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## **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 2024**

The board (the “**Board**”) of directors (the “**Directors**”) 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 2024 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2023, as follows:

#### **UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the six months ended 30 June 2024*

		<b>For the six months ended 30 June</b>	
	<i>Notes</i>	<b>2024</b>	2023
		<b>RM’000</b>	RM’000
		<b>(Unaudited)</b>	(Unaudited)
Revenue from contracts with customers	4	<b>49,624</b>	45,861
Cost of sales		<b>(38,929)</b>	(36,448)
<b>Gross profit</b>		<b>10,695</b>	9,413
Other income and gains	5	<b>414</b>	483
Selling and distribution expenses		<b>(448)</b>	–
Administrative expenses		<b>(8,290)</b>	(12,548)
Finance costs	6	<b>(159)</b>	(211)
<b>Profit/(loss) before tax</b>	7	<b>2,212</b>	(2,863)
Income tax expense	8	<b>(1,191)</b>	(1,123)
<b>Profit/(loss) for the period</b>		<b>1,021</b>	(3,986)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2024*

	<b>For the six months ended 30 June</b>	
<i>Note</i>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Other comprehensive (loss)/income</b>		
<i>Item that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>(564)</u>	<u>1,377</u>
Other comprehensive (loss)/income for the period, net of tax	<u>(564)</u>	<u>1,377</u>
<b>Total comprehensive income/(loss) for the period</b>	<b><u>457</u></b>	<b><u>(2,609)</u></b>
<b>Profit/(loss) attributable to:</b>		
Equity holders of the Company	<b>1,118</b>	<b>(4,318)</b>
Non-controlling interests	<u>(97)</u>	<u>332</u>
	<b><u>1,021</u></b>	<b><u>(3,986)</u></b>
<b>Total comprehensive income/(loss) attributable to:</b>		
Equity holders of the Company	<b>526</b>	<b>(3,403)</b>
Non-controlling interests	<u>(69)</u>	<u>794</u>
	<b><u>457</u></b>	<b><u>(2,609)</u></b>
<b>Earnings/(loss) per share attributable to equity holders of the Company:</b>		
– Basic and diluted ( <i>RM sen</i> )	<i>10</i> <b><u>0.04</u></b>	<b><u>(0.18)</u></b>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		<b>30 June 2024</b>	31 December 2023
	<i>Notes</i>	<b><i>RM'000</i></b>	<b><i>RM'000</i></b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>22,939</b>	20,728
Right-of-use assets		<b>3,611</b>	3,819
Intangible assets		<b>5,569</b>	6,392
Prepayments		<b>1,015</b>	3,068
Goodwill		<b>211,176</b>	–
Deferred tax assets		<b>721</b>	736
		<b>245,031</b>	34,743
<b>Current assets</b>			
Inventories		<b>1,853</b>	617
Trade receivables	<i>11</i>	<b>20,697</b>	19,675
Prepayments, deposits and other receivables	<i>11</i>	<b>26,640</b>	5,026
Income tax recoverable		<b>763</b>	886
Cash and bank balances		<b>43,270</b>	42,673
		<b>93,223</b>	68,877
<b>Total assets</b>		<b>338,254</b>	103,620
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	<i>12</i>	<b>5,538</b>	4,864
Other payables and accruals		<b>6,234</b>	3,316
Contract liabilities		<b>3,103</b>	1,535
Income tax payable		<b>594</b>	243
Loans and borrowings		<b>2,667</b>	2,605
Lease liabilities		<b>287</b>	324
		<b>18,423</b>	12,887
<b>Net current assets</b>		<b>74,800</b>	55,990

		<b>30 June</b>	31 December
		<b>2024</b>	2023
	<i>Note</i>	<b><i>RM'000</i></b>	<i>RM'000</i>
		<b>(Unaudited)</b>	(Audited)
<b>Non-current liabilities</b>			
Loans and borrowings		<b>2,941</b>	4,290
Lease liabilities		<b>230</b>	353
Deferred tax liabilities		<b>339</b>	252
		<u><b>3,510</b></u>	<u>4,895</u>
<b>Total liabilities</b>		<u><b>21,933</b></u>	<u>17,782</u>
<b>Net assets</b>		<u><b>316,321</b></u>	<u>85,838</u>
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	<i>13</i>	<b>5,180</b>	4,233
Reserves		<u><b>306,594</b></u>	<u>76,989</u>
		<b>311,774</b>	81,222
Non-controlling interest		<u><b>4,547</b></u>	<u>4,616</u>
<b>Total equity</b>		<u><b>316,321</b></u>	<u>85,838</u>
<b>Total equity and liabilities</b>		<u><b>338,254</b></u>	<u>103,620</u>

# 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 2023.

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 2023, 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 auditors, 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 2024, the Group has adopted, for the first time, the following amendments to IFRSs:

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

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 interpretation that is 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 2024 and 31 December 2023.

