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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)

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF A 51% EQUITY INTEREST IN BEST EARNEST INVESTMENTS LIMITED

THE ACQUISITION AGREEMENT

After trading hours of the Stock Exchange on 27 October 2016, the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into the Acquisition Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, which represent a 51% equity interest in the Target, at a consideration of HK\$220,000,000. The consideration of HK\$220,000,000 shall be payable to the Vendor as to HK\$110,000,000 in cash by the Purchaser and as to HK\$110,000,000 by the issuance of the Promissory Note with principal amount of HK\$110,000,000 by the Company.

The Target indirectly holds 80% of the registered capital of Guangdong Dahe, which is principally engaged in the cultivation, research, processing and sale of exocarpium citri grandis (化橘紅), a Chinese herbal medicine, in Huazhou City, Guangdong Province, the PRC.

Upon Completion, the Target will become an indirect 51%-owned subsidiary of the Company and the financial statements of the Target Group will be consolidated into the financial statements of the Company.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Acquisition, and accordingly no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the resolution(s) in respect of the Acquisition Agreement and the transactions contemplated thereunder. Harbour Luck Investments Limited, being the controlling Shareholder interested in 600,000,000 Shares (representing approximately 62.5% of the issued Shares as at the date of this announcement) has given its written approval for the Acquisition Agreement and the transactions contemplated thereunder and such written approval is accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, (i) details of the Acquisition Agreement; (ii) the financial information of the Group; (iii) the financial information of the Target Group; (iv) the valuation report on Guangdong Dahe; and (v) the unaudited pro forma financial information of the Enlarged Group assuming Completion takes place is required to be despatched to the Shareholders within 15 business days after the date of this announcement in accordance with Rule 14.41(a) of the Listing Rules. As additional time is needed for the Company to compile the information required for the circular, an application will be made by the Company to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and extending the deadline for the despatch of the circular to 31 December 2016.

As Completion is subject to fulfilment or waiver (as the case may be) of the conditions precedent set out in the Acquisition Agreement, the Acquisition may or may not proceed. Shareholders and other investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

Reference is made to the announcement of the Company dated 13 June 2016 in relation to the entering into of the Memorandum of Understanding between the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor in respect of the possible acquisition of a 51% equity interest in the Target.

The Board is pleased to announce that after trading hours of the Stock Exchange on 27 October 2016, the Purchaser and the Vendor entered into the Acquisition Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, which represent a 51% equity interest in the Target, at a consideration of HK\$220,000,000. Details of the Acquisition Agreement are set out below.

THE ACQUISITION AGREEMENT

Date

27 October 2016

Parties

- (i) Lucky Boom Investments Limited, a wholly-owned subsidiary of the Company, being the Purchaser; and
- (ii) Mr. He Xiaoyang, being the Vendor.

The Vendor is the sole beneficial owner and the sole director of the Target. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

Assets to be acquired

Pursuant to the Acquisition Agreement, the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares. The Sale Shares, representing a 51% equity interest in the Target, will be sold free from all encumbrances and together with all rights attaching thereto from Completion, including any dividend or other distribution to be declared, made or paid after Completion. The Target indirectly holds 80% of the registered capital of Guangdong Dahe, which is principally engaged in the cultivation, research, processing and sale of exocarpium citri grandis (化橘紅), a Chinese herbal medicine, in Huazhou City, Guangdong Province, the PRC. Please refer to the section headed "Information on the Target Group" below for further details.

Consideration

The consideration for the Sale Shares of HK\$220,000,000 shall be payable at Completion. The consideration shall be satisfied as to HK\$110,000,000 in cash by the Purchaser and as to HK\$110,000,000 by the issuance of the Promissory Note with principal amount of HK\$110,000,000 by the Company.

