



**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)

2015

INTERIM REPORT

# 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	8
Notes to the Interim Financial Report	9
Management Discussion and Analysis	23
Disclosure of Additional Information	26

# CORPORATE INFORMATION

## EXECUTIVE DIRECTORS

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

## NON-EXECUTIVE DIRECTOR

Mr. Wu Bang Xing

## INDEPENDENT NON-EXECUTIVE DIRECTORS

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

## COMPANY SECRETARY

Mr. Chan Tai Wah Calvin

## AUTHORISED REPRESENTATIVES

Mr. Winerthan Chiu  
Mr. Chan Tai Wah Calvin

## PRINCIPAL BANKERS

*Hong Kong*

Standard Chartered Bank (Hong Kong) Limited  
Chong Hing Bank Limited  
DBS Bank (Hong Kong) Limited  
United Overseas Bank 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  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## AUDIT COMMITTEE

Mr. Wan Tze Fan Terence (*Chairman*)  
Mr. Tsui Robert Che Kwong  
Ms. Yang Yan Tung Doris

## REMUNERATION COMMITTEE

Ms. Yang Yan Tung Doris (*Chairman*)  
Mr. Winerthan Chiu  
Mr. Wan Tze Fan Terence

## NOMINATION COMMITTEE

Mr. Zeng Li (*Chairman*)  
Mr. Tsui Robert Che Kwong  
Ms. Yang Yan Tung Doris

## REGISTERED OFFICE

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

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

## AUDITOR

BDO Limited

## WEBSITE

<http://www.elasialtd.com>

## STOCK CODE

936

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2015

	Notes	Unaudited Six months ended 30 June	
		2015 HK\$'000	2014 HK\$'000
<b>Revenue</b>	4	<b>130,889</b>	159,974
Cost of sales and services		<b>(73,223)</b>	(87,395)
<b>Gross profit</b>		<b>57,666</b>	72,579
Other income and gains	5	<b>1,584</b>	2,357
Selling and distribution expenses		<b>(2,046)</b>	(2,991)
Administrative expenses		<b>(32,389)</b>	(35,384)
Operating expenses		<b>(24,299)</b>	(24,443)
Finance costs	6	<b>(13,462)</b>	(13,705)
<b>Loss before income tax</b>	7	<b>(12,946)</b>	(1,587)
Income tax expense	8	<b>(121)</b>	(1,431)
<b>Loss for the period</b>		<b>(13,067)</b>	(3,018)
<b>Other comprehensive income for the period</b>			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale investments		–	(110)
Exchange differences arising on translating foreign operations		<b>(1,757)</b>	(294)
		<b>(1,757)</b>	(404)
<b>Total comprehensive income for the period</b>		<b>(14,824)</b>	(3,422)
<b>Loss for the period attributable to:</b>			
Owners of the Company		<b>(13,049)</b>	(2,996)
Non-controlling interests		<b>(18)</b>	(22)
		<b>(13,067)</b>	(3,018)
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>(14,806)</b>	(3,400)
Non-controlling interests		<b>(18)</b>	(22)
		<b>(14,824)</b>	(3,422)
		<b>HK cent</b>	HK cent
<b>Loss per share attributable to the owners of the Company during the period</b>			
— Basic and diluted	10	<b>(1.6)</b>	(0.4)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

	<i>Notes</i>	<b>Unaudited At 30 June 2015 HK\$'000</b>	Audited At 31 December 2014 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	<b>372,401</b>	397,119
Payments for leasehold land held for own use under operating leases		<b>22,802</b>	23,092
		<b>395,203</b>	420,211
<b>Current assets</b>			
Inventories and consumables		<b>37,068</b>	51,796
Trade and bill receivables	12	<b>67,444</b>	70,546
Prepayments, deposits and other receivables		<b>25,011</b>	27,414
Tax recoverable		<b>326</b>	299
Cash and cash equivalents		<b>102,009</b>	111,613
		<b>231,858</b>	261,668
<b>Current liabilities</b>			
Trade and bill payables	13	<b>50,298</b>	62,878
Receipt in advance, accruals and other payables		<b>79,747</b>	79,848
Bank borrowings	14	<b>47,847</b>	47,833
Finance lease payables	15	<b>49,805</b>	54,640
Provision for tax		<b>790</b>	492
		<b>228,487</b>	245,691
<b>Net current assets</b>		<b>3,371</b>	15,977
<b>Total assets less current liabilities</b>		<b>398,574</b>	436,188

