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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)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

The board of directors (the “**Board**”, or the “**Director(s)**”) of Eagle Legend Asia Limited (“**Eagle Legend**” or the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2020 (the “**FY2020**” or the “**Year**”) together with the comparative figures for the financial year ended 31 December 2019 (the “**FY2019**”) as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 December 2020*

	<i>Notes</i>	<b>2020</b> <i>HK\$’000</i>	2019 <i>HK\$’000</i>
<b>Continuing operations</b>			
<b>Revenue</b>	5	<b>143,061</b>	124,473
Cost of sales and services		<u>(76,193)</u>	<u>(70,682)</u>
<b>Gross profit</b>		<b>66,868</b>	53,791
Other income and gains	6	<b>5,829</b>	1,410
Selling and distribution expenses		<b>(1,690)</b>	(2,851)
Administrative expenses		<b>(61,994)</b>	(52,505)
Other operating expenses	7	<b>(53,713)</b>	(42,741)
Finance costs	8	<b>(17,789)</b>	(22,022)
<b>Loss before income tax</b>	9	<b>(62,489)</b>	(64,918)
Income tax expense	11	<b>(550)</b>	(567)
Loss for the year from continuing operations		<u><b>(63,039)</b></u>	<u>(65,485)</u>
<b>Discontinued operations</b>			
(Loss)/profit for the year from discontinued operations	10	<b>(1,234)</b>	81,785
Loss on disposal of subsidiaries	20	<b>(68,272)</b>	–

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

*For the year ended 31 December 2020*

	<i>Notes</i>	<b>2020</b> <b>HK\$'000</b>	2019 <b>HK\$'000</b>
<b>(Loss)/profit for the year from discontinued operations</b>		<u>(69,506)</u>	<u>81,785</u>
<b>(Loss)/profit for the year</b>		<u>(132,545)</u>	<u>16,300</u>
<b>Continuing operations</b>			
<b>Other comprehensive income/(loss)</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Loss on revaluation of properties, net of tax		–	(699)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>52</u>	<u>276</u>
<b>Other comprehensive income/(loss) for the year from continuing operations</b>		<u><u>52</u></u>	<u><u>(423)</u></u>
<b>Discontinued operations</b>			
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(8,481)	(7,657)
Translation reserve released upon disposal of subsidiaries		<u>9,042</u>	<u>–</u>
<b>Other comprehensive income/(loss) for the year from discontinued operations</b>		<u><u>561</u></u>	<u><u>(7,657)</u></u>
<b>Other comprehensive income/(loss) for the year</b>		<u><u>613</u></u>	<u><u>(8,080)</u></u>
<b>Total comprehensive (loss)/income for the year</b>		<u><u>(131,932)</u></u>	<u><u>8,220</u></u>

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

*For the year ended 31 December 2020*

	<i>Notes</i>	<b>2020</b> <b>HK\$'000</b>	2019 HK\$'000
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Company			
– Continuing operations		<b>(62,999)</b>	(65,442)
– Discontinued operations		<b>(68,901)</b>	33,269
		<u>(131,900)</u>	<u>(32,173)</u>
<b>Loss for the year attributable to owners of the Company</b>			
Non-controlling interests			
– Continuing operations		<b>(40)</b>	(43)
– Discontinued operations		<b>(605)</b>	48,516
		<u>(645)</u>	<u>48,473</u>
<b>(Loss)/profit for the year attributable to non-controlling interests</b>			
		<u><b>(132,545)</b></u>	<u>16,300</u>
<b>Total comprehensive (loss)/income attributable to:</b>			
– Owners of the Company		<b>(126,266)</b>	(36,314)
– Non-controlling interests		<b>(5,666)</b>	44,534
		<u><b>(131,932)</b></u>	<u>8,220</u>
<b>Loss per share from continuing and discontinued operations</b>			
– Basic and diluted (HK cents)	<i>13(i)</i>	<u><b>(12.44)</b></u>	<u>(3.04)</u>
<b>Loss per share from continuing operations</b>			
– Basic and diluted (HK cents)	<i>13(ii)</i>	<u><b>(5.94)</b></u>	<u>(6.17)</u>
<b>(Loss)/earnings per share from discontinued operations</b>			
– Basic and diluted (HK cents)	<i>13(iii)</i>	<u><b>(6.50)</b></u>	<u>3.13</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	<i>Notes</i>	<b>2020</b> <b>HK\$'000</b>	2019 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>138,810</b>	136,431
Right-of-use assets		<b>130,585</b>	104,793
Intangible assets	<i>14</i>	<b>2,466</b>	–
Deferred tax assets		<b>101</b>	101
Deposits		<b>1,097</b>	322
Trade receivables	<i>16</i>	<b>298</b>	–
		<u><b>273,357</b></u>	<u>241,647</u>
<b>Current assets</b>			
Properties under development	<i>15</i>	<b>95,598</b>	–
Inventories and consumables		<b>11,561</b>	11,869
Trade receivables	<i>16</i>	<b>64,224</b>	43,083
Prepayments, deposits and other receivables		<b>10,960</b>	6,653
Cash and cash equivalents		<b>29,953</b>	25,326
		<u><b>212,296</b></u>	<u>86,931</u>
Assets classified as held for sale	<i>19</i>	–	578,424
		<u><b>212,296</b></u>	<u>665,355</u>
<b>Current liabilities</b>			
Trade payables	<i>17</i>	<b>58,704</b>	35,718
Receipt in advance, accruals and other payables		<b>60,941</b>	49,543
Contract liabilities		<b>4,720</b>	78
Borrowings		<b>7,797</b>	2,153
Shareholder's loans	<i>18</i>	<b>83,000</b>	183,000
Lease liabilities		<b>36,143</b>	26,740
Amount due to a related company		–	40,000
Tax payable		<b>440</b>	188
		<u><b>251,745</b></u>	<u>337,420</u>
Liabilities directly associated with assets classified as held for sale	<i>19</i>	–	30,795
		<u><b>251,745</b></u>	<u>368,215</u>
<b>Net current (liabilities)/assets</b>		<u><b>(39,449)</b></u>	<u>297,140</u>
<b>Total assets less current liabilities</b>		<u><b>233,908</b></u>	<u>538,787</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2020

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<b>Non-current liabilities</b>		
Borrowings	65,363	11,707
Lease liabilities	39,072	34,305
Deferred tax liabilities	2,197	2,197
	<u>106,632</u>	<u>48,209</u>
<b>Net assets</b>	<u><u>127,276</u></u>	<u><u>490,578</u></u>
<b>EQUITY</b>		
Share capital	10,600	10,600
Reserves	116,208	224,937
	<u>126,808</u>	<u>235,537</u>
<b>Equity attributable to the owners of the Company</b>	<b>126,808</b>	235,537
Non-controlling interests	468	255,041
	<u>127,276</u>	<u>490,578</u>
<b>Total equity</b>	<u><u>127,276</u></u>	<u><u>490,578</u></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2020*

## 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 Windward 3, Regatta Office Park, P.O. Box 1350, 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**”) are 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**”) and (iii) property development (“**Property Development Business**”). The Group had classified the Plantation Business as discontinued operations during the year ended 31 December 2019. On 24 June 2020 (the “**Disposal Date**”), the Group had completed the disposal of the Plantation Business and, as a result, ceased to engage in such business.

