eadg 泛亞國際

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

Interim Report
2018

Contents

Financial Highlights

Financial Highlights

Results		For the six months ended 30 June 2018	2017	Change
Revenue	*HK$'000*	**99,336**	60,157	+65.1%
Landscape architecture	*HK$'000*	**82,052**	60,157	+36.4%
Catering	*HK$'000*	**17,284**	–	+17,284
Gross profit	*HK$'000*	**59,152**	26,976	+119.3%
Landscape architecture	*HK$'000*	**46,307**	26,976	+71.7%
Catering	*HK$'000*	**12,845**	–	+12,845
Profit/(loss) before tax	*HK$'000*	**1,527**	(16,108)	+17,635
Profit/(loss) attributable to owners of the parent	*HK$'000*	**2,090**	(14,109)	+16,199
Basic earnings/(loss) per share attributable to ordinary equity holders of the parent	*HK cents*	**0.49**	(3.4)	+3.89

Financial Position		At 30 June 2018	At 31 December 2017	Change
Total assets	*HK$'000*	**347,744**	309,147	+12.5%
Net assets	*HK$'000*	**151,715**	141,842	+7.0%
Shareholder's equity	*HK$'000*	**132,858**	122,175	+8.7%
Cash and bank balances	*HK$'000*	**97,014**	112,442	-13.7%
Debt	*HK$'000*	**103,376**	63,500	+62.8%
Net debt/(cash)	*HK$'000*	**6,362**	(48,942)	+55,304

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Lau Hing Tat Patrick
Mr. Chan Yick Yan Andross
Mr. Tian Ming
Mr. Yang Liu
Mr. Qiu Bin

Non-executive Director

Mr. Ma Lida

Independent non-executive Directors

Ms. Tam Ip Fong Sin
Mr. Wong Wang Tai
Mr. Wang Yuncai

COMPANY SECRETARY

Ms. Chan Chi Hing (resigned on 10 July 2018)
Mr. Kwok Ka Hei (appointed on 10 July 2018)

REGISTERED OFFICE

Clifton House
75 Fort Street, PO Box 1350
Grand Cayman, KY1-1108
Cayman Islands

HEADQUARTER, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11/F COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong

AUDIT COMMITTEE

Mr. Wong Wang Tai *(Chairman)*
Ms. Tam Ip Fong Sin
Mr. Wang Yuncai
Mr. Ma Lida

REMUNERATION COMMITTEE

Mr. Wong Wang Tai *(Chairman)*
Ms. Tam Ip Fong Sin
Mr. Wang Yuncai
Mr. Chan Yick Yan Andross

NOMINATION COMMITTEE

Mr. Lau Hing Tat Patrick *(Chairman)*
Mr. Wang Yuncai
Ms. Tam Ip Fong Sin

CORPORATE WEBSITE

www.ea-dg.com

AUTHORISED REPRESENTATIVES

Ms. Chan Chi Hing (resigned on 10 July 2018)
Mr. Kwok Ka Hei (appointed on 10 July 2018)
Mr. Chan Yick Yan Andross

ALTERNATES TO AUTHORISED REPRESENTATIVES

Mr. Tian Ming
Mr. Lau Hing Tat Patrick

PRINCIPAL BANKERS

Bank of China (Hong Kong)
Bank of Communication
Industrial Bank Co., Ltd.
The Bank of East Asia
The Hongkong and Shanghai Banking

PRINCIPAL SHARE REGISTRAR OFFICE

Estera Trust (Cayman) Ltd.
(formerly named "Appleby Trust (Cayman) Ltd.")
Clifton House
75 Fort Street, PO Box 1350
Grand Cayman, KY1-1108
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

LEGAL ADVISER AS TO HONG KONG

Hastings & Co.
5th Floor, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants
22nd Floor, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

Unaudited Interim Condensed Consolidated Statement of Profit or Loss

		For the six months ended 30 June	
		2018	2017
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*3*	**99,336**	60,157
Cost of sales		**(40,184)**	(33,181)
GROSS PROFIT		**59,152**	26,976
Other income and gains	*5*	**13,538**	5,972
Selling and marketing expenses		**(11,891)**	(6,179)
Administrative expenses		**(52,145)**	(38,529)
Other expenses		**(1,507)**	(3,348)
Finance costs	*6*	**(4,373)**	–
Share of loss of associates		**(1,247)**	(1,000)
PROFIT/(LOSS) BEFORE TAX	*7*	**1,527**	(16,108)
Income tax expense	*8*	**(323)**	1,887
PROFIT/(LOSS) FOR THE PERIOD		**1,204**	(14,221)
Attributable to:			
Owners of the parent		**2,090**	(14,109)
Non-controlling interests		**(886)**	(112)
		1,204	(14,221)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*		
Basic			
– For profit/(loss) for the period		**HK0.49 cents**	HK(3.4 cents)
Diluted			
– For profit/(loss) for the period		**HK0.49 cents**	HK(3.4 cents)

Unaudited Interim Condensed Consolidated Statement of Comprehensive Income

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT/(LOSS) FOR THE PERIOD	**1,204**	(14,221)
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(1,378)**	2,810
	(1,378)	2,810
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods	**(1,378)**	2,810
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	**(1,378)**	2,810
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	**(174)**	(11,411)
Attributable to:		
Owners of the parent	**766**	(11,299)
Non-controlling interests	**(940)**	(112)
	(174)	(11,411)

Unaudited Interim Condensed Consolidated Statement of Financial Position

	Notes	30 June 2018 (Unaudited) *HK$'000*	31 December 2017 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Goodwill		**7,190**	7,219
Property and equipment		**15,002**	10,788
Intangible assets		**46,222**	49,055
Prepayment and deposits		**6,066**	4,222
Investments in joint ventures	*11*	**198**	201
Investments in associates	*12*	**2,877**	8,418
Equity instruments at fair value through other comprehensive income		**2,843**	2,881
Deferred tax assets		**20**	42
Total non-current assets		**80,418**	82,826
CURRENT ASSETS			
Inventories		**1,432**	744
Contract assets		**34,425**	35,355
Trade and bills receivables	*13*	**51,064**	48,092
Prepayments, deposits and other receivables		**77,731**	22,791
Tax recoverable		**107**	–
Call options over non-controlling interest		**5,553**	5,580
Cash and bank balances		**97,014**	112,442
		267,326	225,004
Assets of a disposal group classified as held for sale		**–**	1,317
Total current assets		**267,326**	226,321
CURRENT LIABILITIES			
Interest-bearing other borrowing	*15*	**2,321**	–
Trade payables	*14*	**8,975**	7,389
Other payables and accruals		**23,066**	32,854
Contract liabilities		**20,103**	22,517
Tax payable		**26,933**	26,134
Dividend payable		**4**	4
		81,402	88,898
Liabilities directly associated with the assets classified as held for sale		**–**	1,083
Total current liabilities		**81,402**	89,981
NET CURRENT ASSETS		**185,924**	136,340
TOTAL ASSETS LESS CURRENT LIABILITIES		**266,342**	219,166

Unaudited Interim Condensed Consolidated Statement of Financial Position (continued)

	Notes	30 June 2018 (Unaudited) *HK$'000*	31 December 2017 (Audited) *HK$'000*
NON-CURRENT LIABILITIES			
Interest-bearing other borrowings	*15*	**101,055**	63,500
Other payables		**347**	351
Deferred tax liabilities		**13,225**	13,473
Total non-current liabilities		**114,627**	77,324
NET ASSETS		**151,715**	141,842
EQUITY			
Equity attributable to owners of the parent			
Share capital	*16*	**4,343**	4,220
Treasury shares		**(88)**	(88)
Other reserves		**128,603**	118,043
		132,858	122,175
Non-controlling interests		**18,857**	19,667
TOTAL EQUITY		**151,715**	141,842

Unaudited Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2018

	Attributable to owners of the parent										
	Share capital	Treasury shares	*Share premium account	*Share option plan reserve	*Capital reserve	*Reserve funds	*Exchange fluctuation reserve	*Retained profits	Total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2018											
As previously reported	**4,220**	**(88)**	**133,728**	**4,977**	**5**	**10,616**	**(5,131)**	**(26,152)**	**122,175**	**19,667**	**141,842**
Impact of adopting IFRS 9	–	–	–	–	–	–	–	(5,562)	(5,562)	–	(5,562)
As restated	4,220	(88)	133,728	4,977	5	10,616	(5,131)	(31,714)	116,613	19,667	136,280
Profit for the period	–	–	–	–	–	–	–	2,090	2,090	(886)	1,204
Other comprehensive-loss for the year:											
Exchange differences on translation of foreign operations	–	–	–	–	–	–	(1,324)	–	(1,324)	(54)	(1,378)
Total comprehensive loss for the period	–	–	–	–	–	–	(1,324)	2,090	766	(940)	(174)
Disposal of a subsidiary	–	–	–	–	–	–	(236)	236	–	–	–
Acquisition of non-controlling interests	–	–	–	–	–	–	–	(130)	(130)	130	–
Issue of shares	123	–	15,486	–	–	–	–	–	15,609	–	15,609
Equity-settled share option arrangements	–	–	4,977	(4,977)	–	–	–	–	–	–	–
Transfer from retained profits	–	–	–	–	–	384	–	(384)	–	–	–
At 30 June 2018 (Unaudited)	4,343	(88)	154,191	–	5	11,000	(6,691)	(29,902)	132,858	18,857	151,715

* These reserve accounts as at 30 June 2018 comprise the consolidated reserves of HK$128,603,000 (31 December 2017: HK$118,043,000) in the condensed consolidated statement of financial position.

