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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)

CONTINUING CONNECTED TRANSACTION IN RELATION TO THE CROSS INDUSTRY CORPORATE FINANCIAL PRODUCTS COOPERATION AGREEMENT

On June 27, 2023 (after trading hours), Huanrong Lianyi Technology, a Consolidated Affiliated Entity, entered into the Cooperation Agreement with WeBank. Pursuant to the Cooperation Agreement, Huanrong Lianyi Technology shall provide services to WeBank to enable WeBank to provide financing to small-and-medium enterprise (“SME”) customers and WeBank shall in return pay service fees to Huanrong Lianyi Technology.

LISTING RULES IMPLICATIONS

As at the date of this announcement, WeBank is an associate of Tencent, a substantial shareholder of the Company, and therefore a connected person of the Company. As a result, the transactions contemplated under the Cooperation Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the Cooperation Agreement (calculated with reference to the highest annual cap under such agreement) exceed 0.1% but are less than 5%, the transactions contemplated under the Cooperation Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On July 21, 2022, Huanrong Lianyi Technology entered into the Previous Cooperation Agreement with WeBank, pursuant to which Huanrong Lianyi Technology agreed to provide services to WeBank which leverage the Group's technology capabilities and extensive relationships with participants in the supply chain finance sector and facilitate the SME financing customers acquisition of WeBank, and WeBank agreed in return to pay service fees to Huanrong Lianyi Technology. As the applicable percentage ratios under the Listing Rules in respect of the Previous Cooperation Agreement (calculated with reference to the highest annual cap under such agreement) are less than 5% and the total consideration is less than HK\$3,000,000, the transactions contemplated under the Previous Cooperation Agreement were fully exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

In view of the expected increase in the volume of financing to be provided by WeBank to the SME customers as a result of the transactions under the Previous Cooperation Agreement, it is expected that the transaction amount for the year ending December 31, 2023 will exceed HK\$3,000,000. Accordingly, on June 27, 2023, Huanrong Lianyi Technology entered into the Cooperation Agreement with WeBank in replacement of the Previous Cooperation Agreement. The terms of the Cooperation Agreement are substantially the same as the Previous Cooperation Agreement, except for certain fee rates, details of which are set out in this announcement. The Previous Cooperation Agreement shall be terminated upon the Cooperation Agreement becoming effective.

Details of the Cooperation Agreement are set out below:

THE COOPERATION AGREEMENT

Date: June 27, 2023

Parties: (1) Huanrong Lianyi Technology; and
(2) WeBank

Term: From the date of the Cooperation Agreement to December 31, 2023

- Subject matter: Huanrong Lianyi Technology shall provide services to WeBank by way of identifying eligible potential customers and providing information about such customers and their intention to obtain financing to enable WeBank (or financial institutions in cooperation with WeBank) to provide financing to such customers and WeBank shall in return pay service fees to Huanrong Lianyi Technology.
- Pricing policies: The service fees payable by WeBank to Huanrong Lianyi Technology shall be calculated based on the amount of new credit (as defined in the Cooperation Agreement) provided by WeBank to customers acquired via the Group on a monthly basis multiplied by the applicable rate which shall be determined by product type and relevant volume. The applicable rates can be adjusted upon mutual consent of the parties.
- Payment terms: The service fees shall be payable by WeBank on a quarterly basis. WeBank shall provide Huanrong Lianyi Technology with the relevant credit data within 10 working days after the end of each quarter, and after confirmation of such data by Huanrong Lianyi Technology, Huanrong Lianyi Technology shall issue an invoice to WeBank which shall be paid within 15 working days upon receipt.

Historical Transaction Amount

The historical transaction amount under the Previous Cooperation Agreement for the period from July 21, 2022 to December 31, 2022 was approximately RMB0.2 million.

Annual Cap and Basis of Annual Cap

The annual cap for the service fees payable by WeBank to Huanrong Lianyi Technology for the year ending December 31, 2023 is RMB15 million, which was determined principally with reference to the following factors:

- (i) the historical transaction amount and the anticipated transaction amount under the Cooperation Agreement for the year ending December 31, 2023;
- (ii) the more favorable service fee rates effective from June 1, 2023. Pursuant to the Cooperation Agreement, the parties agreed on service fee rates which are generally more favorable to the Group as compared to those in the Previous Cooperation Agreement, which, together with item (iii) described below, would enable the Group to receive a larger sum of service fees; and
- (iii) the expected increase in the volume of financing to be provided by WeBank to customers acquired via the Group, driven by the increase of financial needs of SMEs in the second half of the year, and accordingly the expected amount of service fees payable by WeBank to the Group for the year ending December 31, 2023.

REASONS FOR AND BENEFITS OF THE COOPERATION AGREEMENT

One of the Group's strategies is to expand and enhance supply chain finance ecosystem, and broaden SMEs' access to financing. The cooperation with WeBank under the Cooperation Agreement would help the Group expand its supply chain finance ecosystem, enrich product offerings and promote the business growth of the Group.

In view of the success and positive experience in the cooperation between the Group and WeBank under the Previous Cooperation Agreement and the expected increase in the amount of service fee payable by WeBank to the Group for the year ending December 31, 2023, the Board is of the view that there is a strong business need to enter into the Cooperation Agreement in order for both parties to continue to benefit from the partnership between the parties.

The Directors (including all of the independent non-executive Directors) are of the view that the continuing connected transactions contemplated under the Cooperation Agreement (including the annual cap) are conducted on normal commercial terms, were entered into in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Mr. Lin Haifeng, a non-executive Director, holds positions in Tencent and therefore abstained from voting on the relevant Board resolutions approving the Cooperation Agreement and the transactions contemplated thereunder.

