C-LINK SQUARED LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1463)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2024 was approximately RM97.0 million, representing an increase of approximately 3.4% from approximately RM93.8 million for the preceding year.

- Gross profit for the year ended 31 December 2024 was approximately RM24.3 million, representing an increase of approximately 6.2% from approximately RM22.9 million for the preceding year.

- Loss attributable to equity holders of the Company for the year ended 31 December 2024 was approximately RM21.4 million, representing an increase in loss of approximately RM17.2 million from loss attributable to equity holders of the Company of approximately RM4.2 million for the preceding year.

- Basic loss per share attributable to equity holders of the Company for the year ended 31 December 2024 was approximately RM0.75 sen, representing an increase in loss per share of RM0.57 sen from approximately RM0.18 sen for the preceding year.

- The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: No final dividend).

The board (the "**Board**") of directors (the "**Directors**") of C-Link Squared Limited (the "**Company**" or "**we**") is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 (the "**Reporting Period**"), together with the comparative figures for the year ended 31 December 2023, as follows:

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

	Notes	**2024** *RM'000*	2023 *RM'000*
Revenue from contracts with customers	*4*	**96,990**	93,763
Cost of sales		**(72,658)**	(70,856)
Gross profit		**24,332**	22,907
Other income	*5*	**1,148**	1,224
Selling and distribution expenses		**(519)**	(130)
Administrative expenses		**(43,186)**	(25,007)
Finance costs	*6*	**(316)**	(459)
Loss before tax	*7*	**(18,541)**	(1,465)
Income tax expense	*8*	**(2,569)**	(1,953)
Loss for the year		**(21,110)**	(3,418)
Other comprehensive (loss)/income			
Item that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(1,901)**	1,397
Other comprehensive (loss)/income for the year, net of tax		**(1,901)**	1,397
Total comprehensive loss for the year		**(23,011)**	(2,021)

	Note	2024 RM'000	2023 RM'000
(Loss)/profit attributable to:			
Equity holders of the Company		**(21,430)**	(4,249)
Non-controlling interests		**320**	831
		(21,110)	(3,418)
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(23,086)**	(3,339)
Non-controlling interests		**75**	1,318
		(23,011)	(2,021)
Loss per share attributable to the equity holders of the Company:			
Basic and diluted *(RM sen)*	*9*	**(0.75)**	(0.18)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	Notes	**2024** *RM'000*	2023 *RM'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**22,693**	20,728
Right-of-use assets		**3,976**	3,819
Intangible assets		**4,745**	6,392
Goodwill		**191,911**	–
Prepayments		**830**	3,068
Deferred tax asset		**575**	736
		224,730	34,743
Current assets			
Inventories		**2,089**	617
Trade receivables	*11*	**19,211**	19,675
Prepayments, deposits and other receivables		**5,546**	5,026
Income tax recoverable		**363**	886
Cash and bank balances		**59,723**	42,673
		86,932	68,877
Total assets		**311,662**	103,620
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables	*12*	**1,405**	4,864
Other payables		**5,792**	3,316
Contract liabilities		**3,694**	1,535
Income tax payable		**93**	243
Loans and borrowings		**2,731**	2,605
Lease liabilities		**457**	324
		14,172	12,887
Net current assets		**72,760**	55,990

	Notes	2024 RM'000	2023 RM'000
Non-current liabilities			
Loans and borrowings		**1,559**	4,290
Lease liabilities		**491**	353
Deferred tax liabilities		**264**	252
		2,314	4,895
Total liabilities		**16,486**	17,782
Net assets		**295,176**	85,838
Capital and reserves attributable to equity holders of the Company			
Share capital	*13*	**5,189**	4,233
Reserves		**285,296**	76,989
		290,485	81,222
Non-controlling interests		**4,691**	4,616
Total equity		**295,176**	85,838
Total equity and liabilities		**311,662**	103,620

NOTES TO FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The registered office of the Company is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The headquarters and principal place of business of the Company is located at No. 1, Persiaran Sungai Buloh, Taman Industri Sungai Buloh, Kota Damansara, 47810 Petaling Jaya, Selangor, Malaysia. The principal place of business of the Company in the Hong Kong Special Administrative Region ("**Hong Kong**") of the People's Republic of China (the "**PRC**") is located at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

The principal activity of the Company is investment holding. During the Reporting Period, the Company's principal subsidiaries were mainly engaged in (i) the provision of outsourced services, including the provision of outsourced document management services and related software applications and enterprise software solutions services in Malaysia as well as the provision of outsourced insurance risk analysis services and insurance marketing services in the PRC (which for the purposes of this announcement only, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC, unless otherwise specified), (ii) the distribution and sales of medical equipment and pharmaceutical products in the PRC, and (iii) the provision of internet hospital and brick-and-mortar clinical services in the PRC.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of Preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance (the "**Companies Ordinance**"). The consolidated financial statements have been prepared on the historical cost basis. The consolidated financial statements are presented in Ringgit Malaysia ("**RM**") and all values are rounded to the nearest thousand, except when otherwise indicated.

2.2 Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by IASB for the first time, which are mandatorily effective for annual periods beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to IAS 1	*Non-current Liabilities with Covenants*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The amendments to IFRSs in the current year have had no material effect on the Group's results and financial position for the current or prior financial years. The Group has not applied any other new standards or interpretation that is not yet effective for the current accounting year.

3. SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment, which is the provision of outsourced services. The Group is also involved in the distribution and sales of medical equipment and pharmaceutical products, and the provision of internet hospital and brick-and-mortar clinical services.

Since over 90% of the Group's revenue is generated by its provision of outsourced services, no operating segments have been aggregated to form the above reportable operating segment.

The Group's revenue from external customers was derived mainly from its operations in Malaysia, Singapore and the PRC for the years ended 31 December 2024 and 2023; and the non-current assets of the Group were mainly located in Malaysia and the PRC as at 31 December 2024 and 2023.

(a) Geographical information

	For the year ended 31 December	
	2024	2023
	RM'000	*RM'000*
Geographical markets		
Malaysia	**71,603**	76,727
Singapore	**2,398**	2,512
the PRC	**22,989**	14,524
Total revenue from contracts with customers	**96,990**	93,763

(b) Non-current assets

	2024	2023
	RM'000	*RM'000*
Malaysia	**31,488**	33,952
the PRC	**192,667**	55
Total	**224,155**	34,007

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, prepayments, intangible assets and goodwill but do not include deferred tax assets.

