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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 2024

#### 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 2024 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 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue from contracts with customers			
within HKFRS 15	4	41,038	43,035
Revenue from other sources	4	30,789	34,694
Interest revenue calculated using the effective interest method	4	338,188	344,789
<b>Revenue</b>		<b>410,015</b>	<b>422,518</b>
Other operating income	6a	19,437	16,486
Other gains and losses, net	6b	(109,879)	(45,122)
Depreciation expenses		(23,704)	(23,369)
Commission expenses		(5,975)	(8,718)
Provision of net impairment loss on accounts receivable	13	(128,590)	(92,088)
Reversal (Provision) of net impairment loss on other receivables		59	(12,093)
Provision of net impairment loss on loans and advances	14	(5,803)	(1,151)
Reversal of net impairment loss on debt investments measured at fair value through other comprehensive income (“Mandatory FVOCI”)		3,383	2,755
Staff costs	7	(26,192)	(27,387)
Finance costs	8	(1,684)	(3,340)
Other expenses		(44,654)	(52,430)
<b>Profit before taxation</b>	9	<b>86,413</b>	<b>176,061</b>
Income tax (expense) credit	10	(9,301)	88,153
<b>Profit for the year</b>		<b>77,112</b>	<b>264,214</b>

	<i>Note</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Other comprehensive income (expense)</b>			
<i>Items that are reclassified or may be reclassified subsequently to profit or loss</i>			
Exchange difference arising on translation of foreign operations		<b>8,655</b>	4,309
Fair value gain (loss) on Mandatory FVOCI reclassified to profit or loss upon disposal		<b>5</b>	(2,853)
Fair value loss on Mandatory FVOCI		<b>(19,961)</b>	(10,907)
Deferred tax arising on revaluation of Mandatory FVOCI		<b>3,293</b>	2,270
<i>Items that will not be reclassified to profit or loss</i>			
Surplus on revaluation of properties		<b>2,505</b>	4,914
Deferred tax arising on revaluation of properties		<b>(413)</b>	(812)
<b>Total other comprehensive expense for the year</b>		<b>(5,916)</b>	(3,079)
<b>Total comprehensive income for the year</b>		<b>71,196</b>	261,135
<b>Profit for the year attributable to:</b>			
Owners of the Company		<b>35,815</b>	183,700
Non-controlling interests		<b>41,297</b>	80,514
		<b>77,112</b>	264,214
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>29,885</b>	180,586
Non-controlling interests		<b>41,311</b>	80,549
		<b>71,196</b>	261,135
		<i>HK Cents</i>	<i>HK Cents</i>
<b>Earnings per share</b>			
Basic	12	<b>0.37</b>	1.90

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>Non-current assets</b>			
Property and equipment		<b>485,850</b>	503,966
Investment properties		<b>1,105,544</b>	1,128,688
Intangible assets		<b>7,964</b>	8,514
Goodwill		<b>17,441</b>	17,441
Other assets		<b>3,965</b>	4,706
Deferred tax assets		<b>23,200</b>	14,424
Loans and advances	14	<b>2,341</b>	1,270
Investments		<b>136,217</b>	159,696
		<b>1,782,522</b>	1,838,705
<b>Current assets</b>			
Accounts receivable	13	<b>1,864,483</b>	2,079,209
Loans and advances	14	<b>388,311</b>	372,205
Prepayments, deposits and other receivables		<b>13,561</b>	38,118
Tax recoverable		<b>11,362</b>	16,039
Investments		<b>167,525</b>	228,265
Bank balances – client accounts		<b>233,058</b>	318,857
Bank balances – general accounts and cash		<b>2,770,918</b>	2,598,349
		<b>5,449,218</b>	5,651,042

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
<b>Current liabilities</b>			
Accounts payable	15	<b>251,527</b>	349,235
Accrued charges and other payables		<b>8,539</b>	13,223
Tax payable		<b>25,626</b>	26,365
Bank borrowings		<b>–</b>	89,263
		<u><b>285,692</b></u>	<u>478,086</u>
<b>Net current assets</b>		<u><b>5,163,526</b></u>	<u>5,172,956</u>
<b>Total assets less current liabilities</b>		<u><b>6,946,048</b></u>	<u>7,011,661</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		<u><b>4,100</b></u>	<u>4,063</u>
<b>Net assets</b>		<u><b>6,941,948</b></u>	<u>7,007,598</u>
<b>Capital and reserves</b>			
Share capital	17	<b>966,270</b>	966,270
Reserves		<u><b>4,802,486</b></u>	<u>4,869,228</u>
<b>Equity attributable to owners of the Company</b>		<u><b>5,768,756</b></u>	<u>5,835,498</u>
<b>Non-controlling interests</b>		<u><b>1,173,192</b></u>	<u>1,172,100</u>
<b>Total equity</b>		<u><b>6,941,948</b></u>	<u>7,007,598</u>

*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; (iii) investment in financial instruments; (iv) real estate agency; (v) auction business and (vi) 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 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 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 2023 consolidated financial statements except for the adoption of the following revised HKFRSs that are relevant to the Group and effective from the current year.

