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Link-Asia International MedTech Group Limited

環亞國際醫療科技集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1143)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ASSIGNMENT OF AGENCY AGREEMENT INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that on 18 January 2022 (after trading hours), the Assignee, the Company and the Assignor entered into the Deed of Assignment, pursuant to which the Assignee agreed to accept and the Assignor agreed to assign all its rights, obligations, title, interest, and benefit in and to the Agency Agreement to the Assignee at the Consideration of HK\$37,800,000, which will be settled by the allotment and issue of 230,000,000 Consideration Shares by the Company to the Assignor (or its nominee) upon Completion.

The Consideration Shares shall be allotted and issued pursuant to the Specific Mandate to be obtained from the Shareholders at the EGM. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

IMPLICATIONS UNDER THE LISTING RULES

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

EGM

The EGM will be convened and held for the Shareholders to consider and, if thought fit, pass the ordinary resolutions to approve, among other things, the grant of the Specific Mandate for the issue of the Consideration Shares.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Assignment. As such, no Shareholder is required to abstain from voting at the EGM in respect of the resolution approving the grant of the Specific Mandate.

DESPATCH OF CIRCULAR

A circular containing, among other information, (i) details of the Assignment; (ii) details of the Specific Mandate; and (iii) a notice of the EGM will be despatched to the Shareholders on or before 9 February 2022, so as to allow sufficient time for the preparation of relevant information for inclusion in the circular.

Shareholders and potential investors should note that Completion is subject to the satisfaction and/or, where applicable, waiver of the conditions to the Deed of Assignment. As the Assignment may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 18 January 2022 (after trading hours), the Assignee, the Company and the Assignor entered into the Deed of Assignment, pursuant to which the Assignee agreed to accept and the Assignor has agreed to assign all its rights, obligations, title, interest, and benefit in and to the Agency Agreement to the Assignee at the Consideration of HK\$37,800,000, which will be settled by the allotment and issue of 230,000,000 Consideration Shares by the Company to the Assignor (or its nominee) under the Specific Mandate upon Completion.

THE DEED OF ASSIGNMENT

The principal terms of the Deed of Assignment are set out as follows:

Date

18 January 2022 (after trading hours)

Parties to the Agreement

- (i) Mr. Sy Ming Yiu (as the Assignor);
- (ii) Link-Asia International Assisted Reproductive Technology Group Limited, an indirect wholly owned subsidiary of the Company (as the Assignee); and
- (iii) The Company

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Assignor is an Independent Third Party.

The Proposed Assignment

Pursuant to the Deed of Assignment, the Assignor has agreed to assign all its rights, obligations, title, interest, and benefit in and to the Agency Agreement to the Assignee, free from any Encumbrance, with effect from the Effective Date.

Consideration

The Consideration of HK\$37,800,000 shall be satisfied by the allotment and issue of 230,000,000 Consideration Shares by the Company to the Assignor (or its nominee) under the Specific Mandate at the issue price of approximately HK\$0.164 per Consideration Share upon Completion.

The Consideration was determined after arm's length negotiation between the parties to the Deed of Assignment after taking into account including but not limited to (i) the factors stated in the paragraph headed "REASONS FOR AND BENEFITS OF THE ASSIGNMENT" below; and (ii) the valuation of the Agency Agreement and the Deed of Assignment (collectively "**the Intangible Assets**") prepared by Peak Vision Appraisal Limited, an independent valuer, showing the appraised value of approximately HK\$37,800,000.

Consideration Shares

Pursuant to the Deed of Assignment, the Company will allot and issue 230,000,000 Consideration Shares at the Issue Price of approximately HK\$0.164 per Consideration Share, to the Assignor (or its nominee) upon Completion.

The Consideration Shares shall be allotted and issued pursuant to the Specific Mandate to be obtained from the Shareholders at the EGM. The Consideration Shares, when allotted and issued, shall rank pari passu in all respects with the Shares in issue on the date of allotment including the right to receive all dividends declared, paid or made by reference to a record date falling on or after the date of their registration in the Company's register of members. There is no restriction which applies to the subsequent sale of the Consideration Shares. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

The Issue Price of the Consideration Shares is approximately HK\$0.164 per Consideration Share which represents:

- (i) a discount of approximately 7.3% to the closing price of approximately HK\$0.177 per Share as quoted on the Stock Exchange on 18 January 2022, being the date of the Deed of Assignment;
- (ii) a discount of approximately 6.8% to the average closing price of approximately HK\$0.176 per Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the date of the Deed of Assignment; and
- (iii) a discount of approximately 7.9% to the average closing price of approximately HK\$0.178 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to the date of the Deed of Assignment.

