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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 2020

The board (the “**Board**”) of directors (the “**Directors**”) of Earthasia International Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2020 together with comparative figures, as follows:

Financial Highlights

Results	For the year ended 31 December		
	2020	2019	Change
	HK\$'000	HK\$'000	
Revenue	388,852	313,941	+23.9%
Graphene	215,462	123,474	+74.5%
Landscape architecture	149,160	154,114	-3.2%
Catering	24,230	36,353	-33.3%
Adjusted EBITDA*	85,021	54,458	+56.1%
Graphene	49,743	28,407	+75.1%
Landscape architecture	20,242	21,316	-5.0%
Catering	15,036	4,735	+217.6%
Loss before tax	(102,897)	(64,802)	+58.8%
Loss attributable to owners of the parent	(91,696)	(57,082)	+60.6%
	HK cents	HK cents	
Basic loss per share attributable to ordinary equity holders of the parent	(20.7)	(12.9)	+60.5%
Results	At 31 December		
	2020	2019	Change
	HK\$'000	HK\$'000	
Total assets	1,104,239	1,151,531	-4.1%
Net assets	168,530	221,147	-23.8%
Shareholder's equity	171,517	220,691	-22.3%
Cash and bank balances	37,709	53,882	-30.0%
Debt	546,649	517,041	+5.7%

* Adjusted EBITDA is defined as earnings before interest expense, taxation, depreciation and amortisation, and excludes fair value change on financial assets at fair value through profit or loss, written off of goodwill, impairment of other intangible assets and property, plant and equipment, share of losses of associates and joint ventures and impairment loss/(reversal of impairment loss) on financial and contract assets.

Consolidated Statement of Profit or Loss

Year ended 31 December 2020

	Notes	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
REVENUE	5	388,852	313,941
Cost of sales	6	(231,834)	(167,582)
GROSS PROFIT		157,018	146,359
Other income and gains	5	12,335	12,023
Selling and marketing expenses		(13,823)	(27,433)
Administrative expenses		(156,869)	(142,616)
Impairment losses on financial and contract assets, net	6	(22,975)	(6,617)
Impairment loss of property, plant and equipment		(2,125)	(3,522)
Written off of goodwill		(3,112)	(2,307)
Impairment loss of other intangible assets		(20,047)	(9,272)
Fair value loss on financial assets at fair value through profit or loss		(1,201)	(2,926)
Finance costs	7	(51,565)	(27,419)
Share of losses of:			
Joint ventures		(114)	—
Associates		(419)	(1,072)
LOSS BEFORE TAX	6	(102,897)	(64,802)
Income tax expense	8	6,905	(602)
LOSS FOR THE YEAR		(95,992)	(65,404)
Attributable to:			
Owners of the parent		(91,696)	(57,082)
Non-controlling interests		(4,296)	(8,322)
		(95,992)	(65,404)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic			
– For loss for the year		HK(20.7 cents)	HK(12.9 cents)
Diluted			
– For loss for the year		HK(20.7 cents)	HK(12.9 cents)

Consolidated Statement of Comprehensive Income

Year ended 31 December 2020

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
LOSS FOR THE YEAR	<u>(95,992)</u>	<u>(65,404)</u>
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	42,427	(3,473)
Release of exchange fluctuation reserve upon disposal of subsidiaries	<u>(70)</u>	<u>—</u>
	<u>42,357</u>	<u>(3,473)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	42,357	(3,473)
Other comprehensive income/(loss) that will not to be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive loss:		
Changes in fair value	365	(2,015)
Income tax effect	<u>(29)</u>	<u>46</u>
	<u>336</u>	<u>(1,969)</u>
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	336	(1,969)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	<u>42,693</u>	<u>(5,442)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(53,299)</u>	<u>(70,846)</u>
Attributable to:		
Owners of the parent	(49,174)	(62,742)
Non-controlling interests	<u>(4,125)</u>	<u>(8,104)</u>
	<u>(53,299)</u>	<u>(70,846)</u>

Consolidated Statement of Financial Position

31 December 2020

	Note	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		92,507	92,450
Goodwill		101,939	105,051
Other intangible assets		639,336	665,734
Investments in joint ventures		—	—
Investments in associates		854	1,212
Equity investments designated at fair value through other comprehensive income		1,235	870
Prepayments and deposits		3,387	3,471
Deferred tax assets		2,475	185
Total non-current assets		841,733	868,973
CURRENT ASSETS			
Inventories		28,323	24,423
Trade and bills receivables	11	69,808	108,110
Prepayments, other receivables and other assets		72,347	47,283
Financial assets at fair value through profit or loss		—	1,194
Contract assets		47,547	47,391
Tax recoverable		556	275
Pledged bank deposit		6,216	—
Cash and bank balances		37,709	53,882
Total current assets		262,506	282,558

