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Link Asia  
環亞國際實業

**Link-Asia International Co. Ltd.**

**環亞國際實業有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1143)**

**DISCLOSEABLE TRANSACTION IN RELATION TO  
THE DISPOSAL OF 51% OF THE EQUITY INTEREST IN  
ANHUI HUAYUAN GUOYI MEDICAL INVESTMENT  
MANAGEMENT LIMITED**

**THE DISPOSAL**

The Board hereby announces that, on 31 December 2019 (after trading hours), the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser, entered into the Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares at the Consideration of RMB640,000.

**IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but are below 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**The completion of the proposed Disposal is subject to the satisfaction and/or waiver (where applicable) of conditions precedent under the Sale and Purchase Agreement, which may or may not be fulfilled. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

## **INTRODUCTION**

The Board hereby announces that on 31 December 2019 (after trading hours), the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser, entered into the Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares at the Consideration of RMB640,000. Details of the Sale and Purchase Agreement are set out below:

## **THE SALE AND PURCHASE AGREEMENT**

### **Date**

31 December 2019

### **Parties**

Vendor : Healthcare Holdings (Shenzhen) Co., Ltd.\* (華氏醫藥控股(深圳)有限公司)

Purchaser : Mr. Wu Xiaowei (吳曉偉)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries and so far as the Directors are aware, the Purchaser is an individual who is an Independent Third Party of the Company.

### **Assets to be disposed of**

The Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares, representing 51% of the equity interest in the Target Company.

### **Consideration**

The maximum consideration shall be RMB640,000, which is subject to downward adjustment based on the valuation report prepared by the independent valuer engaged by the Company on the Target Company as at 30 September 2019 subsequently made available to the Company.

### **Basis of Consideration**

The Consideration was arrived at after arm's length negotiation between the parties and was determined with reference to the unaudited net asset value of the Target Company and Sale Shares as at 30 September 2019. Should the valuation of the Sale Shares as set out in the final valuation report of the Target Company be lower than the abovementioned unaudited net asset value of the Sale Shares, the Vendor and the Purchaser agree to downward adjust the Consideration.

The Directors are of the view that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

## **Conditions Precedent**

Completion shall be conditional upon the fulfillment and/or waiver (as the case may be) of the following conditions:

- (a) the passing of necessary resolution(s) and the obtaining of all necessary approvals and consents by the Shareholder(s) or the Director(s) in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules;
- (b) the obtaining of all consents from government or regulatory authorities or third parties which are necessary in connection with the execution and performance of the Sale and Purchase Agreement and the transactions contemplated thereunder;
- (c) the Vendor's warranties shall remain to be true, accurate and effective in all respects as at the date of settlement of the Consideration; and
- (d) there being no material adverse change till the date of settlement of the Consideration and the Target Company's financial position shall remain substantially the same with that on the date of signing of the Sale and Purchase Agreement.

All the above conditions may be waived by the Purchaser in writing. If the conditions mentioned above have not been fulfilled or waived before the latter of either (i) two months upon the effective date of the Sale and Purchase Agreement or (ii) 13 March 2020, the Sale and Purchase Agreement shall automatically cease and neither the Company nor the Purchaser shall have any rights, obligations and liability towards each other thereunder and the Vendor shall not require the Purchaser to settle the Consideration.

## **COMPLETION**

Completion shall take place on or before the third Business Day after the date on which the last condition precedent to the Sale and Purchase Agreement is fulfilled or waived (as the case may be).

## **INFORMATION ON THE TARGET COMPANY**

The Target Company is a company incorporated in the PRC in 2005. The Company acquired the Sale Shares of the Target Company in July 2017 resulting the Company owning 51% of the equity interest of the Target Company. The Target Company is principally engaged in trading and selling of medical equipments (such as gastroscopy and duodenoscopy) to customers including local hospitals. The Target Company mainly focuses on medical business in the Anhui Province, the PRC.