The Consideration Shares, when allotted and issued, would represent approximately 24.9% of the existing issued share capital of the Company as at the date of this announcement and approximately 19.9% of the issued share capital of the Company as enlarged by issue of the Consideration Shares.

Valuation

The valuation of the Intangible Asset was prepared using the excess earnings method under the income approach as at 31 December 2021. The income approach allows the Valuer to reflect the specific characteristics of the Intangible Assets and the economic benefits contributed by the Intangible Assets. The excess earnings method determines the value of an intangible asset as the present value of the cash flows attributable to the subject intangible asset after excluding the proportion of cash flows that are attributable to other contributory assets. According to the valuation report, the market value of the Intangible Assets as at 31 December 2021 was in the sum of approximately HK\$37,800,000.

Set out below are the principal assumptions used in the valuation:

- (i) the contractual parties of the Agency Agreement and the Deed of Assignment will act in accordance with the terms and conditions as stipulated in the corresponding agreements;
- (ii) the Intangible Assets will not be substituted or otherwise infringed upon in a manner that materially affects its economic benefit during the useful life of the Intangible Assets;
- (iii) for the Company using the Intangible Assets to continue as a going concern, the Company will successfully carry out all necessary activities for the development of its business;
- (iv) the availability of finance will not be a constraint on the forecast growth of the operations of the Company using the Intangible Assets in accordance with the business plans and the projections;
- (v) market trends and conditions where the Company using the Intangible Assets operates will not deviate significantly from the economic forecasts in general;

- (vi) there will be no material changes in the business strategy of the Company using the Intangible Assets and its operating structure;
- (vii) the financial information of the Company using the Intangible Assets as supplied to us have been prepared in a manner which truly and accurately reflect the financial performances and positions of the Company as at the respective financial statement dates;
- (viii) key management, competent personnel and technical staff will all be retained to support the development of the Company using the Intangible Assets;
- (ix) interest rates and exchange rates in the localities for the operations of the Company using the Intangible Assets will not differ materially from those presently prevailing;
- (x) all relevant approvals, permits, registrations, licences or other legislative or administrative authority from any local, provincial or national government, or private entity or organisation required to operate in the localities where the Company using the Intangible Assets operates or intends to operate will be officially obtained and renewable upon expiry without any significant payment, unless otherwise stated; and
- (xi) there will be no major changes in the political, legal, economic or financial conditions and taxation laws in the localities in which the Company using the Intangible Assets operates or intends to operate, which will adversely affect the revenues and profits attributable to the Company using the Intangible Assets.

As the valuation is conducted based on the income approach, the Valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules and accordingly, the requirements under Rules 14.60A and 14.62 of the Listing Rules are applicable. Pursuant to Rule 14.62 of the Listing Rules, the Board has reviewed the principal assumptions upon which the Valuation is based and is of the view that the profit forecast has been made after due and careful enquiry.

Confirmation

McMillan Woods (Hong Kong) CPA Limited (“**McMillan Woods**”), the reporting accountant of the Company, has reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the bases and assumptions underlying the Valuation, which do not involve the adoption of accounting policies. A report from McMillan Woods dated 18 January 2022 with respect to the profit forecast as required under Rule 14.62(2) of the Listing Rules and a letter from the Board of directors dated 18 January 2022 in compliance with Rule 14.62(3) of the Listing Rules will be submitted to the Stock Exchange together with this announcement, the texts of which are included in Appendix I and Appendix II to this announcement, respectively.

Experts and Consents

The qualifications of the experts who have given their statements in this announcement are as follows:

Name	Qualification
Peak Vision Appraisals Limited McMillan Woods (Hong Kong) CPA Limited	Independent Valuer Certified Public Accountants

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Independent Valuer and McMillan Woods is an Independent Third Party. As at the date of this announcement, none of the Independent Valuer and McMillan Woods has any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and not connected persons.

Each of the Independent Valuer and McMillan Woods has given and has not withdrawn its written consent to the issue of this announcement with the inclusion of its report and/or all references to its report and name (including its qualification) in the form and context in which they respectively appear.

