C-LINK SQUARED LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1463)

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

The board (the "**Board**") of directors (the "**Directors**", each a "**Director**") of C-Link Squared Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**", "**we**" or "**our**") for the six months ended 30 June 2025 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2024, as follows:

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		For the six months ended 30 June	
	Notes	**2025** ***RM'000*** **(Unaudited)**	2024 *RM'000* (Unaudited)
Revenue from contracts with customers	*4*	**55,511**	49,624
Cost of services and sales		**(45,587)**	(38,929)
Gross profit		**9,924**	10,695
Other income and gains	*5*	**1,013**	414
Selling and distribution expenses		**(136)**	(448)
Administrative expenses		**(174,031)**	(8,290)
Finance costs	*6*	**(114)**	(159)
(Loss)/profit before income tax	*7*	**(163,344)**	2,212
Income tax expense	*8*	**(1,988)**	(1,191)
(Loss)/profit for the period		**(165,332)**	1,021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	For the six months ended 30 June 2025 RM'000 (Unaudited)	2024 RM'000 (Unaudited)
(Loss)/profit for the period		**(165,332)**	1,021
Other comprehensive loss			
Item that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(1,609)**	(564)
Other comprehensive loss for the period, net of tax		**(1,609)**	(564)
Total comprehensive (loss)/income for the period		**(166,941)**	457
(Loss)/profit for the period attributable to:			
Equity holders of the Company		**(165,305)**	1,118
Non-controlling interests		**(27)**	(97)
		(165,332)	1,021
Total comprehensive (loss)/income for the period attributable to:			
Equity holders of the Company		**(166,722)**	526
Non-controlling interests		**(219)**	(69)
		(166,941)	457
(Loss)/earnings per share attributable to equity holders of the Company:			
– Basic and diluted (RM sen)	*10*	**(5.75)**	0.04

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	**30 June 2025** *RM'000* **(Unaudited)**	31 December 2024 *RM'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**22,503**	22,693
Right-of-use assets		**3,686**	3,976
Intangible assets		**3,922**	4,745
Goodwill	*11*	**27,818**	191,911
Prepayments		**708**	830
Deferred tax assets		**672**	575
		59,309	224,730
Current assets			
Inventories		**2,368**	2,089
Trade receivables	*12*	**17,661**	19,211
Prepayments, deposits and other receivables	*12*	**8,956**	5,546
Income tax recoverable		**–**	363
Cash and bank balances		**54,552**	59,723
		83,537	86,932
Total assets		**142,846**	311,662
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables	*13*	**3,192**	1,405
Other payables and accruals		**4,121**	5,792
Contract liabilities		**2,438**	3,694
Income tax payable		**374**	93
Loans and borrowings		**2,731**	2,731
Lease liabilities		**373**	457
		13,229	14,172
Net current assets		**70,308**	72,760

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	**30 June 2025 RM'000 (Unaudited)**	31 December 2024 RM'000 (Audited)
Non-current liabilities			
Loans and borrowings		**227**	1,559
Lease liabilities		**325**	491
Deferred tax liabilities		**830**	264
		1,382	2,314
Total liabilities		**14,611**	16,486
Net assets		**128,235**	295,176
Capital and reserves attributable to equity holders of the Company			
Share capital	*14*	**5,189**	5,189
Reserves		**118,574**	285,296
		123,763	290,485
Non-controlling interest		**4,472**	4,691
Total equity		**128,235**	295,176
Total equity and liabilities		**142,846**	311,662

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM 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.

There have been no significant changes in the nature of the principal activities of the Group during the Reporting Period.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of Preparation

The unaudited condensed consolidated interim financial information of the Group has been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The unaudited condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024.

The unaudited condensed consolidated interim financial information of the Group has been prepared in accordance with the same accounting policies adopted in the Group's annual financial statements for the year ended 31 December 2024, except for the adoption of the revised IFRSs as disclosed in Note 2.2 below.

This unaudited condensed consolidated interim financial information is presented in Ringgit Malaysia ("**RM**") and all values are rounded to the nearest thousand ("**RM'000**") except where otherwise indicated. This unaudited condensed consolidated interim financial information has not been audited or reviewed by the Company's external auditor, but has been reviewed by the audit committee of the Board (the "**Audit Committee**").

