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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)

**(1) CONNECTED TRANSACTION
IN RELATION TO TENANCY AGREEMENT;
AND
(2) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE DISPOSAL OF
ENTIRE EQUITY INTEREST IN NOBLENET LIMITED**

**Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders**



BAOQIAO PARTNERS CAPITAL LIMITED

THE TENANCY AGREEMENT

On 18 March 2021 (after trading hours), Tao Yun as lessor and GNS (an indirect wholly-owned subsidiary of the Company) as lessee entered into the Tenancy Agreement, pursuant to which Tao Yun agreed to lease the Premises to GNS for a term of three (3) years commencing from 1 April 2021 at a monthly rent of HK\$600,000.

THE DISPOSAL

On 18 March 2021 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, and the Purchaser entered into the Sale and Purchase Agreement pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Share at the Consideration of HK\$457,000,000 (subject to adjustment). The principal assets of the Target Group are the Property. Upon completion of the Disposal, the Target Group will cease to be the subsidiaries of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, GN Holdings is a substantial shareholder of the Company. Tao Yun and the Purchaser are indirect wholly-owned subsidiaries of GN Holdings and are therefore connected persons of the Company.

Pursuant to HKFRS 16 “Leases”, the entering into of the Tenancy Agreement as tenant by GNS will require the Group to recognise a right-of-use asset on its consolidated statement of financial position in connection with the Lease. As such, the Lease will be regarded as an acquisition of asset by the Group and constitutes a connected transaction for the Company under the Listing Rules. The value of right-of-use asset recognised by the Group under the Tenancy Agreement amounted to approximately HK\$20,900,000. As the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the value of the right-of-use asset under the Lease are more than 0.1% but less than 5%, the Lease is subject to the reporting and announcement requirements but is exempt from the circular and Independent Shareholders’ approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal are more than 5% but lower than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules. The Purchaser is a connected person of the Company and the Disposal therefore constitutes a connected transaction for the Company, which is subject to the reporting, announcement, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

In view of the interests of GN Holdings in the Disposal, GN Holdings and its associates will abstain from voting in respect of the resolution(s) to be proposed at the EGM to approve the Disposal. As at the date of this announcement, GN Holdings holds 1,824,690,171 Shares, representing approximately 72.99% of the total issued share capital of the Company. Mr. Hung, the chairman of the Board, a non-executive Director and also the chairman, chief executive officer and controlling shareholder of GN Holdings, is interested in 50,309,829 Shares (representing approximately 2.01% of the total issued share capital of the Company) as at the date of the announcement. Mr. Hung has abstained from voting on the Board’s resolution(s) approving the Tenancy Agreement and the Sale and Purchase Agreement and will abstain from voting in respect of the resolution(s) to be proposed at the EGM to approve the Disposal.

GENERAL

A circular which contains, among other things, further details of the transactions contemplated under the Sale and Purchase Agreement, the letters from the Independent Board Committee and the Independent Financial Adviser, the valuation report of the Property together with a notice of the EGM to be convened by the Company to approve the transactions contemplated under the Sale and Purchase Agreement, is expected to be despatched to the Shareholders on or before 16 April 2021 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Shareholders and potential investors should note that Disposal is subject to the satisfaction and/or, where applicable, waiver of the conditions precedent. As the Disposal may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

THE TENANCY AGREEMENT

On 18 March 2021 (after trading hours), Tao Yun as lessor and GNS (an indirect wholly-owned subsidiary of the Company) as lessee entered into the Tenancy Agreement, pursuant to which Tao Yun agreed to lease the Premises to GNS for a term of three (3) years commencing from 1 April 2021 at a monthly rent of HK\$600,000.

Set out below are the principal terms of the Tenancy Agreement:

Date: 18 March 2021

Tenant: GNS (an indirect wholly-owned subsidiary of the Company)

Landlord: Tao Yun

As at the date of this announcement, GN Holdings is a substantial shareholder of the Company. Tao Yun is an indirect wholly-owned subsidiary of the GN Holdings and hence a connected person of the Company

Premises: Commercial units on Ground Floor, 1st Floor and 2nd Floor, Cosco Tower, Grand Millennium Plaza. No. 183 Queen's Road Central and No. 33 Wing Lok Street, Hong Kong

Saleable area: Approximately 10,245 square feet

Term: 3 years from 1 April 2021 to 31 March 2024 (both days inclusive)

Monthly rent: HK\$600,000 (exclusive of management fee and all other outgoings) payable in advance on the first day of each calendar month

REASONS FOR AND BENEFITS FOR ENTERING INTO THE TENANCY AGREEMENT

The 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 (collectively, the “**Licensed Activities**”).

