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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 2016**

#### **RESULTS**

The directors (“Directors”) 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 2016 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 2016*

|                               | <i>Notes</i> | <b>2016</b><br><i>HK\$'000</i> | <b>2015</b><br><i>HK\$'000</i> |
|-------------------------------|--------------|--------------------------------|--------------------------------|
| Revenue                       | 2            | <b>581,242</b>                 | 362,581                        |
| Other operating income        | 4a           | <b>5,878</b>                   | 35,052                         |
| Other gains and losses        | 4b           | <b>67,482</b>                  | (7,904)                        |
| Amortisation and depreciation |              | <b>(7,311)</b>                 | (6,810)                        |
| Commission expenses           |              | <b>(23,535)</b>                | (17,258)                       |
| Staff costs                   | 5            | <b>(19,954)</b>                | (15,091)                       |
| Finance costs                 | 6            | <b>(2,027)</b>                 | (652)                          |
| Other expenses                |              | <b>(57,837)</b>                | (33,094)                       |
| Profit before taxation        | 7            | <b>543,938</b>                 | 316,824                        |
| Taxation                      | 8            | <b>(80,272)</b>                | (47,745)                       |
| Profit for the year           |              | <b>463,666</b>                 | 269,079                        |

|   | <i>Notes</i> | <b>2016</b><br><b>HK\$'000</b> | 2015<br>HK\$'000 |
|---|--------------|--------------------------------|------------------|
| Other comprehensive income (expense)                                  |              |                                |                  |
| <i>Items that may be reclassified subsequently to profit or loss</i>  |              |                                |                  |
| Exchange difference arising on translation                            |              | (19)                           | (22)             |
| Fair value gain (loss) on available-for-sale Investments              |              | <b>2,660</b>                   | (3,049)          |
| Deferred tax arising on revaluation of available-for-sale investments |              | (439)                          | 503              |
| <i>Items that will not be reclassified to profit or loss</i>          |              |                                |                  |
| Surplus on revaluation of properties                                  |              | <b>2,706</b>                   | 1,583            |
| Deferred tax arising on revaluation of properties                     |              | (419)                          | (261)            |
|   |              | <u>4,489</u>                   | <u>(1,246)</u>   |
| Other comprehensive income (expense) for the year                     |              | <b>4,489</b>                   | (1,246)          |
|   |              | <u>4,489</u>                   | <u>(1,246)</u>   |
| Total comprehensive income for the year                               |              | <b>468,155</b>                 | 267,833          |
|   |              | <u>468,155</u>                 | <u>267,833</u>   |
| Profit (loss) for the year attributable to:                           |              |                                |                  |
| Owners of the Company   |              | <b>463,714</b>                 | 260,583          |
| Non-controlling interests   |              | (48)                           | 8,496            |
|   |              | <u>463,666</u>                 | <u>269,079</u>   |
|   |              | <b>463,666</b>                 | 269,079          |
| Total comprehensive income (expense) attributable to:                 |              |                                |                  |
| Owners of the Company   |              | <b>468,203</b>                 | 259,337          |
| Non-controlling interests   |              | (48)                           | 8,496            |
|   |              | <u>468,155</u>                 | <u>267,833</u>   |
|   |              | <b>468,155</b>                 | 267,833          |
| Earnings per share  |              |                                |                  |
| – Basic (HK cents)  | 10           | <b>6.97</b>                    | 5.51             |
|   |              | <u>6.97</u>                    | <u>5.51</u>      |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

|   | <i>Notes</i> | <b>2016</b><br><b>HK\$'000</b> | 2015<br><i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| Non-current assets                                |              |                                |                         |
| Prepaid lease payments and property and equipment |              | <b>126,982</b>                 | 127,750                 |
| Investment properties                             |              | <b>69,650</b>                  | 47,600                  |
| Intangible assets                                 |              | <b>8,955</b>                   | 8,955                   |
| Goodwill  |              | <b>15,441</b>                  | 15,441                  |
| Other assets                                      |              | <b>5,220</b>                   | 4,547                   |
| Deferred tax assets                               |              | <b>1,281</b>                   | 1,686                   |
| Loans and advances                                | 13           | <b>62,041</b>                  | 267,686                 |
| Investments in securities                         |              | <b>101,539</b>                 | 93,455                  |
|   |              | <b>391,109</b>                 | 567,120                 |
| Current assets                                    |              |                                |                         |
| Accounts receivable                               | 11           | <b>3,317,491</b>               | 3,042,821               |
| Loans and advances                                | 13           | <b>565,435</b>                 | 366,616                 |
| Prepayments, deposits and other receivables       |              | <b>10,958</b>                  | 31,682                  |
| Tax recoverable                                   |              | <b>886</b>                     | 67                      |
| Investments in securities                         |              | <b>89,123</b>                  | 87,915                  |
| Bank balances – client accounts                   |              | <b>402,409</b>                 | 205,388                 |
| Bank balances – general accounts and cash         |              | <b>1,271,207</b>               | 1,237,590               |
|   |              | <b>5,657,509</b>               | 4,972,079               |

