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 TRANSFER OF EXCLUSIVE AGENCY RIGHTS INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

THE TRANSFER OF EXCLUSIVE AGENCY RIGHTS

The Board is pleased to announce that on 28 July 2020 (after trading hours), the Purchaser, the Company and the Vendor entered into the Transfer Agreement, pursuant to which, the Purchaser has conditionally agreed to accept the transfer of and the Vendor has conditionally agreed to transfer the Exclusive Agency Rights by way of novation at the Consideration of HK$27 million, which will be satisfied by the issue and allotment of the Consideration Shares at the Issue Price of HK$0.379 per Consideration Share by the Company to the Vendor upon Completion.

Upon Completion, the Purchaser will be granted the Exclusive Agency Rights to sell the Target Properties for a remaining term of not less than 12 months from the date of the Novation Agreement.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transfer exceed 5% but all applicable percentage ratios are less than 25%, the Transfer constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements, but is exempt from shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the Completion is subject to fulfilment of certain conditions precedent set out in the Transfer Agreement and therefore may or may not proceed, the Shareholders and investors are reminded to exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that on 28 July 2020 (after trading hours), the Purchaser, the Company and the Vendor entered into the Transfer Agreement, pursuant to which, the Purchaser has conditionally agreed to accept the transfer of and the Vendor has conditionally agreed to transfer the Exclusive Agency Rights (as defined below) by way of novation at the Consideration of HK$27 million, which will be satisfied by the issue and allotment of the Consideration Shares at the Issue Price of HK$0.379 per Consideration Share by the Company to the Vendor upon Completion.

Upon Completion, the Purchaser will be granted the Exclusive Agency Rights (as defined below) to sell the Target Properties (as defined below) for a remaining term of not less than 12 months from the date of the Novation Agreement.

THE TRANSFER AGREEMENT

Date

28 July 2020 (after trading hours)

Parties

(i) The Purchaser;

(ii) The Vendor; and

(iii) The Company.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

The Vendor, a company incorporated in Thailand with limited liability and Mr. Chi Wing Fong ("**Mr. Fong**") is the largest shareholder of the Vendor. The Vendor is an affiliated company of the property developer of the Project (as defined below) (the "**Developer Company**"). Mr. Fong has majority stake in both the Vendor and the Developer Company. The Vendor has been appointed by the Developer Company to act as its exclusive sales agent for the marketing, promotion and sale of the Target Properties (the "**Appointment**") pursuant to the Existing Agreement. The Vendor is principally engaged in provision of property related services.

The Purchaser is principally engaged in investment holding.

Principal terms of the Exclusive Agency Rights

Pursuant to the Transfer Agreement, the Purchaser shall be granted the rights to be the exclusive agent for the sale of the Target Properties for a remaining term of not less than 12 months from the date of the Novation Agreement (the "**Exclusive Agency Rights**"). Upon the Exclusive Agency Rights are being novated to the Purchaser, the Purchaser shall have the right to set the sale price of the Target Properties to be sold (the "**Selling Price**") at its own discretion after considering the prescribed price(s) (the "**Prescribed Price(s)**") as provided by the Developer. There are not any minimum sales target to be achieved by the

Purchaser under the Exclusive Agency Rights. In addition, the Purchaser has no obligation to take up the unsold Target Properties upon expiration of the Exclusive Agency Rights. The Purchaser shall be entitled to make profit from the price difference between the Prescribed Price and the Selling Price.

Consideration

The Consideration of HK$27 million will be satisfied by the issue and allotment of the Consideration Shares at the Issue Price of HK$0.379 per Consideration Share by the Company to the Vendor upon Completion.

Upon expiration of the Exclusive Agency Rights, regardless of number of the Target Properties have been sold by the Purchaser, the remaining Consideration as calculated on a pro-rata basis based on remaining number of the Target Properties, will be converted into the Target Properties with market price which is no less than the remaining Consideration (the "**Asset Conversion**").

The Consideration was arrived at based on normal commercial terms after arm's length negotiations among the Purchaser, the Company and the Vendor and was determined with reference to among others, (i) the preliminary valuation of 9 designated units of the Target Properties for the Asset Conversion of THB118.2 million (equivalent to approximately HK$29.6 million) as at 30 June 2020 (the "**Valuation**") prepared by an independent valuer based on market approach; and (ii) the reasons for and benefits of the Transfer as stated under the section headed "Reasons for and benefits of the Transfer" below.

The Consideration represents a discount of approximately 8.8% to the Valuation.

In view of the above, the Directors consider that the Consideration is fair and reasonable.

Conditions precedent

Completion shall be conditional upon and subject to:

(i) the completion of the due diligence review and investigation on the Exclusive Agency Rights and the Target Properties (which includes but not limited to, the legal due diligence review) conducted by the Purchaser to its reasonable satisfaction;

(ii) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Consideration Shares;

(iii) all necessary consents, authorisations, approval, licence, permission, order (or, as the case may be, relevant waiver or exemption) in connection with the Transfer Agreement and the transactions contemplated thereby having been obtained by the respective Parties (including but not limited to, the necessary consent from the Stock Exchange and banks); and

(iv) the representations, warranties and undertakings provided by the Vendor set out in the Transfer Agreement remaining true, accurate and not misleading in any respect at Completion as if repeated at Completion and at all times between the date of the Transfer Agreement and Completion.

