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NEWLINK TECHNOLOGY INC.

新紐科技有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 9600)

**UPDATE ON PERFORMANCE GUARANTEE IN RELATION TO THE
ACQUISITION OF 100% EQUITY INTEREST
IN NEUSOFT YUETONG**

This announcement is made by Newlink Technology Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 14.36B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement (the “**Announcement**”) of the Company dated 20 June 2022 in respect of the acquisition of 100% equity interest in Neusoft Yuetong (the “**Target Company**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, on 20 June 2022, Newlink Technology (Beijing) Co., Ltd.* (紐領科技(北京)有限公司) (a wholly-owned subsidiary of the Company, “**Newlink Technology Beijing**”), entered into an equity transfer and capital increase agreement (the “**Acquisition Agreement**”) with the Sellers and the Target Company, pursuant to which Newlink Technology Beijing has conditionally agreed to purchase, and the Sellers have conditionally agreed to sell, 100% equity interest in the Target Company, and Newlink Technology Beijing has conditionally agreed to make a capital increase to the Target Company, and in this regard, Newlink Technology Beijing agreed: (1) to pay the Sellers the equity transfer consideration of RMB80,000,000 in total (subject to the performance compensation arrangement); (2) to succeed the capital contribution obligations of RMB7,430,769 for the Unpaid Registered Capital in the equity interest transferred by Dai Linlin, being one of the Sellers; and (3) to make a capital increase of RMB18,000,000 to the Target Company.

PERFORMANCE GUARANTEE

The Performance Guarantee Sellers (being the Sellers other than Dai Linlin) undertook to Newlink Technology Beijing that the Target Company's revenue from principal business and net profit for financial years of 2022, 2023 and 2024 (collectively, the "Performance Guarantee Period", each a "Performance Guarantee Year") shall not be less than the targets set out in the table below:

Financial Year	<i>(Unit: RMB0'000)</i>			
	2022	2023	2024	Total
Guaranteed revenue from principal business	6,000	7,200	8,640	21,840
Guaranteed net profit	300	450	675	1,425

The actual net profit of the Target Company shall be the lower of the net profit after tax attributable to shareholders of the parent company before or after deduction of non-recurring gains and losses in the consolidated statements of the Target Group audited and confirmed by a qualified accounting firm with securities industry qualifications.

The Performance Guarantee Sellers will be deemed to have completed the performance guarantee if (1) the actual net profit of the Target Company in each Performance Guarantee Year reaches or exceeds the guaranteed net profit for the year; or (2) the actual net profit of the Target Company in a certain Performance Guarantee Year is lower than the guaranteed net profit for the year, but (i) the actual revenue from the principal business for the year reaches or exceeds the guaranteed revenue from the principal business for the year, (ii) the actual net profit for the year is greater than 0, and (iii) the total actual net profit during the Performance Guarantee Period reaches or exceeds the total guaranteed net profit for the Performance Guarantee Period (the "Performance Guarantee Arrangement").

Where the Target Company fails to complete the guaranteed performance, upon expiry of the Performance Guarantee Period, the parties will calculate the performance compensation amount pursuant to the calculation formula therefor, and each of the Performance Guarantee Sellers shall make compensation to Newlink Technology Beijing.

CALCULATION FORMULA FOR PERFORMANCE COMPENSATION AMOUNT

Performance compensation amount = (Total guaranteed net profit for the Performance Guarantee Period – Total actual net profit for the Performance Guarantee Period) ÷ Total guaranteed net profit for the Performance Guarantee Period × (Equity Transfer Consideration of RMB80 million – Audited net assets of the Target Company at the end of the Performance Guarantee Period).

If the performance compensation amount is less than 0 upon calculation, no performance compensation will be required. If the audited net assets of the Target Company at the end of the Performance Guarantee Period are greater than RMB80 million and the total actual net profit for the Performance Guarantee Period is greater than the total guaranteed net profit for the Performance Guarantee Period, no performance compensation will be required.

THE ACTUAL PERFORMANCE OF THE TARGET COMPANY

As disclosed in the Company's 2022 annual report, for the year ended 31 December 2022, the Target Company recorded a revenue from principal business of RMB63,528,000 and an actual net loss of RMB5,052,379.81 based on which the Performance Guarantee Sellers did not fulfill the performance guarantee for the year 2022.

For the year ended 31 December 2023, the Target Company recorded a revenue from principal business of RMB73,425,980.09 and the Target Company recorded net profit after tax attributable to shareholders of the parent company before and after deducting non-recurring gains and losses of RMB4,988,128.51 and RMB4,645,596.76, respectively, based on which the Performance Guarantee Sellers fulfilled the performance guarantee for the year 2023. The Company will closely monitor the Target Company's performance guarantee in 2024. Upon the expiry of the Performance Guarantee Period, the performance compensation amount (if any) shall be calculated based on the agreed calculation formula above and be paid by the Performance Guarantee Sellers to Newlink Technology Beijing.

For other details in respect of the acquisition of 100% equity interest in Neusoft Yuetong, please refer to the Announcement.

By order of the Board
Newlink Technology Inc.
ZHAI Shuchun
Chairman and Chief Executive Officer

Beijing, the PRC, 28 March 2024

As at the date of this announcement, the executive Directors are Mr. ZHAI Shuchun, Ms. QIN Yi and Mr. LI Xiaodong; and the independent non-executive Directors are Mr. TANG Baoqi, Ms. YANG Juan and Mr. YOU Linfeng.

* *for identification purpose only*