	Notes	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
CURRENT LIABILITIES			
Trade payables	12	16,138	22,246
Other payables and accruals		82,985	90,672
Lease liabilities		11,182	13,718
Interest-bearing borrowings		172,274	94,919
Tax payable		34,357	31,439
Dividends payable		4	4
Total current liabilities		316,940	252,998
NET CURRENT (LIABILITIES)/ASSETS		(54,434)	29,560
TOTAL ASSETS LESS CURRENT LIABILITIES		787,299	898,533
NON-CURRENT LIABILITIES			
Promissory note		298,089	281,307
Interest-bearing borrowings		76,286	140,815
Lease liabilities		62,197	65,063
Consideration payable		86,500	86,500
Deferred tax liabilities		95,697	103,701
Total non-current liabilities		618,769	677,386
NET ASSETS		168,530	221,147
EQUITY			
Equity attributable to owners of the parent			
Share capital		4,823	4,823
Treasury shares		(99)	(99)
Other reserves		166,793	215,967
Non-controlling interests		171,517	220,691
		(2,987)	456
Total equity		168,530	221,147

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands and has its registered office at Windward 3, Regatta Office Park, PO box 1350, Grand Cayman KY1-1108, Cayman Islands. The Group's principal place of business in Hong Kong is 11/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong.

The principal activities of the Group are manufacturing and sales of graphene and related products (the "Graphene business") in Mainland China, landscape architecture in Hong Kong and Mainland China, and catering business in Mainland China.

2. BASIS OF PREPARATION

These 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") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments which have been measured at fair value. 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.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the Conceptual Framework for Financial Reporting in 2018 and the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 3	<i>Definition of a Business</i>
Amendments to IFRS 9, IAS 39 and IFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendment to IFRS 16	<i>Covid-19-Related Rent Concessions (early adoption)</i>
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i>

The application of the above amendments to IFRSs in the period had no significant financial effect on these financial statements.

4. OPERATING SEGMENT INFORMATION

The Group has identified the following three major reportable segments. Certain segments have been aggregated to form the following reportable segments:

- (a) Manufacture and sale of graphene and related products;
- (b) Landscape design; and
- (c) The catering business focuses on the 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 equity investments designated at fair value through other comprehensive income, investments in joint ventures and associates, deferred tax assets, tax recoverable, pledged bank deposits, 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, promissory note 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.

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

Year ended 31 December 2020

	Graphene business HK\$'000	Landscape design services HK\$'000	Catering HK\$'000	Total HK\$'000
Segment revenue				
Sales to external customers	215,462	149,160	24,230	388,852
Intersegment sales	—	—	—	—
				<u>388,852</u>
<i>Reconciliation</i>				
Elimination of intersegment sales				—
Total revenue				<u><u>388,852</u></u>
Segment results	(5,303)	(14,943)	(16,914)	(37,160)
<i>Reconciliation</i>				
Unallocated income and gains				3,564
Unallocated expenses				(23,768)
Unallocated finance costs				(45,533)
Loss before tax				<u>(102,897)</u>
Adjusted EBITDA (note (i))	<u>49,743</u>	<u>20,242</u>	<u>15,036</u>	<u>85,021</u>
Segment assets	908,640	211,866	21,768	1,142,274
<i>Reconciliation</i>				
Elimination of intersegment receivables				(87,592)
Unallocated assets				49,557
Total assets				<u><u>1,104,239</u></u>
Segment liabilities	93,555	77,287	77,120	247,962
<i>Reconciliation</i>				
Elimination of intersegment payables				(87,592)
Unallocated liabilities				775,339
Total liabilities				<u><u>935,709</u></u>

	Graphene business HK\$'000	Landscape design services HK\$'000	Catering HK\$'000	Total HK\$'000
Other segment information				
Share of losses of associates and joint ventures unallocated				533
Impairment losses recognised in the statement of profit or loss	—	22,993	25,301	48,294
Impairment losses reversed in the statement of profit or loss	—	(13)	(22)	(35)
<i>Reconciliation</i>				
Unallocated				—
Total				<u>48,259</u>
Depreciation and amortisation	50,084	12,277	5,253	67,614
<i>Reconciliation</i>				
Unallocated				—
Total				<u>67,614</u>
Income and gains allocated	—	7,187	1,584	8,771
Finance costs allocated	4,962	630	440	6,032
Fair value losses, net	—	—	1,201	1,201
Investments in an associate unallocated				854
Capital expenditures (note (ii))	9,411	6,911	159	16,481
<i>Reconciliation</i>				
Unallocated				—
Total				<u>16,481</u>

Note:

- (i) Adjusted EBITDA is defined as earnings before interest expense, taxation, depreciation and amortisation, and excludes fair value change on financial assets at fair value through profit or loss, written off of goodwill, impairment of other intangible assets and property, plant and equipment, share of losses of associates and joint ventures and impairment loss/(reversal of impairment loss) on financial and contract assets.
- (ii) Capital expenditure consists of additions to property and equipment and other intangible assets except for right-of-use assets.

