
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer or registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Get Nice Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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

Nuada Limited

Capitalised terms used in the cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 4 to 16 of this circular. A letter from the Independent Board Committee is set out on page 17 of this circular. A letter from Nuada, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, containing its advice in relation to the Transactions is set out on pages 18 to 35 of this circular.

A notice convening the EGM of the Company to be held at 3/F, Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong on 29 November 2022 at 10:45 a.m. and a form of proxy for use at the EGM is enclosed herein. Whether or not you intend to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting if you so wish, and in such event, the form of proxy shall be deemed to be revoked.

IMPORTANT NOTES

In light of the ongoing Novel Coronavirus (COVID-19) pandemic, the Company will implement the following precautionary measures at the EGM to protect attending Shareholders, staff and stakeholders from the risk of infection:

- (i) compulsory body temperature checks, hand sterilisation and health declaration
- (ii) compulsory wearing of a surgical face mask for each attendee
- (iii) no distribution of corporate gift or refreshment
- (iv) appropriate seating arrangement in line with the relevant laws and regulations in Hong Kong

The Company reminds Shareholders that they may appoint the chairman of the EGM as their proxy to vote on the relevant resolution(s) at the EGM as an alternative to attending the EGM in person.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue.

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DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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 a.m. and 5:00 p.m.)
“Company” or “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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlled Company(ies)”	30%-controlled company(ies) held, directly or indirectly, by Mr. Hung from time to time and its/their subsidiaries, but excluding the Group
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving the Transactions
“Financing Services”	the provision of financial accommodation in order to facilitate the acquisition of securities listed on any stock market, and where applicable, the continued holding of those securities, by GNS or any company amongst GNFG Group to their customers
“Financing Services Agreement”	the financing services agreement dated 3 October 2022 entered into between GNS and Mr. Hung in relation to the provision of the Financing Services to Mr. Hung and the Controlled Companies
“GNFG”	Get Nice Financial Group 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: 1469)
“GNFG Group”	GNFG and its subsidiaries

DEFINITIONS

“GNS”	Get Nice Securities Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of GNFG, and 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
“Group”	the Company 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
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, established to make recommendations to the Independent Shareholders in respect of the Transactions
“Independent Financial Adviser” or “Nuada”	Nuada Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Transactions
“Independent Shareholder(s)”	Shareholders other than Mr. Hung and his associates
“Independent Third Party(ies)”	third parties independent of and not connected with the directors, chief executive and substantial shareholders of GNFG or any of its subsidiaries, or any of their respective associates
“Interest Caps”	the proposed annual caps for Service Fee receivable by GNFG Group from Mr. Hung and the Controlled Companies under the Financing Services Agreement
“Joint Announcement”	the joint announcement of the Company and GNFG dated 3 October 2022 in relation to, among others, the Transactions
“Latest Practicable Date”	7 November 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Margin Caps”	the proposed annual caps for the maximum outstanding amount of margin financing at all time which may be advanced by GNFG Group to Mr. Hung and the Controlled Companies during the Term under the Financing Services Agreement
“Mr. Hung”	Mr. Hung Hon Man, who holds various capacities in the Company and GNFG as described in this circular
“Proposed Annual Caps”	the Margin Caps and the Interest Caps, collectively
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Service Fee”	means margin loan interest income and, if any, miscellaneous fees for the provision of Financing Services
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holders of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term”	the period commencing from 15 December 2022 to and including 14 December 2025
“Transactions”	the entering into of the Financing Services Agreement and the provision of the Financing Services (including the Proposed Annual Caps)
“2019 Financing Services Agreement”	the agreement dated 1 November 2019 entered into between GNS and Mr Hung in relation to the provision of financing accommodation by GNS or any company amongst GNFG Group to Mr Hung and the Controlled Companies
“30%-controlled company”	has the meaning ascribed thereto under the Listing Rules
“%”	per cent

LETTER FROM THE BOARD



GET NICE HOLDINGS LIMITED

結好控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0064)

Executive Directors:

Hung Hon Man (*Chairman*)

Cham Wai Ho, Anthony (*Deputy chairman*)

Kam, Eddie Shing Cheuk (*Chief Executive Officer*)

Non-executive Director:

Ms. Wu Yan Yee

Independent non-executive Directors:

Ms. Chan Oi Chong

Dr. Santos, Antonio Maria

Mr. Siu Hi Lam, Alick

Registered office:

Third floor,

Century Yard,

Cricket Square, P.O. Box 902,

Grand Cayman KY1-1103,

Cayman Islands

Principal place of business in

Hong Kong:

G/F-3/F

Cosco Tower

Grand Millennium Plaza

183 Queen's Road Central

Hong Kong

10 November 2022

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Joint Announcement. On 3 October 2022, GNS, a subsidiary of GNFG, and Mr. Hung (an executive Director and the chairman of the Board) entered into the Financing Services Agreement, pursuant to which GNS may (but not obliged to), provide or procure any other company amongst GNFG Group to provide the Financing Services to Mr. Hung and/or the Controlled Companies from time to time during the Term, on a non-exclusive basis.

LETTER FROM THE BOARD

The purposes of this circular are to provide the Shareholders with, among others, (i) details of the Transactions; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders regarding the Transactions; (iii) the letter of advice from Nuada to the Independent Board Committee and the Independent Shareholders regarding the Transactions; and (iv) the notice of EGM at which an ordinary resolution will be proposed to approve the Transactions.

PRINCIPAL TERMS OF THE FINANCING SERVICES AGREEMENT

Date

3 October 2022

Parties

- (i) GNS, as provider of the Financing Services; and
- (ii) Mr. Hung, as the customer

Conditions precedent

The Financing Services Agreement is conditional upon the followings:

- (i) the respective independent shareholders of the Company and GNFG having approved it by way of poll at the respective extraordinary general meeting of the Company and GNFG to be convened in compliance with the Listing Rules; and
- (ii) if applicable, all authorisations, approvals, consents, waivers and permits required from all authorities to give effect to it having been granted, received or obtained and not revoked.

If the conditions set out above are not fulfilled on or before 14 December 2022 (or such later date as GNS and Mr. Hung may agree), the Financing Services Agreement shall lapse and be of no further force or effect.

As at the Latest Practicable Date, no authorisations, approvals, consents, waivers and permits is required to be obtained for fulfilling condition (ii) above.

Services to be provided

Pursuant to the Financing Services Agreement, GNS may (but not obliged to), upon request from Mr. Hung and/or any Controlled Company, provide or procure any other company amongst GNFG Group to provide the Financing Services to Mr. Hung and/or, as the case may be, the relevant Controlled Company from time to time during the Term, on a non-exclusive basis. The provision of the Financing Services shall also be on normal commercial terms, on terms no less favourable to the GNFG Group than those offered to other customers of the GNFG Group who are Independent Third Parties and subject to the terms and conditions of the standard client agreement of GNS from time to time.

LETTER FROM THE BOARD

Term

From the 15 December 2022 to and including 14 December 2025.

Service Fee and Pricing standards

The Service Fee for the Financing Services to be provided shall be at the rates no less favourable to the GNFG Group than the rates offered to other customers of GNFG Group who are Independent Third Parties for comparable engagement, in accordance with the relevant pricing policy of GNFG Group which may be adjusted from time to time, subject to the terms and conditions of the standard client agreement of GNS and, subject to the aforesaid, at the annual interest rate of 7.236%.

The interest rates of margin loans currently charged by GNS typically range from 7.236% p.a. to 9.252% p.a. with reference to the Hong Kong dollar prime rate as a base rate plus a markup. Apart from considering the costs of funding available to GNFG Group, such interest rates are determined case-by-case based on the client's financial background, credit standing, and the quality of the securities pledged and/or other collaterals given. In general, the margin financing interest rate applicable to the new clients would be set at the highest of the range of 9.252% but such interest rate may be adjusted upwards or downwards in accordance with the abovementioned criteria.

Under the Financing Services Agreement, the margin loan interest rate charged by GNS to Mr. Hung and the Controlled Companies is initially set at 7.236% per annum, taking into consideration of Mr. Hung's strong financial background, diversified stock portfolio with low margin ratio and good repayment history. In particular, Mr. Hung used to maintain his securities collaterals with market value over HK\$1 billion. The interest rate set for Mr. Hung is the same among the comparable clients. The interest rate of 7.236% per annum is (i) comparable to rates offered by GNFG Group to other customers who are Independent Third Parties of similar credit standing, trading record and/or quality of collaterals given; and (ii) subject to adjustment according to the pricing policy of GNS from time to time.

Margin financing ratio

GNS determines the grant of margin loans to clients based on the following criteria: (i) investment experience of the client; (ii) investment objective of the client; (iii) financial background of the client; (iv) client's securities collateral maintained and (v) prevailing market conditions. The account executive would propose a margin loan limit for the client based on the above factors for the credit committee's approval. The credit committee will then determine the margin loan limit of the client. For granting of the margin loan limit, where the amount is HK\$500,000 or below, it has to be authorized by a credit committee member, where the amount exceeds HK\$500,000, it has to be authorized by two credit committee members, and where the amount is larger than HK\$5,000,000, it has to be authorized by two credit committee members (including the chief executive officer). After the credit committee approved the margin loan limit, Mr. Hung is able to utilize the margin financing to execute his investments plans within the margin loan limit.

