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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)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS

- Revenue increased to approximately HK$241.4 million for the year ended 31 December 2014, representing an increase of approximately 11.2%, as compared with that of approximately HK$217.0 million for the year ended 31 December 2013.

- Gross profit increased to approximately HK$128.3 million for the year ended 31 December 2014, representing an increase of approximately 7.5%, as compared with that of approximately HK$119.3 million for the year ended 31 December 2013.

- Profit attributable to owners of the Company decreased to approximately HK$28.0 million for the year ended 31 December 2014, representing an decrease of approximately 26.1%, as compared with that of approximately HK$37.9 million for the year ended 31 December 2013.

- Excluding the listing expenses of approximately HK$15.9 million, the net profit would be approximately HK$45.5 million for the year ended 31 December 2014, representing an increase of approximately 20.4%, as compared with that of approximately HK$37.8 million for the year ended 31 December 2013.

- Earnings per share attributable to owners of the Company decreased to approximately HK$8.1 cents for the year ended 31 December 2014, as compared with that of approximately HK$13.2 cents for the year ended 31 December 2013.

- Final dividend of HK5.1 cents per share is proposed for the year ended 31 December 2014 (2013: N/A), representing a dividend payout of approximately 70.5% of profit attributable to owners of the Company.

The board (the "Board") of directors (the "Directors") of Earthasia International Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014 together with comparative figures, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2014

	Notes	**2014** *HK$'000*	2013 *HK$'000*
REVENUE	*5, 6*	**241,365**	217,048
Cost of services provided	*7*	**(113,108)**	(97,790)
GROSS PROFIT		**128,257**	119,258
Other income and gains	*6*	**9,918**	6,143
Selling and marketing expenses		**(8,424)**	(6,007)
Administrative expenses		**(85,482)**	(62,736)
Finance costs	*8*	**(25)**	(57)
Other expenses		**(3,167)**	(2,387)
PROFIT BEFORE TAX	*7*	**41,077**	54,214
Income tax	*9*	**(11,478)**	(16,446)
PROFIT FOR THE YEAR		**29,599**	37,768
Attributable to:			
Owners of the company		**28,020**	37,893
Non-controlling interests		**1,579**	(125)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**93**	1,505
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**29,692**	39,273
Profit/(loss) attributable to:			
Owners of the company		**28,103**	39,400
Non-controlling interests		**1,589**	(127)
		29,692	39,273
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted			
– For profit for the year	*11*	**HK8.1 cents**	HK13.2 cents

Details of the dividends proposed for the year are disclosed in note 10 to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Goodwill		**3,111**	–
Property and equipment		**5,827**	5,963
Intangible assets		**4,034**	1,542
Deposits		**2,272**	1,333
Deferred tax assets		**4,281**	3,989
Total non-current assets		**19,525**	12,827
CURRENT ASSETS			
Amounts due from customers for contract works	*12*	**65,211**	64,056
Trade receivables	*13*	**53,829**	48,069
Prepayments, deposits and other receivables	*14*	**6,498**	11,487
Amount due from a related company		**19**	–
Amount due from a director		**–**	52
Tax recoverable		**3,184**	1,833
Cash and bank balances	*15*	**121,527**	64,364
Total current assets		**250,268**	189,861
CURRENT LIABILITIES			
Trade payables	*16*	**2,862**	1,130
Other payables and accruals	*17*	**17,132**	29,216
Interest-bearing other borrowing	*18*	**–**	184
Amounts due to customers for contract works	*12*	**30,873**	59,641
Tax payable		**28,961**	22,833
Total current liabilities		**79,828**	113,004
NET CURRENT ASSETS		**170,440**	76,857
TOTAL ASSETS LESS CURRENT LIABILITIES		**189,965**	89,684
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**2,197**	3,482
Interest-bearing other borrowing	*18*	**–**	296
Total non-current liabilities		**2,197**	3,778
NET ASSETS		**187,768**	85,906
EQUITY			
Equity attributable to owners of the parent			
Share capital: nominal value	*19*	**4,000**	–
Treasury shares		**(157)**	–
Other reserves		**162,386**	85,715
Proposed final dividend		**19,760**	–
		185,989	85,715
Non-controlling interests		**1,779**	191
Total equity		**187,768**	85,906

1. GENERAL INFORMATION

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 registered at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company and the subsidiaries were mainly engaged in the provision of landscape architecture services in Hong Kong and the Mainland China. There were no significant changes in the nature of the Group's principal activity up to the date of this announcement.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board ("IASB"). These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Pursuant to the reorganization, the Company incorporated Earthasia Holdings Limited, a company incorporated in the British Virgin Islands, on 27 November 2013, which further acquired the entire shares in Earthasia (International) Limited, the holding company of then companies now comprising the Group, in consideration and in exchange for 5,000 shares in the Company.