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

	<i>Notes</i>	<b>Unaudited At 30 June 2015 HK\$'000</b>	Audited At 31 December 2014 HK\$'000
<b>Non-current liabilities</b>			
Bank borrowings	14	20,406	21,585
Bonds payable	16	100,000	100,000
Finance lease payables	15	72,770	93,993
Other payables		9,523	9,523
Deferred tax liabilities		19,896	20,284
		<b>222,595</b>	245,385
<b>Net assets</b>			
		<b>175,979</b>	190,803
<b>EQUITY</b>			
Share capital		8,000	8,000
Reserves		167,411	182,217
<b>Equity attributable to the owners of the Company</b>			
		<b>175,411</b>	190,217
Non-controlling interests		568	586
<b>Total equity</b>			
		<b>175,979</b>	190,803

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2015

	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Investment revaluation reserve HK\$'000	Property revaluation reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Equity attributable to the owners of the Company HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
<b>Unaudited for the six months ended 30 June 2014</b>										
<b>At 1 January 2014</b>	8,000	63,968	120,985	(91)	7,385	13,877	(7,642)	206,482	690	207,172
Loss for the period	-	-	-	-	-	-	(2,996)	(2,996)	(22)	(3,018)
Other comprehensive income for the period:										
Change in fair value of available-for-sale investments	-	-	-	(110)	-	-	-	(110)	-	(110)
Exchange differences arising on translating foreign operations	-	-	-	-	-	(294)	-	(294)	-	(294)
<b>Total comprehensive income for the period</b>	-	-	-	(110)	-	(294)	(2,996)	(3,400)	(22)	(3,422)
<b>At 30 June 2014</b>	8,000	63,968	120,985	(201)	7,385	13,583	(10,638)	203,082	668	203,750

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2015

	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Property revaluation reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Equity attributable to the owners of the Company HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
<b>Unaudited for the six months ended 30 June 2015</b>									
<b>At 1 January 2015</b>	8,000	63,968	120,985	8,030	7,738	(18,504)	190,217	586	190,803
Loss for the period	-	-	-	-	-	(13,049)	(13,049)	(18)	(13,067)
Other comprehensive income for the period:									
Exchange differences arising on translating foreign operations	-	-	-	-	(1,757)	-	(1,757)	-	(1,757)
<b>Total comprehensive income for the period</b>	-	-	-	-	(1,757)	(13,049)	(14,806)	(18)	(14,824)
<b>At 30 June 2015</b>	8,000	63,968	120,985	8,030	5,981	(31,553)	175,411	568	175,979



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2015

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
<b>Net cash generated from operating activities</b>	<b>21,420</b>	37,020
<b>Net cash used in investing activities</b>	<b>(3,111)</b>	(46,142)
<b>Net cash used in financing activities</b>	<b>(29,306)</b>	(27,361)
Decrease in cash and cash equivalents	<b>(10,997)</b>	(36,483)
Cash and cash equivalents at 1 January	<b>111,613</b>	149,100
Effect of exchange rates changes on cash and cash equivalents	<b>1,393</b>	704
<b>Cash and cash equivalents at 30 June</b>	<b>102,009</b>	113,321

# NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2015

## 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 located at 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 Room 3607, 36/F, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong. The Company and its subsidiaries (collectively known as the "Group") are principally engaged in trading of construction machinery and spare parts, leasing of the construction machinery, providing repair and maintenance services in respect of the construction machinery and manufacturing and sales of proprietary Chinese medicines and health products.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 19 July 2010. As at 30 June 2015, the immediate holding company and ultimate holding company of the Company is Harbour Luck Investments Limited, a company incorporated in Hong Kong with limited liability.

The interim financial report for the six months ended 30 June 2015 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 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 2014 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:

Amendments to HKFRS	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRS	Annual Improvements to HKFRSs 2011–2013 Cycle

The adoption of these New/Revised HKFRSs did not result in significant changes in the Group's interim financial report. The Group has not early adopted the new HKFRSs that have been issued but are not yet effective. The directors of the Company (the "Directors") are currently assessing the impact of these new HKFRSs but are not yet in a position to state whether they would have material financial impact on the Group's results of operations and financial position.

# NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2015

## 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 People's Republic of China (the "PRC")

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 2015

## 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 2015					Inter segment elimination	Total
	Hong Kong HK\$'000	Singapore HK\$'000	Vietnam HK\$'000	Macau HK\$'000	PRC HK\$'000	HK\$'000	HK\$'000
Revenue							
From external customers	28,788	70,612	–	3,516	27,973	–	130,889
From inter segment	543	–	–	–	–	(543)	–
<b>Reportable segment revenue</b>	<b>29,331</b>	<b>70,612</b>	<b>–</b>	<b>3,516</b>	<b>27,973</b>	<b>(543)</b>	<b>130,889</b>
<b>Reportable segment profit/(loss)</b>	<b>(1,245)</b>	<b>(1,897)</b>	<b>(53)</b>	<b>640</b>	<b>644</b>	<b>(284)</b>	<b>(2,195)</b>
Interest on bonds							(8,344)
Unallocated corporate expenses							(2,528)
<b>Loss for the period</b>							<b>(13,067)</b>
	<b>Unaudited At 30 June 2015</b>						
<b>Reportable segment assets</b>	<b>149,666</b>	<b>293,814</b>	<b>66</b>	<b>560</b>	<b>147,909</b>	<b>(2,115)</b>	<b>589,900</b>
Unallocated segment assets							37,161
Total assets							627,061
<b>Reportable segment liabilities</b>	<b>54,154</b>	<b>151,019</b>	<b>282</b>	<b>586</b>	<b>101,070</b>	<b>–</b>	<b>307,111</b>
Bonds payable							100,000
Other unallocated segment liabilities							43,971
Total liabilities							451,082

# NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2015

## 3. SEGMENT INFORMATION (Continued)

	Unaudited						Inter segment elimination HK\$'000	Total HK\$'000
	Six months ended 30 June 2014							
	Hong Kong HK\$'000	Singapore HK\$'000	Vietnam HK\$'000	Macau HK\$'000	PRC HK\$'000			
Revenue								
From external customers	43,106	86,983	–	6,810	23,075	–	159,974	
From inter segment	6,787	505	–	–	–	(7,292)	–	
<b>Reportable segment revenue</b>	<b>49,893</b>	<b>87,488</b>	<b>–</b>	<b>6,810</b>	<b>23,075</b>	<b>(7,292)</b>	<b>159,974</b>	
<b>Reportable segment profit/(loss)</b>	<b>4,956</b>	<b>3,295</b>	<b>(69)</b>	<b>322</b>	<b>169</b>	<b>(82)</b>	<b>8,591</b>	
Interest on bonds							(7,405)	
Unallocated corporate expenses							(4,204)	
<b>Loss for the period</b>							<b>(3,018)</b>	
	Audited							
	At 31 December 2014							
<b>Reportable segment assets</b>								
Unallocated segment assets	168,093	324,732	120	5,456	142,032	(1,832)	638,601	
							43,278	
Total assets							681,879	
<b>Reportable segment liabilities</b>								
Bonds payable	73,658	180,720	300	4,917	95,855	–	355,450	
Other unallocated segment liabilities							35,626	
Total liabilities							491,076	

# NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2015

## 4. REVENUE

The Group's principal activities are trading of construction machinery and spare parts, leasing of the construction machinery, providing repair and maintenance services in respect of the construction machinery and manufacturing and sales of proprietary Chinese medicines and health products.

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

	Unaudited Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Sales of machinery	31,393	45,161
Sales of spare parts	1,982	2,251
Rental income from leasing of owned plant and machinery and those held under finance leases	52,771	63,140
Rental income from subleasing of plant and machinery	685	6,965
Service income	16,085	19,382
Sales of proprietary Chinese medicines and health products	27,973	23,075
	<b>130,889</b>	159,974

## 5. OTHER INCOME AND GAINS

	Unaudited Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Bank interest income	37	883
Other interest income	500	–
Commission income	–	61
Compensation received	415	329
Dividend income	–	75
Gain on disposal of property, plant and equipment	82	83
Government subsidies (Note)	–	523
Others	550	403
	<b>1,584</b>	2,357

Note: Government subsidies comprised unconditional cash subsidies from government for subsidising the Group's manufacturing and sales of proprietary Chinese medicines and health products business.

# NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2015

## 6. FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Interest charges on financial liabilities stated at amortised cost:		
— Bank borrowings wholly repayable within five years	1,488	1,650
— Bank borrowings not wholly repayable within five years	589	727
— Finance lease payables wholly repayable within five years	2,834	3,491
— Bonds payable	8,344	7,405
— Trade payables	207	432
	<b>13,462</b>	13,705

## 7. LOSS BEFORE INCOME TAX

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Loss before income tax is arrived at after charging:		
Depreciation of property, plant and equipment		
— Owned assets	11,633	7,736
— Assets held under finance lease	13,503	17,426
Staff costs		
— Wages, salaries and bonus	17,395	17,980
— Contribution to defined contribution pension plans	1,959	1,967

# NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2015

## 8. INCOME TAX EXPENSE

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Current tax — Hong Kong		
— Current year	18	—
Current tax — PRC		
— Current year	594	57
Current tax — Macau		
— Current year	46	3
Current tax — Singapore		
— Overprovision in prior years	(261)	—
Deferred tax	(276)	1,371
Total income tax expense	121	1,431

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

Hong Kong profits tax has been provided for the period at a tax rate of 16.5% on the estimated assessable profits. No provision for Hong Kong profits tax had been provided for the six months ended 30 June 2014 as the Group had no assessable profits.