The Company’s issued shares have been listed on the Main Board of the Stock Exchange since 19 July 2010. The immediate and ultimate holding company of the Company is Harbour Luck Investments Limited (“**Harbour Luck**”) 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 disclosure 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.

At the end of reporting period, the Group's current liabilities exceeded its current assets by approximately HK\$39,449,000. The Directors consider that the Group will be able to meet its financial obligations as they fall due for twelve months from 31 December 2020, on the basis that an undertaking from the immediate and ultimate holding company not to demand for repayment of the unsecured shareholder's loans due by the Group of approximately HK\$83,000,000 as at 31 December 2020 until such time when repayment will not affect the Group's ability to repay other creditors in the normal course of business and obtain financial support from one of the shareholders of the Company.

The financial statements have been prepared on the historical cost basis. 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 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 Amended HKFRSs that are effective for annual periods beginning or after 1 January 2020**

In the current year, the Group has applied for the first time the following 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 2020:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKAS 1 and HKAS 8	Definition of Material

In addition, on 1 January 2020, the Group has early applied the Amendments to HKFRS 16 "Covid-19-Related Rent Concessions" ("**Amendments to HKFRS 16**") which will be effective for the Group for financial year beginning on or after 1 June 2020.

Other than as noted below, the adoption of the amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

***Amendments to HKFRS 16***

Amendments to HKFRS 16 only apply to lessee accounting and have no effect on lessor accounting. The amendments provide a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 (“**COVID-19-Related Rent Concessions**”) are lease modification and, instead, account for those rent concessions as if they were not lease modifications.

The practical expedient is only applicable to COVID-19-Related Rent Concessions and only if all of the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- (c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to early adopt the amendments and applies the practical expedient to all qualifying COVID-19-Related Rent Concessions granted to the Group during the year.

The lessor of lease liabilities granted a deferral of repayment of lease liabilities of six months of approximately HK\$2,816,000. Approximately HK\$1,688,000 related to the repayment during the year was deferred.



### 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 and related amendments <sup>3</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>5</sup>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>3</sup>
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018-2020 <sup>2</sup>
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>4</sup> Effective date not yet determined

<sup>5</sup> Effective for business combinations/common control combination for which the acquisition/combination date is on or after the beginning of the first annual period beginning on or after 1 January 2022

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 31 December 2019. Information about the discontinued operations is provided in note 10.

On 24 April 2020, the Group acquired a land for property development. The Group considered that Property Development Business is an individual operating segment.

Segment assets include all assets but exclude corporate assets which are not directly attributable to the business activities of any operating segment and are not allocated to a segment, which primarily applies to the Group's headquarter. Segment liabilities exclude shareholder's loans and corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

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

	Continuing operations							Discontinued operations							
	Construction Equipment Business						Inter segment elimination	Property Development Business		Plantation Business					
	Hong Kong		Vietnam	Macau	PRC	Sub-total		Hong Kong	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	HK\$'000	HK\$'000		
Year ended 31 December 2020															
Revenue															
From external customers	41,792	53,009	-	-	48,260	-	143,061	-	143,061	-	-	-	143,061		
From inter segment	18,016	-	-	-	-	(18,016)	-	-	-	-	-	-	-		
Reportable segment revenue	59,808	53,009	-	-	48,260	(18,016)	143,061	-	143,061	-	-	-	143,061		
Reportable segment (loss)/profit	(31,302)	(3,520)	(120)	(42)	5,675	101	(29,208)	(1,672)	(30,880)	(1,234)	-	(1,234)	(32,114)		
Loss on disposal of subsidiaries								-	-	(68,272)				(68,272)	
Interest on shareholder's loans								(12,617)	(12,617)					(12,617)	
Unallocated corporate expenses															
- Corporate staff costs								(13,314)	(13,314)					(13,314)	
- Others								(6,228)	(6,228)					(6,228)	
Loss for the year								(61,367)	(63,039)					(132,545)	

	Continuing operations							Discontinued operations						
	Construction Equipment Business							Property Development Business	Plantation Business					
	Hong Kong		Singapore	Vietnam	Macau	PRC	Inter segment elimination	Sub-total	Hong Kong	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	HK\$'000	HK\$'000	
<b>Other reportable segment information</b>														
Interest income	-	2	-	-	2	-	4	-	4	-	-	-	4	
Interest expenses	(1,333)	(1,825)	-	-	(637)	-	(3,795)	(1,377)	(5,172)	-	-	-	(5,172)	
Depreciation of non-financial assets	(24,842)	(22,978)	-	-	(5,071)	-	(52,891)	-	(52,891)	-	-	-	(52,891)	
Amortisation of intangible assets	-	-	-	-	(822)	-	(822)	-	(822)	-	-	-	(822)	
Gain on disposal of property, plant and equipment	3	-	-	-	-	-	3	-	3	-	-	-	3	
(Provision for)/reversal of provision for inventories, net	(1,360)	105	-	-	-	-	(1,255)	-	(1,255)	-	-	-	(1,255)	
Impairment loss on trade receivables, net	(597)	(21)	-	-	-	-	(618)	-	(618)	-	-	-	(618)	
Written-off of trade receivables	(729)	(18)	-	-	-	-	(747)	-	(747)	-	-	-	(747)	
Impairment loss on property, plant and equipment	(59)	-	-	-	-	-	(59)	-	(59)	-	-	-	(59)	
Impairment loss on right-of-use assets	(5,641)	-	-	-	-	-	(5,641)	-	(5,641)	-	-	-	(5,641)	
Income tax expense	-	-	-	-	(550)	-	(550)	-	(550)	-	-	-	(550)	
Additions to non-current segment assets during the year	7,681	35,875	-	-	48,783	-	92,339	-	92,339	-	-	-	92,339	

