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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)



GET NICE FINANCIAL GROUP LIMITED

結好金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1469)

JOINT ANNOUNCEMENT CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF A LICENSED CORPORATION

THE ACQUISITION

The respective boards of directors of GN Holdings and GNFG hereby announce that on 13 January 2020 (after trading hours of the Stock Exchange), the Purchaser and the Vendor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares at a cash consideration of approximately HK\$62.8 million (subject to adjustment). The Sale Shares represent the entire issued share capital of the Target Company as at Completion. The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms principally with reference to the net asset value of the Target Company.

The Target Company is principally engaged in securities brokerage business, provision of margin financing services and placing services. It is a licensed corporation to carry out Type 1 regulated activity (dealing in securities) under the SFO and is a participant of the Stock Exchange.

Upon Completion, the Target Company will become an indirect wholly owned subsidiary of GNFG and an indirect non-wholly owned subsidiary of GN Holdings. Thereafter, the results and assets and liabilities of the Target Company will be consolidated into the financial statements of the GNFG Group and the GN Holdings Group.

LISTING RULES IMPLICATIONS

The Vendor is the father of Hung Sui Kwan, an executive director of GNFG, and the elder brother of Hung Hon Man, a non-executive director of GNFG and an executive director of GN Holdings. Accordingly, the Vendor is a connected person of both GN Holdings and GNFG and the transaction contemplated under the Agreement constitutes a connected transaction for both GN Holdings and GNFG pursuant to Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) of the transaction under the Agreement are more than 0.1% but less than 5%, the transaction contemplated under the Agreement is subject to reporting and announcement requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The respective boards of directors of GN Holdings and GNFG hereby announce that on 13 January 2020 (after trading hours of the Stock Exchange), the Purchaser and the Vendor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares.

The principal terms and conditions of the Agreement are set out below:

THE AGREEMENT

Date:

13 January 2020

Parties:

- (1) King Joy Asia Limited, a direct wholly-owned subsidiary of GNFG (as purchaser);
and
- (2) Hung Hon Shing (as vendor)

Assets to be acquired:

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, free from any encumbrance whatsoever, the Sale Shares. The Sale Shares represent the entire issued share capital of the Target Company as at Completion.

Consideration:

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the net asset value of the Target Company as at Completion and an agreed premium of HK\$2 million. Such premium has taken into account, among other things, the initial set up cost and prospects of the Target Company. Having regard to the unaudited net asset value of the Target Company of approximately HK\$60.8 million as at 31 December 2019, it is expected that the Consideration shall be approximately HK\$62.8 million, which shall be paid by the Purchaser to the Vendor in cash in the following manner:

- (1) HK\$6.2 million shall be paid upon the signing of the Agreement; and
- (2) the balance of the Consideration shall be paid upon Completion.

The Vendor shall prepare and furnish the Purchaser with completion accounts on the date of Completion. For the purpose of calculating the Consideration payable by the Purchaser on Completion, the net asset value of the Target Company shall be based on figures in the completion accounts prepared by the Vendor.

The Acquisition will be financed by the internal resources of the GNFG Group.

Conditions of the Acquisition

Completion under the Agreement is subject to, inter alia, the following conditions precedent being satisfied or waived (if applicable):

- (1) the Purchaser and its advisers having completed and satisfied in its absolute discretion with the results of the due diligence review to be conducted;
- (2) the Vendor having a good title to the Sale Shares, free from all encumbrances;
- (3) the shareholder's loan (if any) owed by the Target Company to the Vendor having been repaid and fully settled;
- (4) all approvals, consents, authorisations and licences (so far as are necessary) in relation to the transactions contemplated under the Agreement having been obtained from the relevant governmental authorities, including but not limited to the approvals from the SFC for (i) the Purchaser becoming a substantial shareholder of the Target Company; and (ii) the designated current responsible officer of the Vendor and the person nominated by the Purchaser to become the responsible officers in relation to the Target Company and the relevant SFC licence;
- (5) the relevant regulated requirements under the Listing Rules in relation to the transactions contemplated under the Agreement having been complied with;
- (6) the Purchaser being satisfied in its absolute discretion that the Vendor's warranties remaining true and accurate and not misleading at Completion as if repeated at Completion and at all times between the date of the Agreement and Completion; and
- (7) the Purchaser being satisfied in its absolute discretion that there having been no material adverse change since the date of the Agreement.

The Purchaser may in its absolute discretion waive either in whole or in part at any time by notice in writing to the Vendor any of the above conditions (save and except for conditions (4) and (5)).

Completion

Completion shall take place on the date falling within five (5) Business Days after the fulfillment or waiver of the above conditions, or such later date as the parties to the Agreement may agree.

Upon Completion, the Target Company will become an indirect wholly owned subsidiary of GNFG and an indirect non-wholly owned subsidiary of GN Holdings. Thereafter, the results and assets and liabilities of the Target Company will be consolidated into the financial statements of the GN Holdings Group and the GNFG Group.

INFORMATION OF GN HOLDINGS AND GNFG

GN Holdings is an investment holding company and the GN Holdings Group is principally engaged in (i) money lending; (ii) property development and holding and investment in financial instruments; (iii) real estate broking; and (iv) the provision of financial services.