As the reorganization only involved inserting new holding entities at the top of an existing company (i.e. Earthasia (International) Limited) and has not resulted in any change of economic substances, the financial statements for the year ended 31 December 2013 has been presented as a continuation of the existing company using the pooling of interests method. Pursuant to the reorganization in November 2013, the Company and Earthasia Holdings Limited were incorporated and interspersed between Earthasia (International) Limited and its then shareholders, and became the holding companies of Earthasia (International) Limited and its subsidiaries. Accordingly, the consolidated financial statements-for the year ended 31 December 2013 has been prepared by applying the principles of pooling of interests method as if the reorganization had been completed at the beginning of 1 January 2013, except that EA Group International, Inc was accounted for as business combinations using the acquisition method as further explained below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards and new interpretation for the first time for the current year's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27	*Investment Entities*
Amendments to IAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to IAS 36	*Recoverable Amount Disclosures for Non-Financial Assets*
Amendments to IAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
IFRIC 21	*Levies*
Amendment to IFRS 2 included in *Annual Improvements 2010-2012 Cycle*	*Definition of Vesting Condition*[1]
Amendment to IFRS 3 included in *Annual Improvements 2010-2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]
Amendment to IFRS 13 included in *Annual Improvements 2010-2012 Cycle*	*Short-term Receivables and Payables*
Amendment to IFRS 1 included in *Annual Improvements 2011-2013 Cycle*	*Meaning of Effective IFRSs*

[1] Effective from 1 July 2014

Except for the amendment to IFRS 1 which is only relevant to an entity's first IFRS financial statements, the nature and the impact of each amendment and interpretation is described below:

(a) Amendments to IFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss rather than consolidate them. Consequential amendments were made to IFRS 12 and IAS 27. The amendments to IFRS 12 also set out the disclosure requirements for investment entities. The amendments have had no impact on the Group as the Company does not qualify as an investment entity as defined in IFRS 10.

(b) The IAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to set off" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in IAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments have had no impact on the Group as the Group does not have any offsetting arrangement.

(c) The IAS 39 Amendments provide an exception to the requirement of discontinuing hedge accounting in situations where over-the-counter derivatives designated in hedging relationships are directly or indirectly, novated to a central counterparty as a consequence of laws or regulations, or the introduction of laws or regulations. For continuance of hedge accounting under this exception, all of the following criteria must be met: (i) the novations must arise as a consequence of laws or regulations, or the introduction of laws or regulations; (ii) the parties to the hedging instrument agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties; and (iii) the novations do not result in changes to the terms of the original derivative other than changes directly attributable to the change in counterparty to achieve clearing. The amendments have had no impact on the Group as the Group has not novated any derivatives during the current and prior years.

(d) IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specified minimum threshold is reached. The interpretation has had no impact on the Group as the Group applied, in prior years, the recognition principles under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* which for the levies incurred by the Group are consistent with the requirements of IFRIC 21.

(e) The IFRS 2 Amendment clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including (i) a performance condition must contain a service condition; (ii) a performance target must be met while the counterparty is rendering service; (iii) a performance target may relate to the operations or activities of an entity, or to those of another entity in the same group; (iv) a performance condition may be a market or non-market condition; and (v) if the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The amendment has had no impact on the Group.

(f) The IFRS 3 Amendment clarifies that contingent consideration arrangements arising from a business combination that are not classified as equity should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 or IAS 39. The amendment has had no impact on the Group.

(g) The IFRS 13 Amendment clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has had no impact on the Group.

4. NEW AND REVISED IFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective, in the financial statement.

IFRS 9	*Financial Instruments*[4]
Amendments to IFRS 10 IFRS 12 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to IFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[2]
IFRS 14	*Regulatory Deferral Accounts*[5]
IFRS 15	*Revenue from Contracts with Customers*[3]
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[2]
Amendments to IAS 16 and IAS 41	*Agriculture: Bearer Plants*[2]
Amendments to IAS 19	*Defined Benefit Plans: Employee Contributions*[1]
Amendments to IAS 27	*Equity Method in Separate Financial Statements*[2]
Annual Improvements 2010-2012 Cycle	Amendments to a number of IFRSs[1]
Annual Improvements 2011-2013 Cycle	Amendments to a number of IFRSs[1]
Annual Improvements 2012-2014 Cycle	Amendments to a number of IFRSs[2]

1 Effective for annual periods beginning on or after 1 July 2014
2 Effective for annual periods beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after 1 January 2017
4 Effective for annual periods beginning on or after 1 January 2018
5 Effective for an entity that first adopts IFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

In addition, the Hong Kong Companies Ordinance (Cap. 622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015. The Group is in the process of making an assessment of the impact of these changes.

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

In July 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt IFRS 9 from 1 January 2018. The Group expects that the adoption of IFRS 9 will have an impact on the classification and measurement of the Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

The amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The Group expects to adopt the amendments from 1 January 2016.

The amendments to IFRS 11 require that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a business must apply the relevant principles for business combinations in IFRS 3. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016.