As mentioned in the announcement of GN Holdings dated 19 May 2020, GN Holdings intended to use the Building as new head office of GN Holdings Group, including the Group. In view of number of staff and floor areas for operations, the Group will occupy the Premises as principal place of operations while the remaining office unit on 3rd Floor of the Building will be used by GN Holdings as head office. The Board considers that the Premises are located in a prime financial district which can be easily accessed by our customers and business partners. The Premises, low rise commercial units with large outdoor LED display screen, would significantly enhance the Group’s corporate brand and image which are important to increase customers’ perception in the securities industry.

The terms of the Tenancy Agreement were arrived at after arm’s length negotiations between Tao Yun and GNS with reference to the market rent of similar properties in Hong Kong and the professional valuation report issued by Prudential Surveyors (Hong Kong) Limited dated 9 March 2021.

The Directors, including the independent non-executive Directors, consider that the Lease is in the ordinary and usual course of business of the Group and the terms of the Tenancy Agreement are based on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE DISPOSAL

On 18 March 2021 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, and the Purchaser entered into the Sale and Purchase Agreement pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Share at the Consideration of HK\$457,000,000, subject to adjustment.

Set out below are the principal terms of the Sale and Purchase Agreement:

Date: 18 March 2021

Parties (1) GNDL (as Purchaser); and
(2) Steppington Holdings Limited (as Vendor)

Assets to be disposed of

Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Share. The Sale Share represents the entire issued share capital of the Target Company.

The Vendor holds 100% issued share capital in the Target Company and in turn holds 100% issued share capital in Grace Field, which is the registered owner of the Property. The Property is currently occupied by GN Holdings Group (including the Group) as principal place of business.

Consideration and payment term

The Consideration is HK\$457,000,000 (subject to adjustment) which shall be settled by the Purchaser in the following manner:

- (a) as to HK\$37 million payable by the Purchaser to the Vendor or its nominee(s) in cash within three (3) Business Days after the date of the Sale and Purchase Agreement as refundable deposit, which will be applied towards the payment of the Consideration on the Completion Date;
- (b) as to HK\$220 million payable by way of issue of the Promissory Note by GN Holdings to the Vendor on the Completion Date; and
- (c) as to the balance of the Consideration of HK\$200 million (subject to adjustment) payable by the Purchaser to the Vendor or its nominee(s) in cash on the Completion Date.

The Vendor shall prepare and furnish the Purchaser with a draft of the completion accounts of the Target Group (the “**Proforma Completion Accounts**”) at least 7 Business Days before the Completion Date. The balance of the Consideration shall be adjusted by (i) adding the aggregate of all current assets of the Target Group (excluding the Property and deferred tax) as at Completion Date; and (ii) deducting the aggregate of all liabilities, tax provision and other provisions of the Target Group as at Completion Date, as shown in the Proforma Completion Accounts.

The Vendor shall further deliver the final completion accounts of the Target Group (the “**Final Completion Accounts**”) to the Purchaser within 30 days from the Completion Date. If the balance of the Consideration calculated with reference to the Final Completion Accounts is less than the amount calculated with reference to the Proforma Completion Accounts, the Vendor shall pay the Purchaser the excess amount within 14 days of the production of the Final Completion Accounts. If the balance of the Consideration calculated with reference to the Final Completion Accounts is more than the amount calculated with reference to the Proforma Completion Accounts, the Purchaser shall pay the Vendor the amount of such shortfall within 14 days of the production of the Final Completion Accounts. For avoidance of doubt, the relevant adjustments (if any) shall be settled in cash.

The Consideration was arrived at after arm’s length negotiation between the Vendor and the Purchaser with reference to the market value of the Property of HK\$437 million preliminarily appraised by an independent valuer engaged by the Group and the unaudited consolidated financial position of the Target Group as at 28 February 2021.

Promissory Note

Set out below are the principal terms of the Promissory Note:

- Issuer : GN Holdings
- Issue date : Completion Date
- Principal amount to be issued : HK\$220,000,000 in aggregate
- Holder of the Promissory Note : the Vendor or its nominee(s)
- Issue price : 100% of the principal amount of Promissory Note to be issued
- Maturity date : the date falling after 30 months from the date of issue of the Promissory Note
- Interest : Interest at the rate of 3% per annum due and payable semi-annually
- Transferability : Non-transferable
- Early redemption : GN Holdings may by giving of not less than 5 Business Days’ prior notice in writing to the holder of the Promissory Note to redeem the whole or any part of the Promissory Note and the accrued interests before the maturity date of the Promissory Note

The terms of the Promissory Note are determined after arm’s length commercial negotiation between the Vendor and GN Holdings with reference to the prevailing market condition. In view of the above, the Directors consider the terms of the Promissory Note are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Condition precedent

Completion shall be conditional upon and subject to the passing by the Independent Shareholders at the EGM of resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder as required under the Listing Rules.