Year ended 31 December 2019

	Graphene business HK\$'000	Landscape design services HK\$'000	Catering HK\$'000	Total HK\$'000
Segment revenue				
Sales to external customers	123,474	154,114	36,353	313,941
Intersegment sales	—	—	—	—
				<u>313,941</u>
<i>Reconciliation</i>				
Elimination of intersegment sales				—
				<u>313,941</u>
Segment results	5,143	2,268	(24,441)	(17,030)
<i>Reconciliation</i>				
Unallocated income and gains				4,155
Unallocated expenses				(27,924)
Unallocated finance costs				(24,003)
				<u>(64,802)</u>
Loss before tax				<u>(64,802)</u>
Adjusted EBITDA (note (i))	<u>28,407</u>	<u>21,316</u>	<u>4,735</u>	<u>54,458</u>
Segment assets	904,806	212,767	58,854	1,176,427
<i>Reconciliation</i>				
Elimination of intersegment receivables				(62,346)
Unallocated assets				37,450
				<u>1,151,531</u>
Segment liabilities	189,975	60,561	88,934	339,470
<i>Reconciliation</i>				
Elimination of intersegment payables				(62,346)
Unallocated liabilities				653,260
				<u>930,384</u>
Total liabilities				<u>930,384</u>

	Graphene business HK\$'000	Landscape design services HK\$'000	Catering HK\$'000	Total HK\$'000
Other segment information				
Share of losses of associates unallocated				1,072
Impairment losses recognised in the statement of profit or loss	—	5,593	17,384	22,977
Impairment losses reversed in the statement of profit or loss	—	(807)	—	(807)
<i>Reconciliation</i>				
Unallocated				—
Total				<u>22,170</u>
Depreciation and amortisation	21,033	13,815	8,128	42,976
<i>Reconciliation</i>				
Unallocated				—
Total				<u>42,976</u>
Income and gains allocated	4,623	2,604	641	7,868
Finance costs allocated	2,231	447	738	3,416
Fair value losses, net	—	—	2,926	2,926
Investments in an associate unallocated				1,212
Capital expenditures (note (ii))	—	3,855	117	3,972
<i>Reconciliation</i>				
Unallocated				1,687
Total				<u>5,659</u>

Note:

- (i) Adjusted EBITDA is defined as earnings before interest expense, taxation, depreciation and amortisation, and excludes fair value change on financial assets at fair value through profit or loss, written off of goodwill, impairment of other intangible assets and property, plant and equipment, share of losses of associate and joint ventures and impairment loss/(reversal of impairment loss) on financial and contract assets.
- (ii) Capital expenditure consists of additions to property and equipment and other intangible assets except for right-of-use assets.

Geographical information

(a) Revenue from external customers

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Hong Kong	23,984	20,112
Mainland China	360,346	278,928
Others	4,522	14,901
	<u>388,852</u>	<u>313,941</u>

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

During the years ended 31 December 2020 and 2019, other than Mainland China and Hong Kong, the Group derived revenue from Italy and Macau.

(b) Non-current assets

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Hong Kong	10,117	9,282
Mainland China	727,202	745,777
Italy	—	8,678
	<u>737,319</u>	<u>763,737</u>

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

Information about major customers

Revenue of approximately HK\$67,224,000 (2019: HK\$27,703,000) was derived from services to a single customer.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<i>Revenue for contracts with customers</i>		
Sales of graphene products	215,462	123,474
Landscape design services	149,160	154,114
Catering revenue	7,809	25,087
Catering management service	16,421	11,266
	<u>388,852</u>	<u>313,941</u>

Revenue for contracts with customers

(i) *Disaggregated revenue information*

For the year ended 31 December 2020

Segments	Graphene <i>HK\$'000</i>	Landscape design service <i>HK\$'000</i>	Catering <i>HK\$'000</i>	Total <i>HK\$'000</i>
Type of goods or services				
Sales of graphene	215,462	—	—	215,462
Landscape design services	—	149,160	—	149,160
Catering revenue	—	—	7,809	7,809
Catering management services	—	—	16,421	16,421
Total Revenue	<u>215,462</u>	<u>149,160</u>	<u>24,230</u>	<u>388,852</u>
Geographical markets				
Hong Kong	—	23,984	—	23,984
Mainland China	215,462	123,972	20,912	360,346
Others	—	1,204	3,318	4,522
Total Revenue	<u>215,462</u>	<u>149,160</u>	<u>24,230</u>	<u>388,852</u>
Timing of revenue recognition				
Goods transferred at a point in time	215,462	—	7,809	223,271
Services transferred over time	—	149,160	16,421	165,581
Total Revenue	<u>215,462</u>	<u>149,160</u>	<u>24,230</u>	<u>388,852</u>

For the year ended 31 December 2019

Segments	Graphene	Landscape design service	Catering	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Type of goods or services				
Sale of graphene	123,474	—	—	123,474
Landscape design service	—	154,114	—	154,114
Catering revenue	—	—	25,087	25,087
Catering management services	—	—	11,266	11,266
Total Revenue	<u>123,474</u>	<u>154,114</u>	<u>36,353</u>	<u>313,941</u>
Geographical markets				
Hong Kong	—	20,112	—	20,112
Mainland China	123,474	131,992	23,462	278,928
Others	—	2,010	12,891	14,901
Total Revenue	<u>123,474</u>	<u>154,114</u>	<u>36,353</u>	<u>313,941</u>
Timing of revenue recognition				
Goods transferred at a point in time	123,474	—	25,087	148,561
Services transferred over time	—	154,114	11,266	165,380
Total Revenue	<u>123,474</u>	<u>154,114</u>	<u>36,353</u>	<u>313,941</u>

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of graphene related products

The performance obligation is satisfied upon delivery of the graphene products and payment is generally due within two months to four months from delivery, except for new customers, where payment in advance is normally required.

