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C-LINK SQUARED LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1463)

PROPOSED SUBDIVISION OF SHARES; CHANGE IN BOARD LOT SIZE; AND PROPOSED ADOPTION OF THE THIRD AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

PROPOSED SUBDIVISION OF SHARES

The Board proposes to subdivide each of the existing issued and unissued Shares of par value of HK\$0.01 each in the share capital of the Company into three (3) Subdivided Shares of par value of one third Hong Kong cent (approximately HK\$0.003333333333) each. The Share Subdivision will become effective upon the fulfilment of the conditions set out in the section headed “Conditions of the Share Subdivision” below.

CHANGE IN BOARD LOT SIZE

The Shares are currently traded on the Stock Exchange in board lot size of 4,000 Shares. Subject to the Share Subdivision becoming effective, the board lot size of the Subdivided Shares for trading on the Stock Exchange will be changed to 2,000 Subdivided Shares with effect from 9:00 a.m. on Wednesday, 28 June 2023.

PROPOSED ADOPTION OF THE THIRD AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

In view of the proposed Share Subdivision, the Board proposes to (i) amend the Memorandum and Articles of Association to, *inter alia*, reflect the changes in the authorised share capital of the Company from HK\$15,000,000 divided into 1,500,000,000 Shares of par value of HK\$0.01 each to HK\$15,000,000 divided into 4,500,000,000 Shares of par value of one third Hong Kong cent (approximately HK\$0.003333333333) each; and (ii) adopt a third amended and restated memorandum and articles of association of the Company incorporating the Proposed Amendments, details of which are set out in the section headed “PROPOSED ADOPTION OF THE THIRD AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION” below.

GENERAL

The Share Subdivision is subject to approval by Shareholders at the forthcoming EGM. A circular containing, amongst others, further details of the Share Subdivision and notice of the EGM will be despatched to the Shareholders on or around Friday, 19 May 2023.

PROPOSED SUBDIVISION OF SHARES

The Board proposes to subdivide each of the existing issued and unissued Shares of par value of HK\$0.01 each in the share capital of the Company into three (3) Subdivided Shares of par value of one third Hong Kong cent (approximately HK\$0.003333333333) each.

Effect of the Share Subdivision

As at the date of this announcement, the authorised share capital of the Company is HK\$15,000,000 divided into 1,500,000,000 Shares of par value of HK\$0.01 each, of which 800,000,000 Shares of par value of HK\$0.01 each have been issued and are fully paid or credited as fully paid. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$15,000,000 divided into 4,500,000,000 Subdivided Shares of par value of one third Hong Kong cent each, of which 2,400,000,000 Subdivided Shares of par value of one third Hong Kong cent each will be in issue and fully paid or credited as fully paid, assuming that no further Shares are issued or repurchased prior to the Share Subdivision becoming effective.

All Subdivided Shares will rank *pari passu* with each other in all respects with, and will have the same rights and privileges as, the Shares in issue prior to the Share Subdivision, and the Share Subdivision will not result in any change in the relevant rights of the Shareholders.

As the Share Subdivision will not result in any odd lots or fractional shares, no odd lots arrangement for matching the sale and purchase of odd lots will be made.

Conditions of the Share Subdivision

The Share Subdivision is conditional upon:

- (a) the passing by the Shareholders at the EGM of an ordinary resolution approving the Share Subdivision;
- (b) the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares and any new Subdivided Share which may be issued upon the exercise of the share options to be granted from time to time under the Share Option Scheme; and
- (c) the compliance with all relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the Listing Rules to effect the Share Subdivision.

The Share Subdivision will become effective after the conditions of the Share Subdivision above are fulfilled.

CHANGE IN BOARD LOT SIZE

The Shares are currently traded on the Stock Exchange in board lot size of 4,000 Shares. The Board has resolved that, subject to the Share Subdivision becoming effective, the board lot size of the Subdivided Shares for trading on the Stock Exchange be changed to 2,000 Subdivided Shares, which will be effective from 9:00 a.m. on Wednesday, 28 June 2023. The Change in Board Lot Size will not affect any of the relative rights of the Shareholders.

The Company has no outstanding warrants, convertibles, options or derivatives and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement.

LISTING APPLICATION

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Subdivided Shares to be in issue.

Subject to the granting of the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchanges other than the Stock Exchange and no such listing permission to deal in is being or currently proposed to be sought from any other stock exchanges.

EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Subdivision having become effective, the existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on Tuesday, 18 July 2023 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one (1) Share for three (3) Subdivided Shares.

Upon the Share Subdivision becoming effective, the Shareholders can submit their existing certificates for the Shares to the Company's branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in exchange for the new share certificates for the Subdivided Shares free of charge between 9:00 a.m. and 4:30 p.m. on any Business Day from Tuesday, 13 June 2023 to Thursday, 20 July 2023 (both days inclusive). After the expiry of such period, the existing certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each existing share certificate cancelled or new share certificate issued (whichever number of share certificates involved is higher). It is expected that the new share certificates for the Subdivided Shares will be available for collection within a period of 10 Business Days after the submission of the existing share certificates for the Shares to Computershare Hong Kong Investor Services Limited for exchange.

