THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

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 bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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)

(1) VERY SUBSTANTIAL DISPOSAL AND EXEMPTED CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF 51% OF THE ISSUED SHARE CAPITAL OF BEST EARNEST INVESTMENTS LIMITED; (2) RE-ELECTION OF RETIRING DIRECTORS; AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms used on this cover shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 4 to 14 of this circular. A notice convening the EGM to be held at Suite 2418, 24/F, Jardine House, 1 Connaught Place, Central, Hong Kong on Friday, 22 May 2020 at 1:30 p.m. is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use at the EGM is enclosed with this circular. If you are not able to or do not intend to attend the EGM but wish to exercise your right as a shareholder, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof to the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong. Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM or any adjourned meeting should you so desire. If you attend and vote at the EGM, the instrument appointing your proxy will be deemed to have been revoked.

PRECAUTIONARY MEASURES FOR THE EGM

Please refer to the notice of the EGM for measures being taken to try to prevent and control the spread of the COVID-19 at the EGM, including:

- compulsory body temperature checks and health declarations
- wearing of a face mask for each attendee
- no provision of drinks, refreshment or souvenirs

DUE TO THE CONSTANTLY EVOLVING COVID-19 PANDEMIC SITUATION, THE COMPANY MAY BE REQUIRED TO CHANGE THE EGM ARRANGEMENTS AT SHORT NOTICE. SHAREHOLDERS SHOULD CHECK THE COMPANY’S WEBSITE FOR FUTURE ANNOUNCEMENTS AND UPDATES ON THE EGM ARRANGEMENTS.

7 May 2020

CONTENTS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"Agreement"	the agreement dated 24 February 2020 entered into by and between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares
"Announcement"	the announcement of the Company dated 24 February 2020 in relation to the Agreement and the Disposal
"Articles of Association"	the articles of association of the Company and its amendments from time to time
"Board"	the board of Directors
"Business Day"	any day (excluding Saturday, Sunday and public holiday) on which banks are generally open for business in Hong Kong
"Company"	Eagle Legend Asia Limited, a company incorporated in the Cayman Islands with limited liability, the 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 and conditions of the Agreement
"Completion Date"	the fifth (5th) Business Day after satisfaction of the condition precedent to Completion as set out in the paragraph headed "Condition Precedent" in this circular, or such later date as agreed by the Vendor
"connected person"	has the meaning ascribed to it under the Listing Rules
"Construction Equipment Business"	has the meaning ascribed to it in the section headed "Information on the Parties" in this circular
"Court"	has the meaning ascribed to it in the section headed "Reasons and Benefits for the Disposal" in this circular
"Director(s)"	director(s) of the Company
"Disposal"	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the terms and conditions of the Agreement

“EGM”	the extraordinary general meeting of the Company to be held at Suite 2418, 24/F, Jardine House, 1 Connaught Place, Central, Hong Kong on Friday, 22 May 2020 at 1:30 p.m. or any adjournment thereof (as the case may be), for the purpose of considering and, if thought fit, approving the Agreement and transactions contemplated thereunder and the re-election of retiring Directors
“Formal Contracts”	has the meaning ascribed to it in the section headed “Use of Proceeds” in this circular
“Group”	the Company and its subsidiaries
“Guangdong Dahe”	Guangdong Dahe Biological Technologies Limited* (廣東大合生物科技股份有限公司), a company established in the PRC with limited liability
“Harbour Luck”	Harbour Luck Investments limited 福港投資有限公司, a company incorporated in Hong Kong with limited liability
“HK$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INED(s)”	independent non-executive Director(s)
“Latest Practicable Date”	5 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Leasing Contracts”	has the meaning ascribed to it in the section headed “Use of Proceeds” in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2020 or such later date as agreed by the Vendor
“Loss of Control Announcement”	the announcement of the Company dated 6 March 2020 in relation to the loss of control of Guangdong Dahe
“Minority Shareholders”	the minority shareholders of Guangdong Dahe who are individuals
“Plantation Business”	the cultivation, research, processing and sales of exocarpium citri grandis and its seedlings business carried out by the Target Group via Guangdong Dahe

"Previous Acquisition Agreement"	the agreement dated 27 October 2016 entered into by and between the Vendor and the Purchaser in relation to the sale of the Sale Shares by the Purchaser to the Vendor, the principal terms of which are set out in the circular of the Company dated 21 December 2016
"PRC"	the People's Republic of China
"Purchaser"	Mr. He Xiaoyang*(何曉陽), being a shareholder of the Target Company holding 49% of the issued share capital of the Target Company
"Remaining Group"	the Company and its subsidiaries (excluding the Target Group)
"Sale Shares"	102 ordinary shares in the issued share capital of the Target Company, representing 51% of the issued share capital of the Target Company
"Share(s)"	ordinary shares in the share capital of the Company
"Shareholder's Loans"	the outstanding shareholder's loans provided by Harbour Luck to the Company
"Shareholders"	holders of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental and Clarification Announcement"	the supplemental and clarification announcement of the Company dated 19 March 2020 in relation to the Disposal and the loss of control of Guangdong Dahe
"Target Company"	Best Earnest Investments Limited 佳誠投資有限公司, a company incorporated in the British Virgin Islands with limited liability
"Target Group"	Target Company and its subsidiaries
"Vast Bloom"	Vast Bloom Investment Limited 大旺投資有限公司, a company incorporated in Hong Kong with limited liability and directly holding 80% equity interest in Guangdong Dahe
"Vendor"	Lucky Boom Investments Limited 祥盛投資有限公司, a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands with limited liability
"%"	per cent.

* *For identification purposes only*

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. Guo Peineng *(Deputy Chairman)*
Mr. Zhao Yi *(Chief Executive Officer)*
Mr. Chen Huajie

Independent Non-Executive Directors:
Mr. Xu Xiaowu
Mr. Li Yongjun
Mr. Diao Yingfeng

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

Head Office and Principal Place of Business in Hong Kong:
Unit 3610, 36/F.
the Center
99 Queen's Road Central
Central, Hong Kong

7 May 2020

To the Shareholders

Dear Sir or Madam,

(1) VERY SUBSTANTIAL DISPOSAL AND EXEMPTED CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF 51% OF THE ISSUED SHARE CAPITAL OF BEST EARNEST INVESTMENTS LIMITED; (2) RE-ELECTION OF RETIRING DIRECTORS; AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

References are made to the Announcement, the Loss of Control Announcement and the Supplemental and Clarification Announcement and the announcements of the Company dated 8 July 2019, 4 November 2019 and 6 December 2019, respectively, in relation to, among others, the appointment of certain Directors.

The purpose of this circular is to provide you with, among other things, (i) details of the Disposal and the principal terms of the Agreement; (ii) the financial information of the Group and the Target Group; (iii) the unaudited pro forma financial information of the Remaining Group, (iv) details of the retiring Directors proposed to be re-elected at the EGM; and (v) the notice of the EGM.

THE DISPOSAL

On 24 February 2020, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Sale Shares for a total consideration of HK$230,000,000.

The principal terms of the Agreement are summarized as follows.

Subject Matter

The Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Sale Shares, representing 51% of the issued shares of the Target Company as at the date of the Agreement.

Consideration

The consideration for the Disposal is HK$230,000,000, which shall be paid by the Purchaser to the Vendor in the following manner:

(i) HK$23,000,000 was already paid to the Vendor as a non-refundable deposit within three Business Days after the execution of the Agreement;

(ii) HK$115,000,000 will be payable to the Vendor within three Business Days after obtaining the Shareholders' approval at the EGM in relation to the Agreement and the transaction contemplated thereunder in accordance with the requirement of the Listing Rules; and

(iii) HK$92,000,000 will be payable to the Vendor on the Completion Date.

The consideration was determined after arm's length negotiations between the Vendor and the Purchaser after taking into account (i) the consideration paid by the Vendor under the Previous Acquisition Agreement, (ii) the prospects of the Target Company and (iii) the factors set out in the paragraph headed "Reasons and Benefits for the Disposal" below.

The Vendor acquired the Sale Shares from the Purchaser and the acquisition was completed in December 2016. When negotiating the Agreement, the Vendor and the Purchaser took into account the consideration under the Previous Acquisition Agreement and costs which would arise from the disputes with the Minority Shareholders.

Guangdong Dahe is the only operating subsidiary of the Target Group for conducting the Plantation Business. Based on the 2019 annual report of the Company dated 27 March 2020, the Plantation Business recorded a gross profit in the amount of approximately HK$19,029,000 for the year ended 31 December 2019. However, due to the disputes with the Minority Shareholders, Guangdong Dahe refused to cooperate with Vast Bloom and the Company. Despite the fact that the management of the Company repeatedly made verbal and written requests to Guangdong Dahe, the personnel of the Company and representatives of the Company's auditors have been rejected access to the offices and plantation sites of Guangdong Dahe since 28 December 2019. The company seal, financial documents and other property of Guangdong Dahe were in the custody of the Minority Shareholders, who refused to return the same to the representative appointed by Vast Bloom to Guangdong Dahe.

The details of the disputes with the Minority Shareholders are set out in the paragraph headed "Reasons and Benefits for the Disposal" below.

Condition Precedent

Completion is conditional upon the Company having obtained the Shareholders' approval at the EGM in relation to the Agreement and the transaction contemplated thereunder in accordance with the requirement of the Listing Rules.

If the aforesaid condition is not satisfied by the Long Stop Date, the Agreement shall terminate forthwith and neither party shall have any liability towards the other party save for certain surviving provisions and any antecedent breach of the Agreement.

Completion

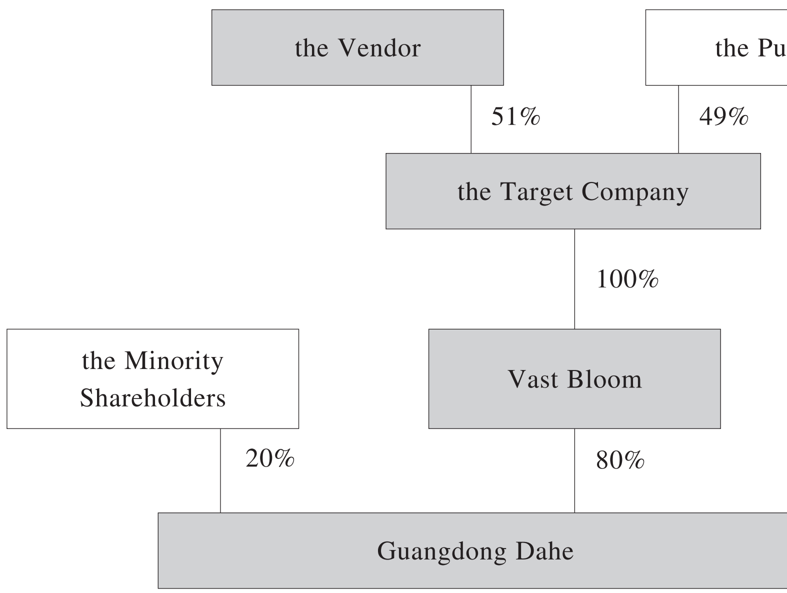
Completion shall take place on the Completion Date. Upon Completion, the Target Company and its subsidiaries will cease to be subsidiaries of the Company and all the results and assets and liabilities of the Target Group will no longer be consolidated in the financial statements of the Group.

INFORMATION ON THE PARTIES

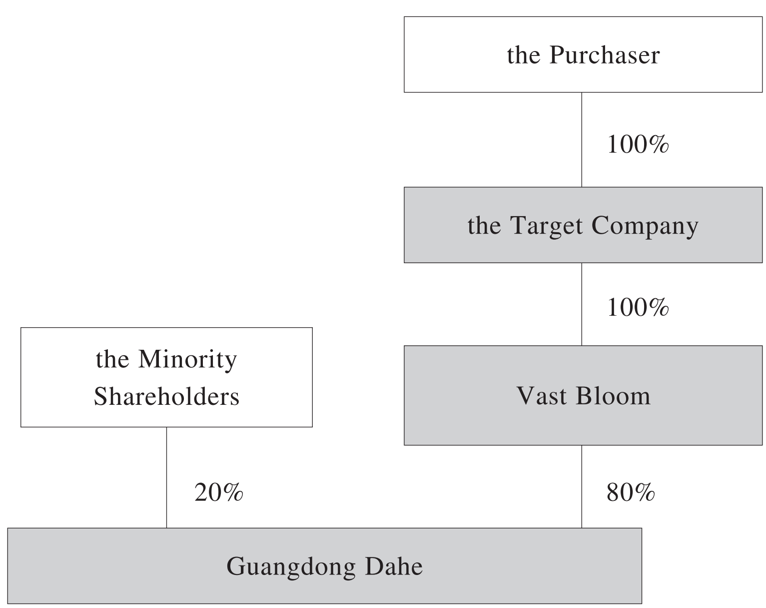
The Target Group

The shareholding structure of the Target Group as at the date of the Agreement and upon Completion is set out below.

As at the date of the Agreement:



Upon Completion:



The Target Company and Vast Bloom

The Target Company is an investment holding company incorporated in the British Virgin Islands on 26 October 2012 with limited liability. As at the Latest Practicable Date, the Target Company was owned as to 51% by the Vendor and as to 49% by the Purchaser.

The Target Company in turn holds 100% interest in Vast Bloom. As at the Latest Practicable Date, Vast Bloom directly held 80% equity interests in Guangdong Dahe.

The Target Company and Vast Bloom have not carried out any businesses or have any material assets and liabilities save for their respective investment(s) in their direct subsidiary(ies) and amount due to related parties.

Guangdong Dahe

Guangdong Dahe was established in the PRC on 30 September 2013 with limited liability. As at the date of the Agreement, the registered capital of Guangdong Dahe was held as to 80% by Vast Bloom and as to the balance by the Minority Shareholders. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Minority Shareholders are third parties independent of the Vendor, the Company and the connected persons of the Company.

Guangdong Dahe is principally engaged in the cultivation, research, processing and sale of exocarpium citri grandis (化橘紅), a Chinese herbal medicine, in the PRC.

Financial information of the Target Group

The unaudited financial results of the Target Group for the three years ended 31 December 2017, 2018 and 2019 are as follows:

	For the year ended 31 December		
	2017	**2018**	**2019**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
	HK$'000	*HK$'000*	*HK$'000*
Net profit before tax	67,209	91,686	81,785
Net profit after tax	67,209	91,686	81,785

As at 31 December 2019, the unaudited total assets and net assets of the Target Group were approximately HK$503,723,000 and HK$471,822,000, respectively.

