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 2019

The board of directors (the "**Board**", or the "**Director(s)**") of Eagle Legend Asia Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2019 (the "**FY2019**" or the "**Year**") together with the comparative figures for the financial year ended 31 December 2018 (the "**FY2018**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	**2019** **HK$'000**	2018 HK$'000 (restated)
Continuing operations			
Revenue	*5*	**124,473**	108,277
Cost of sales and services		**(70,682)**	(60,882)
Gross profit		**53,791**	47,395
Other income and gains	*6*	**1,410**	5,563
Selling and distribution expenses		**(2,851)**	(2,729)
Administrative expenses		**(52,505)**	(56,285)
Other operating expenses	*7*	**(42,741)**	(38,058)
Finance costs	*8*	**(22,022)**	(37,766)
Loss before income tax	*9*	**(64,918)**	(81,880)
Income tax (expense)/credit	*11*	**(567)**	1,833
Loss for the year from continuing operations		**(65,485)**	(80,047)
Discontinued operations			
Profit for the year from discontinued operations	*10*	**81,785**	91,686
Profit for the year		**16,300**	11,639

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

For the year ended 31 December 2019

	Notes	2019 HK$'000	2018 HK$'000 (restated)
Continuing operations			
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
(Loss)/gain on revaluation of properties, net of tax		**(699)**	1,780
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**276**	(1,130)
Other comprehensive (loss)/income for the year from continuing operations		**(423)**	650
Discontinued operations			
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(7,657)**	(25,888)
Other comprehensive loss for the year from discontinued operations		**(7,657)**	(25,888)
Other comprehensive loss for the year		**(8,080)**	(25,238)
Total comprehensive income/(loss) for the year		**8,220**	(13,599)
(Loss)/profit for the year attributable to:			
Owners of the Company			
– Continuing operations		**(65,442)**	(80,078)
– Discontinued operations		**33,269**	37,406
Loss for the year attributable to owners of the Company		**(32,173)**	(42,672)
Non-controlling interests			
– Continuing operations		**(43)**	31
– Discontinued operations		**48,516**	54,280
Profit for the year attributable to non-controlling interests		**48,473**	54,311
		16,300	11,639

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

For the year ended 31 December 2019

	Notes	2019 HK$'000	2018 HK$'000 (restated)
Total comprehensive income attributable to:			
– Owners of the Company		**(36,314)**	(52,187)
– Non-controlling interests		**44,534**	38,588
		8,220	(13,599)
Loss per share from continuing and discontinued operations			
– Basic and diluted (HK cents)	*13*	**(3.04)**	(4.03)
Loss per share from continuing operations			
– Basic and diluted (HK cents)	*13*	**(6.17)**	(7.55)
Earnings per share from discontinued operations			
– Basic and diluted (HK cents)	*13*	**3.13**	3.52

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	2019 HK$'000	2018 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**136,431**	489,116
Right-of-use assets		**104,793**	–
Goodwill		**–**	75,706
Deferred tax assets		**101**	–
Deposit		**322**	107
		241,647	564,929
Current assets			
Biological assets		**–**	6,052
Inventories and consumables		**11,869**	92,012
Trade receivables	*14*	**43,083**	26,363
Prepayments, deposits and other receivables		**6,653**	8,704
Cash and cash equivalents		**25,326**	120,487
		86,931	253,618
Assets classified as held for sale	*17*	**578,424**	–
		665,355	253,618
Current liabilities			
Trade payables	*15*	**35,718**	27,145
Receipt in advance, accruals and other payables		**49,543**	31,832
Contract liabilities		**78**	2,858
Bank borrowing		**2,153**	2,100
Shareholder's loans	*16*	**183,000**	178,000
Lease liabilities		**26,740**	–
Finance lease payables		**–**	28,610
Deferred government grants		**–**	1,155
Amount due to a related company		**40,000**	–
Tax payable		**188**	–
		337,420	271,700
Liabilities directly associated with assets classified as held for sale	*17*	**30,795**	–
		368,215	271,700
Net current assets/(liabilities)		**297,140**	(18,082)
Total assets less current liabilities		**538,787**	546,847

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2019

	Notes	**2019** *HK$'000*	2018 *HK$'000*
Non-current liabilities			
Bank borrowing		**11,707**	13,754
Lease liabilities		**34,305**	–
Finance lease payables		**–**	41,341
Deferred government grants		**–**	7,674
Deferred tax liabilities		**2,197**	1,720
		48,209	64,489
Net assets		**490,578**	482,358
EQUITY			
Share capital		**10,600**	10,600
Reserves		**224,937**	261,251
Equity attributable to the owners of the Company		**235,537**	271,851
Non-controlling interests		**255,041**	210,507
Total equity		**490,578**	482,358

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. GENERAL

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 P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business in Hong Kong is located at No. 3610, 36/F., the Center, 99 Queen's Road Central, Central, Hong Kong. The Company is an investment company and its subsidiaries (collectively known as the "**Group**") is principally engaged in (i) trading of construction machinery and spare parts, leasing of the construction machinery under operating leases and providing repair and maintenance services in respect of the construction machinery ("**Construction Equipment Business**"); and (ii) cultivation, research, processing and sales of exocarpium citri grandis and its seedlings ("**Plantation Business**").

The Company's issued shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 19 July 2010. The immediate and ultimate holding company of the Company is Harbour Luck Investments Limited which is incorporated in Hong Kong with limited liability.

2. BASIS OF PREPARATION

2.1 Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the accounting principles generally accepted in Hong Kong.

The financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**").

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in note 3.

The financial statements have been prepared on the historical cost basis except for:

- land and buildings; and

- biological assets except for bearer plants

which are stated at fair values. Disposal group held for sale is stated the lower of carrying amount and fair value less costs to sell.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

2.2 Restatements due to discontinued operations

The presentation of comparative information in respect of the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018 has been restated in order to disclose the discontinued operations separately from continuing operations.

As the restatements do not affect the consolidated statement of financial position, it is not necessary to disclose comparative information as at 1 January 2018.

2.3 Functional and presentation currency

The financial statements are presented in Hong Kong Dollars ("**HK$**"), which is the same as the functional currency of the Company.

3. ADOPTION OF NEW AND AMENDED HKFRSs

3.1 New and amended HKFRSs that are effective for annual periods beginning or after 1 January 2019

In the current year, the Group has applied for the first time the following new and amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2019:

HKFRS 16	Leases
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associate and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments

Among these new and amended HKFRSs, other than the effect of adoption of HKFRS 16 "Lease" noted below, the other new and amended HKFRSs do not have any material impact on the Group's consolidated financial statements.

HKFRS 16 "Leases"

HKFRS 16 "Leases" replaces HKAS 17 "Leases" along with three Interpretations (HK(IFRIC)-Int 4 "Determining whether an Arrangement contains a Lease", HK(SIC)-Int 15 "Operating Leases-Incentives" and HK(SIC)-Int 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease"). HKFRS 16 has been applied using the modified retrospective approach, with the cumulative effect of adopting HKFRS 16 being recognised in equity as an adjustment to the opening balance of accumulated losses for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, the Group has elected to apply the definition of a lease from HKAS 17 and HK(IFRIC)-Int 4 and has not applied HKFRS 16 to arrangements that were previously not identified as lease under HKAS 17 and HK(IFRIC)-Int 4.