IFRS 15 establishes a new five-step model that will apply to 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 principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. The Group expects to adopt IFRS 15 on 1 January 2017 and is currently assessing the impact of IFRS 15 upon adoption.

Amendments to IAS 16 and IAS 38 clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

The *Annual Improvements to IFRSs 2010-2012* Cycle issued in December 2013 sets out amendments to a number of IFRSs. Except for those described in note 2.2, the Group expects to adopt the amendments from 1 January 2015. None of the amendments are expected to have a significant financial impact on the Group. Details of the amendment most applicable to the Group are as follows:

IFRS 8 *Operating Segments:* Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

5. OPERATING SEGMENT INFORMATION

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

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

(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, and

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

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit before tax from continuing operations. The adjusted profit before tax is measured consistently with the Group's profit before tax except that finance cost, as well as head office and corporate income and expenses are excluded from such measurement.

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.

Segment assets include trade receivables and amounts due from contract customers and exclude other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities include trade payables, other payables and accruals, and amounts due to customers for contract works but exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's operating segments for the year.

Year ended 31 December 2014

	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	122,975	53,653	41,510	23,227	241,365
Segment Results	69,437	31,745	14,940	12,135	128,257
Reconciliation					
Unallocated income					9,918
Unallocated expense					(97,073)
Finance costs					(25)
Profit before tax					41,077
Segment assets:	53,607	29,520	22,028	13,885	119,040
Reconciliation					
Unallocated assets					150,753
Total assets					269,793
Segment liabilities	19,864	4,493	7,213	1,756	33,326
Reconciliation					
Unallocated liabilities					48,699
Total liabilities					82,025
Other segment information					
Impairment of trade receivables	(446)	641	1,800	227	2,222
Unallocated:					
Depreciation and amortisation					3,893
Capital expenditures*					
Unallocated					6,000

* *Capital expenditures consists of the addition of property and equipment and intangible assets.*

Year ended 31 December 2013

	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	108,786	29,340	56,540	22,382	217,048
Segment Results	59,119	16,602	30,470	11,076	117,267
Reconciliation					
Unallocated income					6,143
Unallocated expense					(69,139)
Finance costs					(57)
Profit before tax					54,214
Segment assets:	50,375	16,749	35,084	9,917	112,125
Reconciliation					
Unallocated assets					90,563
Total assets					202,688
Segment liabilities	39,414	5,522	15,340	4,001	64,277
Reconciliation					
Unallocated liabilities					52,505
Total liabilities					116,782
Other segment information					
Impairment of trade receivables	1,583	140	268	–	1,991
Unallocated:					
Depreciation and amortisation					3,399
Capital expenditures*					
Unallocated					2,529

* *Capital expenditures consists of the addition of property and equipment and intangible assets.*

Geographical information

(a) Revenue from external customers

	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**20,665**	15,562
Mainland China	**218,724**	198,155
Others	**1,976**	3,331
	241,365	217,048

The revenue information above is based on the locations of the customers.

During the year ended 2013, other than Mainland China and Hong Kong, the Group derived revenue from Macau and the Philippines.

(b) Non-current assets

	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**957**	635
Mainland China	**8,579**	6,870
Others	**325**	–
	9,861	7,505

The non-current asset information above is based on the locations of the assets and excludes non-current deposits, deferred tax assets and goodwill.

Information about major customers

Revenue from operations of approximately HK$18,366,000 (2013: HK$23,149,000) was derived from sales to a single customer.

6. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents an appropriate proportion of contract revenue of service contracts during the year.

An analysis of revenue, other income and gains is as follows:

	2014	2013
	HK$'000	*HK$'000*
Revenue		
Service contracts	**241,365**	217,048
Other income		
Service income	**6,159**	2,686
Interest income	**615**	146
Government grants	**2,768**	2,525
	9,542	5,357
Gains		
Foreign exchange gain	**371**	197
Gain on disposals of items of property and equipment	**5**	–
Others	**–**	589
	376	786
	9,918	6,143

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

7. PROFIT BEFORE TAX

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

	2014	2013
	HK$'000	*HK$'000*
Cost of services provided	**113,108**	97,790
Depreciation	**3,024**	2,758
Amortisation of intangible assets	**869**	641
Research and development costs:		
Current year expenditure	**7,881**	7,477
Minimum lease payments under operating leases of buildings	**12,926**	12,483
Auditors' remuneration	**3,352**	513
Employee benefit expense (including directors' and chief executive's remuneration *(note 8)*)		
– Wages and salaries	**105,008**	89,484
– Pension scheme contributions and welfare	**7,545**	5,699
– Welfare and other benefits	**1,908**	1,778
	114,461	96,961
Foreign exchange gains, net	**(371)**	(197)
Impairment of provision of trade receivables	**2,222**	1,991
Interest income	**(615)**	(146)
(Gain)/loss on disposal of items of property and equipment	**(5)**	327
Expenses related to the listing of the Company's shares*	**15,863**	3,732

* *Share issue expenses related to the listing of the Company's shares on The Stock Exchange of Hong Kong Limited.*

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Group	
	2014	2013
	HK$'000	*HK$'000*
Interest on other borrowing	**25**	57

9. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Earthasia (Shanghai) Co., Ltd., a subsidiary of the Company, was granted with High and New Technology Enterprises ("HNTE") qualification and subject to a preferential corporate income tax rate of 15% for a period of three years commencing from year ended 31 December 2014 (2013: 25%).

