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EAGLE LEGEND ASIA

## **EAGLE LEGEND ASIA LIMITED**

**鵬程亞洲有限公司**

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

**(Stock Code: 936)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



#### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 23 June 2016 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent agrees, as agent of the Company, to procure on a best effort basis not less than six Placees who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties to subscribe for up to 160,000,000 Placing Shares at the Placing Price of HK\$1.220 per Placing Share.

The Placing Price of HK\$1.220 per Placing Share represents: (i) a discount of approximately 8.96% to the closing price of HK\$1.340 per Share as quoted on the Stock Exchange on 23 June 2016, being the date of the Placing Agreement; and (ii) a discount of approximately 8.68% to the average closing price of approximately HK\$1.336 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading performance of the Shares. The Directors consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The maximum of 160,000,000 Placing Shares represent (i) approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of 160,000,000 Placing Shares.

The gross proceeds from the Placing will be approximately HK\$195.2 million (assuming all the Placing Shares are fully placed). The net proceeds, after deduction of relevant expenses (including but not limited to placing commission, legal expenses and disbursements) of approximately HK\$2,152,000, are estimated to be approximately HK\$193.0 million. The Company intends to apply the net proceeds from the Placing (i) as general working capital of the Group; (ii) for payment of the cash consideration for the Possible Acquisition in the event that the Possible Acquisition materialises; and (iii) for fulfillment of any financial obligations of the Group as and when they fall due.

The Placing Shares will be allotted and issued pursuant to the General Mandate and is not subject to further Shareholders' approval. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

#### **GENERAL**

**Shareholders and potential investors of the Company should note that Completion is subject to fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.**

#### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 23 June 2016 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent agrees, as agent of the Company, to procure on a best effort basis not less than six Placees who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties to subscribe for up to 160,000,000 Placing Shares at the Placing Price of HK\$1.220 per Placing Share. Details of the Placing Agreement are set out below:

##### **The Placing Agreement**

**Date:** 23 June 2016 (after trading hours of the Stock Exchange)

**Parties:** (i) the Company (as issuer); and  
(ii) Fulbright Securities Limited (as placing agent).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 1% of the amount which is equal to the Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent. The placing commission was negotiated on arm's length basis between the Company and the Placing Agent and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares.

The Directors consider that the terms of the Placing, including the placing commission, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

### **Placees**

The Placing Shares will be placed to not less than six Placees who shall be professional, institutional or other investors independent of and not connected with the Company, the connected persons of the Company and their respective associates, and who and whose ultimate beneficial owner(s) (if applicable) are Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after Completion, further announcement will be made by the Company.

### **Placing Shares**

The maximum of 160,000,000 Placing Shares represent (i) approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of 160,000,000 Placing Shares.

The aggregate nominal value of the maximum of 160,000,000 Placing Shares is HK\$1,600,000.

### **Placing Price**

The Placing Price of HK\$1.220 per Placing Share represents: (i) a discount of approximately 8.96% to the closing price of HK\$1.340 per Share as quoted on the Stock Exchange on 23 June 2016, being the date of the Placing Agreement; and (ii) a discount of approximately 8.68% to the average closing price of approximately HK\$1.336 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading performance of the Shares. The Directors consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **Ranking of the Placing Shares**

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

## **Conditions**

The Placing is conditional upon the fulfilment of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares; and
- (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained.

In the event that any of the above conditions is not fulfilled on or before 15 July 2016 (or such later date as may be agreed between the parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

## **Completion**

Completion shall take place on the Completion Date, being a date falling within five Business Days after the day on which all the conditions set out in the Placing Agreement have been fulfilled (or such later date as may be agreed between the parties to the Placing Agreement in writing).

## **Application for listing**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## **General Mandate to issue the Placing Shares**

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 160,000,000 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the issue of the Placing Shares is not subject to further Shareholders' approval. The maximum of 160,000,000 Placing Shares constitute 100% of the General Mandate.

## Termination

The Placing Agent may terminate the Placing Agreement without any liability to the Company save for antecedent breach under the Placing Agreement prior to such termination, by notice in writing given to the Company at any time prior to 8:00 a.m. on the Completion Date upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than seven trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would adversely affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (vi) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or

(vii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

If notice is given pursuant to the above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

## CHANGES IN SHAREHOLDING STRUCTURE

The changes in the shareholding structure of the Company as a result of the Placing are as follows:

	As at the date of this announcement		Immediately after Completion (assuming all the Placing Shares are fully placed)	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Harbour Luck Investments Limited ( <i>Note 1</i> )	600,000,000	75.00%	600,000,000	62.50%
<b>Public Shareholders</b>				
The Placees	—	—	160,000,000	16.67%
Other public Shareholders	<u>200,000,000</u>	<u>25.00%</u>	<u>200,000,000</u>	<u>20.83%</u>
Total	<u>800,000,000</u>	<u>100%</u>	<u>960,000,000</u>	<u>100%</u>

*Notes:*

1. The entire issued share capital of Harbour Luck Investments Limited is beneficially owned by Mr. Zeng Li, an executive Director and the chairman of the Board.
2. Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

## FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company had not conducted any fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

## **REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS**

The Group is principally engaged in the trading of construction machinery and spare parts, leasing of the construction machinery, providing repair and maintenance services in construction machinery and manufacturing and sales of proprietary Chinese medicines and health products.

The gross proceeds from the Placing will be approximately HK\$195.2 million (assuming all the Placing Shares are fully placed). The net proceeds, after deduction of relevant expenses (including but not limited to placing commission, legal expenses and disbursements) of approximately HK\$2,152,000, are estimated to be approximately HK\$193.0 million, representing a net issue price of approximately HK\$1.207 per Placing Share.

The Company intends to apply the net proceeds from the Placing (i) as general working capital of the Group; (ii) for payment of the cash consideration for the Possible Acquisition in the event that the Possible Acquisition materialises; and (iii) for fulfillment of any financial obligations of the Group as and when they fall due.

The Directors consider that the Placing represents an opportunity to raise additional funding for the Group while broadening the Shareholder and capital base of the Company.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **GENERAL**

**Shareholders and potential investors of the Company should note that Completion is subject to fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Eagle Legend Asia Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Stock Exchange



“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Completion Date”	a date falling within five Business Days after the day on which all the conditions set out in the Placing Agreement have been fulfilled (or such later date as may be agreed between the parties to the Placing Agreement in writing)
“connected person(s)”	has the meaning as ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting of the Company held on 13 May 2016 to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution, pursuant to which a maximum of 160,000,000 new Shares may fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any person or entity procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 160,000,000 Placing Shares on and subject to the terms and conditions set out in the Placing Agreement
“Placing Agent”	Fulbright Securities Limited, licensed corporation to carry on business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)



“Placing Agreement”	the conditional placing agreement dated 23 June 2016 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$1.220 per Placing Share (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable)
“Placing Share(s)”	a total of up to 160,000,000 new Shares to be placed pursuant to the Placing Agreement
“Possible Acquisition”	the possible acquisition of a 51% equity interest in Best Earnest Investments Limited, the principal asset of which is an indirect 80% equity interest in a company which is principally engaged in the cultivation, research, processing and sale of Chinese herbal medicines in the People’s Republic of China, as contemplated under the memorandum of understanding dated 13 June 2016 and entered into between Lucky Boom Investments Limited, a wholly-owned subsidiary of the Company, and an individual, details of which are set out in the announcement of the Company dated 13 June 2016
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 23 June 2016

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