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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 revenue from principal business and net profit of the Target Company and its subsidiary (together, the “**Target Group**”) 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:

(Unit: RMB)

Financial Year	2022	2023	2024	Total
Guaranteed revenue from principal business	60,000,000	72,000,000	86,400,000	218,400,000
Guaranteed net profit	3,000,000	4,500,000	6,750,000	14,250,000

The actual net profit of the Target Group 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 Group in each Performance Guarantee Year reaches or exceeds the guaranteed net profit for the year; or (2) the actual net profit of the Target Group 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 Group at the end of the Performance Guarantee Period) (the “**Calculation Formula**”).

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 Group 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 GROUP

Based on the audited consolidated financial statements (the “**Audited Financial Statements of the Target Group**”) of the Target Group prepared specifically for assessing the performance guarantee for the years ended 31 December 2022, 2023 and 2024, the Target Group’s actual performance are set out below:

(Unit: RMB)

Financial Year	2022	2023	2024	Total
Actual revenue from principal business	41,688,949	74,650,221	51,366,439	167,705,609
Actual net profit (loss) after tax, before deducting non-recurring gains and losses	(5,942,859)	1,084,465	13,440,242	8,581,848
Actual net profit (loss) after tax, after deducting non-recurring gains and losses	(5,958,924)	1,063,086	12,050,234	7,154,396

The audited net assets of the Target Group as of 31 December 2024 (i.e. the end of the Performance Guarantee Period) were RMB55,718,284.

As the Target Group recorded a net loss in the year 2022, the Performance Guarantee Sellers failed to fulfill the Performance Guarantee Arrangement. Consequently, a total performance compensation of RMB12,090,767.80 (the “**Final Performance Compensation Amount**”) is calculated pursuant to the Calculation Formula mentioned above, and the Performance Guarantee Sellers (except for Liu Cui, who transferred her 0.5363% equity interest in the Target Company and related Performance Guarantee obligations to Tian Weihai, as disclosed in the announcement of the Company dated 12 December 2024) shall pay such Performance Compensation Amount to Newlink Technology Beijing.

The contingent consideration, being the balance arising from the acquisition of 100% equity interest in the Target Company which requires Newlink Technology Beijing to settle to the Performance Guarantee Sellers on the remaining consideration of RMB31,515,151 less of performance compensation amount, as previously disclosed in the annual report of the Company as of 31 December 2024 was RMB21,000,000.

Based on the Audited Financial Statements of the Target Group, the contingent consideration amounted to RMB19,424,383.20, being the difference of RMB31,515,151 and the Final Performance Compensation Amount.

PAYMENT OF THE PERFORMANCE GUARANTEE AMOUNT

The Second Instalment of the Equity Transfer Consideration of RMB31,515,151 is subject to the following adjustments: (i) as disclosed in the Announcement, Newlink Technology Beijing is entitled to deduct and offset the performance compensation amount payable by each Performance Guarantee Seller directly from the Second Instalment of the Equity Transfer Consideration. Accordingly, the Final Performance Compensation Amount of RMB12,090,767.80 is deducted from the Second Instalment of the Equity Transfer Consideration; (ii) pursuant to the compensation agreement detailed in the announcement of the Company dated 31 December 2024, Tian Weihai and Neusoft Venture Capital shall compensate the Target Company for possible actual losses that may arise from the technology service contract in an aggregate amount of RMB4,634,067.94, with Tian Weihai bearing 46.153848% and Neusoft Venture Capital bearing 53.846152%. As a partial payment of the aforesaid compensation was made in December 2024, the remaining balance of RMB4,402,364.54 is due for settlement; and (iii) the transfer of 0.5363% equity interest in the Target Company and the related Performance Guarantee obligations by Liu Cui to Tian Weihai. After these adjustments, the remaining balance of the Second Instalment of the Equity Transfer Consideration amounting to RMB15,022,018.66 shall be paid to the Performance Guarantee Sellers in the following allocations:

Performance Guarantee Sellers	Amounts Payable (RMB)
Neusoft Venture Capital	8,088,778.87
Tian Weihai	6,751,340.05
Other remaining Performance Guarantee Sellers	181,899.74
Total	15,022,018.66

According to the Acquisition Agreement, the payment of such amount shall be made on the date when the Target Company's application for the change of registration of transferring 100% equity interest in the Target Company to Newlink Technology Beijing is submitted to and accepted by the competent market regulatory authority, which is expected to be paid no later than six months after the expiration of the Performance Guarantee Period, i.e. by 30 June 2025. The exact payment date will be disclosed in the Company's subsequent periodic reports. Based on the above, the board of directors of the Company is of the view that the Performance Guarantee Sellers will fulfill their obligations under the Acquisition Agreement upon Newlink Technology Beijing's deduction of the Final Performance Compensation Amount, which is fair and reasonable and in line with the terms of the Acquisition Agreement.

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 of the Board and Chief Executive Officer

Beijing, the PRC, 11 June 2025

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*