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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
ACQUISITION OF
JIANGXI NEWOMAN PHARMACEUTICAL CO., LTD.***

Financial Adviser



YU MING INVESTMENT MANAGEMENT LIMITED

禹銘投資管理有限公司

THE ACQUISITION

The Purchaser and the Vendors entered into the Sale and Purchase Agreement after trading hours on 29 November 2013, pursuant to which the Purchaser agreed to purchase and the Vendors agreed to sell the Sale Interests at a consideration of RMB30,000,000 (approximately HK\$37,920,000). The Consideration was satisfied by the issuance of the Promissory Notes to the Vendors on the Completion Date. The Sale and Purchase Agreement is unconditional and Completion took place on the date of the Sale and Purchase Agreement.

LISTING RULES IMPLICATIONS

As all applicable percentage ratios (calculated according to the Listing Rules) of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting and announcement requirements under the Listing Rules.

* Translation for identification only

Reference is made to the announcement of the Company dated 28 October 2013 in relation to the preliminary discussions regarding a possible business acquisition by the Company. The Purchaser and the Vendors entered into the Sale and Purchase Agreement after trading hours on 29 November 2013, details of which are as follows:

THE SALE AND PURCHASE AGREEMENT

Date

29 November 2013

Parties

Purchaser: Forever Treasure, a company incorporated in Hong Kong with limited liability and is principally engaged in the business of investment holding. The Purchaser is an indirect wholly-owned subsidiary of the Company at the date of this announcement.

Vendors: Vendor A and Vendor B

As at the date of this announcement, Vendor A is an executive director and a general manager of the Target Company and Vendor B is an assistant general manager of the Target Company. Prior to Completion, Vendor A is holding 95% of the equity interest in the Target Company and Vendor B is holding 5% of the equity interest in the Target Company. To the best knowledge, information and belief of the Directors after having made all reasonable enquires, each of the Vendors is a resident in the PRC and none of them is a connected person of the Company and/or any of their associate.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser agreed to purchase and the Vendors agreed to sell the Sale Interests, representing the entire equity interest of the Target Company free from all lien, charges and encumbrances. Each of the Vendors has agreed to the other party selling their respective holding of the Sale Interests and forgo any first right of refusal they may have, if any. Detailed information on the Target Company is set out in the paragraph headed "Information on the Target Company" of this announcement.

Consideration

The Consideration for the Acquisition is RMB30,000,000 (approximately HK\$37,920,000), which was satisfied by the issuance of the Promissory Notes to the Vendors on the Completion Date.

The Consideration for the Acquisition was determined after arm's length negotiations between the Company and the Vendors having taken into account (i) the warranty of the Vendors that the unaudited net asset value of the Target Company will be no less than RMB30,000,000 (approximately HK\$37,920,000) as at 31 July 2013; and (ii) the future prospects of the business of the Target Company.

Completion

The Sale and Purchase Agreement is unconditional and Completion took place on the date of the Sale and Purchase Agreement.

The Target Company becomes an indirect wholly-owned subsidiary of the Company at Completion and the financial results of the Target Company will be consolidated to the financial statements of the Group thereafter.

Pursuant to the Sale and Purchase Agreement, the Vendors have given customary representations and warranties to the Purchaser.

Conditions to Redeem the Promissory Notes by the Purchaser

Pursuant to the Sale and Purchase Agreement, the Purchaser has no obligation to redeem the Promissory Notes until all of the following conditions are fulfilled (unless otherwise agreed by both parties):

- (i) the Purchaser having informed the Vendors in writing that it is satisfied with the results of the due diligence in respect of financial, legal, tax and business conditions of the Target Company;
- (ii) the Vendors having procured the board resolution or the shareholders resolution of the Target Company approving (i) appointment of both legal representative and directors of the Target Company nominated by the Purchaser; and (ii) acceptance of the resignation of existing legal representative and directors of the Target Company to be delivered to the Purchaser;
- (iii) with the assistance from the Vendors, relevant approval(s) from the relevant PRC government authorities having been obtained by the Purchaser in respect of the Sale and Purchase Agreement and all relevant registration procedures with relevant government bodies to effect the transfer of the Sale Interests to the Purchaser having been completed;
- (iv) with the assistance from the Vendors, the business license as a wholly foreign owned enterprise owned by the Purchaser having been obtained by the Target Company;
- (v) the Sale and Purchase Agreement and the transactions contemplated thereunder having complied with the articles of association of the Purchaser and its holding company, and relevant or applicable laws, rules and regulations;
- (vi) the Vendors having obtained all necessary consents and approvals, if any, as required by laws, rules or regulations from any third parties in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder; and
- (vii) all representations, warranties and undertakings by the Vendors pursuant to the Sale and Purchase Agreement remain true, accurate and not misleading until the redemption date of the Promissory Notes.

If any of the above conditions is not fulfilled before 15 March 2014, the Purchaser shall not be obliged to redeem the Promissory Notes and the Vendors shall cooperate with the Purchaser to complete all necessary registration and approval procedures to resume the shareholding structure of the Target Company back to its original state prior to the entering of the Sale and Purchase Agreement, and the Vendors shall indemnify all losses of the Purchaser incurred for the period from the date of the Sale and Purchase Agreement until the date the shareholding structure of the Target Company is resumed back to its original state.

As at the date of this announcement, condition (ii) above has been fulfilled.