2.2 Changes in Accounting Policies

In the accounting period beginning from 1 January 2025, the Group has adopted, for the first time, the following amendments to IFRSs:

Amendments to IAS 21	Lack of Exchangeability

The amendments to IAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Besides, the amendments also require an entity to disclose additional information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

These amendments have had no material effect on the Group's results and financial position for the current or prior periods. The Group has not applied any other new standards or interpretations that are not yet effective for the current accounting period.

3. OPERATING 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 sale 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 solely from its operations in Malaysia, Singapore and the PRC, and the non-current assets of the Group were mainly located in Malaysia and the PRC as at 30 June 2025 and 31 December 2024.

(a) ***Geographical information***

	For the six months ended 30 June	
	2025	2024
	RM'000	*RM'000*
	(Unaudited)	(Unaudited)
Geographical markets		
Malaysia	**39,909**	34,446
Singapore	**1,889**	1,413
The PRC	**13,713**	13,765
Total revenue from contracts with customers	**55,511**	49,624

(b) ***Non-current assets***

	30 June 2025	31 December 2024
	RM'000	*RM'000*
	(Unaudited)	(Audited)
Malaysia	**30,322**	31,488
The PRC	**28,315**	192,667
Total	**58,637**	224,155

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 top five customer groups of the Group for the respective reporting periods is set out below:

	Representing % of total revenue	**Sales amount**
		RM'000
	(Unaudited)	(Unaudited)
For the six months ended 30 June 2025		
Bank Group A	20.9%	11,583
Bank Group B	14.9%	8,253
Insurance Group C	10.8%	5,987
Bank Group D	8.0%	4,444
Bank Group E	7.5%	4,174
Total	62.1%	34,441

	Representing % of total revenue (Unaudited)	Sales amount *RM'000* (Unaudited)
For the six months ended 30 June 2024		
Bank Group A	21.3%	10,573
Bank Group B	15.1%	7,509
Insurance Group C	10.8%	5,349
Bank Group E	7.8%	3,870
Insurance Group F	4.3%	2,148
Total	59.3%	29,449

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 six months ended 30 June	
	2025 ***RM'000*** **(Unaudited)**	2024 *RM'000* (Unaudited)
Type of services		
Outsourced services:		
– Document management	**38,008**	32,247
– Insurance marketing	**12,850**	11,412
– Insurance risk analysis	**–**	–
– Enterprise software solutions:		
– Customised software	**3,168**	2,659
– Electronic document warehouse services	**622**	953
Others:		
– Distribution and sales of medical equipment	**358**	–
– Sales of pharmaceutical products	**–**	2,240
– Internet hospital and brick-and-mortar clinical services	**505**	113
Total revenue from contracts with customers	**55,511**	49,624
Timing of revenue recognition		
At a point in time	**51,721**	46,012
Over time	**3,790**	3,612
Total revenue from contracts with customers	**55,511**	49,624

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 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 is satisfied upon acceptance of goods by the customers 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.

5. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2025	2024
	RM'000	*RM'000*
	(Unaudited)	(Unaudited)
Bank interest income	**404**	381
Foreign exchange gain, net	**392**	31
Others	**217**	2
	1,013	414

6. FINANCE COSTS

	For the six months ended 30 June	
	2025	2024
	RM'000	*RM'000*
	(Unaudited)	(Unaudited)
Interest expenses on:		
– Term loan	**88**	145
– Overdraft	**3**	–
– Lease liabilities	**23**	14
	114	159

7. (LOSS)/PROFIT BEFORE INCOME TAX

The following items have been included in arriving at (loss)/profit before income tax:

	For the six months ended 30 June	
	2025	2024
	RM'000	*RM'000*
	(Unaudited)	(Unaudited)
Salaries and performance related bonuses	**5,423**	4,901
Pension scheme contributions	**636**	695
Other employee benefits	**38**	10
Staff costs	**6,097**	5,606
Depreciation of property, plant and equipment	**518**	602
Depreciation of right-of-use assets	**269**	209
Amortisation of intangible assets	**823**	823
(Reversal of)/allowance for expected credit losses on trade receivables	**(224)**	167
Impairment loss on goodwill *(Note)*	**164,093**	–
Legal and other professional fees	**885**	1,093
Software license fee	**2,571**	237
Research and development expenses	**166**	1,203

Note: The impairment loss on goodwill was included in administrative expenses as presented in the unaudited condensed consolidated statement of comprehensive income.

8. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2025	2024
	RM'000	*RM'000*
	(Unaudited)	(Unaudited)
Current income tax:		
– Malaysia	**1,517**	1,087
– The PRC	**2**	2
	1,519	1,089
Deferred tax charge	**469**	102
Income tax expense	**1,988**	1,191

9. INTERIM DIVIDEND

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

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Basic (loss)/earnings per share is calculated by dividing the Group's (loss)/profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2025 and 30 June 2024.

The following reflects the (loss)/profit and share data used in the basic and diluted (loss)/earnings per share computations:

	For the six months ended 30 June	
	2025	2024
	RM'000	*RM'000*
	(Unaudited)	(Unaudited)
(Loss)/earnings for the purpose of basic (loss)/earnings per share		
(Loss)/profit for the period attributable to equity holders of the Company	**(165,305)**	1,118
	'000	*'000*
	(Unaudited)	(Unaudited)
Number of shares for the purpose of basic (loss)/earnings per share		
Weighted average number of shares in issue during the period	**2,874,251**	2,811,018

No adjustments have been made to the basic (loss)/earnings per share attributable to equity holders of the Company for the six months ended 30 June 2025 and 30 June 2024 to arrive at the diluted (loss)/earnings per share as the Group had no potentially dilutive shares in issue during these periods.

11. GOODWILL

	Provision of internet hospital and brick-and-mortar clinical services business
	RM'000
At 31 December 2024 (Audited)	
Cost	215,234
Accumulated impairment losses	(23,323)
Net carrying amount	191,911
Period ended 30 June 2025 (Unaudited)	
Opening net carrying amount	191,911
Impairment loss recognised	(164,093)
Closing net carrying amount	27,818
At 30 June 2025 (Unaudited)	
Cost	215,234
Accumulated impairment losses	(187,416)
Net carrying amount	27,818

During the six months ended 30 June 2025, certain business projects in the cash generating unit (the "**CGU**") of the provision of internet hospital and brick-and-mortar clinical services businesses were suspended. The Group assessed the recoverable amounts of the CGU and as a result the carrying amount of the goodwill of the CGU was impaired to its recoverable amount of approximately RM27,818,000. An impairment loss on goodwill amounted to approximately RM164,093,000 was recognised for the six months ended 30 June 2025 and was included in administrative expenses as presented in unaudited condensed consolidated statement of comprehensive income.

12. TRADE AND OTHER RECEIVABLES

	30 June 2025	31 December 2024
	RM'000	*RM'000*
	(Unaudited)	(Audited)
Trade receivables		
Gross receivables from third parties	**17,985**	19,759
Less: Allowance for expected credit losses	**(324)**	(548)
Trade receivables, net	**17,661**	19,211
Prepayments, deposits and other receivables		
Deposits	**954**	1,326
Sundry receivables	**2,596**	795
Prepayments	**5,346**	3,386
Amounts due from related parties	**60**	39
	8,956	5,546

Trade receivables are non-interest bearing and are generally on 30 days (31 December 2024: 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

	30 June 2025	31 December 2024
	RM'000	*RM'000*
	(Unaudited)	(Audited)
Within 1 month	**10,953**	10,521
1 to 2 months	**2,834**	3,636
2 to 3 months	**2,187**	2,752
Over 3 months	**1,687**	2,302
	17,661	19,211

13. TRADE PAYABLES

	30 June 2025	31 December 2024
	RM'000	*RM'000*
	(Unaudited)	(Audited)
Trade payables		
Payables to third parties	**3,167**	1,340
Amount due to a related party	**25**	65
	3,192	1,405

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

	30 June 2025	31 December 2024
	RM'000	*RM'000*
	(Unaudited)	(Audited)
Within 1 month	**514**	1,151
1 to 2 months	**996**	254
2 to 3 months	**958**	–
Over 3 months	**724**	–
	3,192	1,405

14. SHARE CAPITAL

	Number of shares *('000)*	*HK$'000*
Authorised:		
At 31 December 2024, 1 January 2025 and 30 June 2025	**4,500,000**	**15,000**

	Number of shares *('000)*	*HK$'000*	*RM'000*
Issued and fully paid:			
At 1 January 2024	**2,400,000**	**8,000**	**4,233**
Acquisition of subsidiaries *(Note)*	**474,251**	**1,581**	**956**
At 31 December 2024, 1 January 2025 and 30 June 2025	**2,874,251**	**9,581**	**5,189**

Note:

On 26 January 2024, the Group acquired the entire equity interest in Sun Join Investment Limited ("**Sun Join**") for the consideration which was satisfied by the issue of 474,251,497 shares of the Company 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.

15. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the unaudited condensed consolidated interim financial information of the Group, the following significant transactions between the Group and its related parties took place at terms agreed between the parties during the respective reporting periods:

	For the six months ended 30 June	
	2025	2024
	RM'000	*RM'000*
	(Unaudited)	(Unaudited)
Purchase of consumable from a related company, Compugraphic Forms Sdn. Bhd. *(Note)*	**173**	237

Note:

It is a related party of the Group as Mr. Ling Sheng Shyan, a Director of the Company, is a shareholder of Compugraphic Forms Sdn. Bhd.

(b) Compensation of key management personnel

The remuneration of the key management personnel of the Group for the six months ended 30 June 2025 and 30 June 2024 is as follows:

	For the six months ended 30 June	
	2025	2024
	RM'000	*RM'000*
	(Unaudited)	(Unaudited)
Directors' fees	**258**	278
Salaries, allowances and benefits in kind	**240**	242
Pension scheme contributions	**31**	34
	529	554

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 in Malaysia currently represent the largest revenue stream of the Group and include (a) electronic document delivery, (b) document print and mail fulfilment, (c) magnetic ink character recognition cheque print and mail fulfilment, (d) medical ID card print and mail fulfilment, and (e) document imaging and scanning services.

Over the years, we have successfully developed proprietary enterprise software applications which focus on information technologies ("**IT**") that drive digital transformation for large companies in the banking, insurance and retail industries in Malaysia. Our solutions are mainly developed by our team of experienced IT engineers who have longstanding experience in both the IT and the financial services industries, with the objective of optimising the IT document management system of our clients. The banking industry is characterized by rapid and continuous change driven by factors like cloud computing and artificial intelligence ("**AI**"). The Group's customers in the financial industry are increasingly turning to new technologies not just to modernize their systems but also to integrate a variety of different solutions within a single platform.

The Group has experienced a transition from cost-intensive method document mail fulfilment to multi-channel digital delivery through IT software solutions, resulting in a shift in its business model. The transition signals a move towards more efficient and potentially more lucrative services as this move could mean higher profit margins because of lower overhead costs and potentially higher-value services. An added positive effect of this shift to digital services is the increased adoption of IT software solutions by banks, including those with overseas branches.

Given this dynamic business environment, investing in new technologies is crucial for sustained competitiveness and growth. This requires constant monitoring of market trends, customer needs, and competitive forces to identify opportunities and threats. By embracing emerging technologies, the Group gains a competitive advantage by enabling new product development and business models. This capability enables the Group to seize new opportunities, adapt strategies, and integrate new technologies.

The Group actively and regularly assesses its performance, strategies and the external environment to evolve its proprietary enterprise IT software and fuel its competitive edge. This proactive and forward-thinking approach to the Group's business strategy with a strong emphasize on continuous investment in its offerings creates a solid foundation for new product development and paves the way for long-term sustainable growth.

Furthermore, in recent years, we have successfully expanded and diversified our business in the PRC. On 26 January 2024, the Company completed its acquisition of 100% of the issued shares of Sun Join (the "**Acquisition**"), and further diversified the Group's business by entering into the businesses of internet hospital and providing brick-and-mortar clinical services which are engaged by the subsidiaries of Sun Join. Through the Acquisition, 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 for the Group to enter into the internet hospital market, which will allow the Group to capitalize on its growth potential in the PRC. At the same time, the brick-and-mortar clinical services will provide a complementary and tangible aspect to the Group's businesses. 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 will ensure 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 a new data centre (the "**Data Centre**") to upgrade our IT infrastructure for expanding our outsourced document management services and our enterprise software solutions.

(ii) Expanding the Group's market presence locally and exploring expansions 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 has implemented a series of preventative measures throughout the country, including but not limited to the Movement Control Order ("**MCO**"). Due to the COVID-19 Outbreak and the country-wide 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 30 June 2025, the conversion work was still in progress and it is expected that the Data Centre will be ready for use in early 2027. 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 2026 and ready for use in early 2027. 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 also expanded its footprint in the PRC in recent years. 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 and big health business related to insurance data, and (iii) data cloud services for various small-to-medium enterprises, such as telemedicine, video conferencing and other business opportunities. The Group will remain prudent and develop its businesses at a steady pace, and will review its performance, strategies and development regularly.

