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Linklogis Inc.
聯易融科技集團

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

(Stock Code: 9959)

INSIDE INFORMATION

This announcement is made by Linklogis Inc. (the **“Company”**, and with its subsidiaries and consolidated affiliated entities, the **“Group”**) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Listing Rules”**) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the **“Board”**) of the Company wishes to inform the shareholders of the Company (the **“Shareholders”**) and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended June 30, 2022, the Group is expected to record a total revenue and income in the range of RMB507 million to RMB512 million, and an adjusted profit in the range of RMB125 million to RMB130 million for the six months ended June 30, 2022 as compared to the total revenue and income of approximately RMB527 million and the adjusted profit of approximately RMB152 million for the six months ended 30 June, 2021. Based on the information currently available, the overall financial results of the Group was mainly affected by the following factors:

- (i) the resurgence of COVID-19 in China influenced business demand and repeated epidemic outbreaks in major cities in China since March, 2022 caused regional supply chain disruptions, which subsequently affected supply chain financing activities. Despite the robust demand in early 2022, the growth in the total volume of transactions processed by the Group’s solutions slowed down in the second quarter of 2022;

- (ii) as a result of the Group's product structure optimization which yielded growth in gross profit and gross profit margin for the six months ended June 30, 2022, the total revenue and income as percentage of the total volume of transactions processed by the Group's solutions decreased for the six months ended June 30, 2022 as compared to the six months ended 30 June, 2021; and
- (iii) the Group increased its expenditure in research and development, and sales and marketing for the six months ended June 30, 2022, which resulted in higher operating expenses during the same period. However, the Group has started optimizing its organizational structure and improving operation efficiency to control operating expenses, which the Group expects to take effect in the second half of 2022.

The adjusted profit excludes share-based compensation, fair value changes of financial liabilities measured at fair value through profit or loss and listing expenses so incurred during the relevant period in the respective years. The fair value changes of financial liabilities measured at fair value through profit or loss arose primarily from the change in the carrying amounts of redeemable convertible preferred shares and the ordinary shares with preferential rights held by certain investors in connection with the pre-IPO investments.

Based on the preliminary review of the unaudited consolidated management accounts of the Group for six months ended June 30, 2022 and the information currently available to the Board, the Group is expected to record a consolidated net profit attributable to the equity shareholders in the range of RMB40 million to RMB45 million for the six months ended June 30, 2022 as compared to a consolidated net loss attributable to the equity shareholders of RMB13,033 million for the six months ended June 30, 2021. The change was primarily because fair value changes of financial liabilities measured at fair value through profit or loss (for the six months ended June 30, 2021: a fair value loss of approximately RMB13,086 million) no longer existed after the automatic conversion of our redeemable convertible preferred shares and ordinary shares with preferential rights to Class B ordinary shares upon completion of the listing of the Class B ordinary shares of the Company in April 9, 2021 and thus there was no relating fair value changes for the six months ended June 30, 2022.

The information contained in this announcement is only based on the Company's preliminary assessment with reference to the unaudited consolidated management accounts of the Group for the six months ended June 30, 2022 and is not based on the financial data or other information which has been audited or reviewed by the Company's independent auditor or the audit committee of the Board. The above data may therefore differ from the figures to be disclosed in the audited or unaudited consolidated financial statements to be published by the Group on an annual or half-yearly basis due to various uncertainties during the process of collecting such information. As such, the relevant figures are strictly for information only and not for any other purposes.

Shareholders and potential investors are advised not to place undue reliance on the information disclosed herein and are advised to exercise caution when dealing in the securities of the Company. Any Shareholder or potential investor who is in doubt is advised to seek advice from professional advisers.

By order of the Board
Linklogis Inc.
Song Qun
Chairman

Hong Kong, August 18, 2022

As at the date of this announcement, the Board comprises Mr. Song Qun as the Chairman and executive director, Mr. Ji Kun and Ms. Chau Ka King as executive directors, Mr. Lin Haifeng and Mr. Zhang Yuhan as non-executive directors, and Mr. Gao Feng, Mr. Tan Huay Lim and Mr. Chen Wei as independent non-executive directors.