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C-LINK SQUARED LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1463)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Reference is made to (i) the announcements of C-Link Squared Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 28 December 2023 and 19 January 2024 in relation to the acquisition of Sun Join (the "**Acquisition Announcements**"); and (ii) the 2025 annual report of the Company for the year ended 31 December 2025 published on 29 April 2026 (the "**2025 Annual Report**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the 2025 Annual Report.

The Company would like to provide the following supplemental information to the Shareholders and potential investors of the Company. This announcement should be read in conjunction with the 2025 Annual Report.

REASONS AND CIRCUMSTANCES LEADING TO THE RECOGNITION OF THE IMPAIRMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

On 26 January 2024, the Company completed the acquisition of 100% of the issued shares of Sun Join through Core Squared Limited, a direct wholly-owned subsidiary of the Company (the "**Acquisition**"). The Sun Join Group is principally engaged in the provision of internet hospital and brick-and-mortar clinical services in the PRC.

As disclosed in the 2025 Annual Report, the Company recognised an impairment loss on goodwill of approximately RM184,917,000 for the financial year ended 31 December 2025 (the "**Impairment**") in relation to the Sun Join Group CGU, as compared with approximately RM23,323,000 for the financial year ended 31 December 2024. The Impairment was recognised after the recoverable amount of the Sun Join Group CGU was assessed based on the Cash Flow Forecast, resulting in a recoverable amount of approximately RM7,200,000 as at 31 December 2025 and an impairment loss on goodwill of approximately RM184,917,000 for the financial year ended 31 December 2025.

As disclosed in the 2025 Annual Report, the financial performance of the Sun Join Group failed to meet the Cash Flow Forecast made for the year ended 31 December 2025 mainly due to factors affecting five business segments, namely: (i) online sales of pharmaceuticals and health products; (ii) provision of insurance marketing services to customers; (iii) provision of health consultation and the related customer services to life insurance clients of insurance companies; (iv) sales of medical devices; and (v) offline sales of pharmaceuticals and health products.

As disclosed in the Acquisition Announcements, the Sun Join Group had entered into framework agreements relating to healthcare management services and medical equipment. The Company wishes to provide further information relating to the reasons and circumstances leading to the Impairment, including (i) the timeline and expected materialisation of the relevant framework agreements, (ii) the subsequent regulatory policies affecting the framework agreements, (iii) the measures taken by the Company during the terms of the framework agreements, and (iv) the bases for the revenue growth assumptions adopted in the valuation.

At the time of the Acquisition, the PRC business team of the Group had considered the market feedback indicating sustained growth in the internet healthcare sector in the PRC, the demand for integrated health management services in the PRC and the commercial rationale for recurring framework arrangements. Such market feedback indicated, among other things, that (i) the PRC internet healthcare market reached RMB173.4 billion in the first half of 2023, representing year-on-year growth of 21.2%, and (ii) the number of online medical users reached 364 million as at June 2023. It also indicated a growing demand for integrated health management services, including online consultation, chronic disease management, green-channel medical access and outpatient companion services, which had become standard value-added services for commercial health insurance in the PRC. Over 85% of medical insurance and critical illness insurance products were bundled with such services, and insurance agents and brokers commonly entered into annual framework agreements for their centralised procurement.

In addition, the Company took into account its discussions with the counterparties, their intention to cooperate under the framework agreements and the then prevailing regulatory and market conditions. On that basis, the Company considered it reasonable to expect that the non-binding framework agreements would materialise as anticipated. The insurance framework agreements contemplated ancillary health management services, including 24/7 online consultation, outpatient support services and online and offline health management programmes, while the medical equipment framework agreements contemplated the supply of medical device products by reference to purchase orders and product lists to be issued by the counterparties from time to time.

The valuation of the Sun Join Group CGU was significantly dependent on the expected materialisation of the framework agreements and related orders, which accounted for approximately 81.8% of the forecasted revenue in the valuation. During the years 2024 and 2025, a number of national-level policies and guidance issued by central PRC authorities and ministries tightened the regulatory environment for the Group's insurance-related health management services, medical device sales and pharmaceutical and health product businesses. Once these policies were implemented, the framework agreements became subject to higher compliance thresholds, longer approval cycles, more stringent traceability and procurement requirements and greater uncertainty as to timing and scale. The renewed framework agreements covering the year 2025 were not further renewed, lapsed upon expiry of their agreed terms and were no longer in force, and there was no ongoing cooperation with the relevant counterparties under those framework agreements following their expiry. These developments adversely affected the expected materialisation of the framework agreements and resulted in the recognition of the Impairment.