	Continuing operations							Discontinued operations					
	Construction Equipment Business							Property Development Business	Plantation Business				
	Hong Kong	Singapore	Vietnam	Macau	PRC	Inter segment elimination	Sub-total	Hong Kong	Sub-total	Hong Kong	PRC	Sub-total	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>At 31 December 2020</b>													
Reportable segment assets	96,809	193,598	48	148	83,868	(2,510)	371,961	99,075	471,036	-	-	-	471,036
Other unallocated segment asset							14,617		14,617				14,617
<b>Total assets</b>							<b>386,578</b>		<b>485,653</b>				<b>485,653</b>
Reportable segment liabilities	61,761	76,998	581	43	76,070	-	215,453	40,649	256,102	-	-	-	256,102
Shareholder's loans							83,000		83,000				83,000
Other unallocated segment liabilities							19,275		19,275				19,275
<b>Total liabilities</b>							<b>317,728</b>		<b>358,377</b>				<b>358,377</b>

	Continuing operations							Discontinued operations				
	Construction Equipment Business							Plantation Business				
	Hong Kong	Singapore	Vietnam	Macau	PRC	Inter segment elimination	Sub-total	Hong Kong	PRC	Sub-total	Total	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
<b>Year ended 31 December 2019</b>												
<b>Revenue</b>												
From external customers	62,162	54,354	-	-	7,957	-	124,473	-	28,535	28,535	153,008	
From inter segment	-	-	-	-	-	-	-	-	-	-	-	
<b>Reportable segment revenue</b>	<b>62,162</b>	<b>54,354</b>	<b>-</b>	<b>-</b>	<b>7,957</b>	<b>-</b>	<b>124,473</b>	<b>-</b>	<b>28,535</b>	<b>28,535</b>	<b>153,008</b>	
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)	
<b>(Loss)/profit for the year</b>							<b>(65,485)</b>			<b>81,785</b>	<b>16,300</b>	

	Continuing operations						Discontinued operations			Total
	Construction Equipment Business						Plantation Business			
	Hong Kong HK\$'000	Singapore HK\$'000	Vietnam HK\$'000	Macau HK\$'000	PRC HK\$'000	Sub-total HK\$'000	Hong Kong HK\$'000	PRC HK\$'000	Sub-total 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			Total
	Construction Equipment Business							Plantation Business			
	Hong Kong HK\$'000	Singapore HK\$'000	Vietnam HK\$'000	Macau HK\$'000	PRC HK\$'000	Inter segment elimination HK\$'000	Sub-total HK\$'000	Hong Kong HK\$'000	PRC HK\$'000	Sub-total HK\$'000	
<b>At 31 December 2019</b>											
<b>Reportable segment assets</b>	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
<b>Total assets</b>							<b>328,578</b>			<b>578,424</b>	<b>907,002</b>
<b>Reportable segment liabilities</b>	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 liabilities							18,183			-	18,183
<b>Total liabilities</b>							<b>385,629</b>			<b>30,795</b>	<b>416,424</b>

- (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 resolved to dispose of the Plantation Business.

	For the year ended 31 December							
	Continuing operations				Discontinued operations			
	Construction				Plantation Business			
	Equipment Business (Note (i))		Property Development Business		(Note (ii))		Total	
2020	2019	2020	2019	2020	2019	2020	2019	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Primary geographical markets								
Hong Kong (place of domicile)	38,401	62,162	-	-	-	-	38,401	62,162
Singapore	50,136	49,340	-	-	-	-	50,136	49,340
PRC	48,261	7,957	-	-	-	28,535	48,261	36,492
Holland	2,596	-	-	-	-	-	2,596	-
United Arab Emirates	2,486	-	-	-	-	-	2,486	-
Korea	839	7	-	-	-	-	839	7
Vietnam	122	4,022	-	-	-	-	122	4,022
Sri Lanka	89	985	-	-	-	-	89	985
Thailand	66	-	-	-	-	-	66	-
Indonesia	65	-	-	-	-	-	65	-
Total	<b>143,061</b>	124,473	-	-	-	28,535	<b>143,061</b>	153,008

Notes:

- (i) The revenue under Construction Equipment Business is derived from the reportable segments in Hong Kong, PRC 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 and financial instrument) by location of assets.

**Continuing operations**

*Non-current assets*

	<b>Hong Kong (domicile) HK\$'000</b>	<b>Singapore HK\$'000</b>	<b>PRC HK\$'000</b>	<b>Total HK\$'000</b>
<b>At 31 December 2020</b>	<b>67,406</b>	<b>161,294</b>	<b>44,258</b>	<b>272,958</b>
At 31 December 2019	92,011	149,535	–	241,546

**Discontinued operations**

*Non-current assets*

	<b>Hong Kong HK\$'000</b>	<b>Singapore HK\$'000</b>	<b>PRC (domicile) HK\$'000</b>	<b>Total HK\$'000</b>
<b>At 31 December 2020</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
At 31 December 2019	–	–	300,435	300,435

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

**Information about major customer**

During the year ended 2020, revenue from customer A of the Group's PRC segment amounting to approximately HK\$17,729,000, which represented approximately 12% of the Group's consolidated revenue in continuing operations (2019: N/A).

During the year ended 2019, revenue from customer B of the Group's Hong Kong segment amounting to approximately HK\$20,483,000, which represented approximately 16% of the Group's consolidated revenue in continuing operations (2020: N/A).

## 5. REVENUE

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<b>Continuing operations</b>		
<b><i>Revenue from Contract with Customers within the scope of HKFRS 15:</i></b>		
Sales of machinery	12,171	21,700
Sales of spare parts	2,025	5,318
Service income	<u>27,715</u>	<u>45,864</u>
	<b>41,911</b>	72,882
<b><i>Revenue from other sources:</i></b>		
Rental income from leasing of owned plant and machinery and right-of-use assets	64,358	51,299
Rental income from subleasing of short-term leases related to plant and machinery	<u>36,792</u>	<u>292</u>
	<u>101,150</u>	<u>51,591</u>
	<b>143,061</b>	124,473
<b>Discontinued operations</b>		
<b><i>Revenue from Contract with Customers within the scope of HKFRS 15:</i></b>		
Sales of dried exocarpium citri grandis ("Dried Fruits") (Note 10)	<u>–</u>	<u>28,535</u>
	<b>143,061</b>	153,008



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		Discontinued operations			
	Construction		Plantation Business		Total	
	Equipment Business					
2020	2019	2020	2019	2020	2019	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>Timing of revenue recognition under HKFRS 15</b>						
At a point in time	<b>14,196</b>	27,018	-	28,535	<b>14,196</b>	55,553
Transferred over time	<b>27,715</b>	45,864	-	-	<b>27,715</b>	45,864
	<b>41,911</b>	72,882	-	28,535	<b>41,911</b>	101,417
<b>Revenue from other sources</b>	<b>101,150</b>	51,591	-	-	<b>101,150</b>	51,591
	<b>143,061</b>	124,473	-	28,535	<b>143,061</b>	153,008