|  | <i>Notes</i> | <b>2016</b><br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|--|--------------|--------------------------------|-------------------------|
| <b>Current liabilities</b>                   |              |                                |                         |
| Accounts payable                             | 12           | <b>493,927</b>                 | 278,371                 |
| Accrued charges and other payables           |              | <b>7,467</b>                   | 799,512                 |
| Amounts due to non-controlling shareholders  |              | <b>52,684</b>                  | 124,688                 |
| Tax payable                                  |              | <b>183,531</b>                 | 166,403                 |
| Bank borrowings                              |              | <b>435,000</b>                 | 328,490                 |
|  |              | <u><b>1,172,609</b></u>        | <u>1,697,464</u>        |
| Net current assets                           |              | <u><b>4,484,900</b></u>        | <u>3,274,615</u>        |
| Total assets less current liabilities        |              | <u><b>4,876,009</b></u>        | <u>3,841,735</u>        |
| <b>Non-current liabilities</b>               |              |                                |                         |
| Deferred tax liabilities                     |              | <u><b>7,008</b></u>            | <u>6,175</u>            |
| Net assets                                   |              | <u><b>4,869,001</b></u>        | <u>3,835,560</u>        |
| <b>Capital and reserves</b>                  |              |                                |                         |
| Share capital                                | 14           | <b>671,021</b>                 | 447,348                 |
| Reserves                                     |              | <b>4,168,338</b>               | 3,452,190               |
| Equity attributable to owners of the Company |              | <u><b>4,839,359</b></u>        | <u>3,899,538</u>        |
| Non-controlling interests                    |              | <u><b>29,642</b></u>           | <u>(63,978)</u>         |
| Total equity                                 |              | <u><b>4,869,001</b></u>        | <u>3,835,560</u>        |

Notes:

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

### Amendments to HKFRSs applied in the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time in the current year:

|                      |   |
|----------------------|---|
| Amendments to HKFRSs | Annual improvements to HKFRSs 2010 – 2012 cycle |
| Amendments to HKFRSs | Annual improvements to HKFRSs 2011 – 2013 cycle |

The application of these amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### New and amendments to standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective, which may be relevant to the Group:

|                                   |   |
|-----------------------------------|---|
| HKFRS 9                           | Financial instruments <sup>1</sup>  |
| HKFRS 15                          | Revenue from contracts with customers <sup>1</sup>                                |
| HKFRS 16                          | Leases <sup>2</sup>   |
| Amendments to HKFRS 15            | Clarifications to HKFRS 15 Revenue from contracts with customers <sup>1</sup>     |
| Amendments to HKAS 1              | Disclosure initiative <sup>3</sup>  |
| Amendments to HKAS 7              | Disclosure initiative <sup>4</sup>  |
| Amendments to HKAS 12             | Recognition of deferred tax assets for unrealised losses <sup>4</sup>             |
| Amendments to HKAS 16 and HKAS 38 | Clarification of acceptable methods of depreciation and amortisation <sup>3</sup> |
| Amendments to HKFRSs              | Annual improvements to HKFRSs 2012 – 2014 cycle <sup>3</sup>                      |

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2016.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2017.

The directors of the Company anticipate that the application of HKFRS 9 in the future may have a material impact on amounts reported in respect of the Group’s financial assets and financial liabilities. Regarding the Group’s financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Except for the above, the directors of the Company do not anticipate that the application of the other new and amendments to HKFRSs will have a material impact on the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

### **Basis of preparation**

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

## **2. REVENUE**

|   | <b>2016</b>     | 2015            |
|---|-----------------|-----------------|
|   | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Brokerage commission  | <b>83,048</b>   | 54,827          |
| Underwriting and placing commission   | <b>45,042</b>   | 12,252          |
| Proof of funds commission   | <b>16,000</b>   | 10,859          |
| Other commission  | <b>22</b>       | –               |
| Interest income from loans and receivables                                  |                 |                 |
| – clients   | <b>410,131</b>  | 266,374         |
| – financial institutions  | <b>1,710</b>    | 2,335           |
| – clearing house  | <b>2</b>        | 1               |
| Financial assets designated as at fair value through profit or loss (FVTPL) |                 |                 |
| – convertible notes   | <b>706</b>      | 874             |
| – debt securities   | <b>–</b>        | 104             |
| Available-for-sale investments  |                 |                 |
| – debt securities   | <b>5,767</b>    | 5,058           |
| Clearing and handling fee income  | <b>15,108</b>   | 7,151           |
| Advisory fee income   | <b>2,962</b>    | 2,002           |
| Property rental income  | <b>744</b>      | 744             |
|   | <b>581,242</b>  | 362,581         |

### 3. SEGMENT INFORMATION

The Group is currently organised into five operating divisions, namely broking, securities margin financing, money lending, corporate finance and investments. These divisions are the basis on which Board of Directors 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   |
| Investments                 | – | holding of investment properties situated in Hong Kong and 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 prepaid lease payments and property and equipment, club memberships, goodwill, certain other assets, certain prepayments, deposits and other receivables, certain bank balances, tax recoverable and deferred tax assets.
- all liabilities are allocated to operating segments other than certain accrued charges and other payables, amounts due to non-controlling shareholders, bank borrowings, tax payable and deferred tax liabilities.
- all profit or loss are allocated to operating segments other than certain amortisation and depreciation, certain finance costs, certain staff costs and certain other expenses incurred for strategic planning by the Group.

Segment information about these divisions is presented below.

## Segment revenue and results

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

### For the year ended 31 March 2016

|  | Broking<br><i>HK\$'000</i> | Securities<br>margin<br>financing<br><i>HK\$'000</i> | Money<br>lending<br><i>HK\$'000</i> | Corporate<br>finance<br><i>HK\$'000</i> | Investments<br><i>HK\$'000</i> | Consolidated<br><i>HK\$'000</i> |
|--|----------------------------|--|-------------------------------------|---|--------------------------------|---------------------------------|
| SEGMENT REVENUE FROM<br>EXTERNAL CUSTOMERS | <u>160,715</u>             | <u>341,800</u>                                       | <u>67,391</u>                       | <u>2,988</u>                            | <u>8,348</u>                   | <u>581,242</u>                  |
| SEGMENT PROFIT                             | <u>92,354</u>              | <u>338,589</u>                                       | <u>60,653</u>                       | <u>2,213</u>                            | <u>78,050</u>                  | <u>571,859</u>                  |
| Unallocated corporate expenses             |                            |  |                                     |   |                                | <u>(27,921)</u>                 |
| Profit before taxation                     |                            |  |                                     |   |                                | <u>543,938</u>                  |

