

**IMPORTANT**

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealers or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.

**If you have sold or transferred** all your shares in **Eagle Legend Asia Limited**, you should at once hand this circular to the purchaser or the transferee, or to the stockbroker, registered dealer in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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EAGLE LEGEND ASIA

**EAGLE LEGEND ASIA LIMITED**

**鵬程亞洲有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 936)**

**MAJOR TRANSACTION IN RELATION TO  
THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF  
AND THE SHAREHOLDER'S LOAN DUE BY ALPHA CHANCE LIMITED**

**Financial adviser to Eagle Legend Asia Limited**

  
**Optima Capital Limited**

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## DEFINITIONS

*In this circular, the following expressions have the meanings set out below unless the context requires otherwise:*

“Agreement”	the sale and purchase agreement dated 1 August 2017 entered into between the Company and the Purchaser in relation to the Disposal
“Alpha Chance”	Alpha Chance Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company as at the date of the Agreement
“Alpha Chance Group”	Alpha Chance and its subsidiaries (being Forever Treasure and Jiangxi Newomen)
“Board”	the board of Directors
“Company”	Eagle Legend Asia Limited 鵬程亞洲有限公司, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 936)
“Completion”	completion of the Disposal in accordance with the terms of the Agreement
“Consideration”	HK\$40 million, being the consideration for the Disposal
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Share and the Sale Loan by the Company to the Purchaser in accordance with the terms of the Agreement
“Forever Treasure”	Forever Treasure Asia Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Alpha Chance
“Group”	the Company and its subsidiaries
“Harbour Luck”	Harbour Luck Investments Limited, a company incorporated in Hong Kong and a controlling shareholder of the Company, wholly and beneficially owned by Mr. Zeng Li, the Chairman of the Company and an executive Director
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

## DEFINITIONS

“Jiangxi Newomen”	江西半邊天藥業有限公司 (Jiangxi Newomen Pharmaceutical Co., Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Forever Treasure
“Latest Practicable Date”	18 August 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	Faith Charm International Investment Limited, a company incorporated in the British Virgin Islands with limited liability
“Sale Loan”	all debts, liabilities or obligations owed or incurred by Alpha Chance to the Company on or at any time prior to Completion, whether actual or contingent and irrespective of whether the same is due and payable on Completion
“Sale Share”	one issued share of US\$1.00 in the share capital of Alpha Chance, representing the entire issued share capital of Alpha Chance
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Singapore”	Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Written Approval”	the written approval dated 1 August 2017 issued by Harbour Luck to the Company giving its written approval for the Agreement and the transactions contemplated thereunder
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

## DEFINITIONS

“S\$”	Singapore dollars, the lawful currency of Singapore
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

*In this circular, amounts in S\$ are translated into HK\$ on the basis of S\$1 = HK\$5.69. The translation rate is for illustration purpose only and should not be taken as a representation that S\$ could actually be converted into HK\$ at such rate or at other rate or at all.*

*\* The English translation of certain Chinese names or words in this circular are included for reference purpose only and should not be regarded as the official English translation of such Chinese names or words.*

**LETTER FROM THE BOARD**

EAGLE LEGEND ASIA

**EAGLE LEGEND ASIA LIMITED**

**鵬程亞洲有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 936)**

*Executive Directors:*

Mr. Zeng Li (*Chairman*)  
Mr. Winerthan Chiu  
Mr. Chan Ka Lun

*Independent non-executive Directors:*

Mr. Wan Tze Fan Terence  
Mr. Tsui Robert Che Kwong  
Ms. Yang Yan Tung Doris

*Registered office:*

Clifton House  
75 Fort Street  
P.O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

*Head office and principal place  
of business in Hong Kong:*

Room 3607, 36/F  
China Resources Building  
26 Harbour Road  
Wan Chai  
Hong Kong

22 August 2017

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION IN RELATION TO  
THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF  
AND THE SHAREHOLDER'S LOAN DUE BY ALPHA CHANCE LIMITED**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 1 August 2017 in relation to the Disposal.

