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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

HIGHLIGHTS

For the year ended 31 December 2012

Revenue	HK$201.1 million (2011: HK$154.1 million)
Loss for the year	HK$2.0 million (2011: HK$1.2 million)
Loss per share	HK0.2 cent (2011 (restated): HK0.1 cent)
Proposed final dividend	Nil

The board (the "Board") of directors (the "Director(s)") of Eagle Legend Asia Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2012 together with the comparative figures in 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2012

	Notes	**2012** **HK$'000**	2011 HK$'000
Revenue	*5*	**201,104**	154,139
Cost of sales and services		**(95,572)**	(79,230)
Gross profit		**105,532**	74,909
Other income	*6*	**7,646**	5,033
Selling and distribution expenses		**(4,833)**	(2,316)
Administrative expenses		**(53,449)**	(41,899)
Other operating expenses		**(39,767)**	(33,230)
Finance costs	*7*	**(15,687)**	(6,024)
Loss before income tax	*8*	**(558)**	(3,527)
Income tax (expense)/credit	*9*	**(1,399)**	2,351
Loss for the year		**(1,957)**	(1,176)
Other comprehensive income/(loss)			
— Exchange differences on translating foreign operations		**4,813**	(771)
— Gain on revaluation of property held for own use, net of tax		**1,444**	1,775
Other comprehensive income for the year		**6,257**	1,004
Total comprehensive income/(loss) for the year		**4,300**	(172)
Loss for the year attributable to:			
— Owners of the Company		**(1,677)**	(1,071)
— Non-controlling interests		**(280)**	(105)
		(1,957)	(1,176)
Total comprehensive income/(loss) attributable to:			
— Owners of the Company		**4,580**	(67)
— Non-controlling interests		**(280)**	(105)
		4,300	(172)
			(Restated)
Loss per share			
— Basic and diluted (HK cents)	*11*	**(0.2)**	(0.1)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

	Notes	2012 HK$'000	2011 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**365,113**	290,100
Available-for-sale investment		**–**	580
		365,113	290,680
Current assets			
Inventories and consumables		**27,887**	35,085
Trade receivables	*12*	**48,817**	45,506
Prepayments, deposits and other receivables		**12,808**	10,312
Pledged bank deposits		**3,514**	3,519
Cash and cash equivalents		**125,699**	25,156
		218,725	119,578
Non-current asset held for sale			
Available-for-sale investment		**580**	–
		219,305	119,578
Current liabilities			
Trade and bill payables	*13*	**48,619**	37,294
Receipt in advance, accruals and other payables		**41,187**	30,089
Amount due to immediate holding company		**5**	–
Bank borrowings		**16,965**	12,650
Finance lease payables		**40,685**	29,172
Provision for tax		**419**	–
		147,880	109,205
Net current assets		**71,425**	10,373
Total assets less current liabilities		**436,538**	301,053

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As at 31 December 2012

	2012	2011
	HK$'000	*HK$'000*
Non-current liabilities		
Bank borrowings	**27,822**	32,193
Bonds payable	**100,000**	–
Finance lease payables	**103,335**	68,930
Deferred tax liabilities	**7,351**	6,200
	238,508	107,323
Net assets	**198,030**	193,730
EQUITY		
Share capital	**8,000**	2,000
Reserves	**189,023**	190,443
Equity attributable to the Company's owners	**197,023**	192,443
Non-controlling interests	**1,007**	1,287
Total equity	**198,030**	193,730

Notes:

1. GENERAL

Pursuant to the special resolution passed at the extraordinary general meeting of the Company held on 18 September 2012, the name of the Company was changed from "Manta Holdings Company Limited (敏達控股有限公司)" to "Eagle Legend Asia Limited (鵬程亞洲有限公司)" with effect from 26 September 2012.