Conditions precedent

Taking effect of the Assignment shall be conditional upon all of the following conditions precedent having been satisfied (or waived):

- (i) the Listing Committee of the Stock Exchange having granted listing of and permission to deal in, the Consideration Shares subject to the allotment and issue of the Consideration Shares (and such listing and permission not being subsequently revoked on or prior to the Effective Date);
- (ii) the approval by the Shareholders of the Company at an extraordinary general meeting approving (among other things) the issue and allotment of the Consideration Shares under the Specific Mandate having been obtained in accordance with the articles of association of the Company and applicable laws, regulations and rules (including but not limited to the Listing Rules) and remaining in full force and effect on the Effective Date;
- (iii) the necessary consents and approvals in relation to the issue of the Consideration Shares pursuant to the Specific Mandate, the Assignment, this deed and the transactions contemplated hereunder from the relevant stock exchanges, other administrative, governmental or regulatory authorities in accordance and compliance with the Listing Rules or any applicable laws, regulations and any other rules of the government or regulatory bodies having been obtained; and
- (iv) the warranties given by the Assignor remaining true, accurate and complete in all respects and not misleading in any respect as at the Effective Date.

The Assignee may in its absolute discretion waive on such conditions as it may impose any of the above conditions or any part thereof (other than the conditions referred to in (i), (ii) and (iii)) at any time by notice to the Assignor. If any of the above conditions is not satisfied (or waived) on or before the Long Stop Date, this deed will lapse and neither party to this deed may have any claim against each other save for antecedent breaches.

The Assignor shall furnish such information, supply such documents and do all such acts and things as may be required by the Assignee, the Company and/or the Stock Exchange to facilitate the application to the Stock Exchange by the Company for the listing of, and permission to deal in, the Consideration Shares and the fulfilment of the conditions.

Completion

The Assignment shall become effective on the third Business Day after the last of the conditions precedent (or such other date as agreed between the Parties) has been satisfied:

On or before the Effective Date, the Assignor shall provide evidence satisfactory to the Assignee that written notice of assignment in relation to the Assignment, in form satisfactory to the Assignee, has been given by the Assignor to Metash.

Upon Completion, the Assignor will become a substantial shareholder (as defined under the Listing Rules) of the Company, holding approximately 19.9% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

Representations and warranties and undertakings

The Assignor unconditionally and irrevocably represents and warrants to the Assignee and the Company that:

- (i) he has the right, power and authority to enter into, execute, deliver and perform this deed and that this deed (and its performance) has been duly authorised (such authorisation remaining in full force and effect) and executed by, and constitutes valid and legally binding and enforceable obligations of him;
- (ii) the entering into, execution, delivery and performance by the Assignor of this deed will not (i) conflict with or results in a breach or a default under any agreement, instrument, order, judgment or other restriction which binds the Assignor; or (ii) violate any law, rule or regulation of any jurisdiction to which it is subject in respect of the transactions contemplated hereunder;
- (iii) all information (whether oral, written, electronic or in any other form) provided by him to the Assignee and the Company for the purpose of or in connection with the transaction contemplated hereunder were, when supplied and published, true and accurate in all material respects and not misleading in any respect;
- (iv) he is entitled to assign, transfer or dispose all of its rights and obligations under the Agency Agreement to the Assignee in accordance with the terms thereof without the consent of Metash;

- (v) he is the legal and beneficial of all his rights, title, interest, and benefit in and to the Agency Agreement, free from Encumbrances, and the Agency Agreement is valid, enforceable and subsisting against the parties thereto;
- (vi) he will accept the Consideration Shares subject to the memorandum of association and articles of association of the Company;
- (vii) he is taking up the Consideration Shares as a principal and not as agent or trustee for any other person;
- (viii) he does not hold or is not otherwise beneficially interested in any Shares;
- (ix) he is and will be a third party prior to the completion of the allotment and issue of the Consideration Shares in accordance herewith (i) independent of the Company's directors, chief executive or any of their respective associates, and (ii) independent of and not connected with the Company or the directors, chief executive or connected persons of the Company or any of their respective subsidiaries or any associates of any of them; and
- (x) he is and will be a third party (i) who is not, and who will not become after completion of the allotment and issue of the Consideration Shares in accordance herewith, core connected persons of the Company, (ii) whose taking up of the Consideration Shares has not been financed directly or indirectly by a core connected person, and (iii) who is not, and who will not become accustomed to take instructions from a core connected person in relation to the acquisition, disposal, voting or other disposition of securities of the Company registered in its name or otherwise held by it.

