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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  
PROVISION OF SECURITIES MARGIN FINANCING SERVICE**

**SUMMARY**

During the financial year ended 31 March 2012 and for the period from 1 April 2012 to 31 October 2012, there were certain ongoing transactions arising from the provision of securities margin financing service (which is one of the principal activities of the Group) by Get Nice Securities, a wholly-owned subsidiary of the Company, to Mr Lung. These ongoing transactions had, upon Mr Lung becoming a Director on 28 April 2011, subsequently become continuing connected transactions of the Company.

Given that the highest of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the maximum value of the margin loans advanced to Mr Lung for the financial year ended 31 March 2012 and for the period from 1 April 2012 to 31 October 2012 under the Margin Client Agreement was or (until the end of 31 March 2013) would be expected to be, on an annual basis, more than 0.1% but less than 5% and the annual consideration was or would be more than HK\$1,000,000, the provision of securities margin financing service to Mr Lung was and is exempt from independent shareholders' approval requirement. The Company, however, should have complied with, but was in breach of, the applicable reporting and announcement requirements under Rules 14A.45, 14A.46 and 14A.47 of the Listing Rules.

In light of the non-compliance with the applicable requirements of the Listing Rules, the Company has adopted a number of remedial actions as briefly described in this announcement below in order to prevent recurrence of similar events in the future as well as to strengthen the internal control of the Group.

## **BACKGROUND**

During the financial year ended 31 March 2012 and for the period from 1 April 2012 to 31 October 2012 (the “**Relevant Period**”), there were certain ongoing transactions arising from the provision of securities margin financing service (which is one of the principal activities of the Group) by Get Nice Securities, a wholly-owned subsidiary of the Company, to Mr Lung.

These ongoing transactions had, upon Mr Lung becoming a Director on 28 April 2011, subsequently become continuing connected transactions of the Company and should have been subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

## **CONTINUING CONNECTED TRANSACTIONS**

### **(a) Principal terms**

The provision of securities margin financing service by Get Nice Securities to Mr Lung (which is financial assistance under the Listing Rules and is of a recurrent nature) is governed by the Margin Client Agreement.

Under the Margin Client Agreement, Get Nice Securities has agreed to make available to Mr Lung credit facilities in respect of transactions in securities upon request by Mr Lung up to such percentage as may be determined by Get Nice Securities from time to time of the market value of the collateral maintained by Mr Lung with Get Nice Securities. During the Relevant Period, the limit of credit facilities granted by Get Nice Securities to Mr Lung was HK\$50,000,000.

Interest is charged at such rate as may be specified from time to time by Get Nice Securities in respect of any debit balance on the margin securities trading account opened and maintained by Mr Lung with Get Nice Securities, and will accrue on a day-to-day basis and payable on the last day of each calendar month or upon any demand being made by Get Nice Securities. During the Relevant Period, interest was charged by reference to the Hong Kong prime rate and within such range as applicable to clients (who are independent of, and not connected with the Company and its connected persons) of similar financial standing and repayment record.

The Margin Client Agreement is a standard form and the terms of which are applicable to the provision of securities margin financing service by Get Nice Securities to clients who are independent of, and not connected with, the Company and its connected persons.

**(b) Historical transaction data and future transactions**

During the period from 28 April 2011 (being the date on which Mr Lung was appointed as a Director) to 31 March 2012:

1. the maximum principal amount of margin loans advanced by Get Nice Securities to Mr Lung was approximately HK\$34,130,000; and
2. the total interest income accrued from the margin loans advanced by Get Nice Securities to Mr Lung amounted to approximately HK\$975,000.

For the period from 1 April 2012 and up to 31 October 2012, the maximum principal amount of margin loans advanced by Get Nice Securities to Mr Lung was approximately HK\$5,332,000 and the total interest income accrued therefrom amounted to approximately HK\$23,000.

It is the intention of the Company to minimize the volume of continuing connected transactions with connected persons of the Company (including but not limited to those with Mr Lung). Going forward, the Company does not expect that the maximum principal amount of margin loans advanced or to be advanced to Mr Lung in the future to increase (or there will be any significant interest income derived or to be derived therefrom) but will maintain at a level which is below the de minimis threshold prescribed under Chapter 14A of the Listing Rules from time to time, unless the applicable Listing Rules are complied with.

**(c) Reasons for and benefits of the Continuing Connected Transactions**

The provision of securities margin financing service is one of the principal activities of the Group. Get Nice Securities has been providing securities margin financing service to Mr Lung since 2009 when he was among one of the ordinary clients of the Group. The provision of such service, which was and are of a recurrent nature, by Get Nice Securities to Mr Lung as governed by the Margin Client Agreement has been driven by commercial and business consideration.