As a security for the profit guarantee as set out in the paragraph headed "Profit guarantee" below in this section, the cash consideration and the Promissory Note shall be held in escrow by the Company or its nominee(s) upon Completion and shall only be released to the Vendor or its nominee(s), after deducting the compensation amount to be paid by the Vendor to the Purchaser (if any) pursuant to the relevant profit guarantee clauses under the Acquisition Agreement (details of which are disclosed in the paragraph headed "Profit guarantee" below in this section), within three Business Days after the Company has received (i) the written instruction from the Purchaser; and (ii) the certificate from an auditor confirming the amount of the 2016 Actual Profit and the compensation amount to be paid by the Vendor. In the event that the Company does not receive the aforesaid instruction from the Purchaser on or before 30 April 2017, the Company shall release, within three Business Days, the entire consideration held in escrow to the Vendor or its nominee(s).

The consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor having taken into account, among other things, the 40.8% effective interest in Guangdong Dahe attributable to the Sale Shares and the preliminary valuation of the 100% registered capital of Guangdong Dahe as at 31 July 2016 as assessed by an independent valuer based on market approach. The preliminary valuation of the 100% equity registered capital of Guangdong Dahe of approximately HK\$542.3 million implies a price-to-earnings

ratio of approximately 16.86 times based on the unaudited net profit after tax of Guangdong Dahe for the trailing 12 months ended 31 July 2016 prepared in accordance with the PRC GAAP of approximately RMB27.3 million (equivalent to approximately HK\$32.2 million).

The Purchaser intends to fund the cash consideration by the Group's internal resources. The earnest money in the amount of HK\$5,000,000 paid by the Purchaser to the Vendor upon the signing of the Memorandum of Understanding has been fully refunded to the Purchaser upon the signing of the Acquisition Agreement.

Profit guarantee

Pursuant to the Acquisition Agreement, the Vendor has irrevocably guaranteed to the Purchaser that the 2016 Actual Profit, being the net profit after tax attributable to the owners of Guangdong Dahe (excluding changes in fair value of assets through profit or loss and government subsidies) prepared in accordance with the PRC GAAP for the year ending 31 December 2016, shall be not less than RMB28,000,000 (equivalent to approximately HK\$33,040,000). The benchmark profit of RMB28,000,000 was determined by the Purchaser and the Vendor with reference to the unaudited net profit after tax of Guangdong Dahe for the trailing 12 months ended 31 July 2016 prepared in accordance with the PRC GAAP of approximately RMB27.3 million.

In the event that the 2016 Actual Profit is less than RMB28,000,000, the Vendor shall compensate the Purchaser an amount calculated based on the following formula:

$$\begin{array}{l} \text{Compensation amount} \\ \text{(in HK\$)} \end{array} = \begin{array}{l} (\text{RMB28,000,000} - \text{the 2016 Actual Profit}) \\ \times 51\% \times 80\% \times 16.86 \times 1.18 \end{array}$$

If Guangdong Dahe were to record a loss for the year ending 31 December 2016, the 2016 Actual Profit for the purpose of calculating the compensation amount shall be regarded as zero. In any case, the compensation amount shall not exceed the consideration for the Sale Shares, i.e. HK\$220,000,000.

The Purchaser and the Vendor shall jointly engage an auditor designated by the Purchaser to prepare and to provide them with (i) the audited financial statements of Guangdong Dahe for the year ending 31 December 2016 in accordance with the PRC GAAP; and (ii) a certificate confirming the amount of the 2016 Actual Profit and the compensation amount calculated based on the aforesaid formula, within 10 weeks after the end of 2016.

The compensation amount (if any) shall be set off against (i) firstly the face value of the Promissory Note on a dollar for dollar basis; and (ii) secondly the cash consideration for the Sale Shares held in escrow if the face value of the Promissory Note is not sufficient to cover the entire compensation amount.