(a) **Geographical information**

	<b>For the six months ended 30 June</b>	
	<b>2024</b> <i>RM'000</i> (Unaudited)	<b>2023</b> <i>RM'000</i> (Unaudited)
<b>Geographical markets</b>		
Malaysia	34,446	39,776
Singapore	1,413	1,169
PRC	13,765	4,916
	<hr/>	<hr/>
<b>Total revenue from contracts with customers</b>	<b>49,624</b>	<b>45,861</b>
	<hr/> <hr/>	<hr/> <hr/>

(b) **Non-current assets**

	<b>30 June</b>	<b>31 December</b>
	<b>2024</b> <i>RM'000</i> (Unaudited)	<b>2023</b> <i>RM'000</i> (Audited)
Malaysia	31,759	33,952
PRC	212,551	55
	<hr/>	<hr/>
<b>Total</b>	<b>244,310</b>	<b>34,007</b>
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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 period is set out below:

	<b>Representing % of total revenue</b>	<b>Sales amount</b>
	(Unaudited)	<i>RM'000</i> (Unaudited)
<b>For the six months ended 30 June 2024</b>		
Bank Group A	21.3%	10,573
Bank Group B	15.1%	7,509
Insurance Group C	10.8%	5,349
Bank Group D	7.8%	3,870
Insurance Group E	4.3%	2,148
	<hr/>	<hr/>
<b>Total</b>	<b>59.3%</b>	<b>29,449</b>
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	<b>Representing % of total revenue</b>	<b>Sales amount RM'000</b>
	(Unaudited)	(Unaudited)
For the six months ended 30 June 2023		
Bank Group A	24.7%	11,308
Bank Group B	17.7%	8,099
Bank Group D	11.9%	5,466
Insurance Group E	6.5%	2,996
Bank Group F	5.2%	2,376
	<hr/>	<hr/>
<b>Total</b>	<b>66.0%</b>	<b>30,245</b>
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#### 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:

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
	(Unaudited)	(Unaudited)
<b>Type of services</b>		
Outsourced services:		
– Document management	32,247	38,293
– Insurance marketing	11,412	4,461
– Insurance risk analysis	–	–
– Enterprise software solutions:		
– Customised software	2,659	2,122
– Electronic document warehouse services	953	530
Others:		
– Distribution and sales of medical equipment	–	455
– Sales of pharmaceutical products	2,240	–
– Internet hospital and brick-and-mortar clinical services	113	–
	<hr/>	<hr/>
<b>Total revenue from contracts with customers</b>	<b>49,624</b>	<b>45,861</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Timing of revenue recognition</b>		
At a point in time	46,012	43,209
Over time	3,612	2,652
	<hr/>	<hr/>
<b>Total revenue from contracts with customers</b>	<b>49,624</b>	<b>45,861</b>
	<hr/> <hr/>	<hr/> <hr/>



## 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	
	2024	2023
	<i>RM'000</i>	<i>RM'000</i>
	(Unaudited)	(Unaudited)
Bank interest income	381	420
Foreign exchange gain, net	31	58
Others	2	5
	<u>414</u>	<u>483</u>

## 6. FINANCE COSTS

	For the six months ended 30 June	
	2024	2023
	<i>RM'000</i>	<i>RM'000</i>
	(Unaudited)	(Unaudited)
Interest expenses on:		
– Term loan	145	196
– Overdraft	–	1
– Lease liabilities	14	4
Amortisation of transaction costs	–	10
	<u>159</u>	<u>211</u>