As a Lessee

The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of HKFRS 16, being 1 January 2019. At this date, the Group has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of HKFRS 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets, the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under HKAS 17 immediately before the date of initial application.

On transition to HKFRS 16, the Group has applied the practical expedient for applying a single discount rate to a portfolio of leases with reasonably similar characteristics. The weighted average incremental borrowing rate applied to lease liabilities recognised under HKFRS 16 was 5.21% per annum.

The following is a reconciliation of total operating lease commitments at 31 December 2018 to the lease liabilities recognised at 1 January 2019:

	HK$'000
Total operating lease commitments disclosed at 31 December 2018	10,944
Recognition exemptions:	
– Leases with remaining lease term of less than 12 months	(3,424)
Operating leases liabilities before discounting	7,520
Discounting using incremental borrowing rate as at 1 January 2019	(986)
Operating leases liabilities	6,534
Extension option reasonably certain to be exercised	12,513
Finance leases obligation	69,951
Total lease liabilities recognised under HKFRS 16 at 1 January 2019	88,998
Classified as:	
Current lease liabilities	31,911
Non-current lease liabilities	57,087
	88,998

The following tables summarised the impact of transition to HKFRS 16 on statement of financial position as of 31 December 2018 to that of 1 January 2019 as follows:

	Carrying amount at 31 December 2018	**Adjustments**	**Carrying amount at 1 January 2019**
	HK$'000	*HK$'000*	*HK$'000*
Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16:			
ASSETS			
Property, plant and equipment	489,116	(103,555)	385,561
Inventories	92,012	(5,440)	86,572
Right-of-use assets	–	128,042	128,042
LIABILITIES			
Finance lease payables (current)	28,610	(28,610)	–
Lease liabilities (current)	–	31,911	31,911
Finance lease payables (non-current)	41,341	(41,341)	–
Lease liabilities (non-current)	–	57,087	57,087
Effects on net assets	511,177	–	511,177

As a Lessor

Upon initial application of HKFRS 16, except for subleases in which the Group acts as an intermediate lessor, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16. Comparative information is not restated.

Subleases

Upon initial application of HKFRS 16, leased machineries under subleases were assessed and classified as an operating lease or a finance lease individually based on the remaining contractual terms and conditions of the head lease and the sublease at that date. All leased machineries under subleases of HK$109,911,000 as at 1 January 2019 were classified as operating leases.

Total impact arising from transition to HKFRS 16

The following table summarises the impact of transition to HKFRS 16 on the Group's consolidated statement of financial position at 1 January 2019:

	HK$'000
Increase in right-of-use assets	128,042
Increase in lease liabilities	88,998
Decrease in property, plant and equipment	(103,555)
Decrease in inventories	(5,440)
Decrease in finance lease payables	(69,951)

3.2 Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 17	Insurance Contracts[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 3	Definition of a Business[4]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[1]
Amendments to HKAS 1 and HKAS 8	Definition of Material[1]

1 Effective for annual periods beginning on or after 1 January 2020

2 Effective for annual periods beginning on or after 1 January 2021

3 Effective not yet determined

4 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. The above new and amended HKFRSs are not expected to have a material impact on the Group's consolidated 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 from which are subject to risks and returns that are different from those of the other operating segments.

The Plantation Business (the "**Disposal Group**") was discontinued and classified as held for sale as at balance sheet date. Information about the discontinued operations is provided in note 10. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to present the results of the Disposal Group as discontinued operations.

(a) Information regarding the Group's reportable segments as provided to the Group's executive Directors is set out below:

	Continuing operations							Discontinued operations			
	Hong Kong	Singapore	Vietnam	Macau	PRC	Inter segment elimination	Sub-total	Hong Kong	PRC	Sub-total	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 December 2019											
Revenue											
From external customers	62,162	54,354	–	–	7,957	–	124,473	–	28,535	28,535	153,008
From inter segment	–	–	–	–	–	–	–	–	–	–	–
Reportable segment revenue	62,162	54,354	–	–	7,957	–	124,473	–	28,535	28,535	153,008
Reportable segment (loss)/profit	(18,625)	(15,633)	(128)	(42)	574	–	(33,854)	(970)	82,755	81,785	47,931
Interest on shareholder's loans							(18,183)			–	(18,183)
Unallocated corporate expenses							(13,448)			–	(13,448)
(Loss)/profit for the year							(65,485)			81,785	16,300

	Continuing operations							Discontinued operations			
	Hong Kong	Singapore	Vietnam	Macau	PRC	Inter segment elimination	Sub-total	Hong Kong	PRC	Sub-total	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Other reportable segment information											
Interest income	1	–	–	–	–	–	1	–	151	151	152
Interest expenses	(1,989)	(1,849)	–	–	(1)	–	(3,839)	–	(94)	(94)	(3,933)
Gain arising from changes in fair value less costs to disposal of biological assets	–	–	–	–	–	–	–	–	94,158	94,158	94,158
Depreciation of non-financial assets	(18,673)	(24,068)	–	–	–	–	(42,741)	–	(16,637)	(16,637)	(59,378)
Recovery of impairment loss on trade receivables, net	137	71	–	–	–	–	208	–	–	–	208
Gain/(loss) on disposal of property, plant and equipment	52	(12)	–	–	–	–	40	–	–	–	40
Amortisation of deferred government grants for acquisition of property, plant and equipment	–	–	–	–	–	–	–	–	974	974	974
Income tax expense	(376)	–	–	–	(191)	–	(567)	–	–	–	(567)
Additions to non-current segment assets during the year	10,268	6,082	–	–	–	–	16,350	–	17,366	17,366	33,716

	Continuing operations							Discontinued operations			
	Hong Kong	Singapore	Vietnam	Macau	PRC	Inter segment elimination	Sub-total	Hong Kong	PRC	Sub-total	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2019											
Reportable segment assets	132,706	175,208	130	154	9,400	(2,510)	315,088	122	578,302	578,424	893,512
Other unallocated segment asset							13,490			–	13,490
Total assets							328,578			578,424	907,002
Reportable segment liabilities	105,478	69,852	254	27	8,835	–	184,446	–	30,795	30,795	215,241
Shareholder's loans							183,000			–	183,000
Other unallocated segment liability							18,183			–	18,183
Total liabilities							385,629			30,795	416,424

	Continuing operations						Discontinued operations			
	Hong Kong *HK$'000*	Singapore *HK$'000*	Vietnam *HK$'000*	Macau *HK$'000*	Inter segment elimination *HK$'000*	Sub-total *HK$'000* (restated)	Hong Kong *HK$'000*	PRC *HK$'000*	Sub-total *HK$'000* (restated)	Total *HK$'000*
Year ended 31 December 2018										
Revenue										
From external customers	63,299	44,978	–	–	–	108,277	–	82,039	82,039	190,316
From inter segment	10,475	–	–	–	(10,475)	–	–	–	–	–
Reportable segment revenue	73,774	44,978	–	–	(10,475)	108,277	–	82,039	82,039	190,316
Reportable segment (loss)/profit	(15,232)	(19,410)	92	59	–	(34,491)	(13)	91,699	91,686	57,195
Interest on bonds payable						(27,313)			–	(27,313)
Interest on shareholder's loans						(6,012)			–	(6,012)
Unallocated corporate expenses						(12,231)			–	(12,231)
(Loss)/profit for the year						(80,047)			91,686	11,639

