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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)**

### **CHANGE OF USE OF PROCEEDS FROM THE GLOBAL OFFERING**

#### **DISCLOSEABLE TRANSACTION: SUBSCRIPTION FOR PRINCIPAL-PROTECTED STRUCTURED DEPOSIT**

##### **CHANGE OF USE OF PROCEEDS FROM THE GLOBAL OFFERING**

Reference is made to the Prospectus and the Announcements, in relation to the use of the IPO Proceeds of the Company of HK\$790.4 million. In order to improve the efficiency of the unused idle IPO Proceeds and properly increase the proceeds therefrom, the Board has resolved to use no more than RMB100 million from the idle IPO Proceeds that are expected to remain idle for more than one year to subscribe for short-term structured deposit products from qualified financial institutions, without prejudice to the normal operation of the Company and the timely completion of the utilization of the IPO Proceeds.

##### **SUBSCRIPTION FOR PRINCIPAL-PROTECTED STRUCTURED DEPOSIT**

Beijing Newlink, a wholly-owned subsidiary of the Company, subscribed for the Bank of Ningbo Structured Deposit for RMB100 million on 7 January 2022.

##### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the subscription amount of the Bank of Ningbo Structured Deposit exceeds 5% but is less than 25%, the subscription for the Bank of Ningbo Structured Deposit constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **CHANGE OF USE OF PROCEEDS FROM THE GLOBAL OFFERING**

Reference is made to the Prospectus and the Announcements, in relation to the use of the IPO Proceeds of the Company of HK\$790.4 million. On 7 January 2022, the Board resolved to use no more than RMB100 million from the idle IPO Proceeds that are expected to remain idle for more than one year to subscribe for principal-protected short-term structured deposit products from qualified financial institutions subject to the following conditions:

Neither the amount of any single structured deposit product subscribed by the Company nor the aggregate balance of the unmaturing structured deposit products held by the Company at any time shall exceed RMB100 million. The proceeds to be generated from such subscribed structured deposit products will be used for the same purpose as the Restored Use of the IPO Proceeds. Term of any single principal-protected short-term structured deposit product subscribed by the Company shall not exceed six months. The above use of idle IPO proceeds shall not affect the normal operation of the Company, the implementation of the fund-raising projects and the timely completion of the fund-raising plans.

The Board believes that the use of idle IPO Proceeds will not affect the capital safety and liquidity and daily operation of the Company, or the Restored Use of the IPO Proceeds. The Board is of the view that the above use of idle IPO Proceeds allows the Company to use idle IPO Proceeds in a reasonable manner, enhance the efficiency of utilising the IPO Proceeds and bring better returns for the Shareholders. There is no material change in the nature of business and objectives of the Company as set out in the Prospectus.

### **SUBSCRIPTION FOR PRINCIPAL-PROTECTED STRUCTURED DEPOSIT**

The Board announces that, Beijing Newlink, a wholly-owned subsidiary of the Company, entered into the Structured Deposit Agreement with Bank of Ningbo on 7 January 2022. The major terms of the Structured Deposit Agreement are as follows:

Contract date:	7 January 2022
Parties:	(1) Beijing Newlink; and (2) Bank of Ningbo
Type of the structured deposit:	Principal-protected with floating return
Term of investment:	91 days
Cooling-off Period :	From 10:30 a.m. on 7 January 2022 to 10:30 a.m. on 10 January 2022
Commencement date:	10 January 2022
Expiry date:	11 April 2022
Expected annualised rate of return:	3.10% or 1.00%.  During the observation period (from 10:00 a.m. on the commencement date to 14:00 p.m. on the expiration date, Beijing time), if the observed price touches or breaks through the range from the beginning price minus 0.0145, to the beginning price plus 0.0145, the return rate of the product is the higher one, namely, the annual return rate of 3.1%; If the observed price stays in the range from the beginning price minus 0.0145, to the beginning price plus 0.0145 all the time, the return rate of the product is the guaranteed return, that is, the annual return rate of 1%. The beginning price refers to the spot price of EUR/USD published on the Bloomberg webpage, EUR CURRENCY BFIX, at 10 a.m. on the commencement date, Beijing time.