Unaudited Interim Condensed Consolidated Statement of Changes in Equity (continued)

For the six months ended 30 June 2017

	Attributable to owners of the parent										
	Share capital *HK$'000*	Treasury shares *HK$'000*	*Share premium account *HK$'000*	*Share option plan reserve *HK$'000*	*Capital reserve *HK$'000*	*Reserve funds *HK$'000*	*Exchange fluctuation reserve *HK$'000*	*Retained profits *HK$'000*	Total *HK$'000*	Non–controlling interests *HK$'000*	Total equity *HK$'000*
At 1 January 2017	4,200	(88)	130,433	5,721	5	10,429	(10,594)	31,091	171,197	(8)	171,189
Loss for the period	–	–	–	–	–	–	–	(14,109)	(14,109)	(112)	(14,221)
Other comprehensive income for the period:											
Exchange differences on translation of foreign operations	–	–	–	–	–	–	2,810	–	2,810	–	2,810
Total comprehensive loss for the period	–	–	–	–	–	–	2,810	(14,109)	(11,299)	(112)	(11,411)
Equity-settled share option arrangements	–	–	–	31	–	–	–	–	31	–	31
At 30 June 2017 (Unaudited)	4,200	(88)	130,433	5,752	5	10,429	(7,784)	16,982	159,929	(120)	159,809

Unaudited Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2018

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	**1,527**	(16,108)
Adjustments for:		
Finance costs	**4,373**	–
Share of loss of associates	**1,247**	1,000
Interest income	**(1,200)**	(768)
Equity-settled share option expense	**–**	31
Depreciation	**2,014**	1,281
Amortisation of intangible assets	**2,887**	758
Dividend income from equity instruments at fair value through other comprehensive income	**(456)**	(127)
Loss on disposal of items of property and equipment	**1**	52
Provision for impairment of trade receivables	**918**	2,285
Provision for impairment of deposits and other receivables	**–**	320
Provision for impairment of contract assets	**2,324**	1,971
Exchange loss/(gain)	**457**	(1,546)
Gain on disposal of a shareholding in an associate	**(3,915)**	–
	10,177	(10,851)
Increase in contract assets	**(6,255)**	(183)
Increase in inventories	**(718)**	–
(Increase)/decrease in trade and bills receivables	**(5,961)**	8,716
Decrease in prepayments, deposits and other receivables	**3,810**	4,368
Increase/(decrease) in trade payables	**1,699**	(1,207)
Decrease in other payables and accruals	**(7,081)**	(2,081)
(Decrease)/increase in contract liabilities	**(2,306)**	2,253
Cash (used in)/generated from operations	**(6,635)**	1,015
Interest received	**50**	132
Income tax received	**1,752**	–
Income tax paid	**(1,178)**	(2,521)
Net cash flows used in operating activities	**(6,011)**	(1,374)

Unaudited Interim Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2018

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**744**	636
Purchases of items of property and equipment	**(7,887)**	(1,248)
Proceeds from disposal of items of property and equipment	**–**	11
Proceeds from disposal of a shareholding in an associate	**8,304**	–
Decrease in prepayments, deposits and other receivables relating to investment of an entity's equity interest	**–**	115
Repayment of a loan to a joint venture	**29,275**	32,228
Loan to joint ventures	**(30,514)**	(34,354)
Loan to an associate	**(3,045)**	–
Disposal of a subsidiary	**152**	–
Prepayment to purchase a shareholding in a joint venture	**–**	(150)
Prepayment to acquisition of a subsidiary	**(50,000)**	(6,629)
Additions to intangible assets	**(228)**	(83)
Dividend from equity instruments at fair value through other comprehensive income	**456**	–
Loan to a third-party	**(4,920)**	–
Net cash flows used in investing activities	**(57,663)**	(9,474)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	**9,983**	–
Proceeds from issue of corporate bonds	**41,500**	–
Corporate bond issue expense	**(5,500)**	–
New other borrowings	**2,656**	–
Capital injection by non-controlling shareholders	**(308)**	–
Dividends paid	**–**	(63)
Net cash generated from/(used in) financing activities	**48,331**	(63)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(15,343)**	(10,911)
Cash and cash equivalents at beginning of period	**112,794**	70,085
Effect of foreign exchange rate changes, net	**(437)**	1,407
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**97,014**	60,581

Unaudited Interim Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2018

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
ANALYSIS OF BALANCES OF CASH CASH AND CASH EQUIVALENTS		
Cash and bank balances	**97,014**	60,581
CASH AND BANK BALANCES AS STATED IN THE UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**97,014**	60,581
CASH AND CASH EQUIVALENTS AS STATED IN THE UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	**97,014**	60,581

Notes to Unaudited Interim Condensed Consolidated Financial Statements

30 June 2018

1. CORPORATE AND GROUP INFORMATION

Earthasia International Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 25 November 2013. The registered office address of the Company is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The principal activity of the Company and its subsidiaries (collectively the "Group") is landscape architecture in Hong Kong and Mainland China and catering business in Mainland China and Italy. There were no significant changes in the nature of the Group's principal activity during the period.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 Basis of Preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2018 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2017. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

All intra-group transactions and balances have been eliminated on consolidation.

2.2. New standards and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's audited consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards and interpretations effective as of 1 January 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

In the current interim period, the Group has applied, for the first time, the following amendments to International Financial Reporting Standards ("IFRSs", which also include International Accounting Standards ("IASs") and interpretations) that are relevant to the Group's operation for the preparation of the Group's interim condensed consolidated financial statements:

IFRS 9	*Financial Instruments*
IFRS 15	*Revenue from Contracts with Customers*
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*
Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*
Amendments to IAS 40	*Transfers of Investment Property*
Annual improvements 2014-2016 Cycle	*Amendments to IFRS 1 and IAS 28*

Notes to Unaudited Interim Condensed Consolidated Financial Statements

30 June 2018

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (Continued)

2.2. New standards and amendments adopted by the Group (Continued)

Other than as further explained below, the directors do not anticipate that the application of the new and revised IFRSs above will have a material effect on these interim condensed consolidated financial statements and the disclosure.

IFRS 15

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted IFRS 15 using the modified retrospective method of adoption and it elected to apply that method to only those contracts that were not completed at the date of initial application. The comparative information for each of the primary financial statements would be presented based on the requirements of IAS 18 and related interpretations, thus the comparative figures have not been restated.

The Group mainly engages in the businesses of landscape design service and catering. The effects of the adoption of IFRS 15 are further explained as follows:

Notes to Unaudited Interim Condensed Consolidated Financial Statements

30 June 2018

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (Continued)

2.2. New standards and amendments adopted by the Group (Continued)

IFRS 15 (Continued)

(a) Accounting for landscape design service

Under IFRS 15, when the Group has an enforceable right to payment from the customers for performance completed to date, the Group recognises revenue as the performance obligation is satisfied over time in accordance with the input method for measuring progress.

The excess of cumulative revenue recognised in profit or loss over the cumulative billings to provide service is recognised as contract assets. The contract assets will be reclassified as receivables when the progress billings are issued and delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The excess of cumulative billings to provide service over the cumulative revenue recognised in profit or loss is recognised as contract liabilities. The contract liabilities are recognised as revenue when the Group satisfies its performance obligations.

The adoption of IFRS 15 does not have a significant impact on the Group's results and financial position for the current or prior periods except the presentation of contract assets and contract liabilities. To follow the terminology used under IFRS 15, the Group has made the following adjustments at 1 January 2018:

1) "Amounts due from customers for construction work" in relation to design services has been reclassified as "Contract assets";

2) "Amounts due to customers for construction work" in relation to design services has been reclassified as "Contract liabilities"; and

3) "Other payables and accruals" in relation to deposits or payments received in advance for sales of goods not yet delivered to customers, which was previously included in "Other payables and accruals" has been reclassified as "Contract liabilities".