The Company and the Vendor

The Company is an investment holding company. The Group is principally engaged in trading of construction machinery and spare parts, leasing of the construction machinery under operating leases and providing repair and maintenance services in respect of the construction machinery (the "**Construction Equipment Business**").

The Vendor is a company incorporated in the British Virgin Islands on 8 February 2012 with limited liability and a wholly-owned subsidiary of the Company. Its principal activity is investment holding and its principal asset is its investment in 51% shareholding interest in the Target Company. As at the Latest Practicable Date, the Vendor directly held 51% of the issued share capital of the Target Company.

The Purchaser

To the knowledge of the Directors, the Purchaser held approximately 9.43% of the total issued share capital of the Company as at the Latest Practicable Date.

REASONS AND BENEFITS FOR THE DISPOSAL

The Group acquired 51% equity interest in the Target Company in 2016 pursuant to the Previous Acquisition Agreement with a view to broadening its income stream. The Plantation Business heavily depends on the climate condition, the supply and demand conditions of Chinese medicinal materials and the sales price of exocarpium citri grandis. The revenue of the Group from the sale of the dried exocarpium citri grandis for the year ended 31 December 2019 was approximately HK$28.5 million as compared with HK$82.0 million for the year ended 31 December 2018. The decrease was mainly attribute to the decease of sales of exocarpium citri grandis. The revenue attributable to the sale of the dried exocarpium citri grandis for the year ended 31 December 2018 was less than that in the year ended 31 December 2017 due to the decreased sales price of exocarpium citri grandis.

As disclosed in the announcement of the Company dated 9 December 2019, the Minority Shareholders initiated proceedings relating to the dispute among the shareholders of Guangdong Dahe (the "**Dispute with the Minority Shareholders**") with the Intermediate People's Court of Maoming City, Guangdong Province* (廣東省茂名市中級人民法院) (the "**Court**"), in which the Minority Shareholders filed the civil complaints to the Court and requested the Court to abrogate the shareholders' resolution of Guangdong Dahe in relation to the change of the legal representative of Guangdong Dahe (the "**Legal Representative**"), who was appointed by the Minority Shareholders. In response to this, on 27 November 2019, Vast Bloom petitioned to the Court for the winding-up of Guangdong Dahe (the "**Winding-up Petition**"). The Winding-up Petition is an important component of the Company's overall strategy aimed at protecting its interests in Guangdong Dahe and at resolving the deadlock in relation to the disputes with the Minority Shareholders. On 28 November 2019, Vast Bloom successfully obtained the Court order to freeze the bank accounts of Guangdong Dahe for up to RMB78 million.

In order to regain the control of Guangdong Dahe, among others, on 6 January 2020, a civil complaint against the Legal Representative and the Minority Shareholders was filed by Guangdong Dahe to the Court for demanding the return of the company seal, various official registration papers, information and property of Guangdong Dahe (the "**Returning Property Complaint**") and the Court issued the complaint acceptance notice on 7 February 2020. A criminal complaint was also filed with the Guangdong Maoming Public Security Bureau* (廣東省茂名市公安局) ("**MPSB**") against the Legal Representative for his alleged fraudulent acts including the unlawful registration of a new company chop for Guangdong Dahe. In addition, Vast Bloom made submissions to various PRC government authorities such as Maoming City Government*(茂名市政府), Maoming Political and Law Committee* (茂名政法委), the MPSB and Maoming Social Security Bureau* (茂名社保局), to try and seek governmental intervention and assistance with respect to the wrongful acts of the Legal Representative and the disputes with the Minority Shareholders.

Further as disclosed in the Loss of Control Announcement and the Supplemental and Clarification Announcement, despite the fact that the management of the Company have repeatedly made verbal and written requests to Guangdong Dahe and paid physical on-site visits, the Company and representatives of the Company's auditors have been refused access to Guangdong Dahe's offices and its planation site since 28 December 2019. The Company has been unable to have access to the complete sets of books and records together with supporting documents of Guangdong Dahe since 1 December 2019. After further consultation with the Company's auditors, the de-consolidation of the Target Group 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 have been 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. The Vendor has 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, Completion will take place and the remaining consideration will be payable to the Vendor pursuant to the terms of the Agreement.

The Directors consider that the Disposal is a good opportunity for the Group to realise its investment in the Target Croup and are also of the view that the Disposal is a strategic and defensive action to protect the interest of the Company and the Shareholders, which allows the Group to avoid the potential risk and uncertainties arising from the disputes with the Minority Shareholders. As at the Latest Practicable Date, the court hearing dates for the Dispute with the Minority Shareholders, the Winding-up Petition and the Returning Property Complaint were not assigned by the Court. It is time-consuming to resolve the disputes between the Minority Shareholders, which would also require the Company to expend great manpower and financial resources. After considering the possible actions that the Company would take and the loss of control of Guangdong Dahe, the Directors are of the view that the Disposal is the best and the most efficient way to protect the interests of the Shareholders.

The Group has been engaging in the Construction Equipment Business since its listing in 2010. The Directors intend to reallocate and focus the Company's resources on the continuous development of the Construction Equipment Business. As at 30 November 2019, the Group entered into the Construction Equipment Business contracts in the total contract amount of HK$100,978,495.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Target Company and its subsidiaries will cease to be subsidiaries of the Company and the results and assets and liabilities of the Target Group will no longer be consolidated in the financial statements of the Group.

Subject to the final audit, it is expected that the Group will incur a net loss on the Disposal of approximately HK$68,000,000. 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 and transaction cost directly attributable to the Disposal of approximately HK$500,000.

USE OF PROCEEDS

The net proceeds from the Disposal after deducting the taxation and transaction costs are estimated to be approximately HK$230,000,000. The Group intends to use the net proceeds in the following manner:

(a) HK$183,000,000, representing approximately 80% of the net proceeds from the Disposal for repaying the Shareholder's Loans bearing an annual interest rate of 10%;

(b) HK$41,000,000, representing approximately 18% of the net proceeds from the Disposal for purchasing new machinery to expand the Construction Equipment Business; and

(c) HK$6,000,000, representing approximately 2% of the net proceeds from the Disposal for general working capital of the Group.

Although approximately 80% of the net proceeds from the Disposal will be used for repaying the Shareholder's Loans and related interests, the repayment of the Shareholder's Loans can reduce the gearing ratio of the Group and enable the Group to borrow bank loans with a lower interest rate.

Upon the repayment of the Shareholder's Loans, the Group will still have sufficient funds for the development of the Construction Equipment Business for the following reasons:

(i) formal contracts for purchasing new equipment (the "**Formal Contracts**") will be signed based on the signing of the equipment leasing contracts with customers (the "**Leasing Contracts**"). Upon signing the Formal Contracts, 20% to 25% of the purchasing price will be paid by the Company and 75% to 80% of the purchasing price will be paid by bank loans. The Company will be able to apply for the bank loans with the Leasing Contracts and the title documents of the new equipment. The Company intends to apply for bank loans in an estimated amount of approximately HK$134,000,000 for the instalment payment and/or final payment of purchasing the new tower cranes. As the new equipment will be mortgaged to banks and the rental income generated from the Leasing Contracts will be a source for the repayment of bank loans, the Company can obtain bank loans with a favourable interest rate, which is approximately 5%, compared with the 10% annual interest rate of the Shareholder's Loans; and

(ii) after the repayment of the Shareholder's Loans, the interest payment obligation of the Company will cease. It is estimated that the Group could save the interest cost in the amount of HK$18,300,000 per annum after the repayment of the Shareholder's Loans.

As such, the Board is of the view that the repayment of the Shareholder's Loans is in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Chapter 14

As the highest of the applicable percentage ratios of the Disposal is more than 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and the shareholders' approval requirements under Chapter 14 of the Listing Rules.

Chapter 14A

As at the Latest Practicable Date, the Target Company was beneficially owned as to 51% by the Vendor and as to 49% by the Purchaser and the Purchaser is a connected person of the Company at the subsidiary level. The Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that (i) the Board considers that the Agreement and the transaction contemplated thereunder are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole; (ii) the Board has approved the Agreement and the transaction contemplated thereunder; and (iii) the INEDs have confirmed that the terms of the Agreement and the transaction contemplated thereunder are fair and reasonable, the Agreement and the transaction contemplated thereunder fall within the exemption under Rule 14A.101 of the Listing Rules and are subject to the reporting and announcement requirements but exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

RE-ELECTION OF THE RETIRING DIRECTORS

References are made to the announcements of the Company dated 8 July 2019, 4 November 2019 and 6 December 2019, respectively, in relation to, among others, the appointment of Mr. Chen Huajie ("**Mr. Chen**") as an executive Director, Mr. Zhao Yi ("**Mr. Zhao**") as an executive Director, Mr. Li Yongjun ("**Mr. Li**") as an INED and Mr. Diao Yingfeng ("**Mr. Diao**") as an INED (collectively, the "**Retiring Directors**"). In accordance with article 112 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Accordingly, the Retiring Directors shall be subject to re-election by the Shareholders at the EGM.

Recommendation of the Nomination Committee

The nomination committee of the Board (the "**Nomination Committee**") had assessed and reviewed Mr. Li and Mr. Diao's annual written confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that Mr. Li and Mr. Diao remains independent. They also demonstrated their ability to provide independent views on the Company's matters. Mr. Li has more than 30 years of experience in legal works in the PRC. Mr. Diao has more than 16 years of experience in tax and accounting works in PRC. Both of their expertise would benefit the Group from the relevant perspective. The proposed re-election of Mr. Li and Mr. Diao as INEDs will increase the diversity of the Board as a whole. In addition, the Nomination Committee evaluated the performance of each of the Retiring Directors for the year ended 31 December 2019 and the period thereafter up to the date of evaluation and found their performance satisfactory. Having duly considered their skills, knowledge, experience, expertise, and other relevant factors, the Nomination Committee is of the view that the Retiring Directors continue to be suitable candidates to serve on the Board. Therefore, with the recommendation of the Nomination Committee, the Board has proposed that all of the Retiring Directors stand for re-election as Directors at the EGM.

Details of the Retiring Directors proposed to be re-elected at the EGM are set out in Appendix V of this circular.

EGM

Set out on pages EGM-1 to EGM-4 of this circular is a notice convening the EGM to be held at Suite 2418, 24/F, Jardine House, 1 Connaught Place, Central, Hong Kong on Friday, 22 May 2020 at 1:30 p.m., at which ordinary resolutions will be proposed to seek the Shareholders' approval of the Agreement and the transaction contemplated thereunder pursuant to the requirement of the Listing Rules and the re-election of the Retiring Directors.

It is currently intended that approximately 80% of the net proceeds from the Disposal will be applied to repay the Shareholder's Loans due to Harbour Luck. As at the Latest Practicable Date, Harbour Luck was a controlling Shareholder interested in approximately 30.60% of the total number of Shares in issue of the Company. Therefore, Harbour Luck is considered to have a material interest in the Disposal and Harbour Luck and its associates shall abstain from voting on the ordinary resolution to approve the Agreement and the transaction contemplated thereunder at the EGM pursuant to the Listing Rules.

As at the Latest Practicable Date, the Target Company was beneficially owned as to 51% by the Vendor and as to 49% by the Purchaser and the Purchaser was a connected person of the Company at the subsidiary level. As at the Latest Practicable Date, the Purchaser is interested in approximately 9.43% of the total number of Shares in issue of the Company. Therefore, the Purchaser is considered to have a material interest in the Disposal and the Purchaser and his associates shall also abstain from voting on the ordinary resolution to approve the Agreement and the transaction contemplated thereunder at the EGM pursuant to the Listing Rules.

Save as disclosed above, to the best of the Directors' knowledge after having made all reasonable enquiries, no other Shareholder has a material interest in the Agreement and the transaction contemplated thereunder. Accordingly, no other Shareholder is required to abstain from voting on the ordinary resolution to approve the Agreement and the transaction contemplated thereunder at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to read the notice convening the EGM and complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

RECOMMENDATION

The Directors (including the INEDs) consider that (i) the terms of the Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole and (ii) the Re-election of the Retiring Directors is also in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the INEDs) recommend that the Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder and the re-election of the Retiring Directors.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board
Eagle Legend Asia Limited
Guo Peineng
Deputy Chairman

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2017, 2018 and 2019 are set out in the annual reports of the Group for the years ended 31 December 2017 (pages 51 to 138), 2018 (pages 60 to 160) and 2019 (pages 61 to 162), respectively, which are published on both the website of the Stock Exchange (http://www.hkex.com.hk) and the website of the Company (http://www.elasialtd.com) respectively.

2. WORKING CAPITAL

The Directors, after due and careful consideration and taking into account the entering into the Agreement, present internal resources, banking and other facilities available to the Group, are of the opinion that the Group would have sufficient working capital for at least 12 months from the date of this circular.

3. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 March 2020, being the latest practicable date for the purpose of the statement of indebtedness prior to the printing of this circular, the Group had outstanding indebtedness comprising secured bank borrowings amounting to approximately HK$12,568,000, lease liabilities amounting to approximately HK$52,290,000, amount due to a related company amounting to approximately HK$40,000,000 and shareholder loans amounting to approximately HK$183,000,000.

The outstanding secured bank borrowings were guaranteed and secured by properties owned by a subsidiary of the Group. Lease liabilities of approximately HK$34,517,000 are secured by the leased assets. Lease liabilities amounting to approximately HK$9,451,000 are guaranteed. Shareholder loans and amount due to a related party are unsecured and unguaranteed.