The Directors (including the independent non-executive Directors but excluding Mr Lung who did not give an opinion) consider that the terms of the provision of securities margin financing service (including the maximum value of the financial assistance to Mr Lung) as governed by and contemplated under the Margin Client Agreement were and are fair and reasonable and in the interests of the Company and its shareholders as a whole and have been negotiated on an arm's length basis, on normal commercial terms and on terms no more favourable to Mr Lung than those which the Group would offer to independent third parties to the Group.

## **LISTING RULES IMPLICATIONS AND NON-COMPLIANCE**

As Mr Lung has become a connected person of the Company since his appointment as an executive Director on 28 April 2011, the margin loan advanced or to be advanced to him under the Margin Client Agreement constituted or would constitute financial assistance by the Company to a connected person under Chapter 14A of the Listing Rules.

Given that the highest of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the maximum value of the margin loans advanced to Mr Lung for the financial year ended 31 March 2012 and for the period from 1 April 2012 to 31 October 2012 under the Margin Client Agreement was or (until the end of 31 March 2013) would be expected to be, on an annual basis, more than 0.1% but less than 5% and the annual consideration was or would be more than HK\$1,000,000, the provision of securities margin financing service to Mr Lung was and is exempt from independent shareholders' approval requirement. The Company, however, should have complied with, but was in breach of, the applicable reporting and announcement requirements under Rules 14A.45, 14A.46 and 14A.47 of the Listing Rules.

The Company's non-compliance with the applicable requirements of the Listing Rules was an isolated event and was inadvertently overlooked as Mr Lung has been a margin client of the Group long before his becoming a Director. Mr Lung was not immediately alerted to, and therefore did not bring to the Board's attention of, the fact that the maximum value of the margin loans advanced to him had, at some point of time, exceeded the de minimis exemption under Chapter 14A of the Listing Rules.

## **REMEDIAL ACTIONS TAKEN BY THE COMPANY**

The Board had ratified, confirmed and approved (with Mr Lung abstained from voting) the ongoing transactions involving the provision of securities margin financing service by Get Nice Securities to Mr Lung governed by the Margin Client Agreement, which had constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules upon Mr Lung's becoming a Director on 28 April 2011.

In order to prevent recurrence of similar events in the future, the Company has adopted the measures to strengthen the internal control of the Group:

- (a) a list will be distributed by the Company before the appointment of any potential Director. The purpose of the list is to ascertain the nature and the extent of continuing transactions which the Director and/or associates of the Director have been involved with the Group and which will subsist and become continuing connected transactions of the Company after such appointment;
- (b) regular management meetings will be held by the Company at which senior management of each of the divisions of the Group will be present to discuss any potential transactions with the aim of identifying in advance any potential notifiable transactions, connected transactions and/or continuing connected transactions of the Company to ensure compliance with the applicable requirements of the Listing Rules in a timely manner;

- (c) prompt actions will be taken by the Company in informing or, if appropriate, consulting with the professional advisers of the Company and/or the Stock Exchange regarding the necessary steps to be taken in respect of any potential notifiable transactions, connected transactions and/or continuing connected transactions within the definition of the Listing Rules; and
- (d) ongoing trainings will be developed and provided to the Directors, all levels of senior management and employees of the Company to familiarise them with the legal and regulatory requirements applicable to the business operations of the Group.

## **INFORMATION ON THE COMPANY**

The Company is an investment holding company. The principal activities of the Group are (i) property holding, hotel operation and provision of marketing and administration of business promotion of a casino; (ii) provision of financial services, including securities dealing and broking, futures and options broking, securities margin financing, money lending, corporate finance services; and (iii) property development and holding and investment in financial instruments.

## **DEFINITIONS**

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Get Nice Holdings Limited (結好控股有限公司), a company incorporated in the Cayman Islands with limited liability whose issued shares are listed and traded on the Main Board of the Stock Exchange (stock code: 64)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Get Nice Securities”	Get Nice Securities Limited (結好證券有限公司), a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries from time to time

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Margin Client Agreement”	the standard margin client agreement dated 30 August 2009 entered into between Mr Lung and Get Nice Securities
“Mr Lung”	Mr Lung Hon Lui, who was appointed as an executive Director on 28 April 2011
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**Get Nice Holdings Limited**  
**Hung Hon Man**  
*Chairman*

Hong Kong, 2 November 2012

*As at the date of this announcement, the executive Directors are Mr Hung Hon Man, Mr Cham Wai Ho, Anthony, Mr Shum Kin Wai, Frankie, Mr Hung Sui Kwan and Mr Lung Hon Lui. The independent non-executive Directors are Mr Liu Chun Ning Wilfred, Mr Man Kong Yui and Mr Kwong Chi Kit Victor.*