## 6. OTHER INCOME AND GAINS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<b>Continuing operations</b>		
Bank interest income	4	1
Exchange gain, net	872	480
Compensation received	568	279
Gain on disposal of property, plant and equipment	3	40
Recovery of impairment loss on trade receivables, net	–	208
Government grants ( <i>Note (a)</i> )	4,097	–
Others	285	402
	<u>5,829</u>	<u>1,410</u>
<b>Discontinued operations</b>		
Bank interest income	–	151
Government grants for property, plant and equipment	–	974
Compensation received	–	91
	<u>–</u>	<u>1,216</u>
	<u>5,829</u>	<u>2,626</u>

*Note (a):*

Being the grants received from the COVID-19 Anti-epidemic Fund under the Employment Support Scheme and other subsidy schemes under the Anti-epidemic Fund as launched by the Government of the Hong Kong Special Administrative Region (the “**Hong Kong Government**”) and grants received from the Job Support Scheme to support COVID-19 epidemic launched by the Ministry of Manpower of Singapore and Levy Rebates to support COVID-19 epidemic launched by Inland Revenue Authority of Singapore.

## 7. OTHER OPERATING EXPENSES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<b>Continuing operations</b>		
Depreciation of property, plant and equipment:		
– Owned assets	29,473	23,362
– Right-of-use assets	23,418	19,379
Amortisation of intangible assets	822	–
	<u>53,713</u>	<u>42,741</u>
<b>Discontinued operations</b>		
Depreciation of property, plant and equipment:		
– Owned assets	–	16,505
– Assets held under lease liabilities	–	132
Maintenance cost of mature bearer plants	–	10,861
	<u>–</u>	<u>27,498</u>
	<u>53,713</u>	<u>70,239</u>

## 8. FINANCE COSTS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<b>Continuing operations</b>		
Interest charges on financial liabilities stated at amortised cost:		
– Borrowings	783	416
– Shareholder's loans	12,617	18,183
– Lease liabilities	2,943	3,423
– Amounts due to related companies	1,446	–
	<u>17,789</u>	<u>22,022</u>
<b>Discontinued operations</b>		
Interest charges on financial liabilities stated at amortised cost:		
– Lease liabilities ( <i>Note 10</i> )	–	94
	<u>17,789</u>	<u>22,116</u>

## 9. LOSS BEFORE INCOME TAX

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<b>Continuing operations</b>		
Auditor's remuneration		
– Current year	1,149	1,147
Cost of inventories recognised as an expense	1,269	2,876
Amortisation of intangible assets ( <i>Note 7</i> )	822	–
Depreciation of property, plant and equipment ( <i>Note 7</i> )	29,473	23,362
Depreciation of right-of-use assets ( <i>Note 7</i> )	23,418	19,379
Impairment loss/(recovery of impairment loss) on trade receivables, net	618	(208)
Reversal of written-off of impairment loss provision of trade receivables	–	(360)
Written-off of trade receivables	747	–
Gain on disposal of property, plant and equipment ( <i>Note 6</i> )	(3)	(40)
Written off of property, plant and equipment	–	306
Impairment loss of property, plant and equipment	59	–
Impairment loss of right-of-use assets	5,641	–
Provision for inventories, net	1,255	–
Lease charges in respect of the short term leases	25,826	2,303
Income from subleasing right-of-use assets	(19,391)	(24,384)
Employee costs (including Directors' remuneration ( <i>Note (i)</i> ))		
– Wages, salaries and bonuses	43,023	40,446
– Contribution to defined contribution plans	1,986	2,940
	<u>45,009</u>	<u>43,386</u>
Net foreign exchange gain ( <i>Note 6</i> )	<u>(872)</u>	<u>(480)</u>

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<b>Discontinued operations</b>		
Cost of inventories recognised as an expense	–	28,846
Depreciation of property, plant and equipment ( <i>Note 7</i> )		
– Owned assets	–	16,505
– Assets held under lease liabilities	–	132
	–	16,637
Maintenance cost of mature bearer plants ( <i>Note 7</i> )	–	10,861
Written off of property, plant and equipment	–	2,951
Employee costs (including Directors' remuneration)		
– Wages, salaries and bonuses	–	1,995
– Contribution to defined contribution plans	–	577
	–	2,572

*Note:*

- (i) Employee costs (including Directors' remuneration) had been included in cost of sales and services of approximately HK\$7,527,000 (2019: approximately HK\$7,200,000) and administrative expenses of approximately HK\$37,482,000 (2019: approximately HK\$36,186,000).

## 10. DISCONTINUED 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 financial statements 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 statement of financial position of the Group and separately shown as assets classified as held for sale and liabilities associated with assets held for sale, respectively (note 19). On 20 December 2019, the Board resolved to dispose of the Plantation Business.

On 24 February 2020, the Group and a purchaser, who is one of the shareholder of Best Earnest Investments Limited (佳誠投資有限公司) (“**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 51% shares for a total consideration of HK\$230,000,000 (the “**Disposal**”). The Disposal was completed on the Disposal Date.

For the details of the Disposal, please refer to the Company's announcements dated 24 February 2020, 6 March 2020, 19 March 2020, 22 May 2020, 8 July 2020 and 10 July 2020 and its circular dated 7 May 2020, respectively.

\* *For identification purposes only*

### Analysis of (loss)/profit for the period/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.

	<b>From 1 January 2020 to 24 June 2020 HK\$'000</b>	For the year ended 31 December 2019 HK\$'000
Revenue ( <i>Note 5</i> )	–	28,535
Cost of sales	–	(9,506)
Gross profit	–	19,029
Gain arising from changes in fair value less costs to sell of biological assets	–	94,158
Other income ( <i>Note 6</i> )	–	1,216
Selling and distribution expenses	–	(28)
Administrative expenses	(1,234)	(4,998)
Other operating expenses ( <i>Note 7</i> )	–	(27,498)
Finance costs ( <i>Note 8</i> )	–	(94)
(Loss)/profit before income tax ( <i>Note 9</i> )	(1,234)	81,785
Income tax expense ( <i>Note 11</i> )	–	–
(Loss)/profit after income tax from discontinued operations	(1,234)	81,785
<b>(Loss)/profit for the period/year from discontinued operations</b>	<b>(1,234)</b>	<b>81,785</b>
<b>Other comprehensive income/(loss)</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations	(8,481)	(7,657)
Translation reserve released upon disposal of subsidiaries	9,042	–
<b>Other comprehensive income/(loss) for the period/year from discontinued operations</b>	<b>561</b>	<b>(7,657)</b>
<b>Total comprehensive (loss)/income for the period/year from discontinued operations</b>	<b>(673)</b>	<b>74,128</b>
Operating cash flows	(1,594)	(2,167)
Investing cash flows	–	(17,215)
Financing cash flows	36	1,236
<b>Total cash outflows</b>	<b>(1,558)</b>	<b>(18,146)</b>

The carrying amounts of the assets and liabilities of Best Earnest and its subsidiaries (the “**Best Earnest Group**”), mainly included Guangdong Dahe, had been classified and accounted for as a disposal group held for sale as at 31 December 2019. The disposal of Best Earnest Group was completed on 24 June 2020. For details, please refer to note 19.