If the Sale and Purchase Agreement ceases and determines as a result of non-fulfilment of the above condition, the refundable deposit in the sum of HK\$37 million paid by the Purchaser to the Vendor shall be returned to the Purchaser in full forthwith.

Completion

Subject to the satisfaction of the condition precedent under the Sale and Purchase Agreement, completion of the Disposal shall take place on the Completion Date or such other time and place as the Vendor and the Purchaser may agree.

Upon completion of the Disposal, the Target Group will cease to be the subsidiaries of the Company.

INFORMATION OF THE TARGET GROUP

The Target Company, is a company incorporated in the British Virgin Island with limited liability and its sole subsidiary is Grace Field. Grace Field's principal asset is the Property and its current business activity is leasing of the Property to GNS and GN Holdings.

Set out below is the unaudited consolidated financial information of the Target Group for each of the two financial years ended 31 March 2019 and 2020.

	For the year ended 31 March	
	2019	2020
	(HK\$'000)	(HK\$'000)
Profit before taxation	10,560	10,424
Profit after taxation	8,704	8,538

Revenue of the Target Group mainly represented the rental income of the Property. As at 28 February 2021, the carrying value of the Property on the books of the Target Group was approximately HK\$38.5 million and the unaudited consolidated net assets of the Target Group was approximately HK\$57.4 million.

After taking into account the Consideration, the net asset value of the Target Group as at 28 February 2021 and the related transaction costs, it is estimated that a gain of approximately HK\$323 million will be recognized by the Group as a result of the Disposal.

INFORMATION OF THE PARTIES

Tao Yun was incorporated in Hong Kong with limited liability and is principally engaged in properties holding and investment. Tao Yun is an indirect wholly owned subsidiary of GN Holdings and a fellow subsidiary of GNS.

GNS was incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company. GNS is principally engaged in the provision of financial services including securities dealing and broking, underwriting and placements, securities margin financing and corporate finance services in Hong Kong.

GNDL, a company incorporated in Hong Kong with limited liability, is an indirect wholly owned subsidiary of GN Holdings and a fellow subsidiary of the Vendor. GNDL is a holding company of a group of subsidiaries principally engaged in properties investment and holding in Hong Kong and United Kingdom.

REASONS FOR AND BENEFIT OF THE DISPOSAL

The Group has been occupying the Property as its principal place of business since year 2005. After the Group's moving to the Premises under the Tenancy Agreement, the Property will temporarily become vacant. As the Group's principal businesses are Licensed Activities, it is not the Group's strategy to hold properties for investment purpose. The Board considers that the proceeds arising from the Disposal would provide necessary financial resources for the Group to expand its business relating to Licensed Activities.

The Directors (excluding Mr. Hung who abstained from voting at the Board meeting and the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) are of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, GN Holdings is a substantial shareholder of the Company. Tao Yun and the Purchaser are indirect wholly-owned subsidiaries of GN Holdings and are therefore connected persons of the Company.

Pursuant to HKFRS 16 “Leases”, the entering into of the Tenancy Agreement as tenant by GNS will require the Group to recognise a right-of-use asset on its consolidated statement of financial position in connection with the Lease. As such, the Lease will be regarded as an acquisition of asset by the Group and constitutes a connected transaction for the Company under the Listing Rules. The value of right-of-use asset recognised by the Group under the Tenancy Agreement amounted to approximately HK\$20,900,000. As the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the value of the right-of-use asset under the Lease are more than 0.1% but less than 5%, the Lease is subject to the reporting and announcement requirements but is exempt from the circular and Independent Shareholders’ approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal are more than 5% but lower than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules. The Purchaser is a connected person of the Company and the Disposal therefore constitutes a connected transaction for the Company, which is subject to the reporting, announcement, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