(c) Information about major customers

Revenue from the top 5 customer groups of the Group's revenue for each reporting period is set out below:

	Representing % of total revenue	Sales amount *RM'000*
For the year ended 31 December 2024		
Bank Group A	**22.94%**	**22,252**
Bank Group B	**15.99%**	**15,506**
Bank Group C	**8.47%**	**8,216**
Retail Customer D (Note)	**5.61%**	**5,440**
Insurance Group E (Note)	**5.49%**	**5,328**
Total	**58.50%**	**56,742**
For the year ended 31 December 2023		
Bank Group A	23.09%	21,653
Bank Group B	16.15%	15,147
Bank Group C	10.56%	9,900
Insurance Group F	6.44%	6,034
Bank Group G	4.15%	3,894
Total	60.39%	56,628

Note: The revenue for the year ended 31 December 2023 did not contribute over 10% of the total revenue of the Group for that year.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

4.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	For the year ended 31 December	
	2024	2023
	RM'000	*RM'000*
Type of services		
Outsourced services:		
– Document management	**67,322**	73,682
– Insurance marketing	**17,227**	12,889
– Insurance risk analysis	**111**	473
– Enterprise software solutions:		
– Customised software	**5,181**	4,479
– Electronic document warehouse services	**1,498**	1,078
Others:		
– Distribution and sales of medical equipment	**1,032**	1,162
– Sales of pharmaceutical products	**2,555**	–
– Internet hospital and brick-and-mortar clinical services	**2,064**	–
Total revenue from contracts with customers	**96,990**	93,763
Timing of revenue recognition		
At a point in time	**90,311**	88,206
Over time	**6,679**	5,557
Total revenue from contracts with customers	**96,990**	93,763

4.2 Performance obligations

Information about the Group's performance obligations is summarised below:

Outsourced document management services

The performance obligation is satisfied at a point in time and payment is generally due upon completion of the service.

Outsourced insurance risk analysis services and insurance marketing services

The performance obligation is satisfied at a point in time when the report or data is delivered to and accepted by its customers and payment is generally due upon completion of the service.

Customised software

The performance obligation is satisfied over-time and payment is generally due upon achieving pre-agreed billing milestones.

Electronic document warehouse services

The performance obligation is satisfied over-time and payment is generally due in advance at the beginning of the service period.

Distribution and sales of medical equipment and pharmaceutical products

The performance obligation upon acceptance of goods by the customer and payment is generally due in advance before delivery.

Internet hospital and brick-and-mortar clinical services

The performance obligation is satisfied at a point in time and payment is generally due upon completion of the service.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 and 2023 is as follows:

	As at 31 December	
	2024	2023
	RM'000	*RM'000*
Expected to be recognised:		
Within one year	**1,969**	2,238
More than one year	**151**	115
	2,120	2,353

The Group applies the practical expedient on the exemption to disclose the information on the remaining performance obligations that have original expected durations of one year or less.

The remaining performance obligations expected to be recognised in more than one year as at 31 December 2024 relate to the enterprise software solutions to be satisfied within or more than two years (2023: within or more than two years).

5. OTHER INCOME

	For the year ended 31 December	
	2024	2023
	RM'000	*RM'000*
Interest income	**1,124**	1,068
Others	**24**	156
	1,148	1,224

6. FINANCE COSTS

	For the year ended 31 December	
	2024	2023
	RM'000	*RM'000*
Interest expenses on:		
– Term loan	**271**	374
– Overdraft	**–**	1
– Lease liabilities	**45**	13
Amortisation of transaction costs	**–**	71
	316	459

7. LOSS BEFORE TAX

The following items have been included in arriving at loss before tax:

	For the year ended 31 December	
	2024	2023
	RM'000	*RM'000*
Auditors' remuneration:		
– statutory	**603**	582
– others	**102**	102
Cost of services recognised as expenses	**62,762**	63,145
Cost of inventories recognised as expenses	**1,677**	545
Staff costs *(Note (i))*	**11,793**	16,884
Depreciation of property, plant and equipment *(Note (ii))*	**1,158**	1,147
Depreciation of right-of-use assets *(Note (iii))*	**610**	215
Amortisation of intangible assets *(Note (iv))*	**1,647**	771
Impairment loss on goodwill	**23,323**	–
Allowance for expected credit losses on trade receivables	**47**	245
Bad debts written off:		
– trade receivables	**–**	590
(Reversal of)/allowance for unutilised leave	**(66)**	35
Net unrealised foreign currency exchange losses	**38**	253
Research cost	**1,786**	917
Legal and other professional fees	**3,750**	3,833

Notes:

(i) Staff costs of approximately RM6,308,000 (2023: approximately RM5,855,000), RM138,000 (2023: Nil) and RM5,347,000 (2023: approximately RM11,029,000) are included in "Cost of sales", "Selling and distribution expenses" and "Administrative expenses" in the consolidated statement of comprehensive income, respectively.

(ii) Depreciation of property, plant and equipment of approximately RM264,000 (2023: approximately RM540,000) and RM894,000 (2023: approximately RM607,000) is included in "Cost of sales" and "Administrative expenses" in the consolidated statement of comprehensive income, respectively,

(iii) Depreciation of right-of-use assets is included in "Administrative expenses" in the consolidated statement of comprehensive income.

(iv) Amortisation of intangible assets is included in "Cost of sales" in the consolidated statement of comprehensive income.

8. INCOME TAX EXPENSE

	For the year ended 31 December	
	2024	2023
	RM'000	*RM'000*
Current income tax:		
– Malaysia	**2,505**	2,505
– the PRC	**96**	263
Under/(over) provision in prior years:		
– Malaysia	**31**	(137)
– the PRC	**(236)**	(554)
	2,396	2,077
Deferred tax	**173**	(124)
Income tax expense	**2,569**	1,953

9. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Basic loss per share is calculated by dividing the Company's net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following reflects the income and share data used in the computations for basic and diluted loss per share attributable to equity holders of the Company:

	2024	2023
	RM'000	*RM'000*
Loss for the year attributable to equity holders of the Company for the purposes of basic and diluted loss per share	**(21,430)**	(4,249)

	Number of shares	
	2024	2023
	'000	*'000*
Weighted average number of shares for the purposes of basic and diluted loss per share	**2,841,857**	2,400,000

The weighted average numbers of ordinary shares adopted for the year ended 31 December 2023 have been calculated to take into account the share subdivision of the Company from 1 issued and unissued ordinary share of HK$0.01 each subdivided into the three ordinary shares of one third Hong Kong cent each on 13 June 2023 (Note 13).

The Group had no potential dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023.

10. DIVIDEND

The Board does not recommend the distribution of a final dividend for the year ended 31 December 2024 (2023: No final dividend).