## 11. INCOME TAX EXPENSE

	Continuing operations		Discontinued operations		Total	
	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax						
– Provision for PRC enterprise income tax	633	191	–	–	633	191
– Over provision in respect of prior year	(83)	–	–	–	(83)	–
Deferred tax						
– Current year	–	376	–	–	–	376
<b>Total income tax expense</b>	<b>550</b>	<b>567</b>	<b>–</b>	<b>–</b>	<b>550</b>	<b>567</b>

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 estimated 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 estimated assessable profits of the Group.

## 12. DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 December 2020 (2019: Nil).



### 13. (LOSS)/EARNINGS PER SHARE

#### (i) Continuing and discontinued operations

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

	2020	2019
<b>Loss</b>		
Loss for the purposes of basic and diluted loss per share (HK\$'000)	<u>(131,900)</u>	<u>(32,173)</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares	<u>1,060,000,000</u>	<u>1,060,000,000</u>
Basic and diluted loss per share (HK cents)	<u>(12.44)</u>	<u>(3.04)</u>

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 2019 and 2020.

#### (ii) Continuing operations

	2020	2019
Loss for the year attributable to owners of the Company (HK\$'000)	(131,900)	(32,173)
Less: (Loss)/profit for the year from discontinued operations (HK\$'000)	<u>(68,901)</u>	<u>33,269</u>
	<u>(62,999)</u>	<u>(65,442)</u>
Basic and diluted loss per share from continuing operations (HK cents)	<u>(5.94)</u>	<u>(6.17)</u>

#### (iii) Discontinued operations

	2020	2019
(Loss)/profit for the year attributable to owners of the Company (HK\$'000)	<u>(68,901)</u>	<u>33,269</u>
Basic and diluted (loss)/earnings per share from discontinued operations (HK cents)	<u>(6.50)</u>	<u>3.13</u>

## 14. INTANGIBLE ASSETS

	<b>Construction licenses HK\$'000</b>
<b>At 1 January 2020</b>	–
Addition	3,288
Amortisation	(822)
	<hr/>
<b>At 31 December 2020</b>	<b>2,466</b>
	<hr/> <hr/>
<b>Cash outflow:</b>	
Consideration payable	4,380
Bank balances and cash acquired of	(1,092)
	<hr/>
<b>Net cash outflow</b>	<b>3,288</b>
	<hr/> <hr/>

The Group acquired a company (the “**Target Company**”) during the year (the “**Acquisition**”). On the acquisition date, the Target Company was inactive and had construction licenses. The Target Company had cash and cash equivalents of approximately HK\$1,092,000 only on the acquisition date. The Acquisition was recognised as acquisition of assets. Construction licenses were recognised as intangible assets. The consideration of the Acquisition was RMB4,000,000 (equivalent to approximately HK\$4,743,000) and RMB3,700,000 (equivalent to approximately HK\$4,387,000) was included in receipt in advance, accruals and other payables on 31 December 2020. Total cash inflow of the Acquisition was RMB697,000 (equivalent to approximately HK\$736,000) during the year.

## 15. PROPERTIES UNDER DEVELOPMENT

	<b>2020 HK\$'000</b>	<b>2019 HK\$'000</b>
Within normal operating cycle included under current assets:		
Land use rights	<b>85,900</b>	–
Construction costs	<b>9,061</b>	–
Interest capitalised	<b>637</b>	–
	<hr/>	<hr/>
<b>Total</b>	<b>95,598</b>	–
	<hr/> <hr/>	<hr/> <hr/>

The properties under development are all located in Hong Kong. No provision for impairment was made during year ended 31 December 2020. The properties under development are expected to be completed and available for sale more than 12 months.

The properties under development include costs of acquiring rights to use certain lands, which are located in Hong Kong, for property development over fixed periods. Land use rights are held on leases of 50 years.

As at 31 December 2020, HK\$85,900,000 was pledged as collateral for borrowings.

## 16. TRADE RECEIVABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<b>Non-current portion:</b>		
Trade receivables, gross ( <i>Note (a)</i> )	302	–
Less: Loss allowance	(4)	–
	<u>298</u>	<u>–</u>
Trade receivables, net		
<b>Current portion:</b>		
Trade receivables, gross	65,770	44,013
Less: Loss allowance	(1,546)	(930)
	<u>64,224</u>	<u>43,083</u>
Trade receivables, net	<u><u>64,522</u></u>	<u><u>43,083</u></u>

Note (a) It represents retention receivables.

The Group's trading terms with its existing customers are mainly on credit. The credit period is, in general, ranging from 0 to 60 days (2019: 0 to 60 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:

	<b>2020</b>	2019
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0-30 days	<b>17,101</b>	12,004
31-60 days	<b>12,597</b>	18,063
61-90 days	<b>9,669</b>	5,305
Over 90 days	<b>25,155</b>	7,711
	<u><b>64,522</b></u>	<u>43,083</u>

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

	<b>2020</b>	2019
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>At 1 January</b>	<b>930</b>	1,515
Impairment loss recognised	<b>625</b>	1,142
Reversal of written-off of impairment loss provision of trade receivables	–	(360)
Recovery of impairment	<b>(7)</b>	(1,350)
Net exchange differences	<b>2</b>	(17)
	<u><b>1,550</b></u>	<u>930</u>

During the year ended 31 December 2020, included in impairment loss recognised for trade receivables of approximately HK\$847,000 (2019: approximately HK\$300,000) 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.

During the year ended 31 December 2020, there was a written-off of trade receivables of approximately HK\$747,000 (2019: Nil) and included in administrative expenses.

## 17. TRADE PAYABLES

	<b>2020</b> <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade payables	<b>58,704</b>	35,718

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:

	<b>2020</b> <i>HK\$'000</i>	2019 <i>HK\$'000</i>
0-30 days	<b>28,526</b>	5,851
31-60 days	<b>11,335</b>	12,233
61-90 days	<b>5,711</b>	10,828
Over 90 days	<b>13,132</b>	6,806
	<b>58,704</b>	35,718

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.