The Group had total capital commitments of approximately HK$17,190,000 related to the acquisitions of property, plant and equipment.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities, the Group did not, as at the close of business on 31 March 2020, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, have any loan capital issued and outstanding or agreed to be issued, loans or other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, bank overdraft, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

The Directors confirm that, as of 31 March 2020, being the latest practicable date for the purpose of this statement of indebtedness, save as disclosed above, the Group did not have any issued and outstanding, or authorised or otherwise created but unissued debt securities, term loans, other borrowings, indebtedness, mortgages and charges, contingent liabilities and guarantees.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

During the past few years, the Group's major markets for the construction equipment business were Hong Kong and Singapore. Since the demand for real estate and infrastructure in the PRC was much larger than that in Hong Kong and Singapore, the total construction volume in the PRC has supported the growth of the tower crane leasing industry. Therefore, the Group is optimistic about the development of the tower crane leasing market in the PRC and plans to expand into the PRC leasing market in order to increase its income from its major business. The Group plans to expand its current construction equipment leasing business to the Greater Bay Area first, and then gradually across the PRC market by focusing on the Greater Bay Area as its core market in the future. According to an industry report titled "2020 Investment Outlook of Construction Machinery" (工程機械2020投資展望) published on 31 December 2019 by Tebon Securities Co., Ltd., the amounts of existing stock for tower crane in the PRC market are 41.06 million units and 42.37 million units in 2019 and 2020 respectively, compared to the total demand for tower cranes in real estate market of 49.37 million units and 50.86 million units respectively during the same years, which resulted in a supply and demand gap for 2019 and 2020 of 8.31 million units and 8.49 million units respectively. According to an industry report titled "The rise in the leasing of tower crane foundation in terms of both quantity and price has enabled ample room for larger companies to grow even larger" (塔基租賃龍頭量價齊升，強者恒強成長空間廣闊) published on 13 October 2019 by Pacific Securities Co., Ltd., the tower crane leasing market in the PRC continues to grow. The scale of the tower crane leasing market in the PRC is expected to reach RMB95 billion in 2019. In view of the current growth rate of 10% for the infrastructure sector, the scale of the leasing market is expected to break the RMB100 billion mark in 2020. The establishment of the business footprint in the Greater Bay Area has led to an increase in infrastructure demands in the region. The Group will seize the opportunity of economic growth in the Greater Bay Area and has established three subsidiaries in Shenzhen in October 2019 to provide leasing of construction equipment and related services. Employees with relevant management and sales experience and mechanical engineers have been recruited to facilitate the Group's development into the Greater Bay Area market while professional staff from Hong Kong are assigned to provide support for the business in the Greater Bay Area.

At the same time, the Group will continue to strengthen its investment in the existing Singapore and Hong Kong markets and consider continuing with its purchase of large cranes to improve its market competitiveness. According to the statistics from the Housing and Development Board of Singapore, construction demand for both public and private sectors continues to grow. It is projected that construction demand between 2021 and 2022 will range from S$27 billion to S$34 billion per year and the demand between 2023 and 2024 will range from S$28 to S$35 billion per year, which are spearheaded by the demand of public housing and public-led private partnership construction projects, with projects awarded last year amounting to approximately S$33.4 billion. Future construction projects in Singapore, such as the development of Terminal 5 of Changi Airport, the development of Jurong Lake District, the expansion of two integrated resorts being Marina Bay Sands and Resorts World Sentosa, etc., should generate tremendous demand for tower crane machinery. Meanwhile, as most public housing and some private housing projects have adopted the prefabricated unit construction system, the Group's business of leasing large-capacity tower cranes will become more popular.

Infrastructure construction is severely affected by the novel coronavirus (COVID-19) pandemic (the "**Outbreak**"), namely the stoppage and delay in work resumption as well as strict traffic controls. At the same time, since a lot of raw materials and components are manufactured in the PRC, which has affected the transportation and supply of building materials to Hong Kong, construction works in several construction sites in Hong Kong could only maintain limited operation or are forced to suspend. Accordingly, the execution of certain new contracts of the Group in relation to the leasing and servicing of tower cranes was postponed as customers in Hong Kong and the PRC postponed their operation due to the Outbreak. By contrast, Singapore is less affected by the Outbreak. Construction sites operated by customers of the Group in Singapore are currently in normal operation, and as such the Group's business in Singapore has so far not been affected.

Although the unexpected the Outbreak at the beginning of 2020 became a major variable for the PRC economy, it appears that infrastructure investment is likely to maintain a moderate growth throughout the year. The role of infrastructure in stabilising the economy and absorbing employment, which is in line with the PRC's core policy of "Maintaining growth and stable employment", has become more prominent under the Outbreak. In 2020, given that there is more room for progress in policies related to infrastructure investment, and variables such as the Outbreak and special bonds, the growth rate for infrastructure investment in 2020 is expected to recover to approximately 10%. As tower crane machinery is an essential construction tool in real estate infrastructure, there remains to be a promising future for tower crane machinery in the leasing market.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest audited consolidated financial statements of the Company were made up.

6. SIGNIFICANT INVESTMENTS

Save for the Disposal, the Group did not have any other significant investments, other material acquisition or disposal after 31 December 2019, and there was no plan authorised by the Board for other material investments or additions of capital assets up to the Latest Practicable Date.

7. MANAGEMENT DISCUSSION AND ANALYSIS ON THE REMAINING GROUP

Upon Completion, the Remaining Group will continue to be principally engaged in the Construction Equipment Business. Set out below is the management discussion and analysis on the Remaining Group for each of the three financial years ended 31 December 2017, 2018 and 2019. The financial data in respect of the Remaining Group, for the purpose of this circular, is derived from the consolidated financial statements of the Company for each of the three years ended 31 December 2017, 2018 and 2019.

For the year ended 2017

Overall Performance

For the year ended 31 December 2017, the Group generated revenue from continuing operations of approximately HK$117.5 million (2016: approximately HK$156.2 million) with a loss for the year from continuing operations of approximately HK$75.2 million (2016: approximately HK$64.3 million). Revenue from discontinued operation recorded approximately HK$38.7 million (2016: approximately HK$58.5 million) with a profit from discontinued operation of approximately HK$0.3 million (2016: loss of approximately HK$7.9 million). The Discontinued Operation referred to a major transaction in relation to the disposal of Alpha Chance Limited and its subsidiaries, which was principally engaged in the manufacturing and sale of Chinese medicines such as 乳寧丸, 複方烏雞口服液 and 十二烏雞白鳳丸. The details of the aforesaid transaction were set out in the Company's circular dated 22 August 2017.

Business Review

For the year ended 31 December 2017, the Group recorded revenue from continuing operations of approximately HK$117.5 million compared to approximately HK$156.2 million achieved in the previous year, and revenue from discontinued operation of approximately HK$38.7 million compared to approximately HK$58.5 million recorded in the previous year.

Revenue from sales of machinery of approximately HK$28.4 million was recorded for the year under review which represented a decrease of approximately 47.9% compared to 2016. The decrease in sales was mainly due to the persistently low monthly rental rates which encouraged the Group's customers, such as construction companies to rent tower cranes instead of purchasing new tower cranes, and the softer demand of used cranes than the previous years by virtue of the downturn of the Korean construction market in 2017 where our major used tower cranes customers are situated in.

Rental income from leasing of machinery decreased from approximately HK$68.6 million to approximately HK$56.5 million for the year under review, representing a decrease of approximately 17.6% year over year due to downward rental adjustment in Singapore.

Revenue from sales of spare parts and service income recorded a slight decrease of approximately 2.2% and 1.6% for the year under review to approximately HK$5.4 million and HK$27.2 million, respectively. The decreases were mainly due to the decreasing demand of spare parts according to customer's specific requirements and demand of services, including chargeable erection, climbing and dismantling activities.

On 15 August 2017, the Group completed the disposal of its business in manufacturing and sales of proprietary Chinese medicines and health products (the "**Discontinued Operation**") after considering its declined profitability and its loss position in recent years. The revenue from the Discontinued Operation was approximately HK$38.7 million compared to approximately HK$58.5 million recorded in the previous year. The Discontinued Operation referred to a major transaction in relation to the disposal of Alpha Chance Limited and its subsidiaries, which was principally engaged in the manufacturing and sale of Chinese medicines such as 乳寧丸, 複方烏雞口服液 and 十二烏雞白鳳丸. The details of the aforesaid transaction were set out in the Company's circular dated 22 August 2017.

Dividend

The Directors do not recommend the payment of any dividend for the year ended 31 December 2017 (2016: Nil).

Financial review

Results for the year

As detailed in the section headed "Business Review" above, the Group recorded a loss from continuing operations of approximately HK$75.2 million (2016: approximately HK$64.3 million) and a profit from Discontinued Operation of approximately HK$0.3 million (2016: loss of approximately HK$7.9 million).

For the year ended 31 December 2017, the Group's other income and gains from continuing operations amounted to approximately HK$10.8 million, representing an increase of approximately 468.4% compared to that of 2016. The increase was mainly attributable to the exchange gain, gain on early settlement of promissory note payable.

The Group's property, plant and equipment amounted to approximately HK$270.8 million, representing a decrease of approximately 0.1% compared to that of 2016. The depreciation charges and staff costs from the continuing operations for the year under review decrease by approximately HK$1.2 million and increased by approximately HK$2.4 million, respectively, as compared to the amounts for the previous year.

Finance costs from continuing operations amounted to approximately HK$49.8 million for the year ended 31 December 2017, representing an increase of approximately 94.3% compared to that of 2016. Finance costs from discontinued operation amounted to approximately HK$0.6 million for the year ended 31 December 2017, representing a decrease of approximately 55.9% compared to that of 2016.

Liquidity and Financial Resources

The Group held cash and cash equivalents of approximately HK$70.5 million as at 31 December 2017 (2016: approximately HK$176.3 million).

The total equity of the Group increased to approximately HK$89.4 million as at 31 December 2017 (2016: approximately HK$58.8 million).

As at 31 December 2017, the Group had net current liabilities of approximately HK$114.0 million (2016: approximately HK$245.1 million).

Capital Structure

As at 31 December 2017, the Company had a total of 1,060,000,000 issued shares (the "**Shares**", each, a "**Share**") at HK$0.01 each (2016: 960,000,000 Shares).

Investment Position and Planning

During the year under review, the Group spent approximately HK$41.7 million for acquisition of plant and equipment (2016: approximately HK$40.1 million). Save as disclosed below, the Group did not have any significant acquisition or disposal of subsidiaries and associated companies during the year under review.

Pursuant to the resolution passed in the board of management's meeting of Manta-Vietnam Construction Equipment Leasing Limited ("**Manta-Vietnam**"), an indirect 67% owned subsidiary of the Company, dated 10 January 2013, the board of management resolved to liquidate Manta-Vietnam (the "**Liquidation**"). As at 16 March 2018, the Liquidation is still in process.

On 1 August 2017, the Company entered into a sale and purchase agreement to dispose the entire issued share capital of Alpha Chance Limited ("**Alpha Chance**") and all debts, liabilities or obligations owed or incurred by Alpha Chance to the Company on or at any time prior to completion date of the disposal, whether actual or contingent and irrespective of whether the same is due and payable on completion of the disposal at an aggregate cash consideration of HK$40.0 million. Alpha Chance and its subsidiaries were principally engaged in the manufacturing and sale of proprietary Chinese medicines and health products in the PRC. The disposal was completed on 15 August 2017. Further details of the above transaction were disclosed in the Company's announcement and circular dated 1 August 2017 and 22 August 2017 respectively.

Gearing

The Group monitors capital using a gearing ratio, which is total debts (sum of carrying amounts of bonds payable, bank borrowings, other loans payables and finance lease payables) divided by total equity. As compared to that of 2016, the gearing ratio as at 31 December 2017 was increased to 2.0 (2016: 1.0), mainly due to set-off of promissory note by the enlarged share capital for the year under review.

Pledge of Assets

The Group's banking facilities were secured by a building of the Group carried at cost with aggregated carrying amounts of approximately HK$35.7 million (2016: secured by buildings of the Group carried at cost and payments for leasehold land held for own use under operating leases with aggregated carrying amount approximately HK$34.2 million). The bonds of the principal amount of HK$100.0 million are secured by the equity interest of certain subsidiaries.

Exchange Rate Exposure

As at 31 December 2017, more than half of the revenue and part of assets and liabilities of the Group were denominated in currencies other than Hong Kong dollar. In particular, the revenue generated from our rental operations in Singapore is primarily denominated in Singapore dollar. Purchases of tower cranes, spare parts and accessories from suppliers were usually denominated in Euro or United States dollar. For foreign currency purchases, hedging arrangements to hedge against foreign exchange fluctuations may be entered. However, no hedging arrangement was undertaken for revenue generated from Singapore.

Treasury Policies

The Group generally finances its ordinary operations with internally generated resources or banking facilities. The interest rates of most of the borrowings and finance lease arrangement, if applicable, are charged by reference to prevailing market rates.

Contingent Liabilities

As at 31 December 2017, the Group and the Company did not have any significant contingent liabilities (2016: nil).

Commitments

As at 31 December 2017, the Group had total capital commitments of approximately HK$0.8 million related to the acquisitions of property, plant and equipment (2016: HK$7.8 million).

Employment and Remuneration Policy

As at 31 December 2017, the Group had a total of 121 (2016: 306) employees in Hong Kong, Singapore, Vietnam and the PRC. The Group has not had any significant problems with its employees or disruptions due to labour disputes nor has it experienced difficulties in the recruitment and retention of experienced staff. The Group remunerates its employees based on industry practices. Its staff benefits, welfare and statutory contributions, if any, are made in accordance with individual performance and prevailing labour laws of its operating entities.

For the year ended 2018

Overall performance

For the year ended 31 December 2018, the Group generated revenue from continuing operations of approximately HK$108.3 million (2017: approximately HK$117.5 million) with a loss for the year from continuing operations of approximately HK$80.0 million (2017: a loss of approximately HK$75.2 million).

Business Review

Revenue from sales of machinery of approximately HK$10.2 million was recorded for the year under review which represented a decrease of approximately 64.1% compared to 2017. The decrease in machinery sales was mainly due to the persistently low monthly rental rates which encourage the Group's customers to choose rental over purchase of new tower cranes. Furthermore, both the Hong Kong and Singapore markets continue to shift towards the use of tower cranes with heavier lifting capacity to accommodate the adoption of pre-cast and pre-fabricated construction method but the manufacturer's new product that is suitable for heavier lifting was not available until late 2018. With regard to used cranes sale, the introduction of legal age restriction in Korea and the continuous softening of the Korean construction market in 2018 have led to the decrease in demand for used crane from our Korean customers.

Rental income from leasing of machinery decreased from approximately HK$56.5 million to approximately HK$49.8 million for the year under review, representing a decrease of approximately 12.0% year over year mainly due to the lingering of rental rates at a relatively low level throughout 2018.

Revenue from both sales of spare parts and service income recorded an increase of approximately 76.1% and 42.8% for the year under review to approximately HK$9.5 million and HK$38.8 million, respectively. The increases were mainly contributed by the significant increase in Hong Kong market's sale of certain spare parts to its customers and the provision of erection, climbing and dismantling services according to the project schedule during the year under review.

Dividend

The Directors do not recommend the payment of any dividend for the year ended 31 December 2018 (2017: Nil).

Financial review

Results for the year

As detailed in the section headed "Business Review" above, the Group recorded a loss from continuing operations of approximately HK$80.0 million (2017: HK$75.2 million).