11. TRADE RECEIVABLES

	As at 31 December	
	2024	2023
	RM'000	*RM'000*
Trade receivables		
Third parties	**19,759**	20,176
Less: Allowance for expected credit losses	**(548)**	(501)
Trade receivables, net	**19,211**	19,675

Trade receivables are non-interest bearing and are generally on 30 days (2023: 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

An aging analysis of the trade receivables as at the end of the respective reporting period, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December	
	2024	2023
	RM'000	*RM'000*
Within 1 month	**10,521**	10,340
1 to 2 months	**3,636**	2,705
2 to 3 months	**2,752**	2,635
Over 3 months	**2,302**	3,995
	19,211	19,675

12. TRADE PAYABLES

	As at 31 December	
	2024	2023
	RM'000	*RM'000*
Trade payables		
Third parties	**1,340**	4,821
Amounts due to a related party	**65**	43
	1,405	4,864

An aging analysis of the trade payables as at the end of the respective reporting period, based on invoice date, is as follows:

	As at 31 December	
	2024	2023
	RM'000	*RM'000*
Within 1 month	**1,151**	4,581
1 to 2 months	**254**	283
2 to 3 months	**–**	–
Over 3 months	**–**	–
	1,405	4,864

13. SHARE CAPITAL

	Number of shares *('000)*	*HK'000*
Ordinary shares of one third Hong Kong cent each		
Authorised:		
At 1 January 2023	1,500,000	15,000
Share subdivision *(Note (i))*	3,000,000	–
At 31 December 2023, 1 January 2024 and 31 December 2024	4,500,000	15,000

	Number of shares *('000)*	*HK'000*	*RM'000*
Issued and fully paid:			
At 1 January 2023	800,000	8,000	4,233
Share subdivision *(Note (i))*	1,600,000	–	–
At 31 December 2023 and 1 January 2024	2,400,000	8,000	4,233
Acquisition of a subsidiary *(Note (ii))*	474,251	1,581	956
At 31 December 2024	**2,874,251**	**9,581**	**5,189**

Notes:

(i) Pursuant to a resolution passed by the shareholders of the Company ("**Shareholders**") at the extraordinary general meeting held on 9 June 2023, every one issued and unissued ordinary share of HK$0.01 each in the share capital of the Company was subdivided into three ordinary shares of one third Hong Kong cent each. The share subdivision became effective on 13 June 2023.

(ii) On 26 January 2024, the Group acquired the entire equity interest in Sun Join Investment Limited ("**Sun Join**") and the consideration of which was satisfied by the issue of 474,251,497 shares of the Company (the "**Shares**") at an issue price of HK$1 per share. The issue of 474,251,497 Shares of par value of one third Hong Kong cent each amounted to approximately HK$1,580,838 had been accounted as share capital of the Company and the remaining balance had been accounted as part of the share premium of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

We are principally engaged in (i) the provision of outsourced services, including the provision of outsourced document management services and related software applications and enterprise software solutions services in Malaysia as well as the provision of outsourced insurance risk analysis services and insurance marketing services in the PRC, (ii) the distribution and sales of medical equipment and pharmaceutical products in the PRC, and (iii) the provision of internet hospital and brick-and-mortar clinical services in the PRC. Our outsourced document management services represent our largest revenue stream which include (a) electronic document delivery; (b) document print and mail fulfilment; (c) magnetic ink character recognition cheque ("**MICR Cheque**") print and mail fulfilment; (d) medical ID card print and mail fulfilment; and (e) document imaging and scanning services. Our subsidiaries in the PRC are principally engaged in the operation of outsourced insurance risk analysis services and insurance marketing services business, the distribution and sales of medical equipment and pharmaceutical products business, and the provision of internet hospital and brick-and-mortar clinical services in the PRC.

Over the years, we have successfully developed proprietary enterprise software applications focused on information technologies ("**IT**") that drive digital transformation for large companies in the banking, insurance and retail industries in Malaysia. Our solutions are developed by our team of experienced IT engineers having longstanding experience in both the IT and the financial services industries, with the objective of optimising the IT document management system of our clients. Our strategy centres on driving growth in our core businesses by continuously developing and enhancing our successful proprietary enterprise software which fuels our competitive edge, expands our footprint in banking and insurance industries in Malaysia and Singapore, and paves the way for long-term sustainable growth.

We have experienced an increased demand for software as a service of subscription ("**SaaS**") for software application solution delivery in Malaysia which has led to an increase in demand from existing and new customers utilising our Streamline Suite for enterprise software solutions services. Meanwhile, market demand has been continuously evolving and the fast-paced development in digital technologies has further increased the use of advanced technologies such as artificial intelligence ("**AI**"), livestreaming and video technology to assist in multi-channel engagement with customers, and automation to enhance business processes. As we have been continuously strengthening our business model to be "Future Ready", we shall continue to invest in scaling up our solutions and services to take advantage of this opportunity and respond to changes more purposefully to lay the foundation for the Group's future innovation and growth. In addition, as we navigated several challenges in 2024, such as high costs due to strong United States Dollar and inflationary impacts, we look to minimize these effects by reducing costs, reinforce innovation and continuous improvement in Streamline Suite for enterprise software solutions services. We further look to sustain momentum through strategic partnerships, positioning us for future success.

In light of the above, we are upgrading our IT infrastructure and expanding our capacity to host and provide our Streamline Suite in our tier 3 compliant data centre in Malaysia, which is expected to be ready for use by the end of 2025 (the "**Data Centre**"). This new Data Centre will contribute to our Group's outsourced document management services and enterprise software solutions services by allowing our Group to enhance our document hosting capability for electronic distribution and providing enterprise software solutions to our customers. Please refer to the sub-section headed "Future Plans and Prospects" in this announcement for more details.

Furthermore, in recent years, we have successfully expanded and diversified our business in the PRC. During the Reporting Period, on 26 January 2024, the Company has completed its acquisition of 100% of the issued shares of Sun Join through its direct wholly-owned subsidiary, Core Squared Limited (the "**Acquisition**"), and further diversified the Group's business by entering into the businesses of internet hospital and providing brick-and-mortar clinical services. Through the Acquisition of Sun Join, the Group has gained access to a comprehensive range of services that encompass both the digital and physical aspects of healthcare, and a ready-made platform is provided to the Group to enter into the internet hospital market which allows the Group to capitalize its growth potential in the PRC. At the same time, the brick-and-mortar clinical services provide a complementary and tangible aspect to the Group's business. The Acquisition allows the Company to leverage the existing infrastructure, facilities, and expertise of the clinics controlled by Sun Join through its subsidiaries. This combination of virtual and physical healthcare services ensures a comprehensive and holistic approach to patient care, catering to a wide range of healthcare needs in the PRC.