As at the date of this announcement, no condition precedent has been fulfilled or waived. The Purchaser may waive the conditions precedent (i) and (iv) at its discretion. If the conditions precedent have not been satisfied (or, as the case may be, waived by the Purchaser) on or before 2:00 p.m. on the Long Stop Date, the Purchaser shall not be bound to proceed with the Transfer and the Transfer Agreement (other than the survival clause(s)) shall from the Long Stop Date, become void and of no further effect and, save in respect of any antecedent breaches, all liabilities and obligations of the Parties shall cease and determine provided that such termination shall be without prejudice to any rights or remedies of the parties thereto which shall have accrued prior to such termination.

Completion

Completion shall take place at 2:00 p.m. on the Completion Date after all the conditions of the Transfer Agreement have been fulfilled (or waived as the case may be) or such date as the Parties may agree in writing.

On the Completion Date, the Developer Company, the Vendor and the Purchaser will enter into the Novation Agreement pursuant to which all the rights and obligations of the Vendor under the Existing Agreement shall be novated to the Purchaser.

Upon Completion, the Group will be granted the Exclusive Agency Rights to sell the Target Properties (as defined below) for a remaining term of not less than 12 months from the date of the Novation Agreement.

Letter of commitment from common shareholder with majority stake

Mr. Fong, the common shareholder with majority stake in both the Developer Company and the Vendor, has provided a letter of confirmation and commitment to the Purchaser and the Company that he will hold at least 50% shareholding in the Developer Company and the Vendor throughout the entire duration of the Existing Agreement and the Novation Agreement.

THE CONSIDERATION SHARES

The Consideration Shares will be allotted and issued at the Issue Price of HK$0.379 each, credited as fully paid. The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares including the right to all dividends, distributions and other payments made or to be made, on the record date which falls on or after the date of such allotment and issue.

The Issue Price represents:

(i) a discount of approximately 10.8% to the closing price per Share of HK$0.425 as quoted on the Stock Exchange on 28 July 2020, being the date of the Transfer Agreement;

(ii) a premium of approximately 5.9% over the average closing price per Share of HK$0.358 as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the date of the Transfer Agreement; and

(iii) a premium of approximately 9.2% over the average closing price per Share of approximately HK$0.347 as quoted on the Stock Exchange for the ten consecutive trading days immediately preceding the date of the Transfer Agreement.

The Issue Price was arrived at after arm's length negotiations among the Purchaser, the Company and the Vendor with reference to the prevailing market price of the Shares and the current market conditions. The Directors consider the Issue Price is fair and reasonable.

The Consideration Shares represent approximately 20.0% of the number of issued Shares as at the date of this announcement and represent approximately 16.6% of the number of issued Shares as enlarged by the allotment and issue of the Consideration Shares. The Consideration Shares will be allotted and issued pursuant to the General Mandate on the Completion Date. As at the date of this announcement, no Share has been issued and allotted under the General Mandate. Accordingly, the issue of the Consideration Shares is within the limit of the General Mandate and is not subject to any approval by the Shareholders.

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

EFFECT ON THE SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion and the allotment and issue of the Consideration Shares:

Shareholders	**As at the date of this announcement**		**Immediately upon Completion and the allotment and issue of the Consideration Shares**	
	Number of Shares	*Approximate % (Note 4)*	*Number of Shares*	*Approximate % (Note 4)*
Power Port Holdings Limited *(Note 1)*	75,817,000	21.3	75,817,000	17.7
Keywan Global Limited *(Note 2)*	49,500,000	13.9	49,500,000	11.6
Mr. Cao Longbing *(Note 3)*	428,000	0.1	428,000	0.1
Hearts Capital SPC — Hearts SP2 *(Note 3)*	35,930,000	10.1	35,930,000	8.4
The Vendor	—	—	71,240,000	16.6
Public Shareholders	195,043,570	54.6	195,043,570	45.6
Total	356,718,570	100.0	427,958,570	100.0

Notes:

(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) Hearts Capital SPC — Hearts SP2, which is a company incorporated in the Cayman Islands, is wholly owned by Hearts Capital (Asia) Limited, which in turn is 70% controlled by Mr. Cao Longbing. Mr. Cao Longbing is also interested in 428,000 Shares. Long Asia Asset Management (HK) Limited is the investment manager of Hearts Capital SPC — Hearts SP2 and is therefore deemed to be interested in the shares owned by Hearts Capital SPC — Hearts SP2 under the SFO.

(4) Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

INFORMATION ON THE TARGET PROPERTIES

The Exclusive Agency Rights cover 77 units of villa (the "**Target Properties**") under the high-end beachfront sea-view villa project (the "**Project**") of the Developer Company. Total saleable area of the Target Properties is approximately 22,050 sq.m. The Exclusive Agency Rights cover all the villa units under the Project.