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 Unit 6A, Winbase Centre, 208–220 Queen's Road Central, Hong Kong. The Company and its subsidiaries (collectively known as 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") since 19 July 2010. The immediate holding company of the Company is Eagle Legend International Holdings Limited ("Eagle Legend") which is incorporated in the British Virgin Islands (the "BVI") and the directors of the Company consider the ultimate holding company of the Company is Constant Success Holdings Limited ("Constant Success"), a private limited company, which is incorporated in the BVI.

2. BASIS OF PREPARATION

Statement of compliance

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

3. ADOPTION OF HKFRSs

(a) Adoption of amendments to HKFRSs — first effective 1 January 2012

Amendments to HKFRS 1	First-time adoption of HKFRSs — Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to HKFRS 7	Disclosures — Transfers of Financial Assets
Amendments to HKAS 12	Deferred Tax — Recovery of Underlying Assets

The adoption of these amendments has no material impact on the Group's financial statements.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income[1]
Amendments to HKAS 32	Presentation — Offsetting Financial Assets and Financial Liabilities[3]
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 19 (2011)	Employee Benefits[2]
HKAS 27 (2011)	Separate Financial Statements[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities[3]
Annual improvements 2009–2011 Cycle	Amendments to a number of HKFRSs issued in June 2012[2]

[1] Effective for annual periods beginning on or after 1 July 2012
[2] Effective for annual periods beginning on or after 1 January 2013
[3] Effective for annual periods beginning on or after 1 January 2014
[4] Effective for annual periods beginning on or after 1 January 2015

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 amendments will be applied retrospectively.

HKFRS 9 — Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 10 — Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

HKFRS 13 — Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors so far concluded that the application of these new/revised HKFRSs will have no material impact on the Group's financial statements.

4. SEGMENT INFORMATION

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

	Hong Kong *HK$'000*	Singapore *HK$'000*	Vietnam *HK$'000*	Macau *HK$'000*	Inter segment elimination *HK$'000*	Total *HK$'000*
Year ended 31 December 2012						
Revenue						
From external customers	**39,847**	**158,510**	**507**	**2,240**	**–**	**201,104**
From inter segment	**–**	**8,600**	**–**	**–**	**(8,600)**	**–**
Reportable segment revenue	**39,847**	**167,110**	**507**	**2,240**	**(8,600)**	**201,104**
Reportable segment profit/(loss)	**(2,833)**	**14,204**	**(2,082)**	**297**	**(1,321)**	**8,265**
Interest on bonds						**(6,859)**
Unallocated corporate expenses						**(3,363)**
Loss for the year						**(1,957)**
Other reportable segment information						
Interest income	**668**	**6**	**34**	**–**	**–**	**708**
Interest expenses	**(1,069)**	**(7,758)**	**(1)**	**–**	**–**	**(8,828)**
Depreciation of non-financial assets	**(8,311)**	**(31,002)**	**(454)**	**–**	**–**	**(39,767)**
Allowance for impairment of trade receivables	**–**	**(2,007)**	**(16)**	**–**	**–**	**(2,023)**
Gain on disposal of property, plant and equipment	**85**	**–**	**134**	**–**	**(61)**	**158**
Income tax (expense)/credit	**815**	**(2,214)**	**–**	**–**	**–**	**(1,399)**
Additions to non-current segment assets during the year	**24,439**	**98,494**	**–**	**–**	**(6,983)**	**115,950**
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**

	Hong Kong	Singapore	Vietnam	Macau	Inter segment elimination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 December 2011						
Revenue						
From external customers	29,001	123,523	1,615	–	–	154,139
From inter segment	7,320	2,197	–	–	(9,517)	–
Reportable segment revenue	36,321	125,720	1,615	–	(9,517)	154,139
Reportable segment profit/(loss)	(2,627)	5,024	(315)	(55)	(1,944)	83
Unallocated corporate expenses						(1,259)
Loss for the year						(1,176)
Other reportable segment information						
Interest income	28	1	45	–	–	74
Interest expenses	(612)	(5,411)	(1)	–	–	(6,024)
Depreciation of non-financial assets	(6,847)	(25,891)	(492)	–	–	(33,230)
Allowance for impairment of trade receivables	–	(464)	–	–	–	(464)
Gain on disposal of property, plant and equipment	63	131	–	–	–	194
Income tax credit	–	2,351	–	–	–	2,351
Additions to non-current segment assets during the year	28,959	124,353	25	–	(2,460)	150,877
At 31 December 2011						
Reportable segment assets	92,447	320,099	4,117	121	(6,893)	409,891
Unallocated segment assets						367
Total assets						410,258
Reportable segment liabilities	45,606	181,757	318	15	(11,445)	216,251
Unallocated segment liabilities						277
Total liabilities						216,528