## 7. PROFIT/(LOSS) BEFORE TAX

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

	For the six months ended 30 June	
	2024 <i>RM'000</i> (Unaudited)	2023 <i>RM'000</i> (Unaudited)
Salaries and performance related bonuses	4,901	10,016
Pension scheme contributions	695	598
Other employee benefits	10	13
	<hr/>	<hr/>
Staff costs	5,606	10,627
Depreciation of property, plant and equipment	602	614
Depreciation of right-of-use assets	209	80
Amortisation of intangible assets	823	425
Allowance for expected credit losses on trade receivables	167	199
Legal and other professional fees	1,093	2,455
Research and development expenses	1,203	258
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## 8. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2024 <i>RM'000</i> (Unaudited)	2023 <i>RM'000</i> (Unaudited)
Current income tax:		
– Malaysia	1,087	567
– PRC	2	232
	<hr/>	<hr/>
	1,089	799
Deferred tax charge	102	324
	<hr/>	<hr/>
Income tax expense	1,191	1,123
	<hr/> <hr/>	<hr/> <hr/>

## 9. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

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

Basic earnings/(loss) per share is calculated by dividing the Group's profit/(loss) 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 2024 and 2023.

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

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RM'000</b>	RM'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Earnings/(loss) for the purpose of basic earnings/(loss) per share</b>		
Earnings/(loss) for the period attributable to equity holders of the Company for the purposes of basic and diluted earnings/(loss) per share	<u><u>1,118</u></u>	<u><u>(4,318)</u></u>
	<b>'000</b>	'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Number of shares</b>		
Weighted average number of shares for the purposes of basic and diluted earnings/(loss) per share	<u><u>2,811,018</u></u>	<u><u>2,400,000</u></u>

No adjustments have been made to the basic earnings/(loss) per share attributable to equity holders of the Company for the six months ended 30 June 2024 and 30 June 2023 to arrive at the diluted earnings/(loss) per share as the Group had no potentially dilutive shares in issue during these periods.

## 11. TRADE AND OTHER RECEIVABLES

	<b>30 June 2024 RM'000 (Unaudited)</b>	31 December 2023 RM'000 (Audited)
<b>Trade receivables</b>		
Third parties	21,365	20,176
Less: Allowance for expected credit losses	<u>(668)</u>	<u>(501)</u>
Trade receivables, net	<b><u>20,697</u></b>	<b><u>19,675</u></b>
<b>Prepayments, deposits and other receivables</b>		
Deposits	835	1,211
Sundry receivables ( <i>Note</i> )	21,603	397
Prepayments	4,165	3,381
Amounts due from related parties	<u>37</u>	<u>37</u>
	<b><u>26,640</u></b>	<b><u>5,026</u></b>

*Note:* The sundry receivables as at 30 June 2024 mainly consist of an other receivable due from a third party as a result of the consolidation of the financial results of the subsidiaries following the Company's acquisition of 100% of the issued shares of Sun Join Investment Limited ("**Sun Join**") (the "**Acquisition**"). Such receivable has been fully recovered by the Group as at the date of this announcement.

Trade receivables are non-interest bearing and are generally on 30 days (31 December 2023: 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:

	<b>30 June 2024 RM'000 (Unaudited)</b>	31 December 2023 RM'000 (Audited)
Within 1 month	7,368	10,340
1 to 2 months	4,478	2,705
2 to 3 months	3,768	2,635
Over 3 months	<u>5,083</u>	<u>3,995</u>
	<b><u>20,697</u></b>	<b><u>19,675</u></b>

## 12. TRADE PAYABLES

	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b><i>RM'000</i></b>	<i>RM'000</i>
	<b>(Unaudited)</b>	(Audited)
<b>Trade payables</b>		
Third parties	<b>5,505</b>	4,821
Amount due to a related party	<b>33</b>	43
	<u><b>5,538</b></u>	<u>4,864</u>

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

	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b><i>RM'000</i></b>	<i>RM'000</i>
	<b>(Unaudited)</b>	(Audited)
Within 1 month	<b>3,623</b>	4,581
1 to 2 months	<b>1,307</b>	283
2 to 3 months	<b>564</b>	–
Over 3 months	<b>44</b>	–
	<u><b>5,538</b></u>	<u>4,864</u>

### 13. SHARE CAPITAL

	Number of shares ( <i>'000</i> )	<i>HK\$'000</i>
<b>Authorised:</b>		
At 1 January 2023	1,500,000	15,000
Share subdivision ( <i>Note (i)</i> )	<u>3,000,000</u>	<u>–</u>
At 31 December 2023, 1 January 2024 and 30 June 2024	<u><u>4,500,000</u></u>	<u><u>15,000</u></u>

