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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO
THE DISPOSAL OF 15% EQUITY INTEREST IN
SHENZHEN NECTAR ENGINEERING & EQUIPMENT CO., LTD.**

On 25th January, 2013, the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Sale Interest, representing the 15% equity interest in Shenzhen Nectar held by the Group for a consideration of RMB1.486 million (approximately HK\$1.85 million), which will be satisfied in cash upon the signing of the Sale and Purchase Agreement.

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

The Board wishes to announce that on 25th January, 2013, the Vendor and the Purchaser entered into the Sale and Purchase Agreement in respect of the Disposal.

THE SALE AND PURCHASE AGREEMENT

Date

25th January, 2013

Parties

Vendor: MANTA EQUIPMENT SERVICES LIMITED, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

Purchaser: GROWTHWELL LIMITED, a company incorporated in Hong Kong with limited liability

The Purchaser is principally engaged in investment holding. As at the date of this announcement, to the best of the Directors' knowledge, information and belief, and after having made all reasonable enquires, the Purchaser together with its ultimate beneficial owner are considered third parties independent of the Company and are not connected persons of the Company (as defined under the Listing Rules).

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Sale Interest, representing the 15% equity interest in Shenzhen Nectar held by the Group.

Consideration

The Purchaser shall pay the Consideration of RMB1.486 million (approximately HK\$1.85 million) in cash upon the signing of the Sale and Purchase Agreement.

The Consideration was determined after arm's length negotiations between the Group and the Purchaser after taking into account, inter alia, that (i) the unaudited net loss of Shenzhen Nectar of approximately RMB7.41 million (approximately HK\$9.24 million) for the year ended 31st December, 2012; (ii) the Adjusted NAV of Shenzhen Nectar of approximately RMB9.10 million (approximately HK\$11.34 million) and the proportional amount attributable to the Group of approximately RMB1.37 million (approximately HK\$1.71 million); and (iii) the carrying cost of investment in Shenzhen Nectar in the unaudited accounts of the Group as at 30th June, 2012 of approximately HK\$0.58 million.

Completion

Completion shall take place on or before the Completion Date or such other Business Day as may be agreed between the Vendor and the Purchaser in writing.

Upon Completion, the Company will cease to have any equity interest in Shenzhen Nectar.

INFORMATION ON THE COMPANY AND THE SHENZHEN NECTAR

The Company

The Company is incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange. The principal business activity of the Company is investment holding.

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.

Shenzhen Nectar

Shenzhen Nectar is a sino-foreign joint venture incorporated in the PRC and is principally engaged in the businesses of trading and rental of construction equipment, and provision of maintenance services in the PRC. The Vendor held 15% equity interest in Shenzhen Nectar and the Group has no involvement in or control over the daily operation of Shenzhen Nectar.

Set out below is the financial information of Shenzhen Nectar for each of the two years ended 31st December, 2011 and 2012:

	For the year ended 31st December, 2011 RMB'000 (audited)	For the year ended 31st December, 2012 RMB'000 (unaudited)
Profit/(Loss) before taxation and extraordinary items	11,495	(683)
Loss after taxation and extraordinary items	(685)	(7,411)
Net assets	18,726	11,315
Non-distributable reserve (<i>Note</i>)	2,217	2,217
Adjust NAV	16,509	9,098

Note:

This non-distributable reserve is the statutory public welfare reserve, which shall only be applied for capital expenditure related to the provision of collective welfare for staff and workers and shall remain as property of Shenzhen Nectar. As such, the statutory public welfare reserve is non-distributable save for upon liquidation.

It is expected that, upon Completion, the Group will record a gain on the Disposal of available-for-sale investment of approximately HK\$1.2 million. The gain is calculated based on the difference between the Consideration and the unaudited carrying cost of investment of the Group in Shenzhen Nectar as at 30th June, 2012 of approximately HK\$0.58 million.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Shenzhen Nectar is principally engaged in the businesses of trading and rental of construction equipment, and provision of maintenance services in the PRC.