The following table presents the revenue from external customers by locations/jurisdictions on the locations of customers which the Group derived revenue for the year.

	Hong Kong	Singapore	Vietnam	Macau	Holland	Sri Lanka	Poland	Thailand	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 December 2012	**45,266**	**146,200**	**516**	**3,297**	**28**	**-**	**-**	**3,842**	**1,955**	**201,104**
Year ended 31 December 2011	25,898	119,248	1,953	1,886	1,149	1,290	676	1,115	924	154,139

The Group's revenue from external customers for different products and services is set out in note 5.

Information about a major customer

Revenue from one customer of the Group's Singapore segment amounted to HK$20,964,000, which represented 10% of the Group's revenue (2011: nil).

5. REVENUE

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

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

	2012	2011
	HK$'000	*HK$'000*
Sale of machinery	**47,358**	35,992
Sale of spare parts	**6,958**	4,942
Rental income from leasing of		
— owned plant and machinery	**101,645**	75,864
— leased plant and machinery	**22,529**	19,506
Service income	**22,614**	17,835
	201,104	154,139

6. OTHER INCOME

	2012	2011
	HK$'000	*HK$'000*
Bank interest income	**708**	74
Compensation received	**440**	384
Dividend income	**177**	–
Net foreign exchange gain	**5,120**	1,728
Gain on disposal of property, plant and equipment	**158**	194
Sales of fixing angles	**–**	116
Commission income	**410**	274
Insurance claims	**–**	1,614
Others	**633**	649
	7,646	5,033

7. FINANCE COSTS

	2012 *HK$'000*	2011 *HK$'000*
Interest charges on financial liabilities stated at amortised cost:		
— Trust receipt loans wholly repayable within five years	**391**	–
— Bank borrowings wholly repayable within five years *(Note (i))*	**490**	415
— Bank borrowings not wholly repayable within five years	**841**	703
— Bonds wholly repayable within five years	**6,859**	–
— Finance lease payables wholly repayable within five years	**6,414**	4,030
— Trade payables	**692**	876
	15,687	6,024

Note:

(i) The analysis shows the finance costs of bank borrowings, including term loans which contain a repayment on demand clause in accordance with the agreed scheduled repayments dates set out in the loan agreements. The interest on bank borrowings which includes a repayment on demand clause amounted to approximately HK$145,000 (2011: HK$7,000).

8. LOSS BEFORE INCOME TAX

	2012 *HK$'000*	2011 *HK$'000*
Loss before income tax is arrived at after charging/(crediting):		
Auditor's remuneration		
— Current year	**692**	823
— Underprovision/(overprovision) in respect of prior year	**13**	(323)
Cost of inventories recognised as an expense	**47,358**	35,579
Depreciation of property, plant and equipment *(Note (i))*		
— Owned assets	**19,408**	18,818
— Leased assets	**20,359**	14,412
Allowance for impairment of trade receivables *(Note (ii))*	**2,023**	464
Gain on disposal of property, plant and equipment	**(158)**	(194)
Operating lease charges in respect of land and buildings	**2,372**	2,354
Provision for loss of legal claim *(Note (iii))*	**–**	149
Staff costs (including directors' remuneration)		
— Wages, salaries and bonuses	**29,091**	21,796
— Contribution to defined contribution pension plans *(Note (iv))*	**2,432**	2,223
Net foreign exchange gain	**(5,120)**	(1,728)
Net rental income from subletting of plant and machinery	**(5,224)**	(5,936)

Notes:

(i) Depreciation had been included in other operating expenses.

