

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**SUPPLEMENTAL ANNOUNCEMENT ON THE ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Reference is made to the announcement of Earthasia International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 March 2020 in relation to the unaudited annual results for the year ended 31 December 2019 (the “**Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

AUDITOR’S AGREEMENT ON THE 2019 ANNUAL RESULTS

The Board of the Company is pleased to announce that the Group’s auditor, Crowe (HK) CPA Limited, has completed its audit of the annual results of the Group for the year ended 31 December 2019 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), including the financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto as set out in the Announcement. The overall annual results for the year 2019 contained in the Announcement remain unchanged.

In addition, the Board has decided to combine the four sub-segments under the Group's landscape architecture business into one single segment which better illustrates the segmental performance of the Group. The amended Note 4 Operating Segment Information and relevant areas are stated as follows:

FINANCIAL HIGHLIGHTS

Results	For the year ended 31 December		
	2019 HK\$'000	2018 HK\$'000	Change
Revenue	313,941	197,311	+59.1%
Landscape architecture	154,114	156,827	-1.7%
Graphene	123,474	—	+123,474
Catering	36,353	40,484	-10.2%
Adjusted EBITDA	54,458	28,450	+91.4%
Landscape architecture	21,316	25,945	-17.8%
Graphene	28,407	—	+28,407
Catering	4,735	2,505	+89.0%
Loss before tax	(64,802)	(49,087)	-15,715
Loss attributable to owners of the parent	(57,082)	(36,039)	-21,043
	HK cents	HK cents	
Basic loss per share attributable to ordinary equity holders of the parent	<u>(12.9)</u>	<u>(8.5)</u>	<u>-4.4</u>

OPERATING SEGMENT INFORMATION

Information reported to the board of directors, being the chief operating decision maker (CODM), for the purposes of resources allocation and assessment of segment performance focuses on types of goods and services delivered and provided.

During the year, the residential development projects, infrastructure and public open space projects, commercial and mixed-use development projects and tourism and hotel projects have been aggregated into one reportable segment under landscape design, as all of these segments are primarily related to the landscape design, which have similar average gross margins and similar expected growth rates. The comparatives have been restated.

During the year, the Group commenced the business engaging in manufacture and sale of graphene products along with the acquisition of Think High Global Limited and it is considered as a new operating and reportable segment by the management.

The Group has identified the following three major reportable segments. Certain segments have been aggregated to form the following reportable segments:

- (a) Landscape design;
- (b) The catering business focuses on the operation of restaurants; and
- (c) Manufacture and sale of graphene products

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that finance costs, as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, cash and bank balances and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment revenue is eliminated on consolidation. Intersegment sales and transfers are transacted with reference to the service prices used for sales made to third parties at the then prevailing market prices.

The following tables present revenue, profit/loss and certain asset, liability and expenditure information for the Group's operating segments for the year.

Year ended 31 December 2019

	Landscape design services HK\$'000	Graphene business HK\$'000	Catering HK\$'000	Total HK\$'000
Segment revenue				
Revenue	154,114	123,474	36,353	313,941
Segment results	2,268	5,143	(24,441)	(17,030)
Reconciliation				
Unallocated income and gains				4,155
Unallocated expenses				(27,924)
Unallocated finance costs				(24,003)
Loss before tax				<u>(64,802)</u>
Adjusted EBITDA (note (i))	21,316	28,407	4,735	54,458
Segment assets	212,767	904,806	58,854	1,176,427
Reconciliation				
Elimination of intersegment receivables				(62,346)
Unallocated assets				37,450
Total assets				<u>1,151,531</u>
Segment liabilities	60,561	189,975	88,934	339,470
Reconciliation				
Elimination of intersegment payables				(62,346)
Unallocated liabilities				653,260
Total liabilities				<u>930,384</u>

	Landscape design services HK\$'000	Graphene business HK\$'000	Catering HK\$'000	Total HK\$'000
Other segment information				
Share of losses of associates unallocated				1,072
Impairment losses recognised in the in the statement of profit or loss	5,593	—	17,384	22,977
Impairment losses reversed in the statement of profit or loss	(807)	—	—	(807)
<i>Reconciliation</i>				
Unallocated				—
Total				<u>22,170</u>
Depreciation and amortisation	13,815	21,033	8,128	42,976
Finance costs allocated	447	2,231	738	3,416
Fair value losses, net	—	—	2,926	2,926
Investments in an associate unallocated				1,212
Capital expenditures (note (ii))	3,855	—	117	3,972
<i>Reconciliation</i>				
Unallocated				1,687
Total				<u>5,659</u>