### For the year ended 31 March 2015

|  | Broking<br><i>HK\$'000</i> | Securities<br>margin<br>financing<br><i>HK\$'000</i> | Money<br>lending<br><i>HK\$'000</i> | Corporate<br>finance<br><i>HK\$'000</i> | Investments<br><i>HK\$'000</i> | Consolidated<br><i>HK\$'000</i> |
|--|----------------------------|--|-------------------------------------|---|--------------------------------|---------------------------------|
| SEGMENT REVENUE FROM<br>EXTERNAL CUSTOMERS | <u>87,467</u>              | <u>200,981</u>                                       | <u>62,313</u>                       | <u>2,040</u>                            | <u>9,780</u>                   | <u>362,581</u>                  |
| SEGMENT PROFIT                             | <u>39,567</u>              | <u>203,771</u>                                       | <u>57,404</u>                       | <u>1,317</u>                            | <u>2,010</u>                   | <u>304,069</u>                  |
| Unallocated income                         |                            |  |                                     |   |                                | 23,552                          |
| Unallocated corporate expenses             |                            |  |                                     |   |                                | <u>(10,797)</u>                 |
| Profit before taxation                     |                            |  |                                     |   |                                | <u>316,824</u>                  |



## Segment assets and liabilities

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

### As at 31 March 2016

|   | Broking<br>HK\$'000 | Securities<br>margin<br>financing<br>HK\$'000 | Money<br>lending<br>HK\$'000 | Corporate<br>finance<br>HK\$'000 | Investments<br>HK\$'000 | Consolidated<br>HK\$'000 |
|---|---------------------|---|------------------------------|----------------------------------|-------------------------|--------------------------|
| SEGMENT ASSETS                            | <u>1,055,012</u>    | <u>3,615,315</u>                              | <u>690,638</u>               | <u>7,988</u>                     | <u>272,227</u>          | <u>5,641,180</u>         |
| Unallocated assets ( <i>note 1</i> )      |                     |   |                              |                                  |                         | <u>407,438</u>           |
| Consolidated total assets                 |                     |   |                              |                                  |                         | <u>6,048,618</u>         |
| SEGMENT LIABILITIES                       | <u>117,668</u>      | <u>421,317</u>                                | <u>3,211</u>                 | <u>-</u>                         | <u>719</u>              | <u>542,915</u>           |
| Unallocated liabilities ( <i>note 2</i> ) |                     |   |                              |                                  |                         | <u>636,702</u>           |
| Consolidated total liabilities            |                     |   |                              |                                  |                         | <u>1,179,617</u>         |

### As at 31 March 2015

|   | Broking<br>HK\$'000 | Securities<br>margin<br>financing<br>HK\$'000 | Money<br>lending<br>HK\$'000 | Corporate<br>finance<br>HK\$'000 | Investments<br>HK\$'000 | Consolidated<br>HK\$'000 |
|---|---------------------|---|------------------------------|----------------------------------|-------------------------|--------------------------|
| SEGMENT ASSETS                            | <u>317,960</u>      | <u>3,086,990</u>                              | <u>609,867</u>               | <u>8,181</u>                     | <u>317,725</u>          | <u>4,340,723</u>         |
| Unallocated assets ( <i>note 1</i> )      |                     |   |                              |                                  |                         | <u>1,198,476</u>         |
| Consolidated total assets                 |                     |   |                              |                                  |                         | <u>5,539,199</u>         |
| SEGMENT LIABILITIES                       | <u>377,524</u>      | <u>114,193</u>                                | <u>284</u>                   | <u>66</u>                        | <u>150</u>              | <u>492,217</u>           |
| Unallocated liabilities ( <i>note 2</i> ) |                     |   |                              |                                  |                         | <u>1,211,422</u>         |
| Consolidated total liabilities            |                     |   |                              |                                  |                         | <u>1,703,639</u>         |

*Note 1:* The balance comprises bank balances of HK\$257,060,000 (2015: HK\$1,060,339,000).

*Note 2:* The balance includes amounts due to non-controlling shareholders amounting to HK\$52,684,000 (2015: HK\$124,688,000).

## Other segment information

### For the year ended 31 March 2016

|  | Broking<br>HK\$'000 | Securities<br>margin<br>financing<br>HK\$'000 | Money<br>lending<br>HK\$'000 | Corporate<br>finance<br>HK\$'000 | Investments<br>HK\$'000 | Consolidated<br>HK\$'000 |
|--|---------------------|---|------------------------------|----------------------------------|-------------------------|--------------------------|
| Amounts included in the measure of segment profit or loss or segment assets: |                     |   |                              |                                  |                         |                          |
| Additions of property and equipment  | 1,800               | -   | -                            | -                                | 1,592                   | 3,392                    |
| Depreciation of property and equipment                                       | 955                 | -   | 2                            | -                                | 460                     | 1,417                    |
| Net recognition of impairment loss on loans to securities margin clients     | -                   | 3,129   | -                            | -                                | -                       | 3,129                    |
| Net recognition of impairment loss on loans and advances                     | -                   | -   | 4,207                        | -                                | -                       | 4,207                    |
| Gain on disposal of property and equipment                                   | 112                 | -   | -                            | -                                | 95                      | 207                      |
| Fair value losses on investment properties                                   | -                   | -   | -                            | -                                | 6,150                   | 6,150                    |
| Fair value (gains) losses on financial assets                                |                     |   |                              |                                  |                         |                          |
| – held for trading   | 54                  | -   | -                            | -                                | (21,675)                | (21,621)                 |
| – designated as at FVTPL   | -                   | -   | -                            | -                                | (129)                   | (129)                    |
| Commission expenses  | 23,535              | -   | -                            | -                                | -                       | 23,535                   |

