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)

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF 19.608% EQUITY INTEREST IN THE TARGET

On November 22, 2023 (after trading hours), Linklogis Hong Kong Limited (the "**Vendor**"), a wholly-owned subsidiary of the Company, Sinopharm Holdings (China) Financial Leasing Co., Ltd. (國藥控股(中國)融資租賃有限公司) (the "**Purchaser**") and the Other Vendors entered into the Equity Transfer Agreement, pursuant to which, among others, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, 19.608% equity interest in Sinopharm Rosina (Shanghai) Commercial Factoring Co., LTD.* (國藥融匯(上海)商業保理有限公司) (the "**Target**") at a consideration of RMB111,918,228.67.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Linklogis Disposal exceeds 25% but is less than 75%, the Linklogis Disposal constitutes a major transaction for the Company and is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders or any of their respective close associates have any material interest in the Equity Transfer Agreement and the transactions contemplated thereunder. As such, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval for the Equity Transfer Agreement and the transactions contemplated thereunder. In addition, the Company has received written approval for the Equity Transfer Agreement and the transactions contemplated thereunder from Mr. Song, its founder, executive Director, chairman of the Board, chief executive officer and Controlling Shareholder, who is interested in 267,626,789 Class A Shares and 19,799,907 Class B Shares, representing approximately 57.44% of the voting rights of the Company as at the date of this announcement with respect to shareholder resolutions relating to matters other than the Reserved Matters. Accordingly, the conditions under Rule 14.44 of the Listing Rules have been met and no general meeting of the Company will be held to approve the Equity Transfer Agreement and the transactions contemplated thereunder. A circular containing further details of the Equity Transfer Agreement and the transactions contemplated thereunder is expected to be despatched to the Shareholders on or before December 13, 2023.

Completion of the Linklogis Disposal is conditional upon the satisfaction or waiver of the conditions set out in the section headed "The Equity Transfer Agreement - Conditions precedent" in this announcement. Therefore, the Linklogis Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

INTRODUCTION

On November 22, 2023 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, the Purchaser and the Other Vendors entered into the Equity Transfer Agreement, pursuant to which, among others, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, 19.608% equity interest in the Target at a consideration of RMB111,918,228.67.

THE EQUITY TRANSFER AGREEMENT

Details of the Equity Transfer Agreement are set out below:

Date: November 22, 2023

Parties:

(i) the Vendor;

(ii) the Other Vendors; and

(iii) the Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser, the Other Vendors and their respective ultimate beneficial owner(s) are independent third parties of the Company and its connected persons.

To the best of the Directors' knowledge, information and belief, save for a loan amounting to RMB30,000,000 granted by the Vendor to Hong Kong Han Tou on May 24, 2019 which has been disclosed in the prospectus of the Company dated March 26, 2021, the Company's annual report for the year ended December 31, 2022 and interim report for the six months ended June 30, 2023, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the counterparties of the Equity Transfer Agreement (including (i) Sinopharm Holdings (China) Financial Leasing Co., Ltd.; (ii) PAG Growth Holding II (HK) Limited; (iii) Shanghai Chengzi Enterprise Management Partnership (Limited Partnership); (iv) Hong Kong Han Tou Jin Chuang Investment Management Limited; and (v) Quzhou Junheng Equity Investment Partnership (Limited Partnership)), any of their directors and legal representatives and/or any ultimate beneficial owner(s) of the counterparties of the Equity Transfer Agreement who can exert influence on the transactions contemplated thereunder; and (b) the Company, any connected person at the Company's level and/or any connected person at the subsidiary level (to the extent that such subsidiary/subsidiaries is/are involved in the transaction).

Subject Matter

Pursuant to the Equity Transfer Agreement, the Vendor and the Other Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, 76.471% equity interest in the Target at an aggregate consideration of RMB425,754,686.01, among which:

(i) the Vendor has conditionally agreed to sell 19.608% equity interest in the Target at a consideration of RMB111,918,228.67; and

(ii) the Other Vendors have conditionally agreed to sell 56.863% equity interest in the Target at a consideration of RMB313,836,457.34.

As at the date of this announcement, the Target is held as to 19.608% by the Vendor, 56.863% by the Other Vendors and 23.529% by the Purchaser. Upon completion of the Disposal, the Target will be wholly owned by the Purchaser and will no longer be accounted for as an associate of the Group.

