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Earthasia International Holdings Limited

泛亞環境國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6128)

CONNECTED TRANSACTION GRANT OF ADWARDED SHARES PURSUANT TO THE SHARE AWARD SCHEME OF A SUBSIDIARY

Reference is made to the announcement dated 28 January 2021 in relation to, inter alia, the grant of EIL Awarded Shares. The EIL Board on 28 January 2021 resolved to grant an aggregate of 200 EIL Awarded Shares, of which 100 EIL Awarded Shares were granted to Mr. Lau and Mr. Chan pursuant to the EIL Share Award Scheme.

LISTING RULES IMPLICATION

Each of Mr. Lau and Mr. Chan is an executive Director and a substantial shareholder of the Company, hence a connected person of the Company. The grant of the Connected EIL Awarded Shares to Mr. Lau and Mr. Chan and the transactions contemplated thereunder shall constitute connected transaction of the Company under Chapter 14A of the Listing Rules.

By virtue of Rule 14A.76(2) of the Listing Rules, as the relevant percentage ratios in respect of the grant of the Connected EIL Awarded Shares is less than 5%, the grant of the Connected EIL Awarded Shares is subject to announcement but exempt from the circular (including independent financial advice) and Shareholders' approval requirements.

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The information in relation to the grant of the Connected EIL Awarded Shares is set out below:

Shares awarded: An aggregate of 100 Connected EIL Awarded Shares were awarded and accepted by the following connected persons:

| Name of connected person | Number of Connected EIL Awarded Shares |
|---------------------------------|---|
| Mr. Lau | 50 Connected EIL Awarded Shares |
| Mr. Chan | 50 Connected EIL Awarded Shares |
| Total | 100 Connected EIL Awarded Shares |

The allotted shares in relation to the Connected EIL Awarded Shares represent approximately 1.92% of the total number of shares in issue of EIL as enlarged by the allotment and issue of the Connected EIL Awarded Shares. After the allotment and issue, EIL continues to be a subsidiary of the Company.

Details of the Connected EIL Awarded Shares: The Connected EIL Awarded Shares are new shares of EIL allotted and issued to Mr. Lau and Mr. Chan pursuant to the EIL Share Award Scheme.

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| Net asset value of the Connected EIL Awarded Shares: | The aggregate value of the Connected EIL Awarded Shares is HK\$3,972,000, which is calculated with reference to the unaudited consolidated net assets of EIL. |
| Consideration: | The total consideration paid by the above participants is HK\$100.00, representing a par value of HK\$1.00 per each Connected EIL Awarded Shares. |
| Vesting: | The vesting date of the Connected EIL Awarded Shares was 28 January 2021. |

Reasons for and benefits in the award of the Connected EIL Awarded Shares

The principal activities of the Group are landscape architecture services in Hong Kong and Mainland China, catering business in Mainland China, and graphene business in Mainland China.

The EIL Board considered that the grant of the Connected EIL Awarded Shares to Mr. Lau and Mr. Chan, which were determined with reference to, among others, their present contribution and expected contribution to the profits of EIL and the Group. The grant of the Connected EIL Awarded Shares to Mr. Lau and Mr. Chan recognises their continual support to EIL and their effort will promote the continual operation and development of EIL.

The EIL Board believes that the grant of the Connected EIL Awarded Shares is in line with the purposes and objectives of the EIL Share Award Scheme. The Board (including the independent non-executive Directors) considers that the grant of the Connected EIL Awarded Shares and the transactions contemplated thereunder are on normal commercial terms that are fair and reasonable, in the ordinary and usual course of business of EIL and in the interest of the EIL, the Company and the Shareholders as a whole.

As Mr. Lau and Mr. Chan, being the grantees of 100 Connected EIL Awarded Shares, are directors of EIL and have interests in the grant of the Connected EIL Awarded Shares, they have abstained from voting on the Board's resolution in relation to the grant of the Connected EIL Awarded Shares to themselves.

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By virtue of Rule 14A.76(2) of the Listing Rules, as the relevant percentage ratios in respect of the grant of the Connected EIL Awarded Shares is less than 5%, the grant of the Connected EIL Awarded Shares is subject to announcement but exempt from the circular (including independent financial advice) and Shareholders' approval requirements.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

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| “Board” | the board of directors of the Company |
| “Company” | Earthasia International Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Connected EIL Awarded Shares” | an aggregate of 100 shares of EIL awarded to Mr. Lau and Mr. Chan under the EIL Share Award Scheme pursuant to the EIL Board's approval on 28 January 2021 |
| “Directors” | the directors of the Company |
| “EIL” | Earthasia (International) Limited, a company incorporated in Hong Kong with limited liability, being an indirect wholly owned subsidiary of the Company |
| “EIL Board” | the board of directors of EIL |

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| “EIL Share Award Scheme” | the share award scheme of EIL adopted by the EIL Board on 19 January 2021 |
| “Group” | the Company and its subsidiaries |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Mr. Chan” | Mr. Chan Yick Yan Andross, an executive Director and a substantial shareholder of the Company |
| “Mr. Lau” | Mr. Lau Hing Tat Patrick, an executive Director and a substantial shareholder of the Company |
| “Shareholder(s)” | shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent |

By Order of the Board
Earthasia International Holdings Limited
Lau Hing Tat Patrick
Chairman

Hong Kong, 26 March 2021

As at the date of this announcement, the executive Directors are Mr. Lau Hing Tat Patrick, Mr. Chan Yick Yan Andross, Mr. Tian Ming, Mr. Yang Liu and Mr. Qiu Bin, the non-executive Directors are Mr. Ma Lida and Mr. Tu Wenzhe; and the independent non-executive Directors are Ms. Tam Ip Fong Sin, Mr. Wang Yuncai, Mr. Liu Kwong Sang, Mr. Tang Zhaodong and Mr. Chan Anthony Kaikwong.