Due to unfavorable operating environment, revenue of Shenzhen Nectar decreased from approximately RMB133.21 million (approximately HK\$166.02 million) in 2011 to approximately RMB82.62 million (approximately HK\$102.97 million) in 2012.

The net profit of Shenzhen Nectar decreased from approximately RMB8.18 million (approximately HK\$10.19 million) for the year ended 31st December, 2010 to losses of approximately RMB685,000 (approximately HK\$854,000) and approximately RMB7.41 million (approximately HK\$9.24 million) for the year ended 31st December, 2011 and 31st December, 2012 respectively. The losses in 2011 and 2012 were mainly attributable to impairment losses on outstanding account receivables of approximately RMB12.18 million

(approximately HK\$15.18 million) and approximately RMB6.73 million (approximately HK\$8.39 million) respectively, which were caused by failure of repayment by Shenzhen Nectar's customers as a result of their insolvency.

In addition, Shenzhen Nectar proposed to call for a RMB30 million (approximately HK\$37.39 million) capital contribution from its shareholders to fund the operation of Shenzhen Nectar. The Group is required to contribute its proportional share of approximately RMB4.5 million (approximately HK\$5.61 million).

Taking into account that (i) the Disposal would enable the Group to dispose of a loss making investment which the Group has no control over its business operation and at the same time avoid further capital contribution; (ii) the Consideration represent a premium of approximately 8.47% to the Adjusted NAV of Shenzhen Nectar attributable to the Group of approximately HK\$1.71 million; (iii) the Group will realize a gain on the Disposal of approximately HK\$1.2 million upon Completion; and (iv) the Group will receive net cash proceeds of approximately RMB1.47 million (approximately HK\$1.83 million) for reinvestment in tower cranes acquisition, the Board is of the view that the terms of the Sale and Purchase Agreement are fair and reasonable and the Disposal is in the interests of the Company and its Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Adjusted NAV”	the adjusted net asset value of Shenzhen Nectar of approximately RMB9.10 million (approximately HK\$11.34 million), which is calculated based on the unaudited net asset value of Shenzhen Nectar of approximately RMB11.32 million (approximately HK\$14.11 million) as at 31st December, 2012 and deducted by the unaudited non-distributable statutory public welfare reserve of approximately RMB2.22 million (approximately HK\$2.77 million) as at 31st December, 2012
“Board”	the board of Directors
“Business Day(s)”	a day other than a Saturday or a Sunday on which banks in Hong Kong are open to the general public for business

“Company”	Eagle Legend Asia Limited (Stock Code: 936), a company incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	24th February, 2013, being the 30th day from the date of the Sale and Purchase Agreement, or such other Business Day as may be agreed between the Vendor and the Purchaser in writing
“Consideration”	the consideration payable by Purchaser to the Vendor for the Disposal pursuant to the Sale and Purchase Agreement, being RMB1.486 million (approximately HK\$1.85 million) in cash upon Completion
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Interest pursuant to the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	GROWTHWELL LIMITED, a company incorporated in Hong Kong with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 25th January, 2013 entered into between the Vendor and the Purchaser in respect of the Disposal
“Sale Interest”	the 15% equity interest in Shenzhen Nectar
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)

“Shenzhen Nectar”	Shenzhen Nectar Engineering & Equipment Co., Ltd., a sino-foreign joint venture incorporated in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	MANTA EQUIPMENT SERVICES LIMITED, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

(The exchange rate used for the purpose of this announcement is at RMB1 = HK\$1.2463)

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

Hong Kong, 25th January, 2013

As at the date of this announcement, the Board comprises Mr. So Chung and Ms. So Man as executive Directors; Mr. Lam Woon Kun as non-executive Director; and Ms. Lo Miu Sheung Betty, Mr. Chan Mo and Mr. Ho Gar Lok as independent non-executive Directors.