

**EAGLE NICE (INTERNATIONAL) HOLDINGS LTD:  
IS THE COMPANY A LITTLE SHORT OF THE READY ?**

Of the Fixed Assets, in the Books of the Company at a Cost of about \$HK38.37 million, one luxury flat, presently used, buckshee, by the Chairman and his wife as their living quarters, has been valued, as at May 31, 2003, at about \$HK13.80 million.

That suggests, prima facie, that about 36 percent of the Fixed Assets of Eagle Nice (International) Holdings Ltd is represented by a single luxury flat, which is a non-producing asset of the publicly listed Company, and which is equal to about 21 percent of the Adjusted Net Tangible Assets.

The annual rental that could have been garnered by finding a tenant for this luxury flat is estimated to be not less than \$HK670,000, or about \$HK55,833.33 per month. (Page 190 of the Prospectus)

Whether or not prospective shareholders of Eagle Nice consider this amount of money to be material is open to debate, no doubt, but the notional rental that could have been obtained by leasing the Chairman's luxury flat to independent third parties, represents, nevertheless, about 2.17 percent of the Net Profits Attributable to Shareholders for the 2003 Financial Year, ended March 31, 2003.

Eagle Nice went public on August 12, 2003 on the Main Board of The Stock Exchange of Hongkong Ltd, using this flat as a major asset of the Group.

The Company, the Code Number of which is 2368, raised about \$HK22 million, net of expenses, by Placing 25 million New, one-cent Shares at a Premium of 99 cents per Share, and Offering another tranche of 5 million, one-cent Shares on the same basis as the Placed Shares.

In addition, the Chairman and his wife, Mr Chung Yuk Sing and Madame Tsang Yuk Ni, respectively, sold 20 million of their shares in the Company, also at \$HK1 a pop.

So, at the end of the day, Mr and Mrs Chung Yuk Sing went to their bankers with about \$HK20 million, gross, while the Company, which they, jointly, control to the extent of about 75 percent, managed to gather up about \$HK22 million, net of expenses.

The money, raised in this flotation, is to be used for the following purposes, the Prospectus states at Page 85:

1. \$HK6 million to buy some new equipment;
2. \$HK10 million to buy a new factory building in the People's Republic of China (PRC), proper, as opposed to the Hongkong Special Administrative Region (HKSAR) of the PRC;
3. \$HK3 million to expand the Company's marketing arm; and,
4. \$HK3 million to be tipped into the General Working Capital Account.

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