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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)

SUPPLEMENTAL AND CLARIFICATION ANNOUNCEMENT

References are made to the announcement of the Company dated 6 March 2020 (the “**Announcement**”) with respect to the loss of control of Guangdong Dahe and the announcement of the Company dated 24 February 2020 (the “**VSD Announcement**”) with respect to the disposal of 51% of the issued share capital of Best Earnest Investments Limited, which in turn holds 80% equity interest in Guangdong Dahe. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement and the VSD Announcement.

The Company wishes to supplement that after further consultation with the Company’s auditors, the de-consolidation of the Target Group (the “**De-consolidation**”) would take effect from 20 December 2019, the date of the board of Directors’ resolution resolving the Company’s intention to dispose of Guangdong Dahe. According to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the financial results of the Target Group for the period from 1 January 2019 to 30 November 2019 will be included in the consolidated accounts of the Group for the year ended 31 December 2019. In addition, the assets and liabilities of the Target Group will be de-consolidated from the balance sheet of the Group and separately shown as assets classified as held for sale and liabilities associated with assets held for sale, respectively.

The loss of control of Guangdong Dahe is not expected to affect the performance of the Agreement. As at the date of this announcement, the Vendor had received the non-refundable deposit in the amount of HK\$23,000,000 from the Purchaser. Upon obtaining the Shareholders’ approval at the EGM in relation to the Disposal, closing will take place and the remaining consideration will be payable to the Vendor pursuant to the terms of the Agreement.

The Company wishes to further clarify the information in the VSD Announcement. During the review of the Company's annual results with the auditors of the Company, after considering the De-consolidation and the sharing of goodwill in gain or loss calculation, upon Completion, subject to the final audit, it is expected that the Group will incur a net loss on the Disposal of not more than approximately HK\$68,000,000 instead of a net gain of not more than approximately HK\$6,792,000. The net loss on the Disposal is calculated based on the difference between the consideration of HK\$230,000,000 to be received and the sum of the Company's share of unaudited net assets (including goodwill) of the Target Group as at 30 November 2019 of approximately HK\$292,000,000 and the unaudited cumulative translation difference recorded in equity of approximately HK\$6,000,000.

Save as stated above, all information set out in the Announcement and the VSD Announcement remain unchanged.

By order of the Board
Eagle Legend Asia Limited
Guo Peineng
Deputy Chairman

Hong Kong, 19 March 2020

As at the date of this announcement, the board of directors of the Company comprises Mr. Guo Peineng, Mr. Zhao Yi and Mr. Chen Huajie as executive directors; and Mr. Xu Xiaowu, Mr. Li Yongjun and Mr. Diao Yingfeng as independent non-executive directors.

* *For identification purpose only.*