### For the year ended 31 March 2015

|  | Broking<br>HK\$'000 | Securities<br>margin<br>financing<br>HK\$'000 | Money<br>lending<br>HK\$'000 | Corporate<br>finance<br>HK\$'000 | Investments<br>HK\$'000 | Consolidated<br>HK\$'000 |
|--|---------------------|---|------------------------------|----------------------------------|-------------------------|--------------------------|
| Amounts included in the measure of segment profit or loss or segment assets: |                     |   |                              |                                  |                         |                          |
| Additions of property and equipment  | 589                 | -   | -                            | -                                | -                       | 589                      |
| Depreciation of property and equipment                                       | 962                 | -   | 2                            | 4                                | 5,842                   | 6,810                    |
| Net reversal of impairment loss on loans to securities margin clients        | -                   | 3,013   | -                            | -                                | -                       | 3,013                    |
| Net recognition of impairment loss on loans and advances                     | -                   | -   | 4,511                        | -                                | -                       | 4,511                    |
| Loss on disposal of property and equipment                                   | 1,469               | -   | -                            | -                                | -                       | 1,469                    |
| Fair value gains on investment properties                                    | -                   | -   | -                            | -                                | 1,400                   | 1,400                    |
| Fair value (gains) losses on financial assets                                |                     |   |                              |                                  |                         |                          |
| – held for trading   | (76)                | -   | -                            | -                                | 3,906                   | 3,830                    |
| – designated as at FVTPL   | -                   | -   | -                            | -                                | 4,812                   | 4,812                    |
| Commission expenses  | 17,258              | -   | -                            | -                                | -                       | 17,258                   |

All segments' operations are primarily located in Hong Kong and substantially all of the Group's revenue is derived from Hong Kong.

### Information about major customers

During the years ended 31 March 2016 and 2015, there were no customers contributing over 10% of the Group's total revenue.

#### 4. OTHER OPERATING INCOME/OTHER GAINS AND LOSSES

|   | 2016<br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| <b>4a. Other operating income</b>   |                         |                         |
| Bank interest income  | 3,326                   | 4,079                   |
| Net reversal of impairment loss on loans<br>to securities margin clients      | –                       | 3,013                   |
| Sundry income   | 2,552                   | 5,790                   |
| Imputed interest income   | –                       | 22,170                  |
|   | <u>5,878</u>            | <u>35,052</u>           |
|   | 2016<br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
| <b>4b. Other gains and losses</b>   |                         |                         |
| Fair value changes on investment properties                                   | (6,150)                 | 1,400                   |
| Net recognition of impairment loss on<br>– loans to securities margin clients | (3,129)                 | –                       |
| – loans and advances  | (4,207)                 | –                       |
| Net realised gains (losses) on error trades                                   | 17                      | (51)                    |
| Fair value changes on financial assets<br>– held for trading                  | 21,621                  | (3,830)                 |
| – designated as at FVTPL  | 129                     | (4,812)                 |
| Realised gain on disposal of financial assets<br>– held for trading           | 39,707                  | –                       |
| – designated as at FVTPL  | 9,049                   | –                       |
| Net exchange loss   | (776)                   | (611)                   |
| Gain from a bargain purchase of a subsidiary                                  | 12,753                  | –                       |
| Loss on disposal of a subsidiary  | (1,476)                 | –                       |
| Gain on disposal of property and equipment                                    | 207                     | –                       |
| Other losses  | (263)                   | –                       |
|   | <u>67,482</u>           | <u>(7,904)</u>          |

Included above are gains from listed investments of approximately HK\$61,328,000 (2015: losses of HK\$3,830,000) and from unlisted investments of approximately HK\$9,178,000 (2015: losses of HK\$4,812,000).

## 5. STAFF COSTS

|   | 2016<br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Staff costs, including directors' remuneration: |                         |                         |
| Salaries and other benefits                     | 19,441                  | 14,645                  |
| Contributions to retirement benefits scheme     | 513                     | 446                     |
|   | <u>19,954</u>           | <u>15,091</u>           |

## 6. FINANCE COSTS

|                               | 2016<br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|-------------------------------|-------------------------|-------------------------|
| Interest on bank borrowings   | 1,798                   | 532                     |
| Interest on clients' accounts | 229                     | 120                     |
|                               | <u>2,027</u>            | <u>652</u>              |

## 7. PROFIT BEFORE TAXATION

|   | 2016<br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Profit before taxation has been arrived<br>at after charging (crediting): |                         |                         |
| Auditor's remuneration  | 3,040                   | 1,960                   |
| Listing expenses relating to spin off of a subsidiary                     | 9,051                   | –                       |
| Recognition (reversal) of impairment loss, net                            |                         |                         |
| – loans and advances  | 4,207                   | 4,511                   |
| – loans to securities margin clients                                      | 3,129                   | (3,013)                 |
| Operating lease rentals in respect of rented premises                     | 997                     | 19                      |
| Rental income from investment properties                                  | (744)                   | (744)                   |
| (Gain) loss on disposal of property and equipment                         | (207)                   | 1,469                   |
|   | <u>(207)</u>            | <u>1,469</u>            |

## 8. TAXATION

|                              | 2016<br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|------------------------------|-------------------------|-------------------------|
| Current tax:                 |                         |                         |
| Hong Kong                    | <b>80,181</b>           | 48,031                  |
| Macau                        | –                       | 308                     |
| Overprovision in prior years |                         |                         |
| Hong Kong                    | <b>(289)</b>            | (219)                   |
|                              | <u><b>79,892</b></u>    | <u>48,120</u>           |
| Deferred taxation            |                         |                         |
| Current year                 | <b>380</b>              | (375)                   |
|                              | <u><b>80,272</b></u>    | <u>47,745</u>           |

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. The Macau Complementary Income Tax is calculated at the applicable rate of 12% of the estimated assessable profit for both years.

