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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)

CONTINUING CONNECTED TRANSACTION

**ENTERING INTO OF NEW SUPPLEMENTAL TENANCY AGREEMENT
AND
EARLY TERMINATION OF SUPPLEMENTAL TENANCY AGREEMENT**

ENTERING INTO OF NEW SUPPLEMENTAL TENANCY AGREEMENT

Reference is made to the Announcements. The Board wishes to announce that on 25 November 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 New Supplemental Tenancy Agreement in relation to the leasing of the New Additional Leased Properties by Pouyuen Vietnam to Vietnam Company.

EARLY TERMINATION OF SUPPLEMENTAL TENANCY AGREEMENT

Reference is made to the announcement of the Company dated 29 May 2020 in relation to the continuing connected transaction of the Company whereby the Board announced that Pouyuen Vietnam and Vietnam Company entered into the Supplemental Tenancy Agreement in relation to the leasing of the Additional Leased Properties by Pouyuen Vietnam to Vietnam Company.

The Board wishes to announce that following the entering into of the New Supplemental Tenancy Agreement, Pouyuen Vietnam and Vietnam Company entered into the Termination Agreement on the same day to terminate the Supplemental Tenancy Agreement with effect from 30 November 2020.

** For identification purpose only*

LISTING RULES IMPLICATIONS

As the New 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 New 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 New 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.

ENTERING INTO OF NEW SUPPLEMENTAL TENANCY AGREEMENT

Reference is made to the four announcements of Eagle Nice (International) Holdings Limited (the “**Company**”) dated 29 March 2018, 27 April 2018, 1 June 2018 and 29 May 2020, respectively (collectively, the “**Announcements**”) 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 25 November 2020 (after trading hours), Pouyuen Vietnam and Vietnam Company entered into the new supplemental tenancy agreement in respect of the Tenancy Agreement (the “**New Supplemental Tenancy Agreement**”), the principal terms of which are as follows:

The New Supplemental Tenancy Agreement

Date:	25 November 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 holding indirectly 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
New Additional Leased Properties:	The area identified as J2-2F located in the precinct of Pouyuen Vietnam (the “ New Additional Leased Properties ”)
Gross floor area:	3,698 square metres
Term:	Two (2) years and six (6) months from 1 December 2020 to 31 May 2023 (both days inclusive)
Rental:	US\$11,094 per month, representing US\$3 per square metres (inclusive of management fees but exclusive of VAT)
Use:	The New 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 New 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 New Supplemental Tenancy Agreement, the annual rental payable by Vietnam Company to Pouyuen Vietnam during each of the four financial years ending 31 March 2024 shall be as follows:

	<i>For the financial year ending 31 March</i>			
	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
US\$	44,376	133,128	133,128	22,188
Equivalent to approximately HK\$	346,000	1,038,000	1,038,000	173,000

EARLY TERMINATION OF SUPPLEMENTAL TENANCY AGREEMENT

Reference is made to the announcement of the Company dated 29 May 2020 in relation to the continuing connected transaction of the Company whereby the Board announced that Pouyuen Vietnam and Vietnam Company entered into the Supplemental Tenancy Agreement in relation to the leasing of the Additional Leased Properties by Pouyuen Vietnam to Vietnam Company.

The Board wishes to announce that following the entering into of the New Supplemental Tenancy Agreement, Pouyuen Vietnam and Vietnam Company entered into the termination agreement (the “**Termination Agreement**”) on the same day to terminate the Supplemental Tenancy Agreement with effect from 30 November 2020.

Pursuant to the terms of the Termination Agreement, other than reinstating the Additional Leased Properties to its original state at the expense of Vietnam Company and delivering up vacant possession of the same to Pouyuen Vietnam on 30 November 2020, no early termination fees or compensation are required to be paid by Vietnam Company.

ANNUAL CAPS

Based on the above, (i) the original aggregate maximum amount payable by Vietnam Company to Pouyuen Vietnam under the Tenancy Agreement, the Supplemental Tenancy Agreement and the Master Services Agreement; and (ii) the revised aggregate maximum amount payable by Vietnam Company to Pouyuen Vietnam under the Tenancy Agreement, the Supplemental Tenancy Agreement (up to and including the effective date of the Termination Agreement, being 30 November 2020), the New Supplemental Tenancy Agreement and the Master Services Agreement for each of the four financial years ending 31 March 2024 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>	2,686,248	20,953,000	2,717,808	21,199,000
<i>2022</i>	448,776	3,500,000	575,496	4,489,000
<i>2023</i>	--	--	133,128	1,038,000
<i>2024</i>	--	--	22,188	173,000

INFORMATION ON THE PARTIES

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.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW SUPPLEMENTAL TENANCY AGREEMENT AND THE TERMINATION AGREEMENT

As disclosed in the Announcements, 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 and the Additional Leased Properties have been occupied by the Group since 1 June 2020 as storage of raw materials and finished goods pertaining to its production. 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 New Additional Leased Properties which is also in the proximity of the Leased Properties with a larger site area of approximately 3,698 square metres, in place of the Additional Leased Properties of approximate 1,068 square metres, to Vietnam Company. Accordingly, Pouyuen Vietnam and Vietnam Company agreed to enter into the Termination Agreement to terminate the Supplemental Tenancy Agreement and to enter into the New Supplemental Tenancy Agreement.

The Directors (including the independent non-executive Directors) consider that the New Supplemental Tenancy Agreement and the Termination Agreement are 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 New Supplemental Tenancy Agreement and the Termination Agreement are in the interests of the Company and the Shareholders as a whole. In addition, the Directors are of the view that the entering into of the Termination Agreement will not cause any material adverse effect on the operation, business and financial position of the Group.

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, 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 New 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 New 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 New 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 resolutions approving the New Supplemental Tenancy Agreement and the Termination 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, 25 November 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.