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

### **Adoption of revised HKFRSs**

#### *Amendments to HKAS 1: Disclosure of Accounting Policies*

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies.

The amendments have no effect on the measurement, recognition or presentation of any items in the consolidated financial statements. Management has reviewed the disclosure of accounting policy information and considered it is consistent with the amendments.

#### *Amendments to HKAS 8: Definition of Accounting Estimates*

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

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

#### *Amendments to HKAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of HKAS 12 so that it no longer applies to transactions that, on recognition, give rise to equal taxable and deductible temporary differences.

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

#### *Amendments to HKAS 12: International Tax Reform – Pillar Two Model Rules*

The amendments provide entities with temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's Pillar Two model rules. The Amendments also introduce targeted disclosure requirements to help investors understand an entity's exposure to income taxes arising from the rules.

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 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	Classification of Liabilities as Current or Non-current <sup>[1]</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>[1]</sup>
Amendments to HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>[1]</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>[1]</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>[1]</sup>
Amendments to HKAS 21	Lack of Exchangeability <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 2024

<sup>[2]</sup> Effective for annual periods beginning on or after 1 January 2025

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

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

#### 4. REVENUE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue from contracts with customers within HKFRS 15</b>		
Brokerage commission	19,919	29,187
Underwriting and placing commission	11,095	4,476
Proof of funds commission	2,339	2,860
Other commission	39	7
Clearing and handling fee income	2,729	3,383
Assets Management fee income	594	1,866
Advisory fee income	2,112	1,256
Auction commission	2,211	–
	<u>41,038</u>	<u>43,035</u>
<b>Revenue from other sources</b>		
Property rental income	22,182	26,064
Interest income from financial assets at fair value through profit or loss (“FVPL”)		
– Unlisted convertible notes	522	–
– Unlisted debt securities	8,085	8,630
	<u>30,789</u>	<u>34,694</u>
<b>Interest revenue calculated using the effective interest method</b>		
– Bank balances and time-deposits	90,770	30,386
– Other financial assets at amortised costs		
– Accounts receivable	205,350	263,591
– Loans and advances	35,244	45,900
– Mandatory FVOCI	6,824	4,912
	<u>338,188</u>	<u>344,789</u>
<b>Total revenue</b>	<u><u>410,015</u></u>	<u><u>422,518</u></u>



## 5. SEGMENT INFORMATION

The Group is currently organised into eight operating divisions, namely broking, securities margin financing, money lending, corporate finance, asset management, financial instruments investments, property investments and auction business. 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
Financial instruments investments	– Investment in financial instruments
Property investments	– Holding of investment properties
Auction business	– Provision of artwork auction service

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, 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, 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 2024

	Securities			Financial					
	margin	Money	Corporate	Asset	instruments	Property	Auction	Consolidated	
	Broking	financing	lending	finance	management	investments	investments	business	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	<u>127,272</u>	<u>204,969</u>	<u>35,244</u>	<u>2,112</u>	<u>594</u>	<u>15,431</u>	<u>22,182</u>	<u>2,211</u>	<u>410,015</u>
Segment result	<u>77,574</u>	<u>76,378</u>	<u>27,996</u>	<u>2,322</u>	<u>589</u>	<u>(43,984)</u>	<u>(44,386)</u>	<u>1,185</u>	<u>97,674</u>
Unallocated other gains and loss, net									8,371
Unallocated other operating income and corporate expenses, net									<u>(19,632)</u>
Profit before taxation									<u>86,413</u>

#### Year ended 31 March 2023

	Securities			Financial					
	margin	Money	Corporate	Asset	instruments	Property		Consolidated	
	Broking	financing	lending	finance	management	investments	investments	Consolidated	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
						(Represented)	(Represented)		
Segment revenue	<u>70,479</u>	<u>263,411</u>	<u>45,900</u>	<u>1,256</u>	<u>1,866</u>	<u>13,542</u>	<u>26,064</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>(12,913)</u>	<u>(33,592)</u>	<u>188,482</u>	
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>	

## 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 2024

	Securities		Money lending	Corporate finance	Asset management	Financial		Auction business	Consolidated
Broking	margin financing	instruments				Property investments			
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment assets	<u>2,549,383</u>	<u>2,007,672</u>	<u>414,437</u>	<u>12,617</u>	<u>6,907</u>	<u>351,644</u>	<u>1,136,500</u>	<u>1,687</u>	6,480,847
Unallocated assets (Note 1)									<u>750,893</u>
Consolidated assets									<u>7,231,740</u>
Segment liabilities	<u>91,183</u>	<u>163,927</u>	<u>452</u>	<u>80</u>	<u>124</u>	<u>-</u>	<u>4,863</u>	<u>200</u>	260,829
Unallocated liabilities (Note 2)									<u>28,963</u>
Consolidated liabilities									<u>289,792</u>

## 5. SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities (Continued)

At 31 March 2023

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Asset management HK\$'000	Financial instruments investments HK\$'000 (Represented)	Property investments HK\$'000 (Represented)	Consolidated HK\$'000
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>463,523</u>	<u>1,151,622</u>	<u>6,671,000</u>
Unallocated assets (Note 1)								<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>-</u>	<u>6,298</u>	<u>363,810</u>
Unallocated liabilities (Note 2)								<u>118,339</u>
Consolidated liabilities								<u>482,149</u>

*Note 1:* The balance mainly comprises property and equipment and bank balances of approximately HK\$471,022,000 and HK\$267,247,000 respectively (2023: HK\$486,213,000 and HK\$318,798,000 respectively).