FUTURE PLANS AND PROSPECTS

We intend to achieve sustainable growth in our business and create long-term Shareholder value. To achieve our goals, we propose to implement the following strategies:

(i) Expanding the Group's data processing and technical capacity:

- converting an existing building we acquired in 2022 into the new Data Centre to upgrade our IT infrastructure for expanding our outsourced document management services and our enterprise software solutions; and

(ii) Expanding the Group's market presence locally and exploring expansion regionally to capture further market share:

- maintaining and strengthening our relationship with existing customers and capturing new customers mainly in Malaysia, Singapore, Vietnam and the PRC.

The Group has applied approximately RM6.2 million (equivalent to approximately HK$12.0 million) out of its internal resources for the design and project management of the Data Centre since 2020. However, as a result of the unprecedented outbreak of the novel coronavirus pandemic ("**COVID-19 Outbreak**") since the beginning of 2020, the Malaysian Government implemented a series of preventative measures throughout the country, including but not limited to the Movement Control Order (the "**MCO**"). Due to the COVID-19 Outbreak and the countrywide lockdown measures under the MCO, the construction plan of the Group's new Data Centre facility had been postponed, and as disclosed in the announcement of the Company dated 4 November 2021 (the "**2021 Announcement**"), the Company subsequently decided to acquire and convert an existing building in Malaysia into the Data Centre instead of building one itself. On 10 January 2022, the Group entered into a provisional agreement with an independent third party to acquire a building in Malaysia for such purpose at the consideration of RM12.0 million (equivalent to approximately HK$22.3 million), of which RM10.3 million (equivalent to approximately HK$19.5 million) was paid out of the net proceeds of the Company's share offer and placing (the "**Share Offer**"), further details of which are set out in the Company's prospectus (the "**Prospectus**") dated 17 March 2020 and the 2021 Announcement. The Group began the conversion of the building into the Data Centre in June 2022. As at 31 December 2024, the conversion work was still in progress and it is expected that the Data Centre will be ready for use by the end of 2025. The conversion work was delayed mainly due to unexpected factors, including but not limited to unforeseen longer time required for the (i) design evaluation due to evolving data centre landscape in Malaysia, (ii) re-application for approval on the building, renovation and construction plans from the local authorities in Malaysia regarding the conversion of building usage, and (iii) the tender process for appropriate construction works to reduce cost in light of increasing prices due to inflation.

We expect the construction process of the Data Centre to be completed by the end of 2025 and ready for use in early 2026. This new Data Centre will contribute to our Group's outsourced document management services and enterprise software solutions services by allowing our Group to enhance our document hosting capability for electronic distribution and providing enterprise software solutions to our customers.

The Group has expanded its footprint in the PRC and has been engaging in outsourced insurance risk analysis services and insurance marketing services, and distribution and sales of medical equipment business in the PRC since July 2021 and April 2022, respectively. The complimentary integration of the Group's insurance risk analysis services and insurance marketing services and the distribution and sales of medical equipment businesses allows the Group to provide enhanced solutions with greater operational efficiency in the long term. Furthermore, the Acquisition in early 2024 allows the Group to be able to offer one-stop insurance and healthcare services to its existing and new customers from the expanded customer base in the PRC.

Going forward, the Group expects to develop advanced internet cloud technology and big data analysis to create a comprehensive and efficient service system for customers in the insurance and insurance related industries in the PRC. In addition, the Group aims to further internationalise and diversify its businesses based on such service system. Potential business opportunities include (i) the insurance big data business; (ii) the development of health management, equipment sales and big health business related to insurance data; and (iii) the data cloud services for various small-to-medium enterprises, such as telemedicine, video conferencing and other business opportunities.

In addition, in relation to the Group's internet hospital and brick-and-mortar clinical services, the Group plans to strategically integrate live e-commerce with private traffic to build a "Health Science + Sales" ecosystem, leveraging AI-driven recommendation algorithms to precisely target consumers. Supply chain efficiency is expected to be enhanced through partnerships with pharmaceutical logistics firms and the deployment of regional cloud warehouses to accelerate delivery times. The Company plans to adopt a new retail model integrating internet hospitals with live e-commerce, to be supported by a team and scaled across different cities and various stores through regulatory-compliant channels. The Company also intends to expand its agent brand portfolio by partnering with innovative medical device manufacturers, promoting products such as test kits, wearables, and diagnostic tools through a mix of online demonstrations and offline experience zones.

The Group will remain prudent and develop its business at a steady pace in the PRC, and will review its performance, strategies and development regularly.

FINANCIAL REVIEW

Revenue from contracts with customers

Our total revenue amounted to approximately RM97.0 million and RM93.8 million for the years ended 31 December 2024 and 31 December 2023, respectively. Our revenue in 2024 was mainly derived from (i) the provision of outsourced services mainly to financial institutions and retails customers, including the provision of outsourced document management services and related software applications and enterprise software solutions services in Malaysia as well as outsourced insurance risk analysis services and insurance marketing services in the PRC, which in aggregate represented approximately 94.2% (2023: approximately 98.8%) of the total revenue of the Group, (ii) the distribution and sales of medical equipment and pharmaceutical products in the PRC, which represented approximately 3.7% (2023: approximately 1.2%) of the total revenue of the Group, and (iii) the provision of internet hospital and brickand-mortar clinical services in the PRC, which represented approximately 2.1% (2023: Nil) of the total revenue of the Group.

Provision of outsourced services

Outsourced document management services

Our revenue generated from the provision of outsourced document management services represented approximately 69.4% and 78.6% of our total revenue for the years ended 31 December 2024 and 31 December 2023, respectively. The revenue from the provision of outsourced document management services decreased by approximately RM6.4 million or 8.6% from approximately RM73.7 million for the year ended 31 December 2023 to approximately RM67.3 million for the year ended 31 December 2024. Such decrease in revenue was mainly due to the decrease in demand for document print and mail fulfilment services for the year ended 31 December 2024, which was partially offset by the increase in demand for electronic document delivery services.

Outsourced insurance risk analysis services and insurance marketing services

We provided outsourced insurance risk analysis services and insurance marketing services to our customers in the insurance or insurance related industries in the PRC during the Reporting Period.

Our revenue generated from the provision of outsourced insurance risk analysis services and insurance marketing services represented approximately 17.9% of our total revenue for the year ended 31 December 2024 (2023: approximately 14.3%) and amounted to approximately RM17.3 million (2023: approximately RM13.4 million). Such increase in revenue was mainly attributable to the gradual recovery in demand from the economic downturn as an aftermath of the unprecedented COVID-19 Outbreak and the country-wide lockdown measures in the past few years in the PRC.

