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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)**

## **PROFIT WARNING**

This announcement is made by Newlink Technology Inc. (the “**Company**”, together with its subsidiaries, 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 of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the management accounts of the Group, (1) the Group is expected to record a decreased gross profit ranging from approximately RMB24 million to approximately RMB27 million for the six months ended 30 June 2023, representing a possible decrease of approximately 19% to 28% as compared to the Group’s gross profit for the six months ended 30 June 2022. This is mainly due to the decline in the gross profit of the software development services business, the largest revenue contributor of the Group for the six months ended 30 June 2023. Despite the revenue of Group is expected to remain stable as compared to the same period of last year, affected by novel coronavirus (COVID-19) pandemic infection peak during the period from December 2022 to the first quarter of 2023, the implementation progress of the Group’s software development services business was slow as limited by the schedule for the resumption of work and production of the major customers, resulting in a year-on-year decline in the revenue of such type of business in the first half of 2023. At the same time, the project completion cycle was forced to extend. In addition, the project costs increased significantly due to the combined effect of factors such as increased payment of staff severance compensation as compared to the same period of last year. (2) The Group is expected to record a loss for the period attributable to owners of the Company ranging from approximately RMB26 million to approximately RMB29 million for the six months ended 30 June 2023, representing a possible decrease of approximately 249% to 267% as compared to the Group’s recorded profit for the period attributable to owners of the Company for the six months ended 30 June 2022, which is mainly due to the combined effect of factors, such as the fact that the Group did not record any fair value gain on equity investment at fair value through profit or loss for the six months ended 30 June 2023, the Group’s additional selling and distribution expenses, administrative expenses and research and development expenses incurred by the newly acquired subsidiary Beijing Neusoft Yuetong Software Technology Co., Ltd. (北京東軟越通軟件技術有限公司), a significant increase in research and development expenses resulting from the increase in the amount of the Group’s amortisation of deferred development costs as well as increased payment of staff severance compensation as compared to the same period of last year.

The results of the Group for the six months ended 30 June 2023 remain subject to finalisation and adjustment, if any. The information contained in this announcement is only a preliminary assessment by the management of the Company with reference to the information currently available to the Board, including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023, and is not based on any figures or information that has been audited or reviewed by the auditors or the audit committee of the Company. The information contained in this announcement may be different from the financial information to be published. Shareholders and potential investors of the Company are advised to read carefully the details of the Group's interim results for the six months ended 30 June 2023, which are expected to be published by the end of August 2023.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Beijing, the PRC, 21 August 2023

*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. YE Jinfu.*

\* *For identification purposes only*