

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)

Interim Report 2013





CONTENTS

Corporate Information	2
Consolidated Statement of Comprehensive Income	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Changes in Equity	6
Condensed Consolidated Statement of Cash Flows	7
Notes to the Interim Financial Report	8
Independent Review Report	23
Management Discussion and Analysis	24
Disclosure of Additional Information	27



CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. So Chung (*Chairman*)

Miss. So Man

Miss. So Wai

NON-EXECUTIVE DIRECTOR

Mr. Lam Woon Kun

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Lo Miu Sheung Betty

Mr. Ho Gar Lok

Mr. Lam Cheung Shing, Richard

COMPANY SECRETARY

Mr. Wong Ka Bong

AUTHORISED REPRESENTATIVES

Mr. So Chung

Mr. Wong Ka Bong

PRINCIPAL BANKERS

Hong Kong

Chong Hing Bank Limited

DBS Bank (Hong Kong) Limited

Singapore

United Overseas Bank Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT IN THE CAYMAN ISLANDS

Appleby Trust (Cayman) Limited

Clifton House, 75 Fort Street

P.O. Box 1350, Grand Cayman KY1-1108

Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited

26/F., Tesbury Centre

28 Queen's Road East

Hong Kong

AUDIT COMMITTEE

Mr. Ho Gar Lok (*Chairman*)

Mr. Lam Woon Kun

Ms. Lo Miu Sheung Betty

REMUNERATION COMMITTEE

Ms. Lo Miu Sheung Betty (*Chairman*)

Miss. So Man

Mr. Ho Gar Lok

NOMINATION COMMITTEE

Mr. So Chung (*Chairman*)

Ms. Lo Miu Sheung Betty

Mr. Ho Gar Lok

REGISTERED OFFICE

Clifton House, 75 Fort Street

P.O. Box 1350, Grand Cayman KY1-1108

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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208-220 Queen's Road Central

Hong Kong

AUDITOR

BDO Limited

WEBSITE

<http://www.elasialtd.com>

STOCK CODE

936



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2013

	Notes	Unaudited Six months ended 30 June	
		2013 HK\$'000	2012 HK\$'000
Revenue	4	119,930	85,782
Cost of sales and services		(54,615)	(38,366)
Gross profit		65,315	47,416
Other income	5	2,826	1,487
Selling and distribution expenses		(1,581)	(1,531)
Administrative expenses		(28,148)	(26,567)
Operating expenses		(22,711)	(18,284)
Finance costs	6	(11,073)	(4,933)
Profit/(loss) before income tax	7	4,628	(2,412)
Income tax expense	8	(1,346)	(1,312)
Profit/(loss) for the period		3,282	(3,724)
Other comprehensive income for the period			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale investment		22	–
Exchange difference arising on translation of financial statements of foreign operations		(2,291)	2,951
		(2,269)	2,951
Total comprehensive income for the period		1,013	(773)
Profit/(loss) for the period attributable to:			
Owners of the Company		3,416	(3,569)
Non-controlling interests		(134)	(155)
		3,282	(3,724)
Total comprehensive income attributable to:			
Owners of the Company		1,147	(618)
Non-controlling interests		(134)	(155)
		1,013	(773)
		HK cent	HK cent (Restated)
Earnings/(loss) per share for profit/(loss) attributable to the owners of the Company during the period			
— Basic and diluted	10	0.4	(0.4)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2013

	<i>Notes</i>	Unaudited At 30 June 2013 HK\$'000	Audited At 31 December 2012 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	374,148	365,113
Available-for-sale investment		975	–
		375,123	365,113
Current assets			
Inventories and consumables		38,572	27,887
Trade receivables	12	42,650	48,817
Prepayments, deposits and other receivables		8,999	12,808
Pledged bank deposits		3,515	3,514
Cash and cash equivalents		141,604	125,699
		235,340	218,725
Non-current assets held for sale	13	585	580
		235,925	219,305
Current liabilities			
Trade and bill payables	14	49,439	48,619
Receipt in advance, accruals and other payables		46,384	41,187
Amount due to immediate holding company		–	5
Bank borrowings	15	21,785	16,965
Finance lease payables	16	46,615	40,685
Bonds payable	17	100,000	–
Provision for tax		30	419
		264,253	147,880
Net current (liabilities)/assets		(28,328)	71,425
Total assets less current liabilities		346,795	436,538



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2013

	<i>Notes</i>	Unaudited At 30 June 2013 HK\$'000	Audited At 31 December 2012 HK\$'000
Non-current liabilities			
Bank borrowings	15	25,412	27,822
Finance lease payables	16	113,782	103,335
Bonds payable	17	–	100,000
Deferred tax liabilities		8,558	7,351
		147,752	238,508
Net assets			
		199,043	198,030
EQUITY			
Share capital		8,000	8,000
Reserves		190,170	189,023
Equity attributable to the owners of the Company			
		198,170	197,023
Non-controlling interests		873	1,007
Total equity			
		199,043	198,030