## 18. 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, Harbour Luck 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 Harbour Luck 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 Harbour Luck 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 Harbour Luck 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.

On 6 August 2020, the Company entered in to a supplementary agreement with Harbour Luck that Harbour Luck agreed to adjust the annual interest rate from 10% to 5% for loan balance of HK\$183,000,000, starting from the date of drawn down, and Harbour Luck agreed to waive the interest receivables from the Company for any parts exceed the reassessed interest receivables. The waiver balance of HK\$17,537,000 has been included in the capital reserve of the Company as a deemed contribution from shareholder.

On 10 August 2020, amount of HK\$100,000,000 was repaid to Harbour Luck.

Mr. Zeng Li who is the sole director of Harbour Luck. Mr. Zeng Li was also an executive 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 loans were granted to the Company on normal commercial terms or better to the Company.

## 19. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

As referred to in note 10, the Company had been refused access to Guangdong Dahe's plantation site since 28 December 2019. The Company was unable to have access to the complete sets of books and records together with supporting documents of Guangdong Dahe since 1 December 2019. On 20 December 2019, the board of directors of the Company resolved to dispose of the Plantation Business.

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 for a total consideration of HK\$230,000,000. The Disposal was completed on the Disposal Date. For details of the Disposal, please refer to the Company's announcement dated 24 February 2020, 6 March 2020, 19 March 2020, 22 May 2020, 8 July 2020 and 10 July 2020 and its circular dated 7 May 2020, respectively. Based on the latest available financial information, the net assets disposed of at the Disposal Date were set out as follows:

	<b>24 June 2020</b>	<b>31 December 2019</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Property, plant and equipment	220,608	224,637
Right-of-use assets	1,078	1,097
Inventories and consumables	147,465	150,158
Biological assets	6,142	6,254
Trade receivables	26,154	26,632
Prepayments, deposits and other receivables	7,902	8,047
Cash and cash equivalents	85,340	86,898
Goodwill	74,701	74,701
	<hr/>	<hr/>
Assets classified as held for sale	569,390	578,424
	<hr/>	<hr/>
Trade payables	12,458	12,685
Receipt in advance, accruals and other payables	10,956	8,775
Lease liabilities	1,125	1,146
Deferred government grant	8,042	8,189
	<hr/>	<hr/>
Liabilities associated with assets classified as held for sale	32,581	30,795
	<hr/>	<hr/>
Net assets classified as held for sale	536,809	547,629
	<hr/> <hr/>	<hr/> <hr/>

## 20. DISPOSAL OF SUBSIDIARIES

As disclosed in note 10, on 20 December 2019, the board of directors of the Company resolved to dispose the Plantation Business. The carrying amounts of the assets and liabilities of Best Earnest Group, mainly includes Guangdong Dahe, had been classified and accounted for as a disposal group held for sale as at 31 December 2019. The disposal of Best Earnest Group was completed on 24 June 2020. For details, please refer to note 19.

	<i>HK\$'000</i>
<b>Loss on disposal of subsidiaries:</b>	
Consideration received	230,000
Net assets disposed of	(536,809)
Non-controlling interests	248,907
Less: Translation reserve	(9,042)
Less: Transaction costs attributable to the disposal	<u>(1,328)</u>
<b>Net loss on disposal</b>	<u><u>(68,272)</u></u>
<b>Cash inflow arising on disposal:</b>	
Consideration received	230,000
Bank balances and cash disposed of	<u>(85,340)</u>
<b>Net cash inflow</b>	<u><u>144,660</u></u>

Consideration of HK\$230,000,000 was received during the year ended 31 December 2020. The net cash inflow during the year ended 31 December 2020 was HK\$144,660,000.

## 21. SIGNIFICANT EVENTS DURING THE YEAR

### Disposal of subsidiary

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 disclosed in note 10, on 20 December 2019, the Board of the Company resolved to dispose of the Plantation Business. The Company disposed the Plantation Business, including the Subsidiary, on 24 June 2020. For the details of the Disposal, please refer to the Company’s announcements dated 24 February 2020, 6 March 2020, 19 March 2020, 22 May 2020, 8 July 2020 and 10 July 2020 and its circular dated 7 May 2020, respectively. As at the Disposal Date, the Court Proceedings and the winding-up petition were in progress.

### Acquisition of a land

During the year ended 31 December 2020, the Group acquired a land in Mong Kok in April at a consideration of HK\$85,900,000 and held for property development. For the details of the acquisition, please refer to the Company’s announcement date 1 April 2020.

\* For identification purposes only



**22. EVENT AFTER REPORTING DATE**

The performance of the Group were affected by the outbreak of COVID-19 since early 2020. At the date of this announcement, it has remained uncertain when the pandemic will end. The Group will continue to 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 conclusion on the Group's consolidated financial statements for the year ended 31 December 2020, 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. In all other respects, in our opinion 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**

In our auditor's report dated 27 March 2020 on the consolidated financial statements for the year ended 31 December 2019, we disclaimed an opinion due to, amongst other matters, a limitation of scope of our audit relating to the profit from the discontinued operation 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 of Best Earnest Investments Limited (佳誠投資有限公司) ("**Best Earnest**") and its subsidiaries including Guangdong Dahe Biological Technologies Limited (廣東大合生物科技股份有限公司) ("**Guangdong Dahe**") (the "**Disposal Group**"). As a result, we were unable to obtain sufficient appropriate audit evidence regarding the opening balances and corresponding figures and there were no alternative audit procedures to satisfy ourselves as to whether the opening balances and corresponding figures were free from material misstatement. Any adjustments that might have been found necessary may have a consequential effect on the Group's assets and liabilities as at 1 January 2020, accumulated losses at 1 January 2020 and its results for the year ended 31 December 2020.

On 24 June 2020, the Group disposed 51% equity interest of Best Earnest to a purchaser, who is one of the shareholders of Best Earnest and the Company, loss on disposal of the Disposal Group of approximately HK\$68,272,000 and the loss for the period from 1 January 2020 to 24 June 2020 from discontinued operation of approximately HK\$1,234,000 for the period from 1 January 2020 to 24 June 2020 were recorded in the consolidated statement of profit or loss and other comprehensive income. Due to the limitation of scope as described above, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the loss on disposal of the Disposal Group and the loss for the period from 1 January 2020 to 24 June 2020 from discontinued operation for the period from 1 January 2020 to 24 June 2020 and the related disclosures were fairly stated.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATIONAL AND FINANCIAL REVIEW

#### Overall Performance

For the Year, the Group generated revenue from continuing operations of approximately HK\$143.1 million (2019: approximately HK\$124.5 million) with a loss for the Year from continuing operations of approximately HK\$63.0 million (2019: approximately HK\$65.5 million).

