

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 this announcement.



NEWLINK TECHNOLOGY INC.

新紐科技有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 9600)

**CONNECTED TRANSACTION
IN RELATION TO ACQUISITION OF 10% EQUITY INTEREST
IN FUHUA INCUBATOR**

THE ACQUISITION

The Board hereby announces that on May 23, 2022, Beijing Newlink, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Fuhua Investment, pursuant to which Beijing Newlink agreed to purchase, and Fuhua Investment agreed to sell, 10% equity interest in Fuhua Incubator in accordance with the terms and conditions of the Equity Transfer Agreement. Upon completion of the Acquisition, Beijing Newlink will hold an aggregate of 20% equity interest in Fuhua Incubator.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Zhai Shuchun is a controlling Shareholder and an executive Director of the Company. As Fuhua Investment is held as to 10% and 90% by Mr. Zhai Shuchun and Mr. Zhai Guanhua (the son of Mr. Zhai Shuchun) respectively, Fuhua Investment is an associate of Mr. Zhai Shuchun and therefore a connected person of the Company. As such, the Acquisition is a connected transaction of the Company under Chapter 14A of the Listing Rules.

For the purpose of calculation of the size of the transactions in accordance with relevant requirements of the Listing Rules, the Company has aggregated the transaction contemplated under the Equity Transfer Agreement with the Previous Transaction. As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) calculated after aggregation exceeds 0.1% but is less than 5%, the transaction under the Equity Transfer Agreement is only subject to the reporting and announcement requirements, and is exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board hereby announces that on May 23, 2022, Beijing Newlink, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Fuhua Investment, pursuant to which Beijing Newlink agreed to purchase, and Fuhua Investment agreed to sell, 10% equity interest in Fuhua Incubator in accordance with the terms and conditions of the Equity Transfer Agreement. Upon completion of the Acquisition, Beijing Newlink will hold an aggregate of 20% equity interest in Fuhua Incubator.

THE EQUITY TRANSFER AGREEMENT

- Date: May 23, 2022
- Parties: (1) Fuhua Investment (as the transferor); and
(2) Beijing Newlink (as the transferee)
- Target asset: 10% equity interest in Fuhua Incubator held by Fuhua Investment (the “**Target Equity Interest**”)
- Consideration and payment arrangement: RMB2.28 million, which is equal to the amount paid by Beijing Newlink to subscribe for 10% of the registered capital in Fuhua Incubator in the Previous Transaction. As Fuhua Investment has not fulfilled its capital contribution obligation in relation to the Target Equity Interest, Beijing Newlink agrees to make the capital contribution in relation to the Target Equity Interest of RMB2.28 million after the completion of the Acquisition, therefore the amount payable by Beijing Newlink to Fuhua Investment in relation to this Acquisition is nil.
- Beijing Newlink will pay the capital contribution with its self-owned funds.
- Completion: The completion of the Acquisition shall take place on the effective date of the Equity Transfer Agreement. Beijing Newlink shall hold 20% equity interest in Fuhua Incubator upon the completion of the Acquisition and enjoy the shareholder’s rights in accordance with the Equity Transfer Agreement and the articles of association of Fuhua Incubator.
- Other terms: Fuhua Investment shall cooperate in completing the change of industrial and commercial registration of the Acquisition within 30 business days after the execution of the Equity Transfer Agreement.
- The board of directors of Fuhua Incubator shall comprise five directors, and Beijing Newlink has right to nominate one of them. Fuhua Investment undertakes to complete the selection of directors of Fuhua Incubator within two months after completion of the change of industrial and commercial registration of the Acquisition, and to vote in favor of the person nominated by Beijing Newlink to act as director of Fuhua Incubator in relevant general meeting.
- The Equity Transfer Agreement shall come into effect on the day of execution.

INFORMATION IN RELATION TO FUHUA INCUBATOR

Fuhua Incubator is a company established in the PRC with limited liability on July 23, 2021, and is principally engaged in providing full support and all-around incubation services for technology start-ups in early stage in office premises, industrial chain cooperation, investment and financing consulting, corporate image propagation and technology research and development support. The total registered capital of Fuhua Incubator is RMB22.8 million, among which Fuhua Investment and Beijing Newlink agreed to subscribe for capital contribution of RMB13.68 million and RMB2.28 million, accounting for 60% and 10% equity interest in Fuhua Incubator respectively immediately before the Acquisition. Shareholders of Fuhua Incubator shall perform their capital contribution obligations by June 6, 2066. As of the date of this announcement, Fuhua Investment has made capital contribution of RMB2.066 million to Fuhua Incubator and Beijing Newlink has made its capital contribution of RMB2.28 million to Fuhua Incubator.

Immediately after the completion of the Acquisition, the total registered capital of Fuhua Incubator will remain unchanged, and Fuhua Investment and Beijing Newlink will hold as to 50% and 20% equity interest in Fuhua Incubator respectively. The rest of equity interest of Fuhua Incubator are held by Mr. HUANG Yu (黄宇) and Mr. GUO Hao (郭浩) as to 20% and 10% respectively. As at the date of this announcement, Mr. GUO Hao holds 10.17% of the issued share capital of the Company.