## 9. DIVIDENDS

|  | 2016<br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Final dividend for prior financial year, paid – HK1 cent<br>(2015: HK 1 cent) per share      | <b>67,102</b>           | 44,735                  |
| Interim dividend for current financial year,<br>paid – HK 1 cent (2015: HK 1 cent) per share | <b>67,102</b>           | 44,735                  |
|  | <u><b>134,204</b></u>   | <u>89,470</u>           |

A final dividend in respect of the year ended 31 March 2016 of HK 1 cent per share, amounting to approximately HK\$67,102,000 (2015: HK\$67,102,000) 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.

## 10. EARNINGS PER SHARE

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

|  | 2016<br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| <b>Earnings</b>  |                         |                         |
| Profit for the year attributable to the owners of the Company<br>for the purpose of basic earnings per share | <u>463,714</u>          | <u>260,583</u>          |
|  | 2016<br>'000            | 2015<br>'000            |
| <b>Number of shares</b>  |                         |                         |
| Weighted average number of ordinary shares for the purpose<br>of basic earnings per share                    | <u>6,656,015</u>        | <u>4,731,969</u>        |

For the years ended 31 March 2016 and 2015, no diluted earnings per share was presented because there were no potential ordinary shares outstanding during both years.

## 11. ACCOUNTS RECEIVABLE

|  | 2016<br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Accounts receivable arising from the business<br>of dealing in securities:                                   |                         |                         |
| – Cash clients   | 8,605                   | 12,969                  |
| – Margin clients:  |                         |                         |
| – Directors and their close family members   | 453                     | 1,566                   |
| – Other margin clients   | 3,286,201               | 2,996,931               |
| – A broker   | 22                      | 629                     |
| – Hong Kong Securities Clearing Company Limited  | 35,375                  | 40,094                  |
| Accounts receivable from futures clearing house arising<br>from the business of dealing in futures contracts | <u>4,164</u>            | <u>5,234</u>            |
|  | 3,334,820               | 3,057,423               |
| Less: Impairment allowance   | <u>(17,329)</u>         | <u>(14,602)</u>         |
|  | <u>3,317,491</u>        | <u>3,042,821</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 are one day after trade date.

Included in the accounts receivable from cash clients are debtors with a carrying amount of HK\$407,000 (2015: HK\$835,000) 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 ageing analysis (from settlement date) is as follows:

|              | <b>2016</b><br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|--------------|--------------------------------|-------------------------|
| 0 – 30 days  | <b>375</b>                     | 748                     |
| 31 – 60 days | <b>1</b>                       | 67                      |
| Over 60 days | <b>31</b>                      | 20                      |
|              | <u><b>407</b></u>              | <u>835</u>              |

The accounts receivable from cash clients with a carrying amount of HK\$8,198,000 (2015: HK\$12,134,000) are neither past due nor impaired at the end of the reporting period and the directors of the Company are of the opinion that the amounts are recoverable.

Loans to securities margin clients are secured by clients' pledged securities with fair value of HK\$15,604,593,000 (2015: HK\$15,915,005,000). 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 Hong Kong prime rate + 2% to 4.45% per annum as at 31 March 2016 (and in some cases the rate may go up to 18% per annum) (2015: Hong Kong prime rate +2% to 4.45% per annum) (and in some cases the rate may go up to 18% per annum). Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collateral are required if the outstanding amount exceeds the eligible margin value of securities deposited. The collateral held can be repledged and can be sold at the Group's discretion to settle any outstanding amount owed by margin clients.

The Group has concentration of credit risk as 45% (2015: 38%) of the total loans to securities margin clients was due from the Group's ten largest securities margin clients. The balance due from the ten largest securities margin clients includes an aggregate amount of HK\$1,469,212,000 (2015: HK\$1,149,865,000), which is neither past due nor impaired and is secured by clients' pledged securities with an aggregate fair value of HK\$6,144,376,000 (2015: HK\$7,132,851,000). The Group believes that the amount is considered recoverable given the collateral is sufficient to cover the entire balance on individual basis. No ageing analysis is disclosed, as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

Included in the Group's accounts receivable are margin loans with an aggregate outstanding balance of HK\$24,726,000 (2015: HK\$35,815,000) which are not fully secured. The Group has no significant concentration of credit risk on these loans, with exposure spread over a number of clients, and which are closely monitored by the Group. The Group held collateral of listed equity securities with a fair value of HK\$7,226,000 (2015: HK\$14,597,000) at the end of the reporting period in respect of these loans. Impairment allowance of HK\$17,329,000 (2015: HK\$14,602,000) has been made for margin loans with an aggregate outstanding balance of HK\$22,299,000 (2015: HK\$19,475,000). No further impairment allowance is considered necessary for the remaining margin loans based on the Group's evaluation of their collectability.

In determining the allowances for impaired loans to securities margin clients, the management of the Group considers the margin shortfall by comparing the market value of stock portfolio and the outstanding balance of loan to securities margin clients individually. Impairments are made for those clients with margin shortfall as at year end and with no settlement after the year end.