#### Business Review

Revenue from sales of machinery was approximately HK\$12.2 million for the Year, represented a decrease of approximately 43.8% as compared to the amount we achieved for FY2019. This was due to the decrease in demands of new cranes in Hong Kong and Singapore.

Rental income from leasing of machinery increased from approximately HK\$51.6 million to approximately HK\$101.2 million for the Year, representing an increase of approximately 96.1% year over year mainly due to the development of the tower crane leasing market in PRC.

Revenue from service income decreased from approximately HK\$45.9 million to approximately HK\$27.7 million for the Year, representing a decrease of approximately 39.7% year over year mainly due to decrease in demands of service in Hong Kong.

Sales of spare parts was approximately HK\$2.0 million for the Year, representing a decrease of approximately 62.3% from the amount recorded for the same period in 2019. The decrease was mainly due to the change in market demand of spare parts for the machinery.

On 24 June 2020, the Group completed the disposal of its business in cultivation, research, processing and sales of exocarpium citri grandis (化橘紅), a Chinese herbal medicine, and its seedlings (the “**Discontinued Operation**”). Information about the Discontinued Operation is provided in note 10 to the consolidated financial statements of the Group for the Year (the “**Consolidated Financial Statements**”) set out in this announcement. Further details of such disposal were disclosed in the Company’s circular dated 7 May 2020 and the Company’s announcements dated 24 February, 6 and 19 March, 22 May as well as 8 and 10 July 2020 respectively.

As at 31 December 2020, the Group had one property development project under development in Hong Kong and it has commenced in the second quarter of 2020. There was no sale of property during the Year.

## The Group's Property Project as at 31 December 2020

Project name	Location/ Postal address	Interests Atteibutable to the Group	Total Site Area (sq. ft.)	Status	Estimated year of completion (Note)	Usage
Mong Kok	Lot No. 11238 at Reclamation Street and Shanghai Street, Mong Kok, Kowloon, Hong Kong	100%	2,718	Under development	February 2024	Residential

Note: The estimated year of completion is made based on the present situation and progress of the project.

## Analysis of Properties Under Development as at 31 December 2020

Project name	Total GFA* (sq. ft.)	GFA under development/ completed (sq. ft.)	Total Saleable GFA* (sq. ft.)	Accumulated GFA*	Accumulated GFA*	Average Selling Price (HK\$/sq. ft.)
				sold as at 31 December 2020 (sq. ft.)	delivered as at 31 December 2020 (sq. ft.)	
Mong Kok	22,594	0	12,279	0	0	0

\* GFA means gross floor area

## Dividend

The Board has resolved not to recommend the payment of any dividend for the year ended 31 December 2020 (2019: Nil).

## Financial Review

### Results for the Year

As detailed in the section headed “**Overall Performance**” above, the Group recorded a loss from continuing operations of approximately HK\$63.0 million for the Year (2019: approximately HK\$65.5 million).

For the FY2020, the Group's other income and gains from continuing operations amounted to approximately HK\$5.8 million, representing an increase of approximately 314.3% compared to that of FY2019. The increase was mainly attributable to grants received from the COVID-19 Anti-epidemic Fund under the Employment Support Scheme and other subsidy schemes under the Anti-epidemic Fund as launched by the Hong Kong Government and grants received from the Job Support Scheme to support COVID-19 epidemic launched by the Ministry of Manpower of Singapore and Levy Rebates to support COVID-19 epidemic launched by Inland Revenue Authority of Singapore.

As at 31 December 2020, the Group's property, plant and equipment amounted to approximately HK\$138.8 million, representing an increase of approximately 1.8% compared to that as at 31 December 2019. 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\$10.2 million and HK\$1.7 million, respectively, as compared to the amounts for the previous year.

Finance costs from continuing operations amounted to approximately HK\$17.8 million for the FY2020, representing a decrease of approximately 19.1% compared to those of FY2019.

### **Liquidity and Financial Resources**

The Group had cash and cash equivalents of approximately HK\$30.0 million as at 31 December 2020 (2019: approximately HK\$25.3 million).

The total equity of the Group decreased to approximately HK\$127.3 million as at 31 December 2020 (2019: approximately HK\$490.6 million).

As at 31 December 2020, the Group had net current liabilities of approximately HK\$39.5 million (2019: net current assets of approximately HK\$297.1 million).

### **Capital Structure**

As at 31 December 2020, the Company's share capital comprised 1,060,000,000 issued ordinary shares with par value of HK\$0.01 each (the "Shares", each, a "Share"). 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\$26.9 million and HK\$85.9 million for acquisition of plant and equipment and leasehold land for property development, respectively (2019: approximately HK\$33.7 million and HK\$Nil, respectively).

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. Manta-Services was dissolved on 27 March 2020.

On 16 April 2020, the Group paid a sum of RMB4 million to acquire 100% issued share capital of 深圳鼎易建設工程有限公司 (Shenzhen Dingyi Construction Engineering Co., Ltd.\*), a limited liability company (legal person sole investment) incorporated in Shenzhen, China, whose name was changed to 敏達器械設備安裝(深圳)有限公司 (Manta Equipment Installation (Shenzhen) Co., Ltd.\*) on 2 June 2020. It provides construction work and related services in China.

### **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 in relation to the disposal of 51% of the issued share capital of Best Earnest by the Vendor, for a total consideration of HK\$230 million. Best Earnest is indirectly holding 80% of the issued shares of Guangdong Dahe, a company principally engaged in the cultivation, research, processing and sales of exocarpium citri grandis (化橘紅), a Chinese herbal medicine, and its seedlings. Completion of the Disposal took place on 24 June 2020. Further details of the Disposal were disclosed in the Company’s circular dated 7 May 2020 and the Company’s announcements dated 24 February, 6 and 19 March, 22 May as well as 8 and 10 July 2020 respectively.

### **Litigations**

Save as disclosed in note 21 to the Consolidated Financial Statements set out in this announcement, the Group did not have any other litigation after the reporting period and up to the date of this announcement.

### **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, borrowings and lease liabilities) by the total equity as at the respective dates. The Group’s gearing ratio as at 31 December 2020 was increased to 1.8 (2019: 0.6), mainly due to the increase in interest-bearing borrowings/bank borrowings for the Year.