PRC Enterprise Income Tax had been provided for the period at a tax rate of 25% (2014: 25%) on the estimated assessable profits.

Macau Complementary Tax has been provided for the period at a tax rate of 12% (2014: 12%) on the estimated assessable profits.

Singapore profits tax has been provided for the period at a tax rate of 17% on the estimated assessable profits. No provision for Singapore profits tax had been provided for the six months ended 30 June 2014 as the Group had no assessable profits.

Vietnam 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 2015 (2014: Nil).



# NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2015

## 9. DIVIDEND

No dividend has been paid or declared by the Company for the six months ended 30 June 2015 (2014: Nil).

## 10. LOSS PER SHARE

The calculation of basic loss per share for the six months ended 30 June 2015 is based on the loss attributable to the owners of the Company of approximately HK\$13,049,000 (2014: approximately HK\$2,996,000), and on the weighted average number of 800,000,000 (2014: 800,000,000) ordinary shares in issue during the period.

Diluted loss per share is the same as the basic loss per share as the Group has no dilutive potential ordinary shares during the six months ended 30 June 2015 (2014: Nil).

## 11. CAPITAL EXPENDITURES

During the period, the Group incurred capital expenditures of approximately HK\$11,485,000 (2014: HK\$29,465,000) which were mainly related to the additions of property, plant and equipment.

## 12. TRADE AND BILL RECEIVABLES

	<b>Unaudited At 30 June 2015 HK\$'000</b>	Audited At 31 December 2014 HK\$'000
Trade receivables, gross	<b>71,079</b>	73,362
Bill receivables	–	250
Less: Provision for impairment	<b>(3,635)</b>	(3,066)
Trade receivables, net	<b>67,444</b>	70,546

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 sales and rental agreements.

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

	<b>Unaudited At 30 June 2015 HK\$'000</b>	Audited At 31 December 2014 HK\$'000
0–30 days	<b>18,517</b>	24,909
31–60 days	<b>6,195</b>	24,945
61–90 days	<b>15,954</b>	10,351
Over 90 days	<b>26,778</b>	10,341
	<b>67,444</b>	70,546

# NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2015

## 13. 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 2015, trade payables of approximately HK\$4,614,000 (At 31 December 2014: approximately HK\$8,491,000) were interest-bearing at 5.5% (At 31 December 2014: 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:

	<b>Unaudited</b> <b>At 30 June</b> <b>2015</b> <b>HK\$'000</b>	Audited At 31 December 2014 HK\$'000
0–30 days	<b>16,957</b>	26,580
31–60 days	<b>10,013</b>	12,048
61–90 days	<b>10,202</b>	12,767
Over 90 days	<b>13,126</b>	11,483
	<b>50,298</b>	62,878

## 14. BANK BORROWINGS

	<b>Unaudited</b> <b>At 30 June</b> <b>2015</b> <b>HK\$'000</b>	Audited At 31 December 2014 HK\$'000
Bank borrowings repayable:		
Within one year	<b>47,847</b>	47,833
More than one year, but not exceeding two years	<b>1,683</b>	1,668
More than two years, but not exceeding five years	<b>5,613</b>	5,563
More than five years	<b>13,110</b>	14,354
	<b>68,253</b>	69,418
Portion classified as current liabilities	<b>(47,847)</b>	(47,833)
Non-current portion	<b>20,406</b>	21,585

# NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2015

## 14. BANK BORROWINGS *(Continued)*

Bank borrowings were denominated in Hong Kong dollars, Singapore dollars and Renminbi. Certain bank borrowings bore interest at fixed interest rates with effective interest rates at 30 June 2015 at 6.6% (At 31 December 2014: 6.6%) per annum. The other bank borrowings bore interest at variable interest rates with effective interest rates at 5.3% (At 31 December 2014: 5.3%) per annum.

At 30 June 2015, bank borrowings of the Group were secured by buildings carried at cost of approximately HK\$76,061,000 (At 31 December 2014: approximately HK\$78,832,000) and payments for leasehold land held for own use under operating leases of the Group of approximately HK\$22,802,000 (At 31 December 2014: approximately HK\$23,092,000) and corporate guarantees executed by the Company and certain subsidiaries.

The carrying value of the Group's borrowings approximate their fair values.