Other subsidiaries located in Mainland China were subject to the statutory corporate income tax rate of 25% for the year (2013: 25%) under the income tax rules and regulations in the PRC.

EA Group International, Inc. was subject to the income tax rate as follows:

Regular corporate income tax (RCIT)

Philippines income tax has been provided at the rate of 30% on the estimated taxable income during the year. Starting on the fourth taxable year after the year the business operations commenced, entities incorporating in the Philippines are required to pay tax equivalent to the higher of 30% RCIT on taxable income and the 2% minimum corporate income tax ("MCIT") on gross income. Gross income is equivalent to revenue less direct costs. Any excess of the MCIT over RCIT can be carried forward and credited against RCIT for three succeeding taxable years.

	2014	2013
	HK\$'000	*HK\$'000*
Group		
Current – Hong Kong	**1,879**	697
Current – Mainland China	**11,011**	15,658
Current – Philippines	**157**	–
	13,047	16,355
Deferred	**(1,569)**	91
Total tax charge for the year	**11,478**	16,446

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

Group – 2014

	Hong Kong		Mainland China		Philippines		Total	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
Profit/(loss) before tax	(13,896)		54,695		278		41,077	
Tax at the statutory tax rate	(2,293)	16.5	13,674	25.0	83	30.0	11,464	27.9
Lower tax rate for specific provinces or enacted by local authority	–	–	(4,508)	(8.2)	–	–	(4,508)	(11.0)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	421	(3.0)	–	–	–	–	421	1.0
Effect on opening deferred tax of decreased in rate	–	–	1,359	2.5	–	–	1,359	3.3
Temporary difference not recognised	(51)	0.3	–	–	–	–	(51)	–
Expenses not deductible for tax	2	–	83	0.2	84	30.2	169	0.4
Tax losses not recognised	2,515	(18.1)	109	0.2	–	–	2,624	6.3
Tax charge at the Group's effective rate	594	(4.3)	10,717	19.6	167	60.2	11,478	27.9

Group – 2013

	Hong Kong		Mainland China		Philippines		Total	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
Profit/(loss) before tax	(1,671)		55,885		–		54,214	
Tax at the statutory tax rate	(276)	16.5	13,971	25.0	–	–	13,695	25.3
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	2,050	(122.7)	–	–	–	–	2,050	3.8
Expenses not deductible for tax	64	(3.8)	100	0.2	–	–	164	0.3
Adjustments in respect of current tax of previous periods	445	(26.7)	92	0.2	–	–	537	1.0
Tax charge at the Group's effective rate	2,283	(136.6)	14,163	25.3	–	–	16,446	30.3

10. DIVIDEND

	2014	2013
	HK$'000	*HK$'000*
Interim *(a)*	**35,000**	15,115
Proposed final *(b)*	**19,760**	–
	54,760	15,115

Notes:

(a) Pursuant to a resolution of the general meeting of shareholders on 14 January 2014, the Company declared a cash dividend of HK$3,500 per ordinary share. The rate of dividends and the number of shares ranking for dividends are not presented for 2013 as such information is not considered meaningful prior to the incorporation of the Company.

(b) The directors proposed a final dividend of HK$0.051 per ordinary share. The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

11. EARNINGS PER SHARE ATTRIBUTABLE TO HOLDERS OF THE COMPANY

The calculation of the basic earnings per share is based on the profit attributable to equity holders of the Company for the year and the weighted average number of ordinary shares in issue during year. As described in note 1, the Company was incorporated on 25 November 2013. In order to provide comparative financial statements, the calculation of the basic earnings per share for the year ended 2013 is based on the assumption that the Company had been set up throughout 2013 and the capitalisation issue of 286,971,494 shares has been effective since 1 January 2013.

The Group had no potentially dilutive ordinary shares in issue during the year.

The calculation of basic and diluted earnings per share is based on:

	2014	2013
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the Company	**28,020**	37,893

	Number of shares	
	2014	2013
Shares		
Weighted average number of ordinary shares in issue during the year	**346,550,722**	286,971,494

12. AMOUNTS DUE FROM/TO CUSTOMERS FOR CONTRACT WORKS

	Group	
	2014	2013
	HK$'000	*HK$'000*
Gross amounts due from customers for contract works	**65,211**	64,056
Gross amounts due to customers for contract works	**(30,873)**	(59,641)
	34,338	4,415
Contract costs incurred plus recognised profits less recognised losses to date	**657,905**	561,603
Less: Progress billings	**(623,567)**	(557,188)
	34,338	4,415

Included in the amounts due from customers for contract works an amount of HK$7,618,000 wtih 廣州普邦園林股份有限公司, a shareholder of the Company for the services rendered by the Group.