For the year ended 31 December 2018, the Group's other income and gains from continuing operations amounted to approximately HK$5.6 million, representing a decrease of approximately 48.4% compared to that of 2017. The decrease was mainly attributable to the decrease in exchange gain and the absence of the one-off gain on early settlement of promissory note payable in 2017.

The Group's property, plant and equipment amounted to approximately HK$259.4 million, representing a decrease of approximately 4.2% compared to that of 2017. The depreciation charges included in cost of sales and services and other operating expenses, and staff costs included in cost of sales and services and administrative expenses from the continuing operations for the year under review decreased by approximately HK$4.6 million and increased by approximately HK$1.7 million, as compared to the amounts for the previous year.

Finance costs from continuing operations amounted to approximately HK$37.8 million for the year ended 31 December 2018, representing a decrease of approximately 24.2% compared to that of 2017.

Liquidity and Financial Resources

The Group held cash and cash equivalents of approximately HK$15.4 million as at 31 December 2018 (2017: approximately HK$70.5 million).

The total equity of the Group decreased to approximately HK$10.0 million as at 31 December 2018 (2017: approximately HK$89.4 million).

As at 31 December 2018, the Group had net current liabilities of approximately HK$192.7 million (2017: approximately HK$114.0 million).

Capital Structure

As at 31 December 2018, the Company had a total of 1,060,000,000 issued shares (the "**Shares**", each, a "**Share**") at HK$0.01 each. There was no change in the share capital of the Company during the year.

Investment Position and Planning

During the year under review, the Group spent approximately HK$30.4 million for acquisition of plant and equipment (2017: approximately HK$41.7 million).

Pursuant to the resolution passed in the board of management's meeting of Manta-Vietnam Construction Equipment Leasing Limited ("**Manta-Vietnam**"), an indirect 67% owned subsidiary of the Company, dated 10 January 2013, the board of management resolved to liquidate Manta-Vietnam (the "**Liquidation**"). As at 21 March 2019, the Liquidation is still in process.

On 29 June 2018, a subsidiary of the Group entered into a conditional sale and purchase of the sale shares agreement (the "**Agreement**") with two independent third parties (the "**Purchasers**"), who are also the bond holders, in relation to the disposal of Hover Ascend Limited ("**Hover Ascend**"), a subsidiary of the Group (the "**Disposal**").

Upon completion of reorganisation and immediately before completion, as set out in the Agreement, the Hover Ascend would become the holding company of the subsidiaries, principally engaged in Construction Equipment Business. According to the Agreement, the consideration which shall be paid by the Purchasers shall be set off against the outstanding principal amount of the bonds payable and the outstanding accrued interest thereon up to 30 June 2018 upon completion of the Agreement.

The Purchasers agreed, confirmed and undertook that notwithstanding the bonds set out in note 29 having fallen due on 30 June 2018, in consideration of the Agreement, the Purchasers acknowledged that no repayment of the bonds nor payment of interests accrued thereon shall be required, and such delay in payment should not be considered as an event of default under the terms and conditions of the bonds, unless the Agreement is terminated before completion of the Agreement. The Purchasers further agreed, confirmed and undertook that all interests accrued on the bonds from 1 July 2018 onwards shall be waived upon completion of the Agreement.

Pursuant to the Agreement, if the conditions are not fulfilled or waived on or before 31 August 2018 or such other time and date as the Group and the Purchasers may agree, the Agreement shall cease and determine. As at 31 August 2018, the condition precedents of the Agreement had not been fulfilled or waived (if applicable), the Agreement had lapsed and the Disposal was not proceeded.

On the even date, the outstanding principal amount of the bonds payable together with interest accrued up to the date of repayment, which amounted to approximately HK$175,600,000 in aggregate, had been fully repaid by the Group.

Further details of the Disposal are set out in the Company's announcement dated 31 August 2018.

Material Acquisition or Disposal of Subsidiary

Save as disclosed elsewhere in this report, the Group had no material acquisition or disposal of subsidiaries during the year under review.

Gearing

The Group monitors capital using a gearing ratio, which is total debts (sum of carrying amounts of shareholder's loans, bank borrowings, and finance lease payables) divided by total equity. As compared to that of 2017, the gearing ratio as at 31 December 2018 was increased to 26.4 (2017: 2.0), mainly due to the drawdown of shareholder's loans for the year under review.

Pledge of Group Assets and Contingent Liabilities

The Group's banking facilities were secured by a building of the Group carried at cost with aggregated carrying amounts of approximately HK$33.4 million (2017: secured by a building of the Group carried at cost and with aggregated carrying amount approximately HK$35.7 million).

Exchange Rate Exposure

As at 31 December 2018, more than half of the revenue and part of assets and liabilities of the Group were denominated in currencies other than Hong Kong dollar. In particular, the revenue generated from our rental operations in Singapore was primarily denominated in Singapore dollar. Purchases of tower cranes, spare parts and accessories from suppliers were usually denominated in Euro or United States dollar. For foreign currency purchases, hedging arrangements to hedge against foreign exchange fluctuations may be entered. However, no hedging arrangement was undertaken for revenue generated from Singapore.

Treasury Policies

The Group generally finances its ordinary operations with internally generated resources, banking facilities or shareholder's loan. The interest rates of most of the borrowings and finance lease arrangement, if applicable, are charged by reference to prevailing market rates.

Contingent Liabilities

As at 31 December 2018, the Group and the Company did not have any significant contingent liabilities (2017: Nil).

Commitments

As at 31 December 2018, the Group had total capital commitments of approximately HK$2.6 million related to the acquisitions of property, plant and equipment (2017: approximately HK$0.8 million).

Employment and Remuneration Policy

As at 31 December 2018, the Group had a total of 118 (2017: 121) employees in Hong Kong, Singapore, Vietnam and the PRC. The Group has not had any significant problems with its employees or disruptions due to labour disputes nor has it experienced difficulties in the recruitment and retention of experienced staff. The Group remunerates its employees based on industry practices. Its staff benefits, welfare and statutory contributions, if any, are made in accordance with individual performance and prevailing labour laws of its operating entities.

For the year ended 2019

Overall performance

For the year ended 31 December 2019, the Group generated revenue from continuing operations of approximately HK$124.5 million (2018: approximately HK$108.3 million) with a loss for the year from continuing operations of approximately HK$65.5 million (2018: approximately HK$80.0 million).

Business Review

Revenue from sales of machinery of approximately HK$21.7 million was recorded for the year under review which represented an increase of approximately 113.4% compared to 2018. The increase in machinery sales was mainly due to increase sales on large tonnage tower crane. The Group's customers in Singapore have shifted to buy new cranes with heavier lifting capacity to accommodate the adoption of pre-cast and pre-fabricated construction; therefore, the Group launched large tonnage tower crane to meet their demands. With regard to the sale of used cranes, the Group explored the Middle-east market to increase source of income.

Revenue from sales of spare parts recorded a decrease of approximately 44.1% for the year under review to approximately HK5.3 million, mainly due to less erection and climbing activity involved by the Group's customer using certain spare parts according to the project schedule during the year under review.

Revenue from service income increased from approximately HK$38.8 million for 2018 to approximately HK$45.9 million for the year under review, representing an increase of approximately 18.1% year over year mainly contributed by exploring new market in mainland China. The Group established three new companies in Shenzhen in October 2019 realised HK$7.9 million service income.

Rental income from leasing of machinery increased from approximately HK$49.8 million for 2018 to approximately HK$51.6 million for the year under review, representing an increase of approximately 3.7% year over year mainly due to a slight increase of the rental price.

Dividend

The Board has resolved not to recommend the payment of any dividend for the year ended 31 December 2019 (2018: Nil).

Financial Review

Results for the year

As detailed in the section headed "Business Review" above, the Group recorded a loss from continuing operations of approximately HK$65.5 million (2018: approximately HK$80.0 million)

For the year ended 31 December 2019, the Group's other income and gains from continuing operations amounted to approximately HK$1.4 million, representing a decrease of approximately 74.7% compared to that of 2018. The decrease was mainly attributable to the absence of reversal of impairment loss on property, plant and equipment.

As at 31 December, 2019, the Group's property, plant and equipment amounted to approximately HK$136.4 million, representing a decrease of approximately 47.4% compared to that as at 31 December 2018. The depreciation charges included in other operating expenses, and staff costs included in cost of sales and services and administrative expenses from the continuing operations for the year increased by approximately HK$4.7 million and HK$0.6 million, respectively, as compared to the amounts for the previous year.

Finance costs from continuing operations amounted to approximately HK$22.0 million for the year ended 31 December 2019, representing a decrease of approximately 41.7% compared to that of 2018.

Liquidity and Financial Resources

The Group had cash and cash equivalents of approximately HK$25.3 million as at 31 December 2019 (2018: approximately HK$15.4 million).

The total deficit of the Group increased to approximately HK$55.9 million as at 31 December 2019 (2018: total equity approximately HK$10.0 million).

As at 31 December 2019, the Group had net current liabilities of approximately HK$249.4 million (2018: approximately HK$192.7 million).

Capital Structure

As at 31 December 2019, the Company had a total of 1,060,000,000 issued shares with par value of HK$0.01 each (the "**Shares**", each a "**Share**"). There was no change in the share capital of the Company during the year.

Investment Position and Planning

During the year, the Group spent approximately HK$33.7 million for acquisition of plant and equipment and right-of-use assets (2018: approximately HK$30.4 million).

Pursuant to a resolution passed in the board of management's meeting of Manta-Vietnam Construction Equipment Leasing Limited ("**Manta-Vietnam**" and the "**Board of Management**", respectively), a company incorporated in Vietnam and an indirect 67%-owned subsidiary of the Company, held on 10 January 2013, the Board of Management resolved to liquidate Manta-Vietnam (the "**Liquidation**"). As at 27 March 2020, the Liquidation is still in process.

Pursuant to the respective written resolutions of the sole member and the sole director of Manta Services Management Limited ("**Manta-Services**"), which had ceased business with effect from 31 December 2018, both dated 20 March 2019, it was resolved that an application be made to the Registrar of Companies in Hong Kong for deregistration of Manta-Services (the "**Application**"). The Application was made on 23 September 2019. As at the date of 27 March 2020, the deregistration of Manta-Services is still in process.

Eagle Legend Equipment China Limited, an indirect wholly-owned subsidiary of the Company, was incorporated in Hong Kong on 18 September 2019, for the purpose of holding 100% interest in three wholly foreign-owned (Hong Kong, Macau and Taiwan) limited companies (the "**WFOE**") incorporated in Shenzhen, the PRC on 17 October 2019. The three WFOEs provide leasing of construction equipment and related services in PRC.

Material Acquisition or Disposal of Subsidiaries

On 24 February 2020, Lucky Boom Investments Limited (the "**Vendor**"), a wholly-owned subsidiary of the Company, and He Xiaoyang (the "**Purchaser**") entered into a sale and purchase agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire 51% of the issued share capital of Best Earnest Investments Limited ("**Best Earnest**"), for a total consideration of HK$230,000,000. The Purchaser is holding 49% of the issued share capital of Best Earnest. Best Earnest is indirectly holding 80% issued shares of 廣東大合生物科技股份有限公司 (for identification purpose, in English, Guangdong Dahe Biological Technologies Limited) ("**Guangdong Dahe**"), a company principally engaged in the cultivation, research, processing and sale of exocarpium citri grandis (化橘紅), a Chinese herbal medicine, in the PRC. The above transaction is subject to Shareholders' approval.

Litigations

As disclosed in the announcement of the Company dated 9 December 2019, the minority shareholders of Guangdong Dahe (the "**Minority Shareholders**") initiated proceedings relating to the dispute among the shareholders of Guangdong Dahe (the "**Dispute with Minority Shareholders**") with the Intermediate People's Court of Maoming City, Guangdong Province* (廣東省茂名市中級人民法院) (the "**Court**"), in which the Minority Shareholders filed the civil complaints to the Court and requested the Court to abrogate the shareholders' resolution of Guangdong Dahe in relation to the change of the legal representative of Guangdong Dahe (the "**Legal Representative**"), who was appointed by the Minority Shareholders. In response to this, on 27 November 2019, Vast Bloom petitioned to the Court for the winding-up of Guangdong Dahe (the "**Winding-up Petition**") and obtained the Court's acceptance notice on 4 December 2019. On 28 November 2019, Vast Bloom also obtained the Court order to freeze the bank accounts of Guangdong Dahe for up to RMB78 million.

On 6 January 2020, a civil complaint against the Legal Representative and the Minority Shareholders was filed by Guangdong Dahe to the Court for demanding the return of the company seal, various official registration papers, information and property of Guangdong Dahe (the "**Returning Property Complaint**") and the Court issued the complaint acceptance notice on 7 February 2020.

As at 27 March 2020, the court hearing dates for the Dispute with Minority Shareholders, the Winding-up Petition and the Returning Property Complaint were not assigned by the Court.

Gearing

The Group monitors capital using a gearing ratio, which is calculated by dividing the total debts (sum of carrying amounts of shareholder's loans, bank borrowings, amount due to a related company, lease liabilities and finance lease payables) by the total equity. The gearing ratio as at 31 December 2019 was not applicable (2018: 26.4), mainly due to the deficit as at year end.

Pledge of Group Assets and Contingent Liabilities

As at 31 December 2019, the Group's banking facilities were secured by a building of the Group carried at cost with aggregated carrying amounts of approximately HK$32.1 million (2018: secured by a building of the Group carried at cost and with aggregated carrying amount approximately HK$33.4 million).

Exchange Rate Exposure

As at 31 December 2019, most of the revenue and part of assets and liabilities of the Group were denominated in currencies other than Hong Kong dollar. In particular, the revenue generated from the Group's rental operations in Singapore was primarily denominated in Singapore dollar. Purchases of tower cranes, spare parts and accessories from suppliers were usually denominated in Euro or United States dollar. To hedge against foreign exchange fluctuations, hedging arrangements may be entered. However, no hedging arrangement was undertaken for revenue generated from the Group's operations in Singapore.

Treasury Policies

The Group generally finances its ordinary operations with internally generated resources, banking facilities or shareholder's loan. The interest rates of most of the borrowings and finance lease arrangement, if applicable, are charged by reference to prevailing market rates.

Contingent Liabilities

As at 31 December 2019, the Group did not have any significant contingent liabilities (2018: Nil).

Commitments

As at 31 December 2019, the Group had total capital commitments of approximately HK$0.8 million related to the acquisitions of property, plant and equipment (2018: approximately HK$2.6 million).