FINANCIAL REVIEW

Revenue from contracts with customers

Our total revenue consisted solely of our revenue from contracts with customers and amounted to approximately RM55.5 million and RM49.6 million for the six months ended 30 June 2025 and 30 June 2024, respectively. Our revenue for the six months ended 30 June 2025 was mainly derived from (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 outsourced insurance risk analysis services and insurance marketing services in the PRC, which in aggregate represented approximately 98.5% (six months ended 30 June 2024: approximately 95.3%) of the total revenue of the Group, (ii) the distribution and sales of medical equipment and pharmaceutical products in the PRC, which represented approximately 0.6% (six months ended 30 June 2024: approximately 4.5%) of the total revenue of the Group, and (iii) the provision of internet hospital and brick-and-mortar clinical services in the PRC, which represented approximately 0.9% (six months ended 30 June 2024: approximately 0.2%) 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 68.5% and 65.0% of our total revenue for the six months ended 30 June 2025 and 30 June 2024, respectively. The revenue from the provision of outsourced document management services increased by approximately RM5.8 million or 17.9% from approximately RM32.2 million for the six months ended 30 June 2024 to approximately RM38.0 million for the six months ended 30 June 2025. Such increase in revenue was mainly due to the increase in the revenue generated from the provision of mail fulfilment services as a result of the increase in unit prices charged for such services for the Reporting Period.

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 23.1% of the total revenue for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately 23.0%) and amounted to approximately RM12.9 million (six months ended 30 June 2024: approximately RM11.4 million). Such increase in revenue was mainly attributable to the revenue generated from new customers.

Enterprise software solutions

We provided enterprise software solutions to our customers using our proprietary Streamline Suite and generated 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 6.8% and 7.3% of our total revenue for the six months ended 30 June 2025 and 30 June 2024, respectively. Our revenue from the provision of enterprise software solutions increased by approximately RM0.2 million or 4.9% from approximately RM3.6 million for the six months ended 30 June 2024 to approximately RM3.8 million for the six months ended 30 June 2025. 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 subsidiaries in the PRC since January 2024. Such 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 revenue generated from the distribution and sales of medical equipment and pharmaceutical products represented approximately 0.6% (six months ended 30 June 2024: approximately 4.5%) of our total revenue for the six months ended 30 June 2025 and amounted to approximately RM0.4 million (six months ended 30 June 2024: approximately RM2.2 million). Such decrease in revenue was mainly due to the decrease in sales of pharmaceutical products caused by the weakened consumer spending sentiment and stricter contract terms imposed by partner manufacturers on cooperation with the Group in the PRC.

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 since early 2024. Our revenue generated from the provision of internet hospital and brick-and-mortar clinical services represented approximately 0.9% (six months ended 30 June 2024: approximately 0.2%) of our total revenue for the six months ended 30 June 2025 and amounted to approximately RM0.5 million (six months ended 30 June 2024: approximately RM0.1 million).

Cost of services and sales

Our cost of services and sales increased by approximately RM6.7 million or 17.1% from approximately RM38.9 million for the six months ended 30 June 2024 to approximately RM45.6 million for the six months ended 30 June 2025. Such increase in cost of services and sales was mainly attributable to the increase in postage costs incurred in relation to our document mail fulfilment services in Malaysia.

Gross profit and gross profit margin

Our gross profit decreased by approximately RM0.8 million or 7.2% from approximately RM10.7 million for the six months ended 30 June 2024 to approximately RM9.9 million for the six months ended 30 June 2025. Our gross profit margin decreased by 3.7 percentage point from approximately 21.6% for the six months ended 30 June 2024 to approximately 17.9% for the six months ended 30 June 2025, which was mainly due to the increase in the portion of revenue generated from lower-margin document mail fulfillment services as a result of the increase in unit prices charged for mail fulfillment services.

Other income and gains

Our other income and gains increased by approximately RM0.6 million or 144.7% from approximately RM0.4 million for the six months ended 30 June 2024 to approximately RM1.0 million for the six months ended 30 June 2025, which was mainly attributable to the net foreign exchange gain.

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. For the six months ended 30 June 2025, the selling and distribution expenses of the Group amounted to approximately RM0.1 million (six months ended 30 June 2024: approximately RM0.4 million).

Administrative expenses

Our administrative expenses increased by approximately RM165.7 million or 1,999.3% from approximately RM8.3 million for the six months ended 30 June 2024 to approximately RMB174.0 million for the six months ended 30 June 2025. The increase was mainly attributable to the impairment loss of goodwill of approximately RM164.1 million (six months ended 30 June 2024: Nil) in relation to the cash generating unit principally engaged in the provision of internet hospital and brick-and-mortar clinical services in the PRC. 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 RM45,000 or 28.3% from approximately RM159,000 for the six months ended 30 June 2024 to approximately RM114,000 for the six months ended 30 June 2025, which was mainly due to the decrease in the outstanding balance of a term loan of the Group.