*Note 2:* The balance mainly comprises tax payables of approximately HK\$23,527,000 (2023: tax payables and bank borrowings of approximately HK\$23,462,000 and HK\$89,263,000 respectively).

## 5. SEGMENT INFORMATION (CONTINUED)

### Other segment information

2024

	Securities		Money	Corporate	Asset	Financial	Property	Auction	Unallocated	Consolidated
	margin	financing	lending	finance	management	instruments	investments	business		
	Broking									
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:										
Additions of investment properties through acquisition of a subsidiary	-	-	-	-	-	-	12,587	-	-	12,587
Additions of property and equipment	1,332	-	-	-	-	-	1,398	31	331	3,092
Depreciation of property and equipment	(5,125)	-	(93)	-	-	-	(508)	(10)	(17,968)	(23,704)
Provision of net impairment loss on accounts receivable	-	(128,590)	-	-	-	-	-	-	-	(128,590)
Provision of net impairment loss on loans and advances	-	-	(5,803)	-	-	-	-	-	-	(5,803)
Reversal of net impairment loss on other receivables	-	-	59	-	-	-	-	-	-	59
Reversal of impairment loss on Mandatory FVOCI	-	-	-	-	-	3,383	-	-	-	3,383
Additions of investment properties	-	-	-	-	-	-	24,852	-	-	24,852
Fair value losses on investment properties	-	-	-	-	-	-	(53,998)	-	-	(53,998)
Fair value losses on financial assets at FVPL	(7)	-	-	-	-	(63,516)	-	-	-	(63,523)
Gain on disposal of property and equipment	-	-	-	-	-	-	-	-	7,603	7,603
Gain on disposal of intangible assets	-	-	-	-	-	-	-	-	1,500	1,500
Loss on disposal of a subsidiary	-	-	-	-	-	-	(732)	-	-	(732)
Interest income (including revenue and other operating income)	92,350	204,969	35,244	218	1	15,841	3	-	12,378	361,004
Finance costs	(55)	-	-	-	-	-	-	-	(1,629)	(1,684)
Commission expenses	(5,975)	-	-	-	-	-	-	-	-	(5,975)

## 5. SEGMENT INFORMATION (CONTINUED)

### Other segment information (continued)

2023

	Broking	Securities margin financing	Money lending	Corporate finance	Asset management	Financial instruments investments	Property investments	Unallocated	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
						(Represented)	(Represented)		
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

## 5. SEGMENT INFORMATION (CONTINUED)

### Geographical information

The Group's operations are located in Hong Kong and the United Kingdom (2023: Hong Kong and the United Kingdom).

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

	<b>Revenue by geographical market</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong	<b>398,254</b>	404,590
The United Kingdom	<b>11,761</b>	17,928
	<b>410,015</b>	<b>422,518</b>

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

	<b>Carrying amounts of non-current assets</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong	<b>1,117,850</b>	1,172,036
The United Kingdom	<b>502,914</b>	491,279
	<b>1,620,764</b>	<b>1,663,315</b>

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

### Information about major customers

During the years ended 31 March 2024 and 2023, there were no customers individually contributing 10% or more of the Group's total revenue.

During the years ended 31 March 2024 and 2023, 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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank interest income	14,209	8,201
CCASS income	–	25
Dividend income	3,471	2,323
Sundry income	1,517	3,563
Government subsidies	–	2,134
Management fee income	240	240
	<u>19,437</u>	<u>16,486</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
	<i>Note</i>	
Bad debt recovery from loans and advances	–	5,450
Fair value changes on investment properties	(53,998)	(47,055)
Net realised gains (losses) on error trades	10	(54)
Fair value losses on financial assets at FVPL	(63,523)	(21,729)
Realised (losses) gains on disposal / redemption of		
– Financial assets at FVPL	(137)	347
– Mandatory FVOCI	(3)	2,361
Exchange difference, net	(599)	(1,859)
Write-off of property and equipment	–	(43)
Write back of other payables	–	26
Gain on disposal of property and equipment	7,603	231
Gain on disposal of intangible assets	1,500	–
Loss on disposal of a subsidiary	16 (732)	(9,686)
Gain on deregistration of a subsidiary	–	26,883
Gain on lease termination	–	6
	<u>(109,879)</u>	<u>(45,122)</u>

## 7. STAFF COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Staff costs including directors' emoluments:		
Salaries and other benefits	25,207	26,337
Retirement benefit scheme contributions	985	1,050
	<u>26,192</u>	<u>27,387</u>



## 8. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on bank borrowings	1,629	3,252
Interest on clients' accounts	55	88
	<u>1,684</u>	<u>3,340</u>