Landscape design services

The performance obligation is satisfied over time as services are rendered. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

Catering services

The performance obligation is satisfied upon delivery of catering products and payment at the same time.

Management services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Management service contracts are for periods of one year, or are billed based on the time incurred.

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<u>Other income</u>		
Service income	1,832	5,226
Dividend income from equity investments at fair value through other comprehensive income	250	420
Interest income	1,692	3,356
Government grants	5,818	1,567
Foreign exchange differences, net	340	—
	<u>9,932</u>	<u>10,569</u>
<u>Gains</u>		
Payables written back	511	1,075
Gain on lease modification	83	—
Gain on disposal of subsidiaries	573	—
Gain on disposal of plant, property and equipment	925	—
Others	311	379
	<u>2,403</u>	<u>1,454</u>
	<u>12,335</u>	<u>12,023</u>

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

6. LOSS BEFORE TAX

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

	Note	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Cost of inventories sold		158,987	98,087
Cost of services provided		72,847	69,495
Cost of sales		<u>231,834</u>	<u>167,582</u>
Depreciation		20,285	20,341
– plant, property and equipment		4,954	5,449
– right-of-use assets		15,331	14,892
Amortisation of intangible assets		47,329	22,635
Research and development costs:			
Current year expenditure		16,942	16,809
Written off of goodwill		3,112	2,307
Impairment loss of property, plant and equipment		2,125	3,522
Impairment loss of other intangible asset		20,047	9,272
Share of loss of joint ventures		114	—
Share of loss of associate		419	1,072
Fair value losses, net:			
Financial assets at fair value through profit or loss		1,201	2,926
Lease payments for lease less than 12 months		3,440	6,977
Auditor's remuneration		4,808	4,905
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages and salaries		100,196	103,090
Pension scheme contributions (defined contribution scheme)		9,575	18,371
Welfare and other benefits		1,911	2,372
		<u>111,682</u>	<u>123,833</u>
Foreign exchange differences, net		(340)	366
Impairment loss of financial and contract assets, net:			
Impairment loss of trade receivables, net	11	10,286	3,622
Impairment loss of contract assets, net		12,305	1,164
Impairment loss of financial assets included in prepayments, other receivables and other assets		384	1,831
		<u>22,975</u>	<u>6,617</u>
Loss on disposal of items of property and equipment		—	61
Write-down of inventories to net realisable value**		—	391

** The write-down of inventories to net realisable value is included in “cost of sales” in the consolidated statement of profit or loss.

7. FINANCE COSTS

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on interest-bearing borrowings	22,149	14,348
Interest on promissory note	23,743	9,655
Interest on lease liabilities	5,673	3,416
	<u>51,565</u>	<u>27,419</u>

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 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.

泛亞景觀設計 (上海) 有限公司 continued to be granted with the qualification of High and New Technology Enterprises (“HNTE”) on 18 November 2020 and is entitled to a preferential corporate income tax rate of 15% for a period of three years ending 31 December 2022 (2019: 15%).

前海泛亞景觀設計 (深圳) 有限公司 was provided at the rate of 15% (2019: 15%) on the estimated assessable profits as its main principal activities, of engaging in interior design and landscape, are recognised as encouraged industries in Qianhai district, Shenzhen in Mainland China.

黑龍江省牡丹江農墾炭奧石墨烯深加工有限公司 was granted with the qualification of HNTE on 3 December 2019 and is entitled to a preferential corporate tax rate of 15% for a period of three years ending 31 December 2021.

Other subsidiaries located in Mainland China were subject to corporate income tax at the statutory rate of 25% for the year (2019: 25%) under the income tax rules and regulations in the 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”).

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current – Hong Kong	393	—
Current – Mainland China	8,771	5,268
Current – Italy	—	194
	9,164	5,462
Deferred	(16,069)	(4,860)
Total tax (credit)/charge for the year	(6,905)	602

9. DIVIDEND

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Proposed final – Nil (2019: Nil) per ordinary share	—	—

The Board does not recommend the payment of any final dividend in respect for the year ended 31 December 2020.

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 443,803,793 (2019: 443,803,793) in issue during the year, as adjusted to reflect the shares repurchased for the purpose of awarding shares to eligible persons under the share award scheme.

The calculation of the diluted loss per share amount is based on the loss for the year 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 year, as used in the basic 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 loss per share amount presented for the year ended 31 December 2020 and 2019 in respect of a dilution as the impact of the share options had an anti-dilutive effect on the basic loss per share presented.