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2013

	Equity attributable to the owners of the Company							Non-	Total	
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Property	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	controlling interests HK\$'000	equity HK\$'000	
				revaluation reserve HK\$'000						
Unaudited for the six months ended 30 June 2012										
At 1 January 2012	2,000	69,968	120,985	5,036	9,994	(15,540)	192,443	1,287	193,730	
Loss for the period	-	-	-	-	-	(3,569)	(3,569)	(155)	(3,724)	
Other comprehensive income for the period:										
Exchange difference arising on translation of financial statements of foreign operations	-	-	-	-	2,951	-	2,951	-	2,951	
Total comprehensive income for the period	-	-	-	-	2,951	(3,569)	(618)	(155)	(773)	
At 30 June 2012	2,000	69,968	120,985	5,036	12,945	(19,109)	191,825	1,132	192,957	
	Equity attributable to the owners of the Company							Non-	Total	
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Investment	Property	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-	Total
				revaluation reserve HK\$'000	revaluation reserve HK\$'000					
Unaudited for the six months ended 30 June 2013										
At 1 January 2013	8,000	63,968	120,985	-	6,340	14,807	(17,077)	197,023	1,007	198,030
Profit for the period	-	-	-	-	-	-	3,416	3,416	(134)	3,282
Other comprehensive income for the period:										
Change in fair value of available-for-sale investment	-	-	-	22	-	-	-	22	-	22
Exchange difference arising on translation of financial statements of foreign operations	-	-	-	-	-	(2,291)	-	(2,291)	-	(2,291)
Total comprehensive income for the period	-	-	-	22	-	(2,291)	3,416	1,147	(134)	1,013
At 30 June 2013	8,000	63,968	120,985	22	6,340	12,516	(13,661)	198,170	873	199,043



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2013

	Unaudited	
	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Net cash generated from operating activities	21,600	38,489
Net cash generated from/(used in) investing activities	2,252	(8,541)
Net cash (used in)/generated from financing activities	(8,082)	73,918
Increase in cash and cash equivalents	15,770	103,866
Cash and cash equivalents at 1 January	125,699	25,156
Effect of exchange rates changes on cash and cash equivalents	135	(3,254)
Cash and cash equivalents at 30 June	141,604	125,768



NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2013

1. GENERAL INFORMATION AND BASIS OF PRESENTATION AND PREPARATION

Eagle Legend Asia Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business in Hong Kong is located at Unit 6A, Winbase Centre, 208-220 Queen’s Road Central, Hong Kong. The Company and its subsidiaries (collectively, the “Group”) is principally engaged in trading of construction machinery and spare parts, leasing of the construction machinery and providing repair and maintenance services in respect of the construction machinery.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). As at 30 June 2013, the immediate holding company of the Company is Eagle Legend International Holdings Limited which is incorporated in the British Virgin Islands (the “BVI”) and the directors of the Company (the “Directors”) consider the ultimate holding company of the Company is Constant Success Holdings Limited, a private limited company, which is incorporated in the BVI.

The interim financial report for the six months ended 30 June 2013 on pages 3 to 22 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The interim financial report does not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2012.

The interim financial report has been prepared on a going concern basis despite the Group had net current liabilities of approximately HK\$28,328,000 as at 30 June 2013, as the Directors are satisfied that the Group will have sufficient internal financial resources and the continuing financial support provided by the ultimate controlling parties of the Group in order to maintain the Group as a going concern to meet its financial obligations as and when they fall due for the period at least up to 30 June 2014.

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (THE “NEW/REVISED HKFRSs”)

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2012 annual financial statements, except for the adoption of the New/Revised HKFRSs as disclosed below.

In the current period, the Group has applied for the first time the following New/Revised HKFRSs issued by the HKICPA which are relevant to and effective for the Group’s financial statements for the annual financial period beginning on 1 January 2013.

Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 13	Fair Value Measurement
HKAS 27 (2011)	Separate Financial Statements
HKFRSs (Amendments)	Annual improvements 2009–2011 Cycle



NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2013

2. ADOPTION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (THE “NEW/REVISED HKFRSs”) *(Continued)*

Except for as explained below, the adoption of these New/Revised HKFRSs did not result in significant changes in the Group’s financial statements.

Amendments to HKAS 1 (Revised) — Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The Group’s presentation of other comprehensive income in this interim financial report has been modified accordingly.

HKFRS 13 — Fair Value Measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. Some of the disclosures are specifically required for financial instruments in this interim financial report. The Group has provided those disclosures in Note 20.