Conditions precedent

Completion is conditional upon the satisfaction or waiver (as the case may be) of the following conditions:

- (i) the Purchaser being satisfied with the results of the due diligence review on the assets, liabilities, operations and affairs of the Target Group to be carried out by the Purchaser;
- (ii) if necessary, the passing of the necessary resolution(s) by the Shareholders at an extraordinary general meeting of the Company to be convened and held (or the obtaining of the written approval from a Shareholder or a closely allied group of Shareholders holding more than 50% of the issued Shares which is accepted in lieu of holding a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules) to approve the Acquisition Agreement and the transactions contemplated thereunder (including but not limited to the issue of the Promissory Note); and the circular in relation to the Acquisition Agreement and the transactions contemplated thereunder having been despatched to the Shareholders;
- (iii) the Vendor having obtained all necessary consents and approvals in respect of the sale and purchase of the Sale Shares;
- (iv) the Purchaser having obtained all necessary consents and approvals in respect of the sale and purchase of the Sale Shares;
- (v) the representations, warranties and undertakings given by the Vendor under the Acquisition Agreement remaining true and accurate and not misleading, and there being no other matters which constitute or may constitute any breach of such representations, warranties and undertakings or situations, facts or circumstances relating to the Vendor and/or the Target Group under the Acquisition Agreement;
- (vi) the Purchaser having obtained a valuation report issued by a firm of independent professional valuers appointed by the Purchaser in such form and substance satisfactory to the Purchaser, showing that the valuation of the 100% registered capital of Guangdong Dahe is not less than HK\$540,000,000, and having included such valuation report in the circular to be issued by the Company in relation to the Acquisition Agreement and the transactions contemplated thereunder;
- (vii) the Purchaser having obtained a legal opinion issued by a firm of PRC lawyers appointed by the Purchaser in respect of the affairs and reorganisation of the Target Group and the Acquisition Agreement in such form and substance satisfactory to the Purchaser;
- (viii) there being no material adverse change in the financial position, businesses, assets or operating results of the Target Group since the date of the Acquisition Agreement; and
- (ix) the Purchaser having obtained a legal opinion issued by a firm of PRC lawyers appointed by the Purchaser in respect of the lawsuits relating to the Woodlands of the Target Group (details of which are disclosed in the paragraph headed “Lawsuits relating to the Woodlands” under the section headed “Information on the Target Group” below) in such form and substance satisfactory to the Purchaser, confirming that (a) the

Settlement Agreement entered into by parties involved in the lawsuits and Guangdong Dahe is valid, effective and legally binding on the parties thereto; (b) the 民事調解書 (mediation statement*) and the 行政裁定書 (administrative ruling statement*) issued by the court(s) in respect of the lawsuits having become effective, and are valid and legally binding to the respective parties; and (c) in accordance with the mediation statement, the parties to the Settlement Agreement having confirmed that Guangdong Dahe has the legal right to use the Woodlands and to own and use the forestry trees etc. on the Woodlands, and the other parties not having any interests on the Woodlands. The disputes of interests among the parties involved in the civil action shall be fully and finally settled upon the mediation statement having become effective.

The Purchaser may in its absolute discretion at any time waive the conditions set out in (i), (v), (vii) and (viii) above by notice in writing to the Vendor. Other conditions cannot be waived by any parties to the Acquisition Agreement.

If any of the above conditions have not been fulfilled or waived by the Purchaser (as the case may be) on or before 28 February 2017 (or such later date as may be agreed by the parties to the Acquisition Agreement in writing), the Acquisition Agreement shall cease and determine (save and except for the provisions dealing with termination, confidentiality, notices, fees and governing law and jurisdiction which shall continue to have full force and effect) and no party to the Acquisition Agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the Acquisition Agreement.

Completion

Completion shall take place on the second Business Day after all the conditions precedent under the Acquisition Agreement having been fulfilled or waived by the Purchaser (as the case may be) (or such later date as may be agreed by the parties to the Acquisition Agreement in writing).

At Completion, the Vendor, at the request by the Purchaser, shall procure a board meeting of the Target to be held to approve, among other things, the resignation of the existing director and appoint new director(s) to be nominated by the Purchaser with effect immediately upon Completion.

Upon Completion, the Target will become an indirect 51%-owned subsidiary of the Company and the financial statements of the Target Group will be consolidated into the financial statements of the Company.

