

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Link-Asia International MedTech Group Limited, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

A copy of each of the Prospectus Documents, together with copies of the documents specified in the paragraph headed “13. Documents delivered to the Registrar of Companies” in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take no responsibility for the contents of any of these documents. You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the paragraph headed “Warning of the Risks of Dealing in Shares and nil-paid Rights Shares” in the “Letter from the Board” in this Prospectus.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange, or such other dates as determined by HKSCC and you should consult your stockbroker or other licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.



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)

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON RECORD DATE

Financial adviser to the Company



Underwriter to the Rights Issue



Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this Prospectus, unless otherwise stated.

The Rights Issue is only underwritten on a best effort basis. In the event of under-subscription, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of nil-paid Rights Shares, and not subscribed by subscribers procured by the Underwriter will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriting Agreement contains provisions granting the Underwriter the right to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:00 p.m. on Tuesday, 16 November 2021). If the Underwriting Agreement does not become unconditional at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

Dealings in the Rights Shares in the nil-paid form will take place from Wednesday, 3 November 2021 to Wednesday, 10 November 2021 (both days inclusive). If the Underwriting Agreement does not become unconditional or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any Shareholders or other persons contemplating any dealing in the Shares and/or the nil-paid Rights Shares shall accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any Shareholders or other persons contemplating any dealing in the Shares and/or the nil-paid Rights Shares are recommended to consult their own professional advisers and exercise caution.

The latest date and time for acceptance of and payment for the Rights Shares and application for and payment for Excess Rights Shares is 4:00 p.m. on Monday, 15 November 2021. The procedures for acceptance and payment and/or transfer of the Rights Shares are set out on pages 16 and 17 of this Prospectus set out in the section headed “Letter from the Board — Proposed Rights Issue — Procedures for acceptance and payment or transfer” in this Prospectus.

1 November 2021

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EXPECTED TIMETABLE

The expected timetable for the implementation of the Rights Issue is set out below. The expected timetable is for indicative purpose only and may be subject to change, and any such change will be announced by the Company as and when appropriate. The expected timetable has been prepared on the assumption that the condition precedent of the Rights Issue will be fulfilled.

Event	Time and Date 2021
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Wednesday, 3 November
Latest time for splitting of PALs	4:30 p.m. on Friday, 5 November
Last day of dealings in nil-paid Rights Shares	Wednesday, 10 November
Latest time for acceptance of and payment for the Rights Shares and application for and payment for Excess Rights Shares.....	4:00 p.m. on Monday, 15 November
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Tuesday, 16 November
Announcement of results of the Rights Issue.....	Monday, 22 November
Despatch of share certificates for fully-paid Rights Shares.....	Tuesday, 23 November
Despatch of refund cheques, if any, for wholly or partially unsuccessful excess applications or if the Rights Issue is terminated.....	Tuesday, 23 November
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 24 November
Designated broker starts to stand in the market to provide matching services for odd lots of Shares.....	9:00 a.m. on Wednesday, 24 November
Designated broker ceases to provide matching services for odd lots of Shares.....	4:00 p.m. on Wednesday, 15 December

EXPECTED TIMETABLE

All times and dates stated in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are for indicative purpose only and may be extended or varied by the Company in agreement with the Underwriter and in accordance with the Listing Rules. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION FOR AND PAYMENT FOR EXCESS RIGHTS SHARES

Whenever any part of the expected timetable of the Rights Issue as enlisted in the provisions of the Underwriting Agreement may be interrupted by a typhoon, a black rainstorm warning or Extreme Conditions, the Company shall properly inform the Shareholders of the corresponding contingency arrangements, which contingency arrangements shall include the Latest Time for Acceptance not taking place on the time as scheduled:

- (a) if a tropical cyclone warning signal no. 8 or above, a black rainstorm warning and/or Extreme Conditions is in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the day on which the Latest Time for Acceptance is initially scheduled to fall, the Latest Time for Acceptance be extended to 5:00 p.m. on the same Business Day; or
- (b) if a tropical cyclone warning signal no. 8 or above, a black rainstorm warning and/or Extreme Conditions is in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the day on which the Latest Time for Acceptance is initially scheduled to fall, the Latest Time for Acceptance be extended to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on or before 4:00 p.m. on Monday, 15 November 2021, the dates mentioned herein may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable of the Rights Issue as soon as practicable.

DEFINITIONS

In this Prospectus, unless otherwise defined or the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 15 October 2021 in relation to the Rights Issue
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	the Companies Act (Revised) of the Cayman Islands
“Company”	Link-Asia International MedTech Group Limited, 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)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such form as may be agreed between the Company and the Underwriter

DEFINITIONS

“Excess Rights Shares”	any nil-paid Rights Share(s) provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance, any entitlements of the Excluded Shareholders provisionally allotted to a nominee of the Company which are left unsold, and shall include any of the Rights Shares created from the aggregation of fractions of the Rights Shares and the Scale-down PAL Shares (if any) and the Scale-down EAF Shares (if any)
“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“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 (as defined under the Listing Rules) with the Company and connected person(s) of the Company
“Last Trading Day”	15 October 2021, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
“Latest Practicable Date”	27 October 2021, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Monday, 15 November 2021 or such later time or date as may be agreed between the Underwriter and the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents

DEFINITIONS

“Latest Time for Termination”	4:00 p.m. on the following Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MGO Obligation”	the obligation to make a mandatory general offer under the Takeovers Code
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be used in connection with the Rights Issue in such form as the Company may approve
“Prospectus”	this prospectus despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Monday, 1 November 2021 or such other date as the Company may determine in writing for the despatch of the Prospectus Documents
“Public Float Requirement”	the public float requirement under Rule 8.08 of the Listing Rules
“Qualifying Shareholders”	Shareholder(s), other than the Excluded Shareholder(s), whose name(s) appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	Friday, 29 October 2021 or such other date as announced by the Company, being the date for the determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong

DEFINITIONS

“Rights Issue”	the proposed issue by way of rights on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	the new Share(s) proposed to be allotted and issued by the Company pursuant to the Rights Issue
“Scale-down EAF Shares”	such number of Rights Shares applied for under the EAF(s) which would, if allotted by the Company, result in either the incurring of an MGO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company
“Scale-down PAL Shares”	such number of Rights Shares applied for under the PAL(s) which would, if allotted by the Company, result in either the incurring of an MGO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company
“Scaling-down”	the scale-down mechanisms of the Rights Issue as determined by the Company to which any application for the Rights Shares, whether under the PALs or EAFs, or transferees of nil-paid Rights Shares shall be subject to ensure that no application for the Rights Shares or the allotment thereof by the Company shall be at such level which may trigger any MGO Obligation or non-compliance with the Public Float Requirement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in issue and unissued share capital of the Company
“Share Option(s)”	35,303,850 outstanding options to subscribe for 35,303,850 existing Shares granted under the Share Option Scheme as at the Latest Practicable Date
“Share Option Scheme”	the share option scheme adopted by the Company on 10 March 2020
“Shareholder(s)”	the holder(s) of the issued Shares

DEFINITIONS

“Specified Event”	an event occurring or matter arising on or after the date of execution of the Underwriting Agreement and prior to the Latest Time for Termination which, if it had occurred or arisen before the date of execution of the Underwriting Agreement, would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.20 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong
“Underwriter”	KOALA Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO whose ordinary course of business includes underwriting of securities
“Underwriting Agreement”	the underwriting agreement dated 15 October 2021 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Share(s)”	all the Rights Shares to be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“Untaken Shares”	all those Underwritten Shares not taken up by the Qualifying Shareholders on or before the Latest Time for Acceptance
“U.S.”	the United States of America
“%”	per cent.

TERMINATION OF THE UNDERWRITING AGREEMENT
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TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination:

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion or unrest, fire, flood, explosion, epidemic, pandemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (v) in the absolute opinion of the Underwriter, there occurs any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the Prospectus Posting Date and not having been disclosed in the Prospectus Documents, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than twenty (20) consecutive trading days otherwise than due to or in connection with or in relation to the Underwriting Agreement and/or the Rights Issue and excluding any suspension in connection with the clearance of announcement or other matters in connection with the Underwriting Agreement and/or the Rights Issue; or
- (viii) the Prospectus Documents when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter be material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue.

the Underwriter shall be entitled by a notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter.



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)

Executive Directors:

Mr. Lin Dailian (*Chairman*)

Mr. Wang Guozhen

Mr. Duan Chuanhong

Mr. Xia Xiaobing

Registered Office:

Clifton House

75 Fort Street

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

Independent Non-executive Directors:

Mr. Li Huiwu

Mr. Yang Weidong

Mr. Chak Chi Shing

Principal place of

business in Hong Kong:

Suites 3501 & 3513-14

35th Floor, Tower 6

The Gateway, Harbour City

Tsim Sha Tsui, Kowloon

Hong Kong

1 November 2021

To the Qualifying Shareholders, and for information only, to the Excluded Shareholders

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the Announcement of the Company in relation to, among other things, the Rights Issue. The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and not being terminated in accordance with the terms thereof.

The purpose of this Prospectus is to provide you with, among other things, further details on (i) the Rights Issue and the underwriting arrangement; (ii) the financial information of the Group; and (iii) the general information of the Group.

LETTER FROM THE BOARD

PROPOSED RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price of HK\$0.20 per Rights Share, to raise up to approximately HK\$65.2 million (before expenses) by issuing up to 325,773,210 Rights Shares (assuming all outstanding Share Options are being exercised and no other change in the share capital of the Company on or before the Record Date) to the Qualifying Shareholders.

On 15 October 2021 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter, pursuant to which the Underwriter has conditionally agreed to underwrite, on a best effort basis, the Underwritten Shares up to 325,773,210 (assuming all outstanding Share Options are being exercised and no other change in the share capital of the Company on or before the Record Date), subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfilment of the conditions precedent contained therein. Details of the major terms and conditions precedent of the Underwriting Agreement are set out in the section headed “The Underwriting Agreement” in this Prospectus.