The new share certificates will be red in colour so as to be distinguished from the existing share certificates which are blue in colour.

REASON FOR THE SUBDIVISION OF SHARES AND CHANGE IN BOARD LOT SIZE

The proposed Share Subdivision will increase the number of Shares in issue and reduce the nominal value and trading price of each Share. In this regard, the Board is of the view that the Share Subdivision together with the Change in Board Lot Size is likely to enhance the trading liquidity of the Shares, reduce the barriers to investment, and therefore may attract more investors to trade in the Shares. Based on the closing price of HK\$4.09 per Share as at 10 May 2023 (being the last trading day prior to the release of this announcement), (i) the market value per board lot of 4,000 Shares is HK\$16,360; and (ii) the value of each board lot of 2,000 Subdivided Shares, with a theoretical adjusted price of approximately HK\$1.363 per Subdivided Share assuming the Share Subdivision had already become effective, would be approximately HK\$2,726.67. As at 10 May 2023, the average daily trading volume in the past six months was approximately 48,644 Shares, representing approximately 0.006% of the total issued Shares. Although the Share Subdivision will result in downward adjustment to the trading price of the Shares, the Board believes that the Share Subdivision would reduce the trading spread as well as the volatility of the trading price of the Shares and, together with the Change in Board Lot Size, enhance the liquidity in trading of Shares and thereby would enable the Company to attract more investors and broaden its Shareholder base. Accordingly, the Board considers that the Share Subdivision is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As at the date of this announcement, the Directors confirm that the Company (i) does not have any agreement, arrangement, understanding, intention, negotiation (concluded or otherwise) on any potential equity fundraising activities; and (ii) has no intention to carry out other corporate action which may have an effect of undermining or negating the intended purpose of the Share Subdivision and the Change in Board Lot Size in the coming 12 months. The Company currently has no definitive plan to conduct any equity fundraising activities for the next 12 months. In the event that any future opportunity of equity fundraising for the Group’s business development arises, the Company will make further announcement(s) as and when appropriate.

Save for the expenses to be incurred by the Company in relation to the Share Subdivision and the Change in Board Lot Size, the implementation of the Share Subdivision will not, by itself, alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interest of the Shareholders.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Subdivision is set out below:

2023

Expected date of dispatch of the circular (including the notice of the EGM) and the related form of proxy to the Shareholders.	On or before Friday, 19 May
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:30 p.m. on Monday, 5 June
Register of members of the Company closed for determining entitlements to attend and vote at the EGM.	Tuesday, 6 June to Friday, 9 June (both days inclusive)

Latest time for the lodging of
the form of proxy for the EGM 10:00 a.m. on Wednesday, 7 June

Expected date and time of the EGM. 10:00 a.m. on Friday, 9 June

Announcement of voting results of the EGM Friday, 9 June

The following events are conditional upon the fulfilment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Conditions of the Share Subdivision” above.

Effective date for the Share Subdivision Tuesday, 13 June

Dealings in Subdivided Shares commence 9:00 a.m. on Tuesday, 13 June

Original counter for trading in board lots of
4,000 Shares temporarily closes 9:00 a.m. on Tuesday, 13 June

Temporary counter for trading in Subdivided
Shares and in temporary board lot of
12,000 Subdivided Shares
(in form of existing share certificates) opens 9:00 a.m. on Tuesday, 13 June

First day of free exchange of existing share certificates
For the new share certificates for
the Subdivided Shares commences Tuesday, 13 June

Original counter for trading in Subdivided
Shares and in new board lot of
2,000 Subdivided Shares (in form of
new share certificates) re-opens 9:00 a.m. on Wednesday, 28 June

Parallel trading in Subdivided Shares

(in the form of new and existing
share certificates) commences 9:00 a.m. on Wednesday, 28 June

Temporary counter for trading in Subdivided

Shares in temporary board lot of
12,000 Subdivided Shares (in the form of
existing share certificates) closes 4:10 p.m. on Tuesday, 18 July

Parallel trading in Subdivided Shares (in the form of

new and existing share certificates) ends 4:10 p.m. on Tuesday, 18 July

Free exchange of existing share certificates for

new certificates ends 4:30 p.m. on Thursday, 20 July

Note: All times and dates in this announcement refer to Hong Kong local times and dates.

Dates or deadlines specified in this announcement are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

PROPOSED ADOPTION OF THE THIRD AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

In view of the proposed Share Subdivision, the Board proposes to (i) amend the Memorandum and Articles of Association to, *inter alia*, reflect the change in the authorised share capital of the Company from HK\$15,000,000 divided into 1,500,000,000 Shares of par value of HK\$0.01 each to HK\$15,000,000 divided into 4,500,000,000 Shares of par value of one third Hong Kong cent (approximately HK\$0.003333333333) each; and (ii) adopt a third amended and restated memorandum and articles of association of the Company incorporating the Proposed Amendments. A special resolution will be proposed at the EGM to approve the Proposed Amendments.