Employment And Remuneration Policy

As at 31 December 2019, the Group had a total of 104 (2018: 118) employees in Hong Kong, Singapore, Vietnam and the PRC. The Group has not had any significant problems with its employees or disruptions due to labour disputes nor has it experienced difficulties in the recruitment and retention of experienced staff. The Group remunerates its employees based on industry practices. Its staff benefits, welfare and statutory contributions, if any, are made in accordance with individual performance and prevailing labour laws of its operating entities. Periodic in-house training is provided to the employees to enhance the knowledge of the workforce.

The Company has adopted a share option scheme to enable the Board to grant share options to eligible participants.

REPORT ON REVIEW OF UNAUDITED HISTORICAL FINANCIAL INFORMATION OF BEST EARNEST INVESTMENTS LIMITED (INCORPORATED IN THE BRITISH VIRGIN ISLANDS WITH LIMITED LIABILITY)

To the Board of Directors of Eagle Legend Asia Limited

Introduction

We were engaged to review the unaudited historical financial information set out on pages II-3 to II-18 which comprise the consolidated statements of financial position of Best Earnest Investments Limited (the "**Disposal Company**") and its subsidiaries (together, the "**Disposal Group**") as of 31 December 2017, 2018 and 2019 and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flow for each of the years ended 31 December 2017, 2018 and 2019 (the "**Historical Financial Information**"). The Historical Financial Information has been prepared solely for the purpose of inclusion in the circular to be issued by Eagle Legend Asia Limited (the "**Company**") in connection with the disposal of the Disposal Group in accordance with paragraph 14.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The directors of the Company are responsible for the presentation and preparation of the Historical Financial Information of the Disposal Group in accordance with the basis of preparation set out in note 2 to the Historical Financial Information and paragraph 14.68(2)(a)(i) of the Listing Rules. The directors are also responsible for such internal control as management determines is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error. Our responsibility is to express a conclusion on this Historical Financial Information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, we were not able to perform the review procedures necessary to have a basis on which to form a conclusion.

Scope of Review

Our review was supposed to be conducted in accordance with Hong Kong Standard on Review Engagements 2400 (Revised) "Engagements to Review of Historical Financial Statements" issued by Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and with reference to Practice Note 750 "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal" issued by HKICPA. A review of the financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently would not have enabled us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we would not have expressed an audit opinion.

Basis for Disclaimer of Conclusion

The Company has dispute with the non-controlling shareholders of Guangdong Dahe Biological Technologies Limited (廣東大合生物科技股份有限公司) ("**Guangdong Dahe**"), a subsidiary of the Disposal Company. As such, management of the Company was not allowed to access to complete sets of management and accounting records of Guangdong Dahe. We have therefore unable to obtain sufficient evidence regarding the existence, accuracy, presentation, completeness and disclosure of the transactions of the Disposal Group for the years ended 31 December 2017, 2018 and 2019.

Given these circumstances, we were unable to satisfy ourselves that the information and explanations and documents presented to us for the purpose of our review are complete and accurate in all material respects, nor to quantify the extent of any adjustments that might be necessary in respect of the Disposal Group's financial information.

As a result, we were unable to determine whether any adjustments were necessary in respect of the Disposal Group's net assets as at 31 December 2017, 2018 and 2019 and the results and cash flows for the years then ended.

Disclaimer of Conclusion

Because of the significance of the matters described in the Basis for Disclaimer of Conclusion section of our report, we do not express a conclusion on the accompanying Historical Financial Information.

Grant Thornton Hong Kong Limited
Certified Public Accountants

Hong Kong, 7 May 2020

UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three years ended 31 December 2017, 2018 and 2019

	Year ended 31 December		
	2017	**2018**	**2019**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	89,331	82,039	28,535
Cost of sales and services	(41,829)	(27,986)	(9,506)
Gross profit	47,502	54,053	19,029
Gain arising from changes in fair value less costs to sell of biological assets	49,638	83,996	94,158
Other income and gains	1,553	2,257	1,216
Selling and distribution expenses	(21)	(102)	(28)
Administrative expenses	(4,201)	(16,730)	(4,998)
Other operating expenses	(27,262)	(31,788)	(27,498)
Finance costs	–	–	(94)
Profit before income tax	67,209	91,686	81,785
Income tax expense	–	–	–
Profit for the year	67,209	91,686	81,785
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	20,350	(26,558)	(6,652)
Total comprehensive income for the year	87,559	65,128	75,133

	Year ended 31 December		
	2017	**2018**	**2019**
	HK$'000	*HK$'000*	*HK$'000*
Profit for the year attributable to:			
– Owners of the Company	53,767	73,349	65,428
– Non-controlling interests	13,442	18,337	16,357
	67,209	91,686	81,785
Other comprehensive income/(loss) for the year attributable to:			
– Owners of the Company	16,280	(21,246)	(5,322)
– Non-controlling interests	4,070	(5,312)	(1,330)
	20,350	(26,558)	(6,652)
Total comprehensive income attributable to:			
– Owners of the Company	70,047	52,103	60,106
– Non-controlling interests	17,512	13,025	15,027
	87,559	65,128	75,133

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December 2017, 2018 and 2019

	As at 31 December		
	2017	**2018**	**2019**
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Property, plant and equipment	240,207	229,743	224,637
Right-of-use assets	–	–	1,097
	240,207	229,743	225,734
Current assets			
Biological assets	5,766	6,052	6,254
Inventories and consumables	21,470	75,338	150,158
Trade receivables	–	–	26,632
Prepayments, deposits and other receivables	3,471	2,087	8,047
Cash and cash equivalents	82,053	105,044	86,898
	112,760	188,521	277,989
Current liabilities			
Amount due to a fellow subsidiary	–	–	2
Amount due to an intermediate holding company	124	135	1,104
Trade payables	2,621	5,224	12,685
Receipt in advance, accruals and other payables	8,823	7,387	8,775
Lease liabilities	–	–	11
Deferred government grants	1,157	1,155	1,178
	12,725	13,901	23,755
Net current assets	100,035	174,620	254,234
Total assets less current liabilities	340,242	404,363	479,968
Non-current liabilities			
Lease liabilities	–	–	1,135
Deferred government grants	8,681	7,674	7,011
	8,681	7,674	8,146
Net assets	331,561	396,689	471,822
EQUITY			
Share capital	2	2	2
Reserves	271,440	323,543	383,649
Equity attributable to the owners of the Company	271,442	323,545	383,651
Non-controlling interests	60,119	73,144	88,171
Total equity	331,561	396,689	471,822

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY

As at 31 December 2017, 2018 and 2019

	Share capital *HK'000*	Statutory reserve *HK'000*	Translation reserve *HK'000*	Fair value reserves *HK'000*	Capital reserve *HK'000*	Retained earnings *HK'000*	Equity attributable to the owner of the target Company *HK'000*	Non-controlling interests *HK'000*	Total *HK'000*
At 1 January 2017	2	3,281	(11,131)	27,569	48,618	133,056	201,395	42,607	244,002
Profit for the year	–	–	–	–	–	53,767	53,767	13,442	67,209
Other comprehensive income	–	–	16,280	–	–	–	16,280	4,070	20,350
Total comprehensive income for the year	–	–	16,280	–	–	53,767	70,047	17,512	87,559
At 31 December 2017 and 1 January 2018	2	3,281	5,149	27,569	48,618	186,823	271,442	60,119	331,561
Profit for the year	–	–	–	–	–	73,349	73,349	18,337	91,686
Other comprehensive loss	–	–	(21,246)	–	–	–	(21,246)	(5,312)	(26,558)
Total comprehensive income for the year	–	–	(21,246)	–	–	73,349	52,103	13,025	65,128
At 31 December 2018 and 1 January 2019	2	3,281	(16,097)	27,569	48,618	260,172	323,545	73,144	396,689
Profit for the year	–	–	–	–	–	65,428	65,428	16,357	81,785
Other comprehensive loss	–	–	(5,322)	–	–	–	(5,322)	(1,330)	(6,652)
Total comprehensive income for the year	–	–	(5,322)	–	–	65,428	60,106	15,027	75,133
At 31 December 2019	2	3,281	(21,419)	27,569	48,618	325,600	383,651	88,171	471,822

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three years ended 31 December 2017, 2018 and 2019

	As at 31 December		
	2017	**2018**	**2019**
	HK$'000	*HK$'000*	*HK$'000*
Cash flows from operating activities			
Profit before income tax	67,209	91,686	81,785
Adjustments for:			
Bank interest income	(176)	(1,109)	(151)
Depreciation of property, plant and equipment	14,354	17,360	16,505
Depreciation of right-of-use assets	–	–	132
Interest expenses	–	–	94
Amortisation of deferred government grant for acquisition of property, plant and equipment	(1,285)	(1,148)	(974)
Gain arising from changes in fair value less costs to sell of biological assets	(49,638)	(83,996)	(94,158)
Written off of property, plant and equipment	–	–	2,951
Operating profit before working capital change	30,464	22,793	6,184
Increase in biological assets	(229)	(729)	(287)
Decrease in inventories and consumables	39,998	25,949	17,046
Increase in trade receivables	–	–	(27,086)
Decrease/(increase) in prepayments, deposits and other receivables	970	1,244	(6,090)
Increase in trade payables	862	2,902	7,659
Increase/(decrease) in receipt in advance, accruals and other payables	414	(970)	1,511
Cash generated from/(used in) operations	72,479	51,189	(1,063)
Interest paid	–	–	(94)
Net cash generated from/(used in) operating activities	72,479	51,189	(1,157)
Cash flows from investing activities			
Interest received	176	1,109	151
Proceeds from disposal of short term investment	11,500	–	–
Purchase of property, plant and equipment	(10,142)	(13,719)	(9,048)
Payments for planation costs and others to immature bearer plants	(11,717)	(6,614)	(7,876)
Net cash used in investing activities	(10,183)	(19,224)	(16,773)
Cash flows from financing activities			
Repayment of other loans payables	(5,289)	–	–
Repayment of lease liabilities	–	–	(83)
Proceeds from amount due to an intermediate holding company	124	11	969
Proceeds from amount due to a fellow subsidiary	–	–	2
Net cash (used in)/generated from financing activities	(5,165)	11	888
Net increase/(decrease) in cash and cash equivalents	57,131	31,976	(17,042)
Cash and cash equivalents at beginning of year	20,947	82,053	105,044
Effect of exchange rates changes on cash and cash equivalents	3,975	(8,985)	(1,104)
Cash and cash equivalents at end of year	82,053	105,044	86,898

II. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL

Best Earnest Investments Limited (the "**Target Company**") was established in the British Virgin Islands (the "**BVI**") on 26 October 2012 with limited liability. Its registered office is located at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. The principal activity of the Target Company is investment holding. The Target Company and its subsidiaries (the "**Target Group**") is principally engaged in the cultivation, research, processing and sales of exocarpium citri grandis and its seedlings in the PRC (the "**Plantation Business**").

The principal activity of the Target Group is based in a subsidiary operating in the PRC, of which 80% of its equity interest was acquired in January 2016.

On 24 February 2020, Eagle Legend Asia Limited (the "**Company**") entered into a sale and purchase agreement (the "**Agreement**") with Mr. He Xiaoyang (the "**Purchaser**"), the another shareholder of the Target Company and one of shareholders of the Company, for the disposal of the equity interest of the Target Company and the Plantation Business (together, the "**Disposal Group**"), at a consideration of approximately HK$230,000,000 (the "**Disposal**"). Upon the completion of the Disposal, the Company and the remaining subsidiaries carrying out trading of construction machinery and spare parts, leasing of the construction machinery under operating leases and providing repair and maintenance services in respect of the construction machinery (the "**Construction Business**") (together, the "**Remaining Group**") will cease to carry out the Plantation Business.

2. BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with the accounting policies adopted by the Group as set out in the annual report of the Company for the year ended 31 December 2019. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Statement of compliance

The Financial Information have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKAS**") and Interpretations (hereinafter collectively referred to as the "**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

(b) Basis of measurement and going concern assumption

The Financial Information has been prepared under the historical cost basis except for biological assets excluding bearer plants, which are measured at fair values

The Historical Financial Information has been prepared in accordance with paragraph 14.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), and solely for the purposes of inclusion in this circular. It does not contain sufficient information to constitute a complete set of financial statements as described in HKAS 1 "Presentation of Financial Statements" issued by the HKICPA and should be read in connection with the annual report of the Company for the year ended 31 December 2019.

Management of the Company have repeatedly made verbal and written requests to Guangdong Dahe Biological Technologies Limited （廣東大合生物科技股份有限公司）("**Guangdong Dahe**") and paid physical on-site visits, the Company has been refused access to Guangdong Dahe's plantation site from 28 December 2019. The Company has been unable to have access to the complete sets of books and records together with supporting documents of Guangdong Dahe since 1 December 2019. The financial results of Guangdong Dahe for the period from 1 January 2019 to 30 November 2019 is included in the unaudited consolidated financial information of the Target Group for the year ended 31 December 2019. The financial results for the twelve months from 1 January 2019 to 31 December 2019 of the Target Company and the remaining subsidiary in the Target Group, Vast Bloom Investment Limited, is included in the unaudited consolidated financial information of the Target Group for the year ended 31 December 2019.

A number of new or amended standards became applicable for the years ended 31 December 2017, 2018 and 2019 and the Group had to change its accounting policies as a result of adopting the new or amended standards. These new or amended standards do not have significant impact to group, except for the following standards:

- HKFRS 9 Financial Instruments (note 1)
- HKFRS 15 Revenue from Contracts with Customers (note 1)
- HKFRS 16 Leases (note 2)

Note 1: effective for annual periods beginning or after 1 January 2018

Note 2: effective for annual periods beginning or after 1 January 2019

A. HKFRS 9 – FINANCIAL INSTRUMENTS

(i) Classification and measurement of financial instruments

HKFRS 9 replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: (1) classification and measurement; (2) impairment and (3) hedge accounting. The adoption of HKFRS 9 from 1 January 2018 has resulted in changes in accounting policies of the Group and the amounts recognised in the consolidated financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at fair value through profit or loss ("**FVTPL**"), where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income ("**OCI**") unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities. However, it eliminates the previous HKAS 39 categories for financial assets of held to maturity financial assets, loans and receivables and available-for-sale financial assets. The adoption of HKFRS 9 has no material impact on the Group's accounting policies related to financial liabilities and derivative financial instruments. The impact of HKFRS 9 on the Group's classification and measurement of financial assets is set out below.