Enterprise software solutions

We have provided enterprise software solutions to our customers using our proprietary Streamline software and generate revenue mainly from license fees, maintenance fees and implementation fees during the Reporting Period.

Our revenue generated from the provision of enterprise software solutions represented approximately 6.9% and 5.9% of our total revenue for the years ended 31 December 2024 and 31 December 2023, respectively. Our revenue from the provision of enterprise software solutions services increased by approximately RM1.1 million or 20.2% from approximately RM5.6 million for the year ended 31 December 2023 to approximately RM6.7 million for the year ended 31 December 2024. The increase in revenue generated from the provision of enterprise software solutions during the Reporting Period was mainly due to the increase in customised enterprise software solutions services provided to a financial institution in Singapore.

Distribution and sales of medical equipment and pharmaceutical products

We have been engaged in the distribution and sales of medical equipment business in the PRC since April 2022 and the sales of pharmaceutical products in the PRC through our newly acquired subsidiaries in the PRC since early 2024. The revenue generated from the distribution and sales of medical equipment and pharmaceutical products was recognised on either a net basis when the Group's subsidiaries acted as an agent in the transactions or a principal basis when the Group's subsidiaries acted as a principal in the transactions.

Our income generated from the distribution and sales of medical equipment and pharmaceutical products represented approximately 3.7% of our total revenue for the year ended 31 December 2024 (2023: approximately 1.2%) and amounted to approximately RM3.6 million (2023: approximately RM1.2 million).

Internet hospital and brick-and-mortar clinical services

We have engaged in the provision of internet hospital and brick-and-mortar clinical services through our subsidiaries in the PRC following the Acquisition since early 2024. Our revenue generated from the provision of internet hospital and brick-and-mortar clinical services represented approximately 2.1% of our total revenue for the year ended 31 December 2024 and amounted to approximately RM2.1 million (2023: Nil).

Cost of sales

Our cost of sales increased by approximately RM1.8 million or 2.5% from approximately RM70.9 million for the year ended 31 December 2023 to approximately RM72.7 million for the year ended 31 December 2024. Such increase in cost of sales was mainly attributable to the increase in service fees charged by third party contractors in relation to our provision of outsourced insurance marketing services in the PRC, which was partially offset by the decrease in postage costs incurred in relation to our document mail fulfilment services in Malaysia.

Gross profit and gross profit margin

Our gross profit increased by approximately RM1.4 million or 6.2% from approximately RM22.9 million for the year ended 31 December 2023 to approximately RM24.3 million for the year ended 31 December 2024. Our gross profit margin increased by approximately 0.7 percentage points from approximately 24.4% for the year ended 31 December 2023 to approximately 25.1% for the year ended 31 December 2024. The increase in gross profit was mainly attributable to the increase in revenue generated from our provision of outsourced insurance marketing services in the PRC, while the increase in gross profit margin was mainly due to a decrease in the portion of our revenue generated from low profit margin services such as the provision of document mail fulfilment services.

Other income

Our other income amounted to approximately RM1.1 million for the year ended 31 December 2024 (2023: approximately RM1.2 million), which mainly consisted of interest income generated from fixed deposits placed with reputable banks.

Selling and distribution expenses

The selling and distribution expenses mainly represented the promotional expenses and the staff costs incurred for the provision of outsourced insurance risk analysis services and insurance marketing services, and distribution and sales of medical equipment in the PRC and amounted to approximately RM0.5 million in 2024 (2023: approximately RM0.1 million).

Administrative expenses

Our administrative expenses increased by approximately RM18.2 million or 72.7% from approximately RM25.0 million for the year ended 31 December 2023 to approximately RM43.2 million for the year ended 31 December 2024. The increase in 2024 was mainly attributable to (i) the impairment loss of goodwill of approximately RM23.3 million in relation to the cash generating unit principally engaged in the provision of internet hospital and brick-and-mortar clinical services in the PRC, and (ii) the increase in research costs, which was partially offset by the decrease in staff costs consisting of long-service remuneration and other staff payments. Details of the impairment loss as abovementioned are set out in the section headed "Goodwill and impairment loss of goodwill" in this announcement.

Finance costs

Our finance costs decreased by approximately RM0.2 million or 31.2% from approximately RM0.5 million for the year ended 31 December 2023 to approximately RM0.3 million for the year ended 31 December 2024, which was mainly due to the decrease in the outstanding balance of a term loan of the Group.

Loss before tax

Our loss before tax amounted to approximately RM18.5 million for the year ended 31 December 2024 (2023: loss before tax of approximately RM1.5 million). Such increase in loss before tax was mainly due to the impairment loss of goodwill of approximately RM23.3 million as abovementioned.

Income tax expense

Our income tax expense increased by approximately RM0.6 million or 31.5% from approximately RM2.0 million for the year ended 31 December 2023 to approximately RM2.6 million for the year ended 31 December 2024. Such increase in the income tax expenses was mainly due to the lesser reversal of over-estimated income tax expenses for prior years during the year ended 31 December 2024 as compared with that for the year ended 31 December 2023, in relation to the estimated income tax expenses for the provision of outsourced document management services in Malaysia and the provision of outsourced insurance risk analysis services and insurance marketing services in the PRC.

Loss for the year

Our loss for the year amounted to approximately RM21.1 million for the year ended 31 December 2024 (2023: loss for the year of approximately RM3.4 million). Such loss for the year was primarily due to the impairment loss of goodwill of approximately RM23.3 million as abovementioned.

Goodwill and impairment loss of goodwill

Background information

On 26 January 2024 (the "**Completion Date**"), the Company completed the acquisition of an aggregate of 100% of the issued shares of Sun Join (together with its subsidiaries, the "**Sun Join Group**") by Core Squared Limited, a direct wholly-owned subsidiary of the Company. Pursuant to the share purchase agreement dated 28 December 2023 (the "**SPA**") entered into between the Group and Ms. Zou Cheng ("**Ms. Zou**") and Ms. Le Xian ("**Ms. Le**"), 284,550,898 and 189,200,529 new shares (the "**Consideration Shares**") were issued and allotted to Sun Join Capital Investment Limited, which was wholly-owned by Ms. Zou, and Sun Join Venture Management Limited, which was wholly-owned by Ms. Le, respectively as consideration of the Acquisition. Sun Join Group is principally engaged in the provision of internet hospital and brick-and-mortar clinical services in the PRC. The fair value of the Consideration Shares based on the market price of the Shares on the Completion Date was approximately RM232,349,000 and the net amount of the identifiable assets acquired and liabilities assumed as at the Completion Date amounted to approximately RM17,115,000. According to the requirement of IFRS 3 "Business Combination", the Company recognized the excess of the fair value of Sun Join Group over the aforesaid net amount of the identifiable assets acquired and liabilities assumed as at the Completion Date as goodwill, which amounted to approximately RM215,234,000 as at the Completion Date.