GNFG is an investment holding company and the GNFG Group is principally engaged in the provision of financial services including securities dealing and broking, futures and options broking, underwriting and placements, securities margin financing and corporate finance services in Hong Kong.

INFORMATION OF THE TARGET COMPANY

The Target Company is principally engaged in securities brokerage business, provision of margin financing services and placing services. It is a licensed corporation to carry out Type 1 regulated activity (dealing in securities) under the SFO and is a participant of the Stock Exchange. The original acquisition cost of the Sale Shares to the Vendor was HK\$60 million.

Set out below is the financial information of the Target Company for each of the two financial years ended 31 March 2018 and 2019 and the nine months ended 31 December 2019:

	For the year ended		For the nine
	31 March		months ended
	2018	2019	31 December
	(audited)	(audited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit before taxation	(1,943)	328	2,945
(Loss)/profit after taxation	(1,943)	328	2,945

As at 31 December 2019, the unaudited net asset value of the Target Company was approximately HK\$60.8 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The GNFG Group is principally engaged in the provision of financial services and has been looking for suitable opportunities to expand its market share by various means, including but not limited to, acquisition of existing market players. The Target Company is principally engaged in securities brokerage business, provision of margin financing services and placing services. The respective boards of directors of GN Holdings and GNFG believe that the Acquisition represents a viable business opportunity for the GNFG Group to expand its financial services business in Hong Kong and will complement its existing services portfolio for the GNFG Group. The integration of the Target Company will also strengthen the GNFG Group's ability to produce higher quality services to its customers so as to broaden incomes and strengthen the sales team.

Having considered that above, the directors of GN Holdings and GNFG (including the independent non-executive directors of each of GN Holdings and GNFG) consider that the terms of the Agreement are on normal commercial terms and fair and reasonable, and that the Acquisition is in the interests of GN Holdings and GNFG and their shareholders as a whole.

IMPLICATION UNDER LISTING RULES

The Vendor is the father of Hung Sui Kwan, an executive director of GNFG, and the elder brother of Hung Hon Man, a non-executive director of GNFG and an executive director of GN Holdings. Accordingly, the Vendor is a connected person of both GN Holdings and GNFG and the Acquisition constitutes a connected transaction for both GN Holdings and GNFG under Chapter 14A of the Listing Rules.

Hung Sui Kwan, an executive director of GNFG, and Hung Hon Man, a non-executive director of GNFG and an executive director of GN Holdings, are considered to have a material interest in the Agreement and have abstained from voting on the resolutions approving the Agreement and the transactions contemplated thereunder at the relevant directors' meeting of GNFG and/or GN Holdings.

As one or more of the applicable percentage ratios (other than the profits ratio) of the transactions under the Agreement are more than 0.1% but less than 5%, the transaction contemplated under the Agreement is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Rules 14A of the Listing Rules.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Agreement
“Agreement”	the conditional sale and purchase agreement dated 13 January 2020 and entered into between the Purchaser and the Vendor in relation to the Acquisition
“Business Day(s)”	a day on which banks are generally open for business in Hong Kong (other than a Saturday, Sunday or public holiday or a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted or remains hoisted in Hong Kong at any time between 9:00 am and 5:00 pm)
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	The consideration for the Acquisition
“GN Holdings”	Get Nice Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 64)
“GN Holdings Group”	GN Holdings and its subsidiaries
“GNFG”	Get Nice Financial Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1469)
“GNFG Group”	GNFG and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Purchaser”	King Joy Asia Limited, a company incorporated in the British Virgin Islands with limited liability, a direct wholly-owned subsidiary of GNFG
“Sale Shares”	60,000,000 ordinary shares of the Target Company, representing the entire issued share capital of the Target Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Target Company”	Red Eagle Securities Limited (漢英證券有限公司), a company incorporated in Hong Kong with limited liability and licensed by the SFC to conduct Type 1 (dealing in securities) regulated activities under the SFO and is a participant of the Stock Exchange
“Vendor”	Hung Hon Shing, being the sole shareholder of the Target Company and the vendor of the Acquisition
“%”	per cent

By order of the board of
Get Nice Holdings Limited
Kam Leung Ming
Company Secretary

By order of the board of
Get Nice Financial Group Limited
Ko Yat Fei
Company Secretary

Hong Kong, 13 January 2020

As at the date of this joint announcement, the executive directors of GN Holdings are Mr. Hung Hon Man (chairman and chief executive officer), Mr. Cham Wai Ho, Anthony (deputy chairman) and Mr. Kam Leung Ming; and the independent non-executive directors of GN Holdings are Mr. Man Kong Yui, Mr. Sun Ka Ziang, Henry and Mr. Siu Hi Lam, Alick.

As at the date of this joint announcement, the executive directors of GNFG are Mr. Shum Kin Wai, Frankie (managing director) and Mr. Hung Sui Kwan (chief executive officer); the non-executive director of GNFG is Mr. Hung Hon Man (chairman); and the independent non-executive directors of GNFG are Ms. Ng Yau Kuen, Carmen, Mr. Cheung Chi Kong, Ronald and Mr. Chan Ka Kit.