Movements in the allowances for impaired debts in respect of loans to securities margin clients are as follows:

|                                    | <b>2016</b><br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|------------------------------------|--------------------------------|-------------------------|
| Balance at beginning of the year   | <b>14,602</b>                  | 17,615                  |
| Net charge (reversal) for the year | <b>3,129</b>                   | (3,013)                 |
| Write-off                          | <b>(402)</b>                   | –                       |
|                                    | <hr/>                          | <hr/>                   |
| Balance at end of the year         | <b><u>17,329</u></b>           | <b><u>14,602</u></b>    |

In addition to the individually assessed allowances for impaired debts, the Group has also assessed, on a collective basis, a loan impairment allowance for accounts receivable arising from the business of dealing in securities with margin clients that are individually insignificant or accounts receivable where no impairment has been identified individually. Objective evidence of collective impairment could include the Group's past experience of collecting payments, internal credit rating and observable changes in national or local economic conditions that correlate with default on receivables. No significant amount of collective impairment allowance is considered necessary based on the Group's evaluation.



## 12. ACCOUNTS PAYABLE

|   | 2016<br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Accounts payable arising from the business of dealing in securities:                  |                         |                         |
| – Cash clients  | 61,478                  | 144,913                 |
| – Margin clients  | 421,317                 | 114,360                 |
| – Clearing houses   | 224                     | 1,219                   |
| – A broker  | –                       | 84                      |
| Accounts payable to clients arising from the business of dealing in futures contracts | <u>10,908</u>           | <u>17,795</u>           |
|   | <u><b>493,927</b></u>   | <u><b>278,371</b></u>   |

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

Amounts due to securities margin clients and future clients are repayable on demand and carry interest at 0.25% (2015: 0.25%) per annum. No ageing analysis is disclosed as, in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

Included in accounts payable to margin clients arising from the business of dealing in securities are amounts due to directors of the Company, their close family members and an entity controlled by Hung Hon Man of HK\$756,000 (2015: HK\$280,000).

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

### 13. LOANS AND ADVANCES

|                                     | 2016<br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|-------------------------------------|-------------------------|-------------------------|
| Fixed-rate loan receivables         | <b>631,914</b>          | 633,813                 |
| Variable-rate loan receivables      | –                       | 5,000                   |
|                                     | <hr/>                   | <hr/>                   |
|                                     | <b>631,914</b>          | 638,813                 |
| Less: allowances for impaired debts | <b>(4,438)</b>          | (4,511)                 |
|                                     | <hr/>                   | <hr/>                   |
|                                     | <b>627,476</b>          | 634,302                 |
|                                     | <hr/> <hr/>             | <hr/> <hr/>             |
| Secured                             | <b>376,176</b>          | 269,645                 |
| Unsecured                           | <b>251,300</b>          | 364,657                 |
|                                     | <hr/>                   | <hr/>                   |
|                                     | <b>627,476</b>          | 634,302                 |
|                                     | <hr/> <hr/>             | <hr/> <hr/>             |
| Analysed as:                        |                         |                         |
| Current                             | <b>565,435</b>          | 366,616                 |
| Non-current                         | <b>62,041</b>           | 267,686                 |
|                                     | <hr/>                   | <hr/>                   |
|                                     | <b>627,476</b>          | 634,302                 |
|                                     | <hr/> <hr/>             | <hr/> <hr/>             |

The fixed rate loan receivables carry interest ranging from 8% to 24% (2015: 8% to 24%) per annum.

The Group has concentration of credit risk as 75% (2015: 81%) of the total loans and advances was due from the Group's five largest borrowing customers. The balance includes an aggregate amount of HK\$468,429,000 (2015: HK\$516,450,000) which is neither past due nor impaired, of which the carrying amount of HK\$335,000,000 (2015: HK\$248,750,000) is secured by a first mortgage of a property in Hong Kong with an aggregate fair value of HK\$501,000,000 (2015: HK\$360,000,000). The remaining carrying amount of HK\$133,429,000 (2015: HK\$267,700,000) represent unsecured loans with personal or corporate guarantees. The management of the Group believes that the amount is considered recoverable given the collateral is sufficient to cover the entire balance for secured loans and no recent history of default of borrowers for unsecured loans. The directors of the Company believe that the allowances for impaired debts are sufficient.

## 14. SHARE CAPITAL

|   | Number of shares  |                   | Amount           |                  |
|---|-------------------|-------------------|------------------|------------------|
|   | 2016<br>'000      | 2015<br>'000      | 2016<br>HK\$'000 | 2015<br>HK\$'000 |
| Ordinary shares of HK\$0.10 each                            |                   |                   |                  |                  |
| Authorised:   |                   |                   |                  |                  |
| At beginning of year  | 10,000,000        | 10,000,000        | 1,000,000        | 1,000,000        |
| Increase on 20 August 2015                                  | 20,000,000        | –                 | 2,000,000        | –                |
| At end of year  | <u>30,000,000</u> | <u>10,000,000</u> | <u>3,000,000</u> | <u>1,000,000</u> |
| Issued and fully paid:                                      |                   |                   |                  |                  |
| At beginning of year  | 4,473,476         | 4,473,476         | 447,348          | 447,348          |
| Shares issued under rights issue<br>on 10 April 2015 (note) | 2,236,738         | –                 | 223,673          | –                |
| At end of year  | <u>6,710,214</u>  | <u>4,473,476</u>  | <u>671,021</u>   | <u>447,348</u>   |

*Note:* On 10 April 2015, the Company allotted and issued 2,236,737,979 shares by way of rights issue at a subscription price of HK\$0.28 per rights share on the basis of one rights share for every two shares held. For the year ended 31 March 2016, approximately 35% and 39% of the net proceeds have been used to support the Group's money lending business and margin financing business, respectively. The remainder of approximately 26% of the net proceeds have been used for the general working capital of the Group.