Each of the warranties given above shall:

- (i) be construed as separate and independent and shall not be limited by reference to any other provisions in this deed; and
- (ii) be made as of the date of this deed and be deemed to be repeated on the Effective Date immediately before the Assignment becoming effective and immediately before the completion of the allotment and issue of the Consideration Shares with reference to the facts and circumstances then existing.

The Assignor hereby further represents warrants and undertakes to the Assignee and the Company as follows:

- (i) the Assignor hereby guarantees to the Assignee that the revenue receivable by the Assignee arising from and under the rights, title, interest, and benefit in and to the Agency Agreement as assigned to the Assignee under the Assignment shall be not less than HK\$145,000,000 in aggregate for the first three calendar years (the “**Minimum Revenue Guarantee**”) during the subsistence of the Agency Agreement, and in the event that the actual revenue received for any such year is lower than the Minimum Revenue Guarantee (as determined by the audited consolidated financial statements of the Company), the Assignor shall within three months upon demand of the Assignee (i) pay to the Assignee an amount equal to 15% of the such shortfall in cash; (ii) or

purchase or procure third parties to purchase Products from the Assignee in a total amount equal to such shortfall so that the Minimum Revenue Guarantee can be satisfied;

- (ii) the Agency Agreement shall remain valid and effective for the full term as stipulated therein and the Agency Agreement will not be terminated early without the written consent of the Assignee; and
- (iii) during the subsistence of the Agency Agreement, the Assignor shall not do or omit to do anything which might result in a material adverse effect to the rights, title, interest and benefit in and to the Agency Agreement as assigned to the Assignee under the Assignment.

INFORMATION OF THE AGENCY AGREEMENT

Pursuant to the Agency Agreement entered into between the Assignor and Metash, Metash (i) appointed the Assignor as its exclusive agent and granted the Assignor the exclusive right to distribute a list of testing and measuring equipments products (the “**Products**”) and the right for after-sale service in Hong Kong SAR and in Macau SAR and (ii) appointed the Assignor as its non-exclusive agent and granted the Assignor the non-exclusive right to distribute the Products and the right for after-sale service in the regions of Asia outside the mainland China, except Hong Kong SAR and Macau SAR. The Products comprises of ultraviolet spectrophotometer, visible light spectrophotometer, total organic carbon analyzer and microware digestion system, which are widely used in the environmental, food, cosmetics, pharmaceutical, life science and chemical fields.

REASONS FOR AND BENEFITS OF THE ASSIGNMENT

The Group is principally engaged in (i) the provision of electronic manufacturing services (“**EMS**”); (ii) marketing and distribution of communication products; (iii) real estate supply chain services; (iv) assisted reproduction medical technology business; and (v) securities and other assets investment. The Group’s products under the EMS business and the business segment of marketing and distribution of communication products (collectively, the “**EMS and Distribution Products Businesses**”) include corded and cordless residential telephones and small and medium business phone systems, appliances and appliances control products, portable storage devices, multimedia products and beauty care equipment.

As stated in the 2021 Interim Report of the Company for six months ended 30 June 2021 (the “**Period**”), the Group recorded a revenue of approximately HK\$324.8 million for the Period, representing an increase of approximately 24.9% from approximately HK\$260.0 million for the six months ended 30 June 2020 (the “**Prior Period**”). Besides, the Group recorded a net loss of HK\$32.1 million for the Period, representing a decrease of approximately 54.1% compared to net loss of approximately HK\$69.9 million recorded for the Prior Period. The overall improvement in financial performance of the Group is greatly attributable to the increase in revenue contributed by the EMS and Distribution Products Businesses, which recorded a total revenue of HK\$321.9 million for the Period, representing an increase of 30.3% from approximately HK\$247.0 million recorded for the Prior Period. While the market demand in the EMS and Distribution Products Businesses has started to recover, the Group has been exploring new business growth spots proactively with a view to further expand its business and product offerings and diversify its income sources.