(Loss)/Profit before income tax

Our loss before income tax amounted to approximately RM163.3 million for the six months ended 30 June 2025 (six months ended 30 June 2024: profit before income tax of approximately RM2.2 million). Such turnaround from profit before income tax to loss before income tax was mainly due to the impairment loss of goodwill of approximately RM164.1 million as abovementioned.

Income tax expense

Our income tax expense increased by approximately RM0.8 million or 66.9% from approximately RM1.2 million for the six months ended 30 June 2024 to approximately RM2.0 million for the six months ended 30 June 2025. Such increase in income tax expense was mainly due to the increase in taxable income generated from our outsourced document management services in Malaysia.

(Loss)/Profit for the period

Our loss for the period amounted to approximately RM165.3 million for the six months ended 30 June 2025 (six months ended 30 June 2024: profit for the period of approximately RM1.0 million). Such turnaround from profit to loss for the period was primarily due to the impairment loss of goodwill of approximately RM164.1 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, from Ms. Zou Cheng ("**Ms. Zou**") and Ms. Le Xian ("**Ms. Le**"). Pursuant to the share purchase agreement dated 28 December 2023 entered into between the Group and Ms. Zou and Ms. Le, 284,550,898 and 189,700,599 new shares of the Company (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 of the Company 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 loss of goodwill as at 30 June 2025

The Company has engaged an independent valuer (the "**Valuer**") to perform an independent valuation relating to the impairment loss of goodwill for the six months ended 30 June 2025.

As at 30 June 2025, 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 (after the impairment loss) as at 30 June 2025	**Goodwill (after the impairment loss) as at 31 December 2024**	**Impairment loss of goodwill during the six months ended 30 June 2025**	**Impairment loss of goodwill during the six months ended 30 June 2024**
	RM'000	*RM'000*	*RM'000*	*RM'000*
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)
Sun Join Group CGU	27,818	191,911	164,093	–

The Directors performed impairment review of the carrying amounts of goodwill as at 30 June 2025 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 the 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 30 June 2025, 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".

Valuation methodology

In the process of valuing the CGU, the Valuer has taken into account of the operation and financial information of the CGU and conducted discussions with the management of the Company to understand the status and prospect of the CGU. 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. The Valuer has adopted the income-based approach in arriving at the value in use of the CGU. 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 30 June 2025 (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".

Major assumptions of the valuation

The Valuer has adopted certain specific assumptions in the valuation, major ones of which include the following:

(i) all relevant legal approvals and business certificates or licenses to operate the business in the localities in which the CGU operates or intends to operate would be officially obtained and renewable upon expiry;

(ii) the projections outlined in the financial information provided are reasonable, reflecting market conditions and economic fundamentals, and will be materialized;

(iii) there will be sufficient supply of technical staff in the industry in which the CGU operates, and the CGU will retain competent management, key personnel and technical staff to support its ongoing operations and developments;

(iv) there will be no major change in the current taxation laws in the localities in which the CGU operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;

(v) there will be no major change in the political, legal, economic or financial conditions in the localities in which the CGU operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the CGU; and

(vi) interest rates and exchange rates in the localities for the operation of the CGU will not differ materially from those presently prevailing.