	Number of shares ( <i>'000</i> )	<i>HK\$'000</i>	<i>RM'000</i>
<b>Issued and fully paid:</b>			
At 1 January 2023	800,000	8,000	4,233
Share subdivision ( <i>Note (i)</i> )	<u>1,600,000</u>	<u>–</u>	<u>–</u>
At 31 December 2023 and 1 January 2024	2,400,000	8,000	4,233
Acquisition of subsidiaries ( <i>Note (ii)</i> )	<u>474,251</u>	<u>1,581</u>	<u>947</u>
At 30 June 2024	<u><u>2,874,251</u></u>	<u><u>9,581</u></u>	<u><u>5,180</u></u>

*Notes:*

- (i) Pursuant to a resolution passed by the shareholders of the Company (the “Shareholders”) at the extraordinary general meeting held on 9 June 2023, every one issued and unissued ordinary share of par value of HK\$0.01 each in the share capital of the Company was subdivided into three ordinary shares of par value of one third Hong Kong cent each. The share subdivision became effective on 13 June 2023.
- (ii) On 26 January 2024, the Group acquired the entire equity interest in Sun Join 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.

## 14. 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	
	2024	2023
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Purchase of consumables from a related company, Compugraphic Forms Sdn. Bhd. (Note)	<u>237</u>	<u>341</u>
Rental payable to a director	<u>-</u>	<u>28</u>

Note:

Compugraphic Forms Sdn. Bhd. is a related party of the Group as 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 2024 and 30 June 2023 is as follows:

	For the six months ended 30 June	
	2024	2023
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Directors' fees	278	342
Salaries, allowances and benefits in kind	242	5,375
Pension scheme contributions	<u>34</u>	<u>253</u>
	<u>554</u>	<u>5,970</u>



## 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.

We have experienced an increased demand for software as a service of subscription (“**SaaS**”) for software application solution delivery in Malaysia which has led to an increase in demand from existing and new customers utilising our Streamline Suite for enterprise software solutions services. Meanwhile, market demand has been continuously evolving and the fast-paced development in digital technologies has further increased the use of advanced technologies such as artificial intelligence (“**AI**”), livestreaming and video technology to assist in multi-channel engagement with customers, and automation to enhance business processes. As we have been continuously strengthening our business model to be “Future Ready”, we shall continue to invest in scaling up our solutions and services to take advantage of this opportunity and respond to changes more purposefully to lay the foundation for the Group’s future innovation and growth.

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

Furthermore, in recent years, we have successfully expanded and diversified our business in the PRC. On 26 January 2024, the Company completed its Acquisition of 100% of the issued shares of Sun Join, and further diversified the Group's business by entering into the businesses of internet hospital and providing brick-and-mortar clinical services. Through the Acquisition, 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 the new Data Centre to upgrade our IT infrastructure for expanding our outsourced document management services and our enterprise software solutions; and
  - engaging external software development vendors to develop new applications within our Streamline Suite and front-end 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.
- (iii) Increasing the Group's visibility, operational efficiency and profitability through obtaining the Multimedia Super Corridor Malaysia status when the Data Centre is ready for use.

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 2024, the conversion work was still in progress and it is expected that the Data Centre will be ready for use by the end of 2025. The conversion work was delayed mainly due to unexpected factors, including but not limited to unforeseen longer time required for the (i) application for approval on the building, renovation and construction plans from the local authorities in Malaysia regarding the conversion of building usage, and (ii) the tender process for appropriate construction works to reduce cost in light of increasing prices due to inflation.

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

Going forward, the Group expects to develop advanced internet cloud technology and big data analysis to create a comprehensive and efficient service system for customers in the insurance and insurance-related industries in the PRC. In addition, the Group aims to further internationalise and diversify its businesses based on such service system. Potential business opportunities include (i) the insurance big data business, (ii) the development of health management 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 RM49.6 million and RM45.9 million for the six months ended 30 June 2024 and 30 June 2023, respectively. Our revenue for the six months ended 30 June 2024 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 95.3% (six months ended 30 June 2023: approximately 99.0%) of the total revenue of the Group, (ii) the distribution and sales of medical equipment and pharmaceutical products in the PRC, which represented approximately 4.5% (six months ended 30 June 2023: approximately 1.0%) 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 0.2% (six months ended 30 June 2023: Nil) of the total revenue of the Group.