Notes to Unaudited Interim Condensed Consolidated Financial Statements

30 June 2018

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (Continued)

2.2. New standards and amendments adopted by the Group (Continued)

IFRS 15 (Continued)

(a) Accounting for landscape design service (Continued)

The impact on the Group's financial position by the application of IFRS 15 as compared to IAS 18 and IAS 11 that was previously in effect before the adoption of IFRS 15 is as follows:

	As at 31 December 2017		
Consolidated balance sheet (extract)	As previously stated	Effects of the adoption of IFRS 15	Restated
	HK$'000	*HK$'000*	*HK$'000*
Current assets			
Amounts due from customers for construction work	35,355	(35,355)	–
Contract assets	–	35,355	35,355
Current liabilities			
Amounts due to customers for construction work	20,310	(20,310)	–
Other payables and accruals	35,061	(2,207)	32,854
Contract liabilities	–	22,517	22,517

(b) Accounting for catering service

Revenue from catering is recognised when (i) control of the products has transferred, being when the products are delivered to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products; and (ii) collectability of the related receivables is reasonably assured. No contract liability and right to the returned goods are recognised as insignificant amount of returns are expected based on previous experience.

(c) Presentation and disclosure requirements IAS 34.114

As required for the condensed consolidated financial statements, the Group disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group also disclosed information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment. Refer to note 3 for the disclosure on disaggregated revenue.

Notes to Unaudited Interim Condensed Consolidated Financial Statements

30 June 2018

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (Continued)

2.2. New standards and amendments adopted by the Group (Continued)

IFRS 9

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. The standard introduces new requirements for classification and measurement and impairment. The Group had adopted IFRS 9 from 1 January 2018. The impacts relate to the classification and measurement and the impairment requirements and are summarised as follows:

(a) Classification and measurement

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The new classification and measurement of the Group's financial assets are, as follows:

- Debt instruments at amortised cost that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's Trade and bills receivables, and Contract assets, and deposits and other receivables.

- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its unquoted equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9. Under IAS 39, the Group's unquoted equity instruments were classified as available-for-sale investments.

- Financial assets at FVPL include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Under IAS 39, the Group's debt instruments were classified as available-for-sale investments.

Notes to Unaudited Interim Condensed Consolidated Financial Statements

30 June 2018

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (Continued)

2.2. New standards and amendments adopted by the Group (Continued)

IFRS 9 (Continued)

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit losses (ECLs) approach. IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. Lifetime ECLs represent the ECLs that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that are expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

(c) Summary of effects arising from initial application of IFRS 9

From available-for-sale investments to equity instruments at FVOCI

	As at 31 December 2017		
Consolidated balance sheet (extract)	As previously stated	Effects of the adoption of IFRS 9	Restated
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Available-for-sale investments	2,881	(2,881)	–
Equity instruments at FVOCI	–	2,881	2,881

Impairment

Equity As at 31 December 2017	HK$'000
Accumulated losses (as previously stated)	26,152
Effects of the adoption of IFRS 9	
– Increase in provision for trade receivables	1,292
– Increase in provision for contract assets	4,270
	5,562
Accumulated losses (Restated)	31,714

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3. REVENUE

Revenue represents an appropriate proportion of contract revenue from service contracts during the period.

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Type of goods or service		
– Service contracts	**82,052**	60,157
– Catering management services	**1,993**	–
– Catering revenue	**15,291**	–
Total revenue	**99,336**	60,157
Geographical markets		
– Hong Kong	**10,972**	10,442
– Mainland China	**80,791**	49,715
– Others	**7,573**	–
Total revenue	**99,336**	60,157
Timing of revenue recognition		
– Goods transferred at a point in time	**15,291**	–
– Services transferred over time	**84,045**	60,157
Total revenue	**99,336**	60,157

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4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has five reportable operating segments as follows:

(a) Residential development projects involve residential club houses, podiums, gardens or recreational areas;

(b) Infrastructure and public open space projects involve municipal or local government works in relation to infrastructure areas, public parks and public green areas of property developers;

(c) Commercial and mixed-use development projects involve shopping arcades, office buildings or mixed-use commercial and residential premises;

(d) Tourism and hotel projects mainly involve landscape architecture of theme parks, resorts and hotels; and

(e) The catering business focusing on operation of restaurants.

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.

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4. OPERATING SEGMENT INFORMATION (Continued)

The following tables present revenue and profit/loss information for the Group's operating segments for the six months ended 30 June 2018 and 2017.

Six months ended 30 June 2018 (Unaudited)

	Residential development projects *HK$'000*	Infrastructure and public open space projects *HK$'000*	Commercial and mixed-use development projects *HK$'000*	Tourism and hotel projects *HK$'000*	Catering *HK$'000*	Total *HK$'000*
Segment revenue						
Revenue	**40,005**	**18,654**	**14,866**	**8,527**	**17,284**	**99,336**
Segment results	**22,596**	**9,915**	**8,477**	**4,401**	**(1,624)**	**43,765**
Reconciliations:						
Unallocated income and gains						**12,815**
Unallocated expenses						**(49,433)**
Finance costs						**(4,373)**
Share of losses of associates						**(1,247)**
Profit before tax						**1,527**

Six months ended 30 June 2017 (Unaudited)

	Residential development projects *HK$'000*	Infrastructure and public open space projects *HK$'000*	Commercial and mixed-use development projects *HK$'000*	Tourism and hotel projects *HK$'000*	Total *HK$'000*
Segment revenue					
Revenue	28,390	17,028	9,679	5,060	60,157
Segment results	16,623	3,483	3,449	1,136	24,691
Reconciliations:					
Unallocated income and gains					5,972
Unallocated expenses					(45,771)
Share of losses of:					
Associates					(1,000)
Loss before tax					(16,108)

Notes to Unaudited Interim Condensed Consolidated Financial Statements

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4. OPERATING SEGMENT INFORMATION (Continued)

The following tables present assets and liabilities information for the Group's operating segments as at 30 June 2018 and 31 December 2017.

30 June 2018 (Unaudited)

	Residential development projects *HK$'000*	Infrastructure and public open space projects *HK$'000*	Commercial and mixed-use development projects *HK$'000*	Tourism and hotel projects *HK$'000*	Catering *HK$'000*	Total *HK$'000*
Segment assets	**42,688**	**18,995**	**17,249**	**6,233**	**82,653**	**167,818**
Reconciliations:						
Unallocated assets						**179,926**
Total assets						**347,744**
Segment liabilities	**10,029**	**3,438**	**5,172**	**1,464**	**18,338**	**38,441**
Reconciliations:						
Unallocated liabilities						**157,588**
Total liabilities						**196,029**

31 December 2017 (Audited)

	Residential development projects *HK$'000*	Infrastructure and public open space projects *HK$'000*	Commercial and mixed-use development projects *HK$'000*	Tourism and hotel projects *HK$'000*	Catering *HK$'000*	Total *HK$'000*
Segment assets	44,516	16,996	18,368	3,339	79,528	162,747
Reconciliations:						
Unallocated assets						145,083
Assets of a disposal group classified as held for sale						1,317
Total assets						309,147
Segment liabilities	11,120	2,823	6,835	1,738	27,185	49,701
Reconciliations:						
Unallocated liabilities						116,521
Liabilities directly associated with the assets classified as held for sale						1,083
Total liabilities						167,305

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4. OPERATING SEGMENT INFORMATION (Continued)

The following tables present other segment information for the Group's operating segments for the six months ended 30 June 2018 and 2017.

Six months ended 30 June 2018 (Unaudited)

	Residential development projects *HK$'000*	Infrastructure and public open space projects *HK$'000*	Commercial and mixed-use development projects *HK$'000*	Tourism and hotel projects *HK$'000*	Catering *HK$'000*	Total *HK$'000*
Other segment information						
Impairment of provision for trade receivables	653	–	210	55	–	918
Depreciation and amortisation	–	–	–	–	2,863	2,863
Reconciliation						
Unallocated						2,038
Total						4,901
Capital expenditure*:	–	–	–	–	5,987	5,987
Reconciliation						
Unallocated						816
Total						6,803

Six months ended 30 June 2017 (Unaudited)

	Residential development projects *HK$'000*	Infrastructure and public open space projects *HK$'000*	Commercial and mixed-use development projects *HK$'000*	Tourism and hotel projects *HK$'000*	Total *HK$'000*
Other segment information					
Provision/(reversal of provision) for impairment of trade receivables	(903)	984	1,192	1,012	2,285
Unallocated:					
Depreciation and amortisation					2,039
Capital expenditure*:					
Unallocated					1,331

* Capital expenditure consists of additions of property and equipment and intangible assets.