Annual Improvements to HKFRSs 2009–2011 Cycle

This cycle of annual improvements contains amendments to five standards with consequential amendments to other standards and interpretations. Among them, HKAS 34 has been amended to clarify that total assets for a particular reportable segment are required to be disclosed only if the amounts are regularly provided to the chief operating decision maker (CODM) and only if there has been a material change in the total assets for that segment from the amount disclosed in the last annual financial statements. The amendment also requires the disclosure of segment liabilities if the amounts are regularly provided to the CODM and there has been a material change in the amounts compared with the last annual financial statements. In respect of this amendment, the Group has continued to disclose segment assets and now also discloses segment liabilities in Note 3.



NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2013

3. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive Directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive Directors are determined following the Group's operating locations.

The Group has identified the following reportable segments:

- Hong Kong
- Singapore
- Vietnam
- Macau

The Group's operating businesses are structured and managed separately according to the geographic location of their operations. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. All inter-segment transfers are carried out at prices mutually agreed between the parties.

Segment assets include all assets but exclude corporate assets which are not directly attributable to the business activities of any operating segment and are not allocated to a segment, which primarily applies to the Group's headquarter. Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.



NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2013

3. SEGMENT INFORMATION (Continued)

Information regarding the Group's reportable segments as provided to the Group's executive Directors is set out below:

	Unaudited Six months ended 30 June 2013				Inter segment elimination HK\$'000	Total HK\$'000
	Hong Kong HK\$'000	Singapore HK\$'000	Vietnam HK\$'000	Macau HK\$'000		
Revenue						
From external customers	38,396	74,311	108	7,115	-	119,930
From inter segment	264	3,164	-	-	(3,428)	-
Reportable segment revenue	38,660	77,475	108	7,115	(3,428)	119,930
Reportable segment profit/(loss)	8,134	4,382	(442)	12	(217)	11,869
Interest on bonds						(6,574)
Unallocated corporate expenses						(2,013)
Profit for the period						3,282
	Unaudited At 30 June 2013					
Reportable segment assets	170,271	348,592	2,429	6,179	(1,822)	525,649
Unallocated segment assets						85,399
Total assets						611,048
Reportable segment liabilities	93,714	201,940	413	2,241	-	298,308
Unallocated segment liabilities						113,697
Total liabilities						412,005

NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2013

3. SEGMENT INFORMATION (Continued)

	Unaudited Six months ended 30 June 2012				Inter segment elimination	Total
	Hong Kong HK\$'000	Singapore HK\$'000	Vietnam HK\$'000	Macau HK\$'000	HK\$'000	HK\$'000
Revenue						
From external customers	18,554	66,918	310	–	–	85,782
From inter segment	–	2,596	–	–	(2,596)	–
Reportable segment revenue	18,554	69,514	310	–	(2,596)	85,782
Reportable segment (loss)/profit	(4,063)	2,468	(466)	(31)	(50)	(2,142)
Interest on bonds						(667)
Unallocated corporate expenses						(915)
Loss for the period						(3,724)
	Audited At 31 December 2012					
Reportable segment assets	122,140	360,535	3,213	4,864	(2,915)	487,837
Unallocated segment assets						96,581
Total assets						584,418
Reportable segment liabilities	58,025	218,244	235	3,065	(41)	279,528
Unallocated segment liabilities						106,860
Total liabilities						386,388



NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2013

4. REVENUE

The Group's principal activities are trading of construction machinery and spare parts, leasing of the construction machinery and providing repair and maintenance services in respect of the construction machinery.

Revenue from the Group's principal activities during the period is as follows:

	Unaudited	
	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Sales of machinery	25,871	19,393
Sales of spare parts	1,906	2,793
Rental income from leasing of owned plant and machinery and those held under finance lease	64,253	49,398
Rental income from subleasing of plant and machinery	11,644	5,602
Service income	16,256	8,596
	119,930	85,782

5. OTHER INCOME

	Unaudited	
	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Bank interest income	416	32
Commission income	25	213
Dividend income	–	166
Foreign exchange gain, net	–	1,005
Gain on disposal of investment (Note 13)	1,272	–
Recovery of impairment of doubtful trade receivables	678	–
Others	435	71
	2,826	1,487

NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2013

6. FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Interest charges on financial liabilities stated at amortised cost:		
— Trust receipt loans wholly repayable within five years	245	—
— Bank borrowings wholly repayable within five years	723	678
— Finance lease payables wholly repayable within five years	3,415	3,061
— Bonds payable	6,574	667
— Trade payables	116	527
	11,073	4,933

7. PROFIT/(LOSS) BEFORE INCOME TAX

	Unaudited	
	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Profit/(loss) before income tax is arrived at after charging:		
Depreciation of property, plant and equipment		
— Owned assets	8,685	4,024
— Assets held under finance lease	14,026	14,260
Loss on disposal of property, plant and equipment	6	60
Staff costs		
— Wages, salaries and bonus	14,953	14,792
— Contribution to defined contribution pension plans	1,858	1,157



NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2013

8. INCOME TAX EXPENSE

	Unaudited	
	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Deferred tax	1,346	1,312

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any taxation under the jurisdictions of the Cayman Islands and the BVI.