Further details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every two (2) existing Shares held on the Record Date
Subscription Price	:	HK\$0.20 per Rights Share
Number of existing Shares in issue as at the Latest Practicable Date	:	616,242,570 Shares
Number of Rights Shares	:	Up to 325,773,210 Rights Shares (assuming all outstanding Share Options are being exercised and no other change in the share capital of the Company on or before the Record Date)

LETTER FROM THE BOARD

Aggregate nominal value of the Rights Shares	:	Up to HK\$6,515,464.20 (assuming all outstanding Share Options are being exercised and no other change in the share capital of the Company on or before the Record Date)
Number of Shares as enlarged by the allotment and issue of the Rights Shares	:	Up to 977,319,630 Shares (assuming all outstanding Share Options are being exercised and no other change in the share capital of the Company on or before the Record Date)
Maximum funds to be raised before expenses	:	Up to approximately HK\$65.2 million (assuming all outstanding Share Options are being exercised and no other change in the share capital of the Company on or before the Record Date)
Right of excess applications	:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

As at the Latest Practicable Date, save for 35,303,850 outstanding Share Options, the Company had no other outstanding derivatives, options, warrants, convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into Shares. Given the exercise price of the Share Options (i.e. HK\$0.359) is higher than the prevailing market prices of the Shares, the Directors expected that no Share Options will be exercised on or before the Record Date.

Assuming no exercise of any outstanding Share Options and no change in the share capital of the Company on or before the Record Date, 308,121,285 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) approximately 50% of the total number of issued Shares as at the Latest Practicable Date; and (ii) approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

As at the Latest Practicable Date, the Company has not received any information from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue.

The Rights Issue is only underwritten on a best effort basis. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment or satisfaction of the condition precedent of the Rights Issue, the Rights Issue shall proceed regardless of its level of acceptances, and up to 325,773,210 Rights Shares are committed to be subscribed subject, however, to any Scaling-down *vis-a-vis* the MGO Obligation or the Public Float Requirement.

LETTER FROM THE BOARD

In the event of under-subscription, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of nil-paid Rights Shares, and not subscribed by subscribers procured by the Underwriter will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

Subscription Price

The Subscription Price is HK\$0.20 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for Excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 7.83% to the closing price of HK\$0.217 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 9.91% to the average of the closing prices of approximately HK\$0.222 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 10.19% to the average of the closing prices of approximately HK\$0.2227 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 13.38% to the average of the closing prices of approximately HK\$0.2309 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 5.35% to the theoretical ex-rights price of approximately HK\$0.2113 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.217 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a discount of approximately 15.61% to the closing price of HK\$0.237 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;
- (vii) a discount of approximately 61.55% to the net asset value (“NAV”) per Share of approximately HK\$0.5201 as at 30 June 2021, based on the unaudited equity attributable to the Shareholders of approximately HK\$320.5 million as at 30 June 2021 and 616,242,570 issued Shares as at the Latest Practicable Date; and

LETTER FROM THE BOARD

- (viii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 6.93% to the theoretical diluted price of approximately HK\$0.2149 per Share (assuming no exercise of the Share Options) based on the benchmarked price of approximately HK\$0.2224 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.217 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.2224 per Share).

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK\$0.191.

The Group has been incurring significant losses in the past few years. For the three years ended 31 December 2020 and the six months ended 30 June 2021, the Group incurred loss attributable to the Shareholders of approximately HK\$58.0 million, HK\$171.7 million, HK\$173.1 million and HK\$32.0 million, respectively. As at 30 June 2021, the NAV per Share was approximately HK\$0.5201. The Directors are aware that the Shares had been traded at a discount to the NAV per Share (the “**Discounts**”) in most of the time (i.e. 187 out of 254 trading days, or approximately 73.6% of the trading days) in the last 12 months from 5 October 2020 to the Last Trading Day (the “**Review Period**”). The Discounts ranged from approximately 0.02% to approximately 58.47% with an average and median of approximately 37.32% and 43.28%, respectively. Having considered the financial performance of the Group in the past few years and the prevailing market prices which have been generally low during the last 12 months, the Directors consider the discount represented by the Subscription Price to the NAV per Share to be fair and reasonable.

The Subscription Price was set at a discount to the recent closing prices of the Shares aiming at lowering the further investment cost of the Shareholders so as to encourage them to take up their entitlements to maintain their shareholdings in the Company, thereby minimising dilution impact. The Subscription Price was determined after arm’s length negotiation between the Company and the Underwriter with reference to, among other things, (i) the market price of the Shares under the prevailing market conditions; (ii) the latest business performance and financial position of the Group; and (iii) the reasons for and benefits of Rights Issue as discussed in the section headed “Reasons for and benefits of the Rights Issue” in this Prospectus.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company and apply for Excess Rights Shares subject to the level of acceptance; (iii) the proceeds from the Rights Issue can fulfil the development plan of the Group; and (iv) the Subscription Price was determined with reference to the prevailing market prices and the financial performance of the Group in the past few years.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders and will not be available to the Excluded Shareholders. The Company has despatched the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and despatched the Prospectus (without the PAL or the EAF) to the Excluded Shareholders for their information only. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be an Excluded Shareholder on the Record Date. As at the Latest Practicable Date, the Shares were not eligible securities for Southbound Trading under Shanghai Connect and Shenzhen Connect. As a result, the PRC Southbound Trading Investors cannot participate in the Rights Issue through ChinaClear.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors of the Company should consult their professional advisers if they are in doubt.

In order to be registered as members of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificates) with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Friday, 22 October 2021.

The last day of dealing in the Shares on cum-rights basis was Wednesday, 20 October 2021. The Shares are dealt with on an ex-rights basis from Thursday, 21 October 2021.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholders should note that their shareholdings in the Company will be diluted.

LETTER FROM THE BOARD

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholder(s) may not be eligible to take part in the Rights Issue as explained below.

According to the register of members of the Company as at the Latest Practicable Date, there was one (1) Overseas Shareholder who held 49,500,000 Shares, representing approximately 8.03% of the total number of Shares in issue as at the Latest Practicable Date. This Overseas Shareholder has its registered address situated in the British Virgin Islands (“**BVI**”) (the “**BVI Shareholder**”). Save for the above, the Company did not have any other Overseas Shareholders.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Directors have made enquiries with legal adviser of the BVI on whether or not under the laws of the BVI, the Rights Issue could be extended to the BVI Shareholder.

The legal advisers to the Company as to the BVI laws are of view that given the Rights Issue is made by the Company in Hong Kong and is being made by the Company to the BVI Shareholder solely by reason that it is an existing Shareholder, (i) there are no legal restrictions in the BVI which prohibit the BVI Shareholder from receiving the Rights Shares under the Rights Issue; and (ii) there are no requirements of any relevant regulatory body in the BVI that limits the right of the BVI Shareholder to receive the Rights Shares under the Rights Issue. Accordingly, the extension of the Rights Issue to the BVI Shareholder and the offering of the Rights Shares to it will not violate any applicable law or regulations in the BVI. It is the responsibility of the BVI Shareholder to observe the local legal and regulatory requirements applicable to it for taking up and onward sale (if applicable) of the Rights Shares. Based upon such advice, the Directors have decided to extend the Rights Issue to the BVI Shareholder, and the BVI Shareholder shall therefore be a Qualifying Shareholder.

It is the responsibility of the Qualifying Shareholders outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connected therewith. Any acceptance of or application for Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

LETTER FROM THE BOARD

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholder(s) to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid pro rata to the relevant Excluded Shareholder(s). The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold entitlement of Excluded Shareholder(s) to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will be made available for excess applications by Qualifying Shareholders under the EAF(s).

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) existing Shares in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the paragraph headed "Fractional entitlements of the Rights Shares" below.

Fractional entitlements of the Rights Shares

In any event, fractions of the Rights Shares will not be provisionally allotted to any of the Qualifying Shareholders. Fractional entitlements will be rounded down to the nearest whole number of Rights Shares. Any Rights Shares created from the aggregation of fractions of the Rights Shares will be made available for excess application by the Qualifying Shareholders as described in the paragraph headed "Application for Excess Rights Shares" below. Should there be no excess application by the Qualifying Shareholders, those Rights Shares created from the aggregation of fraction of the Rights Shares may or may not be taken up by the Underwriter.

Status of the Rights Shares

The Rights Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

LETTER FROM THE BOARD

Application for the Rights Shares

The PALs and the EAFs relating to the Rights Shares will be enclosed with this Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein and application by Qualifying Shareholders shall be made by completing such form(s) and lodging the same with separate remittance for the Rights Shares being applied for with the Registrar of the Company by the Latest Time for Acceptance.

Procedures for acceptance and payment or transfer

Qualifying Shareholders should find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Monday, 15 November 2021. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker's cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to "LINK-ASIA INTERNATIONAL MEDTECH GROUP LIMITED — PAL ACCOUNT" and crossed "ACCOUNT PAYEE ONLY".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by not later than 4:00 p.m. on Monday, 15 November 2021, whether by the original allottee or any person to whom the provisional allotment has been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company is not obliged to but may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

LETTER FROM THE BOARD

If a Qualifying Shareholder wishes to accept only part of the provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Friday, 5 November 2021 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the PAL and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give or be subject to any of the above representations and warranties. The Company reserves the right to refuse to accept any application for Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or banker's cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL together with a cheque or a banker's cashier order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the banker's cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or banker's cashier order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the Underwriter exercise the right to terminate or rescind the Underwriting Agreement or if the condition precedent of the Rights Issue as set out in the paragraph headed "Condition of the Rights Issue" below is not fulfilled at or before 4:00 p.m. on Tuesday, 16 November 2021 (or such later time or date as may be agreed between the Company and the Underwriter in writing), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Tuesday, 23 November 2021.

No receipt will be issued in respect of any PAL and/or remittances received.

LETTER FROM THE BOARD

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Tuesday, 23 November 2021. Refund cheques in respect of wholly or partially unsuccessful applications for Excess Rights Shares (if any) are expected to be posted on or before Tuesday, 23 November 2021 by ordinary post to the applicants at their own risk, to their registered addresses.

Application for Excess Rights Shares

The Company shall make the Excess Rights Shares available for subscription by the Qualifying Shareholders by means of EAF, and the Excess Rights Shares represent:

- (i) any nil-paid Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance;
- (ii) subject to the provisions of the Underwriting Agreement, any entitlements of the Excluded Shareholders provisionally allotted to a nominee of the Company which are left unsold;
- (iii) any of the Rights Shares created from the aggregation of fractions of the Rights Shares; and
- (iv) the Scale-down PAL Shares (if any) and the Scale-down EAF Shares (if any).

Application for Excess Rights Shares can be made by the Qualifying Shareholders only and by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate remittance for the Excess Rights Shares being applied for with the Registrar no later than 4:00 p.m. on Monday, 15 November 2021.