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5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Other income		
Service income	**4,636**	3,413
Interest income	**1,200**	768
Government grants	**2,716**	38
Dividend income from equity instruments at fair value through other comprehensive income	**456**	127
	9,008	4,346
Gains		
Gain on disposal of an associate*	**3,915**	–
Payables written back	**615**	–
Foreign exchange gains	**–**	1,626
	4,530	1,626
	13,538	5,972

Government grants were received for tax subsidy and for promoting the Group's business in the local area. There are no unfulfilled conditions or contingencies relating to these grants.

* In the six-month period ended 30 June 2018, HKD 3,915,000 represents the gain on disposal of Teddy. Details are set out in note 12.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on corporate bonds	**4,373**	–

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7. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of sales	**40,184**	33,181
Depreciation	**2,014**	1,281
Amortisation of intangible assets	**2,887**	758
Research and development costs: Current period expenditure	**3,462**	3,800
Minimum lease payments under operating leases	**10,475**	6,533
Auditor's remuneration	**2,444**	1,217
Employee benefit expense		
– Wages and salaries	**47,658**	30,462
– Equity-settled share option expense	**–**	31
– Pension scheme contributions (defined contribution scheme)	**5,134**	5,335
– Welfare and other benefits	**2,634**	1,594
	55,426	37,422
Foreign exchange differences, net	**654**	(1,626)
Provision for impairment of contract assets	**2,324**	1,971
Provision for impairment of trade receivables	**918**	2,285
Provision for impairment of deposits and other receivables	**–**	320
Loss on disposal of items of property and equipment	**1**	52

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

泛亞景觀設計（上海）有限公司, a subsidiary of the Company, was granted with the High and New Technology Enterprises qualification on 23 November 2017 and is entitled to a preferential corporate income tax rate of 15% for a period of three years commencing from the year ended 31 December 2017 (six months ended 30 June 2017: 15%).

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8. INCOME TAX (Continued)

前海泛亞景觀設計(深圳)有限公司, a subsidiary of the Company, is entitled to a preferential corporate income tax rate of 15% (six months ended 30 June 2017: 15%) on the estimated assessable profits as its main principal activities, namely interior design and landscape, are recognised as encouraged industries in Qianhai district, Shenzhen in Mainland China.

Other subsidiaries located in Mainland China were subject to corporate income tax at the statutory rate of 25% for the period (six months ended 30 June 2017: 25%) under the income tax rules and regulations in the People's Republic of China ("PRC").

Thai Gallery SRL is required to pay tax equivalent to 27.9% of taxable income, including 24% for the standard rate of Italy corporate tax ("IRES") and 3.9% for the Italian regional production tax rate ("IRAP").

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current – Hong Kong	**(1,417)**	157
Current – Mainland China	**1,960**	38
	543	195
Deferred	**(220)**	(2,082)
Total tax charge for the period	**323**	(1,887)

9. DIVIDEND

The board of directors of the Company does not recommend the payment of any interim dividend (six months ended 30 June 2017: Nil) for the six months ended 30 June 2018.

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10. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the earnings for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 425,440,725 (six months ended 30 June 2017: 411,150,725) in issue during the period.

The calculation of the diluted earnings per share amount is based on the earnings for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings/loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic earnings per share amount presented for the six months ended 30 June 2017 in respect of a dilution as the impact of the share option plan had an anti-diluted effect on the basic earnings per share presented.

The Group had no potentially dilutive ordinary shares in issue during the period ended 30 June 2018.

The calculations of basic and diluted earnings/(loss) per share are based on:

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Earnings/(loss)		
Profit/(Loss) attributable to ordinary equity holders of the parent	**2,090**	(14,109)

	Number of shares	
	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings/loss per share calculation	**425,440,725**	411,150,725
Effect of dilution – weighted average number of ordinary shares: share options exercised	**–**	–
	425,440,725	411,150,725

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11. INVESTMENTS IN JOINT VENTURES

	30 June 2018 (Unaudited) *HK$'000*	31 December 2017 (Audited) *HK$'000*
Share of net assets	**198**	201

Particulars of the Group's joint ventures are as follows:

Name	Particulars of issued shares held/ paid-up capital	Place of registration and business	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing	Principal activity
Earthasia Worldwide Holdings Limited ("EA Trading")	Issued shares of HK$100	Hong Kong	30	50	30	Trading business
Earthasia International (Japan) Limited ("Japan Trading")	Issued shares of JPY50,000,000	Japan	30	50	30	Trading business
大連鵬亞國際貿易有限公司 (Dalian Pengya Co., Ltd) ("Dalian Trading")	Registered capital of RMB100,000	Mainland China	30	50	30	Trading business
上海扣熊餐飲管理合夥企業 (Shanghai Kouxiong Food Management LLP#) ("Kouxiong")	Registered capital of RMB300,000	Mainland China	56	50	56	Catering in Mainland China
青島泰迪農場旅遊有限公司 (Qingdao Teddy Farm Tourism Co., Ltd#) ("Qingdao Teddy")	Registered capital of RMB10,000,000	Mainland China	51	50	51	Dormant in the process of winding-up

The above investments are indirectly held by the Company.

\# The English names of these companies represent the best effort made by the management of the Company to directly translate their Chinese names as these companies do not register any official English names.

EA Trading, which is considered a material joint venture of the Group, operates its trading business in Hong Kong and Japan and is accounted for using the equity method.

Kouxiong, which is considered a material joint venture of the Group, operates its catering business in mainland and is accounted for using the equity method.

Notes to Unaudited Interim Condensed Consolidated Financial Statements

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11. INVESTMENTS IN JOINT VENTURES (Continued)

The following table illustrates the summarised financial information in respect of EA Trading and Kouxiong adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

2018	**Kouxiong** *HK$'000*	**EA Trading** *HK$'000*
Cash and cash equivalents	**1**	**10,023**
Other current assets	**–**	**34,702**
Current assets	**1**	**44,725**
Non-current assets	**355**	**201**
Current liabilities	**(2)**	**(53,765)**
Net assets/(deficiency in assets)	**354**	**(8,839)**
Reconciliation to the Group's interests in the joint venture:		
Proportion of the Group's ownership	**56%**	**30%**
Carrying amount of the investment	**198**	**–**
Revenue	**–**	**74,163**
Interest expense	**–**	**(2,478)**
Loss for the year	**–**	**(1,380)**
Loss and total comprehensive loss for the year	**–**	**(1,380)**

2017	Kouxiong *HK$'000*	EA Trading *HK$'000*
Cash and cash equivalents	1	2,176
Other current assets	–	34,003
Current assets	1	36,179
Non-current assets	360	588
Current liabilities	(2)	(44,132)
Net assets/(deficiency in assets)	359	(7,365)
Reconciliation to the Group's interests in the joint venture:		
Proportion of the Group's ownership	56%	30%
Carrying amount of the investments	201	–
Revenue	–	64,493
Interest expense	–	1,615
Loss for the year	–	(1,064)
Loss and total comprehensive loss for the year	–	(1,064)

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11. INVESTMENTS IN JOINT VENTURES (Continued)

The Group has discontinued the recognition of its share of losses of a joint venture, EA Trading, because the share of losses of the joint venture exceeded the Group's interest in the joint venture and the Group has no obligation to take up further losses. The amount of the Group's unrecognised share of losses and other comprehensive income of EA Trading for the six months ended 30 June 2018 and accumulated were HK$415,000 (six months ended 30 June 2017: HK$320,000) and HK$1,445,000.00 (2017: HK$1,030,000), respectively.

12. INVESTMENTS IN ASSOCIATES

	30 June 2018 (Unaudited) *HK$'000*	31 December 2017 (Audited) *HK$'000*
Share of net assets	**2,877**	8,418

Particulars of the Group's associates are as follows:

			Percentage of			
Name	**Particulars of issued shares held/ paid-up capital**	**Place of registration and business**	**Ownership interest**	**Voting power**	**Profit sharing**	**Principal activities**
上海泰迪朋友投資管理有限公司 (Shanghai Teddy Friends Investment Management Limited#) ("Teddy")	Registered capital of RMB27,000,000	Mainland China	20	20	20	Investment holding
蘇州蘇迪投資發展有限公司 (Suzhou Sudi Investment and Development Limited#) ("Sudi")	Registered capital of RMB28,000,000	Mainland China	10	10	10	Operating a theme park facility in Mainland China

Teddy and its subsidiary, Sudi, are indirectly held by the Company.

\# The English names of these companies represent the best effort made by the management of the Company to directly translate their Chinese names as these companies do not register any official English name.