## 9. PROFIT BEFORE TAXATION

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
This is stated after charging:		
Auditor's remuneration	2,770	2,750
Direct operating expenses relating to investment properties that generated rental income	5,271	2,561
Direct operating expenses relating to investment properties that did not generated rental income	96	99
Bad debt written off	–	4,305
	<u>–</u>	<u>–</u>

## 10. TAXATION

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Current tax</b>		
<i>Hong Kong</i>		
Hong Kong Profits Tax	16,631	26,499
Over provision in prior years	(3,284)	(1,136)
	<u>13,347</u>	<u>25,363</u>
<i>The United Kingdom</i>		
Corporate tax	1,357	1,343
Under provision in prior years	456	–
	<u>1,813</u>	<u>1,343</u>
<i>Macau</i>		
Over provision in prior years	–	(114,885)
	<u>15,160</u>	<u>(88,179)</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(5,859)	26
	<u>9,301</u>	<u>(88,153)</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 2024 and 2023, 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 25% (2023: 19%) on the subsidiary's estimated assessable profits for the year based on existing legislation, interpretation and practices in respect thereof.

## 11. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Final dividend for prior financial year, paid – HK0.5 cent (2023: HK0.5 cent) per share	48,314	48,314
Interim dividend for current financial year, paid – HK0.5 cent (2023: HK0.5 cent) per share	<u>48,313</u>	<u>48,313</u>
	<u><b>96,627</b></u>	<u><b>96,627</b></u>

A final dividend in respect of the year ended 31 March 2024 of HK0.5 cent (2023: HK0.5 cent) per share, amounting to approximately HK\$48,314,000 (2023: 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

	2024 <i>HK\$'000</i>	2023 <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>35,815</u>	<u>183,700</u>

### Number of shares

	2024 <i>'000</i>	2023 <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>0.37</u>	<u>1.90</u>
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For the years ended 31 March 2024 and 2023, no diluted earnings per share was presented because there were no potential dilutive ordinary shares in existence during both years.

### 13. ACCOUNTS RECEIVABLE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	3,673	6,160
– Margin clients:		
– Directors and their close family members	12,779	48,863
– Other margin clients	2,386,038	2,411,235
– Hong Kong Securities Clearing Company Limited	9,972	12,032
– Broker	–	514
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	<u>6,796</u>	<u>26,590</u>
	<b>2,419,258</b>	2,505,394
Less: Loss allowances	<u>(554,775)</u>	<u>(426,185)</u>
	<b><u>1,864,483</u></b>	<b><u>2,079,209</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 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\$744,000 (2023: HK\$77,000) 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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 30 days	582	11
31 – 60 days	8	7
Over 60 days	<u>154</u>	<u>59</u>
	<b><u>744</u></b>	<b><u>77</u></b>

The accounts receivable from cash clients with a carrying amount of approximately HK\$2,929,000 (2023: HK\$6,083,000) 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\$5,903,628,000 (2023: HK\$7,066,718,000). 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 (2023: range from 7.236% to 9.252% per annum) at 31 March 2024. 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 50% (2023: 51%) 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 assessment 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, provision of net impairment loss of approximately HK\$128,590,000 (2023: HK\$92,088,000) was recognised during the year.

### 13. ACCOUNTS RECEIVABLE (CONTINUED)

At 31 March 2024

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	12-month	1,295,712	13,950	1,281,762
Underperforming	Lifetime	355,016	33,995	321,021
Not performing	Lifetime	748,089	506,830	241,259
		<b>2,398,817</b>	<b>554,775</b>	<b>1,844,042</b>
<i>Represented by:</i>				
Ten largest margin clients Directors and their close family members which not included in ten largest margin clients (including Mr. Hung Hon Man and his close family members)		1,024,041	93,677	930,364
Other margin clients		12,779	72	12,707
		<b>1,361,997</b>	<b>461,026</b>	<b>900,971</b>
		<b>2,398,817</b>	<b>554,775</b>	<b>1,844,042</b>

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	12-month	1,756,287	17,547	1,738,740
Underperforming	Lifetime	57,063	27,915	29,148
Not performing	Lifetime	646,748	380,723	266,025
		<b>2,460,098</b>	<b>426,185</b>	<b>2,033,913</b>
<i>Represented by:</i>				
Ten largest margin clients Directors and their close family members which not included in ten largest margin clients (including Mr. Hung Hon Man and his close family members)		1,084,456	54,263	1,030,193
Other margin clients		48,863	260	48,603
		<b>1,326,779</b>	<b>371,662</b>	<b>955,117</b>
		<b>2,460,098</b>	<b>426,185</b>	<b>2,033,913</b>

### 13. ACCOUNTS RECEIVABLE (CONTINUED)

At 31 March 2024, the Group recognised loss allowance of approximately HK\$554,775,000 (2023: HK\$426,185,000) 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 2024

	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	17,547	27,915	380,723	426,185
(Decrease) Increase in allowance, net	(3,597)	6,080	126,107	128,590
At the end of the reporting period	13,950	33,995	506,830	554,775