Under HKFRS 9, except for certain trade receivables (that the trade receivables do not contain a significant financing component in accordance with HKFRS 15), an entity shall, at initial recognition, measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. A financial asset is classified as: (i) financial assets at amortised cost ("**amortised costs**"); (ii) financial assets at fair value through other comprehensive income ("**FVTOCI**"); or (iii) FVTPL (as defined in above). The classification of financial assets under HKFRS 9 is generally based on two criteria: (i) the business model under which the financial asset is managed and (ii) its contractual cash flow characteristics (the "**solely payments of principal and interest**" criterion, also known as "**SPPI criterion**"). Under HKFRS 9, embedded derivatives is no longer required to be separated from a host financial asset. Instead, the hybrid financial instrument is assessed as a whole for the classification.

A financial asset is measured at amortised cost if it meets both of the following conditions and it has not been designated as at FVTPL:

- It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

A debt investment is measured at FVTOCI if it meets both of the following conditions and it has not been designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All other financial assets not classified at amortised cost or FVTOCI as described above are classified as FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies would be applied to the Group's financial assets as follows:

Amortised cost Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

(i) The following table summarises the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 January 2018:

Financial assets	Original Classification under HKAS 39	New Classification under HKFRs 9	Carrying amount as at 1 January 2018 under HKAS 39	Carrying amount as at 1 January 2018 under HKFRS 9
			HK$'000	*HK$'000*
Deposits and other receivables	Loans and receivables	Amortised cost	3,471	3,471
Cash and cash equivalents	Loans and receivables	Amortised cost	82,053	82,053

(ii) Impairment of financial assets

The adoption of HKFRS 9 has changed the Group's impairment model by replacing the HKAS 39 "incurred loss model" to the "expected credit losses ("**ECLs**") model". HKFRS 9 requires the Group to recognise ECLs for trade receivables, financial assets at amortised costs, contract assets and debt investment at FVTOCI earlier than HKAS 39. Cash and cash equivalents are subject to ECLs model but the impairment is immaterial for the current period.

Under HKFRS 9, the loss allowances are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

No additional impairment for trade and other receivables as at 1 January 2018 is recognised as the amount of additional impairment measured under the ECLs model is immaterial.

Measurement of ECLs

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables and contract assets using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-month ECLs. The 12-month ECLs is the portion of the lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

Significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, unless the Group has reasonable and supportable information that demonstrate otherwise.

Credit-impaired financial assets

At the end of each reporting period, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the issuer or the borrower;

– a breach of contract, such as a default or past due event;

– the lender(s) of the borrower, for economics or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

– it is becoming probable that the debtor will enter into bankruptcy or other financial reorganisation;

– the disappearance of an active market for that financial asset because of financial difficulties of the issuer; or

– the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Presentation of ECLs

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt investment at FVTOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the assets.

(a) Impairment of trade receivables

As mentioned above, the Group applies the HKFRS 9 simplified approach to measure ECLs which adopts a lifetime ECLs for all trade receivables and contract asset. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. No additional impairment for these receivables as at 1 January 2018.

(b) Impairment of other receivables and deposits

Other financial assets at amortised cost of the Group includes other receivables and deposits. No additional impairment for these financial assets as at 1 January 2018.

(iii) Transition

The Group has applied the transitional provision in HKFRS 9 such that HKFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new ECLs rules are therefore not reflected in the statement of financial position as at 31 December 2017, but are recognised in the statement of financial position on 1 January 2018. This mean that differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2018 does not reflect the requirements of HKFRS 9 but rather those of HKAS 39.

The following assessment has been made on the basis of the facts and circumstances that existed at the date of initial application of HKFRS 9:

- The determination of the business model within which a financial asset is held.

B. HKFRS 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS

HKFRS 15 supersedes HKAS 11 Construction Contracts, HKAS 18 Revenue and related interpretations. HKFRS 15 has established a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at the amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

HKFRS 15 applies to the contracts with customers for the following transaction:

– Sales of dried exocarpium citri grandis

The Group has reassessed its business model and contract terms to assess the effects of applying the new standard on the Group's financial statements. The Group has adopted the modified retrospective approach for transition to HKFRS 15. Under the modified retrospective approach, (i) comparative information for prior periods is not restated; (ii) the date of the initial application of HKFRS 15 is the first day of the annual reporting period in which the Group first applies the requirement of HKFRS 15, i.e. 1 January 2018; (iii) the Group recognises the cumulative effect of initial application of HKFRS 15 as an adjustment to the opening balance of retained profit in the period of adoption, i.e. as at 1 January 2018; and (iv) the Group elects to apply HKFRS 15 only to contracts that are not completed contracts at 1 January 2018. The Directors considered that HKFRS 15 did not result in significant impact on the Group's accounting policies.

1. Timing of revenue recognition

Previously, revenue from sale of goods was generally recognised when the risks and rewards of ownership of the goods had passed to the customers. Service income was recognised when the services are rendered. Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

– When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

– When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced; or

– When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

Under HKFRS 15, the Group recognises revenue from sale of goods at a point in time and revenue from services for over time.

2. Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

Incremental costs incurred to obtain a contract, if recoverable, are capitalised as contract assets and subsequently amortised when the related revenue is recognised.

3. Presentation and disclosure requirements

Disaggregation of revenue

As required for these financial statements, the Group's disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group has also disclosed information about the relationship between the disclosures of disaggregated revenue and revenue information disclosed for each reportable segment. Refer to note 7(b) and note 8 for the disclosure on disaggregated revenue.

Contract liabilities

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Amendments HKFRS 15 - Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

The adoption of these amendments has no impact on these financial statements as the Group had not previously adopted HKFRS 15 and took up the clarifications in this, its first, year.

C. HKFRS 16 – LEASES

HKFRS 16 "Leases" replaces HKAS 17 "Leases" along with three Interpretations (HK(IFRIC)-Int 4 "Determining whether an Arrangement contains a Lease", HK(SIC)-Int 15 "Operating Leases-Incentives" and HK(SIC)-Int 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease"). HKFRS 16 has been applied using the modified retrospective approach, with the cumulative effect of adopting HKFRS 16 being recognised in equity as an adjustment to the opening balance of retained profits for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, the Group has elected to apply the definition of a lease from HKAS 17 and HK(IFRIC)-Int 4 and has not applied HKFRS 16 to arrangements that were previously not identified as lease under HKAS 17 and HK(IFRIC)-Int 4.

As a Lessee

The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of HKFRS 16, being 1 January 2019. At this date, the Group has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of HKFRS 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months, the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under HKAS 17 immediately before the date of initial application.

On transition to HKFRS 16, the Group has applied the practical expedient for applying a single discount rate to a portfolio of leases with reasonably similar characteristics. The weighted average incremental borrowing rate applied to lease liabilities recognised under HKFRS 16 was 6.23% per annum.

The following is a reconciliation of total operating lease commitments at 31 December 2018 to the lease liabilities recognised at 1 January 2019:

	HK$
Total operating lease commitments disclosed at 31 December 2018	1,816,941
Recognition exemption	91,496
Operating leases liabilities before discounting	1,908,437
Discounting using incremental borrowing rate as at 1 January 2019	(665,082)
Operating leases liabilities	1,243,355
Finance lease obligation	–
Total lease liabilities recognised under HKFRS 16 at 1 January 2019	1,243,355
Classified as:	
Current lease liabilities	72,553
Non-current lease liabilities	1,170,802
	1,243,355

The following tables summarised the impact of transition to HKFRS 16 on the consolidated statement of financial position as of 31 December 2018 to that of 1 January 2019 as follows:

	Carrying amount at 31 December 2018	**Adjustments**	**Carrying amount at 1 January 2019**
	HK$	*HK$*	*HK$*
Line items in the statement of financial position impacted by the adoption of HKFRS 16:			
ASSETS			
Right-of-use assets	–	1,243,355	1,243,355
LIABILITIES			
Lease liabilities (current)	–	72,553	72,553
Lease liabilities (non-current)	–	1,170,802	1,170,802
Effects on net assets	–	–	–

Total impact arising from transition to HKFRS 16

The following table summarises the impact of transition to HKFRS 16 on the Group's consolidated statement of financial position at 1 January 2019:

	HK$
Increase in right-of-use assets	1,243,355
Increase in lease liabilities	1,243,355

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP INTRODUCTION

Introduction

The following is an illustrative and unaudited pro forma consolidated statement of financial position, unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows (collectively referred to as the "**Unaudited Pro Forma Financial Information**") of Eagle Legend Asia Limited (the "**Company**") and subsidiaries carrying out trading of construction machinery and spare parts, leasing of the construction machinery under operating leases and providing repair and maintenance services in respect of the construction machinery together (the "**Construction Business**"), (collectively the "**Remaining Group**"), which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the disposal of 51% of the issued share capital of Best Earnest Investments Limited (the "**Proposed Disposal**") as if the Proposed Disposal had been completed as at 31 December 2019 in the case of the unaudited pro forma consolidated statement of financial position as at 31 December 2019, or 1 January 2019 in the case of the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2019, after making the pro forma adjustments relating to the Proposed Disposal that are factually supportable and directly attributable, as explained in the notes below and is prepared in accordance with Rule 4.29 and 14.68(2)(a)(ii) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The auditor's report on the consolidated financial statements of the Group for the year ended 31 December 2019 contained a disclaimer of opinion as set out in the published annual report of the Company for the year ended 31 December 2019 on 20 April 2020. Furthermore, the pro forma adjustments made in arriving at the Unaudited Pro Forma Financial Information were based on the financial information of Best Earnest Investments Limited (the "**Target Company**") and its subsidiaries (collectively the "**Disposal Group**"), on which the review report contained a disclaimer of conclusion as set out in Appendix II to the Circular.

The Unaudited Pro Forma Financial Information of the Remaining Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of (i) the consolidated statement of financial position as at 31 December 2019 had the Proposed Disposal been completed as at 31 December 2019, and (ii) the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows for the year ended 31 December 2019 had the Proposed Disposal been completed as at 1 January 2019; or at any future dates.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE REMAINING GROUP

For the year ended 31 December 2019

	The Group	Pro forma adjustment		The Remaining Group
	Note 1	*Note 2a*	*Note 2b*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Continuing operations				
Revenue	**124,473**	–	–	**124,473**
Cost of sales and services	**(70,682)**	–	–	**(70,682)**
Gross profit	**53,791**	–	–	**53,791**
Other income and gains	**1,410**	–	–	**1,410**
Loss on disposal of subsidiaries	**–**	–	(68,073)	**(68,073)**
Selling and distribution expenses	**(2,851)**	–	–	**(2,851)**
Administrative expenses	**(52,505)**	–	–	**(52,505)**
Other operating expenses	**(42,741)**	–	–	**(42,741)**
Finance costs	**(22,022)**	–	–	**(22,022)**
Loss before income tax	**(64,918)**	–	(68,073)	**(132,991)**
Income tax expense	**(567)**	–	–	**(567)**
Loss for the year from continuing operations	**(65,485)**	–	(68,073)	**(133,558)**
Discontinued operations				
Profit for the year from discontinued operations	**81,785**	(81,785)	–	**–**
Profit/(loss) for the year	**16,300**	(81,785)	(68,073)	**(133,558)**
Continuing operations				
Other comprehensive income				
Item that will not be reclassified to profit or loss:				
Loss on revaluation of properties, net of tax	**(699)**	–	–	**(699)**
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	**276**	–	–	**276**
Other comprehensive loss for the year from continuing operations	**(423)**	–	–	**(423)**

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE REMAINING GROUP

For the year ended 31 December 2019

	The Group	Pro forma adjustment		The Remaining Group
	Note 1	*Note 2a*	*Note 2b*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Discontinued operations				
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	**(7,657)**	7,657	–	**–**
Other comprehensive loss for the year from discontinued operations	**(7,657)**	7,657	–	**–**
Other comprehensive loss for the year	**(8,080)**	7,657	–	**(423)**
Total comprehensive income/(loss) for the year	**8,220**	(74,128)	(68,073)	**(133,981)**
(Loss)/profit for the year attributable to:				
Owners of the Company				
– Continuing operations	**(65,442)**	–	(68,073)	**(133,515)**
– Discontinued operations	**33,269**	(33,269)	–	**–**
Loss for the year attributable to owners of the Company	**(32,173)**	(33,269)	(68,073)	**(133,515)**
Non-controlling interests				
– Continuing operations	**(43)**	–	–	**(43)**
– Discontinued operations	**48,516**	(48,516)	–	**–**
Profit/(loss) for the year attributable to non-controlling interests	**48,473**	(48,516)	–	**(43)**
	16,300	(81,785)	(68,073)	**(133,558)**
Total comprehensive (loss)/income attributable to:				
– Owners of the Company	**(36,314)**	(29,551)	(68,073)	**(133,938)**
– Non-controlling interests	**44,534**	(44,577)	–	**(43)**
	8,220	(74,128)	(68,073)	**(133,981)**

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE REMAINING GROUP

As at 31 December 2019

	The Group	Pro forma adjustment		The Remaining Group
	Note 1	*Note 3a*	*Note 3b*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
NON-CURRENT ASSETS				
Property, plant and equipment	136,431	–	–	136,431
Right-of-use asset	104,793	–	–	104,793
Deferred tax assets	101	–	–	101
Deposit	322	–	–	322
Total non-current assets	241,647	–	–	241,647
CURRENT ASSETS				
Inventories and consumables	11,869	–	–	11,869
Trade receivables	43,083	–	–	43,083
Prepayments, deposits and other receivables	6,653	1,106	–	7,759
Cash and cash equivalents	25,326	–	229,500	254,826
	86,931	1,106	229,500	317,537
Assets classified as held for sale	578,424	–	(578,424)	–
Total current assets	665,355	1,106	(348,924)	317,537
CURRENT LIABILITIES				
Trade payables	35,718	–	–	35,718
Receipt in advance, accruals and other payables	49,543	–	–	49,543
Contract liabilities	78	–	–	78
Bank borrowings	2,153	–	–	2,153
Shareholder's loan	183,000	–	–	183,000
Lease liabilities	26,740	–	–	26,740
Amount due to a related company	40,000	–	–	40,000
Tax payable	188	–	–	188
	337,420	–	–	337,420
Liabilities directly associated with assets classified as held for sale	30,795	1,106	(31,901)	–
Total current liabilities	368,215	1,106	(31,901)	337,420