## 15. EVENT AFTER THE REPORTING PERIOD

Get Nice Financial Group Limited ("GNFGL"), a directly wholly owned subsidiary of the Group, became listed on the Main Board of The Stock Exchange of Hong Kong Limited through way of initial public offering and dealing of its shares on the Main Board commenced on 8 April 2016.

Another wholly owned subsidiary of the Group entered into a loan agreement to provide an independent third party a loan amount of HK\$200,000,000 on 17 May 2016 which has been disclosed in the Company's announcement dated 17 May 2016.

Another wholly owned subsidiary of the Group entered into a sale and purchase agreement with an independent third party to acquire an investment property at a cash consideration of HK\$350,000,000 on 23 May 2016 which has been disclosed in the Company's announcement dated 23 May 2016.

## **FINAL DIVIDEND**

The Directors recommended a final dividend of HK 1 cent per share, together with the interim dividend paid during the year, amounting to total dividends of HK 2 cents per share for this financial year.

The final dividend will be payable on or about 13 September 2016 to shareholders of the Company whose names appear on the register of members of the Company on 31 August 2016.

## **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:

*For attendance to 2016 Annual General Meeting* : 19 August 2016 – 24 August 2016,  
both dates inclusive

*For entitlement to final dividend* : 1 September 2016 – 2 September 2016  
both dates inclusive  
(Record date being 31 August 2016)

In order to qualify for attendance to the Company's 2016 Annual General Meeting which is scheduled to be held on 24 August 2016, Wednesday and/or entitlement to the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on the following dates:

| <b>Events</b> | <b>Last date of lodgment of transfer documents</b> |
|---------------|--|
|---------------|--|

|  |                            |
|--|----------------------------|
| <i>For attendance to 2016 Annual General Meeting</i> | : 18 August 2016, Thursday |
|--|----------------------------|

|  |                             |
|--|-----------------------------|
| <i>For entitlement to final dividend</i> | : 31 August 2016, Wednesday |
|--|-----------------------------|

## **OVERVIEW**

For the year ended 31 March 2016 (the "Year"), the Group's revenue amounted to approximately HK\$581.2 million, representing a surge of 60.3% as compared with approximately HK\$362.6 million reported in the last corresponding financial year. Profit attributable to owners of the Company in the Year was approximately HK\$463.7 million (2015: HK\$260.6 million). The substantial increase in revenues was mainly attributable to the increase in commission income from securities broking and interest income from margin financing business in the Year. The increase in profit was also mainly contributed from securities broking and margin financing segment, which was further enhanced by the improved result from investment segment. Therefore, basic earnings per share increased to HK6.97 cents (2015: HK5.51 cents).

## **REVIEW AND OUTLOOK**

### **Financial Services Business**

#### *Market review*

During the year under review, the Hong Kong stock market experienced a roller coaster ride. Starting from April to June 2015, a bullish outlook of the mainland stock market and southbound flow of money from the mainland investors putting into Hong Kong stocks led to a significant increase in trading turnover in the market. The average daily turnover of main board for the second quarter of 2015 was HK\$162,707 million, an increase of 186% when compared with HK\$56,986 million for the same period last year. The Hang Seng index recorded a sharp increase from 25,083 points on 1 April 2015 to a 7-year record high of 28,443 points on 28 April 2015 and closed at 26,250 points on 30 June 2015. The local stock market in the beginning of the year was stimulated by such encouraging market sentiment.

The rally came fast and left fast; the stock market lost its momentum soon after the peak. The early summer Eurozone crisis triggered by near default of Greece, a series of policies implemented by the Chinese regulatory bodies for easing the overheated speculation in the mainland stock market, coupled with disappointing economic indicators of China's economy led the stock market to correct from July 2015 onwards. The decision of the People's Bank of China to devalue renminbi in August 2015 further weakened the confidence of investors. In addition, the market remained cautious over the pace of interest hike in the United States during the year and the statistic of the global economy remained fragile. As a result, the Hong Kong stocks market fell from record highs; the average daily turnover of main board for the first quarter of 2016 dropped to HK\$72,244 million when compared with HK\$162,707 million for the second quarter of 2015. The Hang Seng index recorded a sharp decrease from 26,250 points on 30 June 2015 to a closing of 20,777 points on 31 March 2016, representing a decrease of 20.8%.

It was also a challenging year for property market. Although the prevailing mortgage rate in Hong Kong remained low and the property developers provided various concessionary offers in the primary market, the decline in the number of buyers from Mainland China led to a downturn of the market. In addition to various market uncertainties arising from volatile global financial markets, the pace of interest hike in United States and property-related policies implemented by the government, both sales volume and transactions price demonstrated a modest decrease.

#### *Business Review*

##### *Broking and securities margin financing*

During the Year, the Group recorded encouraging growths from both its brokerage and margin financing businesses. Operating result of the broking business boosted by 133% as a result of the increase in revenue from securities trading activities and underwriting transactions. Interest income from securities margin financing also went up with the increase in securities margin lending. Revenue from broking for the Year surged by

83.7% to approximately HK\$160.7 million (2015: HK\$87.5 million) as compared with last financial year, of which approximately HK\$45.0 million (2015: HK\$12.3 million) was contributed by the underwriting and placing business. The broking business posted a profit of approximately HK\$92.4 million (2015: HK\$39.6 million) for the Year. The increases in broking turnover and interest income from securities margin financing were buoyed by the increase in average market turnover during the Year.

Securities margin financing remained to be the Group's major revenue contributor for the Year. During the Year, total interest income from securities margin financing surged by 70.1% to approximately HK\$341.8 million (2015: HK\$201.0 million). Total outstanding of securities margin financing at the end of the Year amounted to approximately HK\$3,286.6 million (2015: HK\$2,998.5 million), which surged by 9.6% as compared with that on 31 March 2015. Impairment charge HK\$3.1 million was recorded in the Year (2015: reversal of impairment charge of HK\$3.0 million).