The Group reduced its equity interest in Teddy by disposal of its 25% equity interest from 45%, but the Group continued to account for Teddy as an associate as the Group still has the significant influence on the board of directors as well as the operating and financial policies of this entity.

Sudi, which is considered as material associates of the Group, is accounted for using the equity method.

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12. INVESTMENTS IN ASSOCIATES (Continued)

The following table illustrates the summarised financial information in respect of Sudi, adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

	30 June 2018 (Unaudited) *HK$'000*
Cash and cash equivalents	**1,426**
Other current assets	**3,592**
Current assets	**5,018**
Non-current assets	**29,556**
Current liabilities	**(12,319)**
Net assets	**22,255**
Reconciliation to the Group's interest in the associate:	
Proportion of the Group's ownership	**10%**
Carrying amount of the investment	**2,226**
Revenue	**5,833**
Share of loss and total comprehensive loss for the period	**(330)**

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	30 June 2018 (Unaudited) *HK$'000*
Share of the associates' loss for the period	**(917)**
Share of the associates' total comprehensive loss	**(917)**
Aggregate carrying amount of the Group's investments in the associates	**651**

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12. INVESTMENTS IN ASSOCIATES (Continued)

	31 December 2017 (Audited) *HK$'000*
Cash and cash equivalents	811
Other current assets	3,069
Current assets	3,880
Non-current assets	30,093
Current liabilities	(11,268)
Net assets	22,705
Reconciliation to the Group's interest in the associate:	
Proportion of the Group's ownership	23%
Carrying amount of the investment	5,222

	For the six months ended 30 June 2017 (Unaudited) *HK$'000*
Revenue	3,989
Loss and total comprehensive loss for the period	(4,220)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	30 June 2017 (Unaudited) *HK$'000*
Share of the associates' loss for the period	(18)
Share of the associates' total comprehensive loss	(18)
Aggregate carrying amount of the Group's investments in the associates	3,656

13. TRADE AND BILLS RECEIVABLES

	30 June 2018 (Unaudited) *HK$'000*	31 December 2017 (Audited) *HK$'000*
Trade and bills receivables	**83,907**	79,169
Impairment	**(32,843)**	(31,077)
	51,064	48,092

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is two months, extending up to six months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

An aged analysis of trade and bills receivables as at the end of the reporting period, based on the invoice date, and net of provisions, is as follows:

	30 June 2018 (Unaudited) *HK$'000*	31 December 2017 (Audited) *HK$'000*
Within 6 months	**32,541**	30,135
Over 6 months but within 1 year	**5,215**	7,555
Over 1 year but within 2 years	**7,711**	6,877
Over 2 years	**5,597**	3,525
	51,064	48,092

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

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14. TRADE PAYABLES

An aged analysis of trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2018 (Unaudited) *HK$'000*	31 December 2017 (Audited) *HK$'000*
Within 1 year	**7,581**	6,040
Over 1 year but within 2 years	**796**	792
Over 2 years but within 3 years	**438**	495
Over 3 years	**160**	62
	8,975	7,389

The trade payables are non-interest-bearing and are normally settled within three months.

Included in the Group's trade payables is an amount due to Pubang of HK$1,068,000 (31 December 2017: HK$1,083,000).

15. INTEREST-BEARING OTHER BORROWINGS

		30 June 2018 (Unaudited)		
		Effective interest rate *(%)*	**Maturity**	***HK$'000***
Current				
Other borrowing – unsecured	(a)	**4.75**	**2019**	**2,321**
Non-current				
Corporate bonds – unsecured	(b)	**9-9.13**	**2019**	**61,111**
Corporate bonds – unsecured	(b)	**9.13**	**2020**	**39,699**
Other borrowing – unsecured	(a)	**Free**	**2023**	**245**

		31 December 2017 (Audited)		
		Effective interest rate *(%)*	Maturity	*HK$'000*
Non-current				
Other borrowing – unsecured	(b)	9-9.13	2019	63,500

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15. INTEREST-BEARING OTHER BORROWINGS (Continued)

The corporate bonds recognised in the consolidated financial statements are calculated as follows:

	HK$ 6% Corporate Bonds due 2019	HK$ 6% Corporate Bonds due 2020	HK$ 9% Corporate Bonds due 2019	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Carrying amount as at 1 January 2018	58,500	–	5,000	63,500
Issuance during the year	–	41,500	–	41,500
Transaction costs	(3,217)	(2,283)	–	(5,500)
Interest charged	2,569	1,581	223	4,373
Interest paid and interest payable included in other payables and accruals	(1,741)	(1,099)	(223)	(3,063)
Carrying amount as at 30 June 2018	56,111	39,699	5,000	100,810

Note:

(a) The Group's all other borrowings were unsecured. Of which, HK$2,321,000 was denominated in Renminbi, with duration of one year from the effective date. HK$245,000 was denominated in Hong Kong dollars, with duration of five years from the effective date.

(b) The Group's corporate bonds were denominated in Hong Kong dollars ("the Bonds"), with duration of two years from the date issued.

On 21 September 2017, the Bonds amounting to HK$10 million was issued with interest rate of 9% per annum and interest paid annually after the end of every year. As at 31 December 2017, a total of HK$5 million was sold, and the management had confirmed that the rest of the Bonds had been terminated for sale.

On 28 November 2017, the Group issued a corporate bond of HK$100 million, and as of 30 June 2018, a total of HK$100 million of the Bonds was sold. Till 1 March 2018, the Group has completed the registration of all of them. The interest rate is 6% for the Bonds, which is accumulated daily on the 365 daily basis and paid annually after the period.

The effective interest rates of HK$41,500,000 6% Corporate Bonds due 2020, HK$58,500,000 6% Corporate Bonds due 2019, are 9.13%.

Notes to Unaudited Interim Condensed Consolidated Financial Statements

30 June 2018

16. SHARE CAPITAL AND TREASURY SHARES

Shares

	30 June 2018 (Unaudited) *HK$'000*	31 December 2017 (Audited) *HK$'000*
Issued and fully paid (2017: 422,000,000) ordinary shares	**4,343**	4,220

A summary of movements in the Company's share capital is as follows:

	Number of issued and fully paid shares	**Nominal value of shares** *HK$'000*	**Share premium account** *HK$'000*
As at 1 January and 30 June 2017	420,000,000	4,200	139,447
Share options exercised (note (a))	2,000,000	20	3,295
As at 31 December 2017 and 1 January 2018	422,000,000	4,220	142,742
Share options exercised (note (a))	12,290,000	123	20,463
As at 30 June 2018	434,290,000	4,343	163,205

Note:

(a) On 2 January 2018, the grantees exercise an aggregate of 12,290,000 (2017: 2,000,000) share options into 12,290,000 (2017: 2,000,000) shares of the Company of HK$0.01 each for a total consideration of HK$15,609,000 (2017: HK$2,540,000). The consideration received in excess of the par value of these allotted shares of approximately HK$15,486,000 (2017: HK$2,520,000) was credited to the share premium account.

Notes to Unaudited Interim Condensed Consolidated Financial Statements

30 June 2018

16. SHARE CAPITAL AND TREASURY SHARES (Continued)

Treasury shares

A summary of movements in the Company's treasury shares is as follows:

	Number of issued and fully paid shares	Nominal value of shares *HK$'000*	Share premium account *HK$'000*
As at 1 January and 30 June 2017	(8,849,275)	(88)	(9,014)
As at 31 December 2017 and 1 January 2018	(8,849,275)	(88)	(9,014)
As at 30 June 2018	(8,849,275)	(88)	(9,014)

17. MATERIAL RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties during the period:

		For the six months ended 30 June	
	Note	**2018 (Unaudited) *HK$'000***	2017 (Unaudited) *HK$'000*
Loan to Earthasia Worldwide Holdings Limited ("EA Trading")	*(i)*	**29,275**	34,354
Repayment of Loan from EA Trading	*(i)*	**29,275**	32,228
Interest income from EA Trading		**674**	636

(i) The Group granted a revolving loan in aggregate of HK$29,275,000 (six months ended 30 June 2017: HK$34,354,000) during the period to EA Trading, a joint venture of the Group, to support its business operation with a one-year term which is unsecured and bears interest at 12% per annum (six months ended 30 June 2017: 15%). The revolving loan at all times with a balance did not exceed HK$50,000,000.

18. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this interim report, we did not identify any important events affecting the Group that have occurred since 30 June 2018.

19. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The financial statements were approved and authorised for issue by the board of directors on 20 August 2018.