Hong Kong, Singapore, Vietnam and Macau profits tax have not been provided as the Group has (i) no assessable profits or (ii) allowable tax losses brought forward to set off against the assessable profits for the six months ended 30 June 2013 (2012: Nil).

9. DIVIDEND

No dividend has been paid or declared by the Company for the six months ended 30 June 2013 (2012: Nil).

10. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share for the six months ended 30 June 2013 is based on the profit attributable to the owners of the Company of approximately HK\$3,416,000 (2012: loss of approximately HK\$3,569,000), and on the weighted average number of 800,000,000 (2012: 800,000,000, as restated to reflect the bonus issue on 4 October 2012) ordinary shares in issue during the period.

Diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share as the Group has no dilutive potential ordinary shares during the six months ended 30 June 2013 (2012: Nil).

11. CAPITAL EXPENDITURES

During the period, the Group incurred capital expenditures of approximately HK\$24,927,000 (2012: HK\$49,359,000) which were mainly related to the additions of property, plant and equipment.

NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2013

12. TRADE RECEIVABLES

	Unaudited	Audited
	At 30 June	At 31 December
	2013	2012
	HK\$'000	HK\$'000
Trade receivables, gross	43,770	50,210
Less: Provision for impairment	(1,120)	(1,393)
Trade receivables, net	42,650	48,817

The Group's trading terms with its existing customers are mainly on credit. The credit period is, in general, ranging from 0 to 60 days or based on the terms agreed in the sale and rental agreement.

The ageing analysis of trade receivables as at the reporting date, net of impairment, based on invoice date, is as follows:

	Unaudited	Audited
	At 30 June	At 31 December
	2013	2012
	HK\$'000	HK\$'000
0-30 days	18,115	9,473
31-60 days	5,222	14,280
61-90 days	7,321	12,631
Over 90 days	11,992	12,433
	42,650	48,817



NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2013

13. NON-CURRENT ASSETS HELD FOR SALE

	Unaudited At 30 June 2013 HK\$'000	Audited At 31 December 2012 HK\$'000
Property, plant and equipment	585	–
Available-for-sale investment	–	580
	585	580

On 5 June 2013, the Group entered into a sale and purchase agreement with a third party to dispose of certain property, plant and equipment of a subsidiary, Manta-Vietnam Construction Equipment Leasing Company Limited, at a total consideration of US\$135,000. Some of the property, plant and equipment have been delivered by 30 June 2013 with US\$68,000 was received.

On 25 January 2013, the Group entered into a sale and purchase agreement with a third party to dispose its entire equity interest in Shenzhen Nectar Engineering & Equipment Co., Ltd. for a consideration of RMB1.486 million (approximately HK\$1.85 million). The gain on disposal of approximately HK\$1.272 million has been recognised in the current period.

14. TRADE AND BILL PAYABLES

The credit period is, in general, ranging from 30 to 60 days or based on the terms agreed in the purchase agreement. At 30 June 2013, trade payables of approximately HK\$13,139,000 (At 31 December 2012: approximately HK\$6,694,000) were interest-bearing at 5.5% (At 31 December 2012: 5.5%) per annum.

The ageing analysis of trade and bill payables as at the reporting date, based on the invoice date, is as follows:

	Unaudited At 30 June 2013 HK\$'000	Audited At 31 December 2012 HK\$'000
0–30 days	21,250	35,809
31–60 days	7,881	6,669
61–90 days	8,805	2,963
Over 90 days	11,503	3,178
	49,439	48,619

NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2013

15. BANK BORROWINGS

	Unaudited	Audited
	At 30 June	At 31 December
	2013	2012
	HK\$'000	HK\$'000
Trust receipt loans, repayable within one year	14,925	8,359
Bank borrowings repayable:		
Within one year	5,436	6,728
More than one year, but not exceeding two years	3,066	4,043
More than two years, but not exceeding five years	5,943	6,407
More than five years	17,827	19,250
	47,197	44,787
Portion classified as current liabilities	(21,785)	(16,965)
Non-current portion	25,412	27,822

Bank borrowings were denominated in Hong Kong dollars and Singapore dollars with effective interest rates ranging from 4.5% to 5.5% (At 31 December 2012: ranging from 4.5% to 7.5%) per annum at 30 June 2013.

