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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



On 7 May 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum of 157,302,880 Placing Shares at the Placing Price of HK\$0.28 per Placing Share to not less than six Placees who and whose beneficial owners shall be Independent Third Parties.

Assuming there will be no change in the number of issued Shares between the date of this announcement and the Closing Date, the maximum number of 157,302,880 Placing Shares represents (i) 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$0.28 represents (i) a discount of approximately 17.65% to the closing price of HK\$0.34 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 14.63% to the average closing price per Share of HK\$0.328 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

Assuming the maximum 157,302,880 Placing Shares are fully placed, the gross proceeds and net proceeds (after deducting the placing commission and other related expenses) are estimated to be approximately HK\$44.04 million and HK\$43.60 million, respectively, and the net price per Share are estimated to be approximately HK\$0.277. The Company intends to apply the net proceeds from the Placing to replenish general working capital of the Group.

Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of the condition precedent to completion of the Placing and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Details of the Placing Agreement are set out as follows:

Date

7 May 2024 (after trading hours)

Parties

Issuer: The Company

Placing Agent: Long Bridge HK Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

The Placing Agent has conditionally agreed with the Company to place a maximum of 157,302,880 Placing Shares on a best effort basis to not less than six Placees who and whose ultimate beneficial owners will be Independent Third Parties. The Placees shall be corporate or individual investors. Upon Closing, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after Closing, further announcement will be made by the Company.

Placing Shares

As at the date of this announcement, the Company has 786,514,400 Shares in issue. Assuming there will be no change in the number of issued Shares between the date of this announcement and the Closing Date, the maximum number of 157,302,880 Placing Shares represent (i) 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. Assuming all 157,302,880 Placing Shares are successfully placed by the Placing Agent, the aggregate nominal value of the maximum number of Placing Shares is approximately US\$157.30.

Placing Price

The Placing Price of HK\$0.28 represents:

- (i) a discount of approximately 17.65% to the closing price of HK\$0.34 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 14.63% to the average closing price per Share of HK\$0.328 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

General Mandate

The Placing Shares will be allotted and issued under the General Mandate granted to the Board pursuant to which the Board is authorised to allot, issue and deal with up to 157,302,880 Shares, being 20% of the then issued share capital of the Company. As at the date of this announcement, no Shares has been allotted and issued pursuant to the General Mandate and therefore the allotment and issue of the Placing Shares is not subject to the approval by the Shareholders.

Commission

The Placing Agent will be entitled to a commission, in HK\$, of 1% of the amount that is equal to the Placing Price multiplied by the number of Placing Shares which the Placing Agent has successfully placed at the end of the Placing Period in accordance with the Placing Agreement. The placing commission was negotiated on an arm's length basis between the Company and the Placing Agent.

Ranking of the Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the existing Shares in issue on the date of allotment and issue of the Placing Shares.

Conditions of the Closing

The Closing is conditional on the Listing Committee granting approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange (and such approval and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares).

The abovementioned condition shall not be waived by any Party. Each of the Company and the Placing Agent shall use their respective reasonable endeavours to procure the satisfaction of the condition above, but if the condition shall not have been so satisfied on or before 6 June 2024 (or such other date as the Parties may agree from time to time in writing) (the “**Long Stop Date**”), all obligations of the Placing Agent and of the Company in relation to the Placing under the Placing Agreement shall cease and determine immediately, and none of the Parties shall have any claim against the other in relation thereto.

Application for listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

Closing

The Closing shall take place at 10:00 a.m. (Hong Kong time) on the Closing Date which is a day within six Business Days after fulfilment of the condition precedent of the Placing or such other date as the Company and the Placing Agent may agree in writing and the Closing shall take place in accordance with the completion mechanics under the Placing Agreement.

Termination

If at any time between the date of the Placing Agreement and at or before 10:00 a.m. on the Closing Date, there occurs:

- (a) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or materially and adversely prejudices the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)); or

- (b) the occurrence of any local, national or international event or change occurring after the date of the Placing Agreement of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of the Placing Agreement which in the reasonable opinion of the Placing Agent materially and adversely affects the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or
- (d) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out in Hong Kong or the mainland China; or
- (e) the Company commits any material breach of or omits to observe any of its obligations or undertakings under the Placing Agreement; or
- (f) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or the prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing,

then the Placing Agent may, after consultation with the Company, terminate the Placing Agreement any time prior to the expiry of the Placing Period with immediate effect. If the Placing Agreement shall be terminated pursuant to the abovementioned terms, the obligations of the Parties shall cease immediately and the Company shall not be liable to pay any commission under the Placing Agreement.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company, and its subsidiaries are primarily engaged in providing IT solutions, especially technology-driven IT solutions based on self-developed software products.

