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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue	133,740	122,905
Gross profit	24,066	24,725
Loss before tax	(64,609)	(55,403)
Income tax expense	(24)	(15)
Loss for the period	(64,633)	(55,418)
	As at 30 June 2025	As at 31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Total assets	815,909	882,822
Total liabilities	145,628	143,384
Total equity	670,281	739,438

In this announcement, “we”, “us” and “our” refer to the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of Newlink Technology Inc. (the “**Company**” or “**Newlink Technology**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2025 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2024.

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
	Notes	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue	3	133,740	122,905
Cost of sales and services rendered	6	<u>(109,674)</u>	<u>(98,180)</u>
Gross profit		24,066	24,725
Other income and gains	4	3,645	5,868
Change in fair value of equity investments at fair value through profit or loss		(18,218)	(4,262)
Change in fair value of contingent consideration		1,576	—
Selling and distribution expenses		(9,672)	(8,002)
Administrative expenses		(23,728)	(22,476)
Research and development expenses		(27,627)	(37,648)
Allowance for expected credit losses on trade receivables, contract assets and other receivables, net		(10,472)	(11,261)
Other expenses		(2,012)	(12)
Finance costs	5	(539)	(1,067)
Share of results of an associate		<u>(1,628)</u>	<u>(1,268)</u>
Loss before taxation	6	(64,609)	(55,403)
Income tax expense	7	<u>(24)</u>	<u>(15)</u>
Loss for the period		<u>(64,633)</u>	<u>(55,418)</u>

		For the six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Other comprehensive (loss) income:			
<i>Item that will not be reclassified to profit or loss:</i>			
Revaluation surplus on transfer of owned properties to investment properties		—	9
Exchange differences arising on translation from functional currency to presentation currency		<u>(3,958)</u>	<u>(1,398)</u>
		<u>(3,958)</u>	<u>(1,389)</u>
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(566)</u>	<u>(200)</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		<u>(4,524)</u>	<u>(1,589)</u>
Total comprehensive loss for the period		<u><u>(69,157)</u></u>	<u><u>(57,007)</u></u>
Loss for the period attributable to:			
Owners of the Company		(64,378)	(55,226)
Non-controlling interests		<u>(255)</u>	<u>(192)</u>
		<u>(64,633)</u>	<u>(55,418)</u>
Total comprehensive loss for the period attributable to:			
Owners of the Company		(68,902)	(56,815)
Non-controlling interests		<u>(255)</u>	<u>(192)</u>
		<u>(69,157)</u>	<u>(57,007)</u>
		RMB cents	RMB cents
Loss per share			
Basic and diluted	9	<u><u>(6.86)</u></u>	<u><u>(6.67)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		30 June 2025	31 December 2024
	Notes	RMB'000 (Unaudited)	RMB'000 (Audited)
Non-current assets			
Investment properties		11,264	11,264
Property and equipment	10	14,324	15,280
Right-of-use assets		12,308	12,160
Intangible assets	11	89,297	100,169
Goodwill		36,724	36,724
Investment in an associate		4,741	6,369
Equity investments at fair value through profit or loss		17,600	23,438
Contract assets	13	676	676
Long-term deposits and prepayments	14	7,787	7,849
Deferred tax assets		507	505
		<u>195,228</u>	<u>214,434</u>
Current assets			
Inventories		192	1,831
Trade receivables	12	172,333	159,087
Contract assets	13	130,503	108,479
Equity investments at fair value through profit or loss		15,370	28,157
Prepayments, deposits and other receivables	14	13,672	12,435
Amounts due from related parties		6,842	6,842
Pledged deposits		829	3,317
Restricted bank balances		1,435	1,435
Bank balances and cash		279,505	346,805
		<u>620,681</u>	<u>668,388</u>

		30 June 2025	31 December 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Audited)
Current liabilities			
Trade payables	15	81,406	60,856
Contract liabilities		14,739	15,656
Other payables and accruals	16	6,821	12,835
Dividends payable	8	6	7
Interest-bearing bank borrowings	17	10,000	20,000
Lease liabilities		4,621	3,505
Consideration payable		19,424	—
Contingent consideration		—	21,000
Tax payable		—	2
		<u>137,017</u>	<u>133,861</u>
Net current assets		<u>483,664</u>	<u>534,527</u>
Total assets less current liabilities		<u>678,892</u>	<u>748,961</u>
Non-current liabilities			
Lease liabilities		7,996	9,033
Deferred tax liabilities		615	490
		<u>8,611</u>	<u>9,523</u>
Net assets		<u>670,281</u>	<u>739,438</u>
Capital and reserves			
Share capital	18	7	7
Reserves		<u>670,359</u>	<u>739,261</u>
Equity attributable to owners of the Company		670,366	739,268
Non-controlling interests		<u>(85)</u>	<u>170</u>
Total equity		<u><u>670,281</u></u>	<u><u>739,438</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

Newlink Technology Inc. (the “**Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 8 November 2019 with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 6 January 2021. The address of the Company’s registered office is PO Box 309, Umland House, Grand Cayman, KY1-1104, Cayman Islands. The address of the Company’s principal place of business in Hong Kong is room 2910, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong to Unit 06 on 20th Floor of Harbour Centre, No 25 Harbour Road, Wan Chai, Hong Kong with effect from 31 March 2025, and the headquarters and principal place of business in the People’s Republic of China (hereafter, the “**PRC**”) is 5/F., Tower A, Xueqing Jiachuang Building, Xueqing Road, Haidian District, Beijing, the PRC.

The Company is an investment holding company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the business of software development and maintenance in the PRC.

In the opinion of the directors of the Company, the immediate holding company and the ultimate holding company of the Company is Nebula SC Holdings Limited, a company incorporated in British Virgin Islands, while the ultimate beneficial owner of the Company is Mr. Zhai Shuchun (“**Mr. Zhai**”), the executive director of the Company.

2. BASIS OF PREPARATION

The Directors are responsible for the preparation of the Group’s interim condensed consolidated financial information. These interim condensed consolidated financial information have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to the Rule Governing the Listing of Securities on the Stock Exchange. These interim condensed consolidated financial information should be read in conjunction with the 2024 annual financial statement (the “**2024 Annual Report**”). The accounting policies adopted in preparing the interim condensed consolidated financial information for the six months ended 30 June 2025 are consistent with those in the preparation of the Group’s 2024 Annual Report, except for the adoption of the new/revised HKFRS Accounting Standards which are relevant to the Group’s operation and are effective for the Group’s financial year beginning on 1 January 2025 as described below.