Management Discussion and Analysis

BUSINESS REVIEW

Save for the commencement of catering business in the end of 2017, the Group's business model and revenue and cost structure has no significant change during the reporting period and up to the date of this interim report. For the six months ended 30 June 2018, the landscape architecture segment and catering segment respectively contributed approximately 82.6% and 17.4% of the total revenue of the Group.

Landscape Architecture Business

The Group maintained its market position as one of the leading landscape architecture service providers predominantly in the PRC and Hong Kong. It offered a wide range of landscape architecture services to clients including governments, public bodies, private property developers, state-owned property developers, town planning companies, architecture companies and engineering companies in the PRC and Hong Kong. The Group continued to undertake four major types of landscape architecture projects which can be categorised into (i) residential development projects; (ii) infrastructure and public open space projects; (iii) commercial and mixed-use development projects; and (iv) tourism and hotel projects.

For the six months ended 30 June 2018, residential development projects continued to be the largest segment in terms of revenue, which accounted for approximately 48.8% (six months ended 30 June 2017: 47.2%) of the total revenue among the landscape architecture business. Infrastructure and public open space projects continued to be the second largest segment in terms of revenue, which accounted for approximately 22.7% (six months ended 30 June 2017: 28.3%) of the total revenue among the landscape architecture business.

For the six months ended 30 June 2018, the Group entered into 119 new contracts with a total contract sum of approximately HK$126.7 million for projects located in the PRC and 15 new contracts with a total contract sum of approximately HK$10.4 million for projects located in Hong Kong and others. Geographically, approximately 92.4% of the new contract sum represented projects located in the PRC and approximately 7.6% represented projects located in Hong Kong in terms of contract sum.

The number of new contracts and contract sum entered by the Group compared with last reporting period are set out as follows:

Six months ended 30 June	**No. of new contracts**	**Contract sum** *(HK$'million)*
2018	**134**	137.1
2017	**90**	102.8

Catering Business

In September and December 2017, the Group completed the acquisition of Thai Gallery (HK) Limited and Suzhou Industrial Park Wenlvge Hotel Management Company Limited respectively and commenced its catering business.

Thai Gallery (HK) Limited mainly operates a restaurant serving Thai cuisine in Italy under the brand name "Thai Gallery" restaurant. It also provides catering management services to Shanghai Mo Nei Restaurant Limited which operates a restaurant serving Thai cuisine in Jing'an Park of Shanghai, the PRC. Thai Gallery has become a reputable brand and the Thai Gallery restaurant in Shanghai has been a attraction spot to both local residents and foreign visitors. It was awarded the Best Southeast Asian Restaurant (Reader's Pick) in 2016 organised by the website Shanghai WOW! It has also been receiving very high popularity and positive recommendations in some food and online restaurant guides such as Dazhong Dianping.

Suzhou Industrial Park Wenlvge Hotel Management Company Limited mainly operates restaurants serving Japanese ramen, Japanese curry and other Japanese-style dishes under the Ikaruga brand ("斑鳩拉麵") and Go!Go!Curry! ("果果咖哩") in the PRC.

The Group was provided a profit guarantee of RMB6 million and RMB2.57 million respectively in the year ending 31 December 2018 according to the corresponding acquisition agreements.

For the six months ended 30 June 2018, the catering business contributed approximately HK$17.3 million (six months ended 30 June 2017: nil), represented by approximately 17.4% (six months ended 30 June 2017: nil) of the total revenue of the Group.

FINANCIAL REVIEW

Revenue

Revenue increased to approximately HK$99.3 million for the six months ended 30 June 2018, representing an increase of approximately 65.0%, as compared with that of approximately HK$60.2 million for the same period in 2017. The increase was mainly attributable to (i) the increase in revenue of approximately 36.4% from the landscape architecture segment over the last reporting period; (ii) the continuous increase in new landscape design contracts awarded to the Group in the contract sum of approximately HK$137.1 million compared with that of approximately HK$102.8 million in the last reporting period, representing a growth of approximately 33.4%; and (iii) the contribution of revenue of approximately HK$17.3 million from the catering segment mainly attributable to the two acquisitions completed in the end of 2017.

Cost of sales

Cost of sales increased to approximately HK$40.2 million for the six months ended 30 June 2018, representing an increase of approximately 21.1%, as compared with that of approximately HK$33.2 million for the same period in 2017. Cost of sales mainly represented project staff cost in respect of landscape architecture business and cost of inventories in respect of catering business. The increase was generally in line with the increase in revenue and mainly due to (i) increase in headcount in design staff to around 345 employees as of 30 June 2018 (30 June 2017: 306 employees) and (ii) the increase in cost of inventories of approximately HK$4.4 million from the catering segment which was not incurred in the last reporting period.

Management Discussion and Analysis

Gross profit and gross profit margin

Gross profit increased to approximately HK$59.2 million for the six months ended 30 June 2018, representing an increase of approximately 119.3%, as compared with that of approximately HK$27.0 million for the same period in 2017.

Gross profit margin increased by approximately 14.7 percentage points to approximately 59.5% for the six months ended 30 June 2018, as compared with that of approximately 44.8% for the same period in 2017.

Selling, marketing and administrative expenses

Selling, marketing and administrative expenses increased to approximately HK$64.0 million for the period ended 30 June 2018, representing an increase of approximately 43.2%, as compared with that of approximately HK$44.7 million for the same period in 2017. The increase was generally in line with the increase in revenue and mainly due to (i) the increase in headcount of both landscape design and catering staff to around 508 employees as of 30 June 2018 (including those employed by managed operations); (ii) the increase in selling and administrative expenses from the catering segment of approximately HK$14 million which was not incurred in the last reporting period; (iii) the increase in salary, travelling, legal and professional expenses in relation to the potential acquisition of Think High Global Limited of approximately HK$4 million which was not incurred in the last reporting period.

Net profit

As a result of the foregoing, profit attributable to owners of the Company was approximately HK$2.1 million for the six months ended 30 June 2018, as compared with that of a loss attributable to owners of the Company of approximately HK$14.1 million for the same period in 2017.

Liquidity, financial resources and gearing

The Group's objectives for capital management are to safeguard the Group's ability to continue as a going concern in order to maintain an optimal capital structure and reduce the cost of capital, while maximising the return to shareholders through improving the debt and equity balance.

	As at 30 June 2018 *HK$'000*	As at 31 December 2017 *HK$'000*
Current assets	**267,326**	226,321
Current liabilities	**81,402**	89,981
Current ratio	**3.3x**	2.5x

The current ratio of the Group at 30 June 2018 was approximately 3.3 times as compared to that of approximately 2.5 times at 31 December 2017.

At 30 June 2018, the Group had total cash and bank balances of approximately HK$97.0 million (31 December 2017: HK$112.4 million).

At 30 June 2018, the Group's gearing ratio (represented by total interest-bearing bank and other borrowings at the end of the period divided by total equity at the end of the respective period multiplied by 100%) was approximately 68.1% (31 December 2017: 44.8%).

Management Discussion and Analysis

The capital structure of the Company mainly comprises issued ordinary shares and debt securities. As of 30 June 2018, the Company had 434,290,000 ordinary shares in issue and issued corporate bond of HK$105,000,000 in face value. Of the issued bond, HK$5,000,000 of which carried a coupon rate of 9% per annum and HK$100,000,000 of which carried a coupon rate of 6% per annum. Both of them had a duration of two years from the date issued.

The tables below summarise the debt securities of the Group as at 30 June 2018. All the bonds were denominated in HKD.

	Not exceeding 1 year	**1 to 2 years**	**2 to 5 years**	**More than 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Interest-bearing other borrowings	–	105,000	–	–	105,000

As at the date of this interim report, the Group had in total issued corporate bonds of HK$5 million and HK$100 million with interest rates of 9% per annum and 6% per annum respectively. Both of them had a duration of two years from the date issued.

In January 2018, our Group also entered into an agreement to acquire 100% issued share capital of Think High Global Limited at a consideration of HK$692,000,000 in relation to the graphene business. Subject to final completion, the Group expected to further issue corporate bonds of approximately HK$200 million, issue 86,000,000 new shares as consideration shares, and issue convertible bonds in the principal amount of HK$210,000,000 in fulfilling the payment of consideration.

Contingent liabilities

The Group may have to pay additional consideration in the acquisitions of Thai Gallery (HK) Limited and Suzhou Industrial Park Wenlvge Hotel Management Company Limited. Save for the above, the Group had no significant contingent liabilities as at 30 June 2018. For details of the acquisition of Thai Gallery (HK) Limited, please refer the Company's announcements dated 6 February 2017, 14 February 2017, 17 March 2017, 25 August 2017, 12 December 2017 and 14 December 2017. For details of the acquisition of Suzhou Industrial Park Wenlvge Hotel Management Company Limited, please refer to the Company's announcements dated 29 March 2017, 1 December 2017 and 4 December 2017.