*Represented by:*

	Ten largest margin clients <i>HK\$'000</i>	Directors and their close family members which not included in ten largest margin clients (including Mr. Hung Hon Man and his close family members) <i>HK\$'000</i>	Other margin clients <i>HK\$'000</i>	Total <i>HK\$'000</i>
	At the beginning of the reporting period	54,263	260	
Increase (Decrease) in allowance, net	39,414	(188)	89,364	128,590
At the end of the reporting period	93,677	72	461,026	554,775

### 13. ACCOUNTS RECEIVABLE (CONTINUED)

Year ended 31 March 2023

	12-month ECL	Lifetime ECL		Total HK\$'000
	Performing HK\$'000	Under-performing HK\$'000	Not performing HK\$'000	
At the beginning of the reporting period	23,240	49,065	261,792	334,097
(Decrease) Increase in allowance, net	(5,693)	(21,150)	118,931	92,088
At the end of the reporting period	<u>17,547</u>	<u>27,915</u>	<u>380,723</u>	<u>426,185</u>

Represented by:

	Ten largest margin clients HK\$'000	Directors and their close family members which not included in ten largest margin clients (including Mr. Hung Hon Man and his close family members) HK\$'000	Other margin clients HK\$'000	Total HK\$'000
	At the beginning of the reporting period	5,395	873	327,829
Increase (Decrease) in allowance, net	48,868	(613)	43,833	92,088
At the end of the reporting period	<u>54,263</u>	<u>260</u>	<u>371,662</u>	<u>426,185</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\$660,240,000 (2023: HK\$462,091,000); and
- (ii) Increase in additional loss allowance for not performing category of approximately HK\$99,716,000 (2023: HK\$55,108,000) as a result of difficulties on repayment by accounts receivable from margin clients.

The Group has pledged securities as collateral amounted to approximately HK\$171,152,000 (2023: HK\$229,809,000) in respect of the credit-impaired accounts receivable from margin clients.



## 14. LOANS AND ADVANCES

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Fixed-rate loan receivables		<b>400,835</b>	377,855
Less: Loss allowances		<b>(10,183)</b>	(4,380)
		<b>390,652</b>	373,475
Secured	(i)	<b>217,993</b>	185,268
Unsecured	(ii)	<b>172,659</b>	188,207
		<b>390,652</b>	373,475
Analysed as:			
Current		<b>388,311</b>	372,205
Non-current		<b>2,341</b>	1,270
		<b>390,652</b>	373,475

*Note (i):* For secured loans, the total net carrying amount of approximately HK\$217,993,000 (2023: HK\$185,268,000) with principal amounts ranging from HK\$2,000,000 to HK\$100,000,000 (2023: ranging from HK\$3,500,000 to HK\$100,000,000) with 7 customers (2023: 5 customers) and were accounted for approximately 56% (2023: 50%) 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 (2023: range from 9% to 13% per annum) with the maturity profile from 12 to 84 months (2023: from 6 to 72 months).

*Note (ii):* For unsecured loans, the total net carrying amount of approximately HK\$172,659,000 (2023: HK\$188,207,000) with principal amounts ranging from HK\$300,000 to HK\$66,000,000 (2023: ranging from HK\$200,000 to HK\$66,000,000) with 12 customers (2023: 15 customers) and were accounted for approximately 44% (2023: 50%) of the entire loan portfolio of the Group. The interest rates charged to the unsecured loan customers were at the range from 10% to 14% per annum (2023: range from 10% to 12% per annum) with the maturity profile from 1 to 84 months (2023: from 2 to 72 months).

#### **14. LOANS AND ADVANCES (CONTINUED)**

At 31 March 2024, loans and advances with carrying amount of approximately HK\$182,993,000 (2023: HK\$115,268,000) are secured by first mortgage of properties in Hong Kong with an aggregate market value of approximately HK\$351,700,000 (2023: HK\$238,200,000) and carrying amount of approximately HK\$35,000,000 (2023: HK\$70,000,000) are secured by pledged shares with an aggregate fair value of approximately HK\$141,251,000 (2023: HK\$1,105,692,000).

At 31 March 2024, the Group has concentration of credit risk as 67% (2023: 65%) of the total loans and advances was due from the Group's five largest borrowers, within the money lending segment.

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

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\$5,803,000 (2023: HK\$1,151,000) was recognised during the year.