At 30 June 2013, the bank borrowings of the Group were secured by bank deposits with carrying amounts of approximately HK\$3,515,000 (At 31 December 2012: approximately HK\$3,514,000), land and building carried at fair value of approximately HK\$7,898,000 (At 31 December 2012: approximately HK\$7,898,000), building carried at cost of approximately HK\$46,045,000 (At 31 December 2012: approximately HK\$46,569,000), plant and machinery of the Group with carrying amounts of approximately HK\$14,624,000 (At 31 December 2012: approximately HK\$20,250,000) and corporate guarantees executed by the Company.

The current liabilities included bank borrowings of approximately HK\$1,424,000 (At 31 December 2012: approximately HK\$1,878,000) that are not scheduled to repay within one year. They were classified as current liabilities as the related loan agreements contain a clause that provided the lender with an unconditional right to demand repayment at any time at its own discretion.



NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2013

16. FINANCE LEASE PAYABLES

	Unaudited At 30 June 2013 HK\$'000	Audited At 31 December 2012 HK\$'000
Total minimum lease payments:		
Due within one year	52,847	57,954
Due in the second to fifth years	121,570	111,505
	174,417	169,459
Future finance charges on finance leases	(14,020)	(25,439)
	160,397	144,020
Present value of finance lease liabilities	160,397	144,020
Present value of minimum lease payments:		
Due within one year	46,615	40,685
Due in the second to fifth years	113,782	103,335
	160,397	144,020
Less: Portion classified as current liabilities	(46,615)	(40,685)
	113,782	103,335
Non-current portion	113,782	103,335

The Group has entered into finance leases for items of plant and machinery. The average lease term is 3 to 5 years. At the end of the lease term, the Group has the option to purchase the leased equipment at a price that is expected to be sufficiently lower than the fair value of the leased asset at the end of the lease for it to be reasonably certain, at the inception of the lease, that the option will be exercised. None of the leases include contingent rentals.

At 30 June 2013, finance lease payables bore interest at fixed interest rates ranging from 3.2% to 6.25% (At 31 December 2012: ranging from 3.2% to 8.6%) per annum.

At 30 June 2013, finance lease payables of the Group were secured by bank deposits with carrying amounts of approximately HK\$3,515,000 (At 31 December 2012: approximately HK\$3,514,000) and corporate guarantees executed by the Company.

Finance lease payables are effectively secured by the underlying assets as the rights to the leased assets would be reverted to the lessor in the event of default by repayment by the Group.

NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2013

17. BONDS PAYABLE

The bonds carry interest at a rate of 12% (At 31 December 2012: 12%) per annum, repayable on 11 June 2014 and secured by the equity interest of certain subsidiaries.

18. COMMITMENTS

(a) Operating lease commitment — Group as lessor

The Group had future aggregate minimum lease receipts in respect of plant and machinery owned by the Group under non-cancellable operating leases as follows:

	Unaudited At 30 June 2013 HK\$'000	Audited At 31 December 2012 HK\$'000
Within one year	80,670	53,180
In the second to fifth years, inclusive	9,707	3,770
	90,377	56,950

The Group had future aggregate minimum lease receipts in respect of plant and machinery subletted by the Group under non-cancellable operating leases as follows:

	Unaudited At 30 June 2013 HK\$'000	Audited At 31 December 2012 HK\$'000
Within one year	7,086	16,239
In the second to fifth years, inclusive	—	450
	7,086	16,689

The Group leases its plant and machinery under operating leases arrangements which run for an initial period of one to two years (At 31 December 2012: one to two years). All leases are on a fixed rental basis and do not include contingent rentals. The terms of leases generally require the lessee to pay security deposits.



NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2013

18. COMMITMENTS (Continued)

(b) Operating lease commitment — as lessee

The total future minimum lease payments of the Group in respect of plant and machinery, and properties under non-cancellable operating leases are as follows:

	Unaudited At 30 June 2013 HK\$'000	Audited At 31 December 2012 HK\$'000
Within one year	7,035	13,022
In the second to fifth years, inclusive	3,479	4,379
After five years	842	1,088
	11,356	18,489

The leases run for a period of one to fifteen years (At 31 December 2012: one to fifteen years). All rentals are fixed over the lease terms and do not include contingent rentals.

(c) Capital commitment

	Unaudited At 30 June 2013 HK\$'000	Audited At 31 December 2012 HK\$'000
Property, plant and equipment — plant and machinery Contracted but not provided for	—	1,109

19. RELATED PARTY TRANSACTIONS

- (i) Saved as disclosed elsewhere in this interim financial report, there was no other material related party transactions carried out during the period.

NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2013

19. RELATED PARTY TRANSACTIONS *(Continued)*

(ii) Key management personnel compensation

	Unaudited	
	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Directors and other members of key management		
Short-term employee benefits	1,328	4,245
Post employment benefit	17	71
	1,345	4,316

20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets measured at fair value

The fair value hierarchy groups financial assets into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

At 30 June 2013, the financial assets classified as available-for-sale investment in the consolidated statement of financial position are grouped into the Level 1 fair value hierarchy.

During the six months ended 30 June 2013, there have been no significant transfers between levels.

(b) Financial assets and liabilities measured at cost or amortised cost

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2013 and 31 December 2012.

21. APPROVAL OF THE INTERIM FINANCIAL REPORT

This interim financial report has been approved and authorised for issue by the board of Directors on 23 August 2013.



INDEPENDENT REVIEW REPORT



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To the Board of Directors of Eagle Legend Asia Limited 鵬程亞洲有限公司
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 3 to 22 which comprises the consolidated statement of financial position of Eagle Legend Asia Limited and its subsidiaries as of 30 June 2013 and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion on this interim financial report 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.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report 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 does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34.

BDO Limited

Certified Public Accountants
Joanne Y.M. Hung
Practising Certificate Number: P05419

Hong Kong, 23 August 2013

BDO Limited
香港立信德豪會計師事務所有限公司

BDO Limited, a Hong Kong limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The board of Directors (the "Board") did not recommend the payment of an interim dividend in respect of the six months ended 30 June 2013.

OVERALL GROUP RESULTS

The Group's unaudited consolidated revenue for the six months ended 30 June 2013 increased by 39.8% to approximately HK\$119.9 million as compared to the corresponding period ended 30 June 2012. Sales revenue increased by approximately HK\$5.6 million representing an improvement of 25.2% over last year. Due to the increased in fleet size as well as further efficiency improvement, rental and service revenue together contributed approximately HK\$28.6 million to the growth which represents a 45% improvement over last year.

Hong Kong and Macau together was the main contributor to the performance. Revenue of approximately HK\$45.8 million was recorded for the six months ended 30 June 2013, indicating a growth of 146.7% or approximately HK\$27.2 million over last year. Our ability to capture market demand was key to this performance. This led to the reduction in idle assets and hence the improvement of efficiency of our fleet.

Singapore also maintained a strong growth. The revenue grew by 11.5% (approximately HK\$8 million) over last year. The improvement is mainly attributable to the increased in rental contracts secured during the period.

The Group was able to maintain a stable gross margin at 54.5% in the current period (six months ended 30 June 2012: 55.3%).

Hong Kong operation is the main contributor to the growth of operating profit. It grew to approximately HK\$8.1 million from a loss of approximately HK\$4.1 million of last year. Singapore operation was also able to grow its profit by 77.6% to HK\$4.4 million.

Overall, due to the substantial increase in revenue, we incurred additional administrative expenses and operating expenses over last year by approximately HK\$6 million. Notwithstanding this absolute increase in dollar terms, our operation efficiency has actually improved significantly compared to last year. These expenses represented 52.3% of the total revenue for the six months ended 30 June 2012 while they only represented 42.4% of total revenue in the current period. A 9.9% operation efficiency enhancement was achieved.

Earnings per share for the period under review was HK0.4 cent (six months ended 30 June 2012: loss per share HK0.4 cent (restated)).

OUTLOOK

The Group anticipates that the business in both Singapore and Hong Kong will continue to grow healthily and our performance should continue to improve over last year.

The construction sector in Singapore continues to grow as projected. It is forecasted that the Housing Development Board will be able to achieve its target of launching 25,000 units in 2013 and building 27,000 units in 2014. In the private residential market, over 33,000 private residential units and executive condominiums are expected to be built in the next 18 months. From a commercial usage perspective (office, shop and factory use), close to 4,000 square metres are in the pipeline to be developed in the years 2013 and 2014. The Singapore government has also announced plans to increase public infrastructure capacity to ease the current bottlenecks to cater for a planned population growth. This includes doubling the total rail length of the existing MRT network, for example. This outlook is further strengthened according to the National Day Rally 2013 speech delivered by Prime Minister Lee Hsien Loong recently.



MANAGEMENT DISCUSSION AND ANALYSIS

Our Hong Kong business will also be buoyed by a rising tide of demand for construction work. Over 27,000 units of Public Rental Housing flats and close to 24,000 units private sector apartments are to be built in 2013 and 2014. Apart from the “10 major infrastructure projects”, the Hong Kong government has forged ahead with other works such as Operation Building Bright and Revitalizing Historic Building. The construction of the third runway of the Hong Kong International Airport is also underway. The Hong Kong government projects to spend HK\$62.3 billion in this financial year and over HK\$70 billion each year in the coming few years on infrastructure development projects.

As a result of the above external factors, we have a relatively satisfactory sale and rental contract pipeline in place as compared to last year.

