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C-LINK SQUARED LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1463)

FURTHER CHANGE IN USE OF NET PROCEEDS FROM THE SHARE OFFER

References are made to (i) the prospectus of C-Link Squared Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 17 March 2020 (the “**Prospectus**”), (ii) the announcement in relation to the change in use of net proceeds from the Share Offer (the “**Net Proceeds**”) published by the Company on 4 November 2021 (the “**2021 Announcement**”), (iii) the announcement in relation to the further change in use of the Net Proceeds published by the Company on 20 December 2022 (the “**2022 Announcement**”), (iv) the announcement in relation to the further change in use of the Net Proceeds published by the Company on 28 July 2023 (the “**2023 Announcement**”), and (v) the annual report of the Company for the year ended 31 December 2024 published on 29 April 2025 (the “**Annual Report 2024**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus, the 2021 Announcement, the 2022 Announcement, the 2023 Announcement and the Annual Report 2024.

INTENDED USE OF NET PROCEEDS

After deducting the underwriting commissions and relevant expenses, the Net Proceeds amounted to approximately HK\$73.7 million.

As set out in the 2023 Announcement, having duly considered the Group's business expansion and marketing needs and the needs for further technological advancement of the Group's Streamline Suite platform, the Board resolved to (i) reallocate the unutilised Net Proceeds which were originally allocated to "potential strategic acquisition and business opportunities" of approximately HK\$5.7 million, of which approximately HK\$4.8 million would be reallocated to the existing use of Net Proceeds "stepping up the Group's marketing and sale efforts to reach out to new customers" and approximately HK\$0.9 million to the existing purpose of "engaging external software development vendor(s) and developing new applications within the software development plan", (ii) include the engagement of external service provider(s) to provide marketing, sale, customer services and other support services for the Group's Streamline products and services (the "**Marketing and Customer Support Services**") as part of its existing purpose of "marketing and sale efforts to reach out to new customers", (iii) include the development or provision of artificial intelligence ("**AI**") capabilities for its existing and new applications in the Group's software development plan, and (iv) extend the timeline for fully utilising the unutilised Net Proceeds for "acquiring and converting an existing building into a Tier 3 compliant data centre and upgrading IT infrastructure" and "stepping up the Group's marketing and sale efforts to reach out to new customers" from December 2023 to June 2024. For further details, please refer to the 2023 Announcement.

As at the date of the 2023 Announcement, the unutilised Net Proceeds amounted approximately HK\$43.5 million. Following the change in use of Net Proceeds as mentioned above, and as disclosed in the 2023 Announcement, the Company intended to apply the unutilised Net Proceeds as follows:

- (i) increasing the Group's technological capability and capacity to develop into other market vertical/parallels:
 - (a) approximately HK\$36.0 million for acquiring and converting an existing building into a Tier 3 compliant Data Centre and upgrading IT infrastructure; and
 - (b) approximately HK\$0.9 million for engaging external software development vendors and developing new applications within the software development plan.

- (ii) expanding the Group's market presence locally and exploring expansion regionally to capture further market share:
 - (a) approximately HK\$6.6 million for stepping up the Group's marketing and sale efforts to reach out to new customers.

From the date of the 2023 Announcement and up to the date of this announcement, the Company had utilised (i) approximately HK\$0.9 million of the Net Proceeds to engage external software development vendors and develop new applications within the software development plan, and (ii) approximately HK\$4.9 million of the Net Proceeds for stepping up the Group's marketing and sale efforts to reach out to new customers. As such, as at the date of this announcement, the unutilised Net Proceeds amounted to approximately HK\$37.7 million.

FURTHER CHANGE IN USE OF NET PROCEEDS

Having duly considered the Group's business expansion and marketing needs as set out in the paragraph headed "Reasons for and Benefits of the Further Change in Use of Net Proceeds" below, on 9 June 2025, the Board resolved to change 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" of approximately HK\$36.0 million to the new use of Net Proceeds of "acquiring and converting an existing building into a Tier 2 compliant Data Centre and upgrading IT infrastructure".

The table below sets out the intended use of the unutilised Net Proceeds as disclosed in the 2023 Announcement and the Annual Report 2024, the utilised and unutilised Net Proceeds as at the date of this announcement, the change in use of the unutilised Net Proceeds and the related timeline for usage:

Purposes of the use of the Net Proceeds	Intended use of the Net Proceeds as at the date of the 2023 Announcement	Amount of unutilised Net Proceeds as at the date of the 2023 Announcement	Amount of Net Proceeds utilised during the period between the date of the 2023 Announcement and the date of this announcement	Amount of unutilised Net Proceeds as at the date of this announcement	Current change in use of the unutilised Net Proceeds	Amount of unutilised Net Proceeds after current change in use	Expected timeline for fully utilising the unutilised Net Proceeds as at the date of the Annual Report 2024	Change in expected timeline for fully utilising the unutilised Net Proceeds
	(i.e., 28 July 2023) (HK\$' million) (approximate)	(HK\$' million) (approximate)	(HK\$' million) (approximate)	(HK\$' million) (approximate)	(HK\$' million) (approximate)	(HK\$' million) (approximate)		
To increase technological capability and capacity to develop into other market vertical/parallels	66.2	36.9	–	36.0	Unchanged	36.0		
– to acquire and convert an existing building into a Tier 3 Data Centre and upgrade IT infrastructure	56.5	36.0	–	36.0	–	–	By 31 December 2025	–
– to acquire and convert an existing building into a Tier 2 Data Centre and upgrade IT infrastructure	–	–	–	–	36.0	36.0	–	By 31 December 2026
– to engage external software development vendors and develop new applications within the software development plan	9.7	0.9	0.9	–	–	–	–	–
To expand market presence locally and explore expansion regionally to capture further market share	7.5	6.6	4.9	1.7	Unchanged	1.7		
– to step up the Group's marketing and sale efforts to reach out to new customers	7.5	6.6	4.9	1.7	Unchanged	1.7	By 31 December 2025	Unchanged
	<u>73.7</u>	<u>43.5</u>	<u>5.8</u>	<u>37.7</u>	<u>37.7</u>	<u>37.7</u>		