The members of credit committee are senior management of GNS, including two responsible officers of GNS, the chief executive officer of GNFG Group and head of risk management of GNS. The committee does not include independent non-executive directors as they are independent from the GNFG Group's daily operation. Mr. Hung, as the non-executive director of the GNFG Group, also has no management responsibility in the securities business thus he has no any influence to the credit committee.

LETTER FROM THE BOARD

According to the standard client agreement of GNS, all margin financing advanced to any client must be secured by pledge of listed equity securities acceptable to GNFG Group. GNS advances margin financing to its clients which amounts up to 80% of the value of pledged blue-chip securities (securities of companies listed on the Stock Exchange which are constituents of the Hang Seng Index), and 10% to 80% of the value of other approved securities. The margin financing ratio of each approved stock varies depending on its quality, liquidity and market capitalisation. It is GNFG Group's policy not to provide margin financing for securities listed on the GEM of the Stock Exchange, warrants and A-shares.

The amount of margin loan(s) to be granted to Mr. Hung and/or the relevant Controlled Company(ies) will be determined based on the same policies.

Payment terms

According to the standard client agreement of GNS, the principal amount of the margin financing shall be repayable on demand by GNS and the accrued interest on financing utilized shall be charged on monthly basis.

Default terms

According to the standard client agreement of GNS, in the event that any shortfall remains unsettled after the second margin call, the pledged securities may be sold in the market after due notification to repay the amount due. Should any outstanding balance remains unpaid following the sale of the pledged securities, further recovery actions will be sought.

INTERNAL CONTROL PROCEDURES GOVERNING THE TRANSACTIONS

The following internal control procedures have been established to ensure that the margin loan interest rate offered to Mr. Hung and the Controlled Companies is no less favourable to the GNFG Group than those rates offered to other customers who are Independent Third Parties:

- (i) Upon the opening of the margin account for Mr. Hung and each Controlled Companies in GNS, a customer service officer had performed checking on whether the proposed margin loan interest rate offered to Mr. Hung and/or, as the case may be, the relevant Controlled Company is comparable to the margin loan interest rates offered to all comparable clients of GNFG Group who were Independent Third Parties, taking into consideration the credit standing of Mr. Hung and the relevant Controlled Company and the quality of collaterals given as assessed by the credit committee. After checking by the customer service officer, the margin loan interest rate for Mr. Hung and/or, as the case may be, the relevant Controlled Company has to be reviewed and approved by an independent responsible officer and a credit committee member in order to ensure such rate was no less favourable to the GNFG Group than those rates offered to other customers of GNFG Group who were Independent Third Parties.

LETTER FROM THE BOARD

- (ii) Customer service officer will review with Mr. Hung about his customer profile annually and a responsible officer will monitor the market value and margin value of Mr. Hung's securities collateral to ensure the margin loan balances are within the margin value.
- (iii) The independent non-executive Directors will perform an annual review pursuant to Rule 14A.55 of the Listing Rules on whether the Financing Services provided to Mr. Hung and the Controlled Companies are conducted (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better, or on terms no less favourable to GNFG Group than those offered to the Independent Third Parties; and (iii) according to the Financing Services Agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.
- (iv) Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor will confirm, amongst other things, whether (i) the Financing Services provided to Mr. Hung and the Controlled Companies have been approved by the Board; (ii) the Financing Services provided to Mr. Hung and the Controlled Companies are in accordance with the pricing policies of the GNFG Group; (iii) the Financing Services provided to Mr. Hung and the Controlled Companies have been entered into in accordance with the Financing Services Agreement; and (iv) the Proposed Annual Caps have been exceeded.

The Group will also monitor the maximum daily outstanding amount of margin financing advanced by GNFG Group to Mr. Hung and the Controlled Companies, as well as the relevant margin loan interest income receivable by GNFG Group to ensure that the Proposed Annual Caps would not be exceeded.

Based on the above procedures and policies, the Board considers that there are adequate internal controls in place to ensure the transactions under the Financing Services Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the minority Shareholders.

LETTER FROM THE BOARD

PROPOSED ANNUAL CAPS UNDER THE FINANCING SERVICES AGREEMENT

The Margin Caps

The Margin Caps under the 2019 Financing Services Agreement

The annual caps of margin financing loan under the 2019 Financing Services Agreement to Mr Hung and the Controlled Companies are set out below:

Period	Approved margin cap amount HK\$'000
From 15 December 2019 to and including 31 March 2020	330,000
For the year ended 31 March 2021	330,000
For the year ended 31 March 2022	330,000
From 1 April 2022 to and including 14 December 2022	330,000

The historical maximum outstanding amount under the 2019 Financing Services Agreement

The historical maximum outstanding amount of the margin financing granted by GNFG Group to Mr Hung and the Controlled Companies under the 2019 Financing Services Agreement are set out below:

Period	Maximum outstanding amount HK\$'000
From 15 December 2019 to and including 31 March 2020	314,912
For the year ended 31 March 2021	320,196
For the year ended 31 March 2022	320,991
For the five months ended 31 August 2022	212,869

LETTER FROM THE BOARD

Proposed Margin Caps

The Margin Caps, being the proposed annual caps for the maximum outstanding amount of margin financing at all time, which may be advanced by GNFG Group to Mr. Hung and the Controlled Companies during the Term, are set out below:

Period	Proposed margin cap amount <i>HK\$'000</i>
From the 15 December 2022 to and including 31 March 2023	330,000
For the year ending 31 March 2024	330,000
For the year ending 31 March 2025	330,000
From 1 April 2025 to and including 14 December 2025	330,000

The Margin Caps have been determined after arm's length negotiations between GNS and Mr. Hung, taking into consideration:

- (i) the historical maximum outstanding amount of the margin financing granted by GNFG Group to Mr Hung and the Controlled Companies under the 2019 Financing Services Agreement;
- (ii) the market value of Hong Kong listed securities of approximately HK\$1,789 million as at 31 August 2022 maintained in the securities account of Mr Hung with GNS, and the corresponding margin value of approximately HK\$561 million that could then have been applied by GNS therefrom (if it did) as estimated with reference to the relevant policy of GNFG Group as described in the sub-section headed "Principal terms of the Financing Services Agreement – Margin financing ratio" in this letter. In particular, among the abovementioned securities value of approximately HK\$1,789 million, approximately HK\$1,763 million worth of securities carried margin financing with margin ratios ranging from 10% to 70% as determined under the relevant policy of GNFG Group, and gave rise to the aggregate margin value of approximately HK\$561 million. The remaining approximately HK\$26 million worth of securities carried no margin value;
- (iii) Mr. Hung's perception on the securities market and the investment plans and strategies of Mr. Hung and the Controlled Companies. During the five months ended 31 August 2022, due to the extreme negative market sentiment, it is the risk management of Mr. Hung to adopt conservative approach in his investment strategy. However, Mr. Hung is confident of the securities market in Hong Kong in the long term and plans to increase his activity level (whether personally and/or through one or more Controlled Companies) in securities investment; and
- (iv) a buffer to allow higher flexibility for Mr. Hung and the Controlled Companies to conduct investment activities.

LETTER FROM THE BOARD

In view of the above, the Directors (including the independent non-executive Directors after having taken into account the advice from Nuada as set out in their letter to the Independent Board Committee and Independent Shareholders) are of the view that the above Margin Caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Interest Caps

The Interest Caps under the 2019 Financing Services Agreement

The annual caps for the margin loan interest income under the 2019 Financing Services Agreement for Mr Hung and the Controlled Companies are set out below:

Period	<i>HK\$'000</i>
From 15 December 2019 to and including 31 March 2020	7,500
For the year ended 31 March 2021	29,000
For the year ended 31 March 2022	29,000
From 1 April 2022 to and including 14 December 2022	22,000

The historical margin loan interest income under the 2019 Financing Services Agreement

The historical margin loan interest income paid by Mr Hung and the Controlled Companies to GNFG Group under the 2019 Financing Services Agreement are set out below:

Period	<i>HK\$'000</i>
From 15 December 2019 to and including 31 March 2020	5,171
For the year ended 31 March 2021	17,304
For the year ended 31 March 2022	13,051
For the five months ended 31 August 2022	5,791

Proposed Interest Caps

The Interest Caps, being the proposed annual caps for Service Fee under the Financing Services Agreement payable by Mr. Hung and the Controlled Companies during the Term, are set out below:

Period	<i>HK\$'000</i>
From the 15 December 2022 to and including 31 March 2023	7,500
For the year ending 31 March 2024	29,000
For the year ending 31 March 2025	29,000
From 1 April 2025 to and including 14 December 2025	22,000

LETTER FROM THE BOARD

The Interest Caps have been determined after arm’s length negotiations between GNS and Mr. Hung, taking into consideration (i) the historical margin loan interest paid by Mr Hung and the Controlled Companies to GNFG Group under the 2019 Financing Services Agreement with the annual caps of margin financing loan to Mr Hung and the Controlled Companies under the 2019 Financing Services Agreement being HK\$330,000,000; (ii) the proposed maximum outstanding amount of margin financing of HK\$330,000,000 under the Financing Services Agreement at all time during the Term; (iii) the margin loan interest rate of 7.236% per annum charged by GNS to Mr Hung under the 2019 Financing Services Agreement and to be charged by GNS under the Financing Services Agreement which has been arrived at by making reference to the Hong Kong dollar prime rate as mentioned in the sub-section headed “Principal terms of the Financing Services Agreement – Service Fee and Pricing standards” in this letter; and (iv) a buffer to allow any possible rise in margin loan interest rate as a result of adjustment in the pricing policy of GNFG Group applied to all clients from time to time.