### **Provision of outsourced services**

#### ***Outsourced document management services***

Our revenue generated from the provision of outsourced document management services represented approximately 65.0% and 83.5% of our total revenue for the six months ended 30 June 2024 and 30 June 2023, respectively. The revenue from the provision of outsourced document management services decreased slightly by approximately RM6.1 million or 15.8% from approximately RM38.3 million for the six months ended 30 June 2023 to approximately RM32.2 million for the six months ended 30 June 2024. Such decrease in revenue was mainly due to the decrease in demand for document print and mail fulfilment services for the period ended 30 June 2024.

### ***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 23.0% of the total revenue for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately 9.7%) and amounted to approximately RM11.4 million (six months ended 30 June 2023: approximately RM4.5 million). Such increase in revenue was mainly attributable to the gradual recovery in demand from the economic downturn as an aftermath of the unprecedented COVID-19 Outbreak and the country-wide lockdown measures in the past few years in the PRC.

### ***Enterprise software solutions***

We 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 7.3% and 5.8% of our total revenue for the six months ended 30 June 2024 and 30 June 2023, respectively. Our revenue from the provision of enterprise software solutions increased by approximately RM0.9 million or 36.2% from approximately RM2.7 million for the six months ended 30 June 2023 to approximately RM3.6 million for the six months ended 30 June 2024. The increase in revenue generated from the provision of enterprise software solutions during the Reporting Period was mainly due to the increase in customised enterprise software solutions services provided to a financial institution in Singapore.

## **Distribution and sales of medical equipment and pharmaceutical products**

We have been engaged in the distribution and sales of medical equipment business in the PRC since April 2022 and the sales of pharmaceutical products in the PRC through our newly acquired subsidiaries in the PRC during the Reporting Period. 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 4.5% (six months ended 30 June 2023: approximately 1.0%) of our total revenue for the six months ended 30 June 2024 and amounted to approximately RM2.2 million (six months ended 30 June 2023: approximately RM0.5 million).

## **Internet hospital and brick-and-mortar clinical services**

We have engaged in the provision of internet hospital and brick-and-mortar clinical services through our subsidiaries in the PRC following the Acquisition since early 2024. Our revenue generated from the provision of internet hospital and brick-and-mortar clinical services represented approximately 0.2% of our total revenue for the six months ended 30 June 2024 and amounted to approximately RM0.1 million (six months ended 30 June 2023: Nil).

## **Cost of sales**

Our cost of sales increased by approximately RM2.5 million or 6.8% from approximately RM36.4 million for the six months ended 30 June 2023 to approximately RM38.9 million for the six months ended 30 June 2024. Such increase in cost of sales was mainly attributable to the increase in service fees charged by third party contractors in relation to our provision of outsourced insurance marketing services in the PRC, which was partially offset by the decrease in postage costs incurred in relation to our document mail fulfilment services in Malaysia.

## **Gross profit and gross profit margin**

Our gross profit increased by approximately RM1.3 million or 13.6% from approximately RM9.4 million for the six months ended 30 June 2023 to approximately RM10.7 million for the six months ended 30 June 2024. Our gross profit margin was approximately 21.6% for the six months ended 30 June 2024, which remained comparable to that for the six months ended 30 June 2023. The increase in gross profit was mainly attributable to the increase in revenue generated from our provision of outsourced insurance marketing services in the PRC as mentioned above.

## **Other income and gains**

Our other income and gains decreased by approximately RM0.1 million or 14.3% from approximately RM0.5 million for the six months ended 30 June 2023 to approximately RM0.4 million for the six months ended 30 June 2024, which was mainly attributable to the decrease in bank interest income.

## **Selling and distribution expenses**

For the six months ended 30 June 2024, selling and distribution expenses of the Group amounted to approximately RM448,000 (six months ended 30 June 2023: Nil), which mainly consisted of promotional expenses in relation to the provision of outsourced insurance risk analysis services and insurance marketing services, and distribution and sales of medical equipment in the PRC.

## **Administrative expenses**

Our administrative expenses decreased by approximately RM4.2 million or 33.9% from approximately RM12.5 million for the six months ended 30 June 2023 to approximately RM8.3 million for the six months ended 30 June 2024. The decrease was mainly attributable to the decrease in staff costs consisting of long-service remuneration and other staff payments, which was partially offset by the increase in research and development costs, during the Reporting Period.

