

Cool Link (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8491

SHARE OFFER

Sole Sponsor

VINCO  域高

VINCO CAPITAL LIMITED

Sole Bookrunner and Joint Lead Manager



太平基業證券有限公司
Pacific Foundation
Securities Limited

Joint Lead Manager

VINCO  域高

VINCO CAPITAL LIMITED

IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

Cool Link (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF SHARE OFFER

Number of Offer Shares	:	150,000,000 Shares comprising 120,000,000 New Shares and 30,000,000 Sale Shares
Number of Public Offer Shares	:	15,000,000 Shares (subject to reallocation)
Number of Placing Shares	:	135,000,000 Shares comprising 105,000,000 New Shares and 30,000,000 Sale Shares (subject to reallocation)
Offer Price	:	Not more than HK\$0.55 per Offer Share and expected to be not less than HK\$0.45 per Offer Share plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full upon application to refund on final pricing)
Nominal Value	:	HK\$0.01 per Share
Stock Code	:	8491

Sole Sponsor



VINCO CAPITAL LIMITED

Sole Bookrunner and Joint Lead Manager



太平洋證券有限公司
Pacific Foundation
Securities Limited

Joint Lead Manager



VINCO CAPITAL LIMITED

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies in Hong Kong" in Appendix VI to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between our Company (for ourselves and on behalf of the Selling Shareholder) and the Joint Lead Managers (for themselves and on behalf of the Underwriters) on the Price Determination Date, which is expected to be on or around Friday, 15 September 2017 (Hong Kong time) or such later date as may be agreed by our Company (for ourselves and on behalf of the Selling Shareholder) and the Joint Lead Managers (for themselves and on behalf of the Underwriters). The Offer Price will be not more than HK\$0.55 per Offer Share and is expected to be not less than HK\$0.45 per Offer Share unless otherwise announced. The Joint Lead Managers (for themselves and on behalf of the Underwriters) may, with our consent (for ourselves and on behalf of the Selling Shareholder), reduce the indicative Offer Price range and/or the number of Offer Shares stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Public Offer. If this occurs, notice of reduction of the indicative Offer Price range and/or the number of Offer Shares will be published on the Stock Exchange's website at www.hkexnews.hk and our website at www.coollink.com.sg.

If, for any reason, our Company (for ourselves and on behalf of the Selling Shareholder) and the Joint Lead Managers (for themselves and on behalf of the Underwriters) are unable to agree on the Offer Price on or before Wednesday, 20 September 2017 (Hong Kong time) or such later date may be agreed by our Company (for ourselves and on behalf of the Selling Shareholder) and the Joint Lead Managers (for themselves and on behalf of the Underwriters), the Share Offer will not proceed and will lapse.

Prior to making any investment decision, prospective investors should consider carefully all the information set out in this prospectus, including the risk factors set out in the section headed "Risk factors" in this prospectus.

Prospective investors of the Share Offer should note that the obligations of the Public Offer Underwriters under the Public Offer Underwriting Agreement are subject to termination by the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) upon the occurrence of any of the events set forth in the section headed "Underwriting – Underwriting arrangements and expenses – The Public Offer – Grounds for termination" in this prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Should the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) terminate the Public Offer Underwriting Agreement, the Share Offer will not proceed and will lapse. Further details of these termination provisions are set out in the section headed "Underwriting" in this prospectus. It is important that prospective investors refer to that section for further details.

12 September 2017

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange.

Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcement and Gazette newspaper. Accordingly, prospective investors should note that they need to have access to the Stock Exchange website at www.hkexnews.hk in order to obtain up-to-date information on companies listed on GEM.

EXPECTED TIMETABLE

If there is any change in the following expected timetable of the Share Offer, we will issue a separate announcement in Hong Kong to be posted on the website of our Company at www.coollink.com.sg and the website of the Stock Exchange at www.hkexnews.hk.