Note:

- (i) Adjusted EBITDA is defined as earnings before interest expense, taxation, depreciation and amortisation, and excludes fair value change on financial assets at fair value through profit or loss, written off of goodwill, impairment of other intangible assets and property and equipment, write-down of inventories to net realisable value, share of losses of joint ventures and impairment loss/ (reversal of impairment loss) on trade receivables, contract assets.
- (ii) Capital expenditure consists of additions to property and equipment and other intangible assets except for right-of-use assets.

Year ended 31 December 2018

	Landscape design services HK\$'000	Graphene business HK\$'000	Catering HK\$'000	Total HK\$'000
Segment revenue				
Revenue	156,827	—	40,484	197,311
Segment results	17,532	—	(32,008)	(14,476)
Reconciliation				
Unallocated income and gains				8,395
Unallocated expenses				(33,978)
Unallocated finance costs				(9,028)
Loss before tax				<u>(49,087)</u>
Adjusted EBITDA	25,945	—	2,505	28,450
Segment assets	197,832	—	70,377	268,209
Reconciliation				
Elimination of intersegment receivables				(57,266)
Unallocated assets				<u>103,224</u>
Total assets				<u><u>314,167</u></u>
Segment liabilities	49,640	—	80,347	129,987
Reconciliation				
Elimination of intersegment payables				(57,266)
Unallocated liabilities				<u>141,029</u>
Total liabilities				<u><u>213,750</u></u>

	Landscape design services HK\$'000	Graphene business HK\$'000	Catering HK\$'000	Total HK\$'000
Other segment information				
Share of losses of:				
Joint ventures	—	—	3	3
Share of losses of:				
Associates unallocated				1,684
Impairment losses recognised in the in the statement of profit or loss	4,939	—	26,422	31,361
Impairment losses reversed in the statement of profit or loss	(435)	—	—	(435)
<i>Reconciliation</i>				
Unallocated				—
Total				<u>30,926</u>
Depreciation and amortisation	3,909	—	6,056	9,965
<i>Reconciliation</i>				
Unallocated				—
Total				<u>9,965</u>
Finance cost allocated	—	—	—	—
Fair value losses, net	—	—	2,032	2,032
Investment in a joint venture	—	—	199	199
Investments in an associate unallocated				2,297
Capital expenditures*	4,297	—	14,473	18,770
<i>Reconciliation</i>				
unallocated				—
Total				<u>18,770</u>

* Capital expenditure consists of additions to property and equipment and other intangible assets except for right-of-use assets.

Geographical information

(a) Revenue from external customers

	2019 HK\$'000	2018 HK\$'000
Hong Kong	20,112	20,602
Mainland China	278,928	163,130
Others	14,901	13,579
	<u>313,941</u>	<u>197,311</u>

The revenue information above is based on the locations of the companies.

During the years ended 31 December 2019 and 2018, other than Mainland China and Hong Kong, the Group derived revenue from Macau and Italy.

(b) Non-current assets

	2019 HK\$'000	2018 HK\$'000
Hong Kong	9,282	52,608
Mainland China	745,777	52,088
Others	8,678	9,121
	<u>763,737</u>	<u>113,817</u>

The non-current asset information above is based on the locations of the assets and excludes goodwill and deferred tax assets.

Information about major customers

Revenue of approximately HK\$28,303,000 (2018: HK\$10,216,000) was derived from services to a single customer.

SCOPE OF WORK OF CROWE (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in the Announcement as supplemented with this announcement have been agreed by the Company's auditors, Crowe (HK) CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the Company's auditors 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditors on the Announcement or this announcement.

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

Hong Kong, 14 April 2020

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 Director is Mr. Ma Lida; and the independent non-executive Directors are Ms. Tam Ip Fong Sin, Mr. Wong Wang Tai and Mr. Wang Yuncai.