The Board is of the view that the Assignment offers a good opportunity for the Group to expand its product offering in the EMS and Distribution Products Businesses through the inclusion of testing and measuring equipment products manufactured by Metash, an established manufacturer of scientific instruments in China with over 10 years of experiences. It presents a commercially sensible opportunity for the Group to capture the growth potential in the Asian market driven by the rising demand of laboratory equipment especially among the pharmaceutical, life science and chemical field and is conducive to the medium- and long-term development of the Group. Accordingly, the Directors are of the view that the terms of the Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

EFFECTS ON THE SHAREHOLDING STRUCTURE

The following table summarises the shareholding structure of the Company as at the date of this announcement and upon issuance of the Consideration Shares (assuming that there is no other change in the share capital of the Company prior to the Completion):

	As at the date of this announcement		Immediately upon issuance of the Consideration Shares	
	No. of Shares	%	No. of Shares	%
Power Port Holdings Limited (<i>Note 1</i>)	75,817,000	8.20	75,817,000	6.57
Keywan Global Limited (<i>Note 2</i>)	49,500,000	5.36	49,500,000	4.29
Assignor	—	—	230,000,000	19.92
Public Shareholders	<u>799,046,855</u>	<u>86.44</u>	<u>799,046,855</u>	<u>69.22</u>
Total	<u>924,363,855</u>	<u>100.00</u>	<u>1,154,363,855</u>	<u>100.00</u>

1. Power Port Holdings Limited, which is a company incorporated in the British Virgin Islands, is wholly-owned by Ms. Yang Changrong.
2. Keywan Global Limited, which is a company incorporated in the British Virgin Islands, is wholly-owned by Mr. He Xiaoming.
3. The above table is for illustration purpose only assuming that there is no other change in the share capital of the Company prior to the Completion.

LISTING RULES IMPLICATIONS

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

EGM

Pursuant to the Listing Rules, the consent of Shareholders in general meeting is required for the approval of the Specific Mandate. The EGM will be convened and held for the Shareholders to consider and, if thought fit, pass the ordinary resolutions to approve, among other things, the grant of the Specific Mandate for the issue of the Consideration Shares.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Assignment. As such, no Shareholder is required to abstain from voting at the EGM in respect of the resolution approving the grant of the Specific Mandate.

DESPATCH OF CIRCULAR

A circular containing, among other information, (i) details of the Assignment; (ii) details of the Specific Mandate; and (iii) a notice of the EGM will be despatched to the Shareholders on or before 9 February 2022, so as to allow sufficient time for the preparation of relevant information for inclusion in the circular.

Shareholders and potential investors should note that Completion is subject to the satisfaction and/or, where applicable, waiver of the conditions to the Deed of Assignment. As the Assignment may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Agency Agreement”	the agency distribution agreement entered into between Metash and the Assignor
“Assignee”	Link-Asia International Assisted Reproductive Technology Group Limited, a company incorporated in Hong Kong and an indirect wholly owned subsidiary of the Company
“Assignment”	proposed assignment of by the Assignor of all its rights, obligations, title, interest, and benefit in and to the Agency Agreement to the Assignee in accordance with the terms and conditions set out in the Deed of Assignment
“Assignor”	Mr. Sy Ming Yiu (施明耀先生)
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and public holiday) on which banks in Hong Kong are open for business
“Company”	Link-Asia International MedTech Group Limited (Stock Code: 1143), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Assignment contemplated under the Deed of Assignment

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$37,800,000, being the consideration for the Deed of Assignment
“Consideration Shares”	230,000,000 new Shares to be allotted and issued by the Company to the Assignor (or his nominee) at the Issue Price for settlement of the Consideration
“Deed of Assignment”	a deed of assignment dated 18 January 2022 entered into between the Assignor, the Company and the Assignee pursuant to which the Assignee agreed to accept and the Assignor agreed to assign all its rights, obligations, title, interest, and benefit in and to the Agency Agreement to the Assignee
“Director(s)”	the director(s) of the Company
“Effective Date”	the third Business Day after the last of the conditions (or such other date as agreed between the parties) has been satisfied
“EGM”	the extraordinary general meeting to be convened and held for the Shareholders to consider and, if thought fit, pass the ordinary resolutions to approve, among other things, the Specific Mandate for the issue of the Consideration Shares
“Encumbrance”	being liens, charges, security interests, encumbrances, adverse claims, options and third party rights
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	the independent third party who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) of the Company
“Issue Price”	the issue price of approximately HK\$0.164 per New Share
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Long Stop Date”	the date falling six months after the date of the Deed of Assignment (or such other date as the Parties may agree in writing)
“Metash”	Shanghai Metash Instruments Co., Ltd. (上海元析儀器有限公司), a corporation established under the laws of the PRC
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holders of the Share(s)
“Specific Mandate”	the specific mandate for the allotment and issue of the Consideration Shares, which is subject to approval by the Shareholders voting by way of poll at the EGM of the Company to be convened
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
Link-Asia International MedTech Group Limited
Lin Dailian
Chairman and executive Director

Hong Kong, 18 January 2022

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

APPENDIX I — LETTER FROM THE BOARD

The following is the text of the letter from the Board, for inclusion in this announcement.