In view that (i) the Interest Caps have been determined based on the proposed Margin Caps; and (ii) the margin loan interest rate to be charged thereon is no less favourable to GNFG Group than such rate offered to other customers of GNFG Group who are Independent Third Parties as mentioned above, the Directors (including the independent non-executive Directors after having taken into account the advice from Nuada as set out in their letter to the Independent Board Committee and Independent Shareholders) are of the view that the Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF MARGIN LOAN CUSTOMERS

The information of margin loan customers of the past three years are set out below:

	As at 31 March		
	2022	2021	2020
The total number of margin loan customers	447	491	422
% of amount of margin loan granted to Mr. Hung as compared to total outstanding loan balance	5.93%	7.54%	8.46%
	For the year ended 31 March		
	2022	2021	2020
% of margin loan interests contributed by top five margin loan customers	25.32%	29.69%	22.34%
% of margin loan interests contributed by Mr. Hung	4.54%	4.34%	3.3%

LETTER FROM THE BOARD

Concentration risk

GNS has set maximum margin cap for each margin loan customer based on financial background, credit standing and the quality of securities pledged and/or other collaterals given. With reference to the Guidelines for Securities Margin Financing Activities issued by the Securities and Futures Commission, GNS has adopted a benchmark of up to 40% of the shareholders' funds as the maximum margin loan to a single client or a group of related clients.

As the percentage of amount of margin loan granted to Mr. Hung as compared to total outstanding loan balance and the percentage of margin loan interests contributed by Mr. Hung are less than 10%, Mr. Hung as a client has low impact on the GNFG Group's operation and financial position. Based on the information above, the Board considered that the concentration risk on the margin loan granted to Mr. Hung is insignificant.

The securities margin financing business of the GNFG Group target a niche market segment of high-net-worth individuals by offering quality and personal client services. Mr. Hung, with strong financial background, diversified stock portfolio with low margin ratio and good repayment history, is our typical target client. The proposed margin loan limit to be granted to Mr. Hung is in the ordinary and usual course of business of the GNFG Group with no significant impact on the cashflow and risk management of GNFG. Based on the above, the Board of GNFG Group considered Mr. Hung as a low-risk client. As such, the major terms of the margin loans to Mr. Hung are similar to the other low risk clients.

REASONS FOR ENTERING INTO THE FINANCING SERVICES AGREEMENT

The Company is an investment holding company and the Group (including the GNFG 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 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. GNFG is owned as to 72.99% by the Company.

GNS is a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of GNFG. 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.

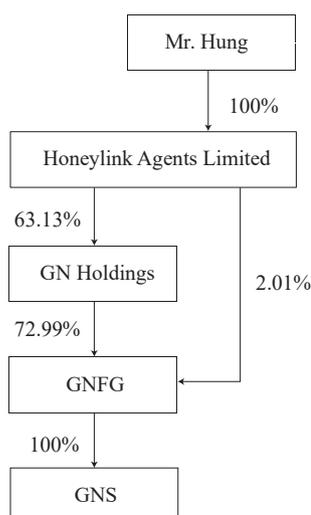
LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors after having taken into account the advice from Nuada as set out in their letter to the Independent Board Committee and Independent Shareholders) consider that the entering into of the Financing Services Agreement and the subsequent provision of the Financing Services are in the ordinary and usual course of business of the Group, and can enhance the revenue of GNFG Group and thus that of the Group. Furthermore, the terms of the Financing Services Agreement have been determined after arm's length negotiation between GNS and Mr. Hung, pursuant to which (i) the Financing Services shall be provided on normal commercial terms; (ii) the interest rates to be charged and the other terms for the provision of Financing Services by GNFG Group to Mr. Hung and the Controlled Companies shall be no less favourable to the GNFG Group than those offered to other customers of GNFG Group who are Independent Third Parties for comparable engagement, and in accordance with the relevant pricing policies of GNFG Group which may be adjusted from time to time; and (iii) the provision of the Financing Services shall be subject to the terms and conditions of the standard client agreement of GNS from time to time.

Accordingly, the Directors (including the independent non-executive Directors after having taken into account the advice from Nuada as set out in their letter to the Independent Board Committee and Independent Shareholders) are of the view that the terms of the Financing Services Agreement (including the Proposed Annual Caps) are fair and reasonable and on normal commercial terms, taking into account the potential customer concentration risks and the relatively low interest rate, and that the entering into of the Financing Services Agreement is in the ordinary and usual course of business of the GNFG Group and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The relationship between Mr. Hung, the Company, GNFG and GNS are set out in the structural chart below:



LETTER FROM THE BOARD

As at the Latest Practicable Date, Mr. Hung was deemed to be interested in 6,100,481,872 Shares, representing approximately 63.13% of the issued share capital of the Company. Mr. Hung is also an executive Director and the chairman of the Board. On the other hand, as at the Latest Practicable Date, the Company held approximately 72.99% of the issued share capital of GNFG, and GNFG wholly owns GNS. As a result of the above, Mr. Hung is a connected person of the Company and the Financing Services Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios for the Proposed Annual Caps calculated under the Listing Rules are over 5% and the aggregate amount exceeds HK\$10,000,000, the Transactions are subject to the reporting, announcement, annual review and independent shareholders' approval requirements of the Company under Chapter 14A of the Listing Rules.

Any Shareholder with a material interest in the Transactions is required to abstain from voting on the resolution in relation to the Transactions at the EGM. Mr. Hung and his associates, who held 6,100,481,872 Shares, representing approximately 63.13% of the issued share capital of the Company as at the Latest Practicable Date, are required to abstain from voting and will not vote at the EGM.

Save and except for Mr. Hung and his associates, to the best of the Directors' knowledge, information and belief, as at the Latest Practicable Date no other Shareholder has a material interest in the Transactions and is required to abstain from voting on the resolution in relation to the Transactions at the EGM.

Mr. Hung had also abstained from voting on the relevant Board resolution in relation to the Transactions. Save for Mr. Hung, no other Director has material interest in the Transactions and was required to abstain from voting on the relevant Board resolution relating to the Transactions.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors (namely Ms. Chan Oi Chong, Dr. Santos Antonio Maria and Mr. Siu Hi Lam, Alick) has been established to advise the Independent Shareholders in respect of the Transactions. Nuada has been appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE BOARD

EXTRAORDINARY GENERAL MEETING

A notice convening the EGM of the Company to be held at 3/F, Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong on Tuesday, 29 November 2022 at 10:45 a.m. and a form of proxy for use at the EGM is enclosed herein.

Whether or not you intend to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting if you so wish, and in such event, the form of proxy shall be deemed to be revoked.

RECOMMENDATION

The Board considers that the Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole and accordingly recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM for approving the Transactions.

The Independent Board Committee, having taken into account the advice of Nuada, considers that the Transactions are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and accordingly recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM for approving the Transactions.

GENERAL INFORMATION

Your attention is drawn to the letter of advice from Nuada set out in pages 18 to 35 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the Transactions and the letter from the Independent Board Committee set out in page 17 of this circular which contains its recommendation to the Independent Shareholders in relation to the Transactions.

FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
By order of the Board
Get Nice Holdings Limited
Kam, Eddie Shing Cheuk
Executive Director and Chief Executive Officer

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



GET NICE HOLDINGS LIMITED

結好控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0064)

10 November 2022

To the Independent Shareholders,

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company dated 10 November 2022 (the “**Circular**”) to the Shareholders of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed as the Independent Board Committee to advise the Independent Shareholders on whether the Transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the letter from the Board set out in pages 4 to 16 of the Circular and the letter from Nuada, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Transactions, set out in pages 18 to 35 of the Circular.

Having considered the factors and reasons considered by and the opinion of Nuada stated in its letter of advice contained in the Circular, we are of the view that the Transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Transactions.

Yours faithfully,

For and on behalf of the
Independent Board Committee

Ms. Chan Oi Chong

Dr. Santos Antonio Maria

Mr. Siu Hi Lam, Alick

Independent non-executive Directors

LETTER FROM NUADA

The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from Nuada Limited dated 10 November 2022 prepared for the purpose of inclusion in this circular.

Nuada Limited

Unit 1606, 16/F
OfficePlus @Sheung Wan
93-103 Wing Lok Street
Sheung Wan, Hong Kong
香港上環永樂街93-103號
協成行上環中心16樓1606室

10 November 2022

*To the Independent Board Committee and
the Independent Shareholders of Get Nice Holdings Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Transactions, details of which are set out in the section headed “Letter from the Board” (the “**Board Letter**”) in the Company’s circular dated 10 November 2022 to the Shareholders, of which this letter forms part. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee. Terms used in this letter shall have the same meanings as defined in this circular unless the context requires otherwise.