THE PROMISSORY NOTE

The principal terms of the Promissory Note are as follows:

Issuer:	the Company
Noteholders:	the Vendor or its nominee(s)
Principal amount:	HK\$110,000,000

Issue date: the Completion Date

Maturity date: two years after the issue of the Promissory Note

Interest: nil

Security: the obligations of the Company under the Promissory Note are unsecured

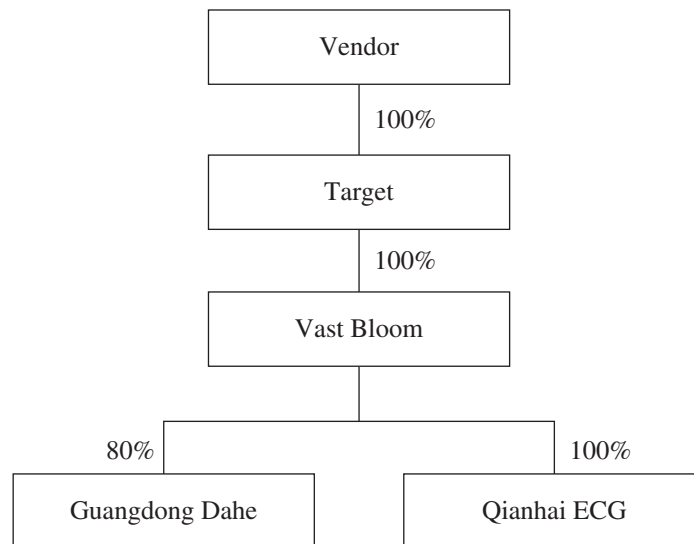
Early redemption: the Company may redeem all or part of the outstanding principal amount of the Promissory Note at any time between the issue date and the day prior to the maturity date by serving not less than 10 Business Days' prior written notice to the noteholders, provided that each redemption shall be made in the principal amount of not less than HK\$5,000,000 (or the entire outstanding principal amount if the outstanding principal amount of the Promissory Note is less than HK\$5,000,000)

Transferability: the Promissory Note is not transferrable

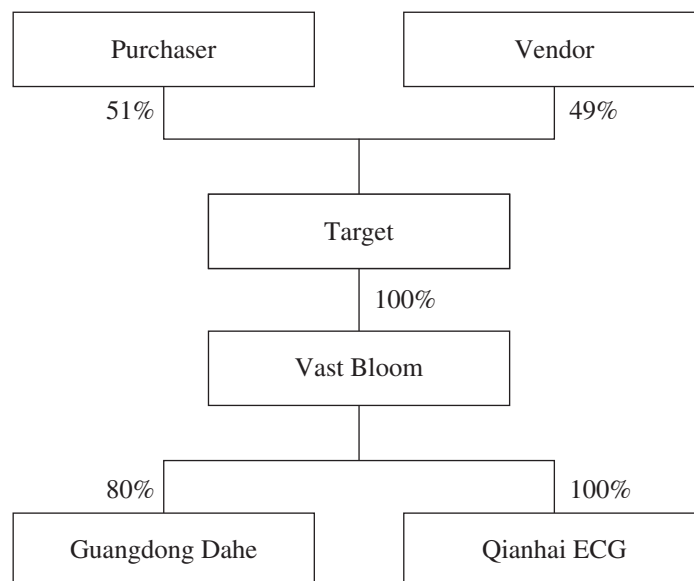
INFORMATION ON THE TARGET GROUP

Group structure

The diagram below depicts the group structure of the Target Group as at the date of this announcement:



The diagram below depicts the group structure of the Target Group immediately after Completion:



Principal business

The Target Group comprises four members, namely the Target, Vast Bloom, Guangdong Dahe and Qianhai ECG.

The Target is an investment holding company incorporated in the British Virgins Islands on 26 October 2012 with limited liability. It is wholly owned by the Vendor as at the date of the Acquisition Agreement. The Target in turn holds 100% interest in Vast Bloom, an investment holding company incorporated in Hong Kong on 21 August 2015 with limited liability. The Target and Vast Bloom have not carried out any businesses or have any material assets and liabilities save for their respective investment(s) in their direct subsidiary(ies) and amount due to related parties.