During the six months ended 30 June 2025, the financial performance of Sun Join Group failed to meet the cash flow forecast as at 31 December 2024 mainly due to the factors affecting each of the segments as stated below: (i) Online sale of pharmaceuticals and health products: Consumer spending sentiment weakened due to the recent overall economic downturn, leading to reduced demand for online pharmaceuticals and health products. In addition, partner manufacturers imposed stricter terms on cooperation with the Group, including but not limited to requiring substantial advance payments, and deposits and minimum initial order quantities, for the production of certain pharmaceuticals and health products to be sold by the Group. This hindered the promotion and sales of the pharmaceuticals and health products to be sold by the Group, resulting in sales targets being unsatisfied; (ii) Provision of insurance marketing services to customers: With the prolonged declining macroeconomic conditions, enterprises in the insurance industry in the PRC are generally reducing corporate budgets, leading to a significant decrease in market demand for the insurance marketing services. Meanwhile, fellow suppliers in the industry are generally adopting low-price strategies to capture market share due to the intensified competition within the industry. This has significantly impacted the Group's insurance marketing services business, resulting in underperformance against expectations; (iii) Provision of health consultation and the relevant customer services to life insurance clients of insurance companies (including but not limited to online prescriptions and medicine delivery, chronic disease management services, and examination reports interpretation services): Insurance companies have become more cautious in their collaboration with the Group in respect of health consultation and customer service businesses due to frequent regulatory policy changes in the PRC. Furthermore, the prolonged undesirable macroeconomic environment has reduced demand among life insurance clients for health consultation and related value-added services, affecting the Group's business expansion; (iv) Sale of medical devices: The prolonged economic downturn has led to instability in the medical device supply chain and fluctuations in raw material prices, making cost control for consumables, equipment and technical services challenging. Additionally, the overall significantly slowdown in investments in the healthcare sector has reduced demand for medical devices from healthcare institutions; (v) Offline sale of pharmaceuticals and health products: Factors including but not limited to (a) profit margin compression caused by policy adjustments, such as centralised drug procurement etc., (b) tightening medical insurance policies, and (c) declining consumer spending, have led to the lower than expected offline sale of pharmaceuticals and health products by the Group.

As a result, in the Cash Flow Forecast, the Company considered the actual financial performance of the Sun Join Group CGU for the six months ended 30 June 2025 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 30 June 2030.

Based on the Cash Flow Forecast, the recoverable amounts of Sun Join Group CGU amounted to approximately RM28,300,000 as at 30 June 2025. 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 RM164,093,000 for the six months ended 30 June 2025. No other write-down of the assets of Sun Join Group CGU was considered necessary.

Interim dividend

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

Liquidity and financial resources

As at 30 June 2025, the total loans and borrowings of the Group amounted to approximately RM3.0 million (31 December 2024: approximately RM4.3 million), representing a decrease of approximately RM1.3 million or 31.0% as compared with that as at 31 December 2024. The Group's loans and borrowings were at floating interest rates of 4.75% to 6.85% (31 December 2024: 4.75% to 6.85%) and denominated in RM during the Reporting Period. As at 30 June 2025, the loans and borrowings included secured bank loans of approximately RM0.2 million (31 December 2024: approximately RM1.6 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 2024: approximately RM2.7 million) with maturity date of less than a year or in aggregate, which were repayable within one year. As at 30 June 2025, loans and borrowings of the Group of RM3.0 million were secured by first party open charge over leasehold land, factory building and shoplot of the Group, and a corporate guarantee by the Company.

As at 30 June 2025, the Group had cash and bank balances of approximately RM54.6 million (31 December 2024: approximately RM59.7 million), which were mainly denominated in RM, Renminbi ("**RMB**") and Hong Kong Dollars ("**HK$**").

The Group maintained a solid financial position and was in a net current asset position as at 30 June 2025. The Group 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 6.3 times as at 30 June 2025 (31 December 2024: approximately 6.1 times). The Group's working capital requirements were mainly financed by internal resources during the Reporting Period.

Contingent liabilities

As at 30 June 2025, the Group did not have any material contingent liabilities (31 December 2024: Nil).

Capital commitments

As at 30 June 2025, the Group had capital commitments of approximately RM0.1 million (31 December 2024: Nil) in relation to the conversion of an existing building to the Data Centre, which will be funded by proceeds from the Share Offer and internal resources of the Group.

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 six months ended 30 June 2025. 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 six months ended 30 June 2025, the Group did not use any risk hedging instrument and would consider doing so 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 its 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 engage in any derivative contracts to hedge its exposure to foreign exchange risks for the six months ended 30 June 2025. The Group has not adopted formal hedging policies and would consider doing so if the need arises.

Gearing ratio

As at 30 June 2025, the Group's gearing ratio was approximately 2.4% (31 December 2024: approximately 1.5%), 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 reporting periods. The increase in gearing ratio was mainly attributable to the decrease in total equity attributable to equity holders of the Company as a result of the impairment loss of goodwill of approximately RM164.1 million, and the decrease in interest-bearing bank loans from approximately RM4.3 million as at 31 December 2024 to approximately RM3.0 million as at 30 June 2025.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

The management of the Group adopts a prudent investment strategy to utilise surplus cash to generate stable interest income from low-risk investment products and monitors the investment performance of those products on a regular basis.