## 15. FINANCE LEASE PAYABLES

	<b>Unaudited</b> <b>At 30 June</b> <b>2015</b> <b>HK\$'000</b>	Audited At 31 December 2014 HK\$'000
Total minimum lease payments:		
Due within one year	<b>53,795</b>	59,681
Due in the second to fifth years	<b>75,985</b>	98,829
	<b>129,780</b>	158,510
Future finance charges on finance leases	<b>(7,205)</b>	(9,877)
Present value of finance lease liabilities	<b>122,575</b>	148,633
Present value of minimum lease payments:		
Due within one year	<b>49,805</b>	54,640
Due in the second to fifth years	<b>72,770</b>	93,993
	<b>122,575</b>	148,633
Less: Portion classified as current liabilities	<b>(49,805)</b>	(54,640)
Non-current portion	<b>72,770</b>	93,993

# NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2015

## 15. FINANCE LEASE PAYABLES *(Continued)*

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.

Certain finance lease payables bore interest at fixed interest rates with effective interest rates at 30 June 2015 ranged from 1.5% to 4.8% (At 31 December 2014: ranged from 2.8% to 7.0%) per annum. The other finance lease payables bore interest at variable interest rates with effective interest rates ranged from 2.9% to 7.0% (At 31 December 2014: ranged from 3.1% to 5.8%) per annum.

Finance lease payables of the Group were secured by land and building carried at fair value of approximately HK\$9,354,000 (At 31 December 2014: approximately HK\$9,498,000) and corporate guarantees executed by the Company and certain subsidiaries.

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.

## 16. BONDS PAYABLE

The bonds carry interest at a rate of 12% (At 31 December 2014: 12%) per annum, which are repayable on 30 November 2016 and are secured by the equity interest of certain subsidiaries of the Group.

The original repayable date of the bonds was 11 June 2014. The Group obtained consents from all bond holders to extend the maturity date of the bonds from June 2014 to November 2016 during the year ended 31 December 2014.

## 17. OUTSTANDING CLAIM IN PRIOR YEAR

The Group had received a letter dated 3 February 2014 in relation to a common law claim lodged by a customer (the "Customer") of the Group for the damage to luffing jib of the tower crane (the "Damaged Tower Crane") at Singapore in July 2013 in the course of a routine servicing of the crane by the Group. As at 31 December 2013, in the opinion of the Directors, the Group made provision on the outstanding legal claim of approximately HK\$3,323,000 with reference to maximum exposure as consulted with its legal advisers.

In September 2014, the Group reached a settlement agreement (the "Settlement Agreement") with the Customer. Pursuant to the Settlement Agreement, the Group made cash settlement in approximately S\$200,000 (equivalent to approximately HK\$1,170,000) and purchased the Damaged Tower Crane from the Customer at cash consideration of approximately S\$220,000 (equivalent to approximately HK\$1,287,000). Accordingly, reversal of over provision of legal claim of approximately HK\$1,991,000 had been recorded and included in other income and gains during the year ended 31 December 2014.

# NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2015

## 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:

	<b>Unaudited</b> <b>At 30 June</b> <b>2015</b> <b>HK\$'000</b>	Audited At 31 December 2014 HK\$'000
Within one year	<b>24,218</b>	45,838
In the second to fifth years, inclusive	<b>1,856</b>	3,161
	<b>26,074</b>	48,999

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:

	<b>Unaudited</b> <b>At 30 June</b> <b>2015</b> <b>HK\$'000</b>	Audited At 31 December 2014 HK\$'000
Within one year	<b>3,039</b>	4,114
In the second to fifth years, inclusive	<b>28</b>	–
	<b>3,067</b>	4,114

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 2014: 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.

The Company does not have any minimum lease receipts under non-cancellable operating leases.

# NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2015

## 18. COMMITMENTS (Continued)

### (b) Operating lease commitment — as lessee

#### Group

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:

	<b>Unaudited At 30 June 2015 HK\$'000</b>	Audited At 31 December 2014 HK\$'000
Within one year	<b>4,044</b>	4,691
In the second to fifth years, inclusive	<b>1,434</b>	2,248
	<b>5,478</b>	6,939

The leases run for a period of one to two years (At 31 December 2014: one to two years). All rentals are fixed over the lease terms and do not include contingent rentals.

#### Company

The total future minimum lease payments of the Company in respect of properties under non-cancellable operating leases are as follows:

	<b>Unaudited At 30 June 2015 HK\$'000</b>	Audited At 31 December 2014 HK\$'000
Within one year	<b>1,052</b>	–
In the second to fifth years, inclusive	<b>356</b>	–
	<b>1,408</b>	–

The leases run for a period of two years (At 31 December 2014: Nil). All rentals are fixed over the lease terms and do not include contingent rentals.