The calculations of basic and diluted loss per share are based on:

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss		
Loss attributable to ordinary equity holders of the parent	<u>(91,696)</u>	<u>(57,082)</u>

	Number of shares	
	2020	2019
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculations	<u>443,803,793</u>	<u>443,803,793</u>
Effect of dilution – weighted average number of ordinary shares:		
Shares awarded	<u>—</u>	<u>—</u>
	<u>443,803,793</u>	<u>443,803,793</u>

11. TRADE AND BILLS RECEIVABLES

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade and bills receivables	118,650	143,796
Impairment	<u>(48,842)</u>	<u>(35,686)</u>
	<u>69,808</u>	<u>108,110</u>

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.

Included in the Group's trade and bills receivables were amounts billed of HK\$72,214,000 (2019: HK\$100,097,000) and billable of HK\$46,436,000 (2019: HK\$43,699,000).

An ageing analysis of the trade and bills receivables at the end of each reporting period, based on the invoice date and net of loss allowance, is as follows:

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 6 months	53,796	79,938
Over 6 months but within 1 year	6,955	21,320
Over 1 year but within 2 years	7,472	5,893
Over 2 years but within 3 years	1,585	959
	<u>69,808</u>	<u>108,110</u>

Included in the Group's trade and bills receivables are an amount due from Pubang of HK\$278,000 (2019: HK\$132,000), which is repayable on credit terms similar to those offered to the major customers of the Group.

12. TRADE PAYABLES

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

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 year	10,775	18,941
Over 1 year but within 2 years	2,880	2,925
Over 2 years but within 3 years	1,539	295
Over 3 years	944	85
	<u>16,138</u>	<u>22,246</u>

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

Included in the Group's trade payables are an amount due to Pubang of HK\$nil (2019: HK\$nil) and an amount due to an associate of HK\$nil (2019: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

A Challenging Time for the World

The Covid-19 pandemic has provided extraordinary challenges, impacting colleagues, our families, local communities and society at large. A top priority is to protect the safety and health of our people and the broader community that host our businesses.

Whilst our landscape architecture business was able to continue generally uninterrupted, our Graphene segment experienced production delays and our catering segment was significantly impacted by the pandemic.

We were required to temporarily suspend operations at our Graphene segment's manufacturing facility in Heilongjiang province from January 2020 to March 2020, in line with national and regional guidance. As the Covid-19 pandemic was effectively contained, we were able to restart operations in April 2020 and returned to full production capacity by May 2020.

The broader economy showed a similar trajectory of travel. In the second quarter of 2020, Chinese economic growth rebounded from negative to positive and is now signalling a stable economic recovery. Within the automotive sector, sales of new energy vehicles in China fell to 393k units in the first half, down 37.4% year-on-year. Sales strongly rebounded in the second half, with volumes up 149% to 977k units. Overall sales of new energy vehicles in China increased by 11% in 2020, to 1.37 million units.

Our catering segment experienced a greater and more prolonged impact from the pandemic. Consequently, we took swift and tactical action to minimise the financial impact to the overall Group. We closed down our restaurants in Italy and many of our locations in China, reducing the number of restaurants we operate. Our catering segment now represents a de minimis component of our Group revenues. Whilst closing of the restaurants eliminated any further cash cost to the Group, the strategy precipitated one-off non-cash impairments, which are included in our profit attributable to shareholders.

Despite the challenges presented by the pandemic in 2020, we continued to strategically focus the Group on our Graphene segment. To extend our global investor base, we completed the listing of our ADR (American Depositary Receipt) through the Bank of New York Mellon on the OTCQX, the highest tier of United States over-the-counter market in October 2020. The OTCQX, also known as the QTCQX Best Market, includes a large number of blue-chip stocks from Europe, Canada and Brazil. Many of these stocks represent companies which are global household names.

Graphene Business

The Graphene business represents the majority of the Group's revenues. For the year ended 31 December 2020, the Graphene segment contributed revenue of HK\$215.5 million, representing 55.4% of Group's total revenues, with an adjusted EBITDA of approximately HK\$49.7 million, representing 58.5% of the Groups total EBITDA. The gross profit margin of the business was 27.4% and adjusted EBITDA margin was 23.1%

The Graphene segment's primary product is spherical graphite. Spherical graphite, also known as battery-grade graphite, is a key material battery manufacturers used to produce the graphite electrode in Lithium-ion batteries. We process flake graphite into ultra-high purity (greater than 99.95%) microscopic spheres with a particle distribution size (D50) of 10-15 microns. The microscopic, homogenous spheres allow battery makers to compress more graphite into a smaller volume, thus creating a denser and more efficient graphite electrode. We currently produce approximately 10,000 metric tons of spherical graphite per annum.

Demand for Lithium-ion batteries is driven by electric and hybrid vehicles, and separately as storage solution for renewable energy wind and solar farms. Analysts forecasts a compound annual growth of 29% for electric vehicles sales over the next 10 years. Global electric vehicle sales are expected to grow from about 2.5 million in 2020 to 11.2 million in 2025, then almost triple to 31.1 million by 2030. By 2030, it is expected that electric vehicles will represent approximately 32% of the total market share for new car sales. Analysts predicts that by 2030, China will hold 49% of the global EV market, Europe will account for 27% and the United States will hold 14%.