## 14. LOANS AND ADVANCES (CONTINUED)

At 31 March 2024

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				
– Three out of five largest borrowers	12-month	150,000	635	149,365
– Other borrowers	12-month	88,430	328	88,102
		238,430	963	237,467
Underperforming				
– Two out of five largest borrowers	Lifetime	119,000	8,202	110,798
– Other borrowers	Lifetime	43,101	714	42,387
		162,101	8,916	153,185
Not performing				
	Lifetime	304	304	–
		400,835	10,183	390,652

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				
– Three out of five largest borrowers	12-month	172,000	160	171,840
– Other borrowers	12-month	127,651	2,265	125,386
		299,651	2,425	297,226
Underperforming				
– Two out of five largest borrowers	Lifetime	73,000	1,624	71,376
– Other borrowers	Lifetime	5,204	331	4,873
		78,204	1,955	76,249
		377,855	4,380	373,475

#### 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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Less than 1 month	4,978	20,085
1 to 3 months	116,483	1,492
4 to 6 months	10,312	59,214
7 to 12 months	20,014	111,554
Over 12 months	<u>238,865</u>	<u>181,130</u>
At the end of the reporting period	<u><u>390,652</u></u>	<u><u>373,475</u></u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Not yet past due	348,854	373,475
Over 3 months past due	<u>41,798</u>	<u>–</u>
At the end of the reporting period	<u><u>390,652</u></u>	<u><u>373,475</u></u>

## 14. LOANS AND ADVANCES (CONTINUED)

At 31 March 2024, the Group recognised loss allowance of approximately HK\$10,183,000 (2023: HK\$4,380,000) 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 2024

	12-month ECL			Lifetime ECL			Not performing	Total
	Performing			Underperforming				
	Three out of five largest borrowers	Other borrowers	Total	Two out of five largest borrowers	Other borrowers	Total		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At the beginning of the reporting period	1,113	1,312	2,425	-	1,955	1,955	-	4,380
(Decrease) Increase in allowance, net	(478)	(984)	(1,462)	8,202	(1,241)	6,961	304	5,803
At the end of the reporting period	<u>635</u>	<u>328</u>	<u>963</u>	<u>8,202</u>	<u>714</u>	<u>8,916</u>	<u>304</u>	<u>10,183</u>

### Year ended 31 March 2023

	12-month ECL			Lifetime ECL			Not performing	Total
	Performing			Underperforming				
	Three out of five largest borrowers	Other borrowers	Total	Two out of five largest borrowers	Other borrowers	Total		
HK\$'000	HK\$'000	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
(Decrease) Increase 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>

At 31 March 2024, the significant increase in credit risk refers to increase in rate for exposure at default due to the deterioration of financial performance of the borrower.

At 31 March 2024, no loss allowance was recognised for loans and advances with carrying amounts of approximately HK\$105,970,000 (2023: HK\$142,000,000) due to the relevant pledged assets with fair value of approximately HK\$286,251,000 (2023: HK\$1,265,692,000).

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

## 15. ACCOUNTS PAYABLE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Accounts payable arising from the business of dealing in securities:		
– Cash clients	58,548	107,229
– Margin clients	163,927	189,848
– Broker	–	588
Accounts payable to clients arising from the business of dealing in futures contracts	<u>29,052</u>	<u>51,570</u>
	<u><u>251,527</u></u>	<u><u>349,235</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% (2023: 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\$151,000 (2023: HK\$13,000).

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 for the trading of futures contracts stipulated by the HKFE are repayable to clients on demand.

## 16. DISPOSAL OF A SUBSIDIARY

On 23 February 2024, the Group entered into a sales and purchase agreement with an independent third party to dispose the 100% of its equity interests in Fairy Gather Limited (“Fairy Gather”) at a consideration of HK\$14,500,000 (the “Disposal”). The principal activity of the Fairy Gather is property holding. The Disposal has been completed on 15 March 2024.

**17. SHARE CAPITAL**

	<u>Number of shares</u>		<u>Amount</u>	
	<b>2024</b>	2023	<b>2024</b>	2023
	<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 <b>the end of the reporting period</b>	<b><u>30,000,000</u></b>	<u>30,000,000</u>	<b><u>3,000,000</u></b>	<u>3,000,000</u>
Issued and fully paid:				
At the beginning and <b>the end of the reporting period</b>	<b><u>9,662,706</u></b>	<u>9,662,706</u>	<b><u>966,270</u></b>	<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 5 September 2024 to shareholders of the Company whose names appear on the register of members of the Company on 30 August 2024.

## **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 2024 Annual General Meeting</i>	:	19 August 2024 – 22 August 2024, both dates inclusive
<i>For entitlement to final dividend</i>	:	29 August 2024 – 30 August 2024, both dates inclusive (Record date being 30 August 2024)

In order to qualify for attendance to the Company's 2024 Annual General Meeting which is scheduled to be held on 22 August 2024, 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:

<b>Events</b>		<b>Last date of lodgement of transfer documents</b>
<i>For attendance to 2024 Annual General Meeting</i>	:	16 August 2024, Friday
<i>For entitlement to final dividend</i>	:	28 August 2024, Wednesday



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OVERVIEW**

For the year ended 31 March 2024, the Group's revenue amounted to approximately HK\$410.0 million, representing a decrease of 3.0% as compared with approximately HK\$422.5 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, money lending business and debt securities held by the Group during the year also recorded a decrease as compared with the last financial year.

Profit for the year attributable to owners of the Company was approximately HK\$35.8 million (2023: HK\$183.7 million). The decrease in profit was mainly attributable to the net effect of (i) increase in fair value losses of investment properties and unlisted equity securities; (ii) increase in impairment loss on accounts receivable from margin clients; and (iii) increase in impairment loss on loans and advances. 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\$128.6 million (2023: HK\$92.1 million) and HK\$5.8 million (2023: HK\$1.2 million) respectively in current financial year.