MAJOR TERMS TO THE PROMISSORY NOTES

Pursuant to the Sale and Purchase Agreement, the Purchaser has issued the Promissory Notes to the Vendors as the Consideration on the Completion Date. Salient terms of the Promissory Notes are as follows:

Issuer:	The Purchaser
Principal amount:	An aggregate of RMB30,000,000 (approximately HK\$37,920,000) which was issued in the manner of (i) RMB28,500,000 (approximately HK\$36,024,000) to Vendor A; and (ii) RMB1,500,000 (approximately HK\$1,896,000) to Vendor B.
Issue price:	100%
Maturity date:	15 March 2014
Interest:	0.5 % per annum on the principal amount of the Promissory Notes to be calculated from the date of issuance to the date prior to the maturity date or the redemption date of the Promissory Notes, whichever is earlier
Redemption:	The Promissory Notes shall be redeemed at their outstanding principal amount together with accrued interest on or prior to the maturity date in accordance with the terms and conditions of the Sale and Purchase Agreement
Application for listing:	No application will be made by the Purchaser to any stock exchange for the listing and trading in the Promissory Notes
Transferability:	The Promissory Notes are not transferable

INFORMATION ON THE TARGET COMPANY

The Target Company was established in the PRC on 14 April 1998 with limited liability. Immediately prior to Completion, it is owned as to 95% by Vendor A and 5% by Vendor B. The Target Company is principally engaged in the research and development, manufacturing and sales of medicines, proprietary Chinese medicines and health products in the PRC. The Target Company's manufacturing facilities, office building and staff dormitory are located on its own land in Jiangxi, the PRC, with a site area of 162,173.06 square meters, and an aggregate gross floor area of 29,479.74 square meters. It employs 162 full time employees. The Target Company holds approximately 45 trademarks registered in the PRC for its wide range of products, including its proprietary Chinese medicines in the form of ointment, pills and medical drink products. Currently, the Target Company has registered 39 drug licenses from relevant PRC governmental authorities for its products, such as gynecological and proprietary Chinese medicines carrying the brand name of "NEWOMEN" (半邊天), including Gelatin Longevity Oral Solution* (阿膠益壽口服液), Wujibaifeng Pills* (烏雞白鳳丸) and Fufang Wuji Oral Solution* (複方烏雞口服液), Ginsen Pills* (人參養榮丸), 10 Complex Supplemental Pills* (十全大補丸) etc.

The audited financial information of the Target Company prepared in accordance with PRC general accepted accounting principles ("PRC GAAP") for the past two years ended 31 December 2011 and 2012 are as follows:

	For the year ended 31 December 2011 RMB'000	For the year ended 31 December 2012 RMB'000
Revenue	29,930	39,146
Net profit before taxation and extraordinary items	384	522
Net profit after taxation and extraordinary items	307	413
Net assets	29,829	30,242

REASONS FOR AND BENEFITS OF THE ACQUISITION

As at the date of this announcement, the Group is principally engaged in trading of construction machinery and spare parts, leasing of the construction machinery and providing repair and maintenance services of construction machinery in Hong Kong, Macau, Singapore and Vietnam.

Along with the increasing demand of healthy food and healthy living, it is becoming more popular for consumers taking Chinese medicine to upkeep their health or deal with health issues in addition to treating acute diseases. With the revolution of proprietary Chinese medicines taking the form of more regulated and convenient forms, such as pills, capsule, liquid drinks, syrup and soluble powder, the Directors are optimistic about the business prospects of the Target Company, which will enhance the profitability of the Group in long term, particularly when considering the established product trademarks and drug licenses

owned by the Target Company. The Directors consider the Acquisition a good opportunity for the Group to expand the business into manufacturing and selling of medical and health products in the PRC which will broaden the income sources of the Group.

Taking into account that (i) the Consideration is equal to the unaudited net asset value of the Target Company warranted by the Vendors as not less than RMB30,000,000 as at 31 July 2013; (ii) net profits after taxation and extraordinary items recorded by the Target Company under PRC GAAP of approximately RMB307,000 and RMB413,000 respectively for the two years ended 31 December 2011 and 2012; (iii) 45 trademarks and 39 drug licenses owned by the Target Company in the PRC; and (iv) future prospects of the Target Company, the Board is of the view that the terms of the Sale and Purchase Agreement is in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As all applicable percentage ratios (calculated according to the Listing Rules) of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to 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:

“Acquisition”	the acquisition of the Sale Interests pursuant to the Sale and Purchase Agreement
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“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 Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	29 November 2013, being the date of entering into the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration payable by the Purchaser to the Vendors for the Acquisition pursuant to the Sale and Purchase Agreement, being RMB30,000,000 (approximately HK\$37,920,000) satisfied by the issuance of the Promissory Notes

“Director(s)”	the director(s) of the Company
“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
“Promissory Notes”	the promissory notes with maturity date on 15 March 2014 in the aggregate principal amount of RMB30,000,000 (approximately HK\$37,920,000) which was issued by the Purchaser to the Vendors to settle the Consideration on the Completion Date
“Purchaser” or “Forever Treasure”	Forever Treasure Asia Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 29 November 2013 entered into between the Purchaser and the Vendors in relation to the Acquisition
“Sale Interests”	the 95% equity interest of the Target Company held by Vendor A and the 5% equity interest of the Target Company held by Vendor B immediately prior to Completion
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Jiangxi Newoman Pharmaceutical Co., Ltd.* (江西半邊天藥業有限公司), a company established in the PRC with limited liability
“Vendor A”	Bao Shan* (寶山), a PRC resident who is interested in 95% of the equity interest in the Target Company immediately prior to Completion
“Vendor B”	Weng Hanhui* (翁漢輝), a PRC resident who is interested in 5% of the equity interest in the Target Company immediately prior to Completion

“Vendors” Vendor A and Vendor B, taken together

“%” per cent.

(The exchange rate used for the purpose of this announcement is at RMB 1 = HK\$1.2640)

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

Hong Kong, 29 November 2013

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

* *For identification purpose only*