18 January 2022

Listing Division
The Stock Exchange of Hong Kong Limited
12/F, Two Exchange Square
8 Connaught Place, Central
Hong Kong

Dear Sirs,

Discloseable Transaction in relation to the Assignment of Agency Agreement involving the Issue of Consideration Shares under Specific Mandate

We refer to the announcement of the Link-Asia International MedTech Group Limited (the “**Company**”) dated 18 January 2022 (the “**Announcement**”) in relation to the caption transaction and the valuation of the Agency Agreement and the Deed of Assignment dated 18 January 2022 (the “**Valuation**”) prepared by Peak Vision Appraisal Limited (the “**Independent Valuer**”). Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings when used herein.

As the excess earnings method under the income approach was adopted in the Valuation, the Valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules and accordingly, Rule 14.62 of the Listing Rules is applicable. The major assumptions upon which the Valuation is based has been set out in the section headed “Valuation” of the Announcement.

We have discussed with the Independent Valuer about different aspects including the bases and assumptions upon which the Valuation has been prepared, and reviewed the Valuation for which the Independent Valuer is responsible. We have also considered the report from our reporting accountants, McMillan Woods, regarding whether the Valuation was compiled properly so far as the calculations are concerned.

Pursuant to the requirements of Rule 14.62(3) of the Listing Rules, we are of the opinion that the Valuation prepared by the Independent Valuer has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of the Board of
Link-Asia International MedTech Group Limited
Lin Dailian
Chairman and executive Director

APPENDIX II — REPORT FROM MCMILLAN WOODS (HONG KONG) CPA LIMITED

The following is the text of the report from McMillan Woods (Hong Kong) CPA Limited, for inclusion in this announcement.

INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF THE AGENCY DISTRIBUTION AGREEMENT ENTERED INTO BETWEEN SHANGHAI METASH INSTRUMENTS CO., LTD. AND MR. SY MING YIU (THE “AGENCY AGREEMENT”) AND THE DEED OF ASSIGNMENT ENTERED INTO BETWEEN MR. SY MING YIU AND LINK-ASIA INTERNATIONAL ASSISTED REPRODUCTIVE TECHNOLOGY GROUP LIMITED (THE “DEED OF ASSIGNMENT”)

TO THE BOARD OF DIRECTORS OF LINK-ASIA INTERNATIONAL MEDTECH GROUP LIMITED

We have completed our assurance engagement to report on the calculations of the discounted future estimated cash flows on which the valuation (the “**Valuation**”) dated 18 January 2022 prepared by Peak Vision Appraisals Limited in respect of the appraisal of the (i) the exclusive right to distribute testing and measuring equipment products (the “**Products**”) and the right for after-sale service in Hong Kong SAR and in Macau SAR and (ii) the non-exclusive right to distribute the Products and the right for after-sale service in the regions of Asia outside the mainland China, except Hong Kong SAR and Macau SAR as at 31 December 2021 is based. The Products comprise of ultraviolet spectrophotometer, visible light spectrophotometer, total organic carbon analyzer and microwave digestion system, which are widely used in the environmental, food, cosmetics, pharmaceutical, life science and chemical fields. The Valuation is set out in the announcement of Link-Asia International MedTech Group Limited (the “**Company**”) dated 18 January 2022 (the “**Announcement**”). The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors’ Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and as set out in the section headed “Valuation” of the Announcement. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

It is our responsibility to report, as required by paragraph 14.62(2) of the Listing Rules, on the calculations of the discounted future estimated cash flows on which the Valuation is based. We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future estimated cash flows are based and our work does not constitute any valuation of the Agency Agreement and the Deed of Assignment.

We conducted our work in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the HKICPA. This standard requires that we plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, has been properly compiled in accordance with the bases and assumptions as set out in the section headed "Valuation" of the Announcement. We reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the bases and assumptions.

The discounted cash flows do not involve the adoption of accounting policies. The discounted cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

In our opinion, based on the foregoing, so far as the calculations are concerned, the discounted future estimated cash flows, has been properly compiled in all material respects in accordance with the bases and assumptions made by the directors of the Company as set out in the section headed "Valuation" of the Announcement.

McMillan Woods (Hong Kong) CPA Limited
Hong Kong, 18 January 2022