Guangdong Dahe was established in the PRC on 30 September 2013 with limited liability. In January 2016, Vast Bloom contributed new capital into Guangdong Dahe, which represents 80% of the enlarged registered capital of Guangdong Dahe, and became its controlling shareholder. As at the date of the Acquisition Agreement, the registered capital of Guangdong Dahe was held as to 80% by Vast Bloom, 16.9% by Ms. Jiang Yan and 3.1% by Mr. Zhuang Botian. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Ms. Jiang Yan and Mr. Zhuang Botian are founders of Guangdong Dahe and are third parties independent of the Vendor, the Company and its connected persons (as defined under the Listing Rules).

Guangdong Dahe is principally engaged in the cultivation, research, processing and sale of exocarpium citri grandis (化橘紅), a Chinese herbal medicine, in the PRC. The principal asset of Guangdong Dahe is the exocarpium citri grandis cultivation project on the Woodlands in Huazhou City, Guangdong Province, the PRC. As at the date of the Acquisition Agreement, Guangdong Dahe has entered into contracts with relevant local village economic cooperatives and obtained 林權證 (forestry rights certificates*) in respect

of five parcels of woodlands with a total area of 2,035.36 mu, which entitle Guangdong Dahe to use these woodlands, and to own and use the forestry trees on these woodlands until 1 October 2034. The ownerships of these woodlands are held respectively by five local village economic cooperatives in Huazhou City. Pursuant to a contract dated 12 December 2013 entered into by Guangdong Dahe and another local village economic cooperative in Huazhou City, being the owner of the sixth parcel of woodland with an area of 116 mu, Guangdong Dahe has been contracted the rights to use such woodland and the rights to own and use the forestry trees on such woodland for the period from 1 October 2013 to 1 December 2034. Application in respect of obtaining the forestry rights certificate for the sixth parcel of woodland is expected to be made to the relevant PRC authority after Completion. Based on the preliminary advice of the PRC legal adviser of the Company, there is no legal impediment in obtaining the aforesaid forestry rights certificate. As at the date of the Acquisition Agreement, there are approximately 90,000 exocarpium citri grandis trees planted on the Woodlands.

Qianhai ECG was established in the PRC on 13 April 2016 with limited liability. It is wholly owned by Vast Bloom and has not carried out any business since its establishment.

Financial information

The financial statements of Guangdong Dahe have been consolidated into the financial statements of the Target since 4 January 2016 (being the date of obtaining control of Guangdong Dahe by Vast Bloom as referred to in the paragraph headed “Principal business” in this section).

The Target Group

Set out below are the financial information of the Target as extracted from its unaudited financial statements for the year ended 31 December 2014 and the financial information of the Target Group (i.e. the Target and Vast Bloom) as extracted from its unaudited consolidated financial statements for the year ended 31 December 2015, which were prepared in accordance with the Hong Kong Financial Reporting Standards:

	Year ended 31 December	
	2014	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss before tax	10	52
Loss after tax	10	52

As at 30 June 2016, the unaudited consolidated net assets of the Target Group amounted to approximately HK\$171,425,000.

Guangdong Dahe

Separately presented below is the financial information of Guangdong Dahe before it became part of the Target Group on 4 January 2016, which were extracted from its unaudited financial statements for each of the two years ended 31 December 2014 and 2015 prepared in accordance with the Hong Kong Financial Reporting Standards:

	Year ended 31 December			
	2014		2015	
	<i>RMB'000</i>	<i>equivalent to HK\$'000</i>	<i>RMB'000</i>	<i>equivalent to HK\$'000</i>
Profit before tax	121	143	5,810	6,856
Profit after tax	121	143	5,810	6,856

Lawsuits relating to the Woodlands

Based on the preliminary due diligence review on the Target Group, there were two lawsuits in relation to the Woodlands of the Target Group:

- (i) the relevant forestry rights of the Woodlands were contracted previously by the respective local village economic cooperatives in Huazhou City to Mr. Wu Junsong, who then transferred such rights of the Woodlands to Mr. Yu Bing. Mr. Yu Bing entered into a forestry rights transfer agreement with Guangdong Dahe on 18 October 2013 to transfer such forestry rights to Guangdong Dahe. During the years from 2013 to 2016, Mr. Wu Junsong and his sons, namely Mr. Wu Weiguo and Mr. Wu Weidian, on one side, and Mr. Yu Bing, on the other side, had disputes over, among other things, the interests in the Woodlands, and had brought a civil action to the court of the PRC in this regard. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Yu Bing, Mr. Wu Junsong, Mr. Wu Weiguo and Mr. Wu Weidian are third parties independent of (i) the Company and its connected persons (as defined under the Listing Rules); and (ii) the Target Group and the Vendor; and
- (ii) in 2015, Mr. Wu Junsong, Mr. Wu Weiguo and Mr. Wu Weidian had brought an 行政訴訟 (administrative action*) to 廣東省茂名市中級人民法院 (Intermediate People's Court of Maoming City Guangdong Province*), which involved, among other things, the forestry rights of the Woodlands.

On 8 October 2016, Mr. Yu Bing, Mr. Wu Junsong, Mr. Wu Weiguo, Mr. Wu Weidian and Guangdong Dahe entered into the Settlement Agreement for the full and final settlement of all the lawsuits in respect of the Woodlands as well as all claims arising directly or indirectly in respect of the Woodlands and/or the aforementioned lawsuits. Pursuant to the Settlement Agreement, the parties have confirmed, among other things, that (i) there are no further disputes in respect of the Woodlands (including the forestry trees etc. on the Woodlands); (ii) Guangdong Dahe has the legal right to use the Woodlands and to own and use the forestry trees on the Woodlands; (iii) the parties have no disagreements in respect of the complete and exclusive interests of Guangdong Dahe in respect of the Woodlands; and (iv) they shall not make any claim against Guangdong Dahe in respect of the Woodlands.

A 民事調解書 (mediation statement*) and an 行政裁定書 (administrative ruling statement*) both dated 17 October 2016 have been issued by the Intermediate People's Court of Maoming City, Guangdong Province, the PRC, which respectively acknowledged the settlement of the civil action and accepted the withdrawal of the administrative action mentioned above. Such mediation statement and administrative ruling statement became effective on 26 October 2016 and 17 October 2016 respectively. Based on the preliminary advice of the Company's PRC legal adviser, the Settlement Agreement is valid and legally binding, and that the aforementioned civil action has been finally and conclusively settled.

Pursuant to the Acquisition Agreement, the Vendor has undertaken and agreed to indemnify in full for any losses, liabilities, damages, expenses and fees suffered or incurred by the Purchaser, the Company, and/or other members of the Group as a result of or in relation to any claims arising from the abovementioned lawsuits.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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

The Target Group is principally engaged in the cultivation, research, processing and sale of exocarpium citri grandis in Huazhou City, Guangdong Province, the PRC. Exocarpium citri grandis is a Chinese herbal medicine, the common usage of which includes relieving cough and reducing sputum. It can also be processed into dried fruits or used as an ingredient for health products and drinks. The local government of Huazhou City has been promoting exocarpium citri grandis as a local featured product and has been encouraging its cultivation, processing and market development. The scale of exocarpium citri grandis cultivation business operated by the Target Group is among one of the biggest in Huazhou City. With the Target Group's edge in respect of its resources and experience in the cultivation of exocarpium citri grandis which provide a stable source of supply of the exocarpium citri grandis to meet with the growth of market demand, the Directors are of the view that the business of the Target Group has a good potential. The Acquisition represents an opportunity for the Group to enhance the product offering for its Chinese medicines business as well as to broaden its income stream. Meanwhile, the Target Group will benefit from the sharing of the Group's resources in overall management, marketing and distribution network for its business development.