Basic earnings per share for the year were HK0.37 cents (2023: HK1.90 cents) as a result of decrease in profit during the year.

### **REVIEW AND OUTLOOK**

#### **Market Review**

In 2023, Hong Kong quickly returned to normalcy after the epidemic with continuous improvements to economic activities. The local economy ended the year positively as the real Gross Domestic Product grew by 3.2% and the unemployment rate declined to 2.9% in the year. However, the lingering challenges in the external environment, including heightened geopolitical tensions, tightened financial conditions and slow global economic growth, have put strains on the asset market performance.

The local stock market was under pressure during most of 2023, as concerns over the recovery momentum of the China economy and expectations of a prolonged period of high interest rates continued to dampen investment sentiment. The Hong Kong stock market fell visibly in the second half of 2023 as uncertainties around economic outlook and Mainland property market weighted on sentiment. Trading activities and fund raising activities were extremely quiet.

In the first quarter of 2024, dampened by heightened geopolitical tensions and tempered expectations for US interest rate cuts, the Hang Seng Index slid to 14,961 on 22 January 2024. It then recouped some of the lost ground as market sentiment improved alongside the accelerated growth of the Mainland economy. The Hang Seng Index closed at 16,541 points at the end of March 2024 compared with 20,400 points at the end of March 2023. The average daily turnover on the Main Board and GEM during the year ended 31 March 2024 was approximately HK\$97.9 billion, a decrease of 18.8% as compared with approximately HK\$120.5 billion for the prior financial period.

In respect of the local money lending market, as the Hong Kong economy continued to revive in the first quarter of 2024. Domestically, private consumption expenditure rose mildly further, supported by the continued increase in employment earnings and the Government's various initiatives to boost sentiment. Private consumption and overall investment expenditures continued to expand. However, overall economic recovery takes a bit of time to really pick up. 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 overall sales market was subdued across all property sub-sectors in Hong Kong, with prices falling and trading activities shrinking during 2023. In contrast, with the exception of offices, the rental market for other property sub-sectors was upbeat during the year, driven by the influx of talents via a number of talent admission schemes, improvement in economic activities and anticipated recovery of inbound tourism. After staying quiet in the whole year of 2023, the residential property market turned active in March 2024 as market sentiment improved after the cancellation of all demand-side management measures for residential properties and the adjustments of macroprudential measures as announced in the Budget. The number of transactions residential property rebounded accordingly, but the level was still lower than a year earlier. Meanwhile, overall flat rentals were little changed and the non-residential property market stayed lacklustre in the first quarter of 2024. Trading activities for all major market segments declined further, while prices and rentals stayed soft.

Regarding the UK property market, It experienced lower-than-predicted house price falls and higher-than-anticipated mortgage rates in 2023. The rising interest rates had stretched the affordability for many who were planning to move. In the first quarter of 2024, the market has improved across every significant measure. The data showed house price growth and sales activity were rising, while supply was also looking more positive.

## ***Business review***

### *Broking and securities margin financing*

During the year ended 31 March 2024, the broking business posted a profit of approximately HK\$77.6 million (2023: HK\$16.1 million). The operating result of the broking business increased by 382.0% 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 80.6% to approximately HK\$127.3 million (2023: HK\$70.5 million) as compared with last financial year, it mainly comprised of broking commission amounted to approximately HK\$19.9 million (2023: HK\$29.2 million) and interest from bank balance and time deposits amounted to approximately HK\$90.8 million (2023: HK\$30.4 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 22.1% to approximately HK\$205.4 million (2023: HK\$263.6 million) with the decrease in average level of securities margin lending during the year. Total gross accounts receivable from margin clients at 31 March 2024 amounted to approximately HK\$2,398.8 million (2023: HK\$2,460.1 million). Net impairment loss on margin clients receivable of approximately HK\$128.6 million was charged during the current year (2023: HK\$92.1 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\$128.6 million during the year ended 31 March 2024, net provision of approximately HK\$39,414,000 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\$188,000 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 mortgage and consumer loans. The money lending business performance showed a downtrend during the year as the Group took cautious approach in granting new loans. The aggregated loan amount increased to approximately HK\$390.7 million at 31 March 2024 from approximately HK\$373.5 million at 31 March 2023, with interest income for the year decreased to approximately HK\$35.2 million (2023: HK\$45.9 million). Money lending business recorded profit before tax of approximately HK\$28.0 million for the year ended 31 March 2024 (2023: HK\$44.7 million). Net impairment loss on loans and advances of approximately HK\$5.8 million was provided during the year (2023: HK\$1.2 million).

Potential customers are required to disclose and provide a list of information required for a loan application. The Group has the following credit assessment policy to assess the creditworthiness of the potential customers and their repayment abilities.

- (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 of 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.

Building on the Group's expertise and relationships with high net worth customers, the Group remains positive about the money lending business and will continue to target high net worth customers with short-term financial needs.

