

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



EAGLE NICE (INTERNATIONAL) HOLDINGS LIMITED

鷹美(國際)控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2368)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE ACQUISITION OF 100% EQUITY INTEREST IN
PROSPECT CONVERGE LIMITED
INVOLVING ISSUE OF NEW SHARES UNDER GENERAL MANDATE**

THE ACQUISITION

Reference is made to the announcement of the Company dated 5 October 2018 in relation to the memoranda of understanding entered into between the Vendor and the Purchaser in relation to the possible acquisition of the Target and the provision of loan.

The Board is pleased to announce that after the Stock Exchange trading hours on 18 October 2018, the Purchaser (a direct wholly-owned subsidiary of the Company), the Company, the Vendor and Mr. Huang (the sole beneficial owner of the Vendor) entered into the Agreement, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Share (representing the entire issued share capital of the Target) and the Sale Loans at an initial Consideration of RMB194,833,825 (equivalent to approximately HK\$220,892,849) (subject to adjustment). The final Consideration after adjustment (which adjustment shall not exceed RMB30,000,000) shall be satisfied as to RMB90,367,718 (equivalent to approximately HK\$102,454,400) by the allotment and issue of 32,320,000 Consideration Shares under the General Mandate at the issue price of HK\$3.17 per Consideration Share and as to the remaining balance by cash.

** For identification purposes only*

The Target Group is principally engaged in the production and sale of sports clothing and accessories with its production facilities located in Hubei Province, the PRC.

Upon Completion, the Target will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the Group's financial statements.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios of the Acquisition contemplated under the Agreement exceeds 5% but are all less than 25%, the Acquisition contemplated under the Agreement constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction (or waiver if applicable) of a number of conditions, and consequently the Acquisition may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

Reference is made to the announcement of the Company dated 5 October 2018 in relation to the memoranda of understanding entered into between the Vendor and the Purchaser in relation to the possible acquisition of the Target and the provision of loan.

The Board is pleased to announce that after the Stock Exchange trading hours on 18 October 2018, the Purchaser (a direct wholly-owned subsidiary of the Company), the Company, the Vendor and Mr. Huang (the sole beneficial owner of the Vendor) entered into the Agreement, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Share (representing the entire issued share capital of the Target) and the Sale Loans at the initial Consideration of RMB194,833,825 (equivalent to approximately HK\$220,892,849) (subject to adjustment as described below). Details of the Agreement and the Target are set out below.

THE AGREEMENT

Date

18 October 2018 (after trading hours)

Parties

- (i) The Purchaser;
- (ii) the Company (as the Purchaser's guarantor);
- (iii) the Vendor; and

(iv) Mr. Huang (as the Vendor's guarantor).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, (i) the Vendor and its ultimate beneficial owner (i.e. Mr. Huang) are Independent Third Parties; and (ii) the Vendor is principally engaged in investment holding.

Subject matter

Pursuant to the terms of the Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Share (representing the entire issued share capital of the Target) and the Sale Loans. Upon Completion, the Sale Share and the Sale Loans shall be acquired free from encumbrances and third party rights together with all rights attached thereto since the date to which the Completion Accounts are made up.

For details of the Target Group, please refer to the section headed "Information of the Target Group" in this announcement below.

Consideration and payment terms

The initial Consideration for the Sale Share and the Sale Loans shall be RMB194,833,825 (equivalent to approximately HK\$220,892,849), subject to adjustment as described below. The initial Consideration shall be adjusted (i) upwards on a dollar for dollar basis if the unaudited combined net assets of the Target Group as shown in the Completion Accounts exceed the Reference NAV; or (ii) downwards on a dollar for dollar basis if the unaudited combined net assets of the Target Group as shown in the Completion Accounts are less than the Reference NAV. Any upward or downward adjustment to the initial Consideration shall not exceed RMB30,000,000 (equivalent to approximately HK\$34,012,500) in any case.

The final Consideration shall be satisfied by the Purchaser to the Vendor in the following manner:

- (i) an amount of RMB20,000,000 (equivalent to approximately HK\$22,675,000) (the "**Deposit**") shall be payable by the Purchaser in cash within three Business Days after the date of signing of the Agreement;
- (ii) an amount equal to 75% of the infrastructure subsidies (the "**Infrastructure Subsidies**") that may be received by Dongneng pursuant to the agreements between Dongneng and, among others, the government of Jingmen City from the date of the Completion Accounts to 31 December 2019 shall be payable by the Purchaser on the later of the Completion Date and the date falling three Business Days after Dongneng has received the Infrastructure Subsidies. In the event the Infrastructure Subsidies are not received by Dongneng on or before 31 December 2019, the Purchaser shall not be required to pay such portion of the Consideration. In any event, the amount payable under this clause shall not exceed RMB7,875,000 (equivalent to approximately HK\$8,928,281);
- (iii) an amount of RMB90,367,718 (equivalent to HK\$102,454,400) shall be satisfied by the allotment and issue of 32,320,000 Consideration Shares at the issue price of HK\$3.17 per Consideration Share at Completion; and