The Directors will, upon consultation with the Underwriter, allocate any Excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) any Excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the Excess Rights Shares applied for;
- (ii) reference will only be made to the number of Excess Rights Shares being applied for but no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders;

LETTER FROM THE BOARD

- (iii) if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of Excess Rights Shares applied for through the EAFs, the Company will allocate to each Qualifying Shareholder who applies for Excess Rights Shares in full application; and
- (iv) no preference will be given to topping up odd-lots to whole board lots.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the Excess Rights Shares will not be extended to the relevant beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares under their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders and investors of the Company should consult their professional advisers if they are in doubt as to their status.

Application for Excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate cheque or banker's cashier order for the amount payable for the Excess Rights Shares being applied for with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by not later than 4:00 p.m. on Monday, 15 November 2021. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by banker's cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to "LINK-ASIA INTERNATIONAL MEDTECH GROUP LIMITED — EAF ACCOUNT" and crossed "ACCOUNT PAYEE ONLY".

An announcement of results of acceptance of and excess applications for the Rights Issue will be published on the websites of the Stock Exchange and the Company on Monday, 22 November 2021. If no Excess Rights Shares are allotted to a Qualifying Shareholder who has applied for Excess Rights Shares, the amount tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post by the Registrar at his/her/its own risk on or before Tuesday, 23 November 2021. If the number of Excess Rights Shares allotted to a Qualifying Shareholder is fewer than that applied for, the surplus application monies without interest are also expected to be returned by refund cheque to that Qualifying Shareholder by ordinary post by the Registrar at his/her/its own risk on or before Tuesday, 23 November 2021.

LETTER FROM THE BOARD

All cheques or banker's cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give or be subject to any of the above representations and warranties. The Company reserves the right to refuse to accept any application for Excess Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction.

Completion and return of the EAF together with a cheque or a banker's cashier order in payment for the Excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the banker's cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereto, the Company reserves the right to reject any EAF in respect of which the accompanying cheque or banker's cashier order is dishonoured on first presentation, and in that event, all rights thereunder will be deemed to have been declined and will be cancelled.

The EAF is for use only by the Qualifying Shareholders to whom it is addressed and is not transferable. All documents, including cheques or banker's cashier orders for amounts due, will be sent by ordinary post at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. The Company may require such incomplete EAF to be completed by the relevant applicants at a later stage.

If the Underwriter exercise the right to terminate or rescind the Underwriting Agreement or if the condition precedent of the Rights Issue as set out in the paragraph headed "Condition of the Rights Issue" below is not fulfilled at or before 4:00 p.m. on Tuesday, 16 November 2021 (or such later time or date as may be agreed between the Company and the Underwriter in writing), the monies received in respect of application for Excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Tuesday, 23 November 2021.

It should be noted that no receipt will be issued in respect of any EAF and/or remittances received.

LETTER FROM THE BOARD

Scale-down of subscriptions to avoid the triggering of the MGO Obligation and noncompliance of the Public Float Requirement

Pursuant to the Underwriting Agreement, as the Rights Issue is only underwritten by the Underwriter on a best effort basis, and so as to avoid the unwitting triggering of the MGO Obligation and/or any non-compliance with the Public Float Requirement, all applications for Rights Shares whether under the PAL(s) or the EAF(s), or by transferees of nil-paid Rights Shares, or by subscribers procured by the Underwriter will be made on the basis that the applications are to be scaled-down by the Company to a level which (i) does not trigger an MGO Obligation on the part of the applicant or parties acting in concert with him/her/it; and/or (ii) does not result in the noncompliance of the Public Float Requirement on the part of the Company. Any subscription monies for the Scale-down PAL Shares or the Scale-down EAF Shares will be refunded to the applicants, and the Scale-down PAL Shares and the Scale-down EAF Shares will be made available for subscription by other Qualifying Shareholders through the EAF(s).

In addition, under and/or pursuant to the Scaling-down, any application for Rights Shares, whether under PAL(s) or EAF(s), shall be subject to the scale-down mechanisms of the Rights Issue as determined by the Company to levels which do not trigger any MGO Obligation or non-compliance of the Public Float Requirement. Such scale-down of applications of Rights Shares shall operate on a fair and equitable basis under the following principles: (i) EAF(s) should be scaled down before PAL(s); and (ii) where the scale-down is necessitated by the exceeding of shareholding by a group rather than an individual Shareholder, the allocations of EAF(s) and PAL(s) to members of the affected group should be made on a pro rata basis by reference to the number of Shares held by the affected applicants on the Record Date, but for avoidance of any doubt, any or any such onward allocation(s) shall be subject to the Scaling-down as well.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Overseas Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

LETTER FROM THE BOARD

Arrangement on odd lots trading

In order to facilitate the trading of odd lots (if any) of the Shares, the Company has appointed Koala Securities Limited to stand in the market to match the purchase and sale of odd lots of the Shares at the relevant market price, on a best effort basis. Holders of odd lots of the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up to a full board lot may contact Miss Chan at (852) 3700 7899 during the period from Wednesday, 24 November 2021 at 9:00 a.m. to Wednesday, 15 December 2021 at 4:00 p.m., both days inclusive. Holders of the odd lots of the Shares should note that the matching of the sale and purchase of odd lots of the Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot facility, is recommended to consult his/her/its own professional advisers.

Application for listing of the Rights Shares

The Company has made an application to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be in the board lots of 4,000 Rights Shares and will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

LETTER FROM THE BOARD

Condition of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and not being terminated in accordance with the terms thereof.

THE UNDERWRITING AGREEMENT

The Underwriting Agreement

On 15 October 2021 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter, pursuant to which the Underwriter has conditionally agreed to underwrite, on a best effort basis, the Underwritten Shares up to 325,773,210 (assuming all outstanding Share Options are being exercised and no other change in the share capital of the Company on or before the Record Date), subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfilment of the conditions precedent contained therein.

Principal terms of the Underwriting Agreement

Date	:	15 October 2021 (after trading hours)
Underwriter	:	KOALA Securities Limited
Number of Rights Shares to be underwritten	:	Up to 325,773,210 Rights Shares (assuming all outstanding Share Options are being exercised and no other change in the share capital of the Company on or before the Record Date) underwritten by the Underwriter on a best effort basis pursuant to the terms and conditions of the Underwriting Agreement.
Underwriting Commission	:	3% of the aggregate Subscription Price in respect of such number of the Rights Shares being subscribed under the Rights Issue.

The Underwriter is a company incorporated in Hong Kong with limited liability and a corporation licensed to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO whose ordinary course of business includes underwriting of securities. To the best of the Directors' knowledge, information and belief, the Underwriter and its ultimate beneficial owner(s) are Independent Third Parties.

The terms of the Underwriting Agreement, including the underwriting commission rate, were determined after arm's length negotiation between the Company and the Underwriter with reference to the existing financial position of the Group, the size of the Rights Issues, and the current and expected market condition. The Directors consider the entering into of the Underwriting Agreement with the Underwriter and the terms of the Underwriting Agreement (including the underwriting commission) to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Save for the Underwriting Agreement, the Company has not entered into any agreement, arrangement, understanding or undertaking in regard of the Rights Issue with the Underwriter or any of its connected persons and their respective associate.

Subject to the fulfilment of all the conditions precedent (save and except such conditions precedent (v) and (xi) which can be waived in accordance with the paragraphs as set out in the paragraph headed “Conditions of the Underwriting Agreement”) contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter shall subscribe for or procure the subscription, on a best effort basis, of any Untaken Shares.

Conditions of the Underwriting Agreement

The Underwriting Agreement is conditional upon the following conditions being fulfilled or waived (as appropriate):

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the approval for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) prior to the Latest Time for Termination;
- (ii) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;
- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Excluded Shareholders for information only, if any, by no later than the Prospectus Posting Date;
- (iv) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms hereof on or before the Latest Time for Termination;
- (v) there being no breach of the undertakings and obligations of the Company under the terms of the Underwriting Agreement at the Latest Time for Termination;
- (vi) the Company having complied with all applicable laws and regulations;
- (vii) each party having obtained all necessary consent and/or approval for entering into the Underwriting Agreement or the transactions contemplated herein;

LETTER FROM THE BOARD

- (viii) the entering into of binding agreements by the Underwriter with certain subscriber(s) procured by the Underwriter and/or sub-underwriter(s), which shall be Independent Third Parties, for placing and/or sub-underwriting the Rights Shares, such that neither the Underwriter nor any of the subscriber(s) procured by the Underwriter and/or subunderwriter(s) and/or party or parties acting in concert (having the meaning as set out in the Takeovers Code) with the respective subscribers or any of the connected persons or associates of the respective subscribers shall be interested in 30% or more of the issued share capital of the Company as enlarged by the Rights Issue;
- (ix) each condition to enable the Rights Shares in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil paid and fully-paid forms, respectively) and no notification having been received by the Company from HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;
- (x) there being no Specified Event occurring on or before the Latest Time for Termination; and
- (xi) the Underwriter having received from the Company all the documents required under the Underwriting Agreement in such form and substance satisfactory to the Underwriter.

Save for the conditions (v) and (xi) which can be waived by the Underwriter and the Company jointly, none of the above conditions can be waived. If any of the conditions referred to above is not fulfilled, or waived (where applicable) by the Latest Time for Termination, the Rights Issue will not proceed.

As at the Latest Practicable Date, none of the conditions precedent above has been satisfied or fulfilled. Further, conditions precedent (v) and (xi) have not been waived by the Underwriter and the Company as at the Latest Practicable Date.