INFORMATION ON THE PARTIES

Huanrong Lianyi Technology is a Consolidated Affiliated Entity and is principally engaged in the development of software and the provision of information technology services and the Group is principally engaged in providing supply chain finance technology solutions and innovative data-driven emerging solutions in the PRC and overseas countries and regions.

WeBank is a company established under the laws of the PRC, and an associate of Tencent, a connected person of the Company. It is principally engaged in the online banking business. To the best of the knowledge, information and belief of the Company having made all reasonable enquiry and based on internet searches conducted in the PRC, WeBank is held as to:

- (i) 30% by Shenzhen Tencent Domain Computer Network Co., Ltd.[#] (深圳市騰訊網域計算機網絡有限公司) (“**Shenzhen Tencent**”). Shenzhen Tencent is in turn held by Shenzhen Shiji Kaixuan Technology Co., Ltd.[#] (深圳市世紀凱旋科技有限公司) (“**Shiji Kaixuan**”) as to 71% and Shenzhen Tencent Computer System Company Limited[#] (深圳市騰訊計算機系統有限公司) (“**Tencent Computer System**”) as to 29%. Each of Shiji Kaixuan and Tencent Computer System is a subsidiary of Tencent, a substantial shareholder of the Company;
- (ii) 20% by Shenzhen Baiyeyuan Investment Co., Ltd.[#] (深圳市百業源投資有限公司), a PRC limited liability company primarily engaged in the business of investment and supply of resources and ultimately controlled by Baoguo Zhu (朱保國), an independent third party;
- (iii) 20% by Shenzhen Liye Group Co., Ltd.[#] (深圳市立業集團有限公司), a PRC limited liability company primarily engaged in the investment of electricity industry, new energy industry and high tech projects and ultimately controlled by Li Lin (林立), an independent third party; and
- (iv) 30% by seven other shareholders, each being an independent third party holding less than 10% shares in WeBank.

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INTERNAL CONTROL

The Group has adopted the following internal control measures to ensure that the transactions to be conducted under the Cooperation Agreement will be carried out in accordance with the terms of the Cooperation Agreement, including the pricing policies, and in compliance with all the applicable requirements under the Listing Rules:

- (1) the finance team shall regularly examine the pricing of the transactions under the Cooperation Agreement to ensure that such transactions are conducted in accordance with the pricing terms thereof;
- (2) the internal control team of the Group shall periodically review the pricing of the transactions under the Cooperation Agreement against the prices negotiated between the Group and independent third parties for comparable services, to ensure that the terms of the Cooperation Agreement are not less favorable to the Group than terms between the Group and third parties;
- (3) the finance and business teams of the Group shall periodically monitor the transaction amounts under the Cooperation Agreement and, when it is expected that the transaction amount would exceed the designed annual cap, promptly report in accordance with the Group's connected transaction policy to ensure that the Company complies with all the applicable requirements under the Listing Rules for revising the relevant annual cap;
- (4) the legal team of the Group shall review the terms of the Cooperation Agreement and, in case of any proposed change to the major terms of the transactions, ensure that the Company complies with all applicable requirements under the Listing Rules, including but not limited to publishing an announcement; and

- (5) the Company's external auditor shall conduct an annual review of the continuing connected transactions of the Company conducted during the financial year, including the transactions under the Cooperation Agreement, in accordance with the Listing Rules.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Linklogis Inc. (聯易融科技集團), an exempted company with limited liability incorporated under the laws of the Cayman Islands on March 13, 2018 whose shares are listed on the Main Board of the Stock Exchange (stock code: 9959)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Affiliated Entity(ies)”	Linklogis Digital Technology Group Co., Ltd. (聯易融數字科技集團有限公司), a limited liability company established in Shenzhen, the PRC on February 5, 2016, and its subsidiaries and affiliated entities, the financial accounts of which have been consolidated and accounted for as if they were subsidiaries of the Company by virtue of contractual arrangements of the Group
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Cooperation Agreement”	the cross industry corporate financial products cooperation agreement dated June 27, 2023 entered into between Huanrong Lianyi Technology and WeBank
“Director(s)”	the director(s) of the Company

“Group”	the Company, its subsidiaries, and the Consolidated Affiliated Entities from time to time, and in respect of the period prior to the Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huanrong Lianyi Technology”	Shenzhen Qianhai Huanrong Lianyi Information Technology Co., Ltd. (深圳前海環融聯易信息科技服務有限公司), a limited liability company established in Shenzhen, the PRC on July 25, 2016 and one of the Consolidated Affiliated Entities, details of which are set out in the Prospectus
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended and supplemented from time to time)
“PRC”	the People’s Republic of China, which, for the purposes of this announcement only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Previous Cooperation Agreement”	the cross industry corporate financial products cooperation agreement dated July 21, 2022 entered into between Huanrong Lianyi Technology and WeBank
“Prospectus”	the prospectus issued by the Company on March 26, 2021 in connection to its global offering
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Tencent”	Tencent Holdings Limited, a company whose shares are listed on the Stock Exchange (stock code: 0700) and is a substantial shareholder of the Company
“WeBank”	WeBank Co., Ltd.# (深圳前海微眾銀行股份有限公司), a company established under the laws of the PRC, an associate of Tencent and a connected person of the Company
“%”	per cent

By Order of the Board
Linklogis Inc.
Song Qun
Chairman

Hong Kong, June 27, 2023

As at the date of this announcement, the Board of Directors of the Company 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.

For identification purposes only