With each electric vehicle consuming approximately 70kg of spherical graphite, demand for our product is expected to outstrip supply by 2023. We are preparing to capitalise on this growth by adding manufacturing capacity, with a strategic plan to raise our production output from 10,000 metric tons to 40,000 metric tons over the next three years. In addition, we believe we have a strong competitive moat, with a combination of proprietary spherical graphite processing knowledge and 25 protective patents, 9 of which were issued in 2020.

Landscape Architecture Business

For the year ended 31 December 2020, the landscape architecture segment contributed revenue of HK\$149.2 million, representing 38.4% of Group's total revenues, with an adjusted EBITDA of HK\$20.2 million, representing 23.8% of the Group's total adjusted EBITDA. The gross profit margin of the business was 51.4% and adjusted EBITDA margin was 13.6%.

The segment maintained its leadership as one of the foremost landscape architecture service providers in Hong Kong and China. From 12 offices and with approximately 500 employees, it provides professional services to clients including: governments, property developers, design service companies and engineering business. Its projects span urban renewals, corporate campuses, hotels/resorts and theme parks. During 2020 the segment was a MIPIM Asia Award winner for Best Futura Project in connection with Zaha Hadid Architects and was nominated for the Hong Kong Institute of Urban Design Awards.

As a recent initiative in sustainable energy, the segment is working with eight major Chinese cities to develop recharge parks. Recharge parks combine landscaped green spaces, with mobile device and electric vehicle charging points. The parks would be partially powered by onsite renewable energy. The concept is to electrically recharge machines and devices, while mentally recharging the people who use them with stunning, peaceful and sustainable open green spaces.

We believe that our landscape architecture segment has synergies with the Group's Graphene segment. The landscape architecture segment has integrated the knowledge and expertise of the Group's Graphene business in clean energy storage which helped spearhead our initiative in recharge parks/cities. Together the two groups apply expertise and experience in sustainable energy solutions to service our broad base of clients.

It obtained a Category A of Specific Landscape Architecture Engineering Design qualification in 2019 and has since then successfully won major contracts across metropolitan areas in China and Hong Kong. The segment intends to apply for Class B City Planning qualification in China, to further expand its business scope. During 2020, it also set up a subsidiary in Qingdao to access clients in northern China.

The Group will continue to ensure the sustainable provision of landscape architecture services and continue to drive the businesses market leadership.

The revenue of the landscape architecture segment slightly decreased by approximately 3.2% to approximately HK\$149.2 million in 2020, compared with that of approximately HK\$154.1 million in 2019.

The number of new contracts and contract sum entered by the Group during 2018 to 2020 are set out as follows:

Year ended 31 December	No. of new contracts	Contract sum (HK\$'million)
2020	140	226
2019	174	195.8
2018	257	263.5

Catering Business

The Group's catering business is mainly represented by Yummy Holdings Limited and its subsidiaries which included Thai Gallery restaurants serving Thai cuisine in the PRC and Italy. The Group's catering revenue decreased to approximately HK\$24.2 million for the year ended 31 December 2020, representing a decrease of approximately 33.3%, as compared with that of approximately HK\$36.4 million for the year ended 31 December 2019. The catering segment contributed revenue of HK\$24.2 million, representing 6.2% of Group's total revenues. The decrease in revenue from the catering segment was mainly due to cease and/or downscale of operation of restaurants in China and Italy due to the deterioration in market environment since the outbreak of the novel coronavirus pandemic ("Covid-19") since January 2020.

The Covid-19 pandemic has had a significant impact across our catering business in 2020. As a result, we discontinued operations at the majority of our restaurants in China, Hong Kong and Italy. We are currently operating one restaurant in Chengdu and provide management services to one restaurant in Shanghai. We do not intend to further expand the catering business.

FINANCIAL REVIEW

Revenue

In line with the new direction of the Group, during the reporting period the Company exhibited strong growth, driven by the Graphene segment. The Graphene segment contributed revenue of approximately HK\$215.5 million to the Group, representing an increase of approximately 74.5%, compared with HK\$123.5 million for the year ended 31 December 2019. The Group's total revenue rose to approximately HK\$388.9 million, compared with HK\$313.9 million for the year ended 31 December 2019, representing year-on-year growth of approximately 23.9%.

Cost of sales

Cost of sales increased to approximately HK\$231.8 million for the year ended 31 December 2020, representing an increase of approximately 38.3%, as compared with that of approximately HK\$167.6 million for the year ended 31 December 2019. Cost of sales mainly represented staff cost in respect of the landscape architecture business and cost of inventories in respect of the catering and Graphene business. The increase was generally in line with the increase in revenue derived from the Graphene segment.

Gross profit and gross profit margin

Gross profit increased to approximately HK\$157.0 million for the year ended 31 December 2020, representing an increase of approximately 7.3%, as compared with that of approximately HK\$146.4 million for the year ended 31 December 2019.