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE REMAINING GROUP

As at 31 December 2019

	The Group	**Pro forma adjustment**		**The Remaining Group**
	Note 1	*Note 3a*	*Note 3b*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Net current assets/(liabilities)	297,140	–	(317,023)	(19,883)
NON-CURRENT LIABILITIES				
Bank borrowings	11,707	–	–	11,707
Lease liabilities	34,305	–	–	34,305
Deferred tax liabilities	2,197	–	–	2,197
Total non-current liabilities	48,209	–	–	48,209
NET ASSETS	490,578	–	(317,023)	173,555
EQUITY				
Share capital	10,600	–	–	10,600
Reserves	224,937	–	(62,491)	162,446
Equity attributable to the owners of the Company	235,537	–	(62,491)	173,046
Non-controlling interests	255,041	–	(254,532)	509
TOTAL EQUITY	490,578	–	(317,023)	173,555

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE REMAINING GROUP

For the year ended 31 December 2019

	The Group	Pro forma adjustment			The Remaining Group
	Note 1	*Note 2a*	*Note 2b*	*Note 2c*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before income tax	16,867	(81,785)	(68,073)	–	(132,991)
Depreciation of property, plant and equipment	39,867	(16,505)	–	–	23,362
Depreciation of right-of-use assets	19,511	(132)	–	–	19,379
Finance costs	22,116	(94)	–	–	22,022
Gain on disposal of property, plant and equipment	(40)	–	–	–	(40)
Amortisation of deferred government grants for acquisition of property, plant and equipment	(974)	974	–	–	–
Loss on disposal of subsidiaries	–	–	68,073	–	68,073
Recovery of impairment loss on trade receivables, net	(208)	–	–	–	(208)
Written off of property, plant and equipment	3,257	(2,951)	–	–	306
Bank interest income	(152)	151	–	–	(1)
Gain arising from changes in fair value less costs to sell of biological assets	(94,158)	94,158	–	–	–
Written off of trade receivables	(360)	–	–	–	(360)
Operating profit/(loss) before working capital changes	5,726	(6,184)	–	–	(458)
Decrease/(increase) in inventories and consumables	19,720	(17,046)	–	–	2,674
(Increase)/decrease in trade receivables	(43,187)	27,086	–	–	(16,101)
(Increase)/decrease in prepayments, deposit and other receivables	(6,317)	6,090	–	–	(227)
(Increase)/decrease in biological assets	(287)	287	–	–	–
Increase/(decrease) in trade payables	21,506	(7,659)	–	–	13,847
Increase/(decrease) in receipt in advance, accruals and other payables	8,494	(1,511)	–	–	6,983
Decrease in contract liabilities	(2,780)	–	–	–	(2,780)
Cash generated from operations	2,875	1,063	–	–	3,938
Interest paid	(3,933)	94	–	–	(3,839)
Net cash (used in)/generated from operating activities	(1,058)	1,157	–	–	99
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	152	(151)	–	–	1
Advances to third parties	–	–	–	(971)	(971)
Net proceeds from disposal of interest in subsidiaries	–	–	229,500	–	229,500
Proceeds from disposal of property, plant and equipment	11,934	–	–	–	11,934
Purchase of property, plant and equipment and right-of use assets	(19,409)	9,048	–	–	(10,361)
Payments for planation costs and others to immature bearer plants	(7,876)	7,876	–	–	–
Net cash (used in)/generated from investing activities	(15,199)	16,773	229,500	(971)	230,103

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE REMAINING GROUP

For the year ended 31 December 2019

	The Group	Pro forma adjustment			The Remaining Group
	Note 1	*Note 2a*	*Note 2b*	*Note 2c*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment of lease liabilities	(33,069)	83	–	–	(32,986)
Advances from related parties	–	(971)	–	971	–
Advances from a related company	40,000	–	–	–	40,000
Repayment of bank borrowings	(2,105)	–	–	–	(2,105)
Proceeds from shareholder's loans	5,000	–	–	–	5,000
Net cash generated from financing activities	9,826	(888)	–	971	9,909
Net (decrease)/increase in cash and cash equivalents	(6,431)	17,042	229,500	–	240,111
Cash and cash equivalents at beginning of year	120,487	(105,044)	–	–	15,443
Effect of changes in foreign exchange rate	(1,832)	1,104	–	–	(728)
Cash and cash equivalents at end of year	112,224	(86,898)	229,500	–	254,826
Analysis of the balances of cash and cash equivalents					
Bank balance and cash	25,326	–	229,500	–	254,826
Bank balances and cash reclassified as assets of a disposal group classified as held for sale	86,898	(86,898)	–	–	–
	112,224	(86,898)	229,500	–	254,826

Notes to the Unaudited Pro Forma Financial Information of the Remaining Group

1. The figures are extracted from the audited consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group as set out in the published annual report of the Company for the year ended 31 December 2019.

   The Company has engaged Grant Thornton Hong Kong Limited as its external auditor for the year ended 31 December 2019. The external auditor did not express an opinion on the consolidated financial statements of the Group for the year ended 31 December 2019.

2. The following pro forma adjustments have been made to the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows, assuming the Disposal had taken place on 1 January 2019:

   a. The adjustment represents the impact excluding the financial performance and cash flows of the Disposal Group for the year ended 31 December 2019, as extracted from the unaudited consolidated statements of profit or loss and other comprehensive income and unaudited consolidated statements of cash flows set out in Appendix II to this circular, as if the Disposal had taken place on 1 January 2019.

   b. The calculation of the estimated loss on the disposal of the Disposal Group to be recognised in the unaudited consolidated statements of profit or loss and other comprehensive income and unaudited consolidated statement of cash flows, as if the Disposal had been completed on 31 December 2019, is as follows:

	Notes	*HK$'000*
Cash consideration	(a)	230,000
Less: net assets of the Disposal Group derecognised, including goodwill	(b)	546,523
Less: non-controlling interests	(c)	(254,532)
Less: cumulative foreign exchange translation difference of the Disposal Group recycled to profit or loss	(d)	5,582
Less: estimated transaction costs attributable to the Proposed Disposal	(e)	500
Loss on disposal of the Disposal Group before income tax		(68,073)

Note:

(a) The amount represented the total consideration, being an amount of HK$230,000,000, which is payable by Mr. He Xiongyang (the "**Purchaser**"), the another shareholders of the Target Company and one of shareholders of the Company to the Company on the completion of the Proposed Disposal.

The cash consideration received from the completion of the Disposal amounted to HK$230,000,000. The professional fee directly attributable to the disposal of the Disposal Group which are estimated to be approximately HK$500,000 and it is assumed that the fees would be settled by cash and net cash received amounted to HK$229,500,000.

(b) The amount represents the net assets of the Disposal Group as at 31 December 2019 as follows:

	HK$'000
Assets of the Disposal Group classified as held for sale at 31 December 2019	578,424
Liabilities of the Disposal Group classified as held for sale at 31 December 2019	(30,795)
Reinstatement of amount due to the Remaining Group by the Disposal Group being eliminated in the Group's audited consolidated statement of financial position as at 31 December 2019	(1,106)
Net assets of the Disposal Group derecognised	546,523

(c) The amount represents non-controlling interests in the Target Company and Guangdong Dahe Biological Technologies Limited, a subsidiary of the Target Company.

(d) The amount represents the cumulative currency translation differences related to foreign operations of the Disposal Group to be released to profit or loss as if the Disposal had been completed on 31 December 2019.

(e) The transaction costs represent professional fee directly attributable to the Disposal Group which are estimated to be approximately HK$500,000 and it is assumed that the fees would be settled by cash.

c. The adjustment represents the reinstatement of amount due to the Remaining Group by the Disposal Group being eliminated in the Group's consolidated statement of cash flows for the year ended 31 December 2019.

3. The following pro forma adjustments have been made to the unaudited pro forma consolidated statement of financial position, assuming the Proposed Disposal had taken place on 31 December 2019:

a. The adjustment represents the reinstatement of amount due to the Remaining Group by the Disposal Group being eliminated in the Group's audited consolidated statement of financial position as at 31 December 2019.

b. The adjustment represents the impact excluding the assets and liabilities of the Disposal Group as at 31 December 2019, assuming the Disposal was completed on 31 December 2019; and the consequential impact on the Remaining Group's equity and the estimated financial position when the Disposal was completed on 31 December 2019. The assets and liabilities of the Disposal Group attributable to the Group have been presented as assets and liabilities of a disposal group classified as held for sale presented in the audited consolidated statement of financial position of the Group as at 31 December 2019.

The cash consideration received from the completion of the Disposal amounted to HK$230,000,000. The professional fee directly attributable to the disposal of the Disposal Group which are estimated to be approximately HK$500,000 and it is assumed that the fees would be settled by cash and net cash received amounted to HK$229,500,000.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Eagle Legend Asia Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Eagle Legend Asia Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") excluding Best Earnest Holdings Limited and its subsidiaries (the "**Disposed Group**") (collectively the "**Remaining Group**") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of unaudited pro forma consolidated statement of financial position as at 31 December 2019, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma statement of cash flows for the year ended 31 December 2019 and explanatory notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages III-1 to III-9 of the Company's circular dated 7 May 2020, in connection with the proposed disposal of the Plantation Business (the "**Proposed Disposal**") by the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages III-1 to III-9.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Transaction on the Group's financial position as at 31 December 2019 and the its financial performance and cash flows for the year ended 31 December 2019 as if the Transaction had taken place at 31 December 2019 and 1 January 2019 respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the directors from the Group's financial statements for year ended 31 December 2019, on which an audit report with disclaimer of opinion has been published.

DIRECTORS' RESPONSIBILITY FOR THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANT'S RESPONSIBILITIES

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Disposal at 31 December 2019 and 1 January 2019 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Emphasis of Matters

We draw attention to the section headed "Introduction" in the Unaudited Pro Forma Financial Information, which describes that the pro forma adjustments made in arriving at the Unaudited Pro Forma Financial Information were based on the financial information of the Disposal Group, on which the review report contained a disclaimer of conclusion as set out in Appendix II to the Circular. Our opinion is not modified in respect of this matter.

Grant Thornton Hong Kong Limited
Certified Public Accountants
Hong Kong, 7 May 2020

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 Company. 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. DISCLOSURE OF INTERESTS

(a) Directors' and Chief Executive's Interests and Short Positions

As at the Latest Practicable Date, none of the Directors or the chief executive of the Company or their associates had any interests and/or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations as defined in Part XV of the Securities and Futures Ordinance or as recorded in the register required to be kept by the Company under Section 352 of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "**SFO**"), or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules.

(b) Substantial Shareholders' Interests

So far as is known to any Director, as at the Latest Practicable Date, the following persons, other than a Director or chief executive of the Company, had or deemed or taken to have an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Nature of interests/ Holding capacity	Number of Shares held	Approximate percentage of issued share capital of the Company *(Note 1)*
Harbour Luck	Beneficial owner	324,400,000	30.60%
Zeng Li	Interest of controlled corporation	324,400,000 *(Note 2)*	30.60%
Excel Range Investments Limited (“**Excel Range**”)	Beneficial owner	275,600,000	26.00%
Ms. Kwok Hiu Ting	Interest of controlled corporation	275,600,000 *(Note 3)*	26.00%
Ms. Kwok Hiu Yan	Interest of controlled corporation	275,600,000 *(Note 3)*	26.00%
Ms. Kwok Ho Lai	Interest of controlled corporation	275,600,000 *(Note 3)*	26.00%
Mr. He Xiaoyang	Beneficial owner	100,000,000	9.43%

Notes:

1. The percentage is calculated on the basis of 1,060,000,000 Shares in issue as at the Latest Practicable Date.

2. These Shares were registered in the name of Harbour Luck which was wholly and beneficially owned by Mr. Zeng Li. Mr. Zeng Li is deemed to be interested through the interest of controlled corporation.

3. Ms. Kwok Hiu Ting, Ms. Kwok Hiu Yan and Ms. Kwok Ho Lai are deemed to be interested through the interest of controlled corporation, Excel Range as each of them hold one-third of the issued share capital of Excel Range.

Save as disclosed above and as at the Latest Practicable Date, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTEREST IN ASSETS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors had any interest, either directly or indirectly, in any asset which has since 31 December 2019 (being the date to which the latest published audited consolidated financial statements of the Group were made up), up to the Latest Practicable Date, been acquired or disposed of by or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

5. DIRECTORS' INTEREST IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Director and/or his/her respective close associates had a material interest, either directly or indirectly, in any contract or arrangement subsisting at the Latest Practicable Date to the business of the Group to which the Company or any of its subsidiaries was a party.

6. COMPETING INTERESTS

As at the Latest Practicable Date, as far as the Directors are aware, none of the Directors nor their respective close associates is and was interested in any business which competes or may compete, either directly or indirectly, with the business of the Group.

7. LITIGATION

Save as disclosed under the paragraph headed "Reasons and Benefits for the Disposal" in this circular, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation or arbitration of material importance and no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Grant Thornton Hong Kong Limited	Certified Public Accountants

As at the Latest Practicable Date, Grant Thornton Hong Kong Limited had (i) no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) had no direct or indirect interest in any assets which had been, since 31 December 2019 (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; and (iii) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report and the reference to its name included herein in the form and context in which it appears.

9. MATERIAL CONTRACT

The following contract (not being contracts in the ordinary course of business) was entered into by members of the Group within the two years preceding the date of this circular and up to the Latest Practicable Date and is or may be material:

(a) the Agreement.

10. MISCELLANEOUS

(a) The company secretary of the Company is Ms. Poon Yuk Ching Ada, who is an associate of the Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.

(b) The registered office of the Company is at P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands.

(c) The head office and principal place of business in Hong Kong of the Company is at Unit 3610, 36/F., the Center, 99 Queen’s Road Central, Central, Hong Kong.

(d) The Company’s principal share registrar and transfer agent in the Cayman Islands is Ocorian Trust (Cayman) Limited at P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands.

(e) The Company’s branch share registrar and transfer office in Hong Kong is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

(f) This circular has been prepared in both English and Chinese. In the case of any discrepancies, the English texts shall prevail over their respective Chinese texts.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any weekday (except for public holidays) at Unit 3610, 36/F., the Center, 99 Queen's Road Central, Central, Hong Kong, for a period of 14 days from the date of this circular:

(a) the memorandum and articles of association of the Company;

(b) the annual reports of the Group for each of the three years ended 31 December 2017, 2018 and 2019, respectively;

(c) the unaudited consolidated financial information of the Target Group, the text of which is set out in Appendix II to this circular;

(d) the letter on the unaudited pro forma financial information of the Remaining Group issued by Grant Thornton Hong Kong Limited, the text of which is set out in Appendix III to this circular;

(e) a copy of the material contract as referred to in the paragraph headed "Material contract" in this appendix;

(f) the written consent referred to in the paragraph headed "Expert and consent" in this appendix; and

(g) this circular.