(ii) Allowance for impairment on trade receivables had been included in administrative expenses.

(iii) Provision for loss of legal claim had been included in administrative expenses.

(iv) During the year, the Group had no forfeited contributions available to reduce its contributions to the pension schemes (2011: nil).

9. INCOME TAX (EXPENSE)/CREDIT

	2012	2011
	HK$'000	*HK$'000*
Current tax — overseas		
— Current year	**(419)**	–
— Overprovision in respect of prior years	**–**	1,204
	(419)	1,204
Deferred tax		
— Current year	**(980)**	–
— Overprovision in respect of prior years	**–**	1,147
	(980)	1,147
Total income tax (expense)/credit	**(1,399)**	2,351

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, Vietnam and Macau profits tax have not been provided as the Group has (i) no assessable profit or (ii) allowable tax losses brought forward to set off against the assessable profits during the year.

Singapore profits tax has been provided for the year at a tax rate of 17% on the estimated assessable profit. No provision for Singapore profits tax had been provided for the year ended 31 December 2011 as the Group had no assessable profit.

10. DIVIDEND

No dividend has been paid or declared by the Company for the year ended 31 December 2012 (2011: nil).

11. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately HK$1,677,000 (2011: HK$1,071,000) and on the weighted average number of 800,000,000 (2011: 800,000,000, as restated to reflect the bonus issue on 4 October 2012) ordinary shares in issue during the year.

Diluted loss per share is as the same as the basic loss per share because the Group has no dilutive potential shares during the year (2011: no).

12. TRADE RECEIVABLES

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:

	2012	2011
	HK$'000	*HK$'000*
0–30 days	**9,473**	16,201
31–60 days	**14,280**	10,852
61–90 days	**12,631**	6,647
Over 90 days	**12,433**	11,806
	48,817	45,506

13. TRADE AND BILL PAYABLES

	2012	2011
	HK$'000	*HK$'000*
Trade payables	**24,639**	24,298
Bill payables	**23,980**	12,996
	48,619	37,294

The credit period is, in general, ranging from 30 to 60 days or based on the terms agreed in the purchase agreement. At 31 December 2012, trade payables of approximately HK$6,694,000 (2011: HK$14,634,000) were interest-bearing at 5.5% per annum (2011: 4.5%–5% per annum).

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

	2012	2011
	HK$'000	*HK$'000*
0–30 days	**35,809**	28,261
31–60 days	**6,669**	4,819
61–90 days	**2,963**	931
Over 90 days	**3,178**	3,283
	48,619	37,294

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL AND FINANCIAL REVIEW

Overall performance

For the year ended 31 December 2012, the Group generated revenue of approximately HK$201.1 million (2011: approximately HK$154.1 million) with a loss for the year of approximately HK$2.0 million (2011: approximately HK$1.2 million).

Business Review

For the year ended 31 December 2012, the Group recorded a revenue of approximately HK$201.1 million against approximately HK$154.1 million achieved in the previous year.

The increase in revenue for the year under review was attributable to a higher level of sale of machinery which recorded a revenue of approximately HK$47.4 million, representing an increase of approximately 31.7% against approximately HK$36.0 million achieved in 2011.

Meanwhile, our rental business recorded revenue of approximately HK$124.2 million for the year ended 31 December 2012, representing an increase of approximately 30.2% as compared to that of approximately HK$95.4 million in 2011. Revenue from rental operations was thanks to the increase in construction activities in both Hong Kong and Singapore during 2012. An addition of 33 cranes net was added to our fleet which represented a growth of approximately 24.8% of our fleet size. Due to the buoyant demand for cranes, the existing crane utilization rate also increased substantially to over 80% in Singapore and 70% in Hong Kong.