To capture these opportunities made available to us, we will continue to invest in our fleet. On one hand this will allow us to standardize our fleet’s crane models for easier maintenance and cross operational support. On the other hand this will help us maintain a younger fleet to provide our customers with newer and more advanced facilities for their needs. The older cranes in our fleet may also be sold to boost our sales revenue in due course.

The Board has decided to voluntarily wind up our operations in Vietnam to further strengthen our financial performance. Based on our existing plan, it is anticipated that the process may be completed by the end of 2013.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

There were no significant events occurred after the reporting date.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2013, the Group had cash and cash equivalents of HK\$141.6 million (At 31 December 2012: HK\$125.7 million).

As at 30 June 2013, the Group had total assets of approximately HK\$611.0 million, representing an increase of HK\$26.6 million over that of 31 December 2012. The increase was mainly attributable to the capital expenditure of HK\$24.9 million incurred during the current period.

The Group’s gearing ratio as at 30 June 2013 was approximately 1.5 (At 31 December 2012: 1.5), which was calculated on the basis by dividing interest-bearing loans and finance lease payables with the total equity as at the respective period. The Group borrowed more loans and entered into more finance lease contracts to acquire new machinery in the current period.

During the six months ended and as at 30 June 2013, more than half 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 are usually denominated in Euro or US 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 our Singapore, Vietnam and Macau operations.

As at 30 June 2013, the Group had net current liabilities of approximately HK\$28.3 million (At 31 December 2012: net current assets of approximately HK\$71.4 million). The Directors are of the opinion that the Group has sufficient internal financial resources to meet its financial obligations for the financial year ending 31 December 2013.

CAPITAL STRUCTURE

As at 30 June 2013, the Company’s total issued shares was 800,000,000 at HK\$0.01 each. There was no change in the share capital of the Company during the period.



MANAGEMENT DISCUSSION AND ANALYSIS

INVESTMENT POSITION AND PLANNING

Pursuant to the resolution passed in the board of management's meeting of Manta-Vietnam Construction Equipment Leasing Limited dated 10 January 2013, the board of management resolved to liquidate the company. The liquidation has not yet been completed on 30 June 2013.

On 25 January 2013, MANTA EQUIPMENT SERVICES LIMITED, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with GROWTHWELL LIMITED, an independent third party, to dispose of 15% equity interest in 深圳能科達機械工程有限公司 (for identification purpose, in English, Shenzhen Nectar Engineering & Equipment Co., Ltd.) at a cash consideration of RMB1.486 million (equivalent to approximately HK\$1.85 million) (the "Disposal"). The Disposal constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Disposal has been completed during the six months ended 30 June 2013. Details of the Disposal were disclosed in the announcement of the Company dated 25 January 2013.

PLEDGE OF GROUP ASSETS AND CONTINGENT LIABILITIES

The Group's banking facilities are secured by the assets of the Group, including bank deposits, land and building carried at fair value, building carried at cost and plant and machinery, with aggregate carrying amount of HK\$72.1 million (At 31 December 2012: HK\$78.2 million). The bonds of HK\$100 million were secured by the equity interest of certain subsidiaries.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2013, the Group had 111 (At 31 December 2012: 111) employees in Hong Kong, Singapore and Vietnam. 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.

OTHER INFORMATION

Retirement and Appointment of Directors

Upon conclusion of the annual general meeting of the Company held on 23 May 2013, Mr. Chan Mo retired as independent non-executive Director due to other business engagements (the "Retirement of Director"). On the same date, Miss. So Wai and Mr. Lam Cheung Shing, Richard have been appointed as executive Director and independent non-executive Director respectively (the "Appointment of Directors"). Details of the Retirement of Director and the Appointment of Directors were set out in the announcement of the Company dated 23 May 2013.



DISCLOSURE OF ADDITIONAL INFORMATION

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATION

As at 30 June 2013, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance) (the "SFO") as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules were as follows:

Interests in the shares

A. Long positions in ordinary shares of HK\$0.01 each (the "Shares", each, a "Share") and underlying Shares

Name of Director	Number of shares		Equity derivatives	Total	Approximate percentage of issued share capital of the Company (Note 2)
	Personal interest	Corporate interest			
Mr. So Chung ("Mr. So")	–	600,000,000 (Note 1)	–	600,000,000	75%

Notes:

1. These Shares were registered in the name of Eagle Legend International Holdings Limited ("Eagle Legend International"), which is a wholly-owned subsidiary of Constant Success Holdings Limited ("Constant Success"). Constant Success was held as to 43% by Mr. So through his 100% equity interest in Wonder Ocean International Holdings Limited ("Wonder Ocean"), 28.5% by Miss. So Man through her 100% equity interest in Jiefei Limited ("Jiefei") and 28.5% by Miss. So Wai through her 100% equity interest in Fei Teng Holdings Limited ("Fei Teng"). Mr. So, Miss. So Man and Miss. So Wai are siblings.
2. The percentage is calculated on the basis of 800,000,000 Shares in issue as at 30 June 2013.