Details of the Retiring Directors proposed to be re-elected at the EGM are set out below:

Mr. Zhao Yi (**趙毅**), aged 44, is the chief executive officer of the Company (the "**Chief Executive Officers**"). Mr. Zhao was appointed as an executive Director and the Chief Executive Officer on 4 November 2019. Mr. Zhao is also a member of the remuneration committee of the Company (the "**Remuneration Committee**"), an authorised representative of the Company under each of the Listing Rules and the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and a director of certain subsidiaries of the Company.

Mr. Zhao has over 20 years of experience in finance matters. He served in various positions, including but not limited to chief financial officer, department head and general manager in a property developer group (the "**Property Developer**") in the PRC since 2010, mainly responsible for finance matters. He had been a senior vice president in the head office of the Property Developer. Prior to joining the Property Developer, Mr. Zhao was a finance manager and the chief financial officer in various property development companies from 1999 to 2008.

Mr. Zhao obtained a master's degree in business administration for senior management in Dongbei University of Finance & Economics* (東北財經大學), the PRC, in December 2012. He is a registered accountant in the PRC.

As at the Latest Practicable Date, Mr. Zhao did not have any relationship with any existing Directors, senior management of the Company, substantial Shareholders or controlling Shareholders, or have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Zhao entered into a service agreement with the Company commencing on 4 November 2019 for a fixed term of two years, unless terminated by at least one month's written notice served by either party to the other party at any time during the said fixed term. He shall hold office only until the EGM and will be eligible for re-election at that meeting and, if re-elected, is thereafter subject to rotation and re-election pursuant to the Articles of Association. Mr. Zhao is entitled to a fixed director's emoluments of RMB1.75 million annually (after tax), housing allowance of HK$30,000 per month and a discretionary bonus to be determined by the Board with reference to his experience, duties, responsibilities and the Company's remuneration policy. The remuneration package for Mr. Zhao has been approved by the Board and the Remuneration Committee.

Mr. Chen Huajie (陳華杰), aged 44, is an executive Director of the Company appointed on 8 July 2019. He is also a director of certain subsidiaries of the Company.

Mr. Chen has over 20 years of experience in the construction industry. From August 2015 to July 2019, Mr. Chen was the chairman and general manager of a large private-owned integrated construction enterprise which is principally engaged in construction projects in the PRC. Mr. Chen served in various positions, including but not limited to engineer, project manager and general manager in a property developer group in the PRC from June 2004 to August 2015.

Mr. Chen graduated from Gansu Industrial University* (甘肅工業大學) (now known as Lanzhou University of Technology* (蘭州理工大學)), the PRC, with a bachelor's degree in construction engineering in June 2000. He is an associated constructor* (二級建造師) in the PRC.

As at the Latest Practicable Date, Mr. Chen did not have any relationship with any existing Directors, senior management of the Company, substantial Shareholders or controlling Shareholders, or have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Chen entered into a service agreement with the Company commencing on 8 July 2019 for a fixed term of two years, unless terminated by at least one month's written notice served by either party to the other party at any time during the said fixed term. He shall hold office only until the EGM and will be eligible for re-election at that meeting and, if re-elected, is thereafter subject to rotation and re-election pursuant to the Articles of Association. Mr. Chen is entitled to a fixed director's emoluments of RMB1,680,000 annually (after tax) together with a discretionary bonus, which was determined by the Board with reference to his experience, duties, responsibilities and the Company's remuneration policy. The remuneration package for Mr. Chen has been approved by the Board and the Remuneration Committee.

Mr. Li Yongjun (李永軍), aged 54, was appointed as an independent non-executive Director on 4 November 2019. Mr. Li is also the chairman of the Remuneration Committee and a member of each of the Audit Committee of the Company (the "**Audit Committee**") and the Nomination Committee.

Mr. Li has more than 30 years of experience in legal works in the PRC. He worked as the legal consultant of Tangshan Iron and Steel Co., Ltd.* (唐山鋼鐵股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000709, now known as Hegang Co., Ltd.* (河鋼股份有限公司)) in the 1980s. From 1998 to 2010, Mr. Li worked for Guangdong V&T Law Firm* (廣東萬商律師事務所) and Guangdong Jiangshanhong Law Firm* (廣東江山宏律師事務所) in Shenzhen, served as a legal consultant in PRC law for Hon Hai/Foxconn Technology Group of Taiwan, and advised various sizeable PRC companies. He joined Beijing Long An Law Firm* (北京隆安律師事務所) in 2010 and is currently a senior partner, advising and providing consulting services for various companies on their arbitration and legal disputes.

Mr. Li obtained a bachelor of laws degree from China University of Political Science and Law* (中國政法大學), the PRC, in 1987 and was qualified as a PRC lawyer in 1988. He obtained a doctor of philosophy in laws from China University of Political Science and Law* (中國政法大學), the PRC, in 2009.

As at the Latest Practicable Date, Mr. Li did not have any relationship with any existing Directors, senior management of the Company, substantial Shareholders or controlling Shareholders, or have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Li entered into a letter of appointment with the Company commencing on 4 November 2019 for a fixed term of two years, unless terminated by at least one month's written notice served by either party to the other party at any time during the said fixed term. He shall hold office only until the EGM and will be eligible for re-election at that meeting and, if re-elected, is thereafter subject to rotation and re-election pursuant to the Articles of Association. Mr. Li is entitled to a fixed salary of HK$180,000 annually, which was determined by the Board with reference to his experience, duties, responsibilities and the Company's remuneration policy. The remuneration package for Mr. Li has been approved by the Board and the Remuneration Committee.

Mr. Diao Yingfeng (刁英峰), aged 48, was appointed as an independent non-executive Director on 6 December 2019. Mr. Diao is a member of each of the Audit Committee and the Remuneration Committee. Mr. Diao, has more than 16 years of experience in tax and accounting works in the PRC. He worked as a partner, tax adviser and accountant in various taxation agency firms in the PRC. From March 2003 to December 2008, Mr. Diao worked as a Deputy General Manager of Guangdong Zhongcheng Haihua Taxation Agency Co., Ltd., Shenzhen branch* (廣東中成海華稅務師事務所有限公司深圳分公司); from January 2009 to October 2016, Mr. Diao was the head of Jiaxinrui Taxation Agency Co., Ltd. (Shenzhen)* (深圳市嘉信瑞稅務師事務所有限公司); from November 2016 to present, Mr. Diao works as a partner of Lixin Certified Tax Agents Co., Ltd. Shenzhen Branch* (立信稅務師事務所有限公司深圳分所). Mr. Diao is currently the executive director of the 4th board of the Shenzhen Certified Tax Agents Association, the head member of the Professional Technical Committee* (專業技術委員會), the deputy head member of the 6th Continuing Education Committee of the Shenzhen Certified Accountants Association* (深圳市註冊會計師協會第六屆繼續教育委員會) and a member of the 2nd Accountancy Professional Committee* (第二屆會計專業委員會) of the Council for the Promotion of Guangdong-Hong Kong-Macao Cooperation. Mr. Diao was an independent non-executive director of Henan Yicheng New Energy Co., Ltd.* (河南易成新能源股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300080) from August 2017 to November 2019.

Mr. Diao obtained a bachelor of accounting degree in Changchun University* (長春財經大學) (formerly known as Changchun Taxation College* (長春稅務學院)) in the PRC in 1998, was qualified as a certified accountant in the PRC in 2003 and qualified as a certified tax adviser in the PRC in 2009.

As at the Latest Practicable Date, Mr. Diao did not have any relationship with any existing Directors, senior management of the Company, substantial Shareholders or controlling Shareholders, or have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Diao entered into a letter of appointment with the Company commencing on 6 December 2019 for a fixed term of two years, unless terminated by at least one month's written notice served by either party to the other party at any time during the said fixed term. He shall hold office only until the EGM and will be eligible for re-election at that meeting and, if re-elected, is thereafter subject to rotation and re-election pursuant to the Articles of Association. Mr. Diao is entitled to a fixed salary of HK$180,000 annually, which was determined by the Board with reference to his experience, duties, responsibilities and the Company's remuneration policy. The remuneration package for Mr. Diao has been approved by the Board and the Remuneration Committee.

Save as disclosed above, each of the Retiring Directors confirmed with respect to him that as at the Latest Practicable Date, (i) he had not held any directorship in the last three years in any public company, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) he did not hold other positions in the Company or other members of the Group; (iii) he did not have any interests in the Shares within the meaning of Part XV of the SFO; (iv) there is no other information that is required to be disclosed pursuant to any of the requirements of rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and (v) there are no other matters which need to be brought to the attention of the Shareholders in connection with his re-election.

EAGLE LEGEND ASIA LIMITED
鵬程亞洲有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 936)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the "**EGM**") of Eagle Legend Asia Limited (the "**Company**") will be held at Suite 2418, 24/F, Jardine House, 1 Connaught Place, Central, Hong Kong on Friday, 22 May 2020 at 1:30 p.m. for the purposes of considering and, if thought fit, passing, with or without amendments, the following resolutions as the ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. "**THAT**:

   (i) the agreement dated 24 February 2020 (the "**Agreement**") entered into by and between Lucky Boom Investments Limited 祥盛投資有限公司, a wholly-owned subsidiary of the Company, as the vendor and Mr. He Xiaoyang* (何曉陽), being a shareholder of the Best Earnest Investments Limited 佳誠投資有限公司 (the "**Target Company**") and holding 49% of the issued share capital of the Target Company, as the purchaser, in relation to the sale and purchase of 102 ordinary shares in the issued share capital of the Target Company, representing 51% of the issued share capital of the Target Company (a copy of which has been tabled at the meeting marked "A" and signed by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;

   (ii) any one director of the Company (the "**Director**") be and is authorised to do all such things and take all such actions as he may consider necessary or desirable to implement and/or give effect to the Agreement and the transaction contemplated thereunder; and

   (iii) words and expressions that are not expressly defined in this resolution shall bear the same meaning as that defined in the circular dated 7 May 2020 of the Company."

2. Mr. Chen Huajie (陳華杰) be re-elected as an executive Director and the board of Directors of the Company (the "**Board**") be authorized to fix his remuneration.

3. Mr. Zhao Yi (趙毅) be re-elected as an executive Director and the Board be authorized to fix his remuneration.

4. Mr. Li Yongjun (李永軍) be re-elected as an independent non-executive Director and the Board be authorized to fix his remuneration.

5. Mr. Diao Yingfeng (刁英峰) be re-elected as an independent non-executive Director and the Board be authorised to fix his remuneration.

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

Hong Kong, 7 May 2020

Notes:

1. Any shareholder of the Company entitled to attend and vote at the meeting or its adjournment meeting is entitled to appoint one (or, if he/she/it holds two or more Shares, more than one) or more proxies to attend and vote instead of him/her/it. A proxy needs not be a shareholder of the Company but must be present in person at the EGM. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which such proxy is so appointed.

2. In order to be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the office of the Company's Hong Kong branch share registrar and transfer, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting or the poll concerned if he/she/it so wishes and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

3. For determining the entitlement of the shareholder of the Company to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 19 May 2020 to Friday, 22 May 2020 (both dates inclusive), during which period no transfer of shares will be effected. To quality for attending and voting at the EGM, non-registered shareholders of the Company must lodge all transfer documents, accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 18 May 2020.

4. In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she/it were solely entitled thereto if more than one of such joint holders are present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the name stands first in the register of shareholders of the Company in respect of the joint holding.

5. All the resolutions set out in this notice shall be decided by poll.

6. (a) Subject to paragraph (b) below, if a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is expected to be in force at any time between 8:00 a.m. and 11:00 a.m. on the date of the EGM, the EGM will be postponed and the shareholders of the Company will be informed of the date, time and venue of the postponed EGM by an announcement posted on the respective websites of the Company and the Stock Exchange.

   (b) If a Typhoon Signal No. 8 or above or a Black Rainstorm Warning Signal is cancelled at or before three hours before the time fixed for holding the EGM and where conditions permit, the EGM will be held as scheduled.

   (c) The EGM will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force.

(d) After considering their own situations, the shareholders of the Company should decide on their own as to whether they would attend the EGM under any bad weather condition and if they do so, they are advised to exercise care and caution.

7. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

8. As at the date hereof, the Board 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.

PRECAUTIONARY MEASURES FOR THE EGM

The holding of the EGM in order to comply with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the articles of association of the Company (the "**Articles of Association**") could potentially create a significant risk in terms of the spread of the novel coronavirus disease ("**COVID-19**") pandemic because of large crowds coming together.

To reduce the risk of spreading the COVID-19 pandemic and for the health and safety of the attendees of the EGM, the Company wishes to remind the shareholders of the Company (the "**Shareholders**") and their proxies as follow:

No attendance

Those individual Shareholders who have any symptoms of an upper respiratory system disease or are under any quarantine requirements are advised not to attend the EGM in person.

Not later than 48 hours before the time of the EGM

(i) For the health and safety of the Shareholders, the Company would like to encourage the Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM (the "**Chairman**") as their proxy instead of attending the EGM in person. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof should they subsequently so wish. Shareholders may appoint the Chairman to attend and vote on their behalf by completing and depositing the forms of proxy enclosed with the Circular with the Company's branch share registrars in Hong Kong, whose address is stated below:

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

(ii) Shareholders may send their questions in connection with the proposed resolutions stated in the notice of the EGM by post to Ms. Ada Poon, Company Secretary, Unit 3610, 36/F., the Center, 99 Queen's Road Central, Central, Hong Kong or by email to infoela@elasialtd.com. If considered appropriate by the Directors at their absolute discretion, the questions will be answered firstly by the chairman of the meeting or other Directors present thereat on the floor and then answered in writing to the Shareholders concerned.

At the venue of the EGM

(i) The Company will take the body temperature of the intended attendees and refuse entry of those with a temperature of 37.1 degree Celsius or above.

(ii) Attendees are requested to observe good personal hygiene at all times at the EGM venue and alcohol rubs or hand sanitiser will be provided for use.

(iii) Attendees must wear face-masks throughout the EGM and sit at a distance from other attendees and those not wearing face-masks may be denied entry to the venue of the EGM. Please note that no mask will be provided at the EGM venue and attendees should bring and wear their own masks.

(iv) No drinks, refreshments or souvenirs will be provided.

(v) Attendees who do not comply with the precautionary measures (i) to (iii) above or been found to have the symptom(s) of an upper respiratory system disease or be obeying a quarantine order may be denied entry to the EGM venue at the absolute discretion of the Company as permitted by law.

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