LETTER FROM THE BOARD

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, set out below is the shareholding structure of the Company as at the Latest Practicable Date, and the effect on the shareholding structure of the Company upon completion of the Rights Issue in the manner contemplated under the Underwriting Agreement, is as follow:

- (i) Assuming there is no new Share being issued and no Share being repurchased by the Company on or before the Record Date:

Name of the substantial shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming all Shareholders have taken up all the entitled Rights Shares)		Immediately after completion of the Rights Issue (assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares)	
	Number of issued Shares	Approximate %	Number of issued Shares	Approximate %	Number of issued Shares	Approximate %
Power Port Holdings Limited (Note 1)	75,817,000	12.30%	113,725,500	12.30%	75,817,000	8.20%
Keywan Global Limited (Note 2)	49,500,000	8.03%	74,250,000	8.03%	49,500,000	5.35%
Mr. Cao Longbing (Note 3)	428,000	0.07%	642,000	0.07%	428,000	0.05%
Hearts Capital SPC-Hearts SP2 (Note 3)	35,930,000	5.83%	53,895,000	5.83%	35,930,000	3.89%
The Underwriter and/or its subscriber(s) procured by it (Note 4)	—	—	—	—	308,121,285	33.33%
Other Shareholders (Note 5)	<u>454,567,570</u>	<u>73.77%</u>	<u>681,851,355</u>	<u>73.77%</u>	<u>454,567,570</u>	<u>49.18%</u>
Total	<u>616,242,570</u>	<u>100.00%</u>	<u>924,363,855</u>	<u>100.00%</u>	<u>924,363,855</u>	<u>100.00%</u>

LETTER FROM THE BOARD

- (ii) Assuming no new Shares being issued other than those falling to be issued upon full exercise of the Share Options and no Shares being repurchased by the Company before the Record Date:

Name of the substantial shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming all Shareholders have taken up all the entitled Rights Shares)		Immediately after completion of the Rights Issue (assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares)	
	Number of issued Shares	Approximate %	Number of issued Shares	Approximate %	Number of issued Shares	Approximate %
Power Port Holdings Limited (<i>Note 1</i>)	75,817,000	12.30%	113,725,500	11.64%	75,817,000	7.76%
Keywan Global Limited (<i>Note 2</i>)	49,500,000	8.03%	74,250,000	7.60%	49,500,000	5.07%
Mr. Cao Longbing (<i>Note 3</i>)	428,000	0.07%	642,000	0.07%	428,000	0.04%
Hearts Capital SPC-Hearts SP2 (<i>Note 3</i>)	35,930,000	5.83%	53,895,000	5.51%	35,930,000	3.68%
The Underwriter and/or its subscriber(s) procured by it (<i>Note 4</i>)	—	—	—	—	325,773,210	33.33%
Other Shareholders (<i>Note 5</i>)	454,567,570	73.77%	734,807,130	75.18%	489,871,420	50.12%
Total	616,242,570	100.00%	977,319,630	100.00%	977,319,630	100.00%

Notes:

- Power Port Holdings Limited, which is a company incorporated in the British Virgin Islands, is wholly-owned by Ms. Yang Changrong.
- Keywan Global Limited, which is a company incorporated in the British Virgin Islands, is wholly-owned by Mr. He Xiaoming.
- 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.
- Pursuant to the Underwriting Agreement, the Underwriter shall confirm with the Company the actual number of Untaken Shares as at the Latest Time for Acceptance, and shall procure for subscription therefore on a best effort basis whilst using its best endeavours to ensure that (i) each of the subscribers of the Untaken Shares procured by the Underwriter (or the Underwriter concerned, whichever shall be appropriate) shall be an Independent Third Party and not connected with the Company, any of the Directors or chief executive or substantial Shareholders or their respective associates; (ii) the Public Float Requirement be fulfilled by the Company upon completion of the Rights Issue; and (iii) the Underwriter or each subscriber procured by the Underwriter (together with parties acting in concert with the respective subscribers or any of the connected persons or associates of the respective subscribers) shall not hold in aggregate 30% or more of the voting rights of the Company immediately after the Rights Issue.
- Other Shareholders also includes the option holders who are Directors and employees of the Group

LETTER FROM THE BOARD

INFORMATION ON THE UNDERWRITER

The Underwriter is a company incorporated in Hong Kong with limited liability and a corporation licensed to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO whose ordinary course of business includes underwriting of securities. To the best of the Directors' knowledge, information and belief, the Underwriter and its ultimate beneficial owner(s) are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE

The Group is principally engaged in (i) 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.

Circumstances leading to the Rights Issue

For the three years ended 31 December 2020 and the six months ended 30 June 2021, (i) revenue generated from the EMS and Distribution Products Businesses amounted to approximately HK\$666.6 million, HK\$619.0 million, HK\$580.2 million and HK\$321.9 million, accounting for approximately 97.8%, 98.3%, 97.5% and 99.1% of the Group's revenue; (ii) the Group's overall gross profit margin was approximately 21.6%, 21.6%, 26.0% and 21.7%; (iii) revenue generated from overseas markets (outside the PRC and Hong Kong) accounted for approximately 82.4%, 82.0%, 85.3% and 88.4%; and (iv) loss attributable to the Shareholders amounted to approximately HK\$58.0 million, HK\$171.7 million, HK\$173.1 million and HK\$32.0 million, respectively.

As a result of an overall weak demand for both residential and business phone sectors in the Group's major markets, the EMS and Distribution Products Businesses recorded a contraction of approximately 7.1% for the year ended 31 December 2019 as compared to the previous year. Following the outbreak of the COVID-19 pandemic in early 2020 when factories in the PRC were forced to close and the weak market demand in face of economic uncertainty, revenue generated from the EMS and Distribution Products Businesses further decreased by approximately 6.3% for the year ended 31 December 2020 as compared to the previous year. As the market demand has started to recover since the last quarter of 2020, revenue generated from the EMS and Distribution Products Businesses increased by approximately 30.3% in the first half of 2021 as compared to the corresponding period in 2020. As disclosed in the interim report of the Company for the six months ended 30 June 2021 (the “**2021 Interim Report**”), the Directors strive to continue developing the existing core business and actively explore and find new business growth. As at the Latest Practicable Date, the Company did not have any intention to dispose of or scale down its existing core businesses (i.e. the EMS and Distribution Products Businesses).

LETTER FROM THE BOARD

While the Group will continue to develop and expand its existing core businesses, as disclosed in the 2021 Interim Report, it has proactively explored and looked for new business growth spots in high-end medical and healthcare services, including assisted reproductive services (“**ARS**”) and stem cell treatments, with a view to diversifying its income sources and providing a new growth engine to the Group’s businesses. The Directors consider that there is a growth potential in the ARS market in the PRC given an increased prevalence of infertility caused by lifestyle changes, an increase in the average age of the parents when having their first childbirth, an increase in public awareness on birth defects and prevention, the relaxation of three-child policy in the PRC to improve its population structure, and the relatively low market penetration of ARS in the PRC as compared with other countries such as Japan, Europe and the U.S..

The Company plans to tap into the ARS business given (a) its growth potential as stated above; (b) the synergy between the ARS business and sales of the New Products (defined below) as stated in the section headed “Intended use of proceeds” below; and (c) the relevant experience of the Group’s management team as stated in the section headed “Relevant experience of the Group’s management team in trading of the New Products and the ARS Business” below.

Generally speaking, as stated in the 2021 Interim Report, the Group will (i) actively consolidate its resources and act with prudence in pursuing continuous development in its core businesses; and (ii) capture the trends and investment opportunities to diversify income sources for the Group.

Based on the above, the Group intends to conduct the Rights Issue to raise the required funds for the expansion of the existing EMS and Distribution Products Businesses in terms of the product offerings and the development of its ARS business.

The current financial resources are insufficient to fund the Group’s expansion of its existing core businesses and development of new business with growth potential

As at 30 June 2021, the Group had (i) trade receivables of approximately HK\$140.3 million; (ii) bank and cash balances of approximately HK\$208.6 million; (iii) trade payables of approximately HK\$59.5 million; (iv) accruals and other payables of approximately HK\$202.6 million; and (v) borrowings of approximately HK\$18.6 million. Assuming all trade receivables were duly received which, together with the bank and cash balances, were used to settle all trade payables, accruals and other payables and borrowings, the remaining financial resources available would be approximately HK\$68.2 million (the “**Available Fund**”).

LETTER FROM THE BOARD

Based on the opening and ending inventory levels and cost of inventories, the Group's total purchase amounted to approximately HK\$446.7 million, HK\$440.9 million and HK\$261.8 million, translating into approximately HK\$37.2 million, HK\$36.7 million and HK\$43.6 million per month (i.e. approximately HK\$39.2 million per month on average), for the two years ended 31 December 2020 and the six months ended 30 June 2021, respectively. During the same periods, total employee benefits expenses (excluding equity-settled share-based payments) amounted to approximately HK\$212.3 million, HK\$178.8 million and HK\$93.4 million, translating into approximately HK\$17.7 million, HK\$14.9 million and HK\$15.6 million per month (i.e. approximately HK\$16.1 million per month on average), respectively.

Taking into account (i) the Available Fund only represents approximately 1.2 times of the monthly average purchase and employee benefits expenses (i.e. approximately HK\$55.3 million per month in aggregate); (ii) the uncertainty as to the timing of the settlement of trade receivables by the Group's customers; and (iii) other working requirements of the Group such as other selling and distribution and administrative expenses (e.g. research and development expenses), the Directors consider that the existing financial resources of the Group can only serve as a buffer to support the Group's daily operations and are not sufficient for the Group to expand its existing businesses and develop new business with growth potential.

Alternative means of fund raising

The Directors have considered other alternative means of fund raising, such as debt financing/bank borrowings and placing of new Shares, before resolving to the Rights Issue. The Company has considered the pros and cons of different fund-raising options. In respect of debt financing, the Directors consider it is difficult to obtain any debt financing at terms that are acceptable to the Company as, save for the collaterals for the existing banking facilities, the Group does not have any other significant assets which is satisfactory to the banks and can serve as collaterals for further bank loans. The Company has approached two commercial banks, but it has not received any concrete feedback from them. In addition, the Directors do not consider debt financing to be desirable given the requirement of interest payments and the impact on the Group's gearing position.

The Company has conducted placing of new Shares on 15 June 2021 and such placing was completed on 30 June 2021. The Company has utilised all the general mandate granted to the Directors by the Shareholders at the previous annual general meeting of the Company held on 31 May 2021 to allot and issue new Shares and the Company cannot conduct further placing of new Shares unless the Shareholders approve the refreshment of general mandate limit at an extraordinary general meeting of the Company or the Company conduct further placing of new Shares by way of specific mandate.

LETTER FROM THE BOARD

In comparison, the Rights Issue is pre-emptive in nature, allowing Qualifying Shareholders to maintain their respective pro-rata shareholding through their participation in the Rights Issue. The Rights Issue allows the Qualifying Shareholders to (i) increase their respective interests in the shareholding of the Company by acquiring additional rights entitlement in the open market (subject to the availability); or (ii) reduce their respective interests in the shareholding of the Company by disposing of their rights entitlements in the open market (subject to the market demand). As an open offer does not allow the trading of rights entitlements, rights issue is preferred. Accordingly, the Directors consider that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, other than the Rights Issue, the Company did not have any other fund-raising plan.

INTENDED USE OF PROCEEDS

The net proceeds from the Rights Issue after deducting the expenses are estimated to be approximately HK\$62.2 million (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of the Share Options).

