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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)

INSIDE INFORMATION PROPOSED ISSUE OF BONDS

This announcement is made pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

Reference is made to the announcements (the “**Announcement(s)**”) of the Company dated 31 January 2018, 23 February 2018, 30 April 2018, 31 May 2018, 29 June 2018, 31 August 2018, 29 September 2018 and 24 October 2018 in relation to the Acquisition. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcements.

PROPOSED ISSUE OF BONDS

On 7 December 2018 (after trading hours), the Board considered and approved a resolution in relation to the issue of the Bonds with an aggregate principal amount of up to HK\$110,000,000 at the interest rate of 6% per annum. The Bonds shall be issued upon satisfaction of the condition precedent. The principal terms of the Bonds are set out hereunder:

Issuer	:	The Company
Aggregate principal amount	:	Up to HK\$110,000,000
Form and Denomination	:	In registered form and in denomination of HK\$500,000 each or integral multiples thereof

- Issue price** : 100% of the principal amount of the Bonds
- Interest** : 6% per annum on the outstanding principal amount of the Bonds, accrued daily on a 365 days basis and is payable annually in arrears
- Maturity date** : Unless previously redeemed or purchased or cancelled, on the date immediately following the twenty-four months after the issue of the relevant Bonds (or, if that is not a Business Day, the first Business Day thereafter) (“**Maturity Date**”)
- Condition precedent** : the Shareholders having approved at the EGM the Acquisition and the transactions contemplated thereunder in accordance with the articles of associations of the Company and the Listing Rules
- Events of Default** : If any of the events of default as described in the terms and conditions of the Bonds occurs, a Bondholder may give notice to the Company to demand that the Bonds are immediately due and repayable and upon any such notice being given to the Company, the Bonds will immediately become due and repayable at their principal amount.
- Status** : The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
- Transferability** : Except as specified in the succeeding paragraph, a Bond may be transferable in whole multiples of HK\$500,000 (or such lesser amount as may represent the entire principal amount thereof) and may be transferred to any person.

Save with the consent of the Stock Exchange and the Company, none of the Bonds may be transferred to a connected person of the Company. The Company shall give notice to the Stock Exchange for seeking consent only for any transfer of the Bonds where a connected person of the Company is involved.

- Listing** : No application will be made for the listing of the Bonds
- Early redemption right of the Company** : The Company may at any time before the Maturity Date and from time to time serving at least ten (10) days' prior written notice on the Bondholder with the total amount proposed to be redeemed from the Bondholder redeem the Bonds (in whole or in part) at 100% of the total principal amount of such Bond together with the payment of interests accrued up to the date of such early redemption.

The Bonds will only be issued to third parties independent from and not connected with the Company and its connected person. When a subscriber is identified, the Company will enter into a subscription agreement with the subscriber in respect of the Bonds. The Board has engaged a referral agent to refer subscribers for the Bonds and agreed to pay to the referral agent a referral fee which is equivalent to 1% of the total principal amount of the Bonds successfully subscribed by the subscribers. The referral fee was negotiated on arm's length basis between the Company and the referral agent and determined with reference to, among other things, the size, the current and the expected market conditions and the time allowed for the referral agent to refer subscribers to the Company. The Directors consider that the referral fee is fair and reasonable.

REASONS FOR THE ISSUE OF BONDS AND USE OF PROCEEDS

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 in Hong Kong and Mainland China and catering business in Mainland China and Italy.

Apart from the Group's existing principal business, the Group is exploring other potential investment opportunities which can increase Shareholders' values, and thus on 31 January 2018, the Company through its wholly owned subsidiary entered into an Agreement regarding the Acquisition.

The net proceeds from the issue of the Bonds (after deducting the related costs and expenses) will be utilized for financing the Acquisition.

The Board is of the view that the terms of the Bonds (including the interest rate) are on normal commercial terms, fair and reasonable, and in the interest of the Company and its Shareholders as a whole.

DEFINITIONS

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

“Bond(s)”	6% coupon unlisted bonds to be issued by the Company in an aggregate principal amount of up to HK\$110,000,000 to be subscribed by the subscribers
“Bondholder(s)”	the holder(s) of the Bonds
“Business Day”	a day on which the Stock Exchange is open for trading in Hong Kong

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

Hong Kong, 7 December 2018

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.