## **Finance costs**

Our finance costs decreased by approximately RM52,000 or 24.6% from approximately RM211,000 for the six months ended 30 June 2023 to approximately RM159,000 for the six months ended 30 June 2024, which was mainly due to the decrease in the outstanding balance of a term loan of the Group.

## **Profit/(loss) before tax**

Our profit before tax amounted to approximately RM2.2 million for the six months ended 30 June 2024 (six months ended 30 June 2023: loss before tax of approximately RM2.9 million). Such turnaround from loss before tax to profit before tax was mainly due to the increase in gross profit and the decrease in administrative expenses as abovementioned.

## **Income tax expense**

Our income tax expense increased by approximately RM0.1 million or 6.1% from approximately RM1.1 million for the six months ended 30 June 2023 to approximately RM1.2 million for the six months ended 30 June 2024. Such increase in income tax expenses was mainly due to the increase in taxable income generated from our outsourced document management services in Malaysia.

## **Profit/(Loss) for the period**

Our profit for the period amounted to approximately RM1.0 million for the six months ended 30 June 2024 (six months ended 30 June 2023: loss of approximately RM4.0 million). Such turnaround from loss to profit for the period was primarily due to the increase in gross profit and the decrease in administrative expenses as abovementioned.

## **Interim dividend**

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

## **Liquidity and financial resources**

As at 30 June 2024, the total loans and borrowings of the Group amounted to approximately RM5.6 million (31 December 2023: approximately RM6.9 million), representing a decrease of approximately RM1.3 million or 18.7% as compared with that as at 31 December 2023. The Group's loans and borrowings were at floating interest rates of 4.50% to 6.85% (31 December 2023: 4.50% to 6.85%) and denominated in RM during the Reporting Period. As at 30 June 2024, the loans and borrowings included secured bank loans of approximately RM0.1 million (31 December 2023: approximately RM1.6 million) with maturity date of more than 2 years but not exceeding 5 years, secured bank loans of approximately RM2.8 million (31 December 2023: approximately RM2.7 million) with maturity date of more than 1 year but not exceeding 2 years, and secured bank loans and bank overdrafts of approximately RM2.7 million (31 December 2023: approximately RM2.6 million) with maturity date of less than a year or in aggregate, which were repayable within one year. As at 30 June 2024, loans and borrowings of the Group of RM5.6 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 2024, the Group had cash and bank balances of approximately RM43.3 million (31 December 2023: approximately RM42.7 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 2024. 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 5.1 times as at 30 June 2024 (31 December 2023: approximately 5.3 times). The Group’s working capital requirements were mainly financed by internal resources during the Reporting Period.

### **Contingent liabilities**

As at 30 June 2024, the Group did not have any material contingent liabilities (31 December 2023: Nil).

### **Capital commitments**

As at 30 June 2024, the Group had capital commitments of approximately RM1.3 million (31 December 2023: approximately RM1.3 million) 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 2024. To manage the liquidity risk, the Board closely monitors the Group’s liquidity position to ensure that the liquidity structure of the Group’s assets, liabilities and other commitments can meet its funding requirements from time to time. For the six months ended 30 June 2024, 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 2024. The Group has not adopted formal hedging policies and would consider doing so if the need arises.

## **Gearing ratio**

As at 30 June 2024, the Group’s gearing ratio was approximately 1.8% (31 December 2023: approximately 8.5%), representing the total loans and borrowings as a percentage of the total equity attributable to equity holders of the Company as at the end of the respective periods. The decrease in gearing ratio was mainly attributable to the increase in total equity attributable to equity holders of the Company as a result of the issue of new shares of the Company (the “**Shares**”) in January 2024 and the decrease in interest-bearing bank loans from approximately RM6.7 million as at 31 December 2023 to approximately RM5.6 million as at 30 June 2024.

## **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 Acquisition**

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

Save as disclosed herein, the Group did not have any significant investment nor did the Group carry out any material acquisition and disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2024.

## **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 during the six months ended 30 June 2024. As at 30 June 2024, 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 2024 and up to the date of this announcement.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2024, the Group had approximately 173 employees, including the directors of the Company and its subsidiaries (as at 30 June 2023: 167 employees). The total remuneration cost (including staff costs capitalised as software development expenditure, if any) amounted to approximately RM5.6 million for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately RM10.6 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**”) and 28 July 2023 (the “**2023 Announcement**”), respectively, the Board has, among others, resolved to (i) reallocate the unutilised net proceeds which were originally allocated to “strengthening the Group’s technical operation support system” to another existing use of “engaging external software development vendor(s) and developing new applications within the software development plan”, (ii) include the development or provision of livestreaming and video technology capabilities, and 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”, and (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”. For details, please refer to the 2022 Announcement and the 2023 Announcement.

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

Purposes of the use of the net proceeds	Percentage of total net proceeds ( <i>approximate</i> )	Intended use of net proceeds as stated in the Prospectus (and as amended as set out in the 2021 Announcement, the 2022 Announcement and the 2023 Announcement) ( <i>approximate</i> )	Actual amount of utilised net proceeds during the Reporting Period and up to 30 June 2024 ( <i>approximate</i> )	Actual amount of utilised net proceeds as at 30 June 2024 ( <i>approximate</i> )	Actual amount of unutilised net proceeds as at 30 June 2024 ( <i>approximate</i> )	Expected timeline for utilisation of unutilised net proceeds as at the date of this announcement
		<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	
<b>To increase technological capability and capacity to develop into other market vertical/parallels</b>	<b>89.8%</b>	<b>66.2</b>	<b>-</b>	<b>(30.2)</b>	<b>36.0</b>	
– to acquire and convert an existing building into a Data Centre and upgrade IT infrastructure	76.7%	56.5	-	(20.5)	36.0	31 December 2025
– to engage external software development vendors and develop new applications within the software development plan	13.1%	9.7	-	(9.7)	-	
<b>To expand market presence locally and explore expansion regionally to capture further market share</b>	<b>10.2%</b>	<b>7.5</b>	<b>(1.0)</b>	<b>(5.8)</b>	<b>1.7</b>	
– to step up the Group’s marketing and sale efforts to reach out to new customers	10.2%	7.5	(1.0)	(5.8)	1.7	31 December 2025
	<b>100.0%</b>	<b>73.7</b>	<b>(1.0)</b>	<b>(36.0)</b>	<b>37.7</b>	

The balance of unutilised net proceeds from the Share Offer brought forward to 2024 from the year ended 31 December 2023 amounted to approximately HK\$38.7 million. Although the utilisation of the net proceeds had been delayed as a result of the COVID-19 Outbreak, as at 30 June 2024 the net proceeds have been used and are expected to be applied for purposes which are consistent with those as disclosed in the section headed “Future Plans and Proposed Use of Proceeds” of the Prospectus, the 2021 Announcement, the 2022 Announcement and the 2023 Announcement. The unutilised portion of the net proceeds has been deposited in reputable banks in Malaysia and Hong Kong.

The business objectives, future plans and planned use of proceeds as stated in the Prospectus, the 2021 Announcement, the 2022 Announcement and the 2023 Announcement were based on the best estimation and assumption of future market conditions and industry development made by the Company at the time of preparing the Prospectus, the 2021 Announcement, the 2022 Announcement and the 2023 Announcement, respectively, while the proceeds will be applied based on the actual development of the Group’s business, the industry and the economic conditions as impacted by the COVID-19 pandemic. As at 30 June 2024 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 and the 2023 Announcement. The Company will keep observing the business environments and trends in the industries which the Group is engaged in, in order to evaluate the use of the net proceeds from the Share Offer to ensure it is for the best interests of the Company, and to consider and implement alternative plans as and when necessary and make any necessary announcements in accordance with the Listing Rules,

## **ISSUE OF SECURITIES**

The Company did not issue any of the Company’s securities for cash (including securities convertible into equity securities) 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 2024.

The Company’s relevant employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company’s relevant employees was noted by the Company during the six months ended 30 June 2024.

## 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 2024.

Under Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. During the Reporting Period, Mr. Ma Shengcong (“**Mr. Ma**”) has been holding the roles of the chairman of the Board and the chief executive officer of the Company. Mr. Ma has been primarily responsible for overseeing and monitoring the Group’s daily operations and participating in formulating and assessing the Company’s goals and objectives. Mr. Ma is also responsible for developing strategic business plans and exploring new business opportunities for the Company’s subsidiaries in the PRC, which is 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.

## **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 2024. The Audit Committee is of the view that the interim results for the six months ended 30 June 2024 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 2024 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 2024 containing all the information required by the Listing Rules will be 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, 30 August 2024

*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.*