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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 30 June 2015, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place, on a best effort basis, through the Placing Agent, up to an aggregate of 20,000,000 Placing Shares at the Placing Price of HK\$1.05 per Placing Share to not less than six independent Placees, being institutional, professional or private investors, who and whose ultimate beneficial owners, as far as the Placing Agent is aware, are Independent Third Parties.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares on the Stock Exchange. The Directors consider that, among others, the Placing Price, the terms of the Placing Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Placing Price represents (a) a discount of approximately 19.23% to the closing price of HK\$1.30 per Share as quoted on the Stock Exchange on 30 June 2015, being the date of the Placing Agreement; and (b) a discount of approximately 18.22% to the average closing price of HK\$1.284 per Share as quoted on the Stock Exchange for the five (5) Trading Days immediately prior to the date of the Placing Agreement.

The maximum number of 20,000,000 Placing Shares represent approximately 5% of the existing issued share capital of the Company and approximately 4.76% of the issued share capital of the Company as enlarged by the allotment and issue of all the 20,000,000 Placing Shares.

The Placing Shares will be allotted and issued under the General Mandate. The Company will make an application to the Stock Exchange for approval for the listing of, and permission to deal in, the Placing Shares.

Assuming all the 20,000,000 Placing Shares are placed in full, upon completion of the Placing, the gross proceeds and net proceeds arising from the Placing are estimated to be HK\$21 million and approximately HK\$20 million respectively. The Company intends to use the net proceeds to finance future investment opportunities to be identified by the Company and/or as general working capital of the Group.

GENERAL

Shareholders and potential investors should note that the completion of the Placing is subject to the fulfilment of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares and securities of the Company.

The Board is pleased to announce that on 30 June 2015, the Company and the Placing Agent entered into the Placing Agreement, major terms of which are as follows:

THE PLACING AGREEMENT

Date

30 June 2015

Parties

- (a) The Company, as issuer; and
- (b) China Galaxy International Securities (Hong Kong) Co., Limited, as the Placing Agent.

The Placing Agent has been appointed to place, on a best effort basis, the Placing Shares at the Placing Price. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

Placees

The Placing Shares will be placed to not less than six (6) independent Placees, being institutional, professional or private investors, who and whose ultimate beneficial owners, as far as the Placing Agent is aware, are Independent Third Parties. It is expected that none of the Placees will become substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the completion of the Placing.

Placing Shares

The Placing Agent has conditionally agreed to place, on a best effort basis, a maximum of 20,000,000 Placing Shares. The 20,000,000 Placing Shares represent (a) approximately 5% of the existing issued share capital of the Company; and (b) approximately 4.76% of the issued share capital of the Company as enlarged by the allotment and issue of all the 20,000,000 Placing Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing). The aggregate nominal value of the Placing Shares is HK\$200,000.

Placing Price

The Placing Price of HK\$1.05 per Placing Share was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares on the Stock Exchange. The Placing Price represents:

- (a) a discount of approximately 19.23% to the closing price of HK\$1.30 per Share as quoted on the Stock Exchange on 30 June 2015, being the date of the Placing Agreement; and
- (b) a discount of approximately 18.22% to the average closing price of HK\$1.284 per Share as quoted on the Stock Exchange for the last five (5) Trading Days immediately prior to the date of the Placing Agreement.

Assuming all the 20,000,000 Placing Shares are placed in full and after deducting the costs and expenses incurred in connection with the Placing, it is estimated that the net proceeds from the Placing is approximately HK\$20 million, representing a net placing price of approximately HK\$1.0 per Placing Share. The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares on the Stock Exchange. The Directors consider that, among others, the Placing Price, the terms of the Placing Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Placing commission

The placing commission payable to the Placing Agent under the Placing Agreement is equal to 3.5% of the aggregate Placing Price of the Placing Shares successfully placed by the Placing Agent under the Placing.