	Continuing operations						Discontinued operations			
	Hong Kong *HK$'000*	Singapore *HK$'000*	Vietnam *HK$'000*	Macau *HK$'000*	Inter segment elimination *HK$'000*	Sub-total *HK$'000* (restated)	Hong Kong *HK$'000*	PRC *HK$'000*	Sub-total *HK$'000* (restated)	Total *HK$'000*
Other reportable segment information										
Interest income	1	2	–	–	–	3	–	1,109	1,109	1,112
Interest expenses	(2,832)	(1,734)	(1)	–	126	(4,441)	–	–	–	(4,441)
Gain arising from changes in fair value less costs to disposal of biological assets	–	–	–	–	–	–	–	83,996	83,996	83,996
Depreciation of non-financial assets	(15,384)	(22,674)	–	–	–	(38,058)	–	(17,360)	(17,360)	(55,418)
(Impairment loss)/recovery of impairment loss on trade receivables, net	(1,200)	(296)	228	–	–	(1,268)	–	–	–	(1,268)
Impairment loss on other receivables, net	(9)	–	–	–	–	(9)	–	–	–	(9)
Reversal of impairment loss on property, plant and equipment	–	1,693	–	–	–	1,693	–	–	–	1,693
(Loss)/gain on disposal of property, plant and equipment	(9)	6	–	–	–	(3)	–	–	–	(3)
Amortisation of deferred government grants for acquisition of property, plant and equipment	–	–	–	–	–	–	–	1,148	1,148	1,148
Income tax (expense)/credit	(1,414)	3,247	–	–	–	1,833	–	–	–	1,833
Additions to non-current segment assets during the year	17,292	13,113	–	–	–	30,405	–	21,023	21,023	51,428

	Continuing operations						Discontinued operations			
	Hong Kong	Singapore	Vietnam	Macau	Inter segment elimination	Sub-total	Hong Kong	PRC	Sub-total	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
						(restated)			(restated)	
At 31 December 2018										
Reportable segment assets	149,605	172,955	289	173	(2,510)	320,512	121	493,850	493,971	814,483
Other unallocated segment asset						4,064			–	4,064
Total assets						324,576			493,971	818,547
Reportable segment liabilities	69,670	60,757	283	26	–	130,736	–	21,441	21,441	152,177
Shareholder's loans						178,000			–	178,000
Other unallocated segment liability						6,012			–	6,012
Total liabilities						314,748			21,441	336,189

(b) In the following table, revenue is disaggregated by primary geographical markets of which the external customers from. The table also includes a reconciliation of the disaggregated revenue within the Group's reportable segment.

As disclosed in note 10, on 20 December 2019, the board of directors of the Company resolved to dispose of the Plantation Business.

	For the year ended 31 December					
	Continuing operations		**Discontinued operations**			
	Construction Equipment Business ***(Note (i))***		**Plantation Business** ***(Note (ii))***		**Total**	
	2019	2018	**2019**	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(restated)		(restated)		
Primary geographical markets						
Hong Kong	**62,162**	62,722	**–**	–	**62,162**	62,722
Singapore	**49,340**	37,096	**–**	–	**49,340**	37,096
Vietnam	**4,022**	1,718	**–**	–	**4,022**	1,718
PRC	**7,957**	–	**28,535**	82,039	**36,492**	82,039
Sri Lanka	**985**	422	**–**	–	**985**	422
Korea	**7**	6,319	**–**	–	**7**	6,319
Total	**124,473**	108,277	**28,535**	82,039	**153,008**	190,316

Notes:

(i) The revenue under Construction Equipment Business is derived from the reportable segments in Hong Kong and Singapore.

(ii) The revenue under Plantation Business is derived from the reportable segment in PRC.

The following table presents non-current assets (excluding deferred tax assets) by location of assets.

Continuing operations
Non-current assets

	Hong Kong (domicile)	Singapore	PRC	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2019	**92,011**	**149,535**	**–**	**241,546**
At 31 December 2018	178,662	156,524	–	335,186

Discontinued operations
Non-current assets

	Hong Kong	Singapore	PRC (domicile)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2019	**–**	**–**	**300,435**	**300,435**
At 31 December 2018	–	–	229,743	229,743

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 Hong Kong (2018: Hong Kong) segment amounted to approximately HK$20,483,000 (2018: approximately HK$24,051,000), which represented approximately 16% (2018: approximately 22%) of the Group's consolidated revenue in continuing operations.

5. REVENUE

Revenue from the Group's principal activities as set out in note 1 during the years are as follows:

	2019	2018
	HK$'000	*HK$'000*
		(restated)
Continuing operations		
Revenue from Contract with Customers within the scope of HKFRS 15:		
Sales of machinery	**21,700**	10,171
Sales of spare parts	**5,318**	9,505
Service income	**45,864**	38,840
	72,882	58,516
Revenue from other sources:		
Rental income from leasing of owned plant and machinery and those held under finance leases	**51,299**	49,258
Rental income from subleasing of plant and machinery	**292**	503
	51,591	49,761
	124,473	108,277
Discontinued operations		
Revenue from Contract with Customers within the scope of HKFRS 15:		
Sales of dried exocarpium citri grandis ("**Dried Fruits**") *(Note 10)*	**28,535**	82,039
	153,008	190,316

In following table, revenue is disaggregated by timing of revenue recognition. The table also includes revenue from other sources and a reconciliation of the disaggregated revenue within the Group's reportable segment.

	For the year ended 31 December					
	Continuing operations	**Discountined operations**		Continuing operations	Discontinued operations	
	Construction Equipment Business	**Plantation Business**	**Total**	Construction Equipment Business	Plantation Business	Total
	2019	**2019**	**2019**	2018	2018	2018
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
	(Note (i))	***(Note (ii))***		*(Note (i))*	*(Note (ii))*	
				(restated)	(restated)	
Timing of revenue recognition under HKFRS 15						
At a point in time	**27,018**	**28,535**	**55,553**	19,676	82,039	101,715
Transferred over time	**45,864**	**–**	**45,864**	38,840	–	38,840
	72,882	**28,535**	**101,417**	58,516	82,039	140,555
Revenue from other sources	**51,591**	**–**	**51,591**	49,761	–	49,761
	124,473	**28,535**	**153,008**	108,277	82,039	190,316

Notes:

(i) The revenue under Construction Equipment Business is derived from the reportable segments in Hong Kong and Singapore.

(ii) The revenue under Plantation Business is derived from the reportable segment in PRC.