Reference is made to the Joint Announcement. On 3 October 2022, GNS, a subsidiary of GNFG, and Mr. Hung (an executive Director and the chairman of the Board) entered into the Financing Services Agreement, pursuant to which GNS may (but not obliged to), provide or procure any other company amongst GNFG Group to provide the Financing Services to Mr. Hung and/or the Controlled Companies from time to time during the Term, on a non-exclusive basis.

As at the Latest Practicable Date, Mr. Hung was deemed to be interested in 6,100,481,872 Shares, representing approximately 63.13% of the issued share capital of the Company. Mr. Hung is also an executive Director and the chairman of the Company. On the other hand, as at the Latest Practicable Date, the Company holds approximately 72.99% of the issued share capital of GNFG, and GNFG wholly owns GNS. As a result of the above, Mr. Hung is a connected person of the Company and the transactions contemplated under each of the Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

LETTER FROM NUADA

As one or more of the applicable percentage ratios for the Proposed Annual Caps calculated under the Listing Rules are over 5% and the aggregate amount exceeds HK\$10,000,000, the Transactions are subject to the reporting, announcement, annual review and independent shareholders' approval requirements of the Company under Chapter 14A of the Listing Rules.

Any Shareholder with a material interest in the Transactions is required to abstain from voting on the resolution in relation to the Transactions at the EGM. Mr. Hung and his associates, who held 6,100,481,872 Shares, representing approximately 63.13% of the issued share capital of the Company as at the Latest Practicable Date, are required to abstain from voting and will not vote at the EGM.

Save and except for Mr. Hung and his associates, to the best of the Directors' knowledge, information and belief, as at the Latest Practicable Date, no other Shareholder has a material interest in the Transactions and is required to abstain from voting on the resolution in relation to the Transactions at the EGM.

The Independent Board Committee has been formed to advise the Independent Shareholders as to the fairness and the reasonableness of the terms of the Transactions and as to how to vote at the EGM. We, Nuada Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Transactions.

During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, there were no other engagements between the Group and Nuada Limited. Apart from normal professional fees for our services to the Company in connection with this appointment as the Independent Financial Adviser and the engagement with GNFG in connection with the Transactions, no other arrangement exists whereby we have received/will receive any fees and/or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, pursuant to Rule 13.84 of the Listing Rules, we are independent from, and are not associated with the Company or their respective substantial shareholder(s) or connected person(s) as defined under the Listing Rules, and accordingly are considered eligible to give independent advice on the Transactions.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in this circular and the information and representations provided to us by the Company, the Directors and the management of the Company and GNFG Group ("**Management**"). We have no reason to believe that any information or representation relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in this circular, which have been provided by the Company, the Directors and the Management and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true up to the Latest Practicable Date and should there be any material changes after the despatch of this circular, the Shareholders would be notified as soon as possible.

LETTER FROM NUADA

The Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in this circular and have confirmed in this circular, having made all reasonable inquiries, that to the best of their knowledge, opinion expressed in this circular have been arrived at after due and careful consideration and there are no other facts the omission of which would make any statement in this circular misleading.

Our review and analysis were based upon, among other things, (i) the Financing Services Agreement; (ii) the financial information of the Group for the three years ended 31 March 2020 (“FY2020”), 31 March 2021 (“FY2021”) and 31 March 2022 (“FY2022”) respectively as shown in the annual reports of the Company for FY2021 (the “**Annual Report 2021**”) and FY2022 (the “**Annual Report 2022**”); (iii) the historical transaction amounts under the 2019 Financing Services Agreement; (iv) the internal credit manual of GNS; (v) the internal control policy for continuing connected transactions of GNFG; (vi) Mr. Hung’s investment plan; (vii) the auditor’s letters on the continuing connected transactions of the Group for FY2020, FY2021 and FY2022; (viii) the annual review reports of continuing connected transactions by independent non-executive Directors for FY2020, FY2021 and FY2022; (ix) the margin loan clients list of GNS as at 31 August 2022 and (x) this circular.

We consider that we have reviewed sufficient information, including relevant information and documents provided by the Company and the Directors and the information published by the Company, to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in this circular to provide a reasonable basis for our opinions and recommendations. We have not, however, carried out any independent verification of the information provided by the Company and the Directors, nor have we conducted an independent in-depth investigation into the business and affairs, financial condition and future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our recommendation in respect of the terms of the Transactions, we have taken into account the following principal factors and reasons:

1. Background information of the Group and Mr. Hung

(i) *Information of the Company, GNFG and GNS*

The Company is an investment holding company and the 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 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. GNFG is owned as to 72.99% by the Company.

LETTER FROM NUADA

GNS is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of GNFG. 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.

(ii) Information of Mr. Hung

As at the Latest Practicable Date, Mr. Hung was deemed to be interested in 6,100,481,872 Shares, representing approximately 63.13% of the issued share capital of the Company. Mr. Hung is also an executive Director and the chairman of the Board.

(iii) Financial information of the Group

The table below summarises the financial results of the Group for FY2020 and FY2021 as extracted from the Annual Report 2021 and the financial results for the Group for FY2022 as extracted from the Annual Report 2022.

Table 1: Consolidated statement of profit or loss and other comprehensive income of the Group

	For FY2022 (audited) <i>HK\$'000</i>	For FY2021 (audited) <i>HK\$'000</i>	For FY2020 (audited) <i>HK\$'000</i>
Revenue	441,075	502,616	524,524
–Broking	62,721	71,292	41,418
–Securities margin financing	287,051	306,603	325,167
–Money lending	43,291	75,178	105,744
–Corporate finance	2,672	905	257
–Asset management	2,383	–	–
–Investments	42,957	48,638	51,938
Provision of net impairment loss on accounts receivable	(130,076)	(55,703)	(110,907)
Provision of net impairment loss on other receivables	(12,933)	–	–
Reversal (Provision) of net impairment loss on loans and advances	(29,580)	(11,100)	2,915
Profit before taxation	156,540	306,542	204,280
Profit for the year	95,572	247,986	156,728
–Profit for the year attributable to owners of the Company	60,185	189,640	118,295
–Profit for the year attributable to non-controlling interests	35,387	58,346	38,433

LETTER FROM NUADA

For FY2022 and FY2021

The Group recorded a revenue of approximately HK\$441.08 million for FY2022, representing a decrease of approximately 12.24% as compared with that of approximately HK\$502.62 million for FY2021. As stated in the Annual Report 2022, the decreases of revenue was mainly attributable to the decrease in the interest income from margin financing business, money lending business and debt securities held by the Group during the year. The profit for the year attributable to the owners of the Group decreased from approximately HK\$189.64 million for FY2021 to approximately HK\$60.19 million for FY2022, which represents a significant year-to-year decrease of approximately 68.26%. Such decrease was mainly due to (i) provision of net impairment loss on accounts receivable increased from approximately HK\$55.70 million for FY2021 to approximately HK\$130.08 million for FY2022; (ii) provision of net impairment loss on other receivables from nil for FY2021 to approximately HK\$12.93 million for FY2022; and (iii) provision of net impairment loss on loans and advances from approximately HK\$11.10 million for FY2021 to approximately HK\$29.58 million.

With reference to note 6 to the consolidated financial statements of Annual Report 2022, provision of net impairment loss on accounts receivable from ten largest margin clients (including Mr. Hung Hon Man and his close family members) amounted to approximately HK\$1.0 million. As stated in the Annual Report 2022, the provision of net impairment loss was provided for the whole margin loan portfolio of the Group, no matter the client has margin shortfall or not, to recognise the expected credit loss of accounts receivable from margin clients. According to the Management, as at the Latest Practicable Date, Mr Hung and his close family members had no default history.

For FY2021 and FY2020

The Group recorded revenue of approximately HK\$502.62 million for FY2021, representing a decrease of approximately 4.18% as compared to that of approximately HK\$524.52 million for FY2020. As stated in the Annual Report 2021 and according to the Management, the decrease in revenue was mainly due to the decrease in the interest income from margin financing business, money lending business and debt securities held by the Group during the year. The profit for the year attributable to the owners of the Group increased from approximately HK\$118.30 million for FY2020 to approximately HK\$189.64 million for FY2021, which represents an increase of approximately 60.3% . As stated in the Annual Report 2021, such increase was mainly attributable to (i) decrease in loss on changes in fair value of investment properties from the loss of approximately HK\$86.56 million for FY2020 to the loss of approximately HK\$30.09 million for FY2021; (ii) decrease in net impairment loss on account receivable from margin clients from approximately HK\$110.9 million for FY2020 to approximately HK\$55.7 million for FY2021; and (iii) decrease in finance cost, from approximately HK\$32.27 million for FY2020 to approximately HK\$4.95 million for FY2021, resulted from the absence of imputed interest of convertible bonds issued by a listed subsidiary.