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 six months ended 30 June 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

PURCHASE, SALE 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 (including sale of treasury shares) during the six months ended 30 June 2025. As at 30 June 2025 and the 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 30 June 2025 and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had approximately 192 employees, including the directors of the Company and its subsidiaries (as at 30 June 2024: 173 employees). The total remuneration cost (including staff costs capitalised as software development expenditure, if any) amounted to approximately RM6.1 million for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately RM5.6 million).

The terms of the Group's employment of employees conform to normal commercial practice. The remuneration of the directors, senior management and employees of the Group is set and paid on the basis of the relevant employees' qualifications, competence, work performance, industry experience, relevant market trend, and the Group's operating results, etc. Discretionary bonuses are granted to directors, senior management and 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 directors, senior management and employees.

SHARE OPTION SCHEME

The Company 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 Stock Exchange on 27 March 2020 with a then 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 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, the Board has resolved to, among others, change the use of the unutilised net proceeds which were originally allocated to building the Data Centre to acquiring and converting 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**"), 28 July 2023 (the "**2023 Announcement**") and 9 June 2025 (the "**2025 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 AI 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", (iv) include the engagement of external service provider(s) to provide marketing, sale, 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", and (v) reallocate the unutilised net proceeds which were originally allocated to "acquiring and converting an existing building into a Tier 3 compliant Data Centre and upgrading IT infrastructure" to "acquiring and converting an existing building into a Tier 2 compliant Data Centre and upgrading IT infrastructure". For details, please refer to the 2022 Announcement, the 2023 Announcement and the 2025 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, the 2023 Announcement and the 2025 Announcement) *HK$'million* *(approximate)*	Actual amount of utilised net proceeds during the Reporting Period and up to 30 June 2025 *HK$'million* *(approximate)*	Actual amount of utilised net proceeds as at 30 June 2025 *HK$'million* *(approximate)*	Actual amount of unutilised net proceeds as at 30 June 2025 *HK$'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**	**(0.1)**	**(30.3)**	**35.9**	
– to acquire and convert an existing building into a Tier 2 Data Centre and upgrade IT infrastructure	76.7%	56.5	(0.1)	(20.6)	35.9	31 December 2026
– 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**	**–**	**(5.8)**	**1.7**	
– to step up the Group's marketing and sale efforts to reach out to new customers	10.2%	7.5	–	(5.8)	1.7	31 December 2025
	100.0%	**73.7**	**(0.1)**	**(36.1)**	**37.6**	

The balance of unutilised net proceeds from the Share Offer brought forward to the beginning of 2025 from the year ended 31 December 2024 amounted to approximately HK$37.7 million. Although the utilisation of the net proceeds had been delayed as a result of, among other factors, the COVID-19 Outbreak, as at 30 June 2025 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, the 2023 Announcement and the 2025 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, the 2023 Announcement and the 2025 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, the 2023 Announcement and the 2025 Announcement, respectively, while the proceeds will be applied based on the actual development of the Group's business, the industry and the economic conditions. As at 30 June 2025 and up to 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, the 2023 Announcement and the 2025 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 Listing Rules.

ISSUE OF SECURITIES

The Company did not issue any of the Company's securities for cash (including securities convertible into equity securities) or sell treasury shares for cash during the Reporting Period.

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**") as 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 six months ended 30 June 2025.

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 six months ended 30 June 2025.

CODE ON CORPORATE GOVERNANCE PRACTICES

Save for 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 six months ended 30 June 2025.

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 subsidiaries in the PRC, which are principally engaged in the operation of outsourced insurance risk analysis services and insurance marketing services, internet hospital and brick-and-mortar clinical services, and the distribution and sales of medical equipment and pharmaceutical products 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 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 its shareholders as a whole.

Under the leadership of Mr. Ma, the Board is and 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 continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Further information concerning the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the year ending 31 December 2025.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company has established its 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. Qian Jianguang and Mr. Xie Yaozu. 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 unaudited condensed consolidated interim financial information and the interim results announcement of the Company for the six months ended 30 June 2025. The Audit Committee is of the view that the interim results for the six months ended 30 June 2025 are in compliance with the relevant accounting standards, rules and regulations, and appropriate disclosures have been duly made.

The unaudited condensed consolidated interim financial information of the Company for the six months ended 30 June 2025 has not been audited or reviewed by the independent auditor of the Company.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of both the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.clinksquared.com). The interim report of the Group for the six months ended 30 June 2025 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 the Company's corporate communications arrangement, 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, 29 August 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.