13. TRADE RECEIVABLES

	Group	
	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**66,884**	58,923
Impairment	**(13,055)**	(10,854)
	53,829	48,069

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. 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 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 receivable balances. Trade receivables are non-interest-bearing.

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

	Group	
	2014	2013
	HK$'000	*HK$'000*
Within 6 months	**43,303**	42,031
Over 6 months but within 1 year	**6,327**	4,285
Over 1 year but within 2 years	**3,432**	1,112
Over 2 years	**767**	641
	53,829	48,069

The movements in provision for impairment of trade receivables are as follows:

	Group	
	2014	2013
	HK$'000	*HK$'000*
At 1 January	**10,854**	8,563
Impairment during the period *(note 7)*	**2,222**	1,991
Exchange alignment	**(21)**	300
At 31 December	**13,055**	10,854

Included in the above provision for the impairment of trade receivables is a provision for individually impaired trade receivables of HK$8,163,000 (2013: HK$10,854,000) with a carrying amount before provision of HK$8,535,000 (2013: HK$10,854,000).

The individually impaired trade receivables relate to customers that were in financial difficulties or were in default in payments and only a portion of the receivables is expected to be recovered.

An aging analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	Group	
	2014	2013
	HK$'000	*HK$'000*
Neither past due nor impaired	**29,083**	33,809
Less than 30 days past due	**5,170**	3,745
30 to 120 days past due	**9,051**	4,477
121 to 300 days past due	**1,365**	4,285
Over 300 days past due	**1,599**	1,753
	46,268	48,069

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.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Group

	2014	2013
	HK$'000	*HK$'000*
Prepayments	**3,238**	8,401
Deposits and other receivables	**5,532**	4,419
	8,770	12,820

	2014	2013
	HK$'000	*HK$'000*
Current:		
Prepayments	**3,238**	8,401
Deposits and other receivables	**3,260**	3,086
	6,498	11,487
Non-current:		
Deposits	**2,272**	1,333
Total	**8,770**	12,820

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

15. CASH AND BANK BALANCES

Group

	2014	2013
	HK$'000	*HK$'000*
Cash and bank balances	**81,478**	64,364
Time deposits	**40,049**	–
	121,527	64,364

The Group's cash and bank balances were denominated in HK$ at the end of each reporting period, except for the followings:

	2014		2013	
	Original currency	**HK$ equivalent**	Original currency	HK$ equivalent
	in'000	***in'000***	*in'000*	*in'000*
Cash and bank balances:				
RMB	**31,618**	**40,076**	36,021	45,817
PHP	**2,310**	**400**	–	–
USD	**4,123**	**32,077**	–	–

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

16. TRADE PAYABLES

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

	Group	
	2014	2013
	HK$'000	*HK$'000*
Within 1 year	**2,309**	928
Over 1 year but within 2 years	**459**	108
Over 2 years but within 3 years	**–**	28
Over 3 years	**94**	66
	2,862	1,130

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

17. OTHER PAYABLES AND ACCRUALS

Group

	2014	2013
	HK$'000	*HK$'000*
Other payables	**11,039**	24,398
Accruals	**6,093**	4,818
	17,132	29,216

Other payables are non-interest-bearing and have an average term of three months.

18. INTEREST-BEARING OTHER BORROWING, SECURED

	Group	
	2014	2013
	HK$'000	*HK$'000*
Other loan, secured	**–**	480

	2014	2013
	HK$'000	*HK$'000*
Within one year	**–**	184
In the second year	**–**	219
In the third to fifth years, inclusive	**–**	77
	–	480

The Group prepaid all the interest-bearing other borrowing denominated in Hong Kong dollar during the year.

The loan was secured by a mortgage over a motor vehicle of the Group, which had a carrying value at 31 December 2013 of HK$661,000, and guaranteed by Ming Tian, a director of the Company.

19. SHARE CAPITAL

Shares	**No. of shares** **2014**	2013
Authorised		
Ordinary shares of HK$0.01 each	**780,000,000**	38,000,000

Issued and fully paid

	31 December 2014 No. of shares of HK$0.01 each	**31 December 2014** *HK$'000*	31 December 2013 No. of shares of HK$0.01 each	31 December 2013 *HK$'000*
Ordinary shares	**400,000,000**	**4,000**	10,000	–

	Number of issued and fully paid shares	**Nominal value of shares** *HK$'000*	**Share premium** *HK$'000*
As at 1 January 2013	–	–	–
Issue of shares *(note (a))*	10,000	–	–
As at 31 December 2013 and 1 January 2014	10,000	–	–
Issue of shares *(note (b))*	454	–	15,000
Capitalisation issue *(note (c))*	299,989,546	3,000	(3,000)
Issue of new shares *(note (d))*	100,000,000	1,000	119,000
Share issue expenses	–	–	(11,616)
As at 31 December 2014	400,000,000	4,000	119,384

Notes:

(a) The Company was incorporated on 25 November 2013 with an authorised share capital of HK$380,000 divided into 38,000,000 ordinary shares of HK$0.01 each. Upon date of incorporation, 1 ordinary share of HK$0.01 was issued at par. On 25 November 2013, 4,999 ordinary shares of HK$0.01 were issued at par. On 2 December 2013, 5,000 shares of HK$0.01 each were issued pursuant to a share swap agreement as consideration for the acquisition by the Company of the entire issued share capital of EAI.