LETTER FROM NUADA

As shown in the table above, For FY2020, FY2021 and FY2022, the revenue generated from securities margin financing amounted to approximately HK\$325.17 million, HK\$306.60 million and HK\$287.05 million respectively, representing approximately 62.0%, 61.0% and 65.08% of the total revenue of the Group for respective financial years. Broking segment was the second largest source of revenue of the Group based on the segment revenue for FY2022, the revenue generated from the broking segment of the Group amounted to approximately HK\$41.42 million, HK\$71.29 million and HK\$62.72 million for FY2020, FY2021 and FY2022 respectively, representing approximately 7.90%, 14.18% and 14.22% of the total revenue of the Group for respective financial years.

With reference to the Annual Report 2022 and Annual Report 2021, For FY2020, FY2021 and FY2022, the segment profits generated from securities margin financing segment of the Group amounted to approximately 82.11%, 72.40% and 83.23% of the total consolidated segment profits from all segments of the Group. The segment profit margin of the securities margin financing segment of the Group (calculated by the segment profit divided by the segment revenue x 100%) was approximately 65.80%, 81.83% and 54.69% for FY2020, FY2021 and FY2022 respectively. On the other hand, the segment profits generated from broking segment of the Group amounted to approximately 0.55%, 5.62% and 3.91% of the total consolidated segment profits from all segments of the Group for FY2020, FY2021 and FY2022. The segment profit margin of the broking segment of the Group was approximately 3.46%, 27.32% and 11.75% for FY2020, FY2021 and FY2022 respectively. Based on the above, securities margin financing segment has been the major source of revenue of the Group with relatively high profit margin and is essential to the profitability of the Group in recent financial years.

Table 2: Financial position of the Group

	As at 31 March 2022 (audited) <i>HK\$'000</i>	As at 31 March 2021 (audited) <i>HK\$'000</i>
Current assets	6,264,030	5,813,776
–Bank balances – general accounts and cash	1,835,239	658,914
Current liabilities	922,298	886,728
–Deposits received for disposal of a subsidiary	126,000	–
–Bank borrowings	94,553	–
Non-current assets	1,607,031	1,797,273
Net current assets	5,341,732	4,927,048
Total equity	6,944,753	6,715,759
–Equity attributable to owners of the Company	5,751,539	5,609,065
–Non-controlling interests	1,193,214	1,106,694

LETTER FROM NUADA

As stated in the Annual Report 2022, as at 31 March 2022, the current assets of the Group amounted to approximately HK\$6,264.03 million (approximately HK\$5,830.81 million if excluded assets classified as held for sale of approximately HK\$433.22 million), which is stable to that as at 31 March 2021 (i.e. approximately HK\$5,813.78 million), out of which the bank balances of general accounts and cash increased from approximately HK\$658.91 million as at 31 March 2021 to approximately HK\$1,835.24 million as at 31 March 2022. According to the consolidated statement of cash flows in Annual Report 2022, the Group recorded net cash generated from operating activities increased from approximately HK\$469.27 million for FY2021 to approximately HK\$1,050.99 million for FY2022 and recorded a turnaround of net cash used in investing activities of approximately HK\$590.38 million for FY2021 to net cash generated from investing activities of approximately HK\$172.14 million for FY2022. The current liabilities of the Group slightly increased from approximately HK\$886.73 million as at 31 March 2021 to approximately HK\$922.30 million as at 31 March 2022. It is noted that the increase was mainly due to (i) the increase in deposits received for disposal of a subsidiary from nil as at 31 March 2021 to approximately HK\$126.0 million as at 31 March 2022; and (ii) the increase in bank borrowings from nil as at 31 March 2021 to approximately HK\$94.55 million as at 31 March 2022. The total equity attributable to owners of the Company increased slightly from approximately HK\$5,609.07 million as at 31 March 2021 to approximately HK\$5,751.54 million as at 31 March 2022.

Based on the fact that (i) the entering of Financing Services Agreement is in the ordinary and usual course of business of the Group; (ii) the margin financing segment of the Group has been the major source of revenue for the Group in recent financial years; (iii) the profitability of the margin financing segment of the Group has been essential for the profitability of the Group with relatively high profit margin in recent financial years; and (iv) the continuing decrease of revenue of the Group from FY2020 to FY2022 and the profit for the year attributable to the owners of the Group has dropped significantly in FY2022 when compared with that of FY2021, it is beneficial to enter into the Financing Services Agreement to maintain the revenue source of the Group.

2. Reasons for entering into the Financing Services Agreement

As stated in the Board Letter, entering into the Financing Services Agreement can enhance the revenue of GNFG Group and thus that of the Group. Furthermore, the terms of the Financing Services Agreement have been determined after arm's length negotiation between GNS and Mr. Hung pursuant to which (i) the Financing Services shall be provided on normal commercial terms; (ii) the interest rates to be charged, and the other terms for the provision of the Financing Services by GNFG Group to Mr. Hung and the Controlled Companies shall be no less favourable to GNFG Group than those offered to other customers of GNFG Group who are Independent Third Parties for comparable engagement, and in accordance with the relevant pricing policies of GNFG Group which may be adjusted from time to time; and (iii) the provision of the Financing Services shall be subject to the terms and conditions of the standard client agreements of GNS from time to time.

LETTER FROM NUADA

As stated in the Board Letter, the historical margin loan interest income paid by Mr. Hung and the Controlled Companies to GNFG Group amounted to approximately HK\$17.30 million for FY2021 and approximately HK\$13.05 million for FY2022 respectively, which represents approximately 5.64% and 4.55% of the revenue generated from securities margin financing business segment of the Group for FY2021 and FY2022 respectively. Based on the terms of the Financing Services Agreement as stated above that could safeguard the interests of the Group including but not limited to that the provision of the Financing Services by GNFG Group to Mr. Hung and the Controlled Companies shall be no less favourable to GNFG Group than those offered to other customers of GNFG Group who are Independent Third Parties for comparable engagement, and in accordance with the relevant pricing policies of GNFG Group which may be adjusted from time to time. We are of the view and concur with the view of the Management that entering into the Financing Services Agreement, which is in the ordinary and usual course of business of the Group as stated under the paragraph headed “1. Background information of the Group and Mr. Hung” above in this letter, would be able to maintain the revenue source for the securities margin financing segment of the Group on the basis that the terms of the Financing Services Agreement can safeguard the interests of the Group to adjust the engagement with Mr. Hung and Controlled Companies from time to time to in line with the GNFG Group’s internal policies and standard client agreement.

3. Principal terms of the Financing Services Agreement

(a) Principal terms of the Financing Services Agreement

Set out below are the principal terms of the Financing Services Agreement:

Date: 3 October 2022

Parties: (i) GNS, as provider of the Financing Services; and

(ii) Mr. Hung, as the customer

Term: From 15 December 2022 to and including 14 December 2025

Services to be provided

Pursuant to the Financing Services Agreement, GNS may (but not obliged to), upon request from Mr. Hung and/or any Controlled Company, provide or procure any other company amongst GNFG Group to provide the Financing Services to Mr. Hung and/or, as the case may be, the relevant Controlled Company from time to time during the Term, on a non-exclusive basis. The provision of the Financing Services shall be on normal commercial terms, on terms no less favourable to GNFG Group than those offered to other customers of the GNFG Group who are Independent Third Parties and subject to the terms and conditions of the standard client agreement of GNS from time to time.

LETTER FROM NUADA

Service fee and pricing standards

As stated in the Board Letter, the Service Fee for the Financing Services to be provided shall be at the rates no less favourable to GNFG Group than the rates offered to other customers of GNFG Group who are Independent Third Parties for comparable engagement, in accordance with the relevant pricing policy of GNFG Group which may be adjusted from time to time, subject to the terms and conditions of the standard client agreement of GNS and, subject to the aforesaid, at the annual interest rate of 7.236%.

The interest rates of margin loans currently charged by GNS typically range from 7.236% p.a. to 9.252% p.a. with reference to the Hong Kong dollar prime rate as a base rate plus a markup. Apart from considering the costs of funding available to GNFG Group, such interest rates are determined case-by-case based on the client's financial background, credit standing, and the quality of securities pledged and/or other collaterals given. In general, the margin financing interest rate applicable to the new clients would be set at the highest of the range of 9.252% but such interest rate may be adjusted upwards or downwards in accordance with the abovementioned criteria.

Under the Financing Services Agreement, the margin loan interest rate charged by GNS to Mr. Hung and the Controlled Companies is initially set at 7.236% per annum, taking into consideration of Mr. Hung's financial background, diversified stock portfolio with low margin ratio and repayment history. In particular, Mr. Hung used to maintain his securities collaterals with market value over HK\$1 billion. The interest rate set for Mr. Hung is the same among the comparable clients. The interest rate of 7.236% per annum which is (i) comparable to rates offered by GNFG Group to other customers who are Independent Third Parties of similar credit standing, trading record and/or quality of collaterals given; and (ii) subject to adjustment according to the pricing policy of GNS from time to time.