Consideration and the Basis of the Consideration

The total consideration for the Linklogis Disposal is RMB111,918,228.67, which was determined after arm's length negotiations between the Vendor, the Other Vendors and the Purchaser on normal commercial terms with reference to the audited consolidated net asset value attributable to the equity shareholders of the Target of RMB570,805,771.85 as at September 30, 2022 (being the benchmark date agreed by the parties during negotiation). Taking into account (i) the factors contained in the section headed "Reasons for and Benefits of the Linklogis Disposal", more specifically that the Group has capitalized on the investment in the Target since its investment in 2018 (in particular, it has developed a stable and strong cooperation relationship with the Target and the Purchaser group which it intends to continue), (ii) a shift in the Target's business focus to service the Purchaser group; (iii) the Group is expected to have RMB109.9 million in net proceeds from the Linklogis Disposal, and (iv) the Group is only a minority investor in the Target, the Board considered the consideration to be appropriate and in the interests of the Company and the Shareholders.

Payment of Consideration to the Vendor

In respect of the Linklogis Disposal, (i) 90% of the consideration (the "**First Payment**") shall be paid to the Vendor within 15 working days of the Target completing the corresponding change of industrial and commercial registration and the change of foreign exchange registration and the Purchaser completing the corresponding tax filings; and (ii) 10% of the consideration (the "**Second Payment**") shall be paid to the Vendor within 10 working days of the earlier of (a) the 90th working day after the completion of the aforementioned change of industrial and commercial registration; or (b) December 31, 2023. If the First Payment has not been fully made, the Second Payment shall be deferred and shall be made within 3 working days from the date when the First Payment becomes payable. Each of the First Payment and Second Payment will be settled in cash.

Conditions Precedent

Completion of the Disposal shall be conditional upon the following conditions precedent:

(i) the shareholders and directors of each of the Vendor and the Other Vendors having approved the Disposal, the entering into of the Equity Transfer Agreement and the performance of obligations thereunder and authorized the relevant persons to sign the Equity Transfer Agreement in accordance with applicable laws and internal procedures, and provided the Purchaser with a copy of written resolutions in relation to the same;

(ii) each of the Vendor and the Other Vendors, at the request of the Purchaser and the Target, having provided or caused to be provided the documents and certifications required for any registration or filing to be made with any regulatory authority in relation to the Disposal;

(iii) the directors of the Target appointed by each of the Vendor and the Other Vendors having signed and provided to the Purchaser a letter of removal in respect of his/her director position at the Target;

(iv) there being no actions or procedures by any government agency that would prohibit, restrict, delay or otherwise prevent or attempt to prevent the Vendor and the Other Vendors from completing the Disposal;

(v) there being no material breach of the Equity Transfer Agreement by the Vendor or the Other Vendors and each warranty set out in the Equity Transfer Agreement remaining true and accurate in all material respect as of the date of closing;

(vi) each of the Vendor and the Other Vendors having provided the Purchaser with certified copies of its business license/registration certificate, articles of association, director list and shareholder list;

(vii) the Target not having experienced any material adverse issues during the period from September 30, 2022, until the date when the directors of the Target appointed by the Vendor and the other Vendors sign the letter of removal in respect of his/her director position at the Target; and

(viii) the Vendor and the Other Vendors having signed and delivered to the Purchaser a completion certificate, confirming all conditions precedent to the completion of the Disposal have been satisfied.

The Purchaser may waive in writing any of the conditions precedent set out above.

Completion

Within 5 working days after the satisfaction or waiver of the conditions precedent, the Target shall make the necessary registration or filing with the regulatory authority in relation to the Disposal.

REASONS FOR AND BENEFITS OF THE LINKLOGIS DISPOSAL

The Target is principally engaged in providing supply chain financing services in the pharmaceutical and healthcare related industries. The Company made a capital injection into and acquired a minority interest in the Target in 2018 with the intention to penetrate into the supply chain finance scenarios in the pharmaceutical industry and enrich the technology solutions offered by the Group, by utilizing the broad connections of the Target with members in the Sinopharm group and leading players in the pharmaceutical industry. Over the years, the Company has achieved its investment purposes through developing a stable and strong cooperation relationship with the Target. Recently, the

Target, in addition to its existing business in the pharmaceutical and healthcare related industries, strategically focused on providing services to the upstream and downstream companies within its group. The Purchaser, belonging to the same group as the Target, thus offered to purchase all equity interest in the Target held by the Vendor and the Other Vendors, after which the Target will become a wholly-owned subsidiary of the Purchaser.