According to the unaudited financial statements prepared by Fuhua Incubator under the China Accounting Standards for Business Enterprises, the unaudited total assets and net assets of Fuhua Incubator as at April 30, 2022 were approximately RMB14.21 million and RMB14.27 million respectively. According to the audited financial statements under the China Accounting Standards for Business Enterprises, the net loss before taxation and net loss after taxation of Fuhua Incubator for the financial year ended December 31, 2021 were both approximately RMB0.91 million.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

Since the IPO, the Company has been actively and selectively seeking acquisitions and strategic alliances in target markets that may create complementary or synergistic effects on its existing businesses, in order to strengthen the Company's leading market position in the industry, deepen strategic partnerships and enter new markets. Fuhua Investment, the controlling shareholder of Fuhua Incubator, has been dedicated to invest in technology start-ups in early stage, with a focus on technology (especially hard technologies). Since Beijing Newlink's subscription of capital contribution in Fuhua Incubator in August 2021, Fuhua Incubator, as the incubator, has successfully attracted a number of incubatees to move in. Through the Acquisition, the Company can further explore and incubate outstanding seed projects in the upstream and downstream of the industry chain through Fuhua Incubator, thereby accelerating the Company's strategic deployment in the artificial intelligence and big data industry.

As such, the Directors (including the independent non-executive Directors) are of the view that the Equity Transfer Agreement was entered into on normal commercial terms, and although the transaction contemplated thereunder is not in the ordinary and usual course of business of the Company, the terms and conditions therein are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

GENERAL INFORMATION ON THE PARTIES TO THE TRANSACTION

Beijing Newlink and the Group

Beijing Newlink, established under the laws of the PRC with limited liability, is a wholly-owned subsidiary of the Company and the principal operating subsidiary of the Group. The Group is primarily engaged in providing IT solutions, especially technology-driven IT solutions based on self-developed software products.

Fuhua Investment

Fuhua Investment is a company established under the laws of the PRC with limited liability, and is held as to 10% and 90% by Mr. Zhai Shuchun and Mr. Zhai Guanhua (the son of Mr. Zhai Shuchun) respectively as at the date of this announcement. It principally invests in start-up projects in early stage engaged in corporate services, consumption upgrading, science and technology. It has also been committed to people-oriented investments and works to provide fund and resource support for early start-ups, driving the high-speed development of entrepreneurs.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Zhai Shuchun is a controlling Shareholder and an executive Director of the Company. As Fuhua Investment is held as to 10% and 90% by Mr. Zhai Shuchun and Mr. Zhai Guanhua (the son of Mr. Zhai Shuchun) respectively, Fuhua Investment is an associate of Mr. Zhai Shuchun and therefore a connected person of the Company. As such, the Acquisition is a connected transaction of the Company under Chapter 14A of the Listing Rules.

For the purpose of calculation of the size of the transactions in accordance with relevant requirements of the Listing Rules, the Company has aggregated the transaction contemplated under the Equity Transfer Agreement with the Previous Transaction. As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) calculated after aggregation exceeds 0.1% but is less than 5%, the transaction under the Equity Transfer Agreement is only subject to the reporting and announcement requirements, and is exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Zhai Shuchun, being an executive Director of the Company, is deemed to have material interests in the Acquisition, and thus have abstained from voting on the resolution in relation to the Acquisition at the Board meeting. Save as mentioned above, none of the other Directors has a material interest in the Acquisition.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	the acquisition of 10% equity interest of the Target Company pursuant to the Equity Transfer Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Beijing Newlink”	Beijing Newlink Technology Co., Ltd.* (北京新紐科技有限公司), established under the laws of the PRC with limited liability, is a wholly-owned subsidiary of the Company
“Company”	Newlink Technology Inc. (新紐科技有限公司*), an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under Listing Rules
“Director(s)”	the directors of the Company
“Equity Transfer Agreement”	the equity transfer agreement entered into between Beijing Newlink and Fuhua Investment on May 23, 2022, pursuant to which Beijing Newlink shall purchase the 10% equity interest held by Fuhua Investment in Fuhua Incubator
“Fuhua Investment”	Beijing Fuhuajiaxin Investment Management Co., Ltd.* (北京富華佳信投資管理有限公司), a company established under the laws of the PRC with limited liability
“Fuhua Incubator”	Beijing Fuhuajiaxin Business Incubator Co., Ltd.* (北京富華佳信企業孵化器有限公司), a company established under the laws of the PRC with limited liability
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“IPO”	the Company’s initial public offering of its Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macao Special Administrative Region and Taiwan
“Previous Transaction”	Beijing Newlink’s subscription of capital contribution of RMB2.28 million in Fuhua Incubator in August 2021, which is a fully-exempted connected transaction under Chapter 14A of the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holders of the Shares
“Shares”	ordinary shares of US\$0.000001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage

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

Beijing, the PRC, May 23, 2022

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

* *For identification purposes only*