

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.



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)

**CONTINUING CONNECTED TRANSACTION
SUPPLEMENTAL TENANCY AGREEMENT**

Reference is made to the Announcements. The Board wishes to announce that on 29 May 2020 (after trading hours), Pouyuen Vietnam, a connected person of the Company, and Vietnam Company, an indirect wholly owned subsidiary of the Company, entered into the Supplemental Tenancy Agreement in relation to the leasing of the Additional Leased Properties by Pouyuen Vietnam to Vietnam Company.

As the Supplemental Tenancy Agreement operates to increase the annual caps for, or otherwise effect a material change to, a previously disclosed continuing connected transaction for the Company, pursuant to Rule 14A.54 of the Listing Rules, the Company is required to re-comply with the requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) calculated with reference to the annual amount payable under the Supplemental Tenancy Agreement (when aggregated with the Tenancy Agreement and the Master Services Agreement) are more than 0.1% but less than 5% and the relevant transactions are made on normal commercial terms, the transactions contemplated under the Supplemental Tenancy Agreement (together with the Tenancy Agreement and the Master Services Agreement) are subject to the reporting and announcements requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the three announcements of Eagle Nice (International) Holdings Limited (the “**Company**”) dated 29 March 2018, 27 April 2018 and 1 June 2018, respectively (collectively, the “**Announcements**”) and the circular dated 30 April 2018 in respect of, among other things, the continuing connected transactions of the Company. Unless the context requires otherwise, terms used herein shall have the same meanings as those defined in the Announcements.

The Board wishes to announce that on 29 May 2020 (after trading hours), Pouyuen Vietnam, a connected person of the Company, and Vietnam Company, an indirect wholly owned subsidiary of the Company, entered into the supplemental tenancy agreement in respect of the Tenancy Agreement (the “**Supplemental Tenancy Agreement**”), the principal terms of which are as follows:

THE SUPPLEMENTAL TENANCY AGREEMENT

Date:	29 May 2020 (after trading hours)
Landlord:	Pouyuen Vietnam, a company established in Vietnam and an indirect wholly-owned subsidiary of Yue Yuen, who as at the date of this announcement is the controlling shareholder of the Company indirectly holding 192,000,000 Shares, representing approximately 36.09% of the issued share capital of the Company and is therefore a connected person of the Company
Tenant:	Vietnam Company, a company established in Vietnam and an indirect wholly-owned subsidiary of the Company
Additional Leased Properties:	The area identified as J1-3F located in the precinct of Pouyuen Vietnam (the “ Additional Leased Properties ”)
Gross floor area:	1,068 square metres
Term:	One (1) year from 1 June 2020 to 31 May 2021 (both days inclusive)
Rental:	US\$3,204 per month, representing US\$3 per square metres (inclusive of management fees but exclusive of VAT)
Use:	The Additional Leased Properties will be used by Vietnam Company for storage of raw materials and finished goods pertaining to its production

The terms of the Supplemental Tenancy Agreement have been arrived at arm's length negotiations between the parties and having taken into account of the rental per square metre payable under the Tenancy Agreement which was determined with reference to the market rent for similar properties in the nearby area indicated by an independent professional valuer.

Based on the aforesaid principal terms of the Supplemental Tenancy Agreement, the annual rental payable by Vietnam Company to Pouyuen Vietnam during each of the two financial years ending 31 March 2022 shall be as follows:

	<i>For the financial year ending 31 March</i>	
	<i>2021</i>	<i>2022</i>
US\$	32,040	6,408
Equivalent to approximately HK\$	250,000	50,000

Accordingly, the (i) original aggregate maximum amount payable by Vietnam Company to Pouyuen Vietnam under the Tenancy Agreement and the Master Services Agreement and (ii) revised aggregate maximum amount payable by Vietnam Company to Pouyuen Vietnam under the Tenancy Agreement, the Supplemental Tenancy Agreement and the Master Services Agreement for each of the two financial years ending 31 March 2022 are as follows:

<i>For the financial year ending 31 March</i>	<i>Original aggregate maximum amount</i>		<i>Revised aggregate maximum amount</i>	
	US\$	Equivalent to approximately HK\$	US\$	Equivalent to approximately HK\$
<i>2021</i>	2,654,208	20,703,000	2,686,248	20,953,000
<i>2022</i>	442,368	3,450,000	448,776	3,500,000

INFORMATION ON THE PARTIES AND THE REASONS FOR AND BENEFITS OF THE TRANSACTIONS CONTEMPLATED UNDER THE SUPPLEMENTAL TENANCY AGREEMENT

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 customizes products according to the design supplied by the customers) basis. The sportswear manufactured and sold by the Group can broadly be divided into tracksuits, sport pants, jackets, sweaters and T-shirts. Vietnam Company is an indirect wholly-owned subsidiary of the Company and is principally engaged in the business of manufacture of sportswear in Vietnam.

Pouyuen Vietnam is a company established in Vietnam and an indirect wholly-owned subsidiary of Yue Yuen and to the best of the Directors’ knowledge, information and belief having made reasonable enquiries, Pouyuen Vietnam is principally engaged in manufacture and sales of footwear.

The Leased Properties have been occupied by the Group as production facilities since the completion of the acquisition of the group of companies comprising, among others, Vietnam Company in 2018 as detailed in the Announcements. To cope with the expansion in the production capacity and the corresponding increase in demand of storage space for the raw materials and finished goods pertaining to the Group’s production, Pouyuen Vietnam agreed to lease the Additional Leased Properties, which is in the proximity of the Leased Properties, to Vietnam Company at the same rental per square metre payable under the Tenancy Agreement. The Directors (including the independent non-executive Directors) consider that the Supplemental Tenancy Agreement is entered into in the ordinary and usual course of business of the Group and that the terms are on normal commercial terms and fair and reasonable, and the entering into of the Supplemental Tenancy Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As disclosed in the Announcements, the transactions contemplated under the Tenancy Agreement and the Master Services Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules by virtue of Pouyuen Vietnam being an indirect wholly-owned subsidiary of Yue Yuen, who in turn is the controlling shareholder of the Company holding indirectly 192,000,000 Shares representing approximately 36.09% of the issued share capital of the Company and is a connected person of the Company.

As the Supplemental Tenancy Agreement operates to increase the annual caps for, or otherwise effect a material change to, a previously disclosed continuing connected transaction for the Company, pursuant to Rule 14A.54 of the Listing Rules, the Company is required to re-comply with the requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) calculated with reference to the annual amount payable under the Supplemental Tenancy Agreement (when aggregated with the Tenancy Agreement and the Master Services Agreement) are more than 0.1% but less than 5% and the relevant transactions are made on normal commercial terms, the transactions contemplated under the Supplemental Tenancy Agreement (together with the Tenancy Agreement and the Master Services Agreement) are subject to the reporting and announcements requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

By virtue of their respective positions held in Yue Yuen or its associates, the following Directors, namely, Ms. Chen Fang Mei, Christina, Mr. Hu Dien Chien and Mr. Shih Chih-Hung are required to abstain from voting at the Board meeting on the resolution approving the Supplemental Tenancy Agreement. Save as disclosed above, none of the Directors has any material interest in the Supplemental Tenancy Agreement and is required to abstain from voting on the board resolutions approving the Supplemental Tenancy Agreement.

GENERAL

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

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

Hong Kong, 29 May 2020

As at the date of this announcement, the Board comprises six executive directors, namely, Mr. Chung Yuk Sing, Mr. Chen Hsiao Ying, Mr. Huang Yongbiao, Ms. Chen Fang Mei, Christina, Mr. Hu Dien Chien and Mr. Shih Chih-Hung and three independent non-executive directors, namely, Mr. Chan Cheuk Ho, Mr. Lu Chi Chant and Ms. Tham Kit Wan.