortfall of each client, which is calculated by outstanding loan balance minus market value of pledged securities, margin clients are categorised into different credit ratings and the expected credit loss is recognised based on the corresponding default rate and recovery rate from Moody's. For clients with significant margin shortfall, additional impairment loss up to 100% of the margin shortfall amount will be recognised. To recover overdue account receivables, the Group has taken various actions, including issuing margin call, forced selling of pledged securities, issuing demand letter and legal action.

Included in the total provision of net impairment loss on accounts receivable from margin clients amounted to approximately HK\$92.1 million during the year ended 31 March 2023, net provision of approximately HK\$487,000 was charged for the Group's ten largest margin clients, excluding director of the Company and their close family members, and net reversal of impairment loss of approximately HK\$610,000 was reversed for the Company's directors and their close family members.

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 good performance during the year. The aggregated loan amount decreased to approximately HK\$373.5 million at 31 March 2023 from approximately HK\$396.7 million at 31 March 2022, with interest income for the year increased to approximately HK\$45.9 million (2022: HK\$43.3 million). Money lending business recorded profit before tax of approximately HK\$44.7 million for the year ended 31 March 2023 (2022: HK\$13.3 million). Net impairment loss on loans and advances of approximately HK\$1.2 million was provided during the year (2022: HK\$29.6 million). Building on the Group's expertise and relationships with high net worth customers, the Group remains positive about the money lending business and will continue to target high net worth customers with short-term financial needs.

Investments

The investments division held properties and financial instruments for the Group. Assets allocations are based on expected return rates and available funding capital. For the year under review, this division reported a loss of approximately HK\$46.5 million (2022: profit HK\$6.4 million), mainly attributable to fair value losses on investment properties of approximately HK\$47.1 million (2022: HK\$21.5 million); interest income from convertible notes and unlisted debt securities of approximately HK\$8.6 million (2022: HK\$9.8 million); interest income from listed debt securities of approximately HK\$4.9 million (2022: HK\$14.9 million); rental income of approximately HK\$26.1 million (2022: HK\$18.3 million); and the unrealised losses on financial assets measured at fair value through profit or loss of approximately HK\$21.7 million (2022: HK\$6.3 million) mainly due to the fair value drop of certain unlisted equity securities. The fair value of unlisted equity securities was approximately HK\$77.1 million (2022: HK\$126.5 million) at 31 March 2023.

During the year ended 31 March 2023, the Group newly acquired two investment properties in Hong Kong and two investment properties in London at total considerations of HK\$330.7 million. As at 31 March 2023, the Group held a portfolio of investment properties with a total fair value of approximately HK\$1,128.7 million (31 March 2022: HK\$836.4 million), comprised residential, commercial and industrial properties in Hong Kong, and residential properties and a commercial building in London.

As at 31 March 2023, the Group held an investment portfolio mainly consisted of listed equity securities, debt securities, convertible notes and unlisted equity securities with total fair values of approximately HK\$388.0 million (2022: HK\$439.7 million). The decrease in total fair values of the investment portfolio was mainly attributable to the net effect of the acquisition of an unlisted redeemable note with principal amount of HK\$70 million (2022: HK\$30 million); the partial redemption of an unlisted equity securities of HK\$33 million (2022: HK\$NIL), the partial redemption of an unlisted redeemable note of HK\$35 million (2022: HK\$80 million), the disposal of certain listed debt securities during the year while the Group held portfolio of listed debt securities of approximately HK\$87.3 million at 31 March 2023 (2022: HK\$120.4 million) and the decrease in fair value of financial assets measured at fair value through profit or loss of approximately HK\$21.7 million (2022: HK\$6.3 million). The portfolio of listed equity securities mainly comprised listed companies in Hong Kong while the portfolio of debt securities mainly comprises listed bonds, and redeemable notes issued by certain listed and unlisted companies in Hong Kong and overseas.

Corporate finance

The Group's corporate finance business focused on the provision of financial advisory services to listed companies in Hong Kong. During the year ended 31 March 2023, it completed 4 financial advisory transactions (2022: 4). The operation reported a segment profit of approximately HK\$1.3 million for the year (2022: HK\$2.4 million).

Asset Management

During the year ended 31 March 2023, this division reported a profit of approximately HK\$1.6 million (2022: HK\$2.1 million) mainly attributable to the asset management related income of approximately HK\$1.9 million (2022: HK\$2.4 million) received during the year.

Outlook

Upon the lifting of COVID-19 restrictions, Hong Kong has returned to normalcy after more than three years of challenges. The HKSAR Government has launched the "Hello Hong Kong" campaign to welcome global visitors. Now that our fast and convenient links with the Mainland and the rest of the world have resumed and restaurants, shops and more in the city are reviving.

While Hong Kong's economy has shown signs of recovery entering 2023, the external environment remains full of challenges and uncertainties. Despite the difficulties and challenges ahead, our Group will continue to leverage our professionalism and solid experience in our money lending business. We shall persistently implement cautious and prudent measures, instantly and effectively review and tighten our credit policies, and increase the proportion of our business with high-net-worth clients.