Gross profit margin decreased by approximately 6.2 percentage points to approximately 40.4% for the year ended 31 December 2020, as compared with that of approximately 46.6% for the year ended 31 December 2019. The overall decrease in gross profit margin was due to increasing focus on Graphene segment, which had a relatively lower gross profit margin, and decrease in gross profit margin in the landscape architecture segment during the reporting year.

Selling, marketing and administrative expenses

Selling, marketing and administrative expenses increased to approximately HK\$170.7 million for the year ended 31 December 2020, representing an increase of approximately 0.4%, as compared with that of approximately HK\$170.0 million for the same period in 2019. It was relatively stable under the efforts of cost control within the Group with a relatively stable headcount.

Impairment loss on financial and contract assets

It mainly represented impairment loss of trade receivables, contract assets, and other receivables. Such impairment loss increased to approximately HK\$23.0 million for the year ended 31 December 2020, representing an increase of approximately 247.2%, as compared with that of approximately HK\$6.6 million for the same period in 2019. The increase mainly reflected the Group's increase in credit loss under the less favourable market and economic environment, particularly Covid-19, which negatively affected the Group's collectability on financial and contract assets in the daily operations of business.

Other impairment loss

During the year ended 31 December 2020, the Group incurred the following impairment loss mainly on the catering segment, represented by Thai Gallery (HK) Limited, as a result of Covid-19 such that certain restaurants had to be ceased and/or downsized. The impairment loss on property, plant and equipment of approximately HK\$2.1 million and written off of goodwill of approximately HK\$3.1 million was mainly attributable to the cease of operations of Thai Gallery SRL, a subsidiary in Italy, in August 2020.

The impairment of other intangible assets comprised the impairment of backlog contract of approximately HK\$15.3 million and brand names of approximately HK\$4.8 million. All of them were caused by the adverse impact of Covid-19 on Thai Gallery (HK) Limited.

	2020	2019
	HK\$'000	HK\$'000
Property, plant and equipment	2,125	3,522
Goodwill	3,112	2,307
Other intangible assets		
– Backlog contract	15,257	—
– Brand names	4,790	9,272
Fair value loss on financial assets at fair value through profit or loss	1,201	2,926
	26,485	18,027

Net loss

As a result of the foregoing, the loss attributable to owners of the parent was approximately HK\$91.7 million for the year ended 31 December 2020, as compared with loss attributable to owners of the parent of approximately HK\$57.1 million for the year ended 31 December 2019.

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 31 December 2020 HK\$'000	As at 31 December 2019 HK\$'000
Current assets	262,506	282,558
Current liabilities	316,940	252,998
Current ratio	0.8x	1.1x

The current ratio of the Group at 31 December 2020 was approximately 0.8 times as compared to that of approximately 1.1 times at 31 December 2019. The decrease was mainly due to a drop of cash and bank balances whilst the 2-year term corporate bonds became mature and rise in lease liabilities, and other payables and accruals.

At 31 December 2020, the Group had a total cash and bank balances of approximately HK\$37.7 million (31 December 2019: HK\$53.9 million). The cash and bank balances were mainly held in HKD and RMB.

At 31 December 2020, the Group's gearing ratio was approximately 324.4% (represented by total interest-bearing other borrowings and promissory note at the end of the period divided by total equity at the end of the respective period multiplied by 100%) (31 December 2019: 233.8%).

At 31 December 2020, the capital structure of the Company mainly comprised issued ordinary shares and debt securities. As of 31 December 2020, the Company had outstanding issued bonds of approximately HK\$225.8 million, issued promissory notes of approximately HK\$298.1 million and 482,290,000 shares ordinary shares in issue.

Contingent liabilities

The Group had no significant contingent liabilities as at 31 December 2020.

Pledge of assets

The Group had no significant pledge of assets as at 31 December 2020.

Capital commitment

The Group had no significant capital commitment as of 31 December 2020.

Foreign exchange exposure

The Group mainly operates and invests in Hong Kong and the PRC but most of the transactions are denominated and settled in HKD and RMB. 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, receivable management, etc. Save for meeting working capital needs, the Group only holds minimum foreign currency.

Human resources and employees' remuneration

As at 31 December 2020, the Group had around 580 employees (31 December 2019: 607 employees, including managed operations). 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 year ended 31 December 2020, there was no share option granted (2019: nil share options) under the Share Option Scheme.

On 21 August 2014, the Company has also adopted one 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.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Group has accelerated the strategy to grow its Graphene segment. To further extend our global presence to United States electric vehicle market participants, we have established a US-subsiary with a perpetual license to our intellectual property, including our spherical graphite and graphene patents. Furthermore, we have proposed a Group name change to shareholders from Earthasia International Holdings Limited to Graphex Group Limited. The proposed name more accurately reflects our focus on spherical graphite, graphene and energy storage solutions and allows us to strengthen our branding for our Graphene segment's products.