Date
(Note 1)

Application lists of the Public Offer open (Note 2) 11:45 a.m. on
Friday, 15 September 2017

Latest time for lodging **WHITE** and **YELLOW** Application Forms
and to give **electronic application instructions** to HKSCC (Note 3) 12:00 noon on
Friday, 15 September 2017

Application lists of the Public Offer close (Note 2) 12:00 noon on
Friday, 15 September 2017

Expected Price Determination Date (Note 4) on or around
Friday, 15 September 2017

Announcement of (i) the final Offer Price; (ii) the indication of
the levels of interest in the Placing; (iii) the level of
applications in the Public Offer; and (iv) the basis of allotment of
the Public Offer Shares under the Public Offer; to be published
on the website of our Company at www.coollink.com.sg and
the website of the Stock Exchange at www.hkexnews.hk
on or before Thursday, 21 September 2017

Announcement of results of allotment of the Public Offer
(with successful applicants' identification document numbers,
where applicable) available through a variety of channels
as described in the paragraph headed "How to apply
for Public Offer Shares – 10. Publication of results"
in this prospectus from Thursday, 21 September 2017

Results of allocation in the Public Offer will be available
at www.tricor.com.hk/ipo/result with a "search
by ID Number/Business Registration Number" on Thursday, 21 September 2017

EXPECTED TIMETABLE

Date
(Note 1)

Despatch/collection of share certificates and/or
deposit of the share certificate into CCASS
in respect of wholly or partially successful applications
pursuant to the Public Offer on or before (Notes 5, 6) Thursday, 21 September 2017

Despatch/collection of refund cheques
in respect of wholly or partially successful applications
(if applicable) or wholly or partially unsuccessful
applications pursuant to the Public Offer
on or before (Notes 5, 6) Thursday, 21 September 2017

Dealings in the Shares on GEM expected to commence
at 9:00 a.m. on Friday, 22 September 2017

Notes:

1. All times and dates refer to Hong Kong local times and dates, except as otherwise stated in this prospectus. Details of the structure of the Share Offer, including its conditions, are set out in the section headed “Structure and conditions of the Share Offer” in this prospectus.
2. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, 15 September 2017, the application lists will not open or close on that day. Further information is set forth in the paragraph headed “How to apply for Public Offer Shares – 9. Effect of bad weather on the opening of the application lists” in this prospectus.
3. Applicants who apply for the Public Offer Shares by giving electronic application instructions to HKSCC Via CCASS should refer to the paragraph headed “How to apply for Public Offer Shares – 5. Applying by giving electronic application instructions to HKSCC via CCASS” in this prospectus.
4. Please note that the Price Determination Date, being the date on which the Offer Price is to be determined, is expected to be on or about Friday, 15 September 2017. If, for any reason, the final Offer Price is not agreed between our Company (for ourselves and on behalf of the Selling Shareholder) and the Joint Lead Managers (for themselves and on behalf of the Underwriters), the Share Offer will not proceed and will lapse. Notwithstanding that the Offer Price may be less than the maximum Offer Price of HK\$0.55 per Offer Share, applicants must pay the maximum Offer Price of HK\$0.55 per Offer Share at the time of application, plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, but will be refunded the surplus application monies, without interest, as provided in the section headed “How to apply for Public Offer Shares” in this prospectus.
5. Refund cheques will be issued in respect of wholly or partially unsuccessful applications, and in respect of successful applications if the Offer Price as finally determined is less than the price payable on application. Refund by cheque(s) will be made out to you, or if you are joint applicants, to the first-named applicant on your Application Form. Part of your Hong Kong identity card number/passport number, or, if you are joint applicants, part of the Hong Kong identity card number/passport number of the first-named applicant provided by you may be printed on your refund cheque, if any. Such data may also be transferred to a third party for refund purposes. Your

EXPECTED TIMETABLE

banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque, if any. Inaccurate completion of your Hong Kong identity card number/passport number may lead to a delay in encashment of, or may invalidate, your refund cheque.

6. Applicants who apply on **WHITE Application Forms** for 1,000,000 Shares or more under the Public Offer and have provided all information required by their Application Forms, they may collect their refund cheques and (where applicable) share certificates in person from the Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Thursday, 21 September 2017. Applicants being individuals who opt for personal collection must not authorise any other person to make collection on their behalf. Applicants being corporations who opt for personal collection must attend by their authorised representatives bearing a letter of authorisation from