Impairment assessment of goodwill as at 31 December 2024

The Company has engaged an independent valuer (the "**Valuer**") to perform an independent valuation relating to the impairment loss of goodwill for the year ended 31 December 2024.

As at 31 December 2024, the details of goodwill and the impairment loss of goodwill for the cash-generating unit (the "**CGU**") of Sun Join Group (the "**Sun Join Group CGU**") are set out as follows:

	Goodwill as at 26 January 2024	Goodwill (after the impairment loss) as at 31 December 2024	Impairment loss of goodwill during the year ended 31 December 2024
	RM'000	*RM'000*	*RM'000*
Sun Join Group CGU	215,234	191,911	23,323

The Directors performed impairment review of the carrying amounts of goodwill as at 31 December 2024 in accordance with International Accounting Standard 36 "Impairment of Assets" ("**IAS 36**"). IAS 36 defines impairment loss as the amount by which the carrying amount of an asset or a CGU exceeds its recoverable amount. Recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value in use.

In addition to goodwill above, property, plant and equipment and right-of-use assets that generate cash flows together with the goodwill are also included in the Sun Join Group CGU for the purpose of impairment assessment.

Since there are insufficient comparable transactions in the market as at 31 December 2024, the Directors measured the recoverable amount of the Sun Join Group CGU to which the goodwill had been allocated by estimating its value in use. According to IAS 36, value in use is defined as "the present value of the future cash flows expected to be derived from an asset or cash-generating unit".

Estimating the value in use of an asset or CGU involves estimating the future cash inflows and outflows to be derived from continuing use of the asset or CGU and from its ultimate disposal, and applying the appropriate discount rate to those future cash flows. Accordingly, in determining the respective recoverable amounts of the Sun Join Group CGU, which is equivalent to the business value of the Sun Join Group, the Company prepared and estimated the future cash flows expected to arise from Sun Join Group based on financial budgets covering a 5-year period as at 31 December 2024 (the "**Cash Flow Forecast**"), where the key assumptions and estimates included the growth rates, discount rates applied and the forecast performance based on the Directors' view of future business prospects and the future plans, and the Valuer used the Cash Flow Forecast as the basis to arrive at the value in use of the Sun Join Group CGU by using income approach, which is consistent with the requirement of IFRS 13 "Fair Value Measurement" and is a commonly adopted practice of valuers to arrive at the value in use of a CGU.

IFRS 13 states that "the income approach converts future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts".

During the year ended 31 December 2024, the financial performance of Sun Join Group failed to meet the cash flow forecast for the year ended 31 December 2024 mainly due to (i) changes in the PRC National Healthcare Security Administration's policies that (a) reduced the number of medicines that are reimbursable and sold by Sun Join Group following an adjustment to the online medical insurance drug catalog in the PRC, leading to decline in drug sales, (b) led to a decrease in the market prices of certain drugs, impacting the profit in drug sales, and (c) increased the regulatory costs related to compliance measures such as digital prescription tracing; (ii) a delay in the relocation of Sun Join Group's operations due to licensing requirements that was caused by unexpected prolonged clearance procedures from the PRC government departments, which have (a) hindered the business expansion of Sun Join Group, and (b) negatively affected Sun Join Group's business operations and storage capacity for drugs and devices; (iii) an increased number of public hospital promoting their own e-platforms which led to a loss of users in private internet hospital services; (iv) shifts in current regulations in 2024 that prohibited internet hospitals from prescribing and delivering injectable drugs and limited the scope of internet hospital services to online consultations and the prescription and delivery of orally administered drugs, food-as-medicine supplements, and exclusive Chinese medicine patches; (v) new regulatory requirements effective from late 2024 related to (a) the number of hours required for doctors' onsite medical practices in brick-and-mortar medical institutions, (b) unified management and coordination in doctors' working hours for onsite medical practices and internet hospital appointments, and (c) the requirement that any internet medical services should only be supplemental to doctors' onsite medical practices, which altogether reduced their availabilities for online consultations, decreasing patient engagement; (vi) an influx of new competitors in the medical device sector employing aggressive pricing strategies, coupled with rising raw material prices that escalated production costs, which diminished Sun Join Group's competitive edge and revenue from the distribution and sales of medical equipment; and (vii) a shortage of qualified healthcare professionals in the labor market, which impeded the establishment of a more competent team to provide internet hospital and brick-and-mortar clinical services. As a result, in the Cash Flow Forecast, the Company considered the actual financial performance of the Sun Join Group CGU for the year ended 31 December 2024 and management's expectations for the market development, where key assumptions and estimates included the growth rates, discount rates applied and the forecast performance based on management's view of future business prospects and the future plans, and adopted a lower revenue growth for the five years ending 31 December 2029.

Based on the Cash Flow Forecast, the recoverable amounts of Sun Join Group CGU amounted to approximately RM192,636,000 as at 31 December 2024. According to paragraph 104 of IAS 36:

"An impairment loss shall be recognised for a cash-generating unit (the smallest group of cash-generating units to which goodwill or a corporate asset has been allocated) if, and only if, the recoverable amount of the unit (group of units) is less than the carrying amount of the unit (group of units). The impairment loss shall be allocated to reduce the carrying amount of the assets of the unit (group of units) in the following order: (a) first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of units); and (b) then, to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units)."

Accordingly, the Directors have determined impairment loss of goodwill directly related to Sun Join Group CGU amounting to approximately RM23,323,000 for the year ended 31 December 2024. No other write-down of the assets of Sun Join Group CGU was considered necessary.

Final dividend

The Board does not recommend the distribution of a final dividend for the year ended 31 December 2024 (2023: No final dividend).

Liquidity and financial resources

As at 31 December 2024, total loans and borrowings of the Group amounted to approximately RM4.3 million (31 December 2023: approximately RM6.9 million), representing a decrease of approximately RM2.6 million or 37.8% as compared with that as at 31 December 2023. The Group's loans and borrowings were at floating interest rates of 4.75% to 6.85% (31 December 2023: floating interest rates of 4.50% to 6.85%) and denominated in RM during the Reporting Period. As at 31 December 2024, the loans and borrowings did not consist of any secured bank loans (31 December 2023: approximately RM1.6 million) with maturity date of more than 2 years but not exceeding 5 years, but included secured bank loans of approximately RM1.6 million (31 December 2023: approximately RM2.7 million) with maturity date of more than 1 year but not exceeding 2 years, and secured bank loans of approximately RM2.7 million (31 December 2023: approximately RM2.6 million) with maturity date of less than a year or which were repayable within one year. As at 31 December 2024, loans and borrowings of the Group of RM4.3 million were secured by first party open charge over the leasehold land, factory building and shoplot of the Group, and the corporate guarantee by the Company.