Based on the above, the Directors consider that the terms of the Acquisition Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Acquisition and accordingly no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the resolution(s) in respect of the Acquisition Agreement and the transactions contemplated thereunder. Harbour Luck Investments Limited, being the controlling Shareholder interested in 600,000,000 Shares (representing approximately 62.5% of the issued Shares as at the date of this announcement) has given its written approval for the Acquisition Agreement and the transactions contemplated thereunder and such written approval is accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, (i) details of the Acquisition Agreement; (ii) the financial information of the Group; (iii) the financial information of the Target Group; (iv) the valuation report on Guangdong Dahe; and (v) the unaudited pro forma financial information of the Enlarged Group assuming Completion takes place is required to be despatched to the Shareholders within 15 business days after the date of this announcement in accordance with Rule 14.41(a) of the Listing Rules. As additional time is needed for the Company to compile the information required for the circular, an application will be made by the Company to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and extending the deadline for the despatch of the circular to 31 December 2016.

As Completion is subject to fulfilment or waiver (as the case may be) of the conditions precedent set out in the Acquisition Agreement, the Acquisition may or may not proceed. Shareholders and other investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2016 Actual Profit”	the net profit after tax attributable to the owners of Guangdong Dahe (excluding changes in fair value of assets through profit or loss and government subsidies) prepared in accordance with the PRC GAAP for the year ending 31 December 2016
“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 27 October 2016 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Board”	the board of Directors

“Business Day(s)”	a day(s) (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business
“Company”	Eagle Legend Asia Limited 鵬程亞洲有限公司, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 936)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreement
“Completion Date”	the date on which Completion takes place
“Director(s)”	director(s) of the Company
“Enlarged Group”	the Group as enlarged by the Acquisition upon Completion
“Group”	the Company and its subsidiaries
“Guangdong Dahe”	廣東大合生物科技股份有限公司 (Guangdong Dahe Biological Technologies Limited*), a company established in the PRC with limited liability and an indirect 80%-owned subsidiary of the Target
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Understanding”	the memorandum of understanding dated 13 June 2016 entered into between the Purchaser and the Vendor in relation to the Acquisition
“mu”	畝, a unit of land area in the PRC
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macao Special Administrative Region and Taiwan
“PRC GAAP”	the generally accepted accounting principles in the PRC
“Promissory Note”	the 2-year interest-free promissory note in the principal amount of HK\$110,000,000 to be issued by the Company to the Vendor or its nominee(s) at Completion for partial settlement of the consideration of the Acquisition

“Purchaser”	Lucky Boom Investments Limited 祥盛投資有限公司, a company incorporated in the British Virgins Island with limited liability and a wholly-owned subsidiary of the Company
“Qianhai ECG”	深圳前海化橘紅生物科技有限公司 (Shenzhen Qianhai Exocarpium Citri Grandis Biological Technologies Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Target
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	102 issued shares of US\$1.00 each in the capital of the Target, representing 51% of the issued share capital of the Target
“Settlement Agreement”	the settlement agreement dated 8 October 2016 entered into among Mr. Yu Bing, Mr. Wu Junsong, Mr. Wu Weiguo, Mr. Wu Weidian and Guangdong Dahe in respect of the lawsuits involving the Woodlands
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Best Earnest Investments Limited 佳誠投資有限公司, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target and its subsidiaries (from time to time)
“Woodlands”	(i) the five parcels of woodlands with a total area of 2,035.36 mu, of which Guangdong Dahe has been contracted by the relevant local village economic cooperatives and has obtained 林權證 (forestry rights certificates*), entitling Guangdong Dahe the rights to use these woodlands, and the rights to own and use the forestry trees on these woodlands until 1 October 2034; and (ii) the sixth parcel of woodland with an area of 116 mu, of which Guangdong Dahe has the relevant forestry rights for a period of 1 October 2013 to 1 December 2034 pursuant to a contract dated 12 December 2013 entered into by Guangdong Dahe and a local village economic cooperative in Huazhou City

“Vast Bloom”	Vast Bloom Investment Limited 大旺投資有限公司, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target
“Vendor”	何曉陽先生 (Mr. He Xiaoyang), the sole beneficial owner of the Target
“%”	per cent.

In this announcement, amounts in RMB are translated into HK\$ on the basis of RMB1 = HK\$1.18. The conversion rate is for illustration purpose only and should not be taken as a representation that RMB could actually be converted into HK\$ at such rate or at all.

*The English translation of Chinese names or words marked with * in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

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

Hong Kong, 27 October 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.