Pledge of assets

The Group had no significant pledge of assets as at 30 June 2018.

Capital commitment

The Group had no significant capital commitment as of 30 June 2018.

Management Discussion and Analysis

Foreign exchange exposure

The Group mainly operates and invests in Hong Kong, the PRC and Italy but most of the transactions are denominated and settled in HKD and RMB with some Euro. No significant foreign currency risk has been identified for the financial assets in the PRC as they were basically denominated in a currency same as the functional currencies of the group entities to which these transactions relate. Nevertheless, the Directors will closely monitor the Group's foreign currency position and consider natural hedge technique to manage its foreign currency exposures by non-financial methods, managing the transaction currency, leading and lagging payments, receivables management, etc. Save for meeting working capital needs, the Group only holds minimum foreign currency.

Human resources and employees' remuneration

As at 30 June 2018, the Group had around 508 employees (31 December 2017: 465 employees), including about 118 employed by managed operations (31 December 2017: 68). Employees are remunerated according to nature of the job, market trend, and individual performance. Employee bonus is distributable based on the performance of the respective subsidiaries and the employees concerned.

The Group offers competitive remuneration and benefit package to employees. Employee benefits include mandatory provident fund, employee pension schemes in the PRC, contributions to social security system, medical coverage, insurance, training and development programs.

A share option scheme (the "Share Option Scheme") was adopted by the Company on 3 June 2014 and became effective on 25 June 2014. During the six months ended 30 June 2018, there was no share options granted (six months ended 30 June 2017: nil) under the Share Option Scheme.

On 21 August 2014, the Company has also adopted a share award scheme (the "Share Award Scheme"). The principal objectives of the Share Award Scheme are (i) to recognise the contributions by employees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group. Details of the Share Award Scheme were set out in the announcements of the Company dated 21 August 2014, 5 January 2015 and 7 September 2015.

ADVANCES TO AN ENTITY

As disclosed in the announcements of the Company dated 20 September 2016, 24 January 2017 and 8 December 2017 (the "Announcements"), the Company as the Lender entered into a loan agreement (the "Loan Agreement") on 24 November 2015 with the borrower pursuant to which the Lender agreed to provide a revolving loan facility (the "Revolving Loan Facility") in the amount of HK$14,000,000 at an interest rate of 30% per annum during the availability period of 14 months from 24 November 2015 to 23 January 2017. On 24 January 2017, the Company entered into the renewed loan agreement (the "Renewal Agreement") with the Borrower pursuant to which the Lender agreed to renew the Revolving Loan Facility in the amount of HK$14,000,000 at a reduced interest rate of 15% per annum for a further 18 months from 24 January 2017 to 23 July 2018. On 8 December 2017, the Company further entered into the second renewal agreement (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. Subject to the terms and conditions, the Renewed Revolving Loan Facility can be drawn down at any time for one year during the availability period. Set out below are the principal terms of each of the loan agreements:

	Loan Agreement	**Renewal Agreement (Supersede the Loan Agreement)**	**Second Renewal Agreement (Supersede the Renewal Agreement)**
Date of agreement:	24 November 2015	24 January 2017	8 December 2017
Borrower:	Earthasia Worldwide Holdings Limited		
Revolving facility amount:	Up to HK$14,000,000	Up to HK$14,000,000	Up to HK$50,000,000
Interest rate per annum:	30%	15%	12%
Availability period:	24 November 2015 to 23 January 2017	24 January 2017 to 23 July 2018	8 December 2017 to 30 June 2019
Repayment term:	One year		
Repayment:	Borrower shall repay the interests with the principal amount at loan maturity		
Early repayment:	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 Revolving Loan Facility for drawing. Any early repayment shall first settle all interests accrued.		
Collateral:	Nil		
Other terms and conditions:	The Lender shall have absolute discretion as to whether to make available any sum for any drawdown under the Renewed Agreement.		

Management Discussion and Analysis

The advance was made on the basis of the Company's credit assessments on the Borrower's financial strength, repayment history and the tenure of the advance. The Company considered that the risks and return involved in the advance to the Borrower are justifiable. For further details, please refer to the Announcements. As of 30 June 2018, there was zero loan balance due from the borrower to the Company.

In relation to the provision of financial assistance by the Company to the Borrower, a combined statement of financial position of the Borrower as at 30 June 2018 required to be disclosed under Rule 13.22 of Chapter 13 of the Listing Rules is set out in note 11 to the consolidated financial statements in this interim report.

PROSPECTS

Year 2018 is full of uncertainty – the potential trade war between the US and China; the downward of the stock market in Hong Kong and the PRC; and the depreciation of RMB. All of them inevitably poses risks and uncertainties to the growth and development of the Group's business and investments.

In the first half of 2018, the Group continued to record improvement in billing, collection and new contracts from the landscape architecture segment. Despite gradual recovery, the Group still faces fierce price competition in the market, particularly from firms pursuing low-price strategy. To compete in the market, the Group has been pursuing a higher quality of works to attract high-end clients. The Group leverages its Category B of Specific Landscape Engineering Design Qualification (風景園林工程設計專項乙級資質) ("Category B Qualification") for both its Shanghai and Qianhai offices to capture the opportunity of government sectors projects. The Group is currently applying for the Category A of Specific Landscape Engineering Design Qualification (風景園林工程設計專項甲級資質) ("Category A Qualification") in landscape architecture. In efforts to capture greater market shares, the Group set up office in Changchun, Jilin Province of the PRC. The Group also increased the staff size of its liaison office in Changsha, Hunan Province of the PRC. The Group has been exploring market in Southeast Asia such as Vietnam and is currently pursuing strategic alliance with local developers.

As to catering segment, the Group has commenced its catering business through the completion of two acquisitions in the end of 2017. The acquisitions offer a chance to tap into the consumer sector driven by domestic consumption, which is believed to be a main driver of the PRC's economy. In the first half of 2018, the catering business has been contributing 17.4% of total revenue of the Group. The Group planned to open two new Thai cuisine restaurants in Chengdu, Sichuan Province of the PRC with size of 600 sq.m. and 1,000 sq.m. respectively which are larger than the existing restaurants. The Group also plans to set up "Thai Express" in Shanghai, the PRC, which is targeted to be launched in around early 2019 and will provide traditional Thai cuisine under a fast-food chain concept with delivery services. Thai Express will allow customers to place order through internet ordering system and may integrate other new technologies.

In January 2018, our Group also entered into an agreement to acquire 100% issued share capital of Think High Global Limited at a consideration of HK$692,000,000, through which our Group will have an opportunity to invest in the graphene business. Graphene is known as the thinnest materials in the world but 200 times stronger than steel. Graphene is a superb electrical and thermal conductor. The PRC contains second largest amount of graphite resource among other countries. It counts around 33% of the graphite in the world. In 2016, the "13th FYP" National Strategic Emerging Industry Plan stated the Chinese government will support the application of graphite to achieve industrial scale through increased funding and the establishment of innovation alliances and specialized industry bases. The acquisition is in progress and targeted to be completed in 2018.

The Directors believe the above measures and joint efforts of our management and staff can broaden the revenue streams of the Group and will have overall improvements in 2018. The Directors will continue to explore new business and investment opportunities that may generate additional income to the Group.

USE OF PROCEEDS

On 25 June 2014, the actual net proceeds raised from the initial public offering were approximately HK$88.8 million, after deduction of all actual underwriting commission, fees and expenses relating to the listing of the Company's shares. The Directors applied the net proceeds to finance the Group's capital expenditure in accordance with those stated in the prospectus of the Company. Up to 30 June 2018, (i) approximately HK$35.1 million was used to increase the registered capital of Earthasia (Shanghai) Co. Ltd., a principal operating subsidiary of the Company, from US$0.5 million to US$5 million in preparation for further establishment of new regional offices and branch offices to expand the business coverage in the PRC, (ii) approximately HK$6.3 million was used for the acquisition of equity interest in a PRC landscape company, and (iii) approximately HK$8.9 million was used for general working capital purpose.

On 10 July 2015, the Company completed a placing of an aggregate of 20,000,000 new Shares to not less than six independent placees at a placing price of HK$1.05 per Share. The net proceeds arising from the placing was approximately HK$20 million, which will be used to finance future investment opportunities to be identified by the Company and/or as general working capital of the Group. Up to 30 June 2018, (i) approximately HK$5.47 million was used for developing and operating eco-tourism business and (ii) approximately HK$4.0 million was used for supporting the trading business, (iii) approximately HK$2.86 million was used for investing in approximately 7.41% equity interest in an equity instruments at fair value through other comprehensive income, namely Shenzhen Qianhai Lendbang Internet Financial Services Limited (深圳市前海邦你貸互聯網金融服務有限公司), which is principally engaged in the peer-to-peer ("P2P") internet financial services business, and (iv) approximately HK$7.7 million was used for general working capital purpose.