Margin financing ratio

As stated in the Board Letter, GNS determines the grant of margin loans to clients based on the following criteria: (i) investment experience of the client; (ii) investment objective of the client; (iii) financial background of the client; (iv) client's securities collateral maintained and (v) prevailing market conditions. The account executive would propose a margin loan limit for the client based on the above factors for the credit committee of GNS's approval. The credit committee will then determine the margin loan limit of the client. For granting of the margin loan limit, where the amount is HK\$500,000 or below, it has to be authorized by a credit committee member, where the amount exceeds HK\$500,000, it has to be authorized by two credit committee members, and where the amount is larger than HK\$5,000,000, it has to be authorized by two credit committee members (including the chief executive officer of GNFG Group). After the credit committee approved the margin loan limit, Mr. Hung is able to utilise the margin financing to execute his investments plans within the margin loan limit.

LETTER FROM NUADA

The members of credit committee are senior management of GNS, including two responsible officers of GNS, the chief executive officer of GNFG Group and head of risk management of GNS. The committee does not include independent non-executive directors of GNFG as they are independent from GNFG Group's daily operation. According to the Management, Mr. Hung, as the non-executive director of GNFG Group, is not the member of credit committee of GNS and also has no management responsibility in the securities business thus he has no any influence to the credit committee.

According to the standard client agreement of GNS, all margin financing advanced to any client must be secured by pledge of listed equity securities acceptable to GNFG Group. GNS advances margin financing to its clients which amounts up to 80% of the value of pledged blue-chip securities (securities of companies listed on the Stock Exchange which are constituents of the Hang Seng Index), and 10% to 80% of the value of other approved securities. The margin financing ratio of each approved stock varies depending on its quality, liquidity and market capitalisation. It is the GNFG Group's policy not to provide margin financing for securities listed on the GEM of the Stock Exchange, warrants and A-shares.

For detailed terms of the Financing Services Agreement, please refer to the paragraph headed "Principal terms of the Financing Services Agreement" in the Board Letter.

(b) *Our view on principal terms of the Financing Services Agreement*

As stated in the Board Letter, the interest rates of margin loans charged by GNS are determined case-by-case based on the client's financial background, credit standing, and the quality of securities pledged and/or other collaterals given. We have obtained the full margin loan clients list of GNS as at 31 August 2022 from the Management and found that over 90% of the margin loan clients would be charged by GNS of interest rates with a range between 7.236% p.a. to 9.252% p.a. ("**Interest Range**"). As discussed with the Management, there are approximately 7% of margin clients among all the margin loan clients of GNS who are charged with higher interest rate than the Interest Range. These clients generally obtained shorter term of margin loan or having invested in higher risk of investment products. The remaining margin clients, which represents approximately 3% margin accounts among the margin loan clients list of GNS, being charged with lower interest rates than the Interest Range are either dormant accounts or clients who GNS intended to provide competitive terms. As stated in the Board Letter, The terms of the Financing Services Agreement are subject to the terms and conditions of the standard client agreement of GNS that engaged with other Independent Third Parties from time to time.

LETTER FROM NUADA

In order to assess the securities pledged and the size of the investment portfolio of Mr Hung's securities account, we have obtained the monthly statements of Mr Hung and the Controlled Companies' securities accounts at GNS from April 2022 to September 2022. With reference to the monthly statement of Mr Hung and the Controlled Companies' securities accounts at GNS for August 2022, the total market value of Hong Kong listed securities maintained was approximately HK\$1,789 million, with corresponding margin value of approximately HK\$561 million. If excluded the market value of the Company and GNFG in Mr Hung and the Controlled Companies' securities accounts at GNS, which are not eligible for margin financing according to the Management, the total market value of Hong Kong listed securities maintained would be HK\$1,285 million with corresponding margin value of approximately HK\$561 million.

With reference to the monthly statement of Mr Hung and the Controlled Companies' securities accounts at GNS for September 2022, the total market value of Hong Kong listed securities maintained was approximately HK\$1,721 million with corresponding margin value of approximately HK\$533 million. If excluded the market value of the Company and GNFG in Mr Hung and the Controlled Companies' securities accounts at GNS, the market value of Hong Kong listed securities maintained in Mr. Hung's securities account was approximately HK\$1,218 million, with corresponding margin value of approximately HK\$533 million.

According to the Management, as at the Latest Practicable Date, there were no default history from Mr. Hung's securities account at GNS since the account has been opened. Based on the above, the Management confirmed that the credit standing and financial strength of Mr Hung are satisfactory to justify the interest rate of the Service Fee (i.e. 7.236%) and the interest rate of Service Fee under the Financing Services Agreement is no less favourable to GNFG Group than the rates offered to other customers of GNFG Group who are Independent Third Parties and with similar financial strength and credit standing of Mr. Hung.

LETTER FROM NUADA

With reference to the Board Letter, GNS advances margin financing to its clients which amounts up to 80% of the value of pledged blue-chip securities (securities of companies listed on the Stock Exchange which are constituents of the Hang Seng Index), and 10% to 80% of the value of other approved securities. The margin financing ratio of each approved stock varies depending on its quality, liquidity and market capitalisation. It is GNFG Group's policy not to provide margin financing for securities listed on the GEM of the Stock Exchange, warrants and A-shares. The amount of margin loans to be granted to Mr. Hung and/or the relevant Controlled Companies will be determined based on the same policies. According to the credit manual of GNS provided by the Management, the margin loan ratio would be reviewed quarterly by the credit committee, which comprises four members including the chief executive officer of GNFG Group, two responsible officers of GNS and the head of risk management of GNS, and determined with reference to the margin ratio provided by four commercial banks in Hong Kong. According to the Management, such credit committee does not include independent non-executive directors of GNFG as they are independent from GNFG Group's daily operation. According to the Management, Mr. Hung, as the non-executive director of GNFG, is not the member of the credit committee of GNS and also has no management responsibility in the securities business thus he has no any influence to the credit committee. Based on the above and having considered the internal procedure measures adopted by GNFG Group as stated under the paragraph headed "5. Internal control procedures in governing the Transactions" below in this letter, we are of the view and concur with the Management's view that GNS has implement sufficient policy for margin financing clients to safeguard the risk level of GNFG Group and no preferential margin financing ratio would be provided to Mr. hung as compared to other Independent Third Parties clients.

Having considered (i) the terms of the Financing Services Agreement are subject to the terms and conditions of the standard client agreement of GNS that engaged with other Independent Third Parties from time to time; (ii) the interest rate of Service Fee under the Financing Services Agreement is no less favourable to GNFG Group than the rates offered to other customers of GNFG Group who are Independent Third Parties and with similar financial strength and credit standing of Mr. Hung; (iii) the credit standing and financial strength of Mr Hung are satisfactory to justify the interest rate of the Service Fee; and (iv) GNS has implement sufficient policy to safeguard the risk level of GNFG Group and no preferential margin financing ratio would be provided to Mr. Hung as compared to other Independent Third Parties clients, we are of the view and concur with the Management's view that the terms of the Financing Services Agreement is fair and reasonable.

LETTER FROM NUADA

4. The annual caps

The table below shows (i) the proposed Interest Caps; and (ii) the proposed Margin Caps:

Table 3: The proposed Interest Caps and the proposed Margin Caps

Period	Proposed Interest Caps <i>HK\$'000</i>	Proposed Margin Caps <i>HK\$'000</i>
From 15 December 2022 to and including 31 March 2023	7,500	330,000
From the year ending 31 March 2024	29,000	330,000
For the year ending 31 March 2025	29,000	330,000
From 1 April 2025 to and including 14 December 2025	22,000	330,000

Please refer to the paragraph headed “Proposed annual caps under the Financing Services Agreement” under the Board Letter for the details of bases in determined the Interest Caps and Margin Caps.

With reference to the Board Letter, set out below are (i) the historical annual caps and margin financing loan granted under the 2019 Financing Services Agreement; and (ii) historical annual caps and margin loan interest income paid by Mr. Hung and the Controlled Companies to GNFG Group under the 2019 Financing Services Agreement:

LETTER FROM NUADA

Table 4: the historical figures under the 2019 Financing Services Agreement

Period	Historical annual caps for of the margin financing loan HK\$'000	Historical outstanding amount of the margin financing granted HK\$'000	Historical for the margin loan interest under the 2019 Financing Services Agreement HK\$'000	Historical margin loan interest income paid by Mr. Hung and the Controlled Companies to GNFG Group under the 2019 Financing Services Agreement HK\$'000
From 15 December 2019 to and including 31 March 2020	330,000	314,912	7,500	5,171
For the year ended 31 March 2021	330,000	320,196	25,000	17,304
For the year ended 31 March 2022	330,000	320,991	29,000	13,051
From 1 April 2022 to and including 14 December 2022	330,000	212,869 <i>(Note)</i>	22,000	5,791 <i>(Note)</i>

Note: The relevant figures represent the period from 1 April 2022 to 31 August 2022

Based on the table above, except the period for the five months ended 31 August 2022, the historical outstanding amount of margin financing loans under the 2019 Financing Services Agreement have been utilised over 95% for each of the period from 15 December 2019 to and including 31 March 2020, FY2021 and FY2022 during term of the 2019 Financing Services Agreement. According to the Management, only approximately 64.5% of the historical annual caps for the margin financing loan during the period for the five months ended 31 August 2022 have been utilised was mainly attributable to the market condition of Hong Kong stock market. According to the official website of Hang Seng Index (source: <https://www.hsi.com.hk/eng/indexes/all-indexes/hsi>), the Hang Seng Index has been decreasing from over 30,000 index points in February 2021 to below 20,000 index points in August 2022. With reference to the reports of Securities and Derivatives Markets Quarterly Report for first quarter 2022 and second quarter 2022 respectively issued by the Stock Exchange, the total turnover in value of Hong Kong stock market amounted to approximately HK\$8,929 billion in first quarter 2022, which represents a decrease of approximately 34.56% as compared to approximately HK\$13,644 billion in first quarter 2021. The total turnover in value amounted to approximately HK\$7,641 billion for second quarter 2022, which represents a decrease of approximately 14.42% as compared to that in first quarter 2022 (i.e. HK\$8,929 billion) and a decrease of approximately 15.65% as compared to that in second quarter of 2021 (i.e. HK\$9,059 billion).