Notes:

- For details of the use of Net Proceeds before the date of the 2023 Announcement (i.e., 28 July 2023), please refer to the Prospectus, the 2021 Announcement, the 2022 Announcement, and the 2023 Announcement.
- Between the date of the 2023 Announcement (i.e., 28 July 2023) and the date of the Annual Report 2024, Net Proceeds of approximately HK\$4.9 million have been utilised for stepping up the Group's marketing and sale efforts to reach out to new customers.
- Between the date of the Annual Report 2024 and the date of this announcement, no Net Proceeds have been utilised.

4. Between the date of Listing and the date of this announcement, Net Proceeds of (i) approximately HK\$20.5 million have been utilised for acquiring and converting an existing building into a Tier 3 compliant Data Centre and upgrading IT infrastructure, (ii) approximately HK\$9.7 million have been utilised for engaging external software development vendors and developing new applications within the software development plan, and (iii) approximately HK\$5.8 million have been utilised for stepping up the Group's marketing and sale efforts to reach out to new customers. Therefore, the total amount of utilised Net Proceeds as at the date of this announcement was HK\$36.0 million.
5. The expected timetable for fully utilising the unutilised Net Proceeds is determined based on the Group's best estimate of future market conditions and is subject to change depending on current market conditions and future market developments.

REASONS FOR AND BENEFITS OF THE FURTHER CHANGE IN USE OF NET PROCEEDS

As disclosed in the 2021 Announcement, the 2022 Announcement, the 2023 Announcement and the Annual Report 2024, the Board originally planned to use the unutilised Net Proceeds of approximately HK\$36.0 million (as at the date of the Annual Report 2024) in increasing “technological capability and capacity to develop into other market vertical/parallels” by acquiring and converting an existing building in Malaysia into a Tier 3 Data Centre.

However, considering the growing acceptance and adoption of cloud platforms in Malaysia, especially among financial institutions, the Company decided to convert the existing building it acquired in 2022 in Malaysia to a Tier 2 Data Centre instead of a Tier 3 Data Centre. Recent changes in the compliance framework including the Financial Services Act 2013, Outsourcing Policy Document (2019), Risk Management in Technology (RMiT) (2019), and BNM Interoperable Credit Transfer Framework (2019) of Malaysia, have enabled banks and other financial service providers to utilise cloud services provided by major players like AWS, Microsoft Azure, and Alibaba Cloud, provided they adhere to relevant legal and regulatory standards. This shift is fueled by several advantages that cloud platforms offer over traditional local data centre providers, such as greater scalability, enhanced infrastructure, a robust global ecosystem, continuous innovation, and cost optimization. By connecting massive global infrastructures owned by enterprises with data centres all around the world, providing a huge ecosystem of third-party tools, services, and technologies, and reducing costs due to cloud platforms' lower hardware requirements, cloud platforms are a more strategic and cost-effective choice, particularly for enterprises with complex and global operational requirements.

Additionally, the Malaysian Data Centre market is witnessing rapid expansion and saturation, with over 33 new facilities under development and significant investments from global tech giants such as AWS, Microsoft, Google, and Alibaba. This influx is intensifying competition and putting pressure on costs, making it increasingly difficult for smaller Tier 3 providers to remain competitive. Given these dynamics, the Group has decided not to develop its own competitive cloud services to rival the major players in the market and instead will leverage existing public cloud platforms for hosting primary applications and data, aligning with customer preferences and markets trends while managing deployment, cost, and storage strategies effectively. In addition, instead of maintaining a Tier 3 facility as a primary hosting provider, the Tier 2 facility can serve primarily as a backup for cloud-hosted applications and data, reducing cloud operating costs while ensuring data redundancy and disaster recovery capabilities. The Company considers that the hybrid model of maintaining a Tier 2 Data Centre as a cold backup while leveraging the cloud for primary operations offers the Company a cost-efficient solution without the high overhead of maintaining a fully operational Tier 3 facility.

The expected timeline for utilising the Net Proceeds to convert an existing building in Malaysia into a Tier 2 Data Centre will be extended to 31 December 2026 to accommodate for additional planning, assessments of infrastructure needs, and compliance with regulatory requirements.

Save as disclosed in this announcement, there is no other change in the intended use of the unutilised Net Proceeds as disclosed in the 2023 Announcement and the Annual Report 2024. The Board confirms that there are no material changes in the nature of the businesses of the Group. The Board considers the above change in use of the unutilised Net Proceeds to be fair and reasonable as this would allow the Company to deploy its financial resources more effectively with the aim of developing its business expansion and marketing plans while enhancing the profitability of the Group and is therefore in the interests of the Group and the Shareholders as a whole.

The Board will continuously assess the plan for the use of the unutilised Net Proceeds and may revise or amend such plan as and when necessary to cope with the changing market conditions and strive for better business performance of the Group. Any further revisions or amendment to the use of the unutilised Net Proceeds, where applicable, will be disclosed in accordance with the Listing Rules.

By Order of the Board
C-Link Squared Limited

Ma Shengcong
Chairman of the Board and executive Director

Hong Kong, 9 June 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.