The unused net proceeds arising from the above fund raising activities have been placed as interest bearing deposits with banks in Hong Kong or the PRC.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group held certain investments in joint ventures and associates during the financial year. For detailed performance of these investments, please refer to notes 11 and 12 to the consolidated financial statements in this interim report. The abovementioned investments were in start-up stage which may require further capital injection and more time to nurture their business development. Nevertheless, our Directors considered that the investments represented good investment opportunities that may generate additional return to the shareholders of our Company in future.

On 30 October 2017, the Board decided to dispose EA Group International, Inc. which provided architectural services to other entities within the Group. As at 31 December 2017, EA Group International, Inc. was classified as a disposal group held for sale. The disposal of EA Group International, Inc. was completed on 23 January 2018.

Save for the above, the Group had no material acquisitions and disposals of subsidiaries during the six months ended 30 June 2018.

Other Information

DISCLOSURE OF INTERESTS

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its associated corporations

As at 30 June 2018, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the SFO) which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) are required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein; or (iii) are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange are as follows:

Long position in the Shares and underlying Shares

		Number of Shares				Number of underlying Shares held under the Share Option Scheme		Approximate % of shareholding
Name of Director	Capacity	Personal interest	Family interest	Corporate interest	Other interest		Total	
Chan Yick Yan Andross	Beneficial owner, interest of controlled corporation	4,204,000	–	94,006,887[1]	–	–	98,210,887	22.61%
Lau Hing Tat Patrick	Beneficial owner, interest of spouse, interest of controlled corporation	5,008,000	1,980,000	46,003,444[2]	–	–	52,991,444	12.20%
Tian Ming	Beneficial owner	3,930,000	–	–	–	–	3,930,000	0.90%
Ma Lida	Beneficial owner	1,000,000	–	–	–	–	1,000,000	0.23%

Notes:

1. Such interests are held by CYY Holdings Limited, a company incorporated in the British Virgin Islands, of which Mr. Chan Yick Yan Andross is interested in the entire issued share capital.

2. Such interests are held by LSBJ Holdings Limited, a company incorporated in the British Virgin Islands, of which Mr. Lau Hing Tat Patrick is interested in the entire issued share capital.

Other Information

Long position in the shares of associated corporations of the Company

Name of director	Name of associated corporation	Nature of interest	Number of shares and class of shares held	Approximate % of shareholding
Chan Yick Yan Andross	Earthasia Worldwide Holdings Limited	Personal	99 (ordinary shares)	9.90%

Saved as disclosed above, as at 30 June 2018, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2018, so far as is known to any Director or chief executive of the Company, the following persons (not being a Director or chief executive of the Company) have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Long position in the Shares

Name of shareholder	Capacity/nature of interest	Number of Shares	Approximate % of shareholding
CYY Holdings Limited [1]	Beneficial owner	94,006,887	21.65%
PBLA Limited [2]	Beneficial owner	75,223,669	17.32%
Pubang Landscape Architecture (HK) Company Limited [2]	Interest in a controlled corporation	75,223,669	17.32%
Pubang Landscape Architecture Company Limited [2]	Interest in a controlled corporation	75,223,669	17.32%
Gao Xin	Beneficial owner	47,996,000	11.05%
LSBJ Holdings Limited [3]	Beneficial owner	46,003,444	10.59%

Notes:

1. CYY Holdings Limited is 100% beneficially owned by Mr. Chan Yick Yan Andross. Accordingly, Mr. Chan Yick Yan Andross is deemed to be interested in the shares of the Company held by CYY Holdings Limited under the SFO.

2. PBLA Limited is 100% beneficially owned by Pubang Landscape Architecture (HK) Company Limited, which is in turn 100% beneficially owned by Pubang Landscape Architecture Company Limited. Accordingly, each of Pubang Landscape Architecture (HK) Company Limited and Pubang Landscape Architecture Company Limited is deemed to be interested in the Shares held by PBLA Limited under the SFO.

3. LSBJ Holdings Limited is 100% beneficially owned by Mr. Lau Hing Tat Patrick. Accordingly, Mr. Lau Hing Tat Patrick is deemed to be interested in the shares of the Company held by LSBJ Holdings Limited under the SFO.

Other Information

DIRECTORS' INTERESTS IN COMPETING INTERESTS

Save as Mr. Ma Lida, our non-executive Director nominated by Pubang Landscape Architecture Co., Ltd., whom is required to declare his conflict of interests and barred from participation or voting on issue if there is any potential conflict of interest between the Group and Pubang Landscape Architecture Co., Ltd., the Directors are not aware of any business or interest of the Directors, the controlling shareholder and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the six months ended 30 June 2018.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51(B)(1) of the Listing Rules, the changes in information of Directors are set out below:

Directors	Details of Changes
Lau Hing Tat Patrick	Ceased to act as a member of Town Planning Board on 1 April 2018

SHARE OPTION SCHEME

The Company has adopted one share option scheme (the "Share Option Scheme") on 3 June 2014 which became effective on 25 June 2014.

As at 30 June 2018, the Company had nil share options outstanding under the Share Option Scheme.

A summary of the movements of the outstanding share options during the period ended 30 June 2018 are as follows:

					Number of Share Options			
Grantee	Date of grant	Vesting and exercisable period	Exercise price *(HK$)*	As at 31/12/2017	Granted[3]	Exercised[4]	Cancelled/ Lapsed[5]	As at 30/6/2018
Directors								
Lau Hing Tat Patrick[1]	4/1/2016	4/1/2016-3/1/2018	1.27	1,965,000	–	(1,965,000)	–	–
		4/1/2017-3/1/2018	1.27	1,965,000		(1,965,000)	–	–
Chan Yick Yan Andross[2]	4/1/2016	4/1/2016-3/1/2018	1.27	1,965,000	–	(1,965,000)	–	–
		4/1/2017-3/1/2018	1.27	1,965,000		(1,965,000)	–	–
Tian Ming	4/1/2016	4/1/2016-3/1/2018	1.27	1,965,000	–	(1,965,000)	–	–
		4/1/2017-3/1/2018	1.27	1,965,000		(1,965,000)	–	–
Other employee(s)	4/1/2016	4/1/2016-3/1/2018	1.27	250,000	–	(250,000)	–	–
		4/1/2017-3/1/2018	1.27	250,000	–	(250,000)	–	–
Total				12,290,000	–	(12,290,000)	–	–

Other Information

Notes:

1. Mr. Lau Hing Tat Patrick was also a substantial shareholder of the Company during the financial period.

2. Mr. Chan Yick Yan Andross was also the chief executive officer and a substantial shareholder of the Company during the financial period.

3. No share options were granted during the financial period.

4. The weighted average closing price immediately before the dates on which the share options were exercised was HK$3.52. The net proceeds would be used for general working capital.

5. No share options were cancelled or lapsed during the financial period.

All the options forfeited before expiry of the Share Option Scheme will be treated as lapsed options which will not be added back to the number of shares available to be issued under the Share Option Scheme.

On 2 January 2018, the Company issued 11,790,000 new shares upon exercise of 11,790,000 share options by three directors of the company and issued 500,000 new shares upon exercise of 500,000 share options by an employee of the Company. As at the date of this interim report, there were no outstanding share options.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the applicable code provisions as set out in the Corporate Governance Code (the "CG Code") stated in Appendix 14 to the Listing Rules during the six months ended 30 June 2018. The Company reviews its corporate governance practices regularly to ensure compliance with the CG Code.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors. After specific enquiry made by the Company, all of the Directors confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 June 2018.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2018, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Company has established the Audit Committee to review and supervise the financial reporting process and internal Control procedures of the Group with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee consists of four members namely, Mr. Wong Wang Tai (an independent non-executive Director), Ms. Tam Ip Fong Sin (an independent non-executive Director), Mr. Wang Yuncai (an independent non-executive Director) and Mr. Ma Lida (a non-executive Director). The chairman of the Audit Committee is Mr. Wong Wang Tai.

Other Information

REVIEW OF INTERIM RESULTS

The Group's interim results for the six months ended 30 June 2018 have not been reviewed by external auditor but have been reviewed by the audit committee of the Company that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: nil).

APPRECIATION

Finally, we would like to express our gratitude to the Shareholders, business partners, subconsultants and customers for their continuous support. We would also like to thank our dedicated staff for their contributions to the success of the Group.

Lau Hing Tat Patrick
Chairman

Hong Kong, 20 August 2018