Adoption of new/revised HKFRS Accounting Standards

Amendments to HKAS 21

Lack of Exchangeability

The adoption of these amendments to HKFRS Accounting Standards did not result in substantial changes to the Group’s accounting policies and amounts reported for the current period and prior years.

Future changes in HKFRS Accounting Standards

At the date of authorisation of the Group's interim condensed consolidated financial information, the HKICPA has issued a number of new/revised HKFRS Accounting Standards that are not yet effective for the current period, which the Group has not early adopted.

The directors have assessed the possible impact on the future adoption of the new/revised HKFRS Accounting Standards and estimate that the amendments do not have any significant impact on the interim condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating and reporting segment primarily on the provision of IT solution services in the PRC. This operating segment has been identified on the basis of internal management reports reviewed by the chief operating decision-makers (the "CODM"), being the executive directors of the Company. The CODM mainly reviews revenue derived from provision of software development services, technical and maintenance services and sale of standard software, which are measured in accordance with the Group's accounting policies. The financial information reported to the CODM is reflected through the overall operating performance of the Group for resource allocation and performance evaluation. Accordingly, no segment information is presented.

Information about major customers

Aggregated revenue of approximately RMB65,310,000 (30 June 2024: approximately RMB60,993,000) was derived from the following single customers, which individually accounted for more than 10% of the Group's total revenue.

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Customer 1	*	26,294
Customer 2	*	20,909
Customer 3	18,519	13,790
Customer 4	16,920	*
Customer 5	15,053	*
Customer 6	14,818	*

* The correspondence revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue for the respective period.

Revenue from contracts with customers

Disaggregated revenue information

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods or services		
Software development service	118,661	104,769
Technical and maintenance services	12,839	13,839
Sale of standard software	2,240	4,297
	<u>133,740</u>	<u>122,905</u>
Total revenue from contracts with customers	<u>133,740</u>	<u>122,905</u>
Timing of revenue recognition		
Goods transferred at a point in time	2,240	4,297
Services transferred over time	131,500	118,608
	<u>133,740</u>	<u>122,905</u>
Total revenue from contracts with customers	<u>133,740</u>	<u>122,905</u>

4. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Bank interest income	1,822	4,674
Value Added Tax (“VAT”) refunds and other tax subsidies (<i>Note</i>)	1,018	787
Others	805	407
	<u>3,645</u>	<u>5,868</u>

Note: Refunds of VAT on software products represent the refund upon payment of VAT with respect to the portion of any effective VAT rate in excess of 3% in respect of software product sales of the Group pursuant to the principles of the State Council document entitled “Certain Policies to Encourage the Development of Software Enterprise and the IC Industry” and the approval of the state taxation authorities.

5. FINANCE COSTS

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest expense on interest-bearing bank borrowings	194	352
Interest on lease liabilities	345	715
	<u>539</u>	<u>1,067</u>

6. LOSS BEFORE TAXATION

The Group's loss before taxation has been arrived at after charging (crediting):

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Cost of inventories sold	2,017	3,952
Cost of sales and services rendered	107,657	94,228
	<u>109,674</u>	<u>98,180</u>
Research and development expenses:		
Amortisation of deferred development costs (<i>Note (i)</i>)	16,218	18,690
Current year expenditure	11,409	18,958
	<u>27,627</u>	<u>37,648</u>
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	66,798	64,040
Pension scheme contributions (defined contribution scheme)	11,667	11,449
Termination benefits	1,618	1,733
	<u>80,083</u>	<u>77,222</u>
Depreciation of property and equipment	1,203	1,040
Depreciation of right-of-use assets	2,483	3,768
Amortisation of intangible assets (<i>Note (i)</i>)	23,698	25,871
Allowance for expected credit losses ("ECL") on trade receivables	10,314	11,128
Allowance for ECL on contract assets	163	133
Reversal of allowance for ECL of other receivable	(5)	—
Foreign exchange difference, net	124	17
	<u>124</u>	<u>17</u>

Note:

- (i) The amortisation of deferred development costs classified under research and development expenses is included in the amortisation of intangible assets. The amortisation of intangible assets for the period is included in cost of sales, selling and distribution expenses, administrative expenses and research and development expenses in the interim condensed consolidated statement of profit or loss and other comprehensive income.

7. INCOME TAX EXPENSE

The amount of taxation in the interim condensed consolidated statement of profit or loss and other comprehensive income represents:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax: PRC enterprise income tax (“EIT”)	<u>24</u>	<u>15</u>
Income tax expense	<u><u>24</u></u>	<u><u>15</u></u>

(i) Cayman Islands

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax.

(ii) Hong Kong

Hong Kong Profits Tax has been provided at the rate of 16.5% (30 June 2024: 16.5%) on the Group’s estimated assessable profits arising from Hong Kong during the period. The Group had no assessable profits for the periods ended 30 June 2025 and 2024.

(iii) PRC

The income tax provision of the Group in respect of its operations in the PRC was subject to statutory tax rate of 25% on the assessable profits for the six months ended 30 June 2025 (30 June 2024: 25%), except for certain subsidiaries which obtained the “High and New Technology Enterprise” qualification with preferential tax rate of 15% (30 June 2024: 15%).

Pursuant to the PRC EIT Law, a 10% withholding tax is levied on dividends distributed to foreign investors by the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings accumulated after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and jurisdiction of the foreign investors. For the Group’s PRC subsidiaries, the applicable rate is 10% (30 June 2024: 10%). Deferred tax liability is provided on the basis that the undistributed earnings of the Group’s entities are expected to be distributed in the foreseeable future. At 30 June 2025 and 30 June 2024, no deferred tax liability has been recognised as the remaining net earnings of the Group’s PRC subsidiaries are not expected to be distributed in the foreseeable future.

(iv) Singapore

Singapore Corporate Income Tax is charged at 17% on the Group's estimated assessable profits arising from Singapore during the period. The Group had no assessable profits for the period ended 30 June 2025.

(v) USA

US corporation is subject to two level of taxes. Corporation is taxed on its earnings, and when the corporate earnings are distributed to the shareholders as dividend, the shareholders need to pay tax on the dividend received. Corporate income tax is imposed at the federal and state level on all entities treated as corporation. The federal corporate tax rate is 21% while the state corporate tax rate is varied by states.

8. DIVIDENDS

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (30 June 2024: nil).

9. LOSS PER SHARE

The basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares issued during the six months ended 30 June 2025.

The Company has no potential dilutive ordinary shares in issue during the six months ended 30 June 2025 and 2024.