The placing commission payable to the Placing Agent under the Placing Agreement is arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing commission charged by other placing agents. The Directors consider that the placing commission is fair and reasonable, in the interests of the Company and the Shareholders as a whole and is in line with the prevailing commission charged by other placing agents.

Ranking

The Placing Shares will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Conditions precedent

The Placing is conditional upon:

- (a) the listing of and permission to deal in the Placing Shares in accordance with the terms of the Placing Agreement being granted by the Listing Committee of the Stock Exchange (and such permission and listing not subsequently being revoked) and, where such approval is subject to conditions, such conditions are reasonably acceptable to the Company and the Placing Agent;
- (b) all requisite consents or approvals (if necessary) from competent authorities for the Placing having been obtained by the Company; and
- (c) the transactions contemplated by the Placing Agreement not being prohibited by law or regulation or interpretation thereof (including without limitation, any statute, order, rule, regulation, request, judgment or directive promulgated or issued by any legislative, executive, judicial or regulatory body or authority) in Hong Kong or other jurisdiction which is applicable to the Company or the Placing Agent.

If any of the above conditions are not fulfilled within fourteen (14) Business Days from the date of the Placing Agreement (or such later date as may be agreed by the Placing Agent and the Company in writing), all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against any other in respect of the Placing (save for any antecedent breaches thereof).

Completion

Completion of the Placing will take place within five (5) Business Days after the fulfilment of the conditions as set out above or such later date to be agreed between the Company and the Placing Agent.

Termination

The Placing Agreement may be terminated prior to Completion, if, in the reasonable opinion of the Placing Agent, the success of the Placing or the business or financial condition of the Group would or is likely to be materially and adversely affected by:

- (a) any material breach of, or any event rendering untrue or incorrect in any material respect, any of the warranties and undertakings set out in the Placing Agreement; or
- (b) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of more than ten (10) Trading Days (other than in connection with the Placing); or
- (c) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
- (d) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions in any part of the world; or
- (e) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange or occurring due to exceptional financial circumstances or otherwise; or
- (f) a change or development involving a prospective change in taxation in Hong Kong, the Cayman Islands or the PRC or the implementation of exchange controls which shall or might materially and adversely affect the Group or its present or prospective shareholders in their capacity as such; or
- (g) any change or deterioration in the conditions of local, national or international securities markets.

Upon termination of the Placing Agreement as described above, all obligations of the Company and the Placing Agents under the Placing Agreement shall cease and determine and neither of them shall have any claim against the other in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligations by them under the Placing Agreement.

General Mandate

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors pursuant to a resolution passed by the Shareholders at the annual general meeting of the Company held on 18 May 2015. Under the General Mandate, the Directors are allowed to allot and issue up to 80,000,000 Shares. As at the date of this announcement, no Shares have been allotted and issued pursuant to the General Mandate.

The allotment and issue of the Placing Shares is not subject to any Shareholders' approval.

Application for listing

The Company will make an application to the Stock Exchange for approval for the listing of, and permission to deal in, the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The principal activity of the Company is investment holding. The principal activities of the Group is landscape architecture in Hong Kong and the PRC.

The Directors are of the view that the Placing would provide additional working capital to the Group in carrying on its businesses and will also broaden the capital and shareholder base of the Company.

Assuming all the 20,000,000 Placing Shares are placed in full, upon completion of the Placing, the gross proceeds and net proceeds arising from the Placing are estimated to be approximately HK\$21 million and approximately HK\$20 million respectively. The Company intends to apply the net proceeds to finance future investment opportunities to be identified by the Company and/or as general working capital of the Group.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS PERIOD

The Board confirms that the Company has not carried out any fund raising activities during the 12 months immediately preceding the date of this announcement.