Assuming the maximum 157,302,880 Placing Shares are fully placed, the gross proceeds and net proceeds (after deducting the placing commission and other related expenses) are estimated to be approximately HK\$44.04 million and HK\$43.60 million, respectively, and the net price per Share are estimated to be approximately HK\$0.277. The Company intends to apply the net proceeds from the Placing to replenish general working capital of the Group.

In light of the prevailing financial conditions of the Group, the Board considers that the Placing to be a suitable financial option as compared to other means of financing as it enables the Group to raise capital in an efficient manner without increasing interest burden on the Group, strengthens the financial position of the Company and represents a good opportunity to broaden the Shareholders' base and capital base of the Company.

The Board considers that the terms of the Placing Agreement and the transactions contemplated thereunder (including the Placing, the Placing Price and the placing commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities in the past twelve months immediately prior to the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Closing, assuming that there is no change in the issued share capital of the Company between the date of this announcement and the Closing Date and the maximum number of 157,302,880 Placing Shares are fully placed is set out below:

Shareholders	As at the date of this announcement		Immediately after the Closing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. ZHAI Shuchun ^{Note 1}	300,600,000	38.22%	300,600,000	31.85%
Mr. YUAN Yukai ^{Note 2}	138,400,000	17.60%	138,400,000	14.66%
Mr. GUO Hao	80,000,000	10.17%	80,000,000	8.48%
Mr. Zhai Guanhua ^{Note 3}	25,891,200	3.29%	25,891,200	2.74%
Ms. QIN Yi	1,604,800	0.20%	1,604,800	0.17%
The Placees	—	—	157,302,880	16.67%
Other public Shareholders	240,018,400	30.52%	240,018,400	25.43%
Total	786,514,400	100.00%	943,817,280	100.00%

Note 1: Mr. ZHAI Shuchun, the chairman of the Board, an executive Director, the chief executive officer and a controlling shareholder of the Company, indirectly holds 300,600,000 Shares through Nebula SC Holdings Limited, a company wholly owned by Mr. ZHAI Shuchun.

Note 2: Mr. YUAN Yukai indirectly holds 138,400,000 Shares through Earnest Kai Holdings Limited, a company wholly owned by Mr. YUAN Yukai.

Note 3: Mr. ZHAI Guanhua is the chief financial officer of the Company and he is the son of Mr. ZHAI Shuchun.

Note 4: The percentage figures in this table have been rounded to two decimal places.

Shareholders and potential investors of the Company shall be aware that the Placing is on a best effort basis and the completion is subject to fulfillment of the conditions set out in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to them respectively:

“AGM”	the annual general meeting of the Company held on 9 June 2023
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks generally are open for normal banking business in Hong Kong
“Company”	Newlink Technology Inc. (新紐科技有限公司*), an exempted company incorporated under the laws of Cayman Islands with limited liability on 8 November 2019
“Closing”	the completion of the Placing in accordance with the terms and conditions set out in the Placing Agreement
“Closing Date”	the date of Closing
“connected person(s)”	has the meanings as ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the AGM, to allot and issue up to 157,302,880 Shares, being 20% of the total number of Shares in issue as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with or acting in concert with the Company, its connected persons and their respective associates (as defined in the Listing Rules)

“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the Company and the Placing Agent, and a “Party” shall refer to either one of them
“Placee(s)”	any investor who is a corporate or an individual investor selected and procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of a total of up to 157,302,880 new Shares to be allotted and issued under the General Mandate pursuant to the terms of the Placing Agreement
“Placing Agent”	Long Bridge HK Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 7 May 2024 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	the placing price of HK\$0.28 per Placing Share
“Placing Period”	the period commencing immediately after the Placing Agreement is entered into by the Parties and expiring at 5:00 p.m. on 31 May 2024 (or such other time and date as the Parties may agree in writing)
“Placing Share(s)”	a maximum up to 157,302,880 new Shares to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	ordinary share(s) of par value of US\$0.000001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent

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

Beijing, the PRC, 7 May 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 purposes only*