The calculations of basic and diluted loss per share are based on:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(64,378)</u>	<u>(55,226)</u>
	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>937,864,480</u>	<u>827,361,004</u>
Basic and diluted loss per share	<u>RMB cents (6.86)</u>	<u>RMB cents (6.67)</u>

10. PROPERTY AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property and equipment with a cost of approximately RMB298,000 (30 June 2024: approximately RMB15,000), including electronic equipment and furniture and leasehold improvements (30 June 2024: electronic equipment and furniture).

11. INTANGIBLE ASSETS

During the six months ended 30 June 2025, additions and amortisation of intangible assets were approximately RMB12,826,000 (30 June 2024: approximately RMB14,078,000) and approximately RMB23,698,000 (30 June 2024: approximately RMB25,871,000) respectively. As at 30 June 2025, the carrying amount of the intangible assets of the Group included deferred development costs that are not yet available for use of approximately RMB25,284,000 (31 December 2024: approximately RMB22,008,000). The directors of the Company have not identified any significant adverse change in the projects related to the intangible assets included deferred development costs that are not yet available for use for the six months ended 30 June 2025 as compared to the year ended 31 December 2024.

12. TRADE RECEIVABLES

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Trade receivables	227,525	203,965
Less: allowance for ECL	(55,192)	(44,878)
	<u>172,333</u>	<u>159,087</u>

The Group's trading terms with its customers are mainly on credit. For software development services, the credit period granted to the customers is normally 30 to 180 days upon issuance of invoice and receipt of acceptance from customers during the course of contracts. The forms of acceptance evidenced the satisfaction from the customers of the progress of completion. For the sale of standard software, the credit period granted to the customers is normally 30 to 180 days after the goods were accepted by the customers, except for new customers where payment in advance is normally required. For technical and maintenance services, the credit period granted to the customers is normally due upon completion of the service or 30 to 180 days from the date of billing.

The following is an ageing analysis of the trade receivables as at the end of reporting periods, based on the recognition date of gross trade receivables and net of allowance for ECL:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 90 days	50,746	28,412
91 days to 180 days	9,361	9,475
181 days to 365 days	29,936	38,490
1 year to 2 years	46,994	39,232
2 years to 3 years	20,576	31,737
Over 3 years	14,720	11,741
	172,333	159,087

13. CONTRACT ASSETS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Contract assets	132,196	110,009
Less: allowance for ECL	(1,017)	(854)
	131,179	109,155
Classified as:		
Current assets	130,503	108,479
Non-current assets	676	676
	131,179	109,155

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Prepayments	9,477	9,622
Rental deposits	1,305	1,580
Deposits and other receivables*	10,722	9,132
Less: allowance for ECL*	(45)	(50)
	<u>21,459</u>	<u>20,284</u>
Classified as:		
Current assets	13,672	12,435
Non-current assets	<u>7,787</u>	<u>7,849</u>
	<u>21,459</u>	<u>20,284</u>

* The comparative figure was represented to align with the current period presentation.

15. TRADE PAYABLES

The aging analysis of trade payables at the end of reporting periods presented based on the invoice date is as follows:

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Within 90 days	51,035	18,959
91 days to 180 days	384	286
181 days to 365 days	4,412	16,396
1 year to 2 years	7,125	7,995
Over 2 years	<u>18,450</u>	<u>17,220</u>
	<u>81,406</u>	<u>60,856</u>

The trade payables are non-interest-bearing and are normally settled on 180-day terms.

16. OTHER PAYABLES AND ACCRUALS

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Other payables	42	1,795
Accrued staff costs	286	924
Other tax payables	6,493	10,116
	<u>6,821</u>	<u>12,835</u>

17. INTEREST-BEARING BANK BORROWINGS

	Effective interest rate (%)	Maturity	30 June 2025 <i>RMB'000</i> (Unaudited)	Effective interest rate (%)	Maturity	31 December 2024 <i>RMB'000</i> (Audited)
Current:						
Bank loans – unsecured	3.5-3.6	2026	10,000	3.85	2025	20,000

18. SHARE CAPITAL

	30 June 2025 (Unaudited)			31 December 2024 (Audited)		
	<i>No. of shares</i>	<i>US\$</i>	<i>Equivalent to RMB'000</i>	<i>No. of shares</i>	<i>US\$</i>	<i>Equivalent to RMB'000</i>
Authorised:						
Ordinary shares of US\$0.000001 each	<u>50,000,000,000</u>	<u>50,000</u>		<u>50,000,000,000</u>	<u>50,000</u>	
Issued and fully paid:						
At the beginning of the period/year	943,817,280	944	7	786,514,400	787	5
New shares issued	<u>–</u>	<u>–</u>	<u>–</u>	<u>157,302,880</u>	<u>157</u>	<u>2</u>
At the end of the reporting period	<u>943,817,280</u>	<u>944</u>	<u>7</u>	<u>943,817,280</u>	<u>944</u>	<u>7</u>

BUSINESS REVIEW AND OUTLOOK

Overview

As a leading technology-driven IT solution service provider in China, Newlink Technology has long been focusing on the development of proprietary software products and applying cutting-edge technologies such as artificial intelligence and big data analytics. The Group consistently delivers high-value IT solutions to customers across specific industries, including finance, healthcare, transportation, logistics, education and energy, as well as general industry customers.

The Group remains committed to research and development of new products and new technologies and their application innovations, and has been promoting the integration of products and services. By doing so, the Group aims to provide customers in various industries with scenario-based comprehensive solutions that can satisfy needs of customers and enhance their competitiveness in their industries on the basis of Robotic Process Automation (RPA) solutions, smart park solutions, medical and health care big data intelligent management solutions, deep semantic analysis and risk prevention and control based on large models, and solution services powered by a series of technologies such as language parsing, data mining and analysis, cloud-based computing, distributed database management, intelligent control, knowledge graph and deep learning.

Business Review

In the first half of 2025, costs around the world inelastically escalated, debt risks and financial conditions tightened, and protectionism and geopolitical risks intensified. Domestically, the foundation for the recovery of effective demand remained fragile, consumer sentiment was influenced by multiple factors, investment confidence in certain industries needed to be boosted, and market competition became more intense. The global and Chinese economies continue to be confronted with complex and severe challenges, which have significantly impacted the Company's operating environment. We are also under multiple pressures, including uncertainty in external demand, rising overall costs, urgent need for investment in transformation and upgrading, and structural contradictions in the financing environment.

In the first half of 2025, despite the complex and dynamic external environment, the management of the Group took proactive measures, focusing on building core capabilities and risk management. In terms of actively expanding the market and optimising the revenue structure, the Group continued to develop the domestic market, closely tracking changes in domestic consumption trends, increasing efforts in new product R&D and marketing innovation, enhancing brand value and service experience, and tapping into the potential of niche markets. At the same time, the Group steadily expanded its presence in the Asia-Pacific region with Hong Kong as the focus, optimising its market positioning, actively addressing trade barriers, exploring opportunities in emerging markets, and enhancing its business resilience. While the Group continued to experience pressure in the sales segment due to industry seasonal fluctuations and slower-than-expected recovery in domestic market demand, it still achieved resilient business growth during the Reporting Period, with total revenue reaching RMB133.7 million, representing an increase of 8.8% compared to the same period last year, breaking through the constraints of the business off-season against the trend.

In the first half of 2025, the Group's revenue was entirely derived from its IT solutions services business. Among these, software development services served as the core revenue source, generating revenue of RMB118.7 million in the first half of 2025, representing a slight increase of 13.3% compared to the same period in 2024, thereby further consolidating the business foundation. Technical and maintenance services generated revenue of RMB12.8 million, representing a decrease of 7.2% compared to the same period in 2024. Standard software sales reached RMB2.2 million in the first half of 2025, accounting for a relatively low proportion of total revenue, representing a decrease from the same period in 2024.

In the first half of 2025, in order to intensify cost reduction and efficiency improvement efforts and enhance operational resilience, the Group strictly controlled all expenses and strengthened budgetary constraints. At the same time, it optimised procurement strategies, refined inventory management and strengthened supply chain diversification to offset rising cost pressures. However, due to factors such as the sustained rise in global supply chain costs, the Group's procurement and compliance costs increased, directly compressing the Company's gross margin. During the Reporting Period, the Group recorded a gross profit of RMB24.1 million, remaining largely stable with a slight decrease of 2.4% year-on-year. In the first half of 2025, the Group's net loss attributable to shareholders was RMB64.4 million, representing an increase of RMB9.2 million compared to the same period last year. This was primarily due to the combined effects of increased losses from changes in the fair value of equity investments recognised in profit or loss, increased selling and distribution expenses, and reduced research and development expenses.

In the first half of 2025, in terms of strengthening innovation and digital transformation, the Group placed emphasis on key technological breakthroughs and core product iteration and upgrades to consolidate its technological barriers. In addition, the Group applied advanced technologies to empower research and development, procurement, marketing, and management, thereby improving decision-making efficiency and customer response speed. In terms of prudent financial management and ensuring capital safety, the Group has prioritised cash flow forecasting and management, optimised its capital structure, and ensured liquidity safety. It has actively expanded diversified financing channels, maintained good bank-enterprise relationships, and endeavoured to reduce financing costs. In terms of optimising governance and risk management systems, the Group strengthens talent development to enhance organisational efficiency and adaptability; it continuously improves its Environmental, Social, and Governance ("ESG") management system to actively address green compliance requirements and integrate sustainability into its strategic planning. Additionally, through enhanced comprehensive risk management, the Group improves its ability to identify, assess, and respond to supply chain risks, market risks, compliance risks, and geopolitical risks.

In addition to continuing to focus on the domestic market in China, the Group launched a strategic plan in 2023 to establish a foothold in the Hong Kong Special Administrative Region and expand into the Asia-Pacific and Greater Bay Area markets. The Group has further established an operational centre in Hong Kong, actively developing related businesses in the region, and has participated in the Hong Kong FinTech Week for two consecutive years with innovative solutions, attracting widespread attention from industry peers and financial clients in Hong Kong. By far, the Group's business has been established in Hong Kong, successfully collaborating with numerous well-known local enterprises in the financial, energy, retail, trade, and tourism sectors, and signing strategic cooperation agreements. Our intelligent customer service system, virtual card system, and RPA (Robotic Process Automation) solutions have been widely recognised by clients for their localised deployment and implementation in Hong Kong. In the first half of 2025, the Company established a strategic partnership with the Hong Kong Polytechnic University in the areas of industry-academia-research collaboration, establishing a joint laboratory and setting up joint research projects. We aim to collaborate with Hong Kong universities to leverage the complementary strengths of academia and industry, fostering in-depth cooperation across research, education, industry, and application. This includes advancing the integration of scientific research and technology into industrialisation, nurturing fintech talent, and leveraging technology to drive the development of the financial industry. Our goal is to strengthen the synergy between “theoretical learning” and “technical application”, accelerating the practical implementation and application of fintech across broader business applications.

In the first half of 2025, Newlink Technology, the Chairman of the Board of Newlink Technology, and Beijing Newlink Technology Co., Ltd.* (**“Beijing Newlink”**), the primary operating entity under the Group, actively participated in industry exchanges and received numerous industry-related honours. Among these, Beijing Newlink was awarded the “Golden Ding Product Award (金鼎產品獎)” in the financial category of the 3rd “Dingxin Cup (鼎信杯)” Competition, hosted by the China Software Testing and Evaluation Centre (Ministry of Industry and Information Technology, Software and Integrated Circuit Promotion Centre) in January 2025, for its IT solution titled “IFR Financial Intelligent Process Robot Based on Newlink RPA V4.0 (基於Newlink RPA V4.0的IFR財務智能流程機器人)”. In June 2025, we were invited to deliver a keynote speech at the Sixth Public Hospital High-Quality Innovative Development Exchange Conference hosted by the Hospital Quality Management and Information Technology Development Branch of the National Association of Health Industry Enterprise Management. In June 2025, Newlink Technology and its Executive Director, Chairman of the Board, and Chief Executive Officer, Mr. Zhai Shuchun, were honoured with three awards: the “Hainuo Award – 2025 Service Innovation Model Enterprise (海諾獎－2025服務創新典範企業)”, the “Hainuo Award – 2025 (Industry) Leading Brand (海諾獎－2025 (行業) 引領品牌)”, and the “Hainuo Award – 2025 (Industry) Leading Figure (海諾獎－2025 (行業) 引領人物)”.