After trading hours of the Stock Exchange on 1 August 2017, the Company and the Purchaser entered into the Agreement, pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase, the Sale Share (representing the entire issued share capital of Alpha Chance) and the Sale Loan at an aggregate cash Consideration of HK\$40 million. The Alpha Chance Group is principally engaged in the manufacturing and sale of proprietary Chinese medicines and health products in the PRC.

## LETTER FROM THE BOARD

Completion took place on 15 August 2017, upon which the Group ceased to hold any interest in Alpha Chance and Alpha Chance ceased to be a subsidiary of the Company.

The Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to, among other things, Shareholders' approval requirements.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Agreement and accordingly no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the resolution(s) in respect of the Agreement and the transactions contemplated thereunder. Harbour Luck, being the controlling shareholder of the Company holding 600,000,000 Shares (representing 62.5% of the issued share capital of the Company as at the date of the Agreement and the Latest Practicable Date), has given the Written Approval for the Agreement and the transactions contemplated thereunder, and such Written Approval has been accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules.

The purpose of this circular is to provide you with, among other things, details of the Disposal and other information as required under the Listing Rules.

### THE AGREEMENT

#### Date

1 August 2017

#### Parties

- (i) The Company, being the vendor; and
- (ii) Faith Charm International Investment Limited, being the purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) each of the Purchaser and its ultimate beneficial owner is a third party independent of the Company and its connected persons (as defined in the Listing Rules); and (ii) the Purchaser is principally engaged in investment holding.

## LETTER FROM THE BOARD

### **Assets to be disposed of**

Pursuant to the Agreement, the Company has agreed to sell and the Purchaser has agreed to purchase the Sale Share and the Sale Loan. The Sale Share, representing the entire issued share capital of Alpha Chance, would be sold free from all encumbrances together with all rights attached thereto from Completion, including any dividend or other distribution declared, made or paid after the date of Completion. The Sale Loan, representing all debts, liabilities or obligations owed or incurred by Alpha Chance to the Company as at Completion, would be sold free from all encumbrances from Completion. As at the date of the Agreement and the date of Completion, the Sale Loan amounted to approximately HK\$38.6 million. Details of the Alpha Chance Group are set out in the section headed “Information of the Alpha Chance Group” below.

### **Consideration**

The Consideration of HK\$40 million has been satisfied by the Purchaser to the Company in cash in the following manner:

- (i) as to HK\$4 million as a deposit at the date of the Agreement; and
- (ii) as to the remaining balance of HK\$36 million at Completion.

The Consideration was determined after arm’s length negotiations between the Company and the Purchaser with reference to the financial position of the Alpha Chance Group and the amount of the Sale Loan and having taken into account the established brand name of its products.

### **Conditions precedent**

Completion was conditional upon the satisfaction or waiver (as the case may be) of the following conditions:

- (i) the passing of the necessary resolution(s) by the Shareholders at an extraordinary general meeting of the Company to be convened and held (or the obtaining of written approval from a Shareholder or a closely allied group of Shareholders holding more than 50% of the issued share capital of the Company accepted in lieu of holding a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules) to approve the Agreement and the transactions contemplated thereunder;
- (ii) there being no situations, facts or circumstances which constitute or may constitute any breach of the representations, warranties and undertakings given by the Company under the Agreement;
- (iii) all necessary consents and approvals in respect of the sale and purchase of the Sale Share and the Sale Loan under the Agreement having been obtained by the Company in accordance with applicable laws and regulations;

## LETTER FROM THE BOARD

- (iv) all necessary consents and approvals in respect of the sale and purchase of the Sale Share and the Sale Loan under the Agreement having been obtained by the Purchaser in accordance with applicable laws and regulations;
- (v) the representations, warranties and undertakings given by the Company under the Agreement remaining true and accurate and not misleading; and
- (vi) there being no material adverse change in the financial position, businesses, assets or operating results of the Alpha Chance Group since the date of the Agreement.

The Purchaser may in its absolute discretion at any time waive the conditions set out in (ii), (v) and (vi) above by notice in writing to the Company. Other conditions could not be waived by any parties to the Agreement.

The Written Approval in respect of the condition (i) above has been received from Harbour Luck, being the controlling shareholder of the Company holding 600,000,000 Shares (representing 62.5% of the issued share capital of the Company as at the date of the Agreement and the Latest Practicable Date).

As at the date of the Agreement, all the conditions above have been fulfilled.

### **Completion**

Completion took place on 15 August 2017 (being the tenth business day after all the conditions precedent under the Agreement have been fulfilled).

### **INFORMATION OF THE ALPHA CHANCE GROUP**

The Alpha Chance Group comprises Alpha Chance, Forever Treasure and Jiangxi Newomen.

Alpha Chance is an investment holding company incorporated in the British Virgin Islands with limited liability. It was wholly owned by the Company as at the date of the Agreement. Alpha Chance in turn holds 100% interest in Forever Treasure, an investment holding company incorporated in Hong Kong with limited liability. As at the date of the Agreement, Alpha Chance and Forever Treasure did not have any material assets and liabilities save for their respective investment in their direct subsidiary and the amount due to the Company.

Jiangxi Newomen was incorporated in the PRC with limited liability and is wholly owned by Forever Treasure. It is principally engaged in the manufacturing and sale of proprietary Chinese medicines and health products in the PRC with its manufacturing facilities located at Jiangxi, the PRC. As at the Latest Practicable Date, Jiangxi Newomen held 48 trademarks registered in the PRC and had registered 38 drug licences with relevant PRC governmental authorities for its products, including the brand name of “NEWOMEN” (半邊天) for its proprietary gynecological and proprietary Chinese medicines such as 阿膠益壽口服液

## LETTER FROM THE BOARD

(Donkey-hide Gelatin Yishou Oral Solution\*), 烏雞白鳳丸 (Wuji Baifeng Pills\*), 複方烏雞口服液 (Fufang Wuji Oral Solution\*), 乳寧丸 (Runing Pills\*) and 十二烏雞白鳳丸 (Twelve Wuji Baifeng Pills\*).

Set out below are certain unaudited consolidated financial information of the Alpha Chance Group as extracted from the audited consolidated financial statements of the Group for each of the two years ended 31 December 2015 and 2016, which were prepared in accordance with Hong Kong Financial Reporting Standards:

	<b>For the year ended 31 December</b>	
	<b>2015</b>	<b>2016</b>
	<i>approximately</i>	<i>approximately</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss before taxation	336	8,849
Loss after taxation	371	7,888

The increase in unaudited consolidated loss of the Alpha Chance Group for the year ended 31 December 2016 as compared to the previous year was mainly attributable to the substantial increase in costs of ingredients used in the manufacturing of proprietary Chinese medicines and health products.

The unaudited consolidated net liabilities of the Alpha Chance Group as at 31 December 2016 amounted to approximately HK\$4.9 million, comprising unaudited consolidated total assets and total liabilities of approximately HK\$120.5 million and HK\$125.4 million respectively.

### FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the Company ceased to hold any interest in Alpha Chance and Alpha Chance ceased to be a subsidiary of the Company.

Since the Alpha Chance Group will no longer be consolidated in the financial statements of the Group, it is expected that the consolidated total assets of the Group would be decreased by the net effect of the exclusion of the unaudited consolidated total assets of the Alpha Chance Group and the receipt of the cash Consideration, net of expenses, of approximately HK\$39.3 million, and the total liabilities of the Group would be decreased by the net effect of the exclusion of the unaudited consolidated total liabilities of the Alpha Chance Group and the Sale Loan as a result of the Disposal.

Since the Alpha Chance Group has been loss making in recent years, it is expected that there will not be any material adverse effect on the earnings of the Group as a result of the Disposal.

## LETTER FROM THE BOARD

Based on the unaudited consolidated financial statements of the Alpha Chance Group for the year ended 31 December 2016, it is expected that the Group would record a gain of approximately HK\$0.3 million as a result of the Disposal, which is calculated based on (i) the Consideration, net of transaction costs and expenses directly attributable to the Disposal, of approximately HK\$39.3 million; (ii) the unaudited consolidated net liabilities of the Alpha Chance Group of approximately HK\$4.9 million as at 31 December 2016; (iii) the Sale Loan of approximately HK\$38.6 million as at Completion; and (iv) the exchange reserve of approximately HK\$5.3 million as at 31 December 2016 in relation to the Alpha Chance Group to be transferred to profit and loss upon Completion. The abovementioned expected gain on the Disposal is for illustrative purpose only.

### REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in (i) the trading of construction machinery and spare parts, leasing of construction machinery under operating leases, and provision of repair and maintenance services in respect of construction machinery; (ii) the cultivation, research, processing and sale of exocarpium citri grandis and its seedlings and manufacturing of related products; and (iii) the manufacturing and sale of proprietary Chinese medicines and health products.

Having considered the increasing costs of ingredients used in the manufacturing of the proprietary Chinese medicines and health products which has narrowed the profit margin and led to the loss making position of the Alpha Chance Group in recent years, the Directors consider that the Disposal represents an opportunity for the Company to realise its investment in the Alpha Chance Group and deploy its resources into other businesses which may generate better return to the Group. The net proceeds from the Disposal will also enhance the cashflow position of the Group.

The net proceeds from the Disposal, after deducting estimated transaction costs and expenses directly attributable thereto, of approximately HK\$39.3 million are intended to be used as to approximately HK\$20.9 million for general working capital of the Group and as to approximately HK\$18.4 million for fulfillment of financial obligations of the Group as and when they fall due.

In view of the above and the expected gain on the Disposal as disclosed in the section headed “Financial effects of the Disposal” in this letter, the Directors consider the terms of the Agreement (including the Consideration) are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

## LETTER FROM THE BOARD

Upon Completion, the Group will continue to be principally engaged in the business of construction machinery and the exocarpium citri grandis. As disclosed in the Company's 2016 annual report, the Group's construction machinery business faced intense price competition, which affected the income from the trading and leasing of construction machinery. The Group will continue to review its tower crane fleet portfolio to meet the current market demand and will strive to formulate appropriate strategy to support the construction equipment business. On the other hand, the Group will continue to expand and strengthen its cultivation business of exocarpium citri grandis through optimising the productivity of its bearer plants and quality of the produce by implementing modern technology, enhancing the research and development of products using exocarpium citri grandis, and applying for patents and authentication certificates for its products.

### LISTING RULES IMPLICATIONS

The Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to, among other things, Shareholders' approval requirements.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Agreement and accordingly no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the resolution(s) in respect of the Agreement and the transactions contemplated thereunder. Harbour Luck, being the controlling shareholder of the Company holding 600,000,000 Shares (representing 62.5% of the issued share capital of the Company as at the date of the Agreement and the Latest Practicable Date), has given the Written Approval for the Agreement and the transactions contemplated thereunder and such Written Approval has been accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to the circular.

Yours faithfully  
For and on behalf of  
**Eagle Legend Asia Limited**  
**Zeng Li**  
*Chairman*

## 1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 December 2014, 2015 and 2016 are disclosed in the following documents which have been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.elasialtd.com](http://www.elasialtd.com)):

- (i) annual report of the Company for the year ended 31 December 2014 published on 16 April 2015 (pages 29 to 96);
- (ii) annual report of the Company for the year ended 31 December 2015 published on 7 April 2016 (pages 29 to 86); and
- (iii) annual report of the Company for the year ended 31 December 2016 published on 5 April 2017 (pages 44 to 114).

## 2. INDEBTEDNESS STATEMENT

As at 30 June 2017, being the latest practicable date for the purpose of this statement of indebtedness, the Group had outstanding borrowings of approximately HK\$273,997,000, details of which are set out as follows:

	<i>HK\$'000</i>
Bank borrowings — secured	41,087
Bonds payable — secured	58,495
Finance lease payables — secured	77,948
Other loans payables — unsecured	2,303
Promissory note payable — unsecured	<u>94,164</u>
Total	<u><u>273,997</u></u>

As at 30 June 2017, the Group's bank borrowings were secured by the assets of the Group, including buildings carried at cost and payments for leasehold land held for own use under operating lease, and corporate guarantees executed by the Company and certain subsidiaries. The bonds with principal amount of HK\$100,000,000 were secured by the equity interest of certain subsidiaries of the Group. For presentation purpose of this statement of indebtedness, the amount of prepaid bond interests and renewal and arrangement fee incurred had been adjusted against the carrying amount of the bonds payable and amortised over the remaining term of the bonds payable. The finance lease payables of the Group were secured by land and building carried at fair value and corporate guarantees by the Company and certain subsidiaries. The promissory note with principal amount of HK\$110,000,000 is interest free and with maturity of two years after the issue date of promissory note on 23 December 2016. The carrying amount of the promissory note was determined with the effective interest rate of 10.75%.

As at 30 June 2017, there was an outstanding claim against the Group in relation to its Singapore operation, details of which are disclosed in the paragraph headed “Litigation” under the section headed “General Information” in this circular.

Save for the aforementioned or as otherwise disclosed herein, and apart from intra-group liabilities within the Group and normal trade business, at the close of business on 30 June 2017, the Group did not have any other outstanding borrowings, loan capital issued and outstanding or agreed to be issued, bank overdrafts, debt securities, term loans, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities.

For the purpose of this statement of indebtedness, foreign currency amounts have been translated into Hong Kong dollars at the exchange rates prevailing as at the close of business on 30 June 2017.

### **3. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account the net proceeds from the Disposal and the financial resources available to the Group including internal resources available and available facilities, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of publication of this circular in the absence of unforeseen circumstances.

### **4. FINANCIAL AND TRADING PROSPECTS**

As mentioned in the section headed “Reasons for and benefits of the Disposal” in the letter from the Board contained in this circular, the Directors consider that the net proceeds from the Disposal can enhance the cashflow position of the Group, and the Disposal provides an opportunity for the Company to realise its investment in the Alpha Chance Group and deploy its resources into other businesses which may generate better return to the Group. Upon Completion, the Group will continue to be principally engaged in (i) the trading of construction machinery and spare parts, leasing of the construction machinery, providing repair and maintenance services in respect of the construction machinery; and (ii) cultivation, research, processing and sales of *exocarpium citri grandis* and its seedlings.

As disclosed in the Company’s 2016 annual report, the Group’s construction equipment business faced intense price competition, which affected the income from the trading and leasing of construction machinery. The Group will continue to review its tower crane fleet portfolio to meet the current market demand. On the other hand, with the resources and experience in the cultivation of *exocarpium citri grandis*, the Group has been providing a stable supply of *exocarpium citri grandis* to meet the growth in market demand, which in turn broadens the income stream of Group. The Group will continue to expand and strengthen its cultivation business of *exocarpium citri grandis*, through optimising the productivity of its bearer plants and quality of the produce by implementing modern technology, enhancing the research and development of products using *exocarpium citri grandis*, and applying for patents and authentication certificates for its products.

Looking ahead, the Group will strive to formulate appropriate strategy to support its existing businesses, and continue to seek for opportunities that will benefit the Group’s long-term development and maximise the returns to the Shareholders.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DIRECTORS' INTERESTS IN SECURITIES

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules were as follows:

### Long positions in ordinary Shares and underlying Shares

Name of Director	Nature of interests	Number of Shares	Percentage of issued Shares
Mr. Zeng Li	Interest in a controlled corporation	600,000,000 ( <i>Note</i> )	62.50%

*Note:* These Shares were held by Harbour Luck which is wholly and beneficially owned by Mr. Zeng Li. By virtue of the SFO, Mr. Zeng Li is deemed to be interested in the Shares held by Harbour Luck.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

### 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into a service contract or service agreement with any member of the Group which is not determinable by the employer within one year without payment of compensation, other than statutory compensation. For information only, the service contracts or agreements entered into between the Directors and the Company are summarised below:

- (i) the service contracts between the Company and each of the executive Directors, Mr. Zeng Li, Mr. Winerthan Chiu and Mr. Chan Ka Lun, for a term of two years unless terminated by either party by giving not less than one month's written notice to the other party. The service contracts of Mr. Zeng Li and Mr. Winerthan Chiu commenced from 22 December 2014 and each of their service agreements has been renewed on 22 December 2016. The service contract of Mr. Chan Ka Lun commenced from 1 July 2015 and has been renewed on 1 July 2017; and
- (ii) the letters of appointment between the Company and each of the independent non-executive Directors for a term of two years unless terminated by either party by giving not less than one month's written notice to the other party. All letters of appointment commenced from 22 December 2014 and have been renewed on 22 December 2016.

### 4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associates (as defined in the Listing Rules) was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

### 5. DIRECTORS' INTEREST IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date:

- (i) none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group; and
- (ii) none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2016 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group.

### 6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

For information only, the litigation known to the Directors which is pending against members of the Group as at the Latest Practicable Date is disclosed below:

On 5 June 2017, a supplier (the “**Supplier**”) of the Group initiated a legal proceeding in Singapore in respect of an alleged breach of contract for supply of tower crane accessories on the part of the Group. The Supplier claimed the Group for outstanding rental payable balances of approximately S\$55,000 (equivalent to approximately HK\$313,000) and losses and damages of approximately S\$73,000 (equivalent to approximately HK\$415,000) resulting from the alleged breach of contract (the “**Dispute**”). Meanwhile, the Group had filed a counterclaim for the loss of income of approximately S\$42,000 (equivalent to approximately HK\$239,000) as a result of the termination of contract.

On 16 June 2017, the Group offered to settle the Dispute by payment of a sum of S\$56,000 (equivalent to approximately HK\$319,000), interest on such sum at the rate of 5.33% per annum from 5 June 2017 until actual settlement, and costs and reasonable disbursements to be agreed or taxed. As at the Latest Practicable Date, the Supplier has yet to accept the settlement offer.

Having considered, among other things, the advice of the Group’s Singapore legal adviser and the amount of claim involved in the Dispute, the Board is of the view that the Dispute does not have a material adverse impact on the financial position and operations of the Group.

## **7. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2016, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## **8. MATERIAL CONTRACTS**

Save as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of this circular:

- (i) the placing agreement dated 23 June 2016 entered into between the Company, as the issuer, and Fulbright Securities Limited, as the placing agent, in relation to the placing of up to 160,000,000 new Shares at the placing price of HK\$1.220 per Share on best effort basis, which was completed on 15 July 2016 and the net proceeds of which amounted to approximately HK\$193.0 million;
- (ii) the sale and purchase agreement dated 27 October 2016 entered into between Lucky Boom Investments Limited (a direct wholly-owned subsidiary of the Company), as the purchaser, and Mr. He Xiaoyang, as the vendor, in relation to the acquisition by Lucky Boom Investments Limited of a 51% equity interest in Best Earnest Investments Limited at a consideration of HK\$220,000,000, which was completed on 23 December 2016; and

(iii) the Agreement.

## 9. GENERAL

- (i) The registered office of the Company is situated at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The head office and principal place of business of the Company in Hong Kong is at Room 3607, 36/F, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong.
- (ii) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (iii) The company secretary of the Company is Mr. Chan Tai Wah Calvin, who is a practising fellow of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales.
- (iv) In case of inconsistency, the English text of this circular shall prevail over its Chinese text.

## 10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the Company's head office and principal place of business in Hong Kong at Room 3607, 36/F, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong from the date of this circular and up to and including the date which is 14 days from the date of this circular:

- (i) the memorandum and articles of association of the Company;
- (ii) the annual reports of the Company for the two years ended 31 December 2015 and 2016;
- (iii) the material contracts referred to in the section headed "Material contracts" in this appendix; and
- (iv) this circular.