#### *Money lending*

The Group's money lending business involves both consumer financing and mortgage loans. Total loan outstanding was around HK\$627.5 million (2015: HK\$634.3 million) at the end of the Year. Interest income for the Year was approximately HK\$67.4 million (2015: HK\$62.3 million), representing an increase of 8%. The entire loan portfolio was financed by internal resources. An impairment charge of approximately HK\$4.2 million (2015: HK\$4.5 million) was recorded for the business for the Year.

#### *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, it completed 12 financial advisory transactions (2015: 5). The operation reported a profit of approximately HK\$2.2 million for the Year (2015: HK\$1.3 million). The Group was able to capture more business opportunities when the fund raising activities and transactions relating to takeover were active during the Year.

#### *Investments*

The Group's investment portfolio in general is comprised of properties and financial instruments. For the Year, there was a profit of approximately HK\$78.1 million (2015: HK\$2.0 million) that was attributable to the fair value gain in financial instruments, interest and rental income earned from financial instruments and investment properties and partially offset by decrease in fair value of investment properties. As at 31 March 2016, the Group held a portfolio of equity and debt securities with a total fair market value of approximately HK\$190.7 million (2015: HK\$181.4 million). The Group's investment strategy is to identify investments with reasonable returns and capital gain potential, or those providing synergies with the Group's core businesses.

## ***Outlook***

As the global economic outlook is clouded with uncertainties amid recovery of global market, the slowing Mainland China economy, plunging commodity prices, and the pace of US interest rate-hike cycle, it would be challenging for Hong Kong, being a highly externally oriented economy, in the coming future. Nevertheless, the Group has successfully solidified the robustness of its main revenue streams over the past years and time and again proved its resilience in various economic cycles. Looking ahead, the Group will take a proactive approach to enhance the growth of the businesses aiming to maximizing shareholders' wealth.

The Group is utilising the proceeds from the separate listing of its subsidiary, GNFGL, to expand our securities margin financing and broking business and further develop our underwriting and placing service. Larger amount of funds would allow us to offer more margin loans to our clients, to enlarge our sales and marketing team and corporate finance team, and to facilitate potential underwriting and placing deals.

After the separate listing of GNFGL, the Group is endeavoring to strengthen the Group's brand by building higher profile and visibility in the market and to render comprehensive services to our affluent and high-net-worth clients in order to increase and maintain our clients' confidence and loyalty.

The Group has leveraged opportunities stemming from the launch of the Shanghai-Hong Kong Stock Connect by offering platform to trade on the Shanghai Stock Exchange and the Group has always been forward-looking. The market expects the Shenzhen-Hong Kong Stock Connect is in the pipeline and the Group is well prepared to seize the potential arising from the outbound investment flows from Mainland China.

The Group will also continue to improve IT infrastructure to support further business growth and consolidate existing trading platforms to ensure efficiency.

Given the current market conditions and increasingly stringent conventional bank lending requirements, licensed and non-bank money lenders provide one of the best alternatives for potential borrowers to obtain efficient and flexible liquidity solutions. This has driven an increase in demand for loan services from money lenders, and creates a huge potential for the Group to further expand its money lending segment. Accordingly, the Group will strive to sharpen its edge and increase its penetration in the money lending market, whilst seeking to strengthen its lending capacity to enhance overall profitability.

The Group's diversification strategy hinges on our teams vigilance in spotting sound diversification opportunities. This includes looking for potential properties to acquire with good yields. Given that the leasing demand of commercial complexes in key commercial district areas remains strong, the Group has entered into a sale and purchase agreement in May 2016 to acquire a commercial complex in Hung Hom at a cash consideration of HK\$350,000,000. The Group will continue to source quality and





The number of issued shares of Company amounted to 6,710,213,938 shares as at 31 March 2016 (2015: 4,473,475,959 shares).

As at 31 March 2016, the Group's gearing ratio (total liabilities over equity attributable to owners of the Company) was 0.24 time (2015: 0.44 time).

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

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

As at 31 March 2016, the Group had total loan commitments of HK\$12.2 million (2015: HK\$103.3 million).

### **Charges on Group Assets**

As at 31 March 2016, investment properties, leasehold land and building of the Group with a carrying amount of HK\$110.8 million (2015: HK\$122.6 million) were pledged for banking facilities granted to the Group.

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

Apart from the reorganisation relating to the spin off and separate listing of Get Nice Financial Group Limited, there were no material acquisitions or disposals of subsidiaries, associates or jointly controlled entity completed during the Year.

### **Employee Information**

As at 31 March 2016, the Group had 85 (2015: 66) full time employees. The Group's employees were remunerated according to their performance, working experience and market conditions. The total amount of remuneration cost of employees of the Group for the Year was HK\$20.0 million (2015: HK\$15.1 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 2016, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange, except for a deviation which is summarised below:

#### **Code A.4.1**

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

#### **AUDIT COMMITTEE REVIEW**

The Audit Committee has reviewed with management of the Group's financial statements for the year ended 31 March 2016, including the accounting principles and practices adopted by the Group.

#### **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

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 2016 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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

This results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> under "Latest Listed Company Information" and the Company at <http://www.getnice.com.hk>. The 2016 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 Hong Kong Exchanges and Clearing Limited 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, 29 June 2016

*As at the date of this announcement, the executive directors of the Company are Mr. Hung Hon Man (Chairman), Mr. Cham Wai Ho, Anthony, Mr. Lung Hon Lui and Ms. Tang Nga Yan, Grace; and the independent non-executive directors of the Company are Mr. Man Kong Yui, Mr. Sun Ka Ziang, Henry and Mr. Siu Hi Lam, Alick.*