6. OTHER INCOME AND GAINS

	2019	2018
	HK$'000	*HK$'000*
		(restated)
Continuing operations		
Bank interest income	**1**	3
Exchange gain, net	**480**	–
Compensation received	**279**	760
Gain on disposal of property, plant and equipment	**40**	–
Reversal of impairment loss on property, plant and equipment	**–**	1,693
Recovery of impairment loss on trade receivables, net	**208**	–
Others	**402**	3,107
	1,410	5,563
Discontinued operations		
Bank interest income	**151**	1,109
Government grants		
– for property, plant and equipment	**974**	1,148
Compensation received	**91**	–
	1,216	2,257
	2,626	7,820

7. OTHER OPERATING EXPENSES

	2019	2018
	HK$'000	*HK$'000*
		(restated)
Continuing operations		
Depreciation of property, plant and equipment:		
– Owned assets	**23,362**	23,862
– Assets held under lease liabilities/finance lease	**19,379**	14,196
	42,741	38,058
Discontinued operations		
Depreciation of property, plant and equipment:		
– Owned assets	**16,505**	17,360
– Assets held under lease liabilities/finance lease	**132**	–
Maintenance cost of mature bearer plants	**10,861**	14,428
	27,498	31,788
	70,239	69,846

8. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
		(restated)
Continuing operations		
Interest charges on financial liabilities stated at amortised cost:		
– Bank borrowing	**416**	368
– Shareholder's loans	**18,183**	6,012
– Bonds payable	**–**	27,313
– Lease liabilities	**3,423**	–
– Finance lease payables	**–**	3,163
– Other loans payable	**–**	910
	22,022	37,766
Discontinued operations		
Interest charges on financial liabilities stated at amortised cost:		
– Lease liabilities *(Note 10)*	**94**	–
	22,116	37,766

9. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is arrived at after charging/(crediting):

	2019	2018
	HK$'000	*HK$'000*
		(restated)
Continuing operations		
Auditor's remuneration		
– Current year	**1,147**	1,261
– Over provision in respect of prior year	**–**	(25)
Cost of inventories recognised as an expense	**2,876**	4,012
Depreciation of property, plant and equipment *(Note 7)*		
– Owned assets *(Note (i))*	**23,362**	23,862
– Assets held under lease liabilities/finance leases *(Note (ii))*	**19,379**	14,196
	42,741	38,058
(Recovery of impairment loss)/impairment loss on trade receivables, net *(Note (iii))*	**(208)**	1,268
Written off of trade receivables	**(360)**	–
Impairment loss on other receivables, net *(Note (iii))*	**–**	9
(Gain)/loss on disposal of property, plant and equipment	**(40)**	3
Reversal of impairment loss on property, plant and equipment *(Note 6)*	**–**	(1,693)
Written off of property, plant and equipment	**306**	88
Operating lease charges in respect of the land and premises	**1,536**	4,763
Employee costs (including Directors' remuneration *(Note (iv))*		
– Wages, salaries and bonuses	**40,446**	39,329
– Contribution to defined contribution plans	**2,940**	3,463
	43,386	42,792
Net foreign exchange (gain)/loss *(Note 6)*	**(480)**	1,814
Net rental expense from subletting of plant and machinery	**475**	138

	2019	2018
	HK$'000	*HK$'000*
		(restated)
Discontinued operations		
Cost of inventories recognised as an expense	**28,846**	58,113
Depreciation of property, plant and equipment *(Note 7)*		
– Owned assets	**16,505**	17,360
– Assets held under lease liabilities/finance leases	**132**	–
	16,637	17,360
Maintenance cost of mature bearer plants *(Note 7)*	**10,861**	14,428
Written off of property, plant and equipment	**2,951**	–
Operating lease charges in respect of the woodlands, land and premises	**–**	59
Employee costs (including Directors' remuneration)		
– Wages, salaries and bonuses	**1,995**	3,570
– Contribution to defined contribution plans	**577**	320
	2,572	3,890

(i) Depreciation of property, plant and equipment had been included in other operating expenses of approximately HK$23,362,000 (2018: HK$23,862,000).

(ii) Depreciation of assets held under lease liabilities/finance leases had been included in other operating expenses of approximately HK$19,379,000 (2018: HK$14,196,000).

(iii) Impairment loss on trade and other receivables had been included in administrative expenses whereas recovery of impairment loss on trade receivables had been included in other income and gains.

(iv) Employee costs (including Directors' remuneration) had been included in cost of sales and services of approximately HK$7,200,000 (2018: HK$11,818,000) and administrative expenses of approximately HK$36,186,000 (2018: HK$30,974,000).

10. DISCOUNTIUED OPERATIONS

Management of the Company have repeatedly made verbal and written requests to Guangdong Dahe Biological Technologies Limited （廣東大合生物科技股份有限公司）("**Guangdong Dahe**") and paid physical on-site visits, the Company has been refused access to Guangdong Dahe's plantation site from 28 December 2019. The Company has been unable to have access to the complete sets of books and records together with supporting documents of Guangdong Dahe since 1 December 2019. The financial results of Guangdong Dahe for the period from 1 January 2019 to 30 November 2019 is included in the consolidated accounts of the Group for the year ended 31 December 2019. In addition, the assets and liabilities of the Guangdong Dahe are de-consolidated from the balance sheet of the Group and separately shown as assets classified as held for sale and liabilities associated with assets held for sale, respectively (note 17). On 20 December 2019, the board of directors of the Company resolved to dispose of the Plantation Business.

As at the date on which this set of consolidated financial information were issued the aforesaid transaction has not been completed. For the details of the transaction, please refer to the Company's announcements dated 24 February, 6 and 19 March 2020, respectively.

Analysis of profit for the year from discontinued operations

The results of the discontinued operations included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows are set out below. The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

	2019	2018
	HK$'000	*HK$'000*
Revenue *(Note 5)*	**28,535**	82,039
Cost of sales	**(9,506)**	(27,986)
Gross profit	**19,029**	54,053
Gain arising from changes in fair value less costs to sell of biological assets	**94,158**	83,996
Other income *(Note 6)*	**1,216**	2,257
Selling and distribution expenses	**(28)**	(102)
Administrative expenses	**(4,998)**	(16,730)
Other operating expenses *(Note 7)*	**(27,498)**	(31,788)
Finance costs *(Note 8)*	**(94)**	–
Profit before income tax *(Note 9)*	**81,785**	91,686
Income tax expense *(Note 11)*	**–**	–
Profit for the year from discontinued operations	**81,785**	91,686
Other comprehensive income		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	**(7,657)**	(25,888)
Other comprehensive loss for the year from discontinued operations	**(7,657)**	(25,888)
Total comprehensive income for the year from discontinued operations	**74,128**	65,798
Operating cash flows	**(2,167)**	43,623
Investing cash flows	**(17,215)**	(19,914)
Financing cash flows	**1,236**	11
Total cash (outflows)/inflows	**(18,146)**	23,720

The carrying amounts of the assets and liabilities of Best Earnest Investments Limited（佳誠投資有限公司）(“**Best Earnest**”) and its subsidiaries (the “**Best Earnest Group**”), mainly includes Guangdong Dahe, have been classified and accounted for as a disposal group held for sale as at 31 December 2019 (note 17).

11. INCOME TAX EXPENSE/(CREDIT)

	Continuing operations		Discontinued operations		Total	
	2019	2018	**2019**	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(restated)		(restated)		
Current tax						
– Provision for PRC enterprise income tax	**191**	–	**–**	–	**191**	–
Deferred tax						
– Current year	**376**	(1,833)	**–**	–	**376**	(1,833)
Total income tax expense/(credit)	**567**	(1,833)	**–**	–	**567**	(1,833)

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“**BVI**”), the Group is not subject to any taxation under the jurisdictions of the Cayman Islands and the BVI.

Hong Kong, Singapore and Vietnam profits tax, Macau Complementary Tax have not been provided as the Group has no assessable profits in respective jurisdictions for the years.

According to the PRC tax law, its rules and regulations, enterprises that engage in certain qualifying agricultural business are eligible for certain tax benefits, including full PRC Enterprise Income Tax (“**EIT**”) exemption on profits derived from such business. For a subsidiary of the Group engaged in qualifying agricultural business in the PRC, it is entitled to full exemption of EIT for the years.

For subsidiaries of the Group engaged in construction equipment business in the PRC, the provision for the EIT has been provided at the applicable tax rate of 25% on the assessable profits of the Group.

12. DIVIDEND

The Board has resolved not to recommend the payment of any dividend for the year ended 31 December 2019 (2018: Nil).

13. (LOSS)/EARNINGS PER SHARE

(i) Continuing and discontinued operations

The calculation of the basic and diluted (loss)/earnings per share attributable to the owners of the Company is based on following data:

	2019	2018 (restated)
Loss		
Loss for the purposes of basic and diluted loss per share (HK$'000)	**(32,173)**	(42,672)
Number of shares		
Weighted average number of ordinary shares	**1,060,000,000**	1,060,000,000
Basic and diluted loss per share (HK cents)	**(3.04)**	(4.03)

Diluted loss per share equals to basic loss per share, as there were no potential dilutive ordinary shares issued during the years ended 31 December 2018 and 2019.

(ii) Continuing operations

	2019	2018 (restated)
Loss for the year attributable to owners of the Company *(HK$'000)*	**(32,173)**	(42,672)
Less: Profit for the year from discontinued operations *(HK$'000)*	**33,269**	37,406
	(65,442)	(80,078)
Basic and diluted loss per share from continuing operations (HK cents)	**(6.17)**	(7.55)

(iii) Discontinued operations

	2019	2018 (restated)
Profit for the year attributable to owners of the Company *(HK$'000)*	**33,269**	37,406
Basic and diluted earnings per share from discontinued operations (HK cents)	**3.13**	3.52

14. TRADE RECEIVABLES

	2019 *HK$'000*	2018 *HK$'000*
Trade receivables, gross	**44,013**	27,878
Less: Loss allowance	**(930)**	(1,515)
Trade receivables, net	**43,083**	26,363

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 (2018: 0 to 120 days) or based on the terms agreed in the relevant sales and rental agreements.

The Directors consider that the fair values of trade receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The ageing analysis of trade receivables as at the reporting date, net of impairment, based on invoice date, is as follows:

	2019 *HK$'000*	2018 *HK$'000*
0 – 30 days	**12,004**	8,812
31 – 60 days	**18,063**	9,278
61 – 90 days	**5,305**	3,457
Over 90 days	**7,711**	4,816
	43,083	26,363

The movement in the loss allowance for trade receivables during the year is as follows:

	2019	2018
	HK$'000	*HK$'000*
At 1 January	**1,515**	253
Impairment loss recognised	**1,142**	1,853
Written-off of trade receivables	**(360)**	–
Recovery of impairment	**(1,350)**	(585)
Net exchange differences	**(17)**	(6)
At 31 December	**930**	1,515

During the year ended 31 December 2019, included in impairment loss recognised for trade receivables of approximately HK$300,000 (2018: HK$1,157,000) represented loss allowance for credit-impaired trade receivables. The credit-impaired trade receivables are due from customers experiencing dispute that were in default or past due event.

15. TRADE PAYABLES

	2019	2018
	HK$'000	*HK$'000*
Trade payables	**35,718**	27,145

The credit period is, in general, 30 to 60 days or based on the terms agreed in purchase agreements.

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

	2019	2018
	HK$'000	*HK$'000*
0 – 30 days	**5,851**	14,914
31 – 60 days	**12,233**	3,335
61 – 90 days	**10,828**	2,529
Over 90 days	**6,806**	6,367
	35,718	27,145

The fair values of trade payables which are expected to be repaid within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

16. SHAREHOLDER'S LOANS

On 28 August 2018, the Company entered into an unsecured shareholder's loan agreement with the immediate and ultimate holding company of the Company in relation to the loan of HK$173,000,000 bearing interest at 10% per annum and repayable on demand. The loan, if drawn down, will be used for fulfilment of financial obligations of the Group. On 28 August 2018, HK$173,000,000 was drawn down by the Company.

On 30 November 2018, the Company entered into another unsecured shareholder's loan agreement with the immediate and ultimate holding company of the Company in relation to the loan of HK$5,000,000 bearing interest at 10% per annum and repayable on demand. The loan, if drawn down, will be used for financing the daily operations of the Group. On 3 December 2018, HK$5,000,000 was drawn down by the Company.

On 26 February 2019, the Company further entered into an unsecured shareholder's loan agreement with the immediate and ultimate holding company of the Company in relation to the loan of HK$2,500,000 bearing interest at 10% per annum and repayable on demand. The loan, if drawn down, will be used for financing the daily operations of the Group. On 27 February 2019, HK$2,500,000 was drawn down by the Company.

On 24 April 2019, the Company further entered into an unsecured shareholder's loan agreement with the immediate and ultimate holding company of the Company in relation to the loan of HK$2,500,000 bearing interest at 10% per annum and repayable on demand. The loan, if drawn down, will be used for financing the daily operations of the Group. On 25 April 2019, HK$2,500,000 was drawn down by the Company.

Mr. Zeng Li who is the sole director of the immediate and ultimate holding company of the Company. Mr. Zeng Li was also the director of the Company and resigned on 6 December 2019.

Shareholder's loans were not secured by any assets of the Group. In the opinion of the Directors, the shareholder's loan were granted to the Company on normal commercial terms or better to the Company.

17. ASSETS CLASSIFIED AS HELD FOR SALE

As referred to in note 10, on 20 December 2019, the board of directors of the Company resolved to dispose of the Plantation Business.

Subsequently, on 24 February 2020, the Group and a purchaser, who is one of the shareholder of Best Earnest and the Company, (the "Purchaser") entered into the Agreement, pursuant to which the Group conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the shares for a total consideration of HK$230,000,000.

	31 December 2019 *HK$'000*
Property, plant and equipment	224,637
Right-of-use assets	1,097
Inventories and consumables	150,158
Biological assets	6,254
Trade receivables	26,632
Prepayments, deposits and other receivables	8,047
Cash and cash equivalents	86,898
Goodwill	74,701
Assets classified as held for sale	578,424
Trade payables	12,685
Receipt in advance, accruals and other payables	8,775
Lease liabilities	1,146
Deferred government grant	8,189
Liabilities associated with assets classified as held for sale	30,795
Net assets classified as held for sale	547,629

18. SIGNIFICANT EVENT DURING THE YEAR

On 25 November 2019, Vast Bloom Investment Limited (大旺投資有限公司) (the "Subsidiary"), an indirect 51% owned subsidiary of the Company, which holds a 80% equity interest in Guangdong Dahe, received a notice dated 19 November 2019 from the Intermediate People's Court of Maoming City, Guangdong Province* (廣東省茂名市中級人民法院) (the "Court") regarding the proceedings relating to the dispute among the shareholders initiated by the minority shareholders of Guangdong Dahe. The Subsidiary holds a 80% equity interest in Guangdong Dahe (the "Court Proceedings"). In response to the Court Proceedings, the Subsidiary petitioned to the Court for the winding-up of Guangdong Dahe on 4 December 2019. As at the date on which this set of consolidated financial information were issued, the Court Proceedings and the winding-up petition are in progress.

As disclosed in note 10, on 20 December 2019, the board of directors of the Company resolved to dispose of the Plantation Business.

19. EVENTS AFTER REPORTING DATE

On 24 February 2020, the Group and the Purchaser entered into the Agreement, pursuant to which the Group conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the shares of holding company of the Disposal Group for a total consideration of HK$230,000,000.

As at the date on which this set of consolidated financial information were issued the aforesaid transaction has not been completed. For the details of the transaction, please refer to the Company's announcements dated 24 February and 6 March and 19 March 2020, respectively.

After considering the De-consolidation and the sharing of goodwill in gain or loss calculation, upon completion of the aforesaid transaction, it is expected that the Group will incur a net loss on the Disposal of not more than approximately HK$68,000,000.

As at the date on which this set of consolidated financial information were issued, the impacts of the COVID-19 outbreak on the Group's customers' financial positions and the macro-economic conditions as a whole are still uncertain, thus the Group is unable to quantify the related financial effects. However, it is noted that construction works in several construction sites in Hong Kong could only maintain limited operation or are forced to suspension. Accordingly, the execution of certain new contracts of the Group in relation to the leasing and servicing of tower cranes was postponed as customers in Hong Kong and the PRC postponed their operation due to the outbreak. By contrast, Singapore is less affected by the outbreak. Construction sites operated by customers of the Group in Singapore are currently in normal operation, as such the Group's business in Singapore has so far not been affected. The Group will pay close attention to the development of the COVID-19 and perform further assessment on its impact and take relevant measures.

EXTRACT OF INDEPENDENT AUDITORS' REPORT

The Company's auditors have issued a disclaimer of opinion on the Group's consolidated financial statements for the year ended 31 December 2019, an extract of the auditors' report is as follows:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and so as to whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

As at 31 December 2019, the Group held 51% equity interest in Best Earnest Investments Limited (佳誠投資有限公司) ("Best Earnest") and its subsidiaries (the "Best Earnest Group"). The principal activities of the Best Earnest Group are cultivation, research, processing and sales of exocarpium citri grandis and its seedlings that are solely carried out by its 80% owned subsidiary, Guangdong Dahe Biological Technologies Limited (廣東大合生物科技股份有限公司) ("Guangdong Dahe"). On 20 December 2019, the Board of Directors resolved to dispose of the Best Earnest Group. Subsequently on 24 February 2020, the Group entered into an agreement with the Purchaser, to which the Group conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the entire equity interest of Best Earnest. Accordingly, the Best Earnest Group was classified as a disposal group held for sale and as a discontinued operations as at 31 December 2019.

The Group has dispute with the non-controlling shareholders of Guangdong Dahe. As such, management of the Group was not allowed access to complete sets of management and accounting records of Guangdong Dahe and we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the profit from the discontinued operations of approximately HK$81,785,000 for the year ended 31 December 2019, assets classified as held for sale of approximately HK$578,424,000 and liabilities associated with assets classified as held for sale of approximately HK$30,795,000 as at 31 December 2019 and the related disclosures, as included in the consolidated financial statements of the Group, were fairly stated.

In addition, due to the dispute between the Group and the non-controlling shareholders of Guangdong Dahe, we were unable to obtain sufficient appropriate audit evidence to ascertain the existence, accuracy, presentation and completeness of balances of the biological assets of approximately HK$6,052,000, property, plant and equipment of approximately HK$229,743,000, inventories and consumables of approximately HK$75,338,000, prepayments, deposits and other receivables of approximately HK$2,087,000, cash and cash equivalents of approximately HK$105,044,000, trade payables of approximately HK$5,224,000, and receipt in advance, accruals and other payables of approximately HK$7,388,000 and deferred government grant of approximately HK$8,829,000 of the Best Earnest Group as at 31 December 2018 and its result for the year ended 31 December 2018 that were audited by the predecessor auditor.

As a result, we were unable to determine whether any adjustments were necessary in respect of the Group's net assets as at 31 December 2019 and 2018 and the results and cash flows for the years then ended.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL AND FINANCIAL REVIEW

Overall Performance

For the year ended 31 December 2019, the Group generated revenue from continuing operations of approximately HK$124.5 million (2018: approximately HK$108.3 million) with a loss for the year from continuing operations of approximately HK$65.5 million (2018: approximately HK$80.0 million). Revenue from discontinued operation recorded approximately HK$28.5 million with a profit from discontinued operation of approximately HK$81.8 million.

Business Review

Revenue from sales of machinery of approximately HK$21.7 million was recorded for the year under review, which represented an increase of approximately 113.4% as compared to 2018. The increase in machinery sales was mainly due to an increased in sales of large tonnage tower crane. The Group's customers in Singapore have shifted to buy new cranes with heavier lifting capacity to accommodate the adoption of pre-cast and pre-fabricated construction; therefore, the Group launched large tonnage tower crane to meet their demands. With regard to the sale of used cranes, the Group explored the Middle-east market to increase source of income.

Revenue from sales of spare parts recorded a decrease of approximately 44.1% for the year under review to approximately HK$5.3 million, mainly due to less erection and climbing activity involved by the Group's customer using certain spare parts according to the project schedule during the year under review.

Revenue from service income increased from approximately HK$38.8 million to approximately HK$45.9 million for the year under review, representing an increase of approximately 18.1% year over year mainly contributed by exploring new market in mainland China. The Group established three new companies in Shenzhen in October 2019 realised HK$7.9 million service income.

Rental income from leasing of machinery increased from approximately HK$49.8 million to approximately HK$51.6 million for the year under review, representing an increase of approximately 3.7% year over year mainly due to a slight increase of the rental price.

Dividend

The Board has resolved not to recommend the payment of any dividend for the year ended 31 December 2019 (2018: Nil).

Financial Review

Results for the year

As detailed in the sections headed "Business Review" above, the Group recorded a loss from continuing operations of approximately HK$65.5 million for the year (2018: HK$80.0 million).

For the year ended 31 December 2019, the Group's other income and gains from continuing operations amounted to approximately HK$1.4 million, representing a decrease of approximately 74.7% compared to that of FY2018. The decrease was mainly attributable to the absence of reversal of impairment loss on property, plant and equipment.

As at 31 December 2019, the Group's property, plant and equipment amounted to approximately HK$136.4 million, representing a decrease of approximately 72.1% compared to that as at 31 December 2018. The depreciation charges included in other operating expenses, and staff costs included in cost of sales and services and administrative expenses from the continuing operations for the Year increased by approximately HK$4.7 million and HK$0.6 million, respectively, as compared to the amounts for the previous year.

Finance costs from continuing operations amounted to approximately HK$22.0 million for the FY2019, representing a decrease of approximately 41.7% compared to those of FY2018. Finance costs from discontinued operation amounted to approximately HK$0.1 million for the FY2019.

Liquidity and Financial Resources

The Group had cash and cash equivalents of approximately HK$25.3 million as at 31 December 2019 (2018: approximately HK$120.5 million).

The total equity of the Group increased to approximately HK$490.6 million as at 31 December 2019 (2018: approximately HK$482.4 million).

As at 31 December 2019, the Group had net current assets of approximately HK$297.1 million (2018: net current liabilities of approximately HK$18.1 million).

Capital Structure

As at 31 December 2019, the Company had a total of 1,060,000,000 issued shares (the "**Shares**", each a "**Share**") with par value of HK$0.01 each. There was no change in the share capital of the Company during the Year.

Investment Position and Planning

During the Year, the Group spent approximately HK$33.7 million for acquisition of plant and equipment (2018: approximately HK$51.4 million).

Pursuant to a resolution passed in the board of management's meeting of Manta-Vietnam Construction Equipment Leasing Limited ("**Manta-Vietnam**" and the "**Board of Management**" respectively), a company incorporated in Vietnam and an indirect 67%-owned subsidiary of the Company, held on 10 January 2013, the Board of Management resolved to liquidate Manta-Vietnam (the "**Liquidation**"). As at the date of this announcement, the Liquidation is still in process.

Pursuant to the respective written resolutions of the sole member and the sole director of Manta Services Management Limited ("**Manta-Services**"), which had ceased business with effect from 31 December 2018, both dated 20 March 2019, it was resolved that an application be made to the Registrar of Companies in Hong Kong for deregistration of Manta-Services (the "**Application**"). The Application was made on 23 September 2019. As at the date of this announcement, the deregistration of Manta-Services is still in process.

Eagle Legend Equipment China Limited, an indirect wholly owned subsidiary of the Company, was incorporated in Hong Kong on 18 September 2019, for the purpose of holding 100% interest in three wholly foreign-owned (Hong Kong, Macau and Taiwan) limited companies (the "**WFOE**") incorporated in Shenzhen on 17 October 2019. The three WFOEs provide leasing of construction equipment and related services in PRC.

Material Acquisition or Disposal of Subsidiaries

On 24 February 2020, Lucky Boom Investments Limited (the "**Vendor**"), a wholly-owned subsidiary of the Company, and He Xiaoyang (the "**Purchaser**") entered into a sale and purchase agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire 51% of the issued share capital of Best Earnest Investments Limited ("**Best Earnest**"), for a total consideration of HK$230,000,000. The Purchaser is holding 49% of the issued share capital of Best Earnest. Best Earnest is indirectly holding 80% issued shares of 廣東大合生物科技股份有限公司 (for identification purpose, in English, Guangdong Dahe Biological Technologies Limited)("**Guangdong Dahe**"), a company principally engaged in the cultivation, research, processing and sale of exocarpium citri grandis (化橘紅), a Chinese herbal medicine, in the PRC. Further details of the above transaction were disclosed in the Company's announcements dated 24 February, 6 March and 19 March 2020, respectively. A circular containing, among other things, details of the above transaction, is expected to be despatched by the Company to the shareholder of the Company (the "**Shareholders**") on or before 15 April 2020. The above transaction is subject to Shareholders' approval.

Litigations

On 25 November 2019, Vast Bloom Investment Limited ("**Vast Bloom**"), an indirect 51%-owned subsidiary of the Company, which holds a 80% equity interest in Guangdong Dahe, received a notice dated 19 November 2019 from the Intermediate People's Court of Maoming City, Guangdong Province* (廣東省茂名市中級人民法院) (the "**Court**") regarding the proceedings relating to the dispute among the shareholders initiated by the minority shareholders of Guangdong Dahe (the "**Court Proceedings**"). In response to the Court Proceedings, Vast Bloom petitioned to the Court for the winding-up of Guangdong Dahe on 4 December 2019. As at the date of this announcement, the Court Proceedings and the winding-up petition with respect to Guangdong Dahe are still in progress and the trial hearing date has not yet been assigned by the Court. Details of the above litigation were disclosed in the Company's announcement dated 9 December 2019.

Gearing

The Group monitors capital using a gearing ratio, which is calculated by dividing the total debts (sum of carrying amounts of shareholder's loans, bank borrowings, amount due to a related company, lease liabilities and finance lease payables) by the total equity. The gearing ratio as at 31 December 2019 was increased to 0.6 (2018: 0.5), mainly due to the drawdown of shareholder's loans for the Year.

Pledge of Group Assets and Contingent Liabilities

As at 31 December 2019, the Group's banking facilities were secured by a building of the Group carried at cost with aggregated carrying amounts of approximately HK$32.1 million (2018: secured by a building of the Group carried at cost and with aggregated carrying amount approximately HK$33.4 million).

Exchange Rate Exposure

As at 31 December 2019, most 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 the Group's rental operations in Singapore was primarily denominated in Singapore dollar. Purchases of tower cranes, spare parts and accessories from suppliers were usually denominated in Euro or United States dollar. To hedge against foreign exchange fluctuations, hedging arrangements may be entered. However, no hedging arrangement was undertaken for revenue generated from the Group's operations in Singapore.

Treasury Policies

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

Contingent Liabilities

As at 31 December 2019, the Group did not have any significant contingent liabilities (2018: Nil).

Commitments

As at 31 December 2019, the Group had total capital commitments of approximately HK$0.8 million related to the acquisitions of property, plant and equipment (2018: approximately HK$2.6 million).

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2019, the Group had a total of 104 (2018: 118) employees in Hong Kong, Singapore, Vietnam and the PRC. 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

During the past few years, the Group's major markets for the construction equipment business were Hong Kong and Singapore. Since the demand for real estate and infrastructure in the PRC was much larger than that in Hong Kong and Singapore, the total construction volume in the PRC has supported the growth of the tower crane leasing industry. Therefore, the Group is optimistic about the development of the tower crane leasing market in the PRC and plans to expand into the PRC leasing market in order to increase its income from its major business. The Group plans to expand its current construction equipment leasing business to the Greater Bay Area first, and then gradually across the PRC market by focusing on the Greater Bay Area as its core market in the future. According to an industry report titled "2020 Investment Outlook of Construction Machinery" (工程機械2020投資展望) published on 31 December 2019 by Tebon Securities Co., Ltd., the amounts of existing stock for tower cranes in the PRC market are 41.06 million units and 42.37 million units in 2019 and 2020 respectively, compared to the total demand for tower cranes in real estate market of 49.37 million units and 50.86 million units respectively during the same years, which resulted in a supply and demand gap for 2019 and 2020 of 8.31 million units and 8.49 million units respectively. According to an industry report titled "The rise in the leasing of tower crane foundation in terms of both quantity and price has enabled ample room for larger companies to grow even larger" (塔基租賃龍頭量價齊升，強者恒強成長空間廣闊) published on 13 October 2019 by Pacific Securities Co., Ltd., the tower crane leasing market in the PRC continues to grow. The scale of the tower crane leasing market in the PRC is expected to reach RMB95 billion in 2019. In view of the current growth rate of 10% for the infrastructure sector, the scale of the leasing market is expected to break the RMB100 billion mark in 2020. The establishment of the business footprint in the Greater Bay Area has led to an increase in infrastructure demands in the region. The Group will seize the opportunity of economic growth in the Greater Bay Area and has established three subsidiaries in Shenzhen on October 2019 to provide the leasing of construction equipment and related services. Employees with relevant management and sales experience and mechanical engineers have been recruited to facilitate the Group's development into the Greater Bay Area market while professional staff from Hong Kong are assigned to provide support for the business in the Greater Bay Area.

At the same time, the Group will continue to strengthen its investment in the existing Singapore and Hong Kong markets and consider continuing with its purchase of large tower cranes to improve its market competitiveness. According to the statistics from the Housing and Development Board of Singapore, construction demand for both public and private sectors continues to grow. It is projected that construction demand between 2021 and 2022 will range from S$27 billion to S$34 billion per year and the demand between 2023 and 2024 will range from S$28 to S$35 billion per year, which are spearheaded by the demand of public housing and public-led private partnership construction projects, with projects awarded last year amounting to approximately S$33.4 billion. Future construction projects in Singapore, such as the development of Terminal 5 of Changi Airport, the development of Jurong Lake District, the expansion of two integrated resorts being Marina Bay Sands and Resorts World Sentosa, etc., should generate tremendous demand for tower crane machinery. Meanwhile, as most public housing and some private housing projects have adopted the prefabricated unit construction system, the Group's business of leasing large-capacity tower cranes will become more popular.

Infrastructure construction is severely affected by the outbreak of the novel coronavirus pandemic (the "**Outbreak**"), namely the stoppage and delay in work resumption as well as strict traffic controls. At the same time, since a lot of raw materials and components are manufactured in the PRC, which has affected the transportation and supply of building materials to Hong Kong, the construction works in several construction sites in Hong Kong could only maintain limited operation or had been forced to suspend. Accordingly, the execution of certain new contracts of the Group in relation to the leasing and servicing of tower cranes was postponed as customers in Hong Kong and the PRC had postponed their operation due to the Outbreak. By contrast, Singapore is less affected by the Outbreak. Construction sites operated by customers of the Group in Singapore are currently in normal operation, and as such the Group's business in Singapore has so far not been affected.

Although the unexpected the Outbreak at the beginning of 2020 became a major variable for the PRC economy, it appears that infrastructure investment is likely to maintain a moderate growth throughout the year. The role of infrastructure in stabilising the economy and absorbing employment, which is in line with the PRC's core policy of "Maintaining growth and stable employment", has become more prominent under the Outbreak. In 2020, given that there is more room for progress in the policies related to infrastructure investment, and variables such as the Outbreak and special bonds, the growth rate for infrastructure investment in 2020 is expected to recover to approximately 10%. As tower crane machinery is an essential construction tool in real estate infrastructure, there remains to be a promising future for tower crane machinery in the leasing market.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the FY2019, the Company did not redeem any of its own listed securities, nor did the Company or any of its subsidiaries purchase or sell such securities .

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

Save as disclosed in note 19 to the Consolidated Financial Statements for the Year set out in this announcement, the Group did not have any other material subsequent event after the reporting period and up to the date of this announcement.

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 continue to strive to develop and implement effective corporate governance practices and procedures.

The Company has adopted the code provisions as set out in the Corporate Governance Code as contained in Appendix 14 to the Listing Rules (the "**CG Code**") as its own code of corporate governance. The Board has reviewed the Company's corporate governance practices and is satisfied that the Company had complied with the applicable code provisions of the CG Code throughout the Year.

Full details on the Company's corporate governance practices are set out in the Company's 2019 Annual Report.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct governing securities transactions by the Directors during the FY2019. Having made specific enquiries, all Directors confirmed that they had complied with the required dealing standards set out in the Model Code throughout the FY2019.

CHANGE OF DIRECTORS

The changes in information of the Directors since the date of the Company's 2019 interim report are set out below:

1. Mr. Winerthan Chiu has resigned as an executive Director and the Chief Executive Officer (the "**CEO**") and Ms. Yang Yan Tung Doris has resigned as an independent non-executive Director (the "**INED**"), both with effect from 4 November 2019;

2. Mr. Zhao Yi has been appointed as an executive Director and the CEO and each of Mr. Li Yongjun and Mr. Xu Xiaowu has been appointed as an INED, all with effect from 4 November 2019;

3. Mr. Tsui Robert Che Kwong has resigned as an INED with effect from 9 November 2019;

4. Mr. Zeng Li has resigned as an executive Director and the chairman of the Board and Mr. Wan Tze Fan Terence has resigned as an INED, both with effect from 6 December 2019; and

5. Mr. Diao Yingfeng has been appointed as an INED with effect from 6 December 2019.

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 CG Code and the Listing Rules, the written terms of reference had been revised on 27 March 2012 and were further revised on 31 December 2015, 22 March 2017 and 24 December 2018. Currently, the members of the Audit Committee comprises three INEDs, namely Mr. Xu Xiaowu (chairman of the Audit Committee), Mr. Li Yongjun and Mr. Diao Yingfeng.

The Audit Committee is primarily responsible for overseeing all financial reporting procedures and the effectiveness of the Company's risk management and internal controls and then reporting the findings, decisions and recommendations 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 audited consolidated financial statements of the Group for the Year and this annual results announcement had been reviewed by the Audit Committee and were approved by the Board on 27 March 2020.

REVIEW OF FINANCIAL INFORMATION

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the FY2019 as set out in this annual results announcement have been agreed by the Group's independent auditor, Grant Thornton Hong Kong Limited ("**Grant Thornton**"), to the amounts set out in the Group's audited consolidated financial statements for the FY2019. The work performed by Grant Thornton 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 HKICPA and consequently, no assurance has been expressed by Grant Thornton on this announcement.

2020 ANNUAL GENERAL MEETING

The 2020 annual general meeting of the Company (the "**2020 Annual General Meeting**") will be held on Friday, 22 May 2020. The Notice of the 2020 Annual General Meeting will be published and dispatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 19 May 2020 to Friday, 22 May 2020, both dates inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the 2020 Annual General Meeting, non-registered Shareholders must lodge all duly completed transfer documents, accompanied by the relevant share certificates with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 18 May 2020.

PUBLICATION OF INFORMATION ON DESIGNATED WEBSITES

This annual results announcement is published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.elasialtd.com). The annual report of the Company for the FY2019 containing all the information required by the Listing Rules will be published on the aforesaid websites and will be dispatched to the Shareholders in due course in the manner as required by the Listing Rules.

By order of the Board
Eagle Legend Asia Limited
Guo Peineng
Deputy Chairman

Hong Kong, 27 March 2020

As at the date of this announcement, the Board comprises Mr. Guo Peineng, Mr. Zhao Yi and Mr. Chen Huajie as executive Directors; and Mr. Xu Xiaowu, Mr. Li Yongjun and Mr. Diao Yingfeng as INEDs.