The sale of spare parts and service income recorded revenue of approximately HK$29.6 million for the year, representing an increase of approximately 29.8% as compared to that of approximately HK$22.8 million for the same period in 2011. The demand for service and spare parts increased in line with the growing demand in the Group's machinery sale and rental activities.

Dividend

The Directors do not recommend the payment of any dividends for the year ended 31 December 2012.

Financial review

Results for the Year

As detailed in the section headed "Business Review" above, the Group's overall revenue increased in the year under review as compared to last year. As a result of the increased revenue and improved gross profit, loss before income tax improved from approximately HK$3.5 million to approximately HK$0.6 million. Nevertheless, the financial loss for the year increased slightly from approximately HK$1.2 million recorded in the previous year to approximately HK$2.0 million due to tax expense of approximately HK$1.4 million in 2012 compared to a tax credit of approximately HK$2.4 million in 2011.

For expanding the operating scale, the Group added 33 cranes in the current year and the number of its employees increased to 111 in 2012. Accordingly, the depreciation charges and staff costs for the current year increased by approximately HK$6.5 million and HK$7.5 million respectively, as compared to the amounts for the previous year. The increase in imputed interest of bonds of approximately HK$6.9 million also resulted in the change of the Group's performance for the year under review.

Liquidity and Financial Resources

The Group held cash and cash equivalents of approximately HK$125.7 million (2011: approximately HK$25.2 million). Improved cash level was principally due to issuance of bonds of HK$100 million by the Group. The total equity of the Group maintained stable at approximately HK$198.0 million as at 2012 financial year end (2011: approximately HK$193.7 million).

Capital Structure

Pursuant to the completion of sale and purchase of 75% of the entire issued share capital of the Company on 2 April 2012 and as at 31 December 2012, the immediate and ultimate holding company of the Company were Eagle Legend and Constant Success respectively.

On 10 October 2012, 600,000,000 shares of the Company of HK$0.01 each (each a "Share") were issued under the bonus issue on the basis of three bonus shares for every one Share held by the qualifying shareholders of the Company on 4 October 2012.

Investment Position and Planning

During the year under review, the Group spent approximately HK$116.0 million for acquisition of plant and equipment (2011: approximately HK$150.9 million).

Save as disclosed above, the Group did not have any significant acquisition or disposal of subsidiaries and associated companies during the year under review.

Pursuant to the resolution passed in the board of management's meeting of Manta-Vietnam Construction Equipment Leasing Limited dated 10 January 2013, the board of management resolved to liquidate the company.

On 25 January 2013, an indirect wholly-owned subsidiary of the Company entered into a sale and purchase agreement with 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.).

Change of Company Name

On 26 September 2012, the English and Chinese name of the Company has been changed to "Eagle Legend Asia Limited" and "鵬程亞洲有限公司" respectively.

Gearing

The Group monitors capital using a gearing ratio, which is total debts (sum of bonds payable, bank borrowings and finance lease payables) divided by total equity. The gearing ratio was 1.5 as at 31 December 2012 (2011: 0.7). The increase in gearing ratio is resulted from the increase in finance lease payables of approximately HK$45.9 million principally for acquisition of plant and equipment for developing the Group's business and the issuance of bonds of HK$100 million to subscribers in the current year.

Pledge of Assets

The Group's banking facilities were 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 aggregated carrying amounts of approximately HK$78.2 million (2011: approximately HK$66.2 million). The bonds of HK$100 million were secured by the equity interest of certain subsidiaries.

Exchange Rate Exposure

As at 31 December 2012, more than half of the revenue and part of assets and liabilities of the Group were denominated in currencies other than Hong Kong dollar. In particular, the revenue generated from our rental operations in Singapore is primarily denominated in Singapore dollar. Purchases of tower cranes, spare parts and accessories from suppliers were usually denominated in Euro or United States dollar. For foreign currency purchases, hedging arrangements to hedge against foreign exchange fluctuations may be entered. However, no hedging arrangement was undertaken for revenue generated from our Singapore operation.