# NOTES TO THE INTERIM FINANCIAL REPORT

for the six months ended 30 June 2015

## 18. COMMITMENTS *(Continued)*

### (c) Capital commitment

	<b>Unaudited At 30 June 2015 HK\$'000</b>	Audited At 31 December 2014 HK\$'000
<b>Group</b>		
Property, plant and equipment — plant and machinery Contracted but not provided for	<b>779</b>	—
	<b>779</b>	—

The Company does not have any significant capital commitments.

## 19. KEY MANAGEMENT PERSONNEL COMPENSATION — GROUP

	<b>Unaudited Six months ended 30 June</b>	
	<b>2015 HK\$'000</b>	2014 HK\$'000
Directors and other members of key management		
Short-term employee benefits	<b>2,696</b>	3,425
Post employment benefit	<b>47</b>	85
	<b>2,743</b>	3,510

## 20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

### 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 2015 and 31 December 2014.

## 21. APPROVAL OF THE INTERIM FINANCIAL REPORT

This interim financial report has been approved and authorised for issue by the board of Directors of the Company on 20 August 2015.

# MANAGEMENT DISCUSSION AND ANALYSIS

## INTERIM DIVIDEND

The board of directors (the "Board", or the "Directors") of Eagle Legend Asia Limited (the "Company") does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2015 (the "Period").

## OVERALL GROUP RESULTS

For the Period, the Company and its subsidiaries (collectively, the "Group") generated revenue of approximately HK\$130.9 million (six months ended 30 June 2014: approximately HK\$160.0 million) with a loss for the Period of approximately HK\$13.1 million (six months ended 30 June 2014: approximately HK\$3.0 million).

The decrease in the revenue for the Period was mainly attributable to decrease of sales of machinery, rental income from leasing of machinery and sales of spare parts and service income.

Revenue from sales of machinery of approximately HK\$31.4 million was recorded for the Period, representing a decrease of approximately 30% over the amount we achieved in the six months ended 30 June 2014. This was due to the decrease in demands of both new and used cranes during in Hong Kong and Singapore.

Our rental income decreased to approximately HK\$53.5 million for the Period, representing a decrease of approximately 24% as compared with approximately HK\$70.1 million for the six months ended 30 June 2014. This was due to the decrease in both demand and average monthly rental rates of cranes in Hong Kong and Singapore.

The sales of spare parts and service income recorded revenue of approximately HK\$18.1 million for the Period, approximately 16% lower than that of approximately HK\$21.6 million for the same period in 2014. The decrease in demand for service and spare parts mainly due to the decrease in sales of machinery incurred during the Period.

Revenue from sales of proprietary Chinese medicines and health products of approximately HK\$28.0 million was recorded for the Period, representing an increase of approximately HK\$4.9 million over the amount recorded in the six months ended 30 June 2014.

Overall, the Group incurred total administrative and operating expenses of approximately HK\$56.7 million for the Period, representing a decrease of 5% over the amount incurred in the six months ended 30 June 2014.

Loss per share for the Period was HK1.6 cent (six months ended 30 June 2014: HK0.4 cent).

## OUTLOOK

The Group anticipates that the construction equipment businesses in both Singapore and Hong Kong will continue to face intense market challenges.

According to the Building and Construction Authority in Singapore, the construction sector in Singapore is expected to sustain by public section projects, which are expected to account for an estimated 60% of the total construction demand in 2015. The public housing projects are anticipated to moderate this year in consideration of a more stabilised public housing market, public construction demand will remain stable due to an increase in industrial projects and the sustained pipeline of institutional and civil engineering works. Meanwhile, the private sector construction demand is anticipated to moderate to between \$11 billion to \$15 billion compared to \$18 billion in 2014 as developers may adopt a cautious stance amid a slowdown in private home sales and global economic uncertainties.



## MANAGEMENT DISCUSSION AND ANALYSIS

The supply of tower cranes has already reached market equilibrium. Owing also to the increasing supply of Chinese made cranes which are more affordable than the established international brand cranes, such as our products, there is also a downward pressure of our tower crane rental rate in Singapore.

The Hong Kong construction sector business outlook appears to be stable according to government development and planning. However, the Hong Kong team is subject to another cyclical challenge while several construction contracts obtained by the Hong Kong operation in prior years were completed in 2015 and there is a pressure for our Hong Kong management team to ensure that our rental pipeline is in place to maintain the utilisation rate of our tower crane at a satisfactory level.

Comparing to Singapore, Hong Kong is facing a more severe competition from lower cost Chinese made cranes due to the lack of "type approval" requirement and a relatively free market. There is similar downward pressure on rental income which may affect the return on investment of our cranes.

The rising cost of doing business continues to be a threat to our bottom line. In both Hong Kong and Singapore, the shortage of labor challenge remains. Despite there are certain government measures to assist in alleviating the problem, in short run, we would anticipate that the problem will continue to affect us. Scarce storage space in Hong Kong is another issue we have to face. Overall, cost containment is one of our major business initiatives in the near future.