The following sets forth the unaudited financial information of the Target Company for the period from 4 August to 31 December 2017 and for the year ended 31 December 2018:

	<b>For the period from 4 August to 31 December 2017 (unaudited) RMB'000</b>	<b>For the year ended 31 December 2018 (unaudited) RMB'000</b>
Revenue	6,280	45,257
Net profit/(loss) before taxation	(2,156)	18,524
Net profit/(loss) after taxation	(2,214)	13,809

Based on the unaudited management accounts of the Target Company, the unaudited net asset value of the Target Company as at 30 September 2019 was approximately RMB1,250,000 and the net loss of the Target Company for the nine months ended 30 September 2019 was approximately RMB14,360,000.

#### **FINANCIAL EFFECT OF THE DISPOSAL**

After the Disposal, the Company will have no interest in the equity interest of the Target Company and the Target Company will cease to be a subsidiary of the Company. Therefore, the financial information of the Target Company will no longer be consolidated into the accounts of the Company.

After the Disposal and subject to audit, the Group is expected to record a gain of approximately HK\$536,000, based on the amounts of the Consideration, the carrying amount of the Target Company as at 31 December 2019 and the estimated professional fees attributable to the Disposal.

#### **REASONS FOR AND BENEFIT OF THE DISPOSAL AND USE OF PROCEEDS**

The Group is principally engaged in (i) electronic manufacturing services; (ii) marketing and distribution of communication products; and (iii) the securities and other assets investment.

The net cash proceeds from the Disposal, after deducting the estimated expenses in relation to the Disposal, will amount to approximately HK\$536,000. The Company intends to utilise the net proceeds generated from the Disposal as general working capital of the Group.

It has always been the Company's business strategy to make appropriate business decisions and adjustments according to the market conditions to create greater value for the Group and the Shareholders. In view of the capital gain which is expected to derive from the Disposal, the Directors are of the view that the Disposal represents a good opportunity for the Group to unlock the value of the Target Company such that more financial resources can be allocated to support the development of the Group's core businesses.

In view of the above, the Directors are of the view that the terms of the Disposal are fair and reasonable, which have been arrived at after arm's length negotiations and are in the interests of the Company and the Shareholders as a whole, and will not have a material impact on the Company's operations.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but are below 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**The completion of the proposed Disposal is subject to the satisfaction and/or waiver (where applicable) of conditions precedent under the Sale and Purchase Agreement, which may or may not be fulfilled. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Board”	the board of Directors of the Company
“Company”	Link-Asia International Co. Ltd. (環亞國際實業有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange (Stock Code: 1143)
“Consideration”	the maximum consideration in the sum of RMB640,000, which is subject to downward adjustment based on the valuation report prepared by independent valuer engaged by the Company on the Target Company as at 30 September 2019 subsequently made available to the Company for the Disposal under the Sale and Purchase Agreement
“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Shares pursuant to the terms and conditions of the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars

“Independent Third Party(ies)”	an individual or a company who or which is independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders, of the Company, its subsidiaries or any of their respective associate
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Mr. Wu Xiaowei (吳曉偉), an Independent Third Party of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 31 December 2019 and entered into by the Vendor and the Purchaser in respect of the Disposal
“Sale Shares”	51% of the equity interest of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.001 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Anhui Huayuan Guoyi Medical Investment Management Limited* (安徽華源國怡醫療投資管理有限公司), a company incorporated in PRC with limited liability and is owned as to 51% by the Vendor as at the date of the Sale and Purchase Agreement
“Vendor”	Healthcare Holdings (Shenzhen) Co., Ltd.* (華氏醫藥控股(深圳)有限公司), a company incorporated in PRC with limited liability and a wholly-owned subsidiary of the Company

\* For identification purposes only

“%”

per cent

By order of the Board  
**Link-Asia International Co. Ltd.**  
**Lin Dailian**  
*Chairman and executive Director*

Hong Kong, 31 December 2019

*As at the date of this announcement, the Board comprises Mr. Lin Dailian (Chairman), Mr. Duan Chuanhong and Mr. Xia Xiaobing as executive Directors; Mr. Bao Jinqiao, Mr. Li Huiwu and Mr. Wang Guozhen as independent non-executive Directors.*