(b) On 16 January 2014, pursuant to an investment agreement dated 9 December 2013 and a subscription agreement dated 9 December 2013, PBLA Limited acquired 3,100 shares of HK$0.01 each from the shareholders of the Company and subscribed for 454 new shares of HK$0.01 each at considerations of HK$91,850,000 and HK$15,000,000.

(c) On 3 June 2014, the authorised share capital of the Company was increased to 780,000,000 shares of HK$0.01 each by the creation of additional 742,000,000 shares of HK$0.01 each. Conditional on the share premium account of the Company being credited as a result of the Company's global offering, the directors were authorised to capitalised HK$2,999,895 standing to the credit of the Company's share premium account towards paying up in full at par of 299,989,546 shares of the Company of HK$0.01 each.

(d) In June 2014, 1,000,000,000 new ordinary shares of HK$0.01 for HK$1.2 were issued by the Company for a total consideration HK$120,000,000, resulting in a share premium of HK$119,000,000 before netting off share issue cost of HK$11,616,000 upon global offering of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's business model and revenue and cost structure has remained unchanged since the Listing Date up to the date of issue of this annual results announcement.

The Group maintained its market position as one of the leading landscape architecture service provider predominantly in the PRC and Hong Kong. During the year, the Group undertook and/or completed multiple reputational projects such as Hello Kitty Land located in Zhejiang, the PRC, and Studio City in Macau. It offered a wide range of landscape architecture services 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 the 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.

In 2014, residential development projects continued to be the largest segment in terms of revenue, which accounted for approximately 50.9% (2013: 50.1%) of the total revenue of the Group. Infrastructure and public open space projects replaced commercial and mixed-use development projects to become the second largest segment in terms of revenue, which accounted for approximately 22.2% (2013: 13.5%) of the total revenue of the Group. The Group undertook more infrastructure and public open space projects in 2014 in order to leverage its highest profit margin among the four project-type segments.

For the year ended 31 December 2014, the Group entered into 242 new contracts with a total contract sum of approximately HK$297.2 million for projects located in the PRC and 40 new contracts with a total contract sum of approximately HK$21.8 million for projects located in Hong Kong and others. Approximately 93.2% of the new contract sum represented projects located in the PRC and approximately 6.8% represented projects located in Hong Kong and others.

The number of new contracts and contract sum entered by the Group during 2012 to 2014 are set out as follows:

Year ended 31 December	**No. of new contracts**	**Contract sum** *(HK$'million)*
2014	282	319.0
2013	172	296.7
2012	126	210.1

On 30 July 2014, Earthasia (Shanghai) Co., Ltd. ("EA Shanghai"), an indirect wholly-owned subsidiary of the Company, and Pubang entered into a cooperation agreement, pursuant to which (a) Pubang (or any of its subsidiaries) may (i) subcontract to Earthasia (Shanghai) (or any of its subsidiaries) all or part of its landscape projects that required landscape architecture services; and (ii) refer to Earthasia (Shanghai) (or any of its subsidiaries) clients which require landscape architecture services; and (b) Earthasia (Shanghai) (or any of its subsidiaries) may (i) subcontract to Pubang (or any of its subsidiaries) all or part of its landscape projects that are not related to landscape architecture (including but not limited to landscape construction, landscape maintenance and garden nursery); and (ii) refer to Pubang (or any of its subsidiaries) clients which require landscape services that are not related to landscape architecture.

During the year ended 31 December 2014, Pubang subcontracted RMB2,532,827 (approximately HK$3,187,951) to the Group, which did not exceed the approved annual cap. The continuing connected transactions have been reviewed by the independent auditor.

Despite a challenging year in 2014, the management of the Company made great efforts to increase the source of revenue and profits to the shareholders (notwithstanding an one-off listing expenses) through exploration of new cooperation and business development opportunities.

FINANCIAL REVIEW

Revenue

Revenue increased to approximately HK$241.4 million for the year ended 31 December 2014, representing an increase of approximately 11.2%, as compared with that of approximately HK$217.0 million for the year ended 31 December 2013. The increase was mainly attributable to the increase in number of new contracts and new contract sum compared with the same period in 2013.