Looking ahead, the Group will continue to exercise its best effort to formulate appropriate strategy in supporting both the construction equipment and sales of proprietary Chinese medicine and health products businesses.

### SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

Save as the adoption of a new share option scheme of the Company as disclosed under the section "DISCLOSURE OF ADDITIONAL INFORMATION", there were no significant events occurred after the reporting date.

### FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2015, the Group had cash and cash equivalents of approximately HK\$102.0 million (At 31 December 2014: approximately HK\$111.6 million).

As at 30 June 2015, the Group had total assets of approximately HK\$627.1 million, representing a decrease of approximately HK\$54.8 million over that of 31 December 2014.

The Group's gearing ratio as at 30 June 2015 was 1.7 (At 31 December 2014: 1.7), which was calculated on the basis by dividing total debts (sum of bonds payable, bank borrowings and finance lease payables) with the total equity as at the respective dates.

During the Period and as at 30 June 2015, 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 are usually denominated in Euro or United States dollar. Revenue and purchases in our manufacturing and sales of proprietary Chinese medicines and health products in the PRC are denominated in Renminbi. 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 and PRC operations.

# MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2015, the Group had net current assets of approximately HK\$3.4 million (At 31 December 2014: approximately HK\$16.0 million).

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 are charged by reference to prevailing market rates.

The debts (including bonds payable, bank borrowings and finance lease payables) of the Group were denominated in HK\$, US\$, S\$ and RMB, of which approximately HK\$97.7 million is repayable within one year after 30 June 2015 (At 31 December 2014: approximately HK\$102.5 million) and approximately HK\$193.2 million is repayable more than one year (At 31 December 2014: approximately HK\$215.6 million).

## CAPITAL STRUCTURE

As at 30 June 2015, the Company's total issued ordinary shares was 800,000,000 at HK\$0.01 each (the "Shares", each, a "Share"). There was no change in the share capital of the Company during the Period.

## 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. As at the date of this report, the liquidation has not yet been completed.

## MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARY

During the Period, the Group had no material acquisition or disposal of subsidiary.

## PLEDGE OF GROUP ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2015, the Group's banking facilities are secured by the assets of the Group, including land and building carried at fair value, building carried at cost and payments for leasehold land held for own use under operating leases, with aggregate carrying amount of approximately HK\$108.7 million (At 31 December 2014: approximately HK\$111.4 million). The bonds of HK\$100 million were secured by the equity interests of certain subsidiaries.

As at 30 June 2015, the Group had no significant contingent liabilities (At 31 December 2014: Nil).

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2015, the Group had 273 (At 31 December 2014: 273) employees in Hong Kong, Singapore, Vietnam and the PRC. The Group has not had any significant problem with its employee or disruption due to labour disputes nor has it experienced difficulties in the recruitment and retention of experienced staff, except that there is a severe shortage of skilled labour in the construction equipment business. 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.

## 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 2015, 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 of Hong Kong Limited (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 Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

#### Interests in the Shares

##### Long positions in ordinary Shares and underlying Shares

Name of Director	Number of Shares			Equity derivatives	Total	Percentage of issued share capital of the Company (Note 2)
	Personal interest	Corporate interest				
Mr. Zeng Li ("Mr. Zeng")	–	600,000,000 (Note 1)	–	600,000,000	75.00%	

Notes:

1. These Shares were registered in the name of Harbour Luck Investments Limited ("Harbour Luck") which was wholly and beneficially owned by Mr. Zeng. By virtue of the SFO, Mr. Zeng was deemed to be interested in the Shares held by Harbour Luck.
2. The percentage is calculated on the basis of 800,000,000 Shares in issue as at 30 June 2015.

Save as disclosed above, as at 30 June 2015, 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 otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## DISCLOSURE OF ADDITIONAL INFORMATION

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

As at 30 June 2015, 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	Nature of interests/ Holding capacity	Number of Shares (long position)	Percentage of issued share capital of the Company (Note 2)
Harbour Luck	Beneficial owner	600,000,000	75.00%
Ms. Chen Xiong Yi ("Ms. Chen")	Interest of spouse	600,000,000 (Note 1)	75.00%

Notes:

1. Ms. Chen is deemed to be interested through the interest of her spouse, Mr. Zeng (as disclosed herein above).
2. The percentage is calculated on the basis of 800,000,000 Shares in issue as at 30 June 2015.

Save as disclosed above, as at 30 June 2015, there were no other 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.