The Company intends to apply the net proceeds from the Rights Issue as to:

- (i) approximately HK\$36.2 million for the expansion of the Group's product range under the EMS and Distribution Products Businesses, including but not limited to (a) obtaining distribution rights in respect of electronic products (the “**New Products**”) which entail higher gross profit margins, including beauty care and medical electronic products; (b) purchasing the New Products; and (c) promoting and marketing the New Products to potential customers in the PRC and overseas.

Instead of manufacturing the New Products itself, the Group plans to procure the New Products from some authorised suppliers in the PRC and overseas. In addition to beauty care products, the New Products will include middle to high end medical electronic products, such as embryo incubator, used by ARS-licensed providers such as public and private hospitals and in vitro fertilisation (“**IVF**”) centers. The unit purchase prices of these middle to high end medical electronic products typically range from approximately RMB1.2 million to approximately RMB2.3 million. Depending on the market condition and the orders from ARS-licensed providers, the Group plans to procure 10 to 20 units of these middle to high end medical electronic products for sales to ARS-licensed providers in the PRC and/or IVF centers in Southeast Asia (e.g. Cambodia and Thailand). Although the Group has no capital commitment for the sales of the New Products, ARS-licensed providers will typically request a relatively long credit term from their suppliers including the Group.

LETTER FROM THE BOARD

The Directors consider that procurement and sales of the New Products is a natural extension of the existing EMS and Distribution Products Businesses, after taking into account (a) trading of electronic products has always been a part of the EMS and Distribution Products Businesses, in addition to EMS; (b) it has been one of the Group's business strategies to focus on potential market segments to target products with higher profit margins, including beauty care and medical electronic products, as disclosed in the Company's prospectus dated 14 January 2011; and (c) although the nature of the New Projects is different from that of current electronic products, the management team of the Group has relevant experience and expertise in procuring and selling the New Products including middle to high end medical electronic products, details of which are set out in the section headed "Relevant experience of the Group's management team in trading of the New Products and the ARS Business" below. By engaging in trading of the New Products with higher gross profit margins, the Group will be able to offer a wider range of products in the EMS and Distribution Products Businesses with a view to providing a growth engine to its existing core businesses and improving its profitability in the short to medium term, as explained in the section headed "Reasons for and benefits of the Rights Issue" above;

- (ii) approximately HK\$18.1 million for the funding of potential merger and acquisition opportunities of ARS-licensed providers (i.e. assisted reproductive medical facilities such as hospitals and IVF centers) located in regions in the PRC such as East China, the Beijing-Tianjin-Hebei region and other highly potential regions, opening of new assisted reproductive medical centers in these regions, and/or operation of these medical centers (collectively, the "**ARS Business**"). The ARS Business includes provision of pregnancy and pregnancy-assistance services which typically adopt two types of technology: artificial insemination and IVF, and involve medical examination, consultation and sales of pharmaceutical and health care products.

The Directors consider that there would be synergy between the ARS Business and sales of the New Products. By participating in the ARS Business, the Company could target and acquire a number of middle to high end customers who have demand on assisted reproductive and other related services. After carrying out the ARS Business, the Company could introduce these customers to hospitals and IVF centers for follow-on treatments and services which could be satisfied by the use of the New Products. Having a customer base from the ARS Business would be an advantage for the sales of the New Products to hospitals and IVF centers.

LETTER FROM THE BOARD

The Company plans to tap into the ARS Business given (a) its growth potential as stated in the section headed “Reasons for and benefits of the Rights Issue” above; (b) the synergy between the ARS business and sales of the New Products; and (c) the relevant experience of the Group’s management team as stated in the section headed “Relevant experience of the Group’s management team in trading of the New Products and the ARS Business” below.

As disclosed in the announcement of the Company dated 20 May 2021, a wholly-owned subsidiary of the Company entered into a non-legally binding term sheet (the “**Term Sheet**”) with a potential vendor and a target company in relation to a possible acquisition (the “**Possible Acquisition**”) of a controlling stake in I.Baby Technology Holdings Limited (the “**Target Company**”). Pursuant to the Term Sheet, the consideration for the Possible Acquisition will be no more than RMB39.2 million, subject to further negotiation among the parties, which will be financed by a combination of cash and/or issuance of new Shares and/or convertible bonds of the Company. The Target Company and its subsidiaries (collectively, the “**Target Group**”) are principally engaged in provision of pregnancy and pregnancy-assistance services and other ARS, including provision of one-stop IVF services, telemedicine consultation services and sales of drugs and pharmaceutical products and health care products. Currently, the Target Group operates two medical centers in Shanghai and Hangzhou, the PRC.

As at the Latest Practicable Date, the negotiation on the Possible Acquisition was close to finalisation. However, no definitive sale and purchase agreement has been signed by the parties in relation to the Possible Acquisition as at the Latest Practicable Date. If the Possible Acquisition proceeds, it is expected that a majority of the net proceeds from the Rights Issue (i.e. approximately HK\$18.1 million) for the funding of the ARS Business will be used to finance part of the consideration for the Possible Acquisition. Subject to the actual business development of the Target Group, the Group also intends to provide additional working capital of RMB6.0 million to the Target Group. As at the Latest Practicable Date, other than the Target Group, the Company has not identified any other target companies for potential acquisition.

Notwithstanding the growth potential of the ARS Business, the Directors expect that the EMS and Distribution Products Businesses will remain as the principal business segment of the Group and will continue to contribute at least 50% of the Group’s total revenue;

- (iii) approximately HK\$7.9 million for general corporate and working capital purposes.

In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

LETTER FROM THE BOARD

RELEVANT EXPERIENCE OF THE GROUP'S MANAGEMENT TEAM IN TRADING OF THE NEW PRODUCTS AND THE ARS BUSINESS

In June 2021, the Group formed a joint venture company (the “**JV Company**”) for the purpose of engaging in the business of endometrial stem cell storage and fertility health management with Hanguang Technology (Shanghai) Gene Technology Co., Ltd (漢光雲科(上海)生物醫藥科技有限公司) (“**Hanguang Technology**”). The JV Company, a non wholly-owned subsidiary of the Company, is owned as to 51% by the Group and as to 49% by Hanguang Technology which is in turn owned as to 79% and 21% by Mr. Wang Yuhong and Zhongkang Regenerative Medicine Technology (Hainan) Co., Ltd (中康再生醫學科技(海南)有限公司) (“**Zhongkang Regenerative**”). Zhongkang Regenerative is a company established in PRC with limited liability which is owned as to 40% and 60% by Dr. Sun Xiaohu (“**Dr. Sun**”) and Mr. Wang Xuejun (“**Mr. Wang**”), respectively.

To the best of knowledge, information and belief of the Directors having made all reasonable inquiries, Mr. Wang Yuhong and Mr. Wang are third parties independent of the Company and its connected persons before establishing the JV Company. Dr. Sun was an independent non-executive director of the Company during the period from 6 January 2021 to 19 April 2021.

Mr. Wang and Dr. Sun have been appointed as the chairman and the general manager of the JV Company, respectively.

Set out below is the biographical details of Mr. Wang and Dr. Sun:

Mr. Wang holds a master's degree in business administration from Nankai University. Mr. Wang has extensive experience in the stem cell industry. Mr. Wang served as an executive director and chief executive officer of China Regenerative Medicine International Limited (“**CRMI**”), whose shares are listed on the GEM of the Stock Exchange (stock code: 8158), during the period from September 2018 to July 2020. CRMI and its subsidiaries are principally engaged in (i) production and sale of (a) dermatology, cosmetic products and others; (b) cell and healthcare products and services; (c) ophthalmology products; and (d) stomatology products and others; and (ii) trading of medical equipment. Besides, Mr. Wang was an executive deputy general manager of Vcanbio Cell & Gene Engineering Corp., Ltd., whose shares are listed on Shanghai Stock Exchange (stock code: 600645). He was also the general manager of Heze Biotechnology Co., Ltd.

LETTER FROM THE BOARD

Dr. Sun holds a doctoral degree of medicine (immunology) from Shanghai Jiao Tong University School of Medicine and a certificate of EMBA (核心課程總裁高級研修班) issued by Center for National Strategic Studies, Shanghai Jiao Tong University (上海交通大學國家戰略研究中心). Dr. Sun has more than 30 years' experience in biotechnology companies, pharmaceutical companies, medical enterprises, research institutes and hospitals; and nearly 20 years' experience as senior management in domestic and international pharmaceutical and medical device companies. For details of Dr. Sun's biographies, please refer to the announcement of the Company dated 6 January 2021.

In light of the managerial experience and expertise of Mr. Wang and Dr. Sun in (i) production and/or sales of medical equipment/device; and (ii) biotechnology including assisted reproduction, the Directors consider that the management team of the Group has relevant experience and expertise in procuring and selling the New Products including middle to high end medical electronic products as well as operating and managing the ARS Business.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

The Company has conducted the following equity fund raising activities in the past twelve months immediately before the Latest Practicable Date:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
30 December 2020 and 11 January 2021	Placing of new Shares under refreshed general mandate	HK\$29.2 million	General working capital of the Group	Approximately HK\$29.2 million was used for general working capital of the Group
15 June and 30 June 2021	Placing of new Shares under general mandate	Approximately HK\$22.2 million	Approximately HK\$10 million for developing the Group's assisted reproduction medical technology business, and remaining balance of approximately HK\$12.2 million for general working capital of the Group.	Approximately HK\$10 million is unutilised.

LETTER FROM THE BOARD

Save as disclosed in the above, the Company had not conducted any fund-raising activities involving issue of its securities in the past twelve months immediately preceding the Latest Practicable Date.

ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY

As at the Latest Practicable Date, there are outstanding options granted under the Share Option Scheme to subscribe for 35,303,850 Shares. The Rights Issue may lead to adjustments to the exercise price and/or the number of Shares to be issued upon exercise of the Share Options under the share option scheme of the Company. The Company will make further announcement(s) about the adjustments as and when appropriate.

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12-months period prior to the date of the Announcement and the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12-months period immediately preceding the date of the Announcement and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not subject to Shareholders' approval under the Listing Rules.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed "Termination of the Underwriting Agreement"). Accordingly, the Rights Issue may or may not proceed.

Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 3 November 2021 to Wednesday, 10 November 2021 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

LETTER FROM THE BOARD

Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

Yours faithfully,
By order of the Board
Link-Asia International MedTech Group Limited
Lin Dailian
Chairman and Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the three financial years ended 31 December 2018, 2019 and 2020 and the unaudited consolidated financial information of the Group for the six months ended 30 June 2021 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (<http://www.link-asia.com.hk/tc/reports.php>):

- (i) The unaudited financial information of the Group for the six months ended 30 June 2021 is disclosed in the interim report of the Company for the six months ended 30 June 2021 published on 23 September 2021, from pages 21 to 51:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0923/2021092300521.pdf>

- (ii) The audited financial information of the Group for the year ended 31 December 2020 is disclosed in the annual report of the Company for the year ended 31 December 2020 published on 29 April 2021, from pages 128 to 281:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042900009.pdf>

- (iii) The audited financial information of the Group for the year ended 31 December 2019 is disclosed in the annual report of the Company for the year ended 31 December 2019 published on 24 April 2020, from pages 82 to 237:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0424/2020042402016.pdf>

- (iv) The audited financial information of the Group for the year ended 31 December 2018 is disclosed in the annual report of the Company for the year ended 31 December 2018 published on 29 April 2019, from pages 70 to 221:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0429/ltn20190429005.pdf>

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 30 September 2021, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this Prospectus, the details of the Group's indebtedness are as follows:

	<i>HK\$'000</i>
Loan from an independent third-party (<i>note (i)</i>)	595
Bank borrowings (<i>note (ii)</i>)	18,000
Bond payable (<i>note (iii)</i>)	2,000
Lease liabilities	44,745
	65,340

Notes:

- (i) The amount represented a loan from an independent third party, which is non-interest bearing, unsecured and repayable on demand.
- (ii) The bank borrowings were secured by the Group's investment property.
- (iii) On 10 May 2021, the Company issued 2-year bonds with an aggregate principal amounts of HK\$2,000,000 to certain independent third parties. These bonds were unsecured and carried interest at a fixed rate of 5% per annum with interest payable annually in arrears.

As at the close of business on 30 September 2021, the Group did not have any significant contingent liabilities. The Group had an outstanding guarantee (“**the Guarantee**”) with one of the suppliers of an overseas subsidiary (the “**Disposed Subsidiary**”), which was disposed of on 7 October 2015, in relation to a payment of US\$2.6 million (equivalent to approximately HK\$20.3 million). Such amount represented a trade balance under dispute between the Disposed Subsidiary and the supplier. The supplier subsequently sold the trade balance to a third party.

During 2017, the Disposed Subsidiary agreed with the third party for a final settlement by instalment of US\$650,000 (equivalent to approximately HK\$5.1 million). In this regards, as at 30 September 2021, the Group had an outstanding guarantee up to US\$650,000 subject to the final settlement effected by the Disposed Subsidiary.

The Disposed Subsidiary had issued a counter guarantee to indemnify the Group for any loss in relation to the Guarantee. The management of the Group after taking legal advice are of the opinion that it is very highly unlikely that liabilities will be brought against the Group on the above matter.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal payables and accruals in the ordinary course of business, the Group did not have any bank overdrafts or loans, or other similar indebtedness, guarantees, material capital commitment or other material contingent liabilities outstanding as at the close of business on 30 September 2021.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, after taking into consideration the financial resources presently available to the Group, including the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally engaged in (i) 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 disclosed in the section headed “Letter from the Board — Reasons for and benefits of the Rights Issue” in this Prospectus, the Group plans to expand and broaden its product range in the EMS and Distribution Products Businesses by procuring and selling middle to high end medical electronic products with the proceeds from the Rights Issue.

With the COVID-19 situation continuing, it is difficult to predict the time of resuming normal international travel and the outlook for a business recovery. Domestic situation in the PRC has gradually returned to normal due to the PRC government’s solid and effective measures and the Group’s domestic operation has resumed accordingly. However, the situations in the U.S. and certain European and Pan Asian countries are still challenging, which constitute the Group’s major markets. The Group will remain cautiously optimistic and adhere to the business strategy by carefully planning and deploying resources.

The Group has proactively explored and looked for new business growth spots in high-end medical and healthcare services. In the first half of 2021, the Group has entered into several strategic investment memorandum related to medical projects with different potential business partners, of which the Group further formed a joint venture company for the purpose of engaging in the business of endometrial stem cell storage and fertility health management with Hanguang Technology (Shanghai) Gene Technology Co., Ltd (漢光雲科(上海)生物醫藥科技有限公司) in June 2021. As disclosed in the section headed “Letter from the Board — Reasons for and benefits of the Rights Issue” in this Prospectus, with the proceeds from the Rights Issue, the Group plans to engage in provision of assisted reproductive services (“ARS”) through potential merger and acquisition opportunities of ARS-licensed providers located in the PRC, opening of new assisted reproductive medical centers in these regions, and/or operation of these medical centers.

The relaxation of 3-child policy to improving PRC’s population structure would benefit the Group on business development in medical markets, including assisted reproduction and stem cell treatments. The Group will actively consolidate its resources and act with prudence in pursuing continuous development in our core businesses, and will capture the trends and investment opportunities to diversify income sources for the Group.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for inclusion in Investment Circular” issued by the Hong Kong Institute of Certified Public Accountants is for illustration only, and is set out in this appendix to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2021 as if the Rights Issue had been completed on 30 June 2021.

The Unaudited Pro Forma Financial Information is prepared for illustrative purpose only, based on the unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2021, as extracted from condensed interim financial information for the six months ended 30 June 2021 set out in the published interim report of the Company, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 30 June 2021 or any future date.

	Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2021 <i>HK\$'000</i> <i>(Note 1)</i>	Full exercise of subscription rights attached to the outstanding share options <i>HK\$'000</i> <i>(Note 2)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue as at 30 June 2021 <i>HK\$'000</i> <i>(Note 4)</i>
Based on 308,121,285 Rights Shares to be issued at subscription price of HK\$0.2 each	<u>285,137</u>	<u>N/A</u>	<u>58,711</u>	<u>343,848</u>

HK\$

Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2021 before the completion of the Rights Issue (*Note 5*)

Based on 616,242,570 Shares issued as at 30 June 2021; 0.463

Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share immediately after completion of the Rights Issue (*Note 6*)

Based on 308,121,285 Rights Shares to be issued 0.372

1. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2021 is calculated as follows:

HK\$'000

Unaudited consolidated net assets of the Group as at 30 June 2021 extracted from the Group's condensed interim financial information for the six months ended 30 June 2021 set out in the published interim report of the Company	320,892
Less:	
Intangible assets	(35,370)
Non-controlling interests	<u>(385)</u>
	<u>285,137</u>

2. Since the exercise price of the outstanding share options of HK\$0.359 is above the Company's share price of HK\$0.25 as of 30 June 2021, the outstanding share options is out-of-money and makes it unlikely to be exercised. Hence, it is assumed no outstanding share options have been exercised as of 30 June 2021.
3. The estimated net proceeds from the Rights Issue of approximately HK\$58,711,000 are based on 308,121,285 Right Shares to be issued at the Subscription Price of HK\$0.2 per Rights Share, assuming no outstanding share options have been exercised prior to 30 June 2021, after deducting of the estimated related expenses directly attributable to the Rights Issue, of approximately HK\$2,913,000.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the completion of the Rights Issue represents the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2021 plus the estimated net proceeds from the Rights Issue.

5. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2021 is calculated based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2021 of approximately HK\$285,137,000 and 616,242,570 Shares in issue as at 30 June 2021.
6. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share immediately after completion of the Rights Issue is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue as set out in Note 4 above, divided by 924,363,855 Shares which represent (i) 616,242,570 Shares in issue as at 30 June 2021 and (ii) 308,121,285 Rights Shares to be issued, assuming no outstanding share options have been exercised as of 30 June 2021.
7. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2021.

B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountant, McMillan Woods (Hong Kong) CPA Limited, Certified Public Accountant, Hong Kong.



3/F., Winbase Centre,
208 Queen's Road Central,
Hong Kong

1 November 2021

To the Board of Directors
Link-Asia International MedTech Group Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Link-Asia International MedTech Group Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2021 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages 41 to 43 of the prospectus issued by the Company dated 1 November 2021 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Section A of Appendix II of the Prospectus on pages 41 to 43.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of one rights share for every two existing shares (“**Rights Issue**”) on the Group's consolidated net tangible assets as at 30 June 2021 as if the Rights Issue had taken place at 30 June 2021. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's condensed interim financial information for the six months ended 30 June 2021 set out in the published interim report of the Company, on which no audit or review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 13 of Appendix 1B and paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7, *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*, (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

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 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 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” 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

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the actual outcome of the event or transaction at 30 June 2021 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Rights Issue, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We make no comments regarding the reasonableness of the amount of net proceeds from the Rights Issue, the application of those net proceeds, or whether such use will actually take place as described under "Intended use of proceeds" set out on pages 31 and 33 of the prospectus.

Opinion

In our opinion:

- a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- b) such basis is consistent with the accounting policies of the Group; and
- c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

McMillan Woods (Hong Kong) CPA Limited

Certified Public Accountants

Hong Kong

1 November 2021

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL AND SHARE OPTIONS

(i) Share capital

The authorised and issued share capital of the Company (a) as at the Latest Practicable Date; and (b) immediately after completion of the Rights Issue are set out as follows:

(a) *Assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date*

(1) *As at the Latest Practicable Date*

<i>Authorised:</i>	<i>HK\$</i>
<u>75,000,000,000</u> Shares of HK\$0.02	<u>1,500,000,000</u>
<i>Issued and fully paid up:</i>	
<u>616,242,570</u> Shares of HK\$0.02	<u>12,324,851.40</u>

(2) *Immediately after completion of the Rights Issue*

<i>Authorised:</i>	<i>HK\$</i>
<u>75,000,000,000</u> Shares of HK\$0.02	<u>1,500,000,000</u>
<i>Issued and fully paid up:</i>	
616,242,570 Shares of HK\$0.02	12,324,851.40
<u>308,121,285</u> Rights Shares to be allotted and issued	<u>6,162,425.70</u>
<u>924,363,855</u> Total	<u>18,487,277.10</u>

(b) Assuming no new Shares being issued other than those falling to be issued upon full exercise of the Share Options and no Shares being repurchased by the Company before the Record Date

(1) As at the Latest Practicable Date

Authorised: *HK\$*

<u>75,000,000,000</u>	Shares of HK\$0.02	<u>1,500,000,000</u>
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Issued and fully paid up:

<u>616,242,570</u>	Shares of HK\$0.02	<u>12,324,851.40</u>
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(2) Immediately after completion of the Rights Issue

Authorised: *HK\$*

<u>75,000,000,000</u>	Shares of HK\$0.02	<u>1,500,000,000</u>
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Issued and fully paid up:

616,242,570	Shares of HK\$0.02	12,324,851.40
35,303,850	Shares issued upon full exercise of the Share Options	706,077
<u>325,773,210</u>	Rights Shares to be allotted and issued	<u>6,515,464.20</u>
<u>977,319,630</u>	Total	<u>19,546,392.60</u>

(ii) Share Options

Details of the outstanding Share Options as at the Latest Practicable Date were as follows:

Name of grantee	Position	Number of underlying Shares subject to outstanding	Date of grant	Exercise price	Exercise period
		Share Options		(HK\$ per Share)	
Mr. Lin Dailian	Executive Director and chairman of the Board	5,135,380	28 January 2021	0.359	2021.1.28–2026.1.27
Mr. Wang Guozhen	Executive Director	5,135,380	28 January 2021	0.359	2021.1.28–2026.1.27
Mr. Xia Xiaobing	Executive Director	5,135,380	28 January 2021	0.359	2021.1.28–2026.1.27
Other employees	N/A	<u>19,897,710</u>	28 January 2021	0.359	2021.1.28–2026.1.27
		<u>35,303,850</u>			

All the existing Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. The Rights Shares (when allotted, fully paid or credited as fully paid) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares in their fully paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there are outstanding Share Options entitling the holders thereof to subscribe for an aggregate of 35,303,850 Shares. Save as and except for the Share Options, as at the Latest Practicable Date, the Company has no other outstanding convertible securities, options in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

(i) Directors' and chief executives' interests and short positions in Share, underlying Shares and debentures of the Company and associated corporation

As at the Latest Practicable Date, so far as known to any Director or chief executive of the Company, other than as disclosed below, no interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) were held by the Directors and chief executives of the Company which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the Part XV of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of the Company contained in the Listing Rules to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, so far as known to any Director or chief executive of the Company, none of the Director is a director or employee of a company which has an interest or a short position in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name of Director	Capacity/Nature of interest	Number of underlying shares held/ interested pursuant to share options	Long or short position	Approximate percentage of issued share capital of the Company (Note)
Mr. Lin Dailian	Beneficial Owner	5,135,380	Long position	0.83%
Mr. Wang Guozhen	Beneficial Owner	5,135,380	Long position	0.83%
Mr. Xia Xiaobing	Beneficial Owner	5,135,380	Long position	0.83%

Note: Based on the number of issued Shares of 616,242,570 as at the Latest Practicable Date.

(ii) Substantial shareholders' interests and short positions in the Shares and underlying Shares of the Company

As at the Latest Practicable Date, so far as known to any Director or chief executive of the Company, shareholders (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register that was required to be kept pursuant to Section 336 of Part XV of the SFO were as follows:

Name of shareholder	Capacity/Nature of interest	Number of underlying shares held/ interested pursuant to share options	Long or short position	Approximate percentage of issued share capital of the Company (Note)
Power Port Holdings Limited (Note 1)	Beneficial Owner	75,817,000	Long position	12.30%
Ms. Yang Changrong	Held by controlled corporation	75,817,000	Long position	12.30%
Keywan Global Limited (Note 2)	Beneficial Owner	49,500,000	Long position	8.03%
Mr. He Xiaoming	Held by controlled corporation	49,500,000	Long position	8.03%
Mr. Cao Longbing (Note 3)	Beneficial Owner	428,000	Long position	0.07%
Hearts Capital (Asia) Limited (Note 3)	Held by controlled corporation	35,930,000	Long position	5.83%
Hearts Capital SPC — Hearts SP2 (Note 3)	Beneficial Owner	35,930,000	Long position	5.83%
Long Asia Asset Management (HK) Limited (Note 3)	Investment manager	35,930,000	Long position	5.83%

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.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares, debentures or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Company or had any options in respect of such Shares.

4. DIRECTORS' INTERESTS IN CONTRACTS

As at the Latest Practicable Date:

- (i) none of the Directors had entered, or proposed to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation;
- (ii) none of the Directors had any interest, direct or indirect, in any assets which had been, since 31 December 2020, being the date to which the latest published audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group; and
- (iii) none of the Directors and their respective associates was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and was significant in relation to the business of the Group.

5. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors was considered to have interests in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

6. LITIGATION

As at the Latest Practicable Date, the Company was not involved in any material litigation or arbitration and no material litigation or arbitration were pending or threatened or made against the Company so far as the Directors are aware.

7. MATERIAL CONTRACTS

Save for the following, there were no material contracts (not being contract(s) entered into in the ordinary course of business) which had been entered into by any member of the Group within two years immediately preceding the Latest Practicable Date and are or may be material:

- (i) the sale and purchase agreement dated 31 December 2019 entered into between Healthcare Holdings (Shenzhen) Co., Ltd. (華氏醫藥控股(深圳)有限公司), a wholly-owned subsidiary of the Company as vendor and Mr. Wu Xiaowei as purchaser in relation to the disposal of 51% of the equity interest of Anhui Huayuan Guoyi Medical Investment Management Limited (安徽華源國怡醫療投資管理有限公司) at the consideration of RMB640,000;
- (ii) the placing agreement dated 29 January 2020 entered into between the Company as the issuer and Zinvest Global Limited as the placing agent in relation to the placing of up to 1,189,062,000 placing shares at the placing price of HK\$0.035 per placing share. The placing agent would receive a placing commission of 0.25% of the aggregate placing price of the placing shares successfully placed in accordance with the placing agreement;
- (iii) the settlement agreement dated 24 March 2020 entered into between the Company and Bright Mark Enterprises Limited in relation to a legal proceeding made against the Company;
- (iv) the deeds of assignment dated 24 March 2020 entered into between Wise State Investment Limited, a wholly-owned subsidiary of the Company as the assignor and Bright Mark Enterprises Limited as the assignee in relation to the assignment of loans. As at 23 March 2020, the carrying amount of the loans was HK\$25,358,000;
- (v) the transfer agreement dated 28 July 2020 entered into by the Company, Natural Perseverance Limited, a direct wholly-owned subsidiary of the Company as purchaser, and Ratchaphruek Global Group Co., Ltd as vendor in relation to the grant to the purchaser of the rights to be the exclusive agent for sale of certain properties at the consideration of HK\$27 million;
- (vi) the strategic cooperation framework agreement dated 30 October 2020 entered into between Huashi Medical Auxiliary Technology (Shenzhen) Co., Ltd.* (華氏醫療輔助技術(深圳)有限公司), a wholly-owned subsidiary of the Company, and Qingdao Baheal Health Pharmacy Chain Co., Ltd.* (青島百洋健康藥房連鎖有限公司) in relation to negotiation among the parties for the potential cooperation on feminine care and reproductive health products;

- (vii) the placing agreement dated 30 December 2020 entered into between the Company as the issuer and China Tonghai Securities Limited as the placing agent in relation to the placing of up to 85,580,000 placing shares at the placing price of HK\$0.35 per placing share. The placing agent would receive a placing commission of 2% of the aggregate placing price of the placing shares;
- (viii) the memorandum of understanding dated 4 March 2021 entered into between Link-Asia International Assisted Reproductive Technology Group Limited (“**Link-Asia International**”), a wholly-owned subsidiary of the Company, I.Baby Technology Investments Limited (the “**Potential Vendor**”) and I.Baby Technology Holdings Limited (the “**Target Company**”) in relation to the possible acquisition (the “**Possible Acquisition**”) by the Company of certain equity interests in the Target Company;
- (ix) the non-legally binding investment cooperation memorandum dated 18 March 2021 entered into by Link-Asia International Cell Technology Group Limited* (環亞國際細胞科技集團有限公司), a wholly-owned subsidiary of the Company, and Hanguang Technology (Shanghai) Gene Technology Co., Ltd* (漢光雲科(上海)生物醫藥科技有限公司) (“**Hanguang Technology**”) in relation to the formation of a joint venture company (the “**JV Company**”) for the purpose of engaging in the business of endometrial stem cell storage and fertility health management;
- (x) the joint venture agreement dated 19 April 2021 entered into between Huashi Management Consulting (Shenzhen) limited (華氏管理諮詢(深圳)有限公司), a wholly-owned subsidiary of the Company and Hanguang Technology in relation to the formation of the JV company;
- (xi) the strategic investment memorandum dated 21 April 2021 entered into between Link-Asia Medtech Investment Limited (環亞醫療科技投資有限公司), a wholly-owned subsidiary of the Company, Nanjing Jilang Biotechnology Co., Ltd (南京濟朗生物科技有限公司) (“**Nanjing Jilang**”) and Mr. Zhu Shuhan in relation to the potential investment in 15% equity interest in Nanjing Jilang;
- (xii) the non-legally binding investment cooperation memorandum dated 19 May 2021 entered into between Link-Asia International Assisted Reproductive Technology Group Limited* (環亞國際輔助生殖科技集團有限公司), a wholly-owned subsidiary of the Company, and Fujian Nuoyike Bio Technology limited* (福建諾醫可生物科技有限公司) in relation to the formation of a joint venture company for the purpose of building marketing and promotion pipeline system of “assisted reproduction plus medical cosmetology” consumer medical services and related products;
- (xiii) the non-legally binding term sheet dated 20 May 2021 entered into between Link-Asia International, the Potential Vendor and the Target Company in relation to the Possible Acquisition. The consideration for the Possible Acquisition would be initially agreed at no more than RMB39.2 million and subject to further negotiation between the parties to the term sheet;

- (xiv) the placing agreement dated 15 June 2021 entered into between the Company as the issuer and the Underwriter as the placing agent in relation to the placing of up to 102,704,000 placing shares at the placing price of HK\$0.224 per placing share. The placing agent would receive a placing commission of 3% of the aggregate placing price of the placing shares;
- (xv) the strategic investment and cooperation memorandum of understanding dated 8 July 2021 entered into between the Company and Lux Aeterna Capital Limited (“**Lux Capital**”) in relation to, among other things, subscription for shares and bonds of the Company by Lux Capital, provision of financing support for the Company’s investments in merger and acquisition projects, or joint investment in the Company’s projects in the amount of around HK\$300 million; and
- (xvi) the Underwriting Agreement.

8. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Lin Dailian (“**Mr. Lin**”), aged 41, joined the Group in July 2019. Mr. Lin graduated from Anhui University of Finance and Economics and later studied at Fudan University. He is a well-known venture capitalist in China. Mr. Lin has over 17 years of experience in entrepreneurship and investment, successfully led or participated in the equity investment and listing of nearly 30 projects. Mr. Lin has been adhering to the concept of value investment, real estate finance, corporate strategic planning and business model shaping. He has extensive practical experience and professional knowledge in business management, mergers and acquisitions, and restructuring of companies. With rich entrepreneurial experience and value investment philosophy, Mr. Lin has been recognized in the financial industry. He has won the Top 100 Best Venture Capitalists of Hurun 2016 and the Top 30 Outstanding Innovative People of China’s Equity Investment in China.