### **Pledge of Group Assets**

As at 31 December 2019 and 2020, the Group’s banking facilities were secured by the Group’s estate right title benefit and interest of the leasehold land with a carrying amount of HK\$85.9 million (2019: HK\$Nil), a building of the Group with an aggregate carrying amount of approximately HK\$30.8 million (2019: approximately HK\$32.1 million), property, plant and equipment of approximately HK\$6.7 million (2019: HK\$Nil), and corporate guarantees executed by the Company and certain subsidiaries.

\* For identification purposes only

As at 31 December 2019 and 2020, The Group's lease liabilities were secured by property, plant and equipment of approximately HK\$65.5 million (2019: approximately HK\$85.7 million).

As at 31 December 2020, the Group's other borrowings were secured by property, plant and equipment of approximately HK\$17.0 million (2019: HK\$Nil) and corporate guarantees executed by the Company and certain subsidiaries.

### **Exchange Rate Exposure**

During the Year and as at 31 December 2020, more than half of the revenue and part of assets and liabilities of the Group were denominated in currencies other than Hong Kong dollar. In particular, the revenue generated from the Group's rental operations in Singapore and PRC were primarily denominated in Singapore dollar and Renminbi, respectively. Purchases of tower cranes, spare parts and accessories from suppliers were usually denominated in Euro, United States dollar or Renminbi. For foreign currency purchases, hedging transactions may be entered into against fluctuations in the foreign exchange rate. However, no hedging arrangement was undertaken for revenue generated from the Group's operations in Singapore and PRC.

### **Treasury Policies**

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

### **Contingent Liabilities**

As at 31 December 2020, the Group did not have any significant contingent liabilities (2019: Nil).

### **Commitments**

As at 31 December 2020, the Group had total capital commitments of approximately HK\$4.0 million and HK\$38.7 million related to the acquisitions of property, plant and equipment and properties under development for sale respectively (2019: approximately HK\$0.8 million and HK\$Nil, respectively).

## **EMPLOYMENT AND REMUNERATION POLICY**

As at 31 December 2020, the Group had a total of 109 (2019: 104) 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. Periodic in-house trainings have been provided to the employees to enhance the knowledge of the workforce.

## **FUTURE PROSPECTS**

In order to combat the COVID-19 pandemic, certain countries and regions had implemented lockdowns in the first half of 2020, the temporary suspension of construction sites has, in particular, posed a major challenge to the construction industry. Despite these challenges, the Group has been assessing, adapting and transforming continuously to cope with such crisis. In order for the Group to maintain a long and steady growth, the Group will invest and develop into the tower crane rental market while continuing to evaluate construction and property projects in Hong Kong, Singapore and China and seek opportunities to acquire construction companies and increase its land reserve so as to achieve co-development in machinery, construction and property.

The Group is confident on the development of the construction industry in Hong Kong, which grew from a total output of approximately HK\$100.9 billion in 2009 to approximately HK\$252.1 billion in 2018, representing a compound annual growth rate of 10.71% over the period. According to the “Long Term Housing Strategy Annual Progress Report 2020” published by the Hong Kong Government, the total housing demand for the 10-year period from 2021 to 2030 is 428,000 units, which will drive the construction industry to continue to grow steadily. The steady growth in Hong Kong’s economy and population over the past few years has not only fuelled demand for supporting infrastructure and commercial buildings, but also stimulated the continued expansion of the construction industry. In April 2020, the Group successfully bid for a residential site on Reclamation Street and Shanghai Street in Mongkok, Hong Kong at a price of HK\$85.9 million, which was approximately 30% below the expected bottom market price. Compared with the previous bid price of HK\$7,710 per sq. ft. for a land in the neighbouring area, the Group has demonstrated its enormous strength in greatly reducing the land premium of this project. It is expected that the project will be completed in early 2024. In order to further reduce the construction cost of its own projects, shorten the construction period, improve the quality, utilise the construction and erection funds with more flexibility and manage the subcontractors, the Group has acquired a general building contractor (RGBC) licence in early 2021 to become a general contractor with self-owned buildings, to facilitate the co-development of the machinery and equipment and property businesses. Apart from contracting its own property projects, the Group also intends to actively pursue other property projects in the market, which will not only prioritise the use of tower cranes owned by the Group in future construction projects, but also increase the revenue source for the construction contracting business, thereby further enhancing the revenue and profitability of the Group.



Despite the unexpected impact of the COVID-19 pandemic on the global economy and industries, the Group has stepped up its efforts to upgrade its tower cranes to meet the challenges in the post-pandemic era as systematic prevention and control of the pandemic begins. Benefiting from the Singapore government's initiatives to boost infrastructure, the Group was awarded tower crane rental projects in early 2021 for the construction of an innovation centre by the Korean automotive giant Hyundai Motor Group and the establishment of an eco-friendly resort in Mandai by the Singapore Zoo. The market continues its demand for tower cranes that are large and heavy, with 2020 being the first point in time for completing the targets set out in the PRC's prefabricated construction policy, which are aggressively pursued by local governments across the PRC. According to a research report by Huaxi Securities, the market capitalisation of the tower crane rental industry is expected to reach RMB180 billion by 2025. 2020 was the first year that the Group developed into the PRC market and recorded a profit despite the impact of the pandemic, therefore the Group continues to be optimistic about the development of the Greater Bay Area and will continue to explore the tower crane market of the PRC in the future.

#### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the FY2020, the Company did not redeem any of its own listed securities, and neither the Company nor any of its subsidiaries had purchased or sold any of such securities.

#### **SUBSEQUENT EVENT AFTER THE REPORTING PERIOD**

Save as disclosed in note 22 to the Consolidated Financial Statements 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 2020 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 as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its own code of conduct governing securities transactions by the Directors. Having been made specific enquiries by the Company, all Directors confirmed that they had complied with the required standards set out in the Model Code throughout the FY2020.

## **REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS BY THE AUDIT COMMITTEE**

The audit committee of the Company (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 has reviewed the Consolidated Financial Statements including accounting policies and practices adopted by the Group.

## **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 FY2020 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 Consolidated Financial Statements. 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.

## **2021 ANNUAL GENERAL MEETING**

The 2021 annual general meeting of the Company (the “**2021 Annual General Meeting**”) will be held on Friday, 21 May 2021. The Notice of the 2021 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 Monday, 17 May 2021 to Friday, 21 May 2021, both dates inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the 2021 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 14 May 2021.

## **PUBLICATION OF 2020 ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement is published on the respective websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.elasialtd.com](http://www.elasialtd.com)). The annual report of the Company for the FY2020, containing all the information required by Appendix 16 to the Listing Rules, will be published on the aforesaid websites and 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**  
**Chen Huajie**  
*Executive Director*

Hong Kong, 26 March 2021

*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.*