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

Apart from the existing businesses, the Group currently devotes to exploring different business opportunities. Hong Kong is considered as one of the fastest growing and diverse auction markets, management recognizes a tremendous business opportunity in the auction market, especially Hong Kong as an essential position in the China market. Correspondingly, echoing with the Government Policy Address to develop Hong Kong as the Art Centre of Asia, the Group is determined to develop its related business, specialised in auctioneering a wide variety of Chinese artworks, including Chinese paintings and calligraphies, Chinese antiques, Chinese ceramics and tea wares, modern and contemporary arts. In addition to auction events, the Group is also going to promote art and culture through exhibitions and events with leading artists and curated auctions with celebrated collectors and artists.

Dealing with the future challenges, the management of the Group would review and adjust business strategies on a 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 will continue to explore and seize new business opportunities to further create value for its shareholders in the long run.

FINANCIAL REVIEW

Financial Resources and Gearing Ratio

Equity attributable to owners of the Company amounted to approximately HK\$5,835.5 million as at 31 March 2023 (2022: HK\$5,751.5 million), representing an increase of approximately HK\$84 million or 1.5% over that of last financial year end. The non-controlling interests decreased from approximately HK\$1,193.2 million at 31 March 2022 to approximately HK\$1,172.1 million at 31 March 2023. These movements were mainly attributable to the profit for the year netting off dividend distributed during the year.

As at 31 March 2023, the Group's net current assets amounted to approximately HK\$5,173.0 million (2022: HK\$5,341.7 million), and its liquidity as represented by current ratio (current assets/current liabilities) was 11.8 times (2022: 6.8 times). The increase in net current assets and current ratio were mainly attributable to the decrease in accounts payable. The Group's bank balances and cash on hand increased to approximately HK\$2,598.3 million (2022: HK\$1,835.2 million). The increase in bank balances and cash on hand was mainly due to the cash inflow in respect of the repayment from accounts receivable.

The Group had bank borrowings of approximately HK\$89.3 million as at 31 March 2023 (2022: HK\$94.6 million) and the Group had undrawn banking facilities amounting to approximately HK\$668.7 million as at 31 March 2023 (2022: HK\$763.4 million) which were secured by charges over clients' pledged securities, certain properties of the Group and corporate guarantees issued by Get Nice Financial Group Limited and the Company.

The Group's gearing ratio (total borrowing over equity attributable to owners of the Company) as at 31 March 2023 was 0.02 (2022: 0.02).

The number of issued shares of Company amounted to 9,662,705,938 shares as at 31 March 2023 (2022: 9,662,705,938 shares).

An investment property located in United Kingdom and its related rental income which were denominated in British Pound, the business activities of the Group were not exposed to material fluctuations in exchange rates as the majority of the transactions were denominated in Hong Kong dollar.

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

Charges on Group Assets

As at 31 March 2023, investment property, and leasehold land and building of the Group with a carrying amount of approximately HK\$77 million and HK\$388.4 million respectively (31 March 2022: HK\$69 million and HK\$398 million respectively) were pledged for banking facilities granted to the Group.

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

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

Employee Information

As at 31 March 2023, the Group had 89 (2022: 96) full time employees. The Group's employees were remunerated according to their performance, working experience and market conditions. The total amount of remuneration cost of employees of the Group for the year was approximately HK\$27.4 million (2022: HK\$29.8 million). The Group provides employee benefits including mandatory provident fund, discretionary share options and performance bonus to its staff.

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

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

CORPORATE GOVERNANCE CODE

Throughout the year ended 31 March 2023, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules, except for the following deviation:

CG Code provision C.2.1 stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. During the year, Mr. Hung Hon Man was the chairman of the Board and the chief executive officer ("CEO") of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals and meets regularly to discuss issues relating to the operations of the Company.

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

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with management of the Group's financial statements for the year ended 31 March 2023, including the accounting principles and practices adopted by the Group.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

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

SCOPE OF WORK OF MAZARS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, Mazars CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Mazars CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars CPA Limited on the preliminary announcement.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange at <http://www.hkexnews.hk> under “Latest Listed Company Information” and the Company at <http://www.getnice.com.hk>. The 2023 Annual Report of the Company containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange at <http://www.hkexnews.hk> under “Latest Listed Company Information” and the Company at <http://www.getnice.com.hk> in due course.

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

Hong Kong, 28 June 2023

As at the date of this announcement, the executive directors of the Company are Mr. Hung Hon Man (Chairman), Mr. Cham Wai Ho, Anthony (Deputy Chairman) and Mr. Kam, Eddie Shing Cheuk (Chief Executive Officer). The non-executive director of the Company is Ms. Wu Yan Yee. The independent non-executive directors of the Company are Ms. Chan Oi Chong and Mr. Leung Yiu Man.