Particulars of the Proposed Amendments are as below:

**Existing Second Amended and
Restated Memorandum of
Association of the Company**

Proposed Amendments

Clause 7

Clause 7

The authorised share capital of the Company is HK\$15,000,000 consisting of 1,500,000,000 ordinary shares of par value HK\$0.01 each with the power for the Company to increase or reduce the said capital and to issue any part of its capital, original or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions; and so that, unless the condition of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.

The authorised share capital of the Company is HK\$15,000,000 consisting of ~~1,500,000,000~~ 4,500,000,000 ordinary shares of par value ~~HK\$0.01~~ of one third Hong Kong cent (approximately HK\$0.003333333333) each with the power for the Company to increase or reduce the said capital and to issue any part of its capital, original or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions; and so that, unless the condition of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.

**Existing Second Amended and
Restated Articles of Association of
the Company**

Proposed Amendments

Article 6

Article 6

The authorised share capital of the Company on the date of the adoption of these Articles is HK\$15,000,000 divided into 1,500,000,000 ordinary shares of par value HK\$0.01 each.

The authorised share capital of the Company on the date of the adoption of these Articles is HK\$15,000,000 divided into ~~1,500,000,000~~ 4,500,000,000 ordinary shares of par value ~~HK\$0.01~~ of one third Hong Kong cent (approximately HK\$0.003333333333) each.

**Existing Second Amended and
Restated Articles of Association of
the Company**

Proposed Amendments

Article 180(b)

Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles (including any corporate communications within the meaning ascribed thereto under the Listing Rules) may be served on or delivered to any Shareholder either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such Shareholder at his registered address as appearing in the register or by leaving it at that address addressed to the Shareholder or by any other means authorised in writing by the Shareholder concerned or (other than share certificate) by publishing it by way of advertisement in the Newspapers. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the Companies Act and the Listing Rules, a notice or document may be served or delivered by the Company to any Shareholder by electronic means to such address as may from time to time be authorised by the Shareholder concerned or by publishing it on a website and notifying the Shareholder concerned that it has been so published.

Article 180(b)

Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles (including any corporate communications within the meaning ascribed thereto under the Listing Rules) may be served on or delivered to any Shareholder either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such Shareholder at his registered address as appearing in the register or by leaving it at that address addressed to the Shareholder or by any other means authorised in writing by the Shareholder concerned or (other than share certificate) by publishing it by way of advertisement in the Newspapers. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the Companies Act and the Listing Rules, a notice or document may be served or delivered by the Company to any Shareholder by electronic means to such address as may from time to time be authorised by the Shareholder concerned or by publishing it on a website and (where required by the Listing Rules) notifying the Shareholder concerned that it has been so published.

GENERAL

The Share Subdivision is subject to approval by Shareholders at the forthcoming EGM.

A circular containing, amongst others, further details of the Share Subdivision and notice of the EGM will be despatched to the Shareholders on or around Friday, 19 May 2023.

DEFINITIONS

Unless otherwise defined, the following expressions in this announcement have the following meanings:

“Board”	the board of Directors
“Business Day(s)”	any day(s) (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the change in the board lot size of the Company’s ordinary shares for trading on the Stock Exchange from 4,000 Shares to 2,000 Subdivided Shares subject to the Share Subdivision becoming effective
“Company”	C-Link Squared Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1463)

“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider, if thought fit, approve, among others, the Share Subdivision
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum and Articles of Association”	the second amended and restated memorandum and articles of association of the Company, which is the existing memorandum and articles of association of the Company
“Proposed Amendments”	the proposed amendments to the Memorandum and Articles of Association
“Share Option Scheme”	share option scheme adopted by the Company on 11 March 2020
“Share Subdivision”	the proposed subdivision of each issued and unissued Share into three (3) Subdivided Shares
“Share(s)”	existing ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company prior to the Share Subdivision becoming effective
“Shareholder(s)”	holder(s) of the Share(s) or Subdivided Share(s), as the case may be

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Subdivided Share(s)”

ordinary share(s) of par value of one third Hong Kong cent each in the share capital of the Company upon the Share Subdivision becoming effective

By order of the Board

C-Link Squared Limited

Ma Shengcong

Chairman of the Board and executive Director

Hong Kong, 11 May 2023

As at the date of this announcement, the executive Directors are Mr. Ma Shengcong and Ms. Zhang Ying, the non-executive Directors are Mr. Ling Sheng Shyan and Dr. Wu Xianyi, and the independent non-executive Directors are Dr. Zeng Jianhua, Mr. Yang Junhui and Mr. Qian Jianguang.