In view of the interests of GN Holdings in the Disposal, GN Holdings and its associates will abstain from voting in respect of the resolution(s) to be proposed at the EGM to approve the Disposal. As at the date of this announcement, GN Holdings holds 1,824,690,171 Shares, representing approximately 72.99% of the total issued share capital of the Company. Mr. Hung, the chairman of the Board, a non-executive Director and also the chairman, chief executive officer and controlling shareholder of GN Holdings, is interested in 50,309,829 Shares (representing approximately 2.01% of the total issued share capital of the Company) as at the date of the announcement. Mr. Hung has abstained from voting on the Board's resolution(s) approving the Tenancy Agreement and the Sale and Purchase Agreement and will abstain from voting in respect of the resolution(s) to be proposed at the EGM to approve the Disposal. Save as aforementioned, to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiry, no other Shareholder has a material interest in the Disposal and therefore no other Shareholder is required to abstain from voting at the EGM.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising the independent non-executive Directors, namely Ms. Ng Yau Kuen, Carmen, Mr. Cheung Chi Kong, Ronald and Mr. Chan Ka Kit, has been established to advise the Independent Shareholders in respect of the Disposal. The Independent Financial Adviser has been appointed and approved by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

An EGM will be convened for the purpose of, among other things, seeking approval from the Independent Shareholders in respect of the Disposal.

A circular which contains, among other things, further details of the transactions contemplated under the Sale and Purchase Agreement, the letters from the Independent Board Committee and the Independent Financial Adviser, the valuation report of the Property together with a notice of the EGM to be convened by the Company to approve the transactions contemplated under the Sale and Purchase Agreement, is expected to be despatched to the Shareholders on or before 16 April 2021 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Building”	the Premises together with the office unit on 3rd Floor of Cosco Tower, Grand Millennium Plaza, No. 183 Queen’s Road Central and No. 33 Wing Lok Street, Hong Kong
“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)
“Company”	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)
“Completion Date”	the second Business Day after all the conditions precedent of the Sale and Purchase Agreement have been fulfilled or waived (or such other date as the parties to the Sale and Purchase Agreement shall agree)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable by the Purchaser to the Vendor for the Sale Share under the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement

“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Disposal and the transactions contemplated under the Sale and Purchase Agreement
“GNDL” or “Purchaser”	Get Nice Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of GN Holdings
“GN Holdings”	Get Nice Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the Main Board of the Stock Exchange (Stock code: 64)
“GN Holdings Group”	GN Holdings and its subsidiaries
“GNS”	Get Nice Securities Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company. GNS is a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
“Grace Field”	Grace Field Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Target Company. Grace Field is the registered owner of the Property
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS(s)”	Hong Kong Financial Reporting Standard(s)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely Ms. Ng Yau Kuen, Carmen, Mr. Cheung Chi Kong, Ronald and Mr. Chan Ka Kit, established for the purpose of advising and giving recommendation to the Independent Shareholders in respect of the Disposal

“Independent Financial Adviser”	BaoQiao Partners Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal
“Independent Shareholder(s)”	Shareholder(s) other than the GN Holdings or its associates
“Lease”	lease of the Premises from Tao Yun under the Tenancy Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Hung”	Mr. Hung Hon Man, the chairman of the Board and a non-executive Director of the Company. Mr. Hung is also the chief executive officer, chairman, an executive director and the controlling shareholder of GN Holdings
“Premises”	commercial units on Ground Floor, 1st Floor and 2nd Floor of Cosco Tower, Grand Millennium Plaza, 183 Queen’s Road Central and No. 33 Wing Lok Street, Hong Kong
“Promissory Note”	the promissory note in the principal amount of HK\$220,000,000 to be issued by GN Holdings in favour of the Vendor as part of the Consideration
“Property”	office unit on 10th Floor, Cosco Tower, Grand Millennium Plaza, 183 Queen’s Road Central and No. 33 Wing Lok Street, Hong Kong
“Sale and Purchase Agreement”	a conditional sale and purchase agreement dated 18 March 2021 entered into between the Vendor and the Purchaser in relation to the Disposal
“Sale Share”	one (1) ordinary share of US\$1.00 each in the capital of the Target Company, representing the entire issued share capital of the Target Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tao Yun”	Tao Yun Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of GN Holdings
“Target Company”	NobleNet Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Vendor as at the date of Sale and Purchase Agreement
“Target Group”	Target Company and Grace Field
“Tenancy Agreement”	the tenancy agreement dated 18 March 2021 entered into between GNS and Tao Yun in relation to the Lease for a term of three years commencing from 1 April 2021 to 31 March 2024 (both days inclusive)
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Steppington Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“%”	per cent

By order of the board of
Get Nice Financial Group Limited
Hung Sui Kwan
Executive Director

Hong Kong, 18 March 2021

As at the date of this announcement, the Board comprises (i) Mr. Shum Kin Wai, Frankie (managing director) and Mr. Hung Sui Kwan (chief executive officer) as executive Directors; (ii) Mr. Hung Hon Man as chairman and non-executive Director; and (iii) Ms. Ng Yau Kuen, Carmen, Mr. Cheung Chi Kong, Ronald and Mr. Chan Ka Kit as independent non-executive Directors.