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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)

ANNOUNCEMENT

The Board has noted the recent increases in the price and trading volume of the Shares and wishes to state that it is not aware of the reasons for such increases save as disclosed below.

The Board is in discussion with Great Pacific regarding a proposed variation of the terms (including the conversion period) of the Convertible Note. **Shareholders and potential investors of the Company should note that the discussions are at a preliminary stage and no binding agreement has been made and that the proposal may or may not proceed.**

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The board of directors (the “Board”) of Eagle Nice (International) Holdings Limited (the “Company”) has noted the recent increases in the price and trading volume of the shares of HK\$0.01 each in the Company (“Shares”) and wishes to state that the Board is not aware of the reasons for such increases save as disclosed below.

The Board is in discussion with Great Pacific Investments Limited (“Great Pacific”), a wholly-owned subsidiary of Yue Yuen Industrial (Holdings) Limited and a controlling shareholder (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”)) of the Company currently holding approximately 30.88% of the existing issued Shares, regarding a proposed variation of the terms (including the conversion period) of the convertible note in the aggregate principal amount of HK\$207,060,000 issued by the Company in favour of Great Pacific on 16th April, 2004 (the “Convertible Note”). Full conversion of the Convertible Note at the initial conversion price of HK\$2.38 per Share will result in the issue of 87,000,000 Shares to Great Pacific and the percentage shareholding of Great Pacific in the Company will be increased from approximately 30.88% to approximately 44.96%. Further details of the Convertible Note are contained in the circular of the Company dated 24th March, 2004. **Shareholders**

* For identification purpose only

and potential investors of the Company should note that the discussions are at a preliminary stage and no binding agreement has been made and that the proposal may or may not proceed. Further announcement will be made by the Company as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

The Board also confirms that save as disclosed above, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

As at the date of this announcement, the Board comprises six executive Directors, namely, Mr. Chung Yuk Sing, Ms. Tsang Yuk Ni, Mr. Chung Tung Sau, Ms. Tsang Sau Fan, Mr. Edward Ku Yu Sun and Mr. Kuo Tai Yu, one non-executive Director, namely, Mr. Ong Chor Wei and two independent non-executive Directors, namely, Mr. Chan Cheuk Ho and Mr. Li Chi Chung.

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

Hong Kong, 23rd August, 2004

“Please also refer to the published version of this announcement in The Standard”.