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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)

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO A POSSIBLE ACQUISITION**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

**MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE
ACQUISITION**

The Board is pleased to announced that on 9 August 2017 (after trading hours), the Company as the prospective purchaser and the Vendor as the prospective vendor entered into the MOU in relation to the Possible Acquisition. The principal terms of the MOU are set out as follows:-

Date

9 August 2017 (after trading hours)

Parties

- (i) the Company, as prospective purchaser; and
- (ii) the Vendor, as prospective vendor.

To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

Assets to be acquired

Pursuant to the MOU, the Company shall acquire the Sale Share in the Target Company from the Vendor.

Consideration

The amount of the consideration for the Sale Share and the means and method of payment and satisfaction of the consideration shall be subject to further negotiation between the Vendor and the Company.

Exclusivity

In consideration of the nominal consideration of HK\$1, the Vendor agrees that it shall not, and will cause its employees, agents and representatives and the officers of the Target Company not to, at any time during the Exclusivity Period, solicit, initiate, or encourage submission of further proposals or offers from any person for the purchase of the Sale Share or the entire issued share capital of HK Subsidiary.

Due Diligence Review

The Vendor agrees and undertakes that during the Exclusivity Period the Company is entitled to conduct the due diligence review on, inter alia, the legal, financial and business aspects of the Target Group and Graphene Project and the Vendor shall provide the necessary documents and information in respect of the due diligence review as required by the Company and its professional team. All reasonable costs regarding the due diligence review should be borne by the Company.

FORMAL SPA

It is intended that the Vendor and the Company will proceed to the negotiation for the Formal SPA prior to the expiration of the Exclusivity Period.

Non-legally binding effect

The MOU does not intend to create legally binding obligations on the parties and shall not constitute the entire legal agreement or commitment between the parties on the transactions contemplated under the MOU, except for the provisions regarding the Exclusivity Period, costs, confidentiality, assignment and governing law under the MOU.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in the British Virgin Islands and is an investment holding company holding all the issued share capital in HK Subsidiary, an investment holding company, which, in turn, going to hold the entire equity interest in the WOFE. The WOFE, after its establishment, will have cooperation arrangement with the PRC Business Partner on the Graphene Project.

To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, the PRC Business Partner and its ultimate beneficial owners are Independent Third Parties.

INFORMATION ON THE GRAPHENE PROJECT

According to the MOU, after the setting up of WOFE, the Target Group will develop the Graphene Project with the PRC Business Partner. The Target Group shall (1) acquire certain assets from the PRC Business Partner including (a) intellectual property rights in the production of graphene; (b) research and development facilities on graphene production and its application; and (c) customers and sales contracts for graphene products; and, (2) cooperate with the PRC Business Partner on the production of graphene products.

Graphene is an allotrope of carbon with board potential applications as it is lightweight, thin, flexible and yet durable and is known to be an excellent conductor of both heat and electricity and is suitable for use in photovoltaic industry, semiconductor industry, lithium batteries, aerospace and military areas. It is regarded as a new energy and new materials.

REASONS AND BENEFITS FOR ENTERING INTO THE MOU

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. The Group is actively exploring for business opportunities in other sectors to diversify risk and broaden the sources of income of the Group.

The Company considers that the Possible Acquisition, if materialized, will provide an opportunity for the Company to diversify into a growing market of graphene and position itself in graphene production in the PRC as the PRC Government is also dedicated to the development of graphene applications.

WARNING

The Board wishes to emphasize that the Possible Acquisition is subject to, among others, the signing of the Formal SPA, the terms and conditions of which are yet to be agreed between the Company and the Vendor. As such, the Possible Acquisition may or may not proceed and as at the date of this announcement, no legally binding agreement in relation to the Possible Acquisition has been entered into. Further announcement will be made by the Company in accordance with the Listing Rules as and when appropriate. Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Company”	Earthasia International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Exclusivity Period”	for the period from the date of the MOU to 31 December 2017 (or the other date as mutually agreed between the Vendor and the Company)
“Formal SPA”	a definitive agreement in writing in relation to the Possible Acquisition
“Graphene Project”	the development project with the use of graphene at Heilongjiang Province, PRC
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“HK Subsidiary”	Allied Apex Limited (聯尚有限公司), a company incorporated in Hong Kong with limited liability and is wholly-owned by the Target Company
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 9 August 2017 entered into between the Company and the Vendor in relation to Possible Acquisition
“PRC”	People’s Republic of China
“PRC Business Partner”	Ao Yu Graphite Group Corporation Limited* (奧宇石墨集團有限公司), a company established in the Heilongjiang Province in PRC that is specialized in the development and production of graphene materials and products for industrial use
“Possible Acquisition”	the possible acquisition of the Sale Share by the Company from the Vendor as contemplated under the MOU
“Sale Share”	the entire issued share capital in the Target Company
“Shareholder(s)”	holder(s) of the share(s) of the Company in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Think High Global Limited (思高環球有限公司), a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company, the HK Subsidiary and the WOFE
“Vendor”	Tycoon Partner Holdings Limited, a company incorporated in British Virgin Islands with limited liability

“WOFE”

a wholly foreign owned company to be incorporated in PRC and will be solely owned by the HK Subsidiary

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

Hong Kong, 9 August 2017

As at the date of this announcement, the executive directors of the Company 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 of the Company is Mr. Ma Lida; and the independent non-executive Directors are Ms. Tam Ip Fong Sin, Mr. Wong Wang Tai and Mr. Wang Yuncai.

** for identification purpose*