Cost of services

Cost of services increased to approximately HK$113.1 million for the year ended 31 December 2014, representing an increase of approximately of 15.7%, as compared with that of approximately HK$97.8 million for the year ended 31 December 2013. The increase was mainly driven by the corresponding increase in direct labour costs and labour hours in providing landscape architecture services.

Gross profit and gross profit margin

Gross profit increased to approximately HK$128.3 million for the year ended 31 December 2014, representing an increase of approximately 7.5%, as compared with that of approximately HK$119.3 million for the year ended 31 December 2013.

Gross profit margin decreased by approximately 1.8 percentage points to approximately 53.1% for the year ended 31 December 2014, as compared with that of approximately 54.9% for the year ended 31 December 2013.

Administrative expenses

Administrative expenses increased to approximately HK$85.5 million for the year ended 31 December 2014, representing an increase of approximately of 36.4%, as compared with that of approximately HK$62.7 million for the year ended 31 December in 2013. The increase was primarily attributable to (i) the increase in staff costs as a result of increase in average salary and headcount and (ii) increase in legal and professional expenses of approximately HK$15.9 million in connection to the listing of the Company in the first half of 2014.

Profit

As a result of the foregoing, profit attributable to owners of the Company decreased to approximately HK$28.0 million for the year ended 31 December 2014, representing an decrease of approximately 26.1%, as compared with that of approximately HK$37.9 million for the year ended 31 December 2013.

Net profit margin decreased by approximately 5.1 percentage points to approximately 12.3% for the year ended 31 December 2014, as compared with that of approximately 17.4% for the year ended 31 December 2013.

Excluding the listing expenses of approximately HK$15.9 million, the net profit would be approximately HK$45.5 million for the year ended 31 December 2014, representing an increase of approximately 20.4%, as compared with that of approximately HK$37.8 million for the year ended 31 December 2013.

Liquidity and Financial Resources

	As at 31 December 2014	As at 31 December 2013
	HK$'000	*HK$'000*
Current assets	**250,268**	189,861
Current liabilities	**79,828**	113,004
Current ratio	**3.1x**	1.7x

The current ratio of the Group at 31 December 2014 was approximately 3.1 times as compared to that of approximately 1.7 times at 31 December 2013. It was mainly resulted from the net proceeds raised from the global offer and pre-IPO investment by Pubang.

At 31 December 2014, the Group had a total cash and bank balances of approximately HK$121.5 million (31 December 2013: HK$64.4 million).

At 31 December 2014, the Group's gearing ratio (represented by total interest-bearing other borrowings at the end of the period divided by total equity at the end of the respective period multiplied by 100% amounted to zero (31 December 2013: 0.6%).

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 December 2014.

Capital Structure

The Company's shares were successfully listed on Main Board of the Stock Exchange on 25 June 2014. There has been no change in the capital structure of the Group since the Listing Date and up to the date of this announcement. The capital of the Group only comprises ordinary shares.

Foreign Exchange Exposure

Most of the Group's business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi. As at 31 December 2014, the Group had no significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

Human Resources and Employees' Remuneration

As at 31 December 2014, the Group employed around 510 employees (31 December 2013: 460 employees). 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 our employees. Our 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 conditionally approved and adopted by the Company on 3 June 2014 and the Share Option Scheme became effective on 25 June 2014. During the year ended 31 December 2014, there was no option granted under the Share Option Scheme.

On 21 August 2014, the Company has 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 and 5 January 2015. During the year ended 31 December 2014, there was no awarded share granted under the Share Award Scheme. On 16 January 2015, the Board granted an aggregate of 3,289,000 awarded shares to 330 employees pursuant to the Share Award Scheme, among which 1,230,000 awarded shares were vested on 16 January 2015 and 2,059,000 awarded shares would be vested on 16 January 2016.

Event after the Reporting Period

On 27 February 2015, Earthasia (Shanghai) Co., Ltd., a major operating subsidiary of the Group, received an official notice from the State Administration of Taxation of Shanghai Pudong New Area sub-bureau agreeing that Earthasia (Shanghai) Co., Ltd. is entitled to enjoy preferential treatment on corporate income tax for three years from 1 January 2014 to 31 December 2016 on the basis that Earthasia (Shanghai) Co., Ltd. was recognized in October 2014 as a high and new technology enterprise. In accordance with the relevant PRC laws and regulations, Earthasia (Shanghai) Co., Ltd. is entitled to preferential treatment on corporate income tax enjoyed by high and new technology enterprise for three years from 1 January 2014 to 31 December 2016. The applicable enterprise income tax rate for Earthasia (Shanghai) Co., Ltd. could be reduced from 25% to the preferential tax rate of 15% for the three years from 1 January 2014 to 31 December 2016.

OUTLOOK

The successful listing on the Stock Exchange marked a key milestone of the Company. The Group's accumulated experience, clients relationship and enhanced reputation are valuable assets. Looking forward, the Group will maximize its shareholders' value by enhancing its leading position in the landscape architecture services industry by strengthening existing markets and exploring new business opportunities with potential clients. The Directors believe that the new extension of geographic coverage through the establishment of branch offices and increase in number of staff could enhance the Group's capacity to undertake new client and for new business development.