#### *Corporate finance*

The Group's corporate finance business focused on the provision of financial advisory services to listed companies in Hong Kong. During the year ended 31 March 2024, it completed 3 financial advisory transactions (2023: 4). The operation reported a segment profit of approximately HK\$2.3 million for the year (2023: HK\$1.3 million).

#### *Asset Management*

During the year ended 31 March 2024, this division reported a profit of approximately HK\$0.6 million (2023: HK\$1.6 million) mainly attributable to the asset management related income of approximately HK\$0.6 million (2023: HK\$1.9 million) received during the year.

#### *Financial instruments investments*

The financial instruments investments division held financial instruments for the Group. Assets allocations are based on expected return rates and available funding capital. During the year ended 31 March 2024, this division reported a loss of approximately HK\$44.0 million (2023: loss HK\$12.9 million), mainly attributable to interest income from convertible notes and unlisted debt securities of approximately HK\$8.6 million (2023: HK\$8.6 million); interest income from listed debt securities of approximately HK\$6.8 million (2023: HK\$4.9 million); and the unrealised losses on financial assets measured at fair value through profit or loss of approximately HK\$63.5 million (2023: HK\$21.7 million) mainly due to the fair value drop of certain listed equity securities and unlisted equity securities. The fair value of listed equity securities and unlisted equity securities was approximately HK\$83.6 million and HK\$54.1 million respectively (2023: HK\$105.4 million and HK\$77.1 million respectively) at 31 March 2024.

As at 31 March 2024, 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\$303.7 million (2023: HK\$388.0 million). The decrease in total fair values of the investment portfolio was mainly attributable to the redemption of an unlisted redeemable note of HK\$30 million (2023: HK\$35 million) and the increase in fair value loss on financial assets measured at fair value through profit or loss of approximately HK\$63.5 million (2023: HK\$21.7 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.

#### *Property investments*

The property investments division held properties in Hong Kong and London. For the year under review, this division reported a loss of approximately HK\$44.4 million (2023: HK\$33.6 million), mainly attributable to fair value losses on investment properties of approximately HK\$54.0 million (2023: HK\$47.1 million) and rental income of approximately HK\$22.2 million (2023: HK\$26.1 million).

During the year ended 31 March 2024, the Group newly acquired two investment properties in Hong Kong at total considerations of HK\$35.3 million. As at 31 March 2024, the Group held a portfolio of investment properties with a total fair value of approximately HK\$1,105.5 million (31 March 2023: HK\$1,128.7 million), comprised residential, commercial and industrial properties in Hong Kong, and residential properties and a commercial building in London.

#### *Auction business*

During the year ended 31 March 2024, this division reported a profit of approximately HK\$1.2 million (2023: HK\$Nil) mainly attributable to the artwork auction commission income of approximately HK\$2.2 million (2023: HK\$Nil) received during the year.

### **Outlook**

Looking ahead, the external environment is rather complicated in 2024. On one hand, geopolitical tensions and the lagged effects of the sharp monetary tightening earlier will continue to affect global economic growth as well as international trade and investment flows. On the other hand, major central banks are expected to cut interest rates later in the year, thereby lending support to economic confidence and activities around the world, though the exact timing and magnitude of the cuts remain uncertain.

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.

In respect of the auction business of the Group, aiming at keeping stable growth and development, the Group will continuously uphold its principle of sourcing excellent artworks with good provenance to explore and collect more valuable artworks for art enthusiasts from all sectors of society.

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\$5,768.8 million as at 31 March 2024 (2023: HK\$5,835.5 million), representing a decrease of approximately HK\$66.7 million or 1.1% over that of last financial year end. The non-controlling interests increased from approximately HK\$1,172.1 million at 31 March 2023 to approximately HK\$1,173.2 million at 31 March 2024. These movements were mainly attributable to the profit for the year netting off dividend distributed during the year.

As at 31 March 2024, the Group's net current assets amounted to approximately HK\$5,163.5 million (2023: HK\$5,173 million), and its liquidity as represented by current ratio (current assets/current liabilities) was 19.1 times (2023: 11.8 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\$2,770.9 million (2023: HK\$2,598.3 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 no bank borrowings as at 31 March 2024 (2023: HK\$89.3 million) and the Group had undrawn banking facilities amounting to approximately HK\$478 million as at 31 March 2024 (2023: HK\$668.7 million) which were secured by charges over clients' pledged securities, certain properties of the Group and corporate guarantees issued by the Company.

As at 31 March 2024, the Group's gearing ratio (total borrowing over equity attributable to owners of the Company) was not presented as the Group had no borrowings (2023: 0.02 times).

The number of issued shares of Company amounted to 9,662,705,938 shares as at 31 March 2024 (2023: 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 2024, investment property, and leasehold land and building of the Group with a carrying amount of approximately HK\$75.1 million and HK\$374.7 million respectively (31 March 2023: HK\$77.0 million and HK\$388.4 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 2024, the Group had 82 (2023: 89) 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\$26.2 million (2023: HK\$27.4 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 2024, 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 C1 of 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 2024, 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 C3 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 2024 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 2024 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, 27 June 2024

*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, Mr. Leung Yiu Man and Mr. Ho Pak Chuen Brian.*