### DIRECTORS' 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 ITS ASSOCIATED CORPORATION" above, at no time during the Period was the Company or any of its holding companies, subsidiaries a party to any arrangement to enable the Directors or the chief executives of the Company or any of their spouse or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

### SHARE OPTION SCHEME

At the extraordinary general meeting held on 30 July 2015, the Company has adopted a new share option scheme (the "Share Option Scheme") to replace the old share option scheme adopted on 25 June 2010 (the "Old Scheme") for the purpose of providing incentive and/or reward to eligible participants for their contributions to, and continuing efforts to promote the interest of, the Group. The eligible participants include (a) full time or part time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Group); (b) any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of the Group; and (c) any person who, in the sole discretion of the Board, has contributed or may contribute to the Group. Further details of the Share Option Scheme are set out in the circular dated 13 July 2015.

## DISCLOSURE OF ADDITIONAL INFORMATION

The principal terms of the Share Option Scheme are as follows:

- (i) The total number of Shares which may be allotted and issued upon exercise in full of the options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue on the adoption date (i.e. 30 July 2015), unless the Company obtains the approval of the Shareholders in general meeting for refreshing the 10% limit under the Share Option Scheme provided that options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled and lapsed in accordance with the such schemes or exercised options) will not be counted for the purpose of calculating such 10% limit. The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company, must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time.
- (ii) No option shall be granted to any eligible participant if any further grant of options would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including such further grant would exceed 1% of the total number of Shares in issue.
- (iii) An option may be accepted by an eligible participant not later than 21 days from the date of grant. Upon acceptance of the option, a consideration of HK\$10.00 shall be paid by the grantee to the Company.
- (iv) An option may be exercised in whole or in part in accordance with the terms of the Share Option Scheme at any time during the period to be determined and notified by the Board which shall not be later than 10 years from the date of grant but subject to the provisions for early termination as contained in the Share Option Scheme. There is no specified minimum period for which an option must be held or the performance target which must be achieved before an option can be exercised.
- (v) The subscription price shall be determined by the Board, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Share.
- (vi) The Share Option Scheme remains valid for a period of 10 years commencing from 30 July 2015.

As at 30 June 2015 and the date of this report, no share options have been granted under the Old Scheme.

As at the date of this report, no share options have been granted under the Share Option Scheme since its adoption.

The total number of Shares available for issue under the Share Option Scheme is 80,000,000, representing 10% of the issued Shares as at the date of this report.

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has, throughout the Period, complied with all the code provisions set out in the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Listing Rules.

## **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 have been revised on 27 March 2012.

Currently, the members of the Audit Committee comprises Mr. Wan Tze Fan Terence (chairman of the Audit Committee), Mr. Tsui Robert Che Kwong and Ms. Yang Yan Tung Doris, all are independent non-executive Directors.

The unaudited interim results of the Group for the Period have been reviewed by the Audit Committee which is of the opinion that such report complied with the applicable accounting standards, the Listing Rules and other legal requirements and that adequate disclosures have been made.

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

During the Period, 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 Period, 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 its code of conduct for securities transactions by the Directors. Having made specific enquiries, all Directors confirmed that they had complied with the required standard set out in the Model Code during the Period.

### **DISCLOSURE OF INFORMATION ON DIRECTORS**

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information of the Directors since the date of Annual Report 2014 of the Company are set out as follows:

Mr. Chan Ka Lun ("Mr. Chan") was re-designated from a non-executive Director to an executive Director, with effect from 1 July 2015.

The letter of appointment of Mr. Chan in relation to his appointment as the non-executive Director was terminated by mutual agreement with effect from 1 July 2015 and a new service agreement had been entered into between Mr. Chan and the Company in relation to his appointment as an executive Director for a fixed term of two years with effect from 1 July 2015.

Mr. Chan was entitled to receive a remuneration of HK\$600,000 per annum and a discretionary management bonus to be determined by the Board with reference to the Company's performance and his contribution to the Company during the reference year. Mr. Chan's emoluments (including the discretionary management bonus) were determined by the Board with reference to his experience, duties, responsibilities and the Company's remuneration policy.

## DISCLOSURE OF ADDITIONAL INFORMATION

Ms. Yang Yan Tung Doris, an independent non-executive Director, was appointed as a director of Sky Vantage Development Limited with effect from June 2015, a company principally engaged in agribusiness investment.

By order of the Board  
**Eagle Legend Asia Limited**  
**Zeng Li**  
Chairman

Hong Kong, 20 August 2015

*As at the date of this report, the Board comprises Mr. Zeng Li, Mr. Winerthan Chiu and Mr. Chan Ka Lun as executive Directors; Mr. Wu Bang Xing as non-executive Director; and Mr. Wan Tze Fan Terence, Mr. Tsui Robert Che Kwong and Ms. Yang Yan Tung Doris as independent non-executive Directors.*