As at 31 December 2024, the Group had cash and bank balances of approximately RM59.7 million (31 December 2023: approximately RM42.7 million), which were denominated in RM, Renminbi ("**RMB**") and Hong Kong Dollars.

The Group maintains a solid financial position and is able to meet its obligations when they become due in its ordinary and usual course of business. The current ratio, being the ratio of total current assets to total current liabilities, was around 6.1 times as at 31 December 2024 (31 December 2023: approximately 5.3 times). The Group's working capital requirements were mainly financed by internal resources.

Contingent liabilities

As at 31 December 2024, the Group did not have any material contingent liabilities (31 December 2023: Nil).

Capital commitments

As at 31 December 2024, the Group had no capital commitments (31 December 2023: approximately RM1.3 million).

Funding and treasury policy

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position for the year ended 31 December 2024. To manage the liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. For the year ended 31 December 2024, the Group did not use any risk hedging instrument and would consider using such if the need arises.

Foreign currency risk

The Group mainly operates in Malaysia and the PRC with most of its transactions settled in RM, Singapore Dollar ("**SGD**") and RMB. The assets, liabilities and transactions arising from the operations are mainly denominated in RM, SGD and RMB. Although the Group may be exposed to foreign currency exchange risks, the Board believes that the future currency fluctuations will not have a material impact on the Group's operations and the Group did not enter into in any derivative contracts to hedge its exposure to foreign exchange risks for the year ended 31 December 2024. The Group has not adopted any formal hedging policies and would consider adopting such policies if the need arises.

Gearing ratio

As at 31 December 2024, the Group's gearing ratio was approximately 1.5% (31 December 2023: approximately 8.5%), representing the total loans and borrowings as a percentage of the total equity attributable to equity holders of the Company as at the end of the respective years. The decrease in gearing ratio was mainly attributable to the increase in total equity attributable to equity holders of the Company as a result of the issue of new Shares in January 2024 and the decrease in interest-bearing bank loans from approximately RM6.9 million as at 31 December 2023 to approximately RM4.3 million as at 31 December 2024.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

The management adopted a prudent investment strategy to utilise surplus cash to generate stable interest income from low-risk investment products. The management also monitored the investment performance of those products on a regular basis.

The Acquisition

On 28 December 2023, Core Squared Limited, a direct wholly-owned subsidiary of the Company, entered into the SPA with Ms. Zou and Ms. Le, pursuant to which Core Squared Limited conditionally agreed to purchase, and Ms. Zou and Ms. Le conditionally agreed to sell, an aggregate of 100% of the issued shares of Sun Join at the aggregate consideration of HK$474,251,497. The principal businesses of Sun Join and its group companies are the provision of internet hospital and brick-and-mortar clinical services. The Acquisition was completed on 26 January 2024 and Sun Join has become an indirect wholly-owned subsidiary of the Company. Pursuant to the SPA, for the purpose of settlement of the consideration, the Company issued and allotted 284,550,898 and 189,700,599 Consideration Shares to Sun Join Capital Investment Limited, which was wholly-owned by Ms. Zou and Sun Join Venture Management Limited, which was wholly-owned by Ms. Le, respectively, at HK$1.0 per Consideration Share, representing an aggregate of approximately 16.5% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

Save as disclosed herein, the Group did not have any significant investment nor did the Group carry out any material acquisition and disposal of subsidiaries, associates and joint ventures during the year ended 31 December 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the paragraph headed "Issue of Shares and Use of Proceeds from the Share Offer" in this announcement, the Group does not have other future plans for material investments and capital assets as at the date of this announcement.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024 (including sale of treasury shares). As at 31 December 2024 and date of this announcement, the Company did not hold any treasury shares.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there are no significant subsequent events undertaken by the Group after 31 December 2024 and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had 180 employees (31 December 2023: 165 employees). The total remuneration cost (including Directors' remuneration) amounted to approximately RM11.8 million for the year ended 31 December 2024 (2023: approximately RM16.9 million).

The terms of employment of employees conform to normal commercial practice. The remuneration of the employees, Directors and senior management of the Group is set and paid on the basis of the relevant employees', Director's and senior management's qualifications, competence, work performance, industry experience, relevant market trend and the Group's operating results, etc. Discretionary bonuses are granted to employees based on merit and in accordance with industry practice. Other benefits including share options, retirement benefits, subsidised medical care, pension funds and training programmes are offered to eligible employees.

SHARE OPTION SCHEME

The Company had conditionally adopted a share option scheme on 11 March 2020 (the "**Share Option Scheme**"). Details of the Share Option Scheme are set out in the section headed "Statutory and General Information – F. Share Option Scheme" in appendix V to the Prospectus. No share option has been granted by the Company pursuant to the Share Option Scheme since its adoption.

ISSUE OF SHARES AND USE OF PROCEEDS FROM THE SHARE OFFER

The Shares were listed on the Main Board of the The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 27 March 2020, with a total of 200,000,000 Shares issued at HK$0.63 each by way of the Share Offer, raising net proceeds of approximately HK$73.7 million after deducting underwriting commissions and all related expenses.

Having considered the then property market and business environment in Malaysia as affected by the COVID-19 Outbreak and the development needs of the Group as set out in the 2021 Announcement on 4 November 2021, the Board resolved to, among others, change the use of the unutilised net proceeds which were originally allocated to building the Data Centre to acquiring and convert an existing building in Malaysia into the Data Centre. For details, please refer to the 2021 Announcement.

Subsequently, having duly considered the development needs of the Group as set out in the Company's announcements dated 20 December 2022 (the "**2022 Announcement**") and 28 July 2023 (the "**2023 Announcement**"), respectively, the Board has, among others, resolved to (i) reallocate the unutilised net proceeds which were originally allocated to "strengthening the Group's technical operation support system" to another existing use of "engaging external software development vendor(s) and developing new applications within the software development plan", (ii) include the development or provision of livestreaming and video technology capabilities, and artificial intelligence capabilities for its existing and new applications in the Group's software development plan, (iii) reallocate the unutilised net proceeds which were originally allocated to "potential strategic acquisition and business opportunities" partially to the existing use of "stepping up the Group's marketing and sale efforts to reach out to new customers" and partially to the existing purpose of "engaging external software development vendor(s) and developing new applications within the software development plan", and (iv) include the engagement of external service provider(s) to provide marketing, sales, customer services and other support services for the Group's Streamline Suite products and services as part of its existing purpose of "marketing and sale efforts to reach out to new customers". For details, please refer to the 2022 Announcement and the 2023 Announcement.