Mr. Wang Guozhen (“**Mr. Wang**”), aged 63, was appointed as independent non-executive Director in November 2019 and was re-designated as executive Director and vice president of the Company in April 2020. Mr. Wang holds an executive master’s degree in business administration with Cheung Kong Graduate School of Business. He joined the Ministry of Finance of the People’s Republic of China in 1982 and has served as heads of various departments. He was also officer of General Office and Bureaucratic Service Center of National Council for Social Security Fund, the standing member of council of Beijing Charity Association and the member of 11th and 12th Beijing Municipal Committee of the Chinese People’s Political Consultative Conference.

Mr. Wang acted as the executive director and vice chairman of Hsin Chong Group Holdings Limited (新昌集團控股有限公司) (“**Hsin Chong**”) from September 2018 to November 2019. Hsin Chong is a company incorporated in Bermuda with limited liability and the securities of which were listed on the Main Board of The Stock Exchange of Hong Kong Limited until 31 December 2019. Hsin Chong was principally engaged in engineering and property businesses. Hsin Chong was wound up by an order of the

Supreme Court of Bermuda dated 20 January 2020, following a winding-up petition being filed by a creditor and shareholder of Hsin Chong in January 2019. Mr. Wang confirmed that (i) the winding up had not resulted in any liability or obligation imposed against him; (ii) there was no wrongful act on his part leading to the winding up process of Hsin Chong; and (iii) he was not aware of any actual or potential claim that had been or would be made against him as a result of the winding up.

Mr. Duan Chuanhong (“**Mr. Duan**”), aged 34, was appointed as executive Director since 1 June 2017. Mr. Duan worked in different industries for over 10 years and has ample experience in corporate planning, management and execution.

Mr. Xia Xiaobing (“**Mr. Xia**”), aged 43, has been appointed as an executive Director in November 2019. Mr. Xia holds a master’s degree in business administration from Shanghai Jiaotong University. He has almost 20 years of experience in human resource management.

Before joining the Group, he has successively served as the human resource director of Hefei Swire Coca-Cola Company, the human resources manager of Ctrip Travel, the human resources manager of McColling, the senior manager of the human resources department of Shanghai Great Wisdom Co., Ltd., and the human resources and administration director of Shanghai Tianfu Jingeng Equity Investment Management Co..

Independent non-executive Directors

Mr. Li Huiwu (“**Mr. Li**”), aged 44, was appointed in October 2019. Mr. Li obtained a bachelor degree in accounting from Wuhan Polytechnic University, the People’s Republic of China in June 2002. He is currently an affiliated member of The Association of International Accountants and a certified tax planner and a certified intermediate accountant in the PRC. He has approximately 16 years of experience in financial accounting, internal audit and risk management. Mr. Li held various senior positions in the internal audit department in certain companies listed on the Shanghai Stock Exchange where he was mainly responsible for internal control and risk management matters.

Mr. Yang Weidong (“**Mr. Yang**”), aged 47, was appointed in April 2020. Mr. Yang graduated from Hefei Institute of Economics and Technology with a bachelor’s degree in economics and management in 1995. He has more than 15 years of experience in business management and sales management. Mr. Yang served as the regional sales director of Hangzhou Sunyard System Engineering Co., Ltd from 2001 to 2005. Since August 2005, he has been serving as the deputy general manager of Hangzhou Teamax Technology Group Co., Ltd (the “**Teamax Technology**”), a wholly-owned subsidiary of Teamax Smart City Technology Co., Ltd. (Stock Code: SZ00662, “**Teamax Smart**”) listed on the Shenzhen Stock Exchange, and he is responsible for sales management and pre-sale supporting. Mr. Yang has held the supervisor position served as the chairman of the board of supervisors of Teamax Smart since June 2016 and since June 2019, respectively.

Mr. Yang was previously a director of Teamax Technology, a limited liability company incorporated in the People's Republic of China, and its principal activities include technology development, technical services and consulting. Neither Teamax Technology nor any of its subsidiaries is related to the Company or any of its subsidiaries. Mr. Yang ceased to act as a director of Teamax Technology with effect from 25 October 2019. According to the notice dated 14 January 2020 published by Hangzhou Binjiang District People's Court (杭州市濱江區人民法院), a bankruptcy and liquidation application filed by Bank of Jiangsu Co., Ltd., Hangzhou Branch (江蘇銀行股份有限公司杭州分行) against Teamax Technology (the "**Proceedings**") was accepted on 27 November 2019 pursuant to a default in repayment of principal of RMB48 million and related interests by Teamax Technology.

Mr. Yang confirmed that he is not a party of such Proceedings and is not aware of any actual or potential claim that has been or will be made against him as a result of the above.

Mr. Chak Chi Shing ("**Mr. Chak**") aged 40, holds a bachelor's degree of commerce in Accounting and Finance from Curtin University of Technology. He is a certified public accountant of Hong Kong Institute of Certified Public Accountants and Certified Public Accountant Australia. Mr. Chak has more than 15 years of experience in auditing, accounting, corporate finance and financial management and five years of experience in company secretarial matter and corporate governance in listed companies. Mr. Chak has been the independent non-executive director of SDM Group Holdings Limited ("**SDM**") (stock code: 8363), a company listed on the GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since May 2019. Mr. Chak has been appointed as the chief financial officer and company secretary of Tokyo Chuo Auction Holdings Limited (stock code: 1939), a company listed on the Main Board of the Stock Exchange since September 2019. Mr. Chak was the executive director of China Shenghai Food Holdings Company Limited (stock code: 1676), a company listed on the Main Board of the Stock Exchange, from December 2018 to September 2019, the company secretary of Bolina Holding Co., Limited (stock code: 1190), a company listed on the Main Board of the Stock Exchange until its delisting on 10 March 2021, from March 2017 to August 2018, and the chief financial officer and company secretary of SDM from March 2016 to July 2016.

9. EXPERT'S CONSENT AND QUALIFICATION

The following sets out the qualification of the expert who has given opinions, letters or advices included in this Prospectus:

Name	Qualification
McMillan Woods (Hong Kong) CPA Limited	Certified Public Accountants

McMillan Woods (Hong Kong) CPA Limited has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its report and reference to its name in the form and context in which it respectively appears. As at the Latest Practicable Date, McMillan Woods (Hong Kong) CPA Limited did not have any shareholding, directly or

indirectly, in any member of the Group nor did McMillan Woods (Hong Kong) CPA Limited have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, McMillan Woods (Hong Kong) CPA Limited did not have any direct or indirect interest in any assets which had been, since 31 December 2020 (the date to which the latest published audited financial statements of the Group were made up), acquired, or disposed of by or leased to, or were proposed to be acquired, disposed of by or leased to any member of the Group.

10. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Registered office of the Company:	Clifton House 75 Fort Street PO Box 1350 Grand Cayman KY1-1108 Cayman Islands
Principle place of business of the Company in Hong Kong:	Suites 3501 & 3513–14 35th Floor, Tower 6 The Gateway, Harbour City Tsim Sha Tsui, Kowloon Hong Kong
Underwriter:	Koala Securities Limited Units 01–02, 13/F, Everbright Centre 108 Gloucester Road Wanchai Hong Kong
Legal adviser to the Company as to the Rights Issue:	Tang Tso & Lau Room 209, 2/F, China Insurance Group Building 141, Des Voeux Road Central Hong Kong
Legal adviser to the Company as to the BVI laws:	Conyers Dill & Pearman 29th Floor, One Exchange Square 8 Connaught Place, Central Hong Kong
Hong Kong branch share registrar and transfer office:	Tricor Investor Services Limited Level 54, Hopewell Centre 183 Queen's Road East Hong Kong

Financial adviser to the Company:	Rainbow Capital (HK) Limited Room 5B, 12/F, Tung Ning Building No. 2 Hillier Street Sheung Wan, Hong Kong
Reporting accountants:	McMillan Woods (Hong Kong) CPA Limited (<i>Certified Public Accountants</i>) 3rd floor, Winbase Centre, 208–220 Queen's Road Central, Hong Kong
Principal bankers:	Standard Chartered Bank (Hong Kong) Limited Standard Chartered Bank Building 4–4A Des Voeux Road Central Hong Kong The Hongkong and Shanghai Banking Corporation Limited HSBC Main Building 1 Queen's Road Central Central Hong Kong Nanyang Commercial Bank Limited 151 Des Voeux Road, Central, Hong Kong
Company secretary and authorised representatives:	Ms. Tam Mei Chu Suites 3501 & 3513–14 35th Floor, Tower 6 The Gateway, Harbour City Tsim Sha Tsui, Kowloon Hong Kong

11. EXPENSES

Expenses in relation to the Rights Issue (including the underwriting commission, financial advisory fee, printing, translation, registration, legal, accounting, levy, and documentation charges) are estimated to be approximately HK\$2.91 million, which are payable by the Company.

12. BINDING EFFECT

This Prospectus, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s)

shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed “9. EXPERT’S CONSENT AND QUALIFICATION” in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

14. DOCUMENTS ON DISPLAY

The following documents are available on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://www.link-asia.com.hk/tc/index.php>) for a period of 14 days from the date of this Prospectus:

- (i) the memorandum and articles of association of the Company;
- (ii) the annual reports of the Company for the three financial years ended 31 December 2018, 2019 and 2020 and the interim report of the Company for the six months ended 30 June 2021;
- (iii) the letter issued by the reporting accountants regarding the unaudited pro forma financial information of the Group as set out in Appendix II to this Prospectus;
- (iv) the written consent referred to in the paragraph headed “9. EXPERT’S CONSENT AND QUALIFICATION” in this appendix;
- (v) the material contracts of the Company referred to in the paragraph headed “7. MATERIAL CONTRACTS” in this appendix; and
- (vi) the Prospectus Documents.

15. LANGUAGE

In case of any inconsistency between the English and Chinese versions of this Prospectus, the English version will prevail.

16. MISCELLANEOUS

- (i) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (ii) As at the Latest Practicable Date, the Company has no significant exposure to foreign exchange liabilities.
- (iii) The business address of all Directors and authorised representatives of the Company is Suites 3501 & 3513–14, 35th Floor, Tower 6, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong.