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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the announcement of Eagle Legend Asia Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 27 March 2020 in relation to the annual results of the Company for the year ended 31 December 2019 (the “**Annual Results Announcement**”). Unless otherwise stated, capitalized terms used in this announcement shall have the same meaning as those defined in the Annual Results Announcement.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to provide supplemental information in respect of the Annual Results Announcement.

DISPUTES WITH THE MINORITY SHAREHOLDERS OF GUANGDONG DAHE

As disclosed in the announcement of the Company dated 9 December 2019, the minority shareholders of Guangdong Dahe (the “**Minority Shareholders**”) initiated proceedings relating to the dispute among the shareholders of Guangdong Dahe (the “**Dispute with Minority Shareholders**”) with the Intermediate People’s Court of Maoming City, Guangdong Province* (廣東省茂名市中級人民法院) (the “**Court**”), in which the Minority Shareholders filed the civil complaints to the Court and requested the Court to abrogate the shareholders’ resolution of Guangdong Dahe in relation to the change of the legal representative of Guangdong Dahe, who was appointed by the Minority Shareholders (the “**Legal Representative**”). In response to this, on 27 November 2019, Vast Bloom filed the petition to the Court for the winding-up of Guangzhou Dahe (the “**Winding-up Petition**”) and the Court issued the acceptance notice on 4 December 2019. On 28 November 2019, Vast Bloom successfully obtained the Court order to freeze the bank accounts of Guangdong Dahe for up to RMB78 million.

Due to the disputes with the Minority Shareholders, Guangdong Dahe refused to cooperate with Vast Bloom and the Company. Despite the fact that the management of the Company repeatedly made verbal and written request to Guangzhou Dahe, the personnel of Company and representatives of the Company's auditors (the "Auditors") have been rejected access to the offices and plantation sites of Guangdong Dahe since 28 December 2019. The company seal, financial documents and other property of Guangdong Dahe were in the custody of the Minority Shareholders, who refused to return the same to the representative appointed by Vast Bloom to Guangdong Dahe.

On 6 January 2020, a civil complaint against the Legal Representative and the Minority Shareholders was filed by Guangdong Dahe to the Court for demanding the return of the company seal, various official registration papers, information and property of Guangdong Dahe (the "Returning Property Complaint") and the Court issued the complaint acceptance notice on 7 February 2020. A criminal complaint was also filed with Guangdong Maoming Public Security Bureau* (廣東省茂名市公安局) (the "MPSB") against the Legal Representative for his alleged fraudulent acts including the unlawful registration of a new company chop for Guangdong Dahe.

In addition, Vast Bloom made submissions to various PRC government authorities such as Maoming City Government*(茂名市政府), Maoming Political and Law Committee*(茂名政法委), the MPSB and Maoming Social Security Bureau* (茂名社保局) to try and seek governmental intervention and assistance with respect to the wrongful acts of the Legal Representative and the disputes with the Minority Shareholders.

As at the date of this announcement, the court hearing dates for the Dispute with Minority Shareholders, the Winding-up Petition and the Returning Property Complaint were not assigned by the Court.

DISCLAIMER OF OPINION ON THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The management of the Company (the "Management"), the Auditors and the audit committee of the Company (the "Audit Committee") discussed the issue relating to the Best Earnest Group and reached the consensus on the disclaimer of opinion on the Group's consolidated financial statements for the year ended 31 December 2019. There is no difference in views among the Management, the Audit Committee and the Auditors with regard to the disclaimer opinion.

The Management, the Audit Committee and the Auditors held a meeting (the “**Meeting**”) on 27 March 2020 to discuss the annual results of the Group for the year ended 31 December 2019. At the Meeting, the members of the Audit Committee inquired the Management regarding the status of Guangdong Dahe’s financial reporting. The Management reported that since 28 December 2019, despite the efforts made by the Company, the representative of the Company and representatives of the Auditors have been refused access to Guangdong Dahe’s office and its planation site for audit. 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 Management also updated the Audit Committee with respect to the latest status of the disputes with the Minority Shareholders as set out in the section headed “Disputes with the Minority Shareholders” above.

The Auditors submitted their audit committee report (the “**AC Report**”) to the Audit Committee, which contained the rationale and the accounting treatment regarding the disclaimer of opinion on the Group’s consolidated financial statement for the year ended 31 December 2019.

Having considered the report of the Management on Guangdong Dahe and the AC Report, the Audit Committee agreed to issue the disclaimer of opinion on the Group’s consolidated financial statements for the year ended 31 December 2019.

Assuming that the Company can obtain the Shareholders’ approval at the extraordinary general meeting of the Company for the sale of 51% of the issued shares of Best Earnest Investments Limited and after discussion with the Auditors, it is expected that a disclaimer of opinion on the Group’s profit and loss account and the opening balance in relation to Best Earnest Group on the Group’s balance sheet would be issued for the year ending 31 December 2020 and a clean opinion on the Group’s balance sheet would be issued for the year ending 31 December 2021.

In light of the above, a clean audit report of the Group would be issued for the year ending 31 December 2021.

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

Hong Kong, 22 April 2020

As at the date of this announcement, the board of directors of the Company 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 independent non-executive directors.

* *For identification purpose only.*