In relation to the insurance-related framework agreements, the relevant subsequent policies included the Opinions on Strengthening Supervision to Prevent Risks and Promote High Quality Development of the Insurance Industry*（《關於加強監管防範風險推動保險業高品質發展的若干意見》）and the Guidelines on Promoting High Quality Development of Health Insurance*（《關於推動健康保險高質量發展的指導意見》）. The Company considered that the provisions concerning third-party service-provider blacklists, enhanced admission and dynamic management, insurers' due diligence and joint liability, full lifecycle traceability and auditability, credit evaluation and service standardisation increased the compliance burden associated with, and uncertainty surrounding, the insurance-related framework agreements. In practical terms, these requirements meant that insurance-company counterparties had to conduct additional due diligence on, and undertake ongoing management of, third-party health management service providers, standardise and trace the full service process and complete additional internal approvals before cooperation could be implemented. This lengthened the expected timetable for revenue realisation.

In relation to the medical device-related framework agreements, the relevant subsequent policies included the Notice on Strengthening Regional Coordination and Advancing the 2024 Expansion and Quality Improvement of Centralised Procurement*（《關於加強區域協同做好2024年醫藥集中採購提質擴面的通知》）and the Notice on Conducting 2024 Medical Security Fund On-Site Inspections*（《關於開展2024年醫療保障基金飛行檢查工作的通知》）. The Company considered that the expansion of national alliance centralised procurement, the promotion of centralised procurement for high-value medical consumables, mandatory platform-based transactions, traceability requirements and unannounced medical-security fund inspections reduced operational flexibility, compressed pricing and margins, lengthened customer approval processes and caused medical institutions and hospital end-customers to become more conservative in procurement decisions. These factors directly affected the Group's ability to realise the expected order scale and timing under the medical device-related framework agreements.

In addition, the Guidelines for Identification of Medical Advertisements*（《醫療廣告認定指南》）and the Compliance Guidelines for Online Retail of Prescription Drugs (Draft for Comments)*（《處方藥網路零售合規指南(徵求意見稿)》）, both issued during the year 2025, further reflected the tightening regulatory regime for online pharmaceutical retail and medical advertising. In particular, the Guidelines for Identification of Medical Advertisements adopt a substance-over-form approach, under which online content presented as general health or scientific information, but which in fact promotes therapeutic effects, may nonetheless be deemed to be medical advertisements subject to prior approval requirements. The Compliance Guidelines for Online Retail of Prescription Drugs (Draft for Comments) set out proposed detailed operational requirements for online prescription drug retail, including full-lifecycle product traceability, dedicated licensed pharmacist staffing and supporting IT compliance systems, which indicate more stringent regulatory expectations for operational controls and compliance management. These developments were relevant to the broader impairment assessment because they increased compliance requirements for the Group's pharmaceutical and health product businesses and contributed to management's decision to cease the online pharmaceutical and health products sales business after assessing the recurring compliance costs against expected gross profit.

During the terms of the framework agreements, the Company took proactive measures to understand the impact of the relevant regulatory changes and explore possible implementation arrangements with the counterparties. Following implementation of the regulatory changes, the Company discussed the impact of the policy changes with relevant counterparties and maintained ongoing communications with various counterparties. The insurance-sector counterparties expressed only a general intention to standardise health management processes and enhance traceability systems, while the medical-institution counterparties communicated to the Company that device traceability documentation should be optimised and supply schedules adjusted. The Company actively followed up with counterparties regarding possible concrete rectification measures, but the feedback received remained tentative and unfinalised.

However, no specific rectification plan was available to the Company. As the Company acted solely as a service provider, it did not have the authority to unilaterally establish or impose rectification and implementation plans on the insurance institutions or medical institutions. The counterparties did not issue binding requirements or formal documents setting out the rectification requirements necessary for the framework agreements to proceed to implementation. Accordingly, the Company could not formulate or implement a definite plan, or otherwise procure implementation of the framework agreements, without formal written requirements from the relevant counterparties.

By the time the initial discussion stage had passed, the framework agreements had lapsed upon expiry of their agreed terms and were not renewed. In addition to the non-materialisation of the framework agreements and the cessation of the online pharmaceutical and health products sales business, the Board also considered other factors affecting the Sun Join Group CGU, including weaker macroeconomic and industry conditions, reduced procurement and outsourcing budgets of medical institutions and insurance institutions, longer approval and implementation cycles, intensified price competition, higher compliance and due diligence requirements, supply-chain and raw material cost pressures, and weaker customer demand. The Board therefore considered that, taken as a whole, these factors, together with lower-than-expected actual revenue for the financial year ended 31 December 2025, and a more cautious five-year revenue growth profile, supported the recognition of the Impairment.