In light of the aforesaid, the Directors considered that the Linklogis Disposal would be a good opportunity for the Group to realize its investment and to reallocate its resources for future business development. Although the Group estimates that it will record a loss in respect of the Linklogis Disposal (which is set out further below), the Directors believed the consideration of the Linklogis Disposal was the best price that can be negotiated under the current circumstances and in the reasonably foreseeable future. In addition, after consideration of the current circumstances and market conditions, the Directors believed that the Linklogis Disposal will not have an adverse impact on the established connection with the Target and the Purchaser group and the Directors believed that the disposal of 19.608% equity interest in the Target by the Vendor now will benefit the Group more than the disposal in a later stage. Therefore, the Directors (including all of the independent non-executive Directors) are of the view that the Equity Transfer Agreement is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the Equity Transfer Agreement, nor was any of them required to abstain from voting on the relevant Board resolutions.

INFORMATION ON THE PARTIES

The Vendor and the Other Vendors

The Vendor, a wholly-owned subsidiary of the Company, is a limited liability company incorporated in Hong Kong on April 6, 2018 and is principally engaged in investment holding. 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.

PAG, a limited company incorporated in Hong Kong, is principally engaged in alternative investment focused on the Asia-Pacific geographies. PAG is ultimately controlled by Mr. Weijian Shan (單偉建), Mr. Christopher Marcus Gradel and Mr. Jon-Paul Toppino, independent third parties of the Company and its connected persons.

Shanghai Chengzi, a limited partnership incorporated in the PRC, is principally engaged in corporate management and business consulting and is ultimately controlled by Xia Ren (任俠), an independent third party of the Company and its connected persons.

Hong Kong Han Tou, a limited liability company incorporated in Hong Kong, is principally engaged in investment holding and is ultimately controlled by Ping Zhao (趙萍), an independent third party of the Company and its connected persons.

Quzhou Junheng, a limited partnership incorporated in the PRC, is principally engaged in equity investment and investment management. Quzhou Junheng is held by Suzhou Asset Management Co., Ltd. (蘇州資產管理有限公司) as to 63.66% and other independent third parties as to 36.34%. The largest shareholder of Suzhou Asset Management Co., Ltd. is the Suzhou Municipal Bureau of Finance, an independent third party of the Company and its connected persons, who directly and indirectly holds over 30% equity interest in Suzhou Asset Management Co., Ltd..

The Purchaser

The Purchaser is a limited liability company incorporated in the PRC and principally engaged in financial leasing business. The largest shareholder of the Purchaser is Sinopharm Group Co. Ltd. (國藥控股股份有限公司) ("**Sinopharm Group**"), a joint stock limited company incorporated in the PRC, who directly and indirectly holds approximately 32.40% equity interest in the Purchaser. Sinopharm Group is ultimately controlled by China National Pharmaceutical Group Co., Ltd. (中國醫藥集團有限公司) ("**CNPGC**"), a state wholly-owned enterprise incorporated in the PRC. Each of the Purchaser, Sinopharm Group and CNPGC is a third party independent of the Company and its connected persons.

The Target

The Target is a PRC-incorporated limited liability company engaging in pharma-focused supply chain finance business. Set out below are certain audited financial information of the Target for the two financial years ended December 31, 2021 and 2022, respectively:

	For the year ended December 31,	
	2022	**2021**
	RMB	*RMB*
Profit before tax	29,033,396.68	30,700,626.84
Profit after tax	21,697,471.82	22,886,834.17

Based on the unaudited management accounts of the Target, the unaudited consolidated net asset value attributable to the equity shareholders of the Target as at June 30, 2023 was approximately RMB594.96 million.

FINANCIAL EFFECT OF THE LINKLOGIS DISPOSAL AND THE USE OF PROCEEDS

Based on the unaudited financial information of the Target as at October 31, 2023, the Group estimates that it will, in respect of the Linklogis Disposal, record a loss of approximately RMB13.08 million, calculated based on the difference between the carrying amount of the 19.608% equity interest in the Target held by the Vendor at the transaction date and the sum of the fair value of proceeds receivable by the Vendor and the loss of approximately RMB5.58 million reclassified from other comprehensive income of the consolidated financial statements. The actual financial effect of the Linklogis Disposal might change upon completion of the Linklogis Disposal and be subject to audit on the consolidated financial statements of the Group by the Company's auditors.

Save as disclosed above, the Linklogis Disposal will not have any material impact on the earnings, assets and liabilities of the Group.

The Company intends to apply the net proceeds from the Linklogis Disposal of approximately RMB109.9 million as general working capital of the Group to pay for operating expenses such as payroll and office rental.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Linklogis Disposal exceeds 25% but is less than 75%, the Linklogis Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders or any of their respective close associates have any material interest in the Equity Transfer Agreement and the transactions contemplated thereunder. As such, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval for the Equity Transfer Agreement and the transactions contemplated thereunder. In addition, the Company has received written approval for the Equity Transfer Agreement and the transactions contemplated thereunder from Mr. Song, its founder, executive Director, chairman of the Board, chief executive officer and Controlling Shareholder, who is interested in 267,626,789 Class A Shares and 19,799,907 Class B Shares, representing approximately 57.44% of the voting rights of the Company as at the date of this announcement with respect to shareholder resolutions relating to matters other than the Reserved Matters. Accordingly, the conditions under Rule 14.44 of the Listing Rules have been met and no general meeting of the Company will be held to approve the Equity Transfer Agreement and the transactions contemplated thereunder. A circular containing further details of the Equity Transfer Agreement and the transactions contemplated thereunder is expected to be despatched to the Shareholders on or before December 13, 2023.

Completion of the Linklogis Disposal is conditional upon the satisfaction or waiver of the conditions set out in the section headed "The Equity Transfer Agreement - Conditions precedent" in this announcement. Therefore, the Linklogis Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

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
"Class A Share(s)"	class A ordinary share(s) in the share capital of the Company with a par value of US$0.00000833 each, conferring weighted voting rights in the Company such that a holder of a Class A Share is entitled to ten votes per share on any resolution tabled at the Company's general meetings, save for resolutions with respect to any Reserved Matters, in which case they shall be entitled to one vote per share
"Class B Share(s)"	class B ordinary share(s) in the share capital of the Company with a par value of US$0.00000833 each, conferring a holder of a Class B Share one vote per share on any resolution tabled at the Company's general meetings
"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
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of 76.471% equity interest in the Target at an aggregate consideration of RMB425,754,686.01 by the Vendor and the Other Vendors to the Purchaser as contemplated under the Equity Transfer Agreement

"Equity Transfer Agreement"	the equity transfer agreement dated November 22, 2023 entered into between the Vendor, the other Vendors and the Purchaser in relation to the Disposal
"Group"	the Company, its subsidiaries, and the consolidated affiliated entities (the financial results of which have been consolidated and accounted for as subsidiaries of the Company by virtue of contractual arrangements) 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
"Hong Kong Han Tou"	Hong Kong Han Tou Jin Chuang Investment Management Limited (香港瀚投金創投資管理有限公司), a limited company incorporated in Hong Kong
"Linklogis Disposal"	the disposal of 19.608% equity interest in the Target at a consideration of RMB111,918,228.67 by the Vendor to the Purchaser as contemplated under the Equity Transfer Agreement
"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)
"Other Vendors"	PAG, Shanghai Chengzi, Hong Kong Han Tou and Quzhou Junheng
"PAG"	PAG Growth Holding II (HK) Limited, a company incorporated in Hong Kong
"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
"Purchaser"	Sinopharm Holdings (China) Financial Leasing Co., Ltd.* (國藥控股(中國)融資租賃有限公司), a company incorporated in the PRC
"Quzhou Junheng"	Quzhou Junheng Equity Investment Partnership (Limited Partnership)* (衢州鈞衡股權投資合夥企業(有限合夥)), a limited partnership established in the PRC

"Reserved Matters"	those matters resolutions with respect to which each Share is entitled to one vote at general meetings of the Company pursuant to the articles of association of the Company, being: (i) any amendment to the memorandum and articles of association of the Company, including the variation of the rights attached to any class of Shares, (ii) the appointment, election or removal of any independent non-executive Director, (iii) the appointment or removal of the Company's auditors, and (iv) the voluntary liquidation or winding-up of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Chengzi"	Shanghai Chengzi Enterprise Management Partnership (Limited Partnership)* (上海騁紫企業管理合夥企業(有限合夥)), a limited partnership established in the PRC
"Shareholders"	shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Target"	Sinopharm Rosina (Shanghai) Commercial Factoring Co., LTD.* (國藥融匯(上海)商業保理有限公司), a company incorporated in the PRC
"Vendor"	Linklogis Hong Kong Limited, a limited liability company incorporated in Hong Kong on April 6, 2018 and a wholly-owned subsidiary of the Company
"%"	per cent

By Order of the Board
Linklogis Inc.
Song Qun
Chairman

Hong Kong, November 22, 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*