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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)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO
THE ACQUISITION OF THE TARGET COMPANY**

Reference is made to the announcement of the Company dated 3 November 2021 (the “**Announcement**”) in relation to, among other things, the acquisition of the Target Company. Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

As disclosed in the Announcement, the consideration under the Conditional Sale and Purchase Agreement was determined after arm’s length negotiation between the Vendors and the Purchasers having taken into consideration (i) the net asset value of the Target Company as at 31 July 2021; (ii) the valuation of the land and buildings owned by the Target Company located at Jl. Cangkuang Kulon No.38 Moh. Toha RT 004/RW012, District Cangkuang Kulon, Sub-district Dayeuhkolot, Bandung Regency, West Java Province, Indonesia (the “**Land and Buildings**”) by an independent professional valuer of IDR96 billion (equivalent to approximately HK\$52.55 million) as at 27 August 2021, being the valuation date, using depreciated replacement cost method; and (iii) the factors set out in the paragraph headed “Reasons for and benefits of the Subscription and the Acquisition” in the Announcement.

As also disclosed in the Announcement, the Target Company recorded net liabilities of IDR47.59 billion (equivalent to approximately HK\$26.05 million) as at 31 July 2021 according to the audited accounts of the Target Company.

** For identification purposes only*

The Board wishes to provide the following additional information in relation to the net asset value of the Target Company and the basis for determining the consideration under the Conditional Sale and Purchase Agreement:

- (i) according to the audited accounts of the Target Company, the book value of the Land and Buildings as at 31 July 2021 was IDR30.94 billion (equivalent to approximately HK\$16.93 million);
- (ii) talking into account the market value of the Land and Buildings of IDR96 billion (equivalent to approximately HK\$52.55 million) as at 27 August 2021, the pro forma net asset value of the Target Company as at 31 July 2021 would be, for illustrative purpose only, IDR17.47 billion (equivalent to approximately HK\$9.57 million); and
- (iii) the consideration for the entire issued share capital of the Target Company is US\$1,500,000 (equivalent to approximately HK\$11.7 million), which represents a premium of approximately HK\$2.13 million over its pro forma net asset value as at 31 July 2021. The Board considered such premium and the consideration are fair and reasonable as the Target Company can increase the Group's production capacity in Indonesia by making use of the readily available facilities of the Target Company without incurring additional construction costs.

In light of the above and as disclosed in the Announcement, the Directors consider that the entering into of the Conditional Sale and Purchase Agreement and the Acquisition contemplated thereunder are carried out on normal commercial terms which are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

For reference purposes only and unless otherwise specified, US\$ amounts have been translated into HK\$ using the rate of US\$1 to HK\$7.80 and IDR amounts have been translated into HK\$ using the rate of HK\$1 to IDR1,827 in this announcement.

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

Hong Kong, 18 November 2021

As at the date of this announcement, the Board comprises seven executive Directors, namely, Mr. Chung Yuk Sing, Mr. Chen Hsiao Ying, Mr. Huang Yongbiao, Ms. Chen Fang Mei, Christina, Mr. Shih Chih-Hung, Mr. Chung Chi Kit and Mr. Hu Chia-Ho and four independent non-executive Directors, namely, Mr. Chan Cheuk Ho, Mr. Lu Chi Chant, Ms. Tham Kit Wan and Mr. Leung Spencer Yu Cheong.