We have begun the planning and application process for a second spherical graphite manufacturing facility to be located in Qitaihe, Heilongjiang, which would add approximately 30,000 metric tons per year of additional production capacity. This would raise our total output to 40,000 metric tons per year; we are planning for this capacity to ramp up over the next three years.

In addition to organic growth, we are evaluating downstream acquisition growth. As part of this initiative, we have announced that that we entered a letter of intent for subscription of new shares in battery maker Shenzhen KYSS Technology.

PROSPECTS

As the world begins to heal from the Covid-19 pandemic, we maintain a positive business outlook for 2021. Whilst there is always risk of renewed infection waves and potential new virus variants, national vaccinations programs are broadly underway, and governments are signalling that the world will be returning to a degree of normality by the summer. The International Monetary Fund is forecasting robust global growth, at 5.5% in 2021 and 4.2% in 2022. Personal savings rates are elevated which should support consumer spending, oil prices have stabilized and with a new administration in Washington, China-US trade tensions appear to be improving. This economic backdrop should be constructive for the Group.

Within our Graphene segment, we believe enhanced consumer spending together with global initiatives for sustainable energy will provide strong macro-economic drivers for our spherical graphite product. Government initiatives encouraging consumers to switch to from internal combustion engines to electric vehicles will bolster demand for Lithium-ion batteries and positively impact the Lithium-ion supply chain, which includes our material. Initiatives to reduce global emissions and reverse climate change should further support Lithium-ion battery demand for renewable energy storage, as the world continues its transition from fossil fuel based electrical power generation to sustainable electrical power.

Further, we will continue to invest in the development and commercialisation of graphene volume production and graphene applications. The unique materials science properties of graphene offer extraordinary engineering solutions across medical, industrial, aerospace and consumer sectors.

In relation to our landscape architecture segment. The various external and domestic factors that affected Hong Kong's economy last year has somewhat abated. However, we believe any unforeseen future impact on the Group will be mild given the segment's relatively stable contract backlog of design projects. If necessary, employees can work from home during any disruptions. Furthermore, it is expected that the China may increase expenditure on public infrastructure to power economic recovery from the coronavirus, which will likely have a positive impact on our landscape architecture business.

As to the catering segment, the Group will continue to focus on the profitable operation and does not intend to grow the segment further.

2021 will certainly not be without its challenges, but we are optimistic about the opportunities the year presents. The Directors believe with the joint effort of our management and staff, we can grow the revenue streams of the Group and implement process and efficiency improvements. Furthermore, the Directors will continue to explore growth and investment opportunities that may generate additional income for the Group.

CORPORATE GOVERNANCE PRACTICES

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 Code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules during the reporting period ended 31 December 2020. 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 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiries to all Directors, all of them confirmed that they had complied with the required standards as set out in the Model Code during the year ended 31 December 2020.

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

During the year ended 31 December 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

CLOSURE OF REGISTER OF MEMBERS FOR AGM

The register of members of the Company will be closed from Wednesday, 2 June 2021 to Monday, 7 June 2021, both days inclusive, for the purpose of determining the entitlement to attend and vote at the annual general meeting (“**AGM**”) scheduled to be held on Monday, 7 June 2021. 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong (“**Branch Share Registrar**”) not later than 4:30 p.m. on Tuesday, 1 June 2021.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend in respect for the year ended 31 December 2020.

REVIEW OF ANNUAL RESULTS

The Group’s annual results for the year ended 31 December 2020 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 adequate disclosures have been made.

SCOPE OF WORK OF CROWE (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in the preliminary announcement have been agreed by the Company's auditors, Crowe (HK) CPA Limited, Certified Public Accountants ("Crowe"), to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditors on the preliminary announcement.

EXTRACT OF THE AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2020.

Opinion

We have audited the consolidated financial statements of Earthasia International Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

During the year ended 31 December 2020, the Group incurred a loss attributable to owners of the parent of HK\$91,696,000 and, as at 31 December 2020, the Group's current liabilities exceeded its current assets by HK\$54,434,000. These conditions, along with other matters as set forth in note 2.1 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in this respect.

Subsequent to 31 December 2020, the Company has entered into a subscription agreement with the subscriber for the issue of convertible notes and warrants up to the aggregate amount not exceeding USD15 million on 19 January 2021, and the Company has already issued and received proceeds of convertible notes with an aggregate amount of USD2 million. The directors are satisfied that the Group will have sufficient financial resources to meet in full its financial obligations as and when they fall due in the next twelve months. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

PUBLICATION OF 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.graphexgroup.com. The annual report 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, 30 March 2021

As at the date of this announcement, the executive Directors are Mr. Lau Hing Tat Patrick, Mr. Chan Yick Yan Andross, Mr. Tian Ming, Mr. Yang Liu and Mr. Qiu Bin; the non-executive Directors are Mr. Ma Lida and Mr. Tu Wenzhe; and the independent non-executive Directors are Ms. Tam Ip Fong Sin, Mr. Wang Yuncai, Mr. Liu Kwong Sang, Mr. Tang Zhaodong and Mr. Chan Anthony Kaikwong.