LETTER FROM NUADA

Under the circumstances, we are of the view and concur with the Management's view that it is justifiable that the utilisation rate of the annual cap for the margin loan amount granted for the period from 1 April 2022 to and including 14 December 2022 under 2019 Financing Services Agreement as at 31 August 2022 is not as highly utilised as other periods. Based on Mr. Hung's investment plan, he intends to maintain the investment portfolio of him and the Controlled Companies with market value of over HK\$1,000 million. Accordingly, it is necessary to provide a buffer to allow higher flexibility for Mr. Hung and the Controlled Companies to conduct investment activities is needed when the market condition recovered in the coming years. Based on the above, we are of the view and concur with the Management's view that to maintain the Margin Caps same as the historical annual caps of margin financing loan under the 2019 Financing Services Agreement is fair and reasonable

According to the monthly statements of Mr. Hung and the Controlled Companies' securities accounts at GNS from April 2022 to September 2022 provided by the Management, we noted that during this six-month period, if excluded the market value of the Company and GNFG, the average market value of listed securities maintained in Mr. Hung's securities account was approximately HK\$1,286 million with average margin value of approximately HK\$560 million. As at 30 September 2022, the market value of listed securities maintained in Mr. Hung's securities account was approximately HK\$1,218 million, with corresponding margin value of approximately HK\$533 million, which is higher than the proposed annual caps for the maximum outstanding amount of margin financing under the Financing Services Agreement (i.e. HK\$330 million). Furthermore, according to the Management, GNS has set maximum margin cap for each margin loan customer based on financial background, credit standing and the quality of securities pledged and/or other collaterals given. With reference to the Guidelines for Securities Margin Financing Activities issued by the Securities and Futures Commission (source: <https://www.sfc.hk/-/media/EN/assets/components/codes/files-current/web/guidelines/guidelines-for-securities-margin-financing-activities/guidelines-for-securities-margin-financing-activities.pdf>), GNS has adopted a benchmark of up to 40% of the shareholders' funds as the maximum margin loan to a single client or a group of related clients.

With reference to the Annual Report 2022, the net current assets of the Group amounted to approximately HK\$5.3 billion for FY2022. The Margin Caps of approximately HK\$330.0 million per year represents approximately 6.18% of the net current assets of the Group for FY2022. As the margin amount to be provided to Mr. Hung under the Financing Service Agreement would also taking into consideration of the market value of listed securities maintained in Mr Hung and the Controlled Companies' securities accounts, we are of the view and concur with Management's view that the possibility of cash flow risk causing by the Financing Services Agreement is low.

LETTER FROM NUADA

Having considered (i) the entering of Financing Services Agreement could maintain the revenue source of the Group as stated under the paragraph headed “1. Background information of the Group and Mr. Hung” above in this letter; (ii) the market value and margin value of listed securities maintained in Mr. Hung’s securities accounts at GNS is much higher than the Margin Caps; (iii) there were no default history of Mr. Hung and the Controlled Companies’ securities account at GNS as stated under the paragraph headed “3. Principal terms of the Financial Services Agreement” above in this letter; (iv) the possibility of cash flow risk causing by the Financing Services Agreement is low as stated above and (v) the internal policies as stated under the section headed “5. Internal control procedures in governing the Transactions” would safeguard the Group’s risk level as stated below in this letter, we are of the view and concur with the Management’s view that the proposed annual caps for the maximum outstanding amount of margin financing under the Financing Services Agreement are fair and reasonable.

With reference to the Board Letter, the Interest Caps have been determined taking into consideration, among others, the historical margin loan interest paid by Mr. Hung and the Controlled Companies to the Group under the 2019 Financing Services Agreement and the annual caps of margin financing loan to Mr. Hung and the Controlled Companies under the 2019 Financing Services Agreement being HK\$330,000,000, which is same as the Margin Caps. The Interest Caps for the year ending 31 March 2024 and 31 March 2025 (i.e. HK\$29.0 million per year) represent approximately 10.1% of the total revenue generated from the securities margin financing segment of the Group for FY2022 (i.e. HK\$287.05 million) and 6.57% of the total revenue of the Group for FY2022 (i.e. HK\$441.08 million). According to the Management and with reference to the Board Letter, the percentage of amount of margin loan granted to Mr. Hung out of the total outstanding balance are less than 10% for each year for FY2020, FY2021 and FY2022, respectively. The percentage of amount of margin loan interest generated from Mr. Hung out of the total margin loan interests generated from all clients are less than 5% for each year for FY2020, FY2021 and FY2022 respectively. The Margin Caps (i.e. HK\$330 million) represents approximately 4.2% of the total assets of the Group for FY2022 (i.e. HK\$7.87 billion). Accordingly, we are of the view and concur with the Management’s view that the possibility of concentration risk to be caused by the Financial Service Agreement is low. Since (i) the revenue and profitability of the securities margin financing segment of the Group is essential to the Group as mention under the paragraph headed “1. Background information of the Group and Mr. Hung” above in this letter and the interest income from the Service Fee under the Financing Services Agreement can maintain the revenue sources of the Group; (ii) the concentration risk to be caused by the Financing Service Agreement is low as mentioned above; (iii) we are of the view an concur with the Management’s view that the Margin Caps are fair and reasonable as mentioned above and it is one of the bases in determined the Interest Caps; and (iv) the Interest Caps provide a buffer to allow any possible rise in margin loan interest rate as a result of the adjustment in the pricing policy of GNFG Group applied to all clients from time to time, we are of the view and concur with the Management’s view that the Interest Caps are fair and reasonable.

LETTER FROM NUADA

5. Internal control procedures in governing the Transactions

According to the Management, the Group has established the following internal control procedures in order to ensure that the margin loan interest rate offered to Mr. Hung and the Controlled Companies are no less favourable to GNFG Group than those rates offered to other customers who are Independent Third Parties:

1. Upon the opening of the margin account for Mr. Hung and each Controlled Company in GNS, the customer service officer had performed checking on whether the proposed margin loan interest rate offered to Mr. Hung and/or, as the case may be, the relevant Controlled Company is comparable to the margin loan interest rates offered to all comparable clients of GNFG Group who were Independent Third Parties, taking into consideration the credit standing of Mr. Hung and the relevant Controlled Company and the quality of the collaterals given as assessed by the credit committee. After checking by the customer service officer, the margin loan interest rate for Mr. Hung and/or, as the case may be, the relevant Controlled Company has to be reviewed and approved by an independent responsible officer and a credit committee member in order to ensure such rate are no less favourable to GNFG Group than those rates offered to other customers of GNFG Group who are Independent Third Parties.
2. Customer service officer of GNS will review with Mr. Hung about his customer profile annually and a responsible officer will monitor the market value and margin value of Mr. Hung's securities collateral to ensure the margin loan balances are within the margin value.
3. The independent non-executive Directors will perform an annual review pursuant to Rule 14A.55 of the Listing Rules on whether the Financing Services provided to Mr. Hung and the Controlled Companies are conducted (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better, or on terms no less favourable to GNFG Group than those offered to the Independent Third Parties; and (iii) according to the Financing Services Agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.
4. Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor will confirm, amongst other things, whether (i) the Financing Services provided to Mr. Hung and the Controlled Companies have been approved by the Board; (ii) the Financing Services provided to Mr. Hung and the Controlled Companies are in accordance with the pricing policies of the GNFG Group; (iii) the Financing Services provided to Mr. Hung and the Controlled Companies have been entered into in accordance with the Financing Services Agreement; and (iv) the Proposed Annual Caps have been exceeded.

LETTER FROM NUADA

The Group will also monitor the maximum daily outstanding amount of margin financing advanced by GNFG Group to Mr. Hung and the Controlled Companies, as well as the relevant margin loan interest income receivable by GNFG Group to ensure that the Proposed Annual Caps would not be exceeded. As GNS will monitor Mr Hung and the Controlled Companies' securities accounts on daily basis with reference to above mentioned measures, we are of the view and concur with the Management view that there are adequate internal control measures to safeguard the interests of the Group.