- (iv) the balance of the final Consideration (after taking into account the adjustment, if any, as described above) shall be satisfied by way of setting off the Bridge Loan (including interest accrued thereon) on the Completion Date. In the event the balance of the final Consideration exceeds the Bridge Loan together with interest accrued thereon, the Purchaser shall be required to pay the excess amount in cash in RMB at Completion. In the event the balance of the final Consideration is less than the sum of the Bridge Loan together with interest accrued thereon, the Vendor shall be required to reimburse the difference in cash in RMB at Completion to the Purchaser.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to (i) the Reference NAV which has included the valuation of the Properties by an independent professional valuer of RMB171.6 million (equivalent to approximately HK\$194.55 million) as at the Reference Date using depreciated replacement cost method; (ii) the amount of Infrastructure Subsidies; and (iii) the amount of the Sale Loans as at the Completion Date; and having taken into consideration the production capability and skilled labour force of the Target Group which may be made immediately available to the Group after Completion to expand the Group's production capacity. The initial Consideration represents a premium of approximately 40% over the Reference NAV adjusted for (i) the Infrastructure Subsidies, net of tax, of RMB7,875,000 and (ii) the amount of the Sale Loans of approximately RMB110.23 million as at the Completion Date.

Consideration Shares

As at the date of this announcement, the Company has 499,680,000 Shares in issue. The 32,320,000 Consideration Shares represent approximately 6.47% of the existing issued share capital of the Company and approximately 6.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming there is no other change in the issued share capital of the Company from the date of this announcement to the Completion Date).

The total nominal value of the Consideration Shares is HK\$323,200. The Consideration Shares shall rank pari passu with the Shares in issue on the date of allotment and issue including the rights to all dividends, distributions and other payments made or to be made for which the record date falls after the date thereof.

The Consideration Shares shall be issued under the General Mandate which was granted to the Directors at the annual general meeting held on 16 August 2018 and has not been utilised since the date of its grant. As the Consideration Shares will be issued under the General Mandate, Shareholders' approval will not be required for the allotment and issue of the Consideration Shares.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Lock-up period

Pursuant to the Agreement, the Vendor agreed that (i) 15% of the Consideration Shares (being 4,848,000 Shares) shall be subject to a 12-month lock-up period; (ii) 15% of the Consideration Shares (being 4,848,000 Shares) shall be subject to a 24-month lock-up period; and (iii) the remaining 70% of the Consideration Shares (being 22,624,000 Shares) shall be

subject to a 36-month lock-up period, each commencing on the date of allotment and issue of the Consideration Shares.

Issue price

The issue price of HK\$3.17 per Consideration Share represents:

- (i) the closing price of HK\$3.17 per Share as quoted on the Stock Exchange on the date of the Agreement;
- (ii) a premium of approximately 0.44% over the average of the closing prices per Share as quoted on the Stock Exchange for the last five consecutive full trading days up to and including the date of the Agreement of HK\$3.156 per Share; and
- (iii) a discount of approximately 1.46% to the average of the closing prices per Share as quoted on the Stock Exchange for the last 10 consecutive full trading days up to and including the date of the Agreement of HK\$3.217 per Share.

The issue price of the Consideration Shares was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the prevailing market price of the Shares.

Bridge Loan

As a condition precedent for Completion, the Vendor shall undertake the Restructuring for the Target Group (as described in the paragraph headed "Shareholding structure and the Restructuring" under the section headed "Information of the Target Group" in this announcement below). Pursuant to the terms of the Agreement, the Purchaser has agreed to provide the Vendor the Bridge Loan to settle taxes and expenses incidental to the Restructuring, and to facilitate the completion of the Restructuring. The Bridge Loan shall be made available after the Vendor has provided the written approval, consent, registration, filing and evidence of other actions required from all relevant regulatory bodies regarding the implementation of the Restructuring. The principal terms of the Bridge Loan are as follows:

Lender:	The Purchaser
Borrower:	The Vendor
Principal amount:	RMB90,230,000 (equivalent to approximately HK\$102,298,263)
Interest rate:	4% per annum
Period:	two months (or any longer period to be agreed by both parties) from the date of drawdown of the Bridge Loan
Security:	The Bridge Loan shall be secured by charges over the Sale Share and the entire issued share capital of HK Co

The terms of the Bridge Loan have been arrived at after arm's length negotiations between the parties to the Agreement.