IMPAIRMENT ASSESSMENT

The Company engaged an independent professional valuer (the "**Valuer**"), B.I. Appraisals Limited, with relevant qualifications and experience to conduct the valuation as at 31 December 2025 (the "**Appraisal Date**"). The valuation was performed based on a value-in-use basis, as defined in International Accounting Standard 36 – Impairment of Assets. Value-in-use represents the present value of the future cash flows expected to be derived from an asset or a CGU.

The valuation methodology adopted by the Valuer was the income-based approach, and the discounted cash flow method under the income-based approach was adopted to determine the value-in-use of the Sun Join Group CGU by discounting the forecast future cash flows to their present value.

KEY VALUATION INPUTS

As at 31 December 2025, the value-in-use of the Sun Join Group CGU was determined based on the future cash flows expected to arise from the Sun Join Group CGU, with reference to financial budgets covering a five-year period ending 31 December 2030, which included the revenue, the cost of sales and operating expenses, and the key assumptions included the revenue growth rates, the terminal growth rate and the discount rate applied.

The growth rates used were determined with reference to the past financial performance of the Sun Join Group CGU, recent regulatory developments, industry trends and management's expectations of future business demand and prospects. Total revenue of the Sun Join Group CGU for the financial year ending 31 December 2026 was forecasted to increase by approximately 42.9%. The relatively high forecasted growth rate for the financial year ending 31 December 2026 was partially due to the low revenue base in 2025, as the relevant framework agreements did not materialise. The forecast also reflected management's expectation of growth in the insurance marketing services in the financial year ending 31 December 2026, following the successful expansion of its customer base in 2025. This expansion was driven by management's more proactive efforts to attract new customers, supported by the reallocation of internal resources from the affected business associated with the framework agreements. This expectation was based on the actual year-on-year growth of approximately 146.3% in revenue driven by the insurance marketing services in 2025 and the management's assessment of expected market demand, and did not depend on the materialisation of the lapsed framework agreements. Customers are also expected to expand the insurance marketing solutions from selected business units to a wider group level rollout, resulting in larger order sizes for insurance marketing services in the financial year ending 31 December 2026. The revenue growth for the financial years ending 31 December 2027 and 31 December 2028 was forecasted to be approximately 21.2% and approximately 23.3%, respectively, primarily reflecting the continued expansion of the insurance marketing services of the Sun Join Group from a relatively moderate revenue base. For the financial years ending 31 December 2029 and 31 December 2030, revenue growth was forecasted to be approximately 5.0% and approximately 2.0%, respectively, reflecting a gradual transition towards a more normalised long-term growth profile.

The terminal growth rate represents the estimated growth rate at which the cash flows of the Sun Join Group CGU are expected to continue growing after the initial forecast period. In determining the terminal value of the Sun Join Group CGU after the financial year ending 31 December 2030, a terminal growth rate of approximately 2.0% was adopted with reference to the PRC's long-term inflation rate, based on Bloomberg's estimated PRC inflation rate.

For the discounted cash flow calculation, the Valuer adopted the weighted average cost of capital (the "**WACC**") of the Sun Join Group CGU as the basis for the discount rate. The pre-tax discount rate of approximately 25.0% and the corresponding after-tax discount rate of approximately 19.0% reflected market assessments of the time value of money and the risks specific to the Sun Join Group CGU. The discount rate was determined with reference to the WACC of the Sun Join Group CGU, taking into account the cost of equity and cost of debt, market data of comparable companies with similar business scopes and operations and other public financial data as at the Appraisal Date.

The impairment assessment for the Sun Join Group CGU was prepared with reference to the valuation conducted by the Valuer. Having discussed the valuation with CCTH CPA LIMITED, the independent auditor of the Company, and the Valuer, the Board considered that the valuation basis, the key assumptions and inputs were reasonable and supportable, and that they supported the recognition of the Impairment in the Group's audited financial statements for the financial year ended 31 December 2025.

The Board considers that the above valuation basis, key assumptions and inputs were reasonable and supportable, having regard to the actual operating performance of the Sun Join Group CGU, the regulatory and market developments affecting the relevant business segments, management's updated expectation of future business performance and prospects, and the independent valuation prepared for the impairment assessment.

This announcement is supplemental to, and should be read in conjunction with, the 2025 Annual Report. Save as disclosed above, all other information contained in the 2025 Annual Report remains unchanged.

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

Hong Kong, 27 November 2026

* *for identification purposes only.*

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.