As mentioned in the prospectus of the Company, the Group will consolidate its strength to develop waterscape and nightscape business, which are specialized business streams of landscape architecture. Waterscape comprises the management and development of ponds, streams, fountains and water-related features or elements, such as water treatment, water circulation and water purification. Nightscape refers to the use of lighting system designs to allow outdoor landscape and buildings to generate a scene viewed (especially at night) as represented in art, which may sometimes be understood as landscape lighting design. The Group has set up joint venture company with independent joint venture parties who possess the expertise and client relationship in these areas, with a view to widen the revenue stream and enhance the reputation of the Group in the future.

Apart from above, the Group will from time to time look for acquisition opportunity in order to expand the scope of services of the Group and to capture larger market shares given the landscape architecture service industry is fragmented in the PRC market. On 2 January 2015, a subsidiary of the Company entered into a memorandum of understanding with a third party independent from the Company and its connected persons to acquire 70% equity interest in a target company. The target company is engaged in landscape design and construction services. On 16 January 2015, the Group further entered into an earnest money agreement with that third party, pursuant to which the Group paid an earnest money for the possible acquisition of equity interest in the aforesaid target company.

LISTING AND USE OF PROCEEDS

The shares of the Company was successfully listed on the Main Board of the Stock Exchange on the 25 June 2014 by offering a total of 100,000,000 shares at the offer price of HK$1.2 per share. 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 incurred up to 31 December 2014 amounting to approximately HK31.2 million, among which approximately HK$3.7 million and HK$15.9 million were recognised as expenses in 2013 and 2014 respectively, and approximately HK$11.6 million was recognised as share premium.

As stated in the prospectus of the Company, the Directors intended to apply the net proceeds from the listing to finance the Group's capital expenditure and business expansion, strengthen its capital base and improve the overall financial position of the Group. The Directors intended to apply such net proceeds from the listing on (i) financing the planned capital expenditure in relation to expansion of the Group's scope of services; (ii) financing the planned capital expenditure in relation to the establishment of new regional offices in the PRC; (iii) financing the establishment of branch offices in relation to expansion of business coverage into other regions of the PRC; (iv) strengthening the sales and advertising efforts; and (v) for general working capital purposes.

Up to 31 December 2014, (i) approximately HK$35.1 million was used to increase the registered capital of Earthasia (Shanghai) Co. Ltd. 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 and (ii) approximately HK$2.9 million was used for general working capital purpose, which have been applied in the manner consistent with those disclosed in the prospectus of the Company. The unused net proceeds have been placed as interest-bearing deposits with banks in Hong Kong.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company acknowledges the important role of its Board in providing effective leadership and direction to its business, and ensuring transparency and accountability of its operations. In the opinion of the Directors, the Company has complied with the applicable code provisions as set out in the Corporate Governance (the "CG Code") Code contained in Appendix 14 to the Listing Rules during the period from the Listing Date up to 31 December 2014. The Company reviews its corporate governance practices regularly to ensure compliance with the GC 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 as set out in Appendix 10 to the Listing Rules (the "Model Code") 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 for the year ended 31 December 2014.

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

During the year ended 31 December 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

REVIEW OF ANNUAL RESULTS

The Group's audited annual results for the year ended 31 December 2014 have been reviewed by the audit committee of the Company, which was of the opinion 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.

AGM AND CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 15 May 2015 to Monday, 18 May 2015, both days inclusive, for the purpose of determining the entitlement to attend and vote at the AGM scheduled to be held on Monday, 18 May 2015. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong ("Branch Share Registrar") not later than 4:30 p.m. on Thursday, 14 May 2015.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has proposed a final dividend of HK5.1 cents per ordinary share for the year ended 31 December 2014 to shareholders whose names appear on the Company's register of members on Thursday, 28 May 2015. Subject to the approval by the shareholders at the forthcoming annual general meeting ("AGM"), such dividend will be payable to the shareholders of the company on or about Friday, 12 June 2015.

The register of members of the Company will be closed from Tuesday, 26 May 2015 to Thursday, 28 May 2015, both days inclusive, for the purpose of determining the entitlement to the proposed final dividend for the year ended 31 December 2014. The record date will be Thursday, 28 May 2015. In order to qualify for the proposed final dividend for the year ended 31 December 2014, all transfer forms accompanied by relevant share certificates must be lodged with the Branch Share Registrar not later than 4:30 p.m. on Friday, 22 May 2015.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.ea-dg.com. The annual report for the will be available on the above websites in due course.

ACKNOWLEDGEMENT

The chairman of the Board would like to thank the Board, the management and all of our staff for their hard work and dedication, as well as our shareholders of the Company for their support to the Group.

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

Hong Kong, 20 March 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.