Treasury Policies

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

Contingent Liabilities

At the end of the reporting period, the Group and the Company did not have any significant contingent liabilities.

Commitments

The Group had capital commitments, which are contracted but not provided for, in respect of purchase of plant and machinery amounting to approximately HK$1.1 million as at 31 December 2012 (2011: approximately HK$4.0 million).

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2012, the Group had a total of 111 (2011: 99) 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.

FUTURE PROSPECTS

The recovery of the Asian economy since 2012 has encouraged private investment to continue to invest in, amongst everything, the private property market. Both the internal user needs and investment demand for private housing in Hong Kong and Singapore are expected to be sustainable over the next few years. Both the government of Hong Kong and Singapore are determined and committed to certain long term plans. The Chief Executive of the government of Hong Kong Special Administrative Region, in his 2013 Policy Address, promised to make available certain land for public housing in order to provide the living space to cater for needs from the lower income group. It is expected that public housing supply will increase from 15,000 to 20,000 flats annually starting 2015. In Singapore, the government has set aside land to build 700,000 units of apartments for years until 2030 when the population is expected to hit close to 6.9 million in accordance with the population and immigration policy being adopted by the Singapore government. This translates into approximately 40,000 units of apartments a year.

On top of the demand for housing, the infrastructure projects in both Hong Kong and Singapore, and the dockyard business in Singapore will continue to grow. All these have been addressed to in various governmental policies and strategic papers issued to the public. The Group therefore anticipates that the construction industry in Hong Kong and Singapore will continue to be blooming in next couples of years, so will the demand for cranes be. To capture this favorable business opportunity, the Board will continue to seek potential investment opportunities to diversify the business portfolios and to create synergistic value via leveraging on the existing scale as well as streamlining the operating platform so as to improve the business performance of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

CORPORATE GOVERNANCE PRACTICES

The Company believes that good corporate governance will not only improve management accountability and investor confidence, but also will lay a good foundation for the long term development of the Company. Therefore, the Company will strive to develop and implement effective corporate governance practices and procedures.

The Code on Corporate Governance Practices (the “Former Code”) was revised and renamed as the Corporate Governance Code (the “Revised Code”) on 1 April 2012 contained in Appendix 14 to the Listing Rules.

The Board has reviewed the Company’s corporate governance practices and is satisfied that the Company has complied with all the code provisions of the Former Code for the period from 1 January 2012 to 31 March 2012 and of the Revised Code for the period from 1 April 2012 to 31 December 2012 contained in Appendix 14 to the Listing Rules throughout the year ended 31 December 2012.

Full details on the Company’s corporate governance practices are set out in the Company’s 2012 Annual Report.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) was established on 25 June 2010 with written terms of reference. In order to comply with the relevant code provisions of the Revised Code contained in Appendix 14 to the Listing Rules, the written terms of reference was revised on 27 March 2012.

The Audit Committee comprises Mr. Lam Woon Kun, the non-executive Director, Ms. Lo Miu Sheung Betty and Mr. Ho Gar Lok (chairman of the Audit Committee), both are independent non-executive Directors.

The Audit Committee is primarily responsible for overseeing all financial reporting procedures and the effectiveness of the Company’s internal controls and then reports the findings to the Board; making recommendation to the Board on the appointment, re-appointment and removal of external auditor and approving the remuneration and terms of engagement of the external auditor and any questions of resignation or dismissal of that auditor; and reviewing and monitoring the independence and objectivity of external auditor and the effectiveness of the audit process in accordance with applicable standard.

The Audit Committee has reviewed with the management of the Company the annual results for the year ended 31 December 2012 including the accounting principles and practices adopted by the Group and the internal control and financial reporting matters.

REVIEW OF FINANCIAL INFORMATION

The figures in respect of this announcement of the Group's result for the year ended 31 December 2012 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this announcement.

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

Hong Kong, 22 March 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; Ms. Lo Miu Sheung Betty, Mr. Chan Mo and Mr. Ho Gar Lok as independent non-executive Directors.