Regarding items (3) and (4) above, we also reviewed the relevant statements and letters issued by the independent non-executive Directors and the auditors of the Company respectively for the previous continuing connected transactions of the Group under, among others, the 2019 Financing Services Agreement, and did not notice any anomaly. We also reviewed the internal credit manual of GNS and the internal control policy for continuing connected transactions of the Group provided by the Management and did not notice any anomaly. Based on the above, we consider that there are adequate and enforceable internal control measures in place regarding the Transactions.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that (i) the entering of Financing Services Agreement is in the ordinary and usual course of business of the Group; and (ii) the terms of Financing Services Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders, and the Independent Board Committee to recommend the Independent Shareholders, and we also recommend the Independent Shareholders, to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the Transactions.

Yours faithfully,
For and on behalf of

Nuada Limited

Kevin Wong	Herman Luk
<i>Vice President</i>	<i>Assistant Manager</i>

Mr. Kevin Wong is a person licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO and is a responsible officer of Nuada Limited who has over 14 years of experience in corporate finance industry.

Mr. Herman Luk is a person licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO and is a responsible officer of Nuada Limited who has over 7 years of experience in corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(A) Directors and chief executive of the Company

As at the Latest Practicable Date, the following Directors of the Company had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the requirements of the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”):

(a) Long positions in the ordinary shares of HK\$0.1 each of the Company

Name	Capacity and nature of interest	Number of Shares held	Percentage of the Company’s issued share capital (%)
Mr. Hung	Held by controlled corporation (<i>Note</i>)	6,100,481,872	63.13

Note: Mr. Hung is deemed to be interested in 6,100,481,872 ordinary shares of the Company which are held by Honeylink Agents Limited (“**Honeylink**”), a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung.

(b) *Long positions in the non-voting deferred shares of HK\$1.0 each of GNS, a non-wholly owned subsidiary of the Company*

Name	Capacity	Number of non-voting deferred shares* held	Percentage of the issued non-voting deferred shares of GNS (%)**
Mr. Hung	Beneficial owner	36,000,000	90

* The non-voting deferred shares carry practically no rights to dividends nor to receive notice of nor to attend or vote at any general meeting of GNS and on liquidation, the assets of GNS available for distribution among the holders of ordinary shares and the holders of non-voting deferred shares shall be applied first in paying to the holders of ordinary shares the sum of HK\$1,000,000,000,000 per ordinary share and secondly in repaying to the holders of non-voting deferred shares the nominal amount paid up or credited as paid up on such shares, and the balances of the GNS's assets shall belong to and be distributed among the holders of ordinary shares in proportion to the amount paid up or credited as paid up on such ordinary shares respectively.

** The other 10% of the issued non-voting deferred shares of GNS, being 4,000,000 shares are held by Mr. Shum Kin Wai, Frankie, the managing director of GNFG.

(c) *Long positions in the ordinary shares of HK\$0.01 each of GNFG, a non-wholly owned subsidiary of the Company*

Name	Capacity	Number of issued ordinary shares held	Percentage of GNFG's issued share capital (%)
Mr. Hung	Held by controlled corporation (Note)	1,875,000,000	75.00

Note: Mr. Hung is deemed to be interested in (i) 50,309,829 ordinary shares of GNFG which are held by Honeylink, a company incorporated in the British Virgin Island with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung; and (ii) 1,824,690,171 ordinary shares of GNFG which are held by GN Holdings. Honeylink is interested in 6,100,481,872 Shares, representing 63.13% of issued share capital of the Company.

Save for those disclosed above, as at the Latest Practicable Date, no interests and short positions were held or deemed or taken to be held under Part XV of the SFO by any Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code or which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein.

As at the Latest Practicable Date, so far as was known to the Directors, none of the Directors is a director or employee of a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(B) Substantial Shareholders

As at the Latest Practicable Date, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders had an interest of 5% or more in the issued share capital of the Company and this interest represents long positions in the ordinary shares of HK\$0.1 each of the Company.

Long positions in the ordinary shares of HK\$0.1 each of the Company

Name	Capacity and nature of interest	Number of Shares held	Percentage of the Company's issued share capital (%)
Mr. Hung	Held by controlled corporation (Note)	6,100,481,872	63.13
Honeylink	Beneficial owner (Note)	<u>6,100,481,872</u>	<u>63.13</u>

Note: Mr. Hung is deemed to be interested in 6,100,481,872 Shares which are held by Honeylink, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung.

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company as at the Latest Practicable Date.

3. DIRECTORS' INTERESTS

As at the Latest Practicable Date, none of the Directors had any interests, either directly or indirectly, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2022, the date to which the latest published audited consolidated accounts of the Group were made up.

As at the Latest Practicable Date, there was no subsisting contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors nor their respective associates had an interest in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the Group's business.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which is not expiring nor determinable by the Company or any of its subsidiaries within one year without payment of compensation other than statutory compensation.

8. EXPERTS AND CONSENTS

The following is the qualification of the expert who has given opinions or advice contained in this circular:

Name	Qualification
Nuada	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

Nuada has confirmed that as at the Latest Practicable Date, it did not have any beneficial shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any direct or indirect interests in any assets which have since 31 March 2022 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

Nuada has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its opinion prepared for the purpose of incorporation in this circular, and the references to its name and opinion in the form and context in which they respectively appear.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Company (<http://www.getnice.com.hk>) and the Stock Exchange's website (<http://www.hkexnews.hk>) for a period of 14 days from the date of this circular:

- (i) the Financing Services Agreement;
- (ii) the letter of recommendation from the Independent Board Committee, the text of which is set out on page 17 of this circular;
- (iii) the letter of advice from Nuada to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 18 to 35 of this circular; and
- (iv) the written consent as referred to under the section headed "Experts and Consents" in this appendix.

10. MISCELLANEOUS

- (i) The registered office of the Company is situated at Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman KY1-1103, Cayman Islands and the principal office of the Company is situated at G/F-3/F, Cosco Floor, Grand Millennium Plaza, 183 Queen's Road, Central, Hong Kong.
- (ii) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (iii) The company secretary of the Company is Mr. Kam, Eddie Shing Cheuk, who was appointed as the company secretary of the Company on 28 April 2017. He is a member of the Hong Kong Institute of Certified Public Accountants and The Hong Kong Institute of Chartered Secretaries.
- (iv) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

NOTICE OF EGM



GET NICE HOLDINGS LIMITED

結好控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0064)

NOTICE OF EXTRAORDINARY GENERAL MEETING

IMPORTANT NOTES

In light of the ongoing Novel Coronavirus (COVID-19) pandemic, the Company will implement the following precautionary measures at the EGM to protect attending Shareholders, staff and stakeholders from the risk of infection:

- (i) compulsory body temperature checks, hand sterilisation and health declaration
- (ii) compulsory wearing of a surgical face mask for each attendee
- (iii) no distribution of corporate gift or refreshment
- (iv) appropriate seating arrangement in line with the relevant laws and regulations in Hong Kong

The Company reminds Shareholders that they may appoint the chairman of the EGM as their proxy to vote on the relevant resolution(s) at the EGM as an alternative to attending the EGM in person.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue.

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (“EGM”) of Get Nice Holdings Limited (the “**Company**”) will be held at 10:45 a.m. on Tuesday, 29 November 2022 at 3/F, Cosco Tower, Grand Millennium Plaza, 183 Queen’s Road Central, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the Financing Services Agreement (as defined in the circular to the shareholders of the Company dated 10 November 2022 (the “**Circular**”)) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the Proposed Annual Caps (as defined in the Circular), for the period/year ending 31 March 2023, 2024 and 2025 and from 1 April 2025 to and including 14 December 2025, respectively, be and are hereby approved; and

NOTICE OF EGM

- (c) the board of directors of the Company be and is hereby authorised to sign, execute, perfect, deliver and do all such documents, deeds, acts, matters and things as it considers necessary or desirable for the purposes of or in connection with or to give effect to the aforesaid Financing Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps).”

By order of the Board
Get Nice Holdings Limited
Kam, Eddie Shing Cheuk
Company Secretary

Hong Kong, 10 November 2022

Registered office:

Third Floor,
Century Yard
Cricket Square
P.O. Box 902
Grand Cayman KY1-1103
Cayman Islands

Principal place of business in Hong Kong:

G/F-3/F
Cosco Tower
Grand Millennium Plaza
183 Queen's Road Central
Hong Kong

Notes:

1. A member of the Company who is a holder of two or more shares, and who is entitled to attend and vote at the EGM is entitled to appoint more than one proxy or a duly authorised corporate representative to attend and vote in his stead. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude a member of the Company from attending the EGM and vote in person. In such event, his form of proxy will be deemed to have been revoked.
2. A form of proxy for the EGM is enclosed. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company's Hong Kong branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the EGM or any adjournment thereof.
3. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto to. If more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. The register of members of the Company will be closed from 24 November 2022 to 29 November 2022, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for attending and voting at the EGM, all transfers of shares accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 23 November 2022.
6. As at the date of this notice, the executive Directors are Mr. Hung Hon Man (Chairman), Mr. Cham Wai Ho, Anthony (Deputy chairman) and Mr. Kam, Eddie Shing Cheuk (Chief Executive Officer). The non-executive Director is Ms. Wu Yan Yee. The independent non-executive Directors are Ms. Chan Oi Chong, Dr. Santos Antonio Maria and Mr. Siu Hi Lam, Alick.