The Project is located on Bang Makham Beach, Koh Samui District, Thailand. Bang Makham Beach is in the west of Koh Samui and an ideal place for watching the sunset. The Project is within walkable distance from Bang Makham Beach and it only takes 5-minute drive from Nathon, the capital of Koh Samui. The Project is expected to consist of 77 units of villa with size range from approximately 190 sq.m. to 340 sq.m. Each villa unit will have its own private swimming pool and outdoor terrace. The Project is surrounded by ocean views of Bang Makham Beach and each villa unit can enjoy the stunning sea view. Moreover, private butler services are available to the occupants.

The Project is estimated to commence construction in fourth quarter of 2020. It is expected that the handover of the Target Properties will take place in around fourth quarter of 2022 or first quarter of 2023.

REASONS FOR AND BENEFITS OF THE TRANSFER

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.

As disclosed in the annual report of the Company for the year ended 31 December 2019, the Group proactively looked for business opportunities in Southeast Asia and Pan-Asia, in particular, in the real estate supply chain business. It has also been the business strategy of the Group to leverage its network in selected Southeast Asia countries to locate high-quality real estate projects since the second half of 2019. The Board is of the view that the Transfer is in line with the business development strategies of the Group. Moreover, the issue of the Consideration Shares enables the Company to retain cash resources for the Group's working capital.

The Target Properties are located on Bang Makham Beach, Koh Samui which is one of the most popular resort islands in Thailand. With reference to the statistics issued by Tourism Authority of Thailand, the number of visitors to Thailand increased by approximately 22.1% from approximately 32.6 million in 2016 to approximately 39.8 million in 2019. Koh Samui focuses on Thailand's high-end tourism market and offers visitors a high-end luxury lifestyle whilst still preserving its tropical beauty and charm. In recent years, Koh Samui has attracted investment from various luxury hotel brands for developing luxury hotels on the island. Moreover, with the recent increase in direct flights from China to Koh Samui and expected commencement of the high-speed rail service between China and Thailand in 2021, it will further attract visitors to Koh Samui. In this connection, the Directors are positive about the development of the tourism industry of Koh Samui and believe that there will be a growing number of tourists creating an increasing demand for high-end vacation housing. Affluent visitors to Koh Samui who seek for quality accommodation are willing to spend more money to rent high-end apartments or villas along the coast. The Project is a high-end beachfront project which is within walkable distance to the beach and featuring with scarce sea-view, therefore, it will be an appealing choice for primary residence, a recreational or second home or even as an investment tool. As such, the Directors are optimistic about the sales of the Target Properties and the Group will be able to make a profit from the price difference between the Prescribed Price and the Selling Price.

The Directors consider that the terms of the Transfer Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transfer exceed 5% but all applicable percentage ratios are less than 25%, the Transfer constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements, but is exempt from shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context specifies otherwise, the following defined expressions have the following meanings:

"Board"	the board of Directors
"Business Day(s)"	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
"Company"	Link-Asia International Co. Ltd., a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1143)
"Completion"	completion of the Transfer in accordance with the terms and conditions of the Transfer Agreement
"Completion Date"	the third Business Day after the date of fulfillment (or waiver) of all the conditions precedent as set out in the Transfer Agreement or such other date (being a Business Day) as the Parties may mutually agree in writing
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	the consideration for the Transfer, being HK$27,000,000

"Consideration Shares"	71,240,000 new Shares to be issued to the Vendor at an issue price of HK$0.379 per new Share for full settlement of the Consideration
"Director(s)"	the director(s) of the Company
"Existing Agreement"	the exclusive sales agency agreement entered into on 27 July 2020 between the Vendor and the Developer Company regarding the Appointment
"General Mandate"	the general mandate granted to the Directors at the annual general meeting of the Company held on 27 May 2020. Under this general mandate, the Directors are allowed to allot and issue up to 71,343,714 Shares (adjusted after the Share Consolidation became effective on 29 May 2020)
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and any of its connected persons (having the meaning ascribed to it under the Listing Rules)
"Issue Price"	HK$0.379 per Consideration Share
"Listing Committee"	has the meaning ascribed to it under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	18 August 2020 or such later date as the Parties may agree in writing
"Novation Agreement"	the novation agreement to be entered into among the Developer Company, the Vendor and the Purchaser on the Completion Date to novate all the rights and obligations of the Vendor under the Existing Agreement to the Purchaser
"Parties"	the parties of the Transfer Agreement and "Party" means any of them
"Purchaser"	Natural Perseverance Limited, a company incorporated in the British Virgin Islands with limited liability, a direct wholly-owned subsidiary of the Company

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) with par value of HK$0.02 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"THB"	Thai Baht, the lawful currency of Thailand
"Transfer"	the proposed acceptance of transfer of the exclusive agency rights pursuant to the terms and conditions of the Transfer Agreement
"Transfer Agreement"	the transfer of exclusive agency rights agreement dated 28 July 2020 entered into among the Purchaser, the Company and the Vendor in relation to the Transfer
"Vendor"	Ratchaphruek Global Group Co., Ltd, a company incorporated in Thailand with limited liability
"%"	per cent.

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

Hong Kong, 28 July 2020

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