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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)**

**DISCLOSEABLE TRANSACTION  
RENEWAL OF REVOLVING LOAN FACILITY**

**RENEWAL OF THE REVOLVING LOAN FACILITY**

Reference is made to the announcements of the Company dated 20 September 2016 and 24 January 2017 in relation to the provision of Revolving Loan Facility by the Company to the Borrower.

On 8 December 2017, the Company entered into the Second Renewal Agreement with the Borrower pursuant to which the Lender agreed to renew the existing revolving loan facility by increasing the amount to HK\$50,000,000 at a reduced interest rate of 12% per annum for a period from 8 December 2017 to 30 June 2019, taken into account of the Borrower's funding needs, sound repayment history and prevailing market rates. Subject to the terms and conditions, the unsecured Renewed Revolving Loan Facility can be drawn down at any time for a maximum of one year during the availability period. Upon entering into the Second Renewal Agreement, the Renewal Agreement will be terminated on the same day. All outstanding loan balances under the Renewal Agreement will be carried forward as new loan under the Second Renewal Agreement. As of the date of this announcement, the Borrower has an outstanding loan balance of approximately HK\$13.0 million.

## **LISTING RULES IMPLICATION**

The entering into of the Second Renewal Agreement constitutes a discloseable transaction for the Company. As the relevant applicable percentage ratios (as defined in the Listing Rules) for the Renewed Revolving Loan Facility exceed 5% but are less than 25%, the grant of the Renewed Revolving Loan Facility constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules but exempt from the shareholders' approval requirement.

In addition, as the Renewed Revolving Loan Facility under the Second Renewal Agreement, if fully utilized, exceeds 8% under the assets ratio defined under Rule 14.07(1) of the Listing Rules, the entering into of the Second Renewal Agreement is subject to the general disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules.

## **RENEWAL OF THE REVOLVING LOAN FACILITY**

On 8 December 2017, the Company entered into the Second Renewal Agreement with the Borrower pursuant to which the Lender agreed to renew the unsecured Revolving Loan Facility by increasing the amount from HK\$14,000,000 to HK\$50,000,000 at an interest rate reduced from 15% to 12% per annum during the availability period from 8 December 2017 to 30 June 2019.

## **THE SECOND RENEWAL AGREEMENT**

The principal terms of the Second Renewal Agreement are summarised as follows:

Date:	8 December 2017
Lender:	The Company
Borrower:	Earthasia Worldwide Holdings Limited, a company incorporated in Hong Kong with limited liability.
Amount of the Renewed Revolving Loan Facility:	Up to HK\$50,000,000 which is revolving in nature in which any part of the Renewed Revolving Loan Facility that is repaid or prepaid may be re-borrowed by the Borrower, subject to the terms and conditions of the Second Renewal Agreement.

Repayment Term:	Maximum of one year from the date of drawdown, subject to further written agreement between the Lender and the Borrower on any possible extension.
Repayment:	Subject to the Lender's overriding right of repayment on demand, the Borrower shall repay the Renewed Revolving Loan Facility in full in one lump sum together with all interest accrued thereon and all other monies payable under the Second Renewal Agreement on the maturity date. In addition, the Lender shall have the right from time to time in its absolute and sole discretion require or demand any collateral which is with a value equivalent or over the outstanding amount from the Borrower.
Prepayment:	The Borrower may prepay all or any part of a drawdown prior to the maturity date without penalty. Any prepayment of a drawdown will refresh the available amount of the Renewed Revolving Loan Facility for drawing.
Interest:	Interest shall accrue on the outstanding balance of any drawdown at the rate of 12% per annum.
Conditions:	The Lender shall have absolute discretion as to whether to make available any sum for any drawdown under the Second Renewal Agreement.

## **INFORMATION OF THE GROUP**

The Group is principally engaged in the provision of a wide range of landscape architecture services covering landscape assessment, planning, design and other related advisory services.

## **INFORMATION ON THE BORROWER**

The Borrower and its subsidiaries are principally engaged in the trading of Japanese goods which includes foods, cosmetics, groceries, daily necessities etc. between Japan, Hong Kong and the PRC.

The Borrower is a company incorporated in Hong Kong with limited liability and is owned as to 30% by the Group and 9.9% by Mr. Chan, which has been accounted for as an investment in joint venture. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the holder of the remaining 60.1% issued share capital of the Borrower and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons. The Borrower is not a commonly held entity of the Group within the meaning of Rule 14A.27 of the Listing Rules and the loan is not a connected transaction under Chapter 14A of the Listing Rules.

## **REASONS FOR AND BENEFITS OF THE PROVISION OF THE RENEWED REVOLVING LOAN FACILITY**

The terms of the Second Renewal Agreement were arrived at after arm's length negotiations between the Lender and the Borrower.

Having considered the background of the Borrower and the interest income to be earned by the Group, the Directors consider that it is beneficial to enter into the Second Renewal Agreement. The Directors consider that the Renewed Revolving Loan Facility will result in a reasonable income and interest return to the Group. The Directors believe that the terms of the Renewed Revolving Loan Facility are on normal commercial terms, which are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

The Renewed Revolving Loan Facility will be funded by internal resources of the Group and financing from the other lending institutions and will be recorded as loan receivables of the Group.

## **LISTING RULES IMPLICATIONS**

The entering into of the Second Renewal Agreement constitutes a discloseable transaction for the Company. As the relevant applicable percentage ratios (as defined in the Listing Rules) for the Renewed Revolving Loan Facility exceed 5% but are less than 25%, the grant of the Renewed Revolving Loan Facility constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules but exempt from the shareholders' approval requirement.

In addition, as the Renewed Revolving Loan Facility under the Second Renewal Agreement, if fully utilized, exceeds 8% under the assets ratio defined under Rule 14.07(1) of the Listing Rules, the entering into of the Second Renewal Agreement is subject to the general disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the otherwise stated:-

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of directors of the Company
“Borrower”	Earthasia Worldwide Holdings Limited (泛亞國貿有限公司)
“Company”	Earthasia International Holdings Limited (泛亞環境國際控股有限公司), 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 thereto under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China
“independent third party(ies)”	has the meaning ascribed thereto under the Listing Rules
“Lender”	the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chan”	Chan Yick Yan Andross (陳奕仁), an executive Director and a Controlling Shareholder
“PRC”	the People’s Republic of China
“Renewal Agreement”	the renewal loan agreement dated 24 January 2017 entered into between the Lender and the Borrower

“Renewed Revolving Loan Facility”	the renewed Revolving Loan Facility of up to HK\$50,000,000 provided by the Lender to the Borrower pursuant to the terms and conditions of the Second Renewal Agreement
“Revolving Loan Facility”	the revolving loan facility of up to HK\$14,000,000 provided by the Lender to the Borrower pursuant to the terms and conditions of the Renewal Agreement
“Second Renewal Agreement”	the second renewal agreement dated 8 December 2017 entered into between the Lender and the Borrower
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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

Hong Kong, 8 December 2017

*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.*