Principal amount of the subscription:	RMB100 million
Investment scope:	Structured deposits refer to deposits embedded in financial derivatives absorbed by commercial banks and linked to fluctuations in interest rates, exchange rates, indices, etc. or the credit status of an entity, from which depositors can obtain corresponding gains bearing certain risks. The final realized gains are comprised of guaranteed return and option floating return. The option premium comes from the deposit principal and its operating return. If the investment direction is correct, the client will obtain a high/medium return; if the direction is wrong, the client will gain a low return, which will not affect the principal
Payment of gain:	On the expiry date, Bank of Ningbo shall return 100% of the principal and transfer it to the designated account of Beijing Newlink. On the gain payment date (i.e., 13 April 2022), Bank of Ningbo will pay the structured deposit gains to Beijing Newlink, and transfer them to the designated account of Beijing Newlink within two working days after the expiry date

The risk level of the Bank of Ningbo Structured Deposit is low risk.

Beijing Newlink cannot redeem the principal and gains in advance before the expiry date.

The Group will subscribe for the Bank of Ningbo Structured Deposit with the unused idle part of the net proceeds from the Global Offering.

### **Basis for Determination of the Consideration**

The directors of the Company confirm that, the consideration of RMB100 million for the subscription for the Bank of Ningbo Structured Deposit has been determined by the Company and Bank of Ningbo on the basis of arm's length negotiations on commercial terms after considering the amount of idle net proceeds from the Global Offering, the product's risks, investment terms and the annualised rate of return.

### **Reasons and Benefits of the Subscription**

According to the Prospectus, the Company expects to utilize the IPO Proceeds by December 2025. The Company expects that the idle proceeds of RMB100 million for the subscription for the Bank of Ningbo Structured Deposit will not be used within one year from the date of this announcement and therefore the subscription for such Bank of Ningbo Structured Deposit will not affect the operation of the Group and the implementation of the fund-raising projects. Based on the premise of ensuring the safety and liquidity of funds, the Company intends to enhance the overall income of the Group through reasonable and effective operation of the unused idle part of the net proceeds from the Global Offering. The Bank of Ningbo Structured Deposit subscribed is principal-protected, thus safeguarding the safety of the principal.

Based on the above, the directors of the Company are of the view that the subscription for the Bank of Ningbo Structured Deposit is carried out on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## Information of the Parties

Beijing Newlink, established under the laws of the PRC on 15 August 2011 with limited liability, is a wholly-owned subsidiary of the Company. Beijing Newlink is mainly engaged in software development and maintenance.

Bank of Ningbo is a licensed bank established under the laws of the PRC, which is principally engaged in the provision of corporate and personal banking and other financial services in the PRC and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002142). To the best of knowledge, information and belief of the directors of the Company after making all reasonable enquiries, as of the date of this announcement, Bank of Ningbo and its ultimate beneficial owners are independent third parties independent of the Company and its connected persons.

## LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the subscription amount of the Bank of Ningbo Structured Deposit exceeds 5% but is less than 25%, the subscription for the Bank of Ningbo Structured Deposit constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless otherwise indicated, the following terms shall have the meanings set out below:

“Announcements”	the announcement of the Company dated 15 August 2021 and 24 December 2021
“Bank of Ningbo”	Bank of Ningbo Co., Ltd. (寧波銀行股份有限公司)
“Bank of Ningbo Structured Deposit”	the institutional structured deposit product issued by Bank of Ningbo
“Beijing Newlink”	Beijing Newlink Technology Co., Ltd. (北京新紐科技有限公司), established under the laws of the PRC on 15 August 2011 with limited liability, is a wholly-owned subsidiary of the Company
“Board”	the board of directors 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. The Company is an investment holding company, and its subsidiaries established in the PRC are primarily engaged in providing IT solutions for financial and healthcare institutions
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

“Global Offering”	the Hong Kong public offering and the international offering of Shares in connection with the Company’s initial public offering of its Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“IPO Proceeds”	the net proceeds from the Global Offering, amounted to approximately HK\$790.4 million
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated 21 December 2020 in relation to the Global Offering
“Restored Use of the IPO Proceeds”	the use of proceeds of the IPO Proceeds as disclosed in the Prospectus and restored as stated in the announcement of the Company dated 24 December 2021
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary shares of US\$0.000001 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Deposit Agreement”	the institutional structured deposit product agreement (單位結構性存款產品協議) entered into between Beijing Newlink and Bank of Ningbo on 7 January 2022 in relation to the subscription for the Bank of Ningbo Structured Deposit, the major terms of which are summarised in this announcement
“%”	percent

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

Beijing, the PRC, 7 January 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, Mr. YE Jinfu and Ms. YANG Juan.*

\* For identification purposes only