Conditions precedent

Completion of the Agreement is conditional upon the satisfaction or waiver of the following conditions precedent on or before 28 February 2019 (or such later date as the parties to the Agreement may agree):

- (i) the Restructuring as stipulated in the Agreement having been completed;
- (ii) if applicable, the approval of the Agreement and the transactions contemplated thereunder by the Shareholders as required by the Listing Rules;
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares;
- (iv) all consents, approvals, registrations, filings and other actions of/with relevant government or regulatory authorities which are necessary to be obtained and/or performed in connection with the consummation of the transactions under the Agreement with respect to the Vendor and Mr. Huang having been obtained or materialised and the Vendor having provided the Legal Opinion to the Purchaser upon Completion;
- (v) if required by the Purchaser, the Purchaser being satisfied with the results of the due diligence review on the subsistence, operations, assets and legal, taxation and environmental aspects of the Target Group, which due diligence review shall be completed on or before 31 October 2018;
- (vi) there being no material adverse change in the business and financial positions of the Target Group since the date of the Agreement to the Completion Date;
- (vii) the representations and warranties given by the Vendor in the Agreement (such as the information of the Target Group which may have a material impact on the business, operation and financial results of the Target Group) remaining true, accurate and correct in all material respects and not misleading as if the representations and warranties were repeated by the Vendor at all times from the date of the Agreement to the Completion Date;
- (viii) there being no material adverse change in the business and financial positions of the Group since the date of the Agreement to the Completion Date; and
- (ix) the representations and warranties given by the Purchaser in the Agreement remaining true, accurate and correct in all material respects and not misleading as if the representations and warranties were repeated by the Purchaser at all times from the date of the Agreement to the Completion Date.

The Purchaser may in its absolute discretion waive either in whole or in part at any time by notice in writing the conditions set out in (i), (v), (vi) or (vii) above. The Vendor may in its absolute discretion waive either in whole or in part at any time by notice in writing the conditions set out in (viii) or (ix) above. The conditions set out in (ii) (if applicable), (iii) and (iv) above are not capable of being waived by any party to the Agreement.

In the event that the conditions set out in (ii) (if applicable), (viii) or (ix) shall not have been fulfilled (or waived, if applicable) prior to 28 February 2019, the Agreement shall be

terminated and all obligations of the parties to the Agreement shall cease, except for those obligations otherwise agreed in the Agreement. The Vendor shall be entitled to confiscate the Deposit in full. The Vendor shall be required to repay the principal amount plus accrued interest of the Bridge Loan to the Purchaser while the Purchaser shall pay the Vendor a compensation amount of RMB5,000,000 (equivalent to approximately HK\$5,668,750), both within three Business Days after termination of the Agreement.

In the event that the conditions set out in (i) (provided all the relevant consents, approvals, registrations, filings and other actions of/with relevant government or regulatory authorities in respect of the Restructuring having been obtained or materialised), (vi) or (vii) shall not have been fulfilled (or waived, if applicable) prior to 28 February 2019, the Agreement shall be terminated and all obligations of the parties to the Agreement shall cease except for those obligations otherwise agreed in the Agreement. The Vendor shall return the Deposit (without interest) and repay the principal amount plus accrued interest of the Bridge Loan, and pay a compensation amount of RMB5,000,000 (equivalent to approximately HK\$5,668,750) to the Purchaser, all within three Business Days after the termination of the Agreement.

In the event that the conditions set out in (i) (provided all the relevant consents, approvals, registrations, filing and other actions of/with relevant government or regulatory authorities in respect of the Restructuring not having been obtained or materialised), (iii), (iv) or (v) shall not have been fulfilled (or waived, if applicable) prior to 28 February 2019, the Agreement shall be terminated and all obligations of the parties to the Agreement shall cease other than those obligations otherwise agreed in the Agreement. The Vendor shall return the Deposit (without interest) and repay the principal amount plus accrued interest of the Bridge Loan to the Purchaser within three Business Days after the termination of the Agreement.

Completion

Completion shall take place on the third Business Day after the date on which all of the above conditions have been fulfilled or waived (or such other date as the Purchaser and the Vendor may agree).

Restrictive covenants

Pursuant to the terms of the Agreement, the Vendor and Mr. Huang have undertaken that for a period of three years from the Completion Date, apart from Mr. Huang's indirect controlling shareholding interest in 廣東達聯製衣有限公司 (Guangdong Dalian Garment Company Limited*) (a company principally engaged in the manufacture of sportswear in Guangdong Province, the PRC), the Vendor and Mr. Huang shall not, and shall procure each of their associates not to, whether on their own account or through companies directly or indirectly controlled by any of them, (i) directly or indirectly engage in any business which competes or is likely to compete with the business engaged by the Target Group; or (ii) solicit, intervene, employ or induce any existing employees of the Target Group or individuals who were employees of the Target Group within a period of 12 months before the date of the Agreement for employment by the competitors of the Target Group.

Other terms

The title documents in respect of certain shops owned by Dongneng with total gross floor area of about 686 sq. m. outside of the site at which the Properties are located have not been obtained. As these shops are currently leased to Independent Third Parties for rental income and they do not form part of the principal production facilities

of the Target Group, the Purchaser does not intend to acquire these shops. It is agreed in the Agreement that the Purchaser shall provide all reasonable assistance to procure entering into the sale and purchase agreement regarding these shops to the Vendor or party designated by the Vendor within 30 days from Dongneng obtaining the title documents of these properties at a consideration equivalent to the existing carrying value of these shops in the accounts of the Target Group of approximately RMB740,000 (equivalent to approximately HK\$838,975).

For the purpose of determining the consideration for the Sale Share and the Sale Loans under the Agreement, no value has been attributed to these shops.

Guarantee

Pursuant to the terms of the Agreement, (i) Mr. Huang as the Vendor's guarantor shall execute a guarantee in favour of the Purchaser to guarantee the due and timely performance and payment obligations of the Vendor under the terms of the Agreement; and (ii) the Company as the Purchaser's guarantor shall execute a guarantee in favour of the Vendor to guarantee the due and timely performance and payment obligations of the Purchaser under the terms of the Agreement.

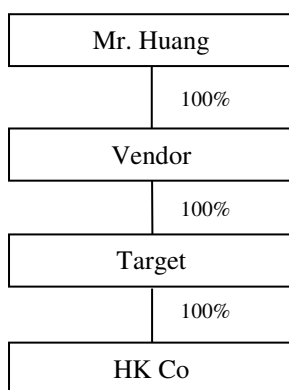
INFORMATION OF THE TARGET GROUP

Shareholding structure and the Restructuring

As a condition precedent to Completion, the Target will undergo the Restructuring.

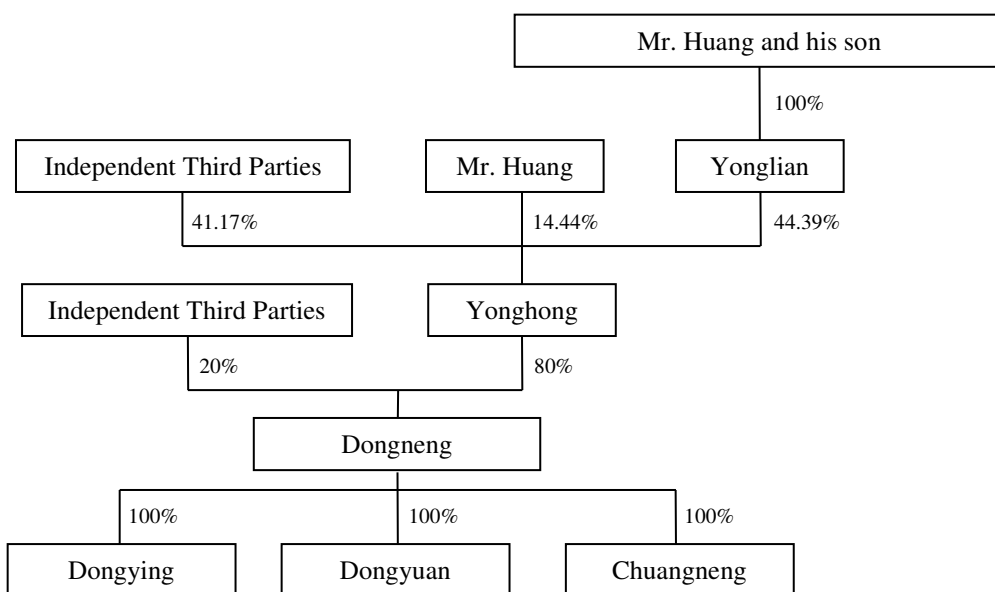
The following diagram depicts the shareholding structures of the Target Group (i) as at the date of this announcement; (ii) immediately after the Restructuring but prior to Completion; and (iii) immediately after Completion:

(i) *As at the date of this announcement*

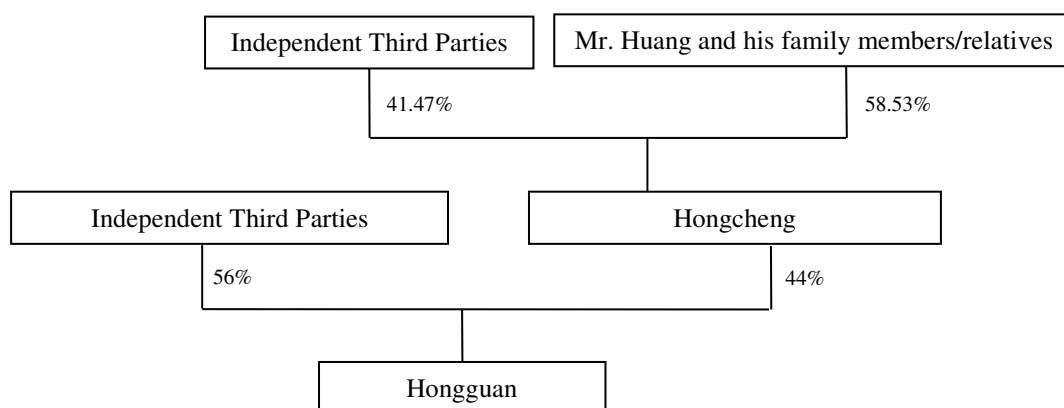


Outside PRC

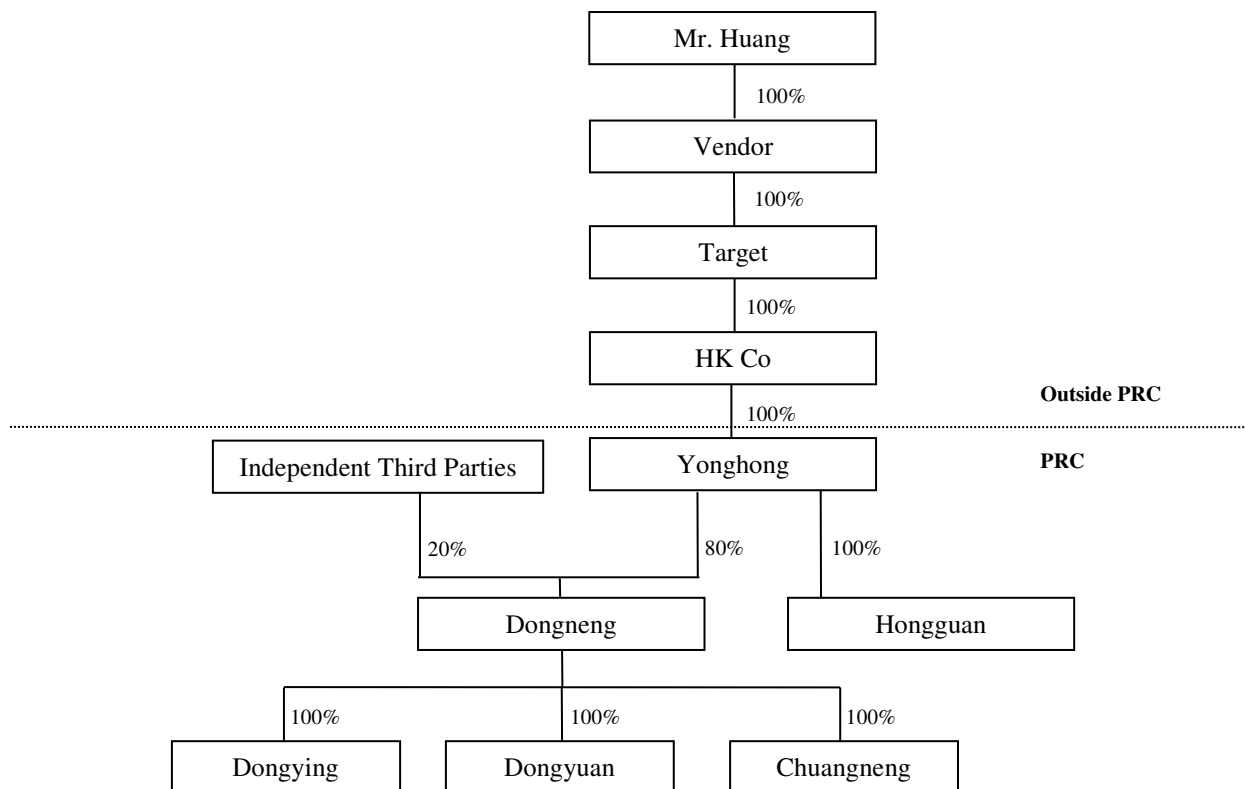
PRC



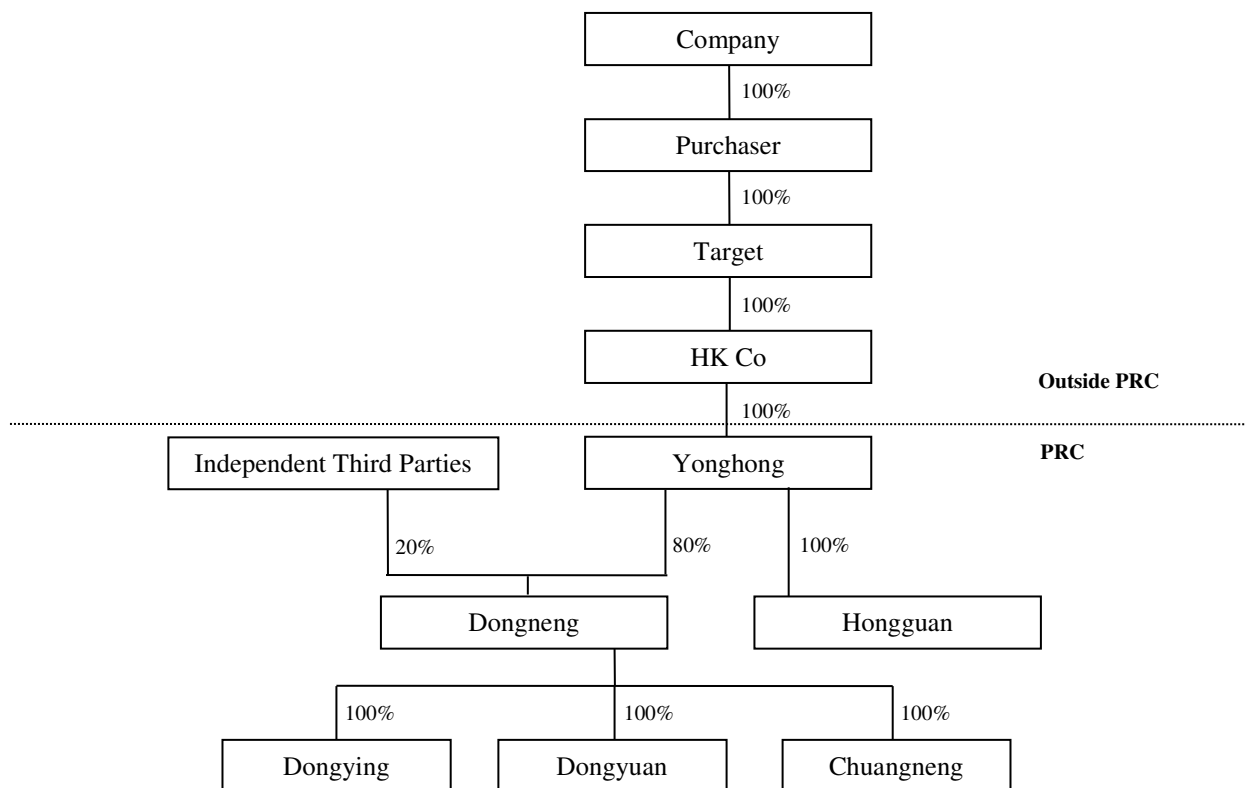
PRC



(ii) Immediately after the Restructuring but prior to Completion



(iii) Immediately after Completion



Principal activities

The Target Group at Completion shall comprise the Target, HK Co, Yonghong, Dongneng, Dongying, Dongyuan, Chuangneng and Hongguan.

The Target is a company incorporated in the BVI on 11 July 2018 while HK Co is a company incorporated in Hong Kong on 8 August 2018. As advised by the Vendor, the principal business of each of the Target and HK Co is investment holding. As at the date of this announcement, the Target is wholly owned by the Vendor and HK Co is a wholly-owned subsidiary of the Target. Both the Target and HK Co do not have other principal assets save for their respective shareholdings in the members of the Target Group upon completion of the Restructuring.

The principal operating subsidiaries of the Target Group upon completion of the Restructuring, namely Yonghong, Dongneng, Dongying, Dongyuan, Chuangneng and Hongguan are all established in the PRC. As advised by the Vendor, these principal operating subsidiaries are engaged in manufacturing and sales of clothing, sporting goods and accessories such as hats, socks and bags, and processing of embroidery and printing. The products of the Target Group are principally sold to famous sportswear brand owners in the PRC which are not the Group's existing customers.

The Target Group's production facilities are principally located at the Properties which are situated at 荊門高新區掇刀區李寧工業園 (Jingmen City High-Tech Zone Duodao District Li Ning Industrial Park*) in Hubei Province, the PRC. The Properties are owned by Dongneng and occupy a land with site area of approximately 229,289 sq. m.. The Properties comprise factory buildings, dormitory, canteens and shops with total gross floor area of approximately 114,917 sq. m.. In addition, the Target Group has leased a factory from an Independent Third Party at 荊門市屈家嶺管理區工業園 (Jinmen City Qujialing Management Zone Industrial Park*) which occupies a site area of about 4,924 sq. m.. As at the date of this announcement, the Target Group employed around 2,000 workers and there were a total of 53 production lines within the two production sites with annual production capacity of approximately 9.5 million pieces of sportswear and related accessory products.

Financial information

Set out below are the unaudited combined results of the Target Group for each of the two years ended 31 December 2016 and 2017 prepared in accordance with Hong Kong Financial Reporting Standards:

	Year ended 31 December			
	2016		2017	
	<i>RMB'000</i>	<i>Equivalent to HK\$'000</i>	<i>RMB'000</i>	<i>Equivalent to HK\$'000</i>
Profit before taxation	32,983	37,394	3,330	3,775
Profit after taxation	21,442	24,310	652	739

As at the Reference Date, the unaudited combined net assets of the Target Group assuming completion of the Restructuring amount to RMB20.9 million (equivalent to approximately HK\$23.7 million). The Sale Loans as at the Completion Date are expected to amount to approximately RMB110.23 million (equivalent to approximately HK\$124.97 million).

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the manufacture of sportswear for men, women and children on an OEM (an acronym for “original equipment manufacturer” which produces or customises products according to the design supplied by the customers) basis. The sportswear manufactured and sold by the Group can broadly be divided into tracksuits, sports pants, jackets, sweaters and tee-shirts.

As disclosed in the Company’s 2018 annual report, the Directors believed on a global basis, the sportswear market is holding out further potential for growth and an increase in production capacity is necessary to enable the Group to seize the opportunities presented by this global market trend. In this regard, the Group had completed the acquisition of a company with production facilities and operations in Vietnam in June 2018 to enhance its production capabilities, details of which were disclosed in the announcements of the Company dated 29 March 2018 and 1 June 2018 and the circular of the Company dated 30 April 2018. At present, the Group’s production bases are in the PRC, Indonesia and Vietnam and such production facilities are operating nearly at their maximum production capacity.

The Target Group is principally engaged in the production and sale of sportswear and accessories and the major customers of the Target Group comprise famous sportswear brand owners in the PRC which are not the Group’s existing customers. Given the similarity of the products being manufactured by the Group and the Target Group, the Acquisition, when completed, would make available to the Group a team of skilled workers to strengthen the workforce of the Group and enhance the production capability of the Group, as well as broaden the Group’s customer base. The Bridge Loan will be provided to facilitate the completion of the Restructuring which is a condition precedent to Completion.

Following Completion, the Target shall become a wholly-owned subsidiary of the Group and the accounts of the Target Group will be consolidated into the financial statements of the Group. The Group intends to fund the cash consideration for the Acquisition (including the Bridge Loan) principally by internal resources and, when necessary, by banking facilities. The allotment and issue of the Consideration Shares at the issue price determined with reference to prevailing market price of the Shares would on one hand reduce the cash outlay required for the Acquisition and on the other hand provide an upside potential to the Vendor as an incentive to consummate the Acquisition and enjoy the future development of the Group.

Taking into account the above, the Directors are of the view that the terms of the Agreement (including the terms of the Bridge Loan, the Consideration and the issue price of the Consideration Shares) are on normal commercial terms and fair and reasonable, and the Acquisition is in the interests of the Company and the Shareholders as a whole.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately following Completion and the allotment and issue of the Consideration Shares:

	(i) As at the date of this announcement		(ii) Immediately after Completion and the allotment and issue of the Consideration Shares	
	<i>Number of Shares held</i>	<i>Approximate % of total Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of total Shares in issue</i>
Great Pacific Investments Limited (<i>Note 1</i>)	192,000,000	38.42	192,000,000	36.09
Time Easy Investment Holdings Limited (<i>Note 2</i>)	72,650,000	14.54	72,650,000	13.66
Mr. Chung Yuk Sing (<i>Note 3</i>)	17,104,000	3.42	17,104,000	3.21
Mr. Chen Hsiao Ying (<i>Note 3</i>)	31,880,800	6.38	31,880,800	5.99
	<hr/>		<hr/>	
	313,634,800	62.76	313,634,800	58.95
The Vendor	-	-	32,320,000	6.08
Other public Shareholders	186,045,200	37.24	186,045,200	34.97
	<hr/>		<hr/>	
	499,680,000	100.00	532,000,000	100.00
	<hr/>		<hr/>	

Notes:

1. *Great Pacific Investments Limited is wholly owned by Pou Hing Industrial Co. Limited, which is in turn wholly owned by Yue Yuen Industrial (Holdings) Limited, a company whose shares are listed on the Main Board of the Stock Exchange.*
2. *The entire issued share capital of Time Easy Investment Holdings Limited is held by Mr. Chung Yuk Sing, the chairman of the Board and the chief executive officer of the Company.*
3. *Mr. Chung Yuk Sing and Mr. Chen Hsiao Ying are executive Directors.*

The Company has not issued any equity securities in the 12 months immediately preceding the date of this announcement.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios of the Acquisition contemplated under the Agreement exceeds 5% but are all less than 25%, the Acquisition contemplated under the Agreement constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction or waiver of a number of conditions, and consequently the Acquisition may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“Acquisition”	the acquisition of the Sale Share and the Sale Loans by the Purchaser from the Vendor pursuant to the terms of the Agreement
“Agreement”	the conditional sale and purchase agreement dated 18 October 2018 entered into among the Vendor, Mr. Huang, the Purchaser and the Company in relation to the Acquisition
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bridge Loan”	the bridge loan to be provided by the Purchaser to the Vendor to facilitate completion of the Restructuring, details of which are set out in the paragraph headed “Bridge Loan” under the section headed “The Agreement” in this announcement
“Business Day(s)”	a day(s) (other than Saturday or Sunday) on which banks are generally open for banking business in Hong Kong
“BVI”	British Virgin Islands
“Chuangneng”	湖北創能製衣有限公司 (Hubei Chuangneng Textile Company Limited*), a company established in the PRC with limited liability which is a wholly-owned subsidiary of Dongneng
“Company”	Eagle Nice (International) Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2368)
“Completion”	completion of the Acquisition pursuant to the terms of the Agreement
“Completion Accounts”	the unaudited combined financial statements of the Target Group assuming completion of the Restructuring made up to a date falling on the latest calendar month end immediately prior to Completion
“Completion Date”	the date on which Completion takes place

“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Acquisition
“Consideration Share(s)”	32,320,000 Share(s) to be allotted and issued by the Company to the Vendor to settle part of the Consideration
“Director(s)”	director(s) of the Company
“Dongneng”	湖北動能體育用品有限公司 (Hubei LPV Sports Co., Limited), a company established in the PRC with limited liability which is owned as to 80% by Yonghong and 10% each by two Independent Third Parties
“Dongying”	湖北動盈製衣有限公司 (Hubei Dongying Textile Company Limited*), a company established in the PRC with limited liability which is a wholly-owned subsidiary of Dongneng
“Dongyuan”	湖北動源製衣有限公司 (Hubei Dongyuan Textile Company Limited*), a company established in the PRC with limited liability which is a wholly-owned subsidiary of Dongneng
General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 16 August 2018 to allot and issue up to 99,936,000 new Shares
“Group”	the Company and its subsidiaries
“HK Co”	Hongshuo Hong Kong Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target
“Hongcheng”	佛山市宏成投資有限公司 (Foshan City Hongcheng Investment Company Limited*), a company incorporated in the PRC with limited liability which is owned as to 58.53% by Mr. Huang and his family members/relatives and as to 41.47% by Independent Third Parties
“Hongguan”	湖北動能宏冠服裝彩印有限公司 (Hubei Dongneng Hongguan Garment Colour Printing Company Limited*), a company established in the PRC with limited liability, which is owned as to 44% by Hongcheng and 56% by Independent Third Parties
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons or their respective associates

“Legal Opinion”	the legal opinion to be issued by GFE Law Office or other PRC practising lawyer engaged by the Vendor (with the consent of the Purchaser) and dated the Completion Date, covering matters relating to all consents, approvals, registrations, filings and other actions of/with relevant government or regulatory authorities which are necessary to be obtained and/or performed in connection with the consummation of the transactions under the Agreement with respect to the Vendor and Mr. Huang, the Restructuring or other matters in relation to the transactions under the Agreement specified by the Purchaser, in such a form and substance agreed by the Purchaser and the Vendor
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Huang”	Mr. Huang Yongbiao, the sole beneficial owner of the Target as at the date of this announcement
“PRC”	The People’s Republic of China and, for the purpose of this announcement, excludes Hong Kong, Macao Special Administrative Region and Taiwan
“Properties”	the production facilities owned by the Target Group located at an industrial complex in Li Ning Industrial Park, Duodao District, Jingmen City, Hubei Province, the PRC
“Purchaser”	Jespar Age Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Reference Date”	30 June 2018
“Reference NAV”	the unaudited combined net assets of the Target Group assuming completion of the Restructuring as at the Reference Date
“Restructuring”	the restructuring of the shareholding of the companies comprising the Target Group to be undertaken by the Vendor prior to Completion, details of which are set out in the section headed “Information of the Target Group” in this announcement
“Sale Loans”	all the outstanding shareholder’s loans owing by HK Co to the Vendor immediately prior to Completion
“Sale Share”	one issued share in the capital of the Target, representing the entire issued capital of the Target
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target”	Prospect Converge Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Vendor prior to Completion
“Target Group”	the Target and its subsidiaries at Completion (being HK Co, Yonghong, Dongneng, Dongying, Dongyuan, Chuangneng and Hongguan)
“Yonghong”	佛山市順德區永宏紡織品有限公司 (Foshan City Shunde District Yonghong Textile Company Limited*), a company established in the PRC with limited liability which is owned as to 44.39% by Yonglian, 14.44% by Mr. Huang and 41.17% by Independent Third Parties as at the date of this announcement and prior to the Restructuring
“Yonglian”	佛山市順德區永聯投資有限公司 (Foshan City Shunde District Yonglian Investment Company Limited*), a company established in the PRC with limited liability which is wholly owned by Mr. Huang and his son as at the date of this announcement
“Vendor”	Excel Skill International Limited, a company incorporated in the BVI with limited liability which is wholly owned by Mr. Huang
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq. m.”	square metre(s)
“%”	per cent.

For reference purposes only and unless otherwise specified, RMB amounts in this announcement have been translated into HK\$ using the rate of RMB1 to HK\$1.13375. No representation is made that RMB could actually be converted into HK\$ at this rate or at any other rate or at all.

By Order of the Board
Eagle Nice (International) Holdings Limited
Chung Yuk Sing
Chairman

Hong Kong, 18 October 2018

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Chung Yuk Sing, Mr. Chen Hsiao Ying, Ms. Chen Fang Mei, Christina and Mr. Lee Cheng Chuan, and three independent non-executive Directors, namely, Mr. Chan Cheuk Ho, Mr. Lu Chi Chant and Ms. Tham Kit Wan.