DISCLOSURE OF ADDITIONAL INFORMATION

B. Long Positions in the shares of associated corporation

Name of Director	Name of associated corporation	Nature of interest	Number of share held	Approximate percentage of issued share capital of the associated corporation
Mr. So	Eagle Legend International (Note)	Interest of controlled corporation	1	100%
Miss. So Man	Eagle Legend International (Note)	Interest of controlled corporation	1	100%
Miss. So Wai	Eagle Legend International (Note)	Interest of controlled corporation	1	100%

Note: Eagle Legend International is a wholly-owned subsidiary of Constant Success which was held as to 43% by Mr. So through his 100% equity interest in Wonder Ocean, 28.5% by Miss. So Man through her 100% equity interest in Jiefei and 28.5% by Miss. So Wai through her 100% equity interest in Fei Teng. Mr. So, Miss. So Man and Miss. So Wai are siblings.

Save as disclosed above, as at 30 June 2013, none of the Directors or the chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the six months ended 30 June 2013, the Directors and the chief executives of the Company (including their spouses and children under 18 years of age) had any interest in, or been granted, or exercised any rights to subscribe for the Shares (or warrants or debentures, if applicable) or any of its associated corporation (within the meaning of the SFO).



DISCLOSURE OF ADDITIONAL INFORMATION

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2013, so far as is known to the Directors and the chief executives of the Company, the interests and short positions of the persons or corporations (other than the Directors and the chief executives of the Company) in the Shares and underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name of substantial shareholder	Number of Shares		Equity derivatives	Total	Approximate percentage of issued share capital of the Company (Note 3)
	Beneficial interest	Corporate interest			
Eagle Legend International	600,000,000	–	–	600,000,000	75%
Constant Success	–	600,000,000 (Note 1)	–	600,000,000	75%
Wonder Ocean	–	600,000,000 (Note 2)	–	600,000,000	75%

Notes:

1. Constant Success is held as to 43% by Mr. So through his 100% equity interest in Wonder Ocean, 28.5% by Miss. So Man through her 100% equity interest in Jiefei and 28.5% by Miss. So Wai through her 100% equity interest in Fei Teng. Mr. So, Miss. So Man and Miss. So Wai are siblings.
2. Wonder Ocean is wholly-owned by Mr. So.
3. The percentage is calculated on the basis of 800,000,000 Shares in issue as at 30 June 2013.

Save as disclosed above, as at 30 June 2013, there were no persons or corporations who had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

On 25 June 2010, the Company adopted a share option scheme (the “Scheme”) which complied with the requirements of Chapter 17 of the Listing Rules. During the six months ended 30 June 2013, no option was granted under the Scheme.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has, throughout the six months ended 30 June 2013, complied with all the code provisions set out in the Corporate Governance Code (the “CG Code”) in Appendix 14 to the Listing Rules.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section “INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATION” above, at no time during the six months ended 30 June 2013 and up to the date of this report, was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporation as defined in the SFO or to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate.



DISCLOSURE OF ADDITIONAL INFORMATION

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established with written terms of reference on 25 June 2010. In order to comply with the relevant code provisions of the CG Code, the written terms of reference has been revised on 27 March 2012.

At 30 June 2013, the members of the Audit Committee include Mr. Ho Gar Lok (as chairman) and Ms. Lo Miu Sheung Betty, both are the independent non-executive Directors, and Mr. Lam Woon Kun, the non-executive Director.

The interim results of the Group for the six months ended 30 June 2013 have been reviewed by the Audit Committee with the management of the Company and by the external auditor (the "Auditor") in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The report on review of interim financial report by the Auditor has been included in this interim report for the six months ended 30 June 2013 (the "Interim Report").

The Audit Committee has reviewed this Interim Report including the accounting principles and practices adopted by the Group.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2013, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

COMPETING INTERESTS

During the six months ended 30 June 2013, none of the Directors, substantial shareholders or any of their respective associates (as defined in the Listing Rules) has any interest in a business which causes or may cause any significant competition with the business of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code for dealing in securities of the Company by the Directors. Having made specific enquiry, all Directors confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 June 2013.

By order of the Board
Eagle Legend Asia Limited
So Chung
Chairman

Hong Kong, 23 August 2013

As at the date of this report, the Board comprises Mr. So Chung, Miss. So Man and Miss. So Wai as executive Directors; Mr. Lam Woon Kun as non-executive Director; and Ms. Lo Miu Sheung Betty, Mr. Ho Gar Lok and Mr. Lam Cheung Shing, Richard as independent non-executive Directors.