EFFECT OF THE PLACING ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no change in the share capital of the Company from the date of this announcement up to Completion other than the allotment and issue of the Placing Shares, the shareholding structure of the Company (a) as at the date of this announcement; and (b) immediately after completion of the Placing, is as follows:

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Share	%	Number of Share	%
CYY Holdings Limited (<i>Note 1</i>)	132,006,887	33.0	132,006,887	31.4
LSBJ Holdings Limited (<i>Notes 2</i>)	66,003,444	16.5	66,003,444	15.7
PBLA Limited (<i>Note 3</i>)	<u>101,989,669</u>	<u>25.5</u>	<u>101,989,669</u>	<u>24.3</u>
Sub-total	300,000,000	75.0	300,000,000	71.4
Public Shareholders				
Places	–	–	20,000,000	4.8
Other public Shareholders	<u>100,000,000</u>	<u>25.0</u>	<u>100,000,000</u>	<u>23.8</u>
Total	<u><u>400,000,000</u></u>	<u><u>100.00</u></u>	<u><u>420,000,000</u></u>	<u><u>100.00</u></u>

Notes:

1. CYY Holdings Limited is 100% beneficially owned by Mr. Chan Yick Yan Andross who is an executive Director of the Company.
2. LSBJ Holdings Limited is 100% beneficially owned by Mr. Lau Hing Tat Patrick who is an executive Director and Chairman of the Company.
3. PBLA Limited is 100% beneficially owned by Pubang Landscape Architecture (HK) Company Limited (普邦園林(香港)有限公司), which is in turn 100% beneficially owned by Pubang Landscape Architecture Company Limited (廣州普邦園林股份有限公司), a joint stock company incorporated under the laws of the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002663).

GENERAL

Shareholders and potential investors should note that the completion of the Placing is subject to the fulfilment of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares and securities of the Company.

DEFINITIONS

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

“Board”	means the board of Directors of the Company;
“Business Day”	means any day (excluding a Saturday and Sunday) on which licensed banks in Hong Kong are open to the general public for business;
“Company”	means 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
“Completion”	means completion of the Placing pursuant to the Placing Agreement;
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“Director(s)”	means the director(s) of the Company;
“General Mandate”	means the general mandate granted to the Directors at the annual general meeting of the Company held on 18 May 2015 to allot or otherwise deal with the unissued shares of the Company;
“Group”	means the Company and its subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	means Hong Kong dollar(s), the lawful currency of Hong Kong;
“Independent Third Party(ies)”	means independent third party(ies) who is/are independent of and not connected with the Company and its connected person(s);
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;

“Placee(s)”	means any investor who is an institutional, professional or private investor which is independent of and not connected with the Company, its directors, chief executive and substantial shareholders and its subsidiaries or any of their respective associates, whom the Placing Agent and/or any of its agent(s) have procured to subscribe for the Placing Shares;
“Placing”	means the offer by way of a private placement of the Placing Shares to selected independent institutional and/or professional or private investors by the Placing Agent on the terms and conditions set out in the Placing Agreement;
“Placing Agent”	means China Galaxy International Securities (Hong Kong) Co., Limited, a licensed corporation to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Placing Agreement”	means the placing agreement dated 30 June 2015 entered into between the Company and the Placing Agent in respect of the Placing;
“Placing Price”	means HK\$1.05 per Placing Share;
“Placing Share(s)”	means a maximum of 20,000,000 new Shares to be issued and allotted to the Placees by the Company through the Placing;
“PRC”	means the People’s Republic of China, which for the purpose of this Announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Share(s)”	means ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	means holder(s) of the issued Share(s);
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;

“Trading Day(s)” means full trading day(s) upon which the Stock Exchange is open for business; and

“%” means per cent.

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

Hong Kong, 30 June 2015

As at the date of this announcement, the executive Directors are Mr. Lau Hing Tat Patrick, Mr. Chan Yick Yan Andross and Mr. Tian Ming; the non-executive Directors are Mr. Michael John Erickson, Mr. Ma Lida and Ms. Huang Yaping; and the independent non-executive Directors are Ms. Tam Ip Fong Sin, Mr. Wong Wang Tai and Mr. Wang Yuncai.