A summary of the planned use and actual use of the net proceeds from the Share Offer is set out below:

Purposes of the use of the net proceeds	Percentage of total net proceeds *(approximate)*	Intended use of net proceeds as stated in the Prospectus (and as amended as set out in the 2021 Announcement, the 2022 Announcement and the 2023 Announcement) *HK$'million* *(approximate)*	Actual amount of utilised net proceeds during the Reporting Period and up to 31 December 2024 *HK$'million* *(approximate)*	Actual amount of utilised net proceeds as at 31 December 2024 *HK$'million* *(approximate)*	Actual amount of unutilised net proceeds as at 31 December 2024 *HK$'million* *(approximate)*	Expected timeline for utilisation of unutilised net proceeds as at the date of this announcement
To increase technological capability and capacity to develop into other market vertical/parallels	**89.8%**	**66.2**	**–**	**(30.2)**	**36.0**	
– to acquire and convert an existing building into a Data Centre and upgrade IT infrastructure	76.7%	56.5	–	(20.5)	36.0	31 December 2025
– to engage external software development vendors and develop new applications within the software development plan	13.1%	9.7	–	(9.7)	–	
To expand market presence locally and explore expansion regionally to capture further market share	**10.2%**	**7.5**	**(1.0)**	**(5.8)**	**1.7**	
– to step up the Group's marketing and sale efforts to reach out to new customers	10.2%	7.5	(1.0)	(5.8)	1.7	31 December 2025
	100.0%	**73.7**	**(1.0)**	**(36.0)**	**37.7**	

The balance of unutilised net proceeds brought forward to 2024 from the year ended 31 December 2023 amounted to approximately HK$38.7 million. Notwithstanding that the utilisation of the net proceeds has been delayed as aforementioned, as at 31 December 2024 the net proceeds have been used and are expected to be applied for purposes which are consistent with those as disclosed in the section headed "Future Plans and Proposed Use of Proceeds" of the Prospectus, the 2021 Announcement, the 2022 Announcement and the 2023 Announcement. The unutilised portion of the net proceeds has been deposited in reputable banks in Malaysia and Hong Kong.

The business objectives, future plans and planned use of proceeds as stated in the Prospectus, the 2021 Announcement, the 2022 Announcement and the 2023 Announcement were based on the best estimation and assumption of future market conditions and industry development made by the Company at the time of preparing the Prospectus, the 2021 Announcement, the 2022 Announcement and the 2023 Announcement, while the proceeds will be applied based on the actual development of the Group's business, the industry and the economic conditions. As at 31 December 2024 and the date of this announcement, there was no change in the intended use of net proceeds as previously disclosed in the Prospectus, the 2021 Announcement, the 2022 Announcement and the 2023 Announcement. The Company will keep observing the business environments and trends in the industries which the Group is engaged in, in order to evaluate the use of the net proceeds from the Share Offer to ensure it is for the best interests of the Company, and to consider and implement alternative plans as and when necessary and make any necessary announcements in accordance with the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange.

ISSUE OF SECURITIES

The Company had not issued any of the Company's securities for cash (including securities convertible into equity securities) or sell treasury shares for cash during the year ended 31 December 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. The Company has made specific enquiries with all the Directors and all the Directors have confirmed that they have complied with the Model Code during the year ended 31 December 2024.

The Company's relevant employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company's relevant employees was noted by the Company during the year ended 31 December 2024.

CODE ON CORPORATE GOVERNANCE PRACTICES

Save as the deviation disclosed below, the Company had complied with all applicable Code Provisions set forth in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules during the year ended 31 December 2024.

Under Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. During the Reporting Period, Mr. Ma Shengcong ("**Mr. Ma**") has been holding the roles of the chairman of the Board and the chief executive officer of the Company. Mr. Ma has been primarily responsible for overseeing and monitoring the Group's daily operations and participating in formulating and assessing the Company's goals and objectives. Mr. Ma is also responsible for developing strategic business plans and exploring new business opportunities for the Company's subsidiary in the PRC, which is principally engaged in the operation of outsourced insurance risk analysis services, insurance marketing services, and the distribution and sales of medical equipment business. Taking into account the significance of effective management and the implementation of our business strategies, the Directors (including the independent non-executive Directors) consider it is the most suitable for Mr. Ma to hold both the positions of chairman of the Board and the chief executive officer of the Company, and the existing arrangements are beneficial and in the interests of the Company and the Shareholders as a whole.

Under the leadership of Mr. Ma, the Board has been able to work effectively and perform its responsibilities with key and appropriate issues discussed in a timely manner. In addition, all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors on the Board offering independent perspectives. The Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between the Board and the management of the Company.

To maintain a high standard of corporate governance practices of the Company, the Board will review the effectiveness of the structure and composition of the Board from time to time in light of prevailing circumstances, and will continue to review and consider splitting the roles of the chairman and the chief executive officer at an appropriate time by taking into account the circumstances of the Group as a whole.

AUDIT COMMITTEE

The Board has established its audit committee (the "**Audit Committee**") with written terms of reference (revised and adopted by the Board on 1 January 2023) in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Yang Junhui, Mr. Xie Yaozu and Mr. Qian Jianguang. Mr. Yang Junhui is currently the chairman of the Audit Committee.

The Audit Committee has considered and reviewed the accounting principles and policies adopted by the Group, the consolidated financial information and the annual results announcement of the Company for the year ended 31 December 2024. The Audit Committee is of the view that the annual results for the year ended 31 December 2024 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

SCOPE OF WORK OF CCTH CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes to the financial information thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Company's auditors, CCTH CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditors on this announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on Friday, 27 June 2025 (the "**2025 AGM**"). The circular (including the notice convening the AGM) will be published on the respective websites of the Stock Exchange and the Company, and dispatched to the Shareholders (if applicable) in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Tuesday, 24 June 2025 to Friday, 27 June 2025 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the 2025 AGM, the unregistered holder of Shares must lodge all transfer documents accompanied by the relevant share certificates with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 23 June 2025.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement is published on the websites of both the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.clinksquared.com). The 2024 annual report of the Group for the year ended 31 December 2024 containing all the information required by the Listing Rules will be dispatched to the Shareholders (where applicable) in the manner required by the Listing Rules and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
C-Link Squared Limited
Ma Shengcong
Chairman of the Board and executive Director

Hong Kong, 31 March 2025

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 Mr. Yang Junhui, Mr. Qian Jianguang and Mr. Xie Yaozu.