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C-LINK SQUARED LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1463)

INSIDE INFORMATION ACQUISITION OF APPROXIMATELY 51% EQUITY INTEREST IN QINGDAO YONGBAO CLOUD TECHNOLOGY CO., LTD.

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Board is pleased to announce that on 28 May 2021, Core Squared, being an indirect wholly-owned subsidiary of the Company, entered into the Capital Injection Agreement with Qingdao Yongbao, pursuant to which Core Squared agreed to acquire approximately 51% of the equity interest in Qingdao Yongbao by way of Capital Injection into Qingdao Yongbao of RMB1.05 million. Upon Completion, Qingdao Yongbao will become an indirect non-wholly-owned subsidiary of the Company.

Shareholders and potential investors of the Company are reminded that there is no guarantee that the Capital Injection and the Acquisition will be completed and are advised to exercise caution when dealing in the shares of the Company.

INTRODUCTION

The Board is pleased to announce that on 28 May 2021, Core Squared, being an indirect wholly-owned subsidiary of the Company, entered into the Capital Injection Agreement with Qingdao Yongbao, pursuant to which Core Squared agreed to acquire approximately 51% of the equity interest in Qingdao Yongbao by way of Capital Injection into Qingdao Yongbao of RMB1.05 million. Upon Completion, Qingdao Yongbao will become an indirect non-wholly-owned subsidiary of the Company.

THE CAPITAL INJECTION AGREEMENT

The principal terms of the Capital Injection Agreement are as follows:

1. Date

28 May 2021

2. Parties

- (a) Core Squared as the investor; and
- (b) Qingdao Yongbao as the target company.

As at the date of this announcement, Qingdao Yongbao is held as to 100% by Yongbao Insurance. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Qingdao Yongbao, Yongbao Insurance and Yongbao Insurance's ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

3. Subject Matter and Consideration

Core Squared agreed to acquire approximately 51% of the equity interest in Qingdao Yongbao by way of Capital Injection into Qingdao Yongbao of RMB1.05 million.

The consideration for the Acquisition is RMB1.05 million, which was determined after arm's length negotiations between Core Squared and Qingdao Yongbao with reference to, among other things, the net asset value of Qingdao Yongbao, being approximately RMB1.03 million as at 30 April 2021, and the factors stated in the paragraph headed "Reasons for and Benefits of the Acquisition" below. The fair value of Qingdao Yongbao, based on its registered capital, amounted to RMB1 million as at the date of this announcement.

The consideration will be satisfied by cash within 10 business days from the date of the Capital Injection Agreement by transfer to the designated bank account of Qingdao Yongbao, and will be financed by the Company's internal resources.

4. Completion

Completion shall take place on the date on which the Capital Injection is duly registered with the relevant PRC governmental authorities, which Qingdao Yongbao shall arrange for such registration after receipt of the consideration. Upon Completion, each of Core Squared and Yongbao Insurance will own the equity interest in Qingdao Yongbao as to approximately 51% and approximately 49%, respectively. Qingdao Yongbao will become an indirect non-wholly-owned subsidiary of the Company and the financial results of Qingdao Yongbao will be consolidated into the consolidated financial statements of the Company.

5. Governance

After Completion, the board of directors of Qingdao Yongbao shall include two directors. Each of Core Squared and Yongbao Insurance shall have the right to nominate one director to the board of directors of Qingdao Yongbao.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors consider that the Acquisition is in line with the Group's business strategy of exploring further expansion regionally to capture further market share. It is expected that the Acquisition will generate synergistic value for the Group and further expand the Group's footprint in the PRC with a PRC local partner, Yongbao Insurance. Going forward, Qingdao Yongbao expects to develop advanced internet cloud technology and big data analysis to create a comprehensive and efficient service system for customers in the PRC.

The PRC local partner, Yongbao Insurance, is principally engaged in the operation of an online insurance platform which provides a comprehensive solution for insurance sales and claims, medical and health management and finance, and other related services. Yongbao Insurance has more than 258 branches in the PRC with over 1,000 online direct sales agents, 100,000 offline agents and 200,000 lines of intelligent voice robots online.

Qingdao Yongbao provides services including but not limited to insurance information analysis, online insurance platform maintenance, after-sales services such as general Q&A, processing digital insurance applications, other services and events that enhance its customer loyalty. In the long term, Qingdao Yongbao shall expand its market share by providing services to other industries in the PRC. The Company expects that the demand for online insurance services in the PRC will continue to grow and the Acquisition will enable the Group to capitalise on such potential growth.

On this basis, the Directors consider that the Acquisition is in the interests of the Company and the Shareholders as a whole. The Directors consider that the terms of the Capital Injection Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

Information about Qingdao Yongbao

Qingdao Yongbao is a limited liability company that was established in the PRC on 22 September 2020. Qingdao Yongbao is primarily engaged in the provision of insurance information analysis services for online insurance platforms in the PRC. As at the date of this announcement, Qingdao Yongbao is held as to 100% by Yongbao Insurance.

Information about the Group and Core Squared

The Group is principally engaged in the provision of outsourced document management services and related software applications and enterprise software solutions services for companies in the banking, insurance and retail industries mainly in Malaysia. Core Squared is an indirect wholly-owned subsidiary of the Company and a limited liability company that was established in Hong Kong on 12 October 2020. Core Squared is primarily engaged in investment holding in Hong Kong.

IMPLICATIONS UNDER THE LISTING RULES

As all of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition and the transactions contemplated under the Capital Injection Agreement are less than 5%, the entering into of the Capital Injection Agreement and the transactions contemplated thereunder do not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company are reminded that there is no guarantee that the Capital Injection and the Acquisition will be completed and are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Acquisition”	the acquisition of approximately 51% of the equity interest in Qingdao Yongbao by way of Capital Injection in accordance with the Capital Injection Agreement
“Board”	the board of Directors
“Capital Injection”	the capital injection by Core Squared into Qingdao Yongbao of RMB1.05 million as the additional registered capital of Qingdao Yongbao in accordance with the terms of the Capital Injection Agreement
“Capital Injection Agreement”	the agreement dated 28 May 2021 entered into by Core Squared and Qingdao Yongbao in respect of the Acquisition by way of Capital Injection
“Company”	C-Link Squared Limited, a limited liability company established under the laws of the Cayman Islands, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock code: 1463)
“Completion”	the completion of the Capital Injection in accordance with the terms of the Capital Injection Agreement
“Core Squared”	Core Squared Limited, a limited liability company established in Hong Kong on 12 October 2020 and an indirect wholly-owned subsidiary of the Company
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Party(ies)”	party(ies) to the Capital Injection Agreement
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Qingdao Yongbao”	Qingdao Yongbao Cloud Technology Co., Ltd.* (青島永保雲科技有限公司), a limited liability company established in the PRC on 22 September 2020
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yongbao Insurance”	Yongbao Insurance Co., Ltd.* (永保保險代理有限公司), a limited liability company established in the PRC on 1 August 2011

* *For identification purposes only*

By order of the Board
C-Link Squared Limited
Ling Sheng Hwang
Chairman and executive Director

Hong Kong, 28 May 2021

As at the date of this announcement, the executive Directors are Mr. Ling Sheng Hwang and Mr. Ling Sheng Chung, the non-executive Director is Mr. Ling Sheng Shyan, and the independent non-executive Directors are Ms. Eugenia Yang, Mr. Lee Yan Kit and Mr. Wong Son Heng.