Outlook

Looking ahead, the global economy remains complex, challenging, and uncertain, with cost pressures, geopolitical risks, and market demand fluctuations continuing to pose significant challenges to the Group's operations. However, the fundamental trend of China's economy remaining positive in the long term has not changed, and the trends of industrial upgrading and innovation-driven development continue to grow stronger. The Group remains cautiously optimistic about its future prospects. In the second half of 2025, the Group will continue to pursue a double innovation strategy focused on "technological R&D innovation" and "business model innovation". This will be achieved through key implementation pathways such as strengthening subsidiary synergy mechanisms, establishing cross-system resource exchange platforms, integrating internal and external technology supply chains to create an innovation hub, and constructing a customer experience monitoring matrix to enable real-time feedback from the demand side. These initiatives aim to build a long-term growth engine for the Group. At the same time, we will continue to strengthen the differentiated competitive advantages of our flagship products, establish a customer segmentation model, extend our range of technology innovation-related products, build a multi-scenario solution library, and implement a two-way expansion strategy of "core region penetration + emerging market cultivation" to comprehensively enhance our core competitiveness from the three dimensions of products, ecosystem, and market. Additionally, we will continue to advance the construction of localised operational centres, improve regional market response networks; develop differentiated promotion strategies to achieve cross-regional replication and specialised upgrades of products and solutions; and establish a channel partner capability empowerment system to enhance terminal market coverage density, thereby fully leveraging the potential of regional strategic deployment. We will adhere to a value-oriented approach focused on long-term, stable development, continuously enhancing operational resilience, improving risk-bearing capacity, and steadily improving operational quality through efforts to enhance operational performance, optimise asset allocation, and strengthen cash flow management. We are confident that by actively seizing opportunities arising from structural adjustments and transformation and upgrading, effectively addressing various risks and challenges, and striving to create sustainable value returns for all shareholders, we will achieve our strategic objectives.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

During the Reporting Period, the Group derived all revenue from the IT solution service business. The IT solution service business of the Group is to provide customers with various solutions comprising software development services, technical and maintenance services, sales of standard software and other services and products by applying IT technology according to their needs. Depending on the specific application of technology, the Group's IT solutions can be divided into traditional solutions and innovative solutions, among which innovative solutions are solutions powered by key technologies such as artificial intelligence and big data analysis. During the Reporting Period, the Group's innovative solutions not only provided tailored services to customers in specific fields such as finance, medical care and transportation based on customer needs, but also sold standard products and services to customers; while its traditional solutions were mainly used in the fields like finance and transportation.

During the Reporting Period, the Group recorded a revenue of RMB133.7 million, representing an increase of 8.8% from RMB122.9 million for the corresponding period of last year. The increase in the Group's revenue during the Reporting Period was mainly due to the increase in revenue from software development service, representing 88.8% of Group's total revenue.

The following analysis sets forth a breakdown of our revenue for the six months ended 30 June 2025 and the corresponding period in 2024, respectively:

Software development services

During the Reporting Period, our revenue from software development services increased by 13.3% from RMB104.8 million for the corresponding period of last year to RMB118.7 million for the Reporting Period. Among the revenue from software development services, revenue from innovative solutions amounted to RMB69.4 million, accounting for 58.5% of our revenue from software development services. The innovative software development service is a critical component of business revenue of the Group, encompassing a portfolio of advanced products, mainly including robotic process automation (RPA) solutions, medical and healthcare big data intelligent management solutions and others. These innovative products are developed through the application of a range of advanced technologies, including data mining and analysis, cloud-based computing, distributed database management, knowledge graphs, and deep learning, which have successfully served customers in industries such as financial institutions, medical establishments, and large-scale state-owned and privately-owned enterprises in the transportation and logistics industries.

Technical and maintenance services

During the Reporting Period, our revenue from technical and maintenance services amounted to RMB12.8 million, representing a decrease of 7.2% from RMB13.8 million in the corresponding period of last year. During the Reporting Period, the revenue from technology and maintenance services accounted for a relatively low proportion of the Group's total revenue, at only 9.6%.

Sales of standard software

During the Reporting Period, our revenue from sales of standard software amounted to RMB2.2 million, only accounting for 1.6% of the total revenue of the Group. Revenue from the innovative solutions amounted to RMB2.1 million, accounting for 95.5% of our revenue from sales of standard software. During the Reporting Period, the Group's innovative solutions that generate revenue through the sales of standard software mainly include products such as the medical quality control and the intelligent healthcare platform.

Cost of sales and services rendered

Our cost of sales and services rendered increased by 11.7% from RMB98.2 million for the corresponding period of last year to RMB109.7 million for the Reporting Period, mainly due to greater implementation cost associated with the increased revenue of software development services business.

Gross profit and gross profit margin

Our gross profit decreased from RMB24.7 million in the corresponding period of last year to RMB24.1 million in the Reporting Period. Our gross profit margin decreased from 20.1% for the corresponding period last year to 18.0% for the Reporting Period. The decrease in gross profit and decline in gross profit margin were mainly due to that the increase in cost of sales from the software development services business which was greater than the increase in revenue therefrom.

Other income and gains

During the Reporting Period, the Group recorded other income and gains of RMB3.6 million, representing a decrease of 39.0% from RMB5.9 million in the corresponding period of last year, mainly due to the decrease in bank interest income.

Change in fair value of equity investments at fair value through profit or loss

During the Reporting Period, the Group recorded loss arising from change in fair value of equity investments at fair value through profit or loss of a total of RMB18.2 million, which was mainly due to fluctuations in the fair value of stocks purchased in the secondary market.

Change in fair value of contingent consideration

During the Reporting Period, the Group recorded change in fair value of contingent consideration of a total of RMB1.6 million in relation to the acquisition of the subsidiary Neusoft Yuetong.

Selling and distribution expenses

Our selling and distribution expenses increased by 21.3% from RMB8.0 million for the six months ended 30 June 2024 to RMB9.7 million for the six months ended 30 June 2025. The increase in selling and distribution expenses was mainly due to elevated selling expenses tied to revenue-generating contracts.

Administrative expenses

During the Reporting Period, the Group's administrative expenses amounted to RMB23.7 million, representing an increase of 5.3% as compared with RMB22.5 million in the corresponding period of last year, mainly due to the increase in employee compensation and the increase in amortization expenses.

Research and development expenses

During the Reporting Period, the Group's research and development expenses amounted to RMB27.6 million, representing a decrease of 26.6% as compared with RMB37.6 million in the corresponding period of last year, primarily due to decrease in the number of research employees and decrease in the amortisation of the Group's deferred development costs.

Since its listing, the Group has continuously invested heavily in research and development. On the one hand, it has invested in the research and development of corresponding solutions according to the utilization plan of the raised funds; and on the other hand, it has also accelerated in terms of investing heavily in the research and development of technologies related to artificial intelligence and big data analysis. As of 30 June 2025, the Group had a total of 245 items of software copyrights, including 7 items of software copyrights newly formed by developing or upgrading innovative solutions in the six months ended 30 June 2025, accounting for 63.6% of the total 11 items of software copyrights newly developed in the six months ended 30 June 2025.

Allowance for expected credit losses on trade receivables, contract assets and other receivable, net

The Group recorded allowance for expected credit losses on trade receivables, contract assets and other receivable, net of RMB10.5 million for the Reporting Period, which was mainly due to the increase in expected credit losses on trade receivables balances for more than three years.

Other expenses

During the Reporting Period, the Group's other expenses amounted to RMB2.0 million, primarily comprised of donation expense and impairment loss of inventories.

Finance costs

Our finance costs decreased from RMB1.1 million for the six months ended 30 June 2024 to RMB0.5 million for the Reporting Period, mainly due to a decrease of interest expense for banking borrowings and lease interest.

Share of results of an associate

During the Reporting Period, the Company recorded share of investment loss of an associate of RMB1.6 million, which was due to the associate, Beijing Heshun Huikang Technology Co., Ltd. (北京和順慧康科技有限公司), which is invested in by the Group's acquired subsidiary, Beijing Neusoft Yuetong Software Technology Co., Ltd. (北京東軟越通軟件技術有限公司, "Neusoft Yuetong"), incurring losses during the Reporting Period.

Loss before tax

As a result of the foregoing, the Group recorded a loss before taxation of RMB64.6 million during the Reporting Period, which increased by RMB9.2 million as compared with the loss before taxation of RMB55.4 million in the corresponding period of last year.

Income tax expense

We recorded income tax expense of RMB0.024 million for the Reporting Period, an increase of RMB0.009 million as compared with the income tax expense of RMB0.015 million in the corresponding period of last year.

Loss for the six months ended 30 June 2025

Due to the above reasons, we recorded a loss of RMB64.6 million for the six months ended 30 June 2025, which increased by RMB9.2 million as compared with a loss of RMB55.4 million in the corresponding period of last year.

Liquidity, financial and capital resources

During the Reporting Period, we financed our capital expenditure and working capital requirements mainly through cash generated from operations, bank borrowings and net proceeds from the Global Offering and the 2024 Placing. As of the end of the Reporting Period, the Group's total available cash and cash equivalents, including bank balances and time deposits, amounted to RMB279.5 million.

Our bank borrowings as of 30 June 2025 amounted to RMB10.0 million, of which RMB6.7 million, RMB2.1 million, RMB1.0 million and RMB0.2 million are due for repayment on 9 March 2026, 13 March 2026, 27 March 2026 and 14 April 2026 respectively, and bear a float rate of 3.5% to 3.6% per annual. The Group's bank borrowings were strategically deployed to support operational requirements and facilitate business expansion.

Net current assets as of 30 June 2025 were RMB483.7 million, compared to RMB534.5 million as at 31 December 2024, reflecting a decrease of 9.5%. This demonstrates the Group's prudent strategy of balancing liquidity needs with short-term debts while preserving sufficient resources for strategic growth initiatives.

Exposure to exchange rate fluctuation

For the six months ended 30 June 2025, the functional currency of companies operating in the PRC is Renminbi. Most of the Group's monetary assets were mainly denominated in US dollars and Renminbi. We manage foreign exchange risk by performing periodic reviews of our net foreign exchange exposures and try to minimise these exposures through natural hedges. We operate mainly in the PRC with most of the transactions settled in Renminbi. The management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities denominated in the currencies other than the respective functional currencies of our entities. During the Reporting Period, the Group did not enter into any hedging transaction against foreign currency risks.

Commitments

The Group has various contracted, but not provided short term lease commitments as of 30 June 2025. The future lease payments for these non-cancellable lease contracts are RMB0.7 million (2024: future lease payments of RMB0.5 million for such non-cancellable lease contracts) and due within one year.

Contingent liabilities

As of 30 June 2025, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against any member of our Group.

Future plans for material investments and capital assets

Save as disclosed in this announcement, the Group did not have future plans for material investments and capital assets as of 30 June 2025.

Material acquisitions and disposals of subsidiaries and affiliated companies

For the six months ended 30 June 2025, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

Significant investments

As of 30 June 2025, we did not hold any significant investments representing 5% or more of the Group total assets as of 30 June 2025.

Charge on Group's assets

As of 30 June 2025, the Group had no charges on our assets.

Customer credit risk

Our business operations are subject to the risk of payment deferrals and/or defaults by our customers. For our software development services, most of our contracts provide for periodic installments from our customers based on project milestones, such as delivery, installation and testing of our solutions. However, we incur costs associated with a project, primarily including staff costs relating to project execution and software development, electronic equipment and certain project implementation expenses, on an ongoing basis from the beginning. As a result, we are required to make prepayments for certain project costs and expenses before receiving sufficient payments from our customers.

During the track record period, we typically granted our customers a credit period depending on contract terms and our evaluation of customer's creditworthiness. In determining the actual length of credit terms granted to a specific customer, we consider various factors such as reputation, length of business relationship and past payment records. As of 30 June 2025, our trade receivables amounted to RMB227.5 million and we recorded impairment loss on trade receivables of RMB55.2 million. We are thus exposed to the risk that customers may delay or even be unable to pay when milestones are reached or upon completion of contracts. These may put our cash flow and working capital under pressure.

1. The subsequent settlement is set out below in relation to the trade receivables as at 30 June 2025:

	Gross amount (RMB'000)	Subsequent settlement (RMB'000)
Within 180 days	60,492	7,394
181 days to 1 year	30,161	1,349
1 to 2 years	47,774	1,577
2 to 3 years	21,110	1,463
Over 3 years	67,988	62
	<hr/>	<hr/>
Total	227,525	11,845
	<hr/> <hr/>	<hr/> <hr/>

2. Recoverability of long-aged receivables and reasons why the loss allowances were adequate

(1) Customers with strong creditworthiness

The trade receivable balance of the Group as of 30 June 2025 was mainly from large customers with good reputation and strong creditworthiness, the majority of which were Chinese state-owned enterprises and listed public companies, including top-tier banks, trust companies, asset management companies, Class III Grade A hospitals, railway bureaus, locomotive depots, railway information technology companies, railway bureau groups, airlines, aviation food companies, aviation materials companies, etc. Such customers are in good standing and have strong creditworthiness and bargaining power, and have stringent and extensive internal payment and settlement processes, which often require time-consuming internal approval processes before payments were made, resulting in further extension of their payment cycles. As of 30 June 2025, 67.8% of the trade receivable balance was recorded from Chinese state-owned enterprises and listed public companies.

In addition, the balance of trade receivables over 180 days as of 30 June 2025 was mainly recorded from Chinese state-owned enterprises and listed public companies with which the Group had longstanding cooperation, and there has been no recoverability issue in relation to trade receivables in previous years and both parties have maintained a good cooperation relationship.

(2) The balance of trade receivables over 180 days remains in a trend of continuous collection of receivables

As of 30 June 2025, the balance of trade receivables over 1 year amounted to RMB136.9 million, recorded from a total of 112 customers, among which 109 customers are still performing contracts with the Group so far, and the Group has continued to collect receivables since 30 June 2025.

(3) The business model and customer base of the Group remain unchanged as disclosed before

In relation to trade receivables, as disclosed in the prospectus of the Company dated 21 December 2020, the previous, current and future business model and the customer base of the Group have remained and are expected to remain substantially unchanged.

The Company considers that it has entered into normal business arrangements with these customers and has not identified any issues of the recoverability of trade receivables or insufficient provision for impairment to date.

3. *Actions taken or to be taken to recover such long-outstanding receivables*

The Group has continued to (1) increase sales revenue from customers with short payment cycle and gradually reduce sales to customers with long payment cycle to achieve substantial improvements against the long payment cycle of trade receivables; (2) maintain strict control over its outstanding trade receivables and have a credit control department to minimise the credit risk. The Group has strictly followed its credit management policy and will continue to follow the steps and measures stipulated in the credit management policy to manage the trade receivables and maintain the working capital. As required by the credit management policy of the Group, the Group has instructed designated sales personnel to follow up directly with their responsible customers, and the sales and marketing staff of the Group make collection calls to customers whose bills have been overdue for less than 90 days; for customers whose bills have been overdue within 90 to 360 days, the sales and marketing staff escalate the matter to the business department and both the sales and marketing staff and the business department make collection calls to the customers; and for customers whose bills have been overdue for more than 360 days, the Group assigns the sales and marketing staff to visit the customers for face-to-face communication, and the sales and marketing staff and business departments continuously to follow up and make collection calls to customers. For customers with extended payment cycles or non-compliant repayment practices, the Company will initiate legal proceedings or arbitration procedures on a case-by-case basis. To manage the trade receivables, the Group has also strengthened the cooperation between the technical team and the sales and marketing team to conduct more efficient collection, and taken into account the collection speed in the performance assessment of the employees. In addition, the Group will continue to issue periodic written payment reminders to the customers. Overdue balances are also regularly reviewed by the senior management; and (3) regularly make enquiries on customers' ratings and make an analysis of the background, reputation, market position and the operating conditions of customers based on publicly available information.

Key Financial and Business Performance Indicators

The key financial and business performance indicator comprises return on equity.

The Group's return on equity decreased from -7.2% in the six months ended 30 June 2024 to -9.6% in the six months ended 30 June 2025, primarily due to increasing amount of loss recorded for the Reporting Period.

The Group's gearing ratio decreased from 2.7% as at 31 December 2024 to 1.5% as at 30 June 2025, primarily due to the decrease in bank borrowings. The calculation of gearing ratio is based on total borrowings divided by total equity as of the period end and multiplied by 100.0%.

Employees, Training and Remuneration Policies

As of 30 June 2025, the Group had 664 employees, increased by 49 employees compared to the same period of last year. The staff costs including Directors' emoluments were approximately RMB80.1 million for the Reporting Period.

Remuneration of the Group's employees includes basic salary, bonuses and cash subsidies. We determine our employees' compensation based on each employee's performance, seniority, position and qualifications.

We adopted the Post-IPO Share Option Scheme on 5 December 2020, which falls within the ambit of, and is subject to, the regulations under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The purpose of the Post-IPO Share Option Scheme is to provide incentives and rewards to eligible persons for their contribution to, and continuing efforts to promote the interest of the Group.

We recognize the importance of keeping the Directors updated with the latest information of duties and obligations of a director of a company whose shares are listed on the Stock Exchange and the general regulatory and environmental requirements for such listed company. To meet this goal, we are committed to our employees' continuing education and development. We provide preemployment and regular continuing trainings to our employees, which we believe are effective in equipping them with the skill set and work ethics that we require. Also, we continuously provide comprehensive trainings to our technical staff, equipping them with knowledge and skills to perform a variety of functions on different projects and allowing us to quickly find qualified and suitable replacement internally in the event of employee's demission.

OTHER INFORMATION

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares of the Company were listed on the Main Board of the Stock Exchange on 6 January 2021, whereby 200,000,000 new Shares were issued at the offer price of HK\$4.36 per share by the Company. After deduction of the underwriting fees, commissions and other related costs and expenses, the net proceeds from the Global Offering of the Company amounted to approximately HK\$790.4 million (with a surplus of HK\$140.3 million) (representing net proceeds of HK\$3.952 per new Share) (the "**IPO Proceeds**").

In order to better utilize the financial resources of the Group and to capture favourable investment opportunities, the Board has reviewed the utilization of the IPO Proceeds and resolved to reallocate not more than HK\$71.0 million of the surplus to pay the equity transfer consideration, to make the capital increase payment and to fulfill or pay capital contribution obligations for the acquisition of Neusoft Yuetong (the “**Re-allocation**”). For further details, please refer to the announcement of the Company dated 20 June 2022.

On 23 September 2024, after due and careful consideration on the prevailing business environment and development needs of the Group, the Board resolved to change the use of the unutilized IPO Proceeds to (i) reallocate the unutilized surplus of approximately HK\$49.2 million for working capital and other general corporate purposes; and (ii) build on the Group’s long-standing accumulated capabilities in independent research and development, capabilities in technological innovation, industry insights and customer needs, the Company will further enhance the original plan for developing new solutions and upgrading existing solutions by increasing the related investment plans for the development of innovative universal products and the development of innovative financial products, and will further reallocate the original plan of IPO Proceeds for developing new solutions and upgrading existing solutions: (a) approximately HK\$38.9 million will be utilized to develop innovative universal products; and (b) approximately HK\$20.0 million will be utilized to develop innovative financial products (the “**Further Re-allocation**”). For details, please refer to the announcement of the Company dated 23 September 2024.

The following table sets forth the details of the use of the IPO Proceeds during the Reporting Period:

	Original allocation of the IPO Proceeds (approximate)		Allocation of IPO Proceeds after the First Re-allocation (approximate)		Further Re-allocation of the Unutilized IPO Proceeds (approximate)		Unutilized Amount as of the Beginning of the Reporting Period	Utilized Amount during the Reporting Period	Unutilized Amount as of the End of the Reporting Period	Expected timeline for the use of unutilized proceeds ⁽¹⁾
	Percentage	Amount <i>HK\$ million</i>	Percentage	Amount <i>HK\$ million</i>	Percentage	Amount <i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	
For developing new solutions and upgrading existing solutions	80.0%	632.3	72.8%	575.5	69.4%	144.8	117.6	64.6	53.0	
— to develop and upgrade the Group’s medical quality control and safety warning system	20.0%	158.1	18.2%	143.9	11.7%	24.4	16.5	2.9	13.6	
— to develop the Group’s clinical pathway management system	20.0%	158.1	18.2%	143.9	11.6%	24.2	24.0	5.9	18.1	
— to develop the Group’s telemedicine system	10.0%	79.0	9.1%	71.9	3.5%	7.3	4.3	0.1	4.2	By December 2025
— to develop a new solution of intelligent healthcare platform	10.0%	79.0	9.1%	71.9	6.1%	12.7	10.7	3.5	7.2	
— to upgrade the Group’s RPA solution	20.0%	158.1	18.2%	143.9	8.3%	17.3	12.6	12.6	0.0	
— to develop innovative universal products	—	—	—	—	18.6%	38.9	34.8	34.8	0.0	
— to develop innovative financial products	—	—	—	—	9.6%	20.0	14.7	4.8	9.9	
For enhancing the Group’s sales and marketing efforts	10%	79.1	9.1%	72.0	7.0%	14.7	9.5	9.2	0.3	By December 2025
For working capital and other general corporate purposes	10%	79.0	9.1%	71.9	23.6%	49.2	0.6	0.6	—	By December 2027
Funds proposed to be used for the Neusoft Yuetong Acquisition	—	—	9.0%	71.0	—	—	—	—	—	—
Total	100%	790.4	100%	790.4	100%	208.7	127.7	74.4	53.3	

Notes:

- (1) Due to the Further Re-allocation, the Company expects the Unutilized IPO Proceeds will be fully utilized by December 2025 except for the Unutilized IPO Proceeds re-allocated for working capital and other general corporate purposes, which are expected to be fully utilized by December 2027. The expected timeline for utilizing the unutilized funds is based on the best estimation of the future market condition made by the Group. It may be subject to change based on the current and future development of market conditions.
- (2) Any discrepancy arising in the decimal figures in the table above is due to the effect of rounded figures.
- (3) The utilization of IPO Proceeds for developing new solutions and upgrading existing solutions after the Further Re-allocation still includes the balance of the relevant unutilized IPO Proceeds of approximately HK\$63.2 million originally planned for office lease, purchase and renovation for IT solutions as disclosed in the Prospectus.

The Company has utilized, and will continue to utilize the IPO Proceeds in accordance with the intended purposes as set out in the Prospectus and the announcements of the Company dated 20 June 2022 and 23 September 2024.

USE OF PROCEEDS FROM THE 2024 PLACING

On 7 May 2024 (after trading hours), the Company entered into the placing agreement with the placing agent, pursuant to which the Company has agreed to place through the placing agent a maximum of 157,302,880 ordinary share(s) of par value of US\$0.000001 each of the Company at the placing price of HK\$0.28 per placing share (the “**2024 Placing**”) to not less than six placees who and whose beneficial owners shall be independent third parties. On 7 May 2024, the closing price of the shares of the Company was HK\$0.34 per share. On 14 May 2024, the Company completed the placement of 157,302,880 shares. The total proceeds and the net proceeds from the 2024 Placing, after deduction of the placing commission and other related expenses, amounted to approximately HK\$44.04 million and HK\$43.60 million, respectively, and the net price per Share was approximately HK\$0.277. The net proceeds from the 2024 Placing will be applied to replenish general working capital of the Group.

Use of the net proceeds from the 2024 Placing during the Reporting Period is set out in the table below:

	Unutilized amount		Unutilized amount	
The net proceeds from the 2024 Placing <i>HK\$ million</i>	as at the beginning of the Reporting Period <i>HK\$ million</i>	Utilized amount during the Reporting Period <i>HK\$ million</i>	as at the end of the Reporting Period <i>HK\$ million</i>	Expected timeline for the use of unutilized proceeds

Replenish general working capital of the Group	43.6	33.06	33.06	– By December 2027
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Note: The expected timeline for utilizing the unutilized funds is based on the best estimation of the future market condition made by the Group. It may be subject to change based on the current and future development of market conditions.

The Company has utilized the net proceeds from the 2024 Placing in accordance with the intended purposes as set out in the announcement of the Company dated 7 May 2024.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of its shareholders and corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Listing Rules, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. The roles of the Chairman and the Chief Executive Officer are held by Mr. Zhai Shuchun (“Mr. Zhai”). With extensive experience in the information technology industry, Mr. Zhai is responsible for the overall strategic planning and general management of the Group and is instrumental to our growth and business expansion. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of the Group and ensures consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. In light of the above, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in the circumstances of the Company.

The Company has adopted all the applicable principles and code provisions set out in the CG Code as the basis of the Group's corporate governance practices. Save as disclosed in this announcement, the Group has complied with the CG Code throughout the six months ended 30 June 2025. The Company will periodically review its corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the CG Code effective from time to time.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct of the Company regarding Directors' securities transactions. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he/she has complied with the requirements of the Model Code for the six months ended 30 June 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period.

As of 30 June 2025, the Company had 5,952,800 treasury shares (as defined under the Listing Rules) which are intended to be used for purposes such as employee incentives, sale or transfer to obtain liquid funds, etc. subject to the actual decision(s) making by the Board.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Board (the “**Audit Committee**”) was established with written term of reference in compliance with the CG Code. The Audit Committee comprises three independent non-executive Directors, namely, Mr. You Linfeng (the chairman of the Audit Committee), Mr. Tang Baoqi and Ms. Yang Juan.

The financial information for the six months ended 30 June 2025 set out in the interim report is unaudited but has been reviewed by the Company's external auditor, Forvis Mazars CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity,” and by the Audit Committee. The Audit Committee has reviewed the interim results and was satisfied that the Company's unaudited financial information contained in this announcement was prepared in accordance with applicable accounting standards.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group, and discussed matters in relation to, among others, risk management, internal control and financial reporting of the Group with management and the Company's external auditor. The Audit Committee is of the view that the interim financial results for the six months ended 30 June 2025 have complied with relevant accounting standards, rules and regulations, and have been officially and properly disclosed.

INTERIM DIVIDENDS

The Board has resolved not to declare the payment of interim dividends for the six months ended 30 June 2025 to the shareholders.

SUBSEQUENT EVENTS

No significant event of the Group has occurred subsequent to 30 June 2025 and up to the date of this announcement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.newlinktech.com.cn). The interim report of the Company for the six months ended 30 June 2025 will be published on the aforesaid websites in due course.

APPRECIATION

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our shareholders, customers, bankers and other business associates for their trust and support.

By order of the Board

Newlink Technology Inc.

ZHAI Shuchun

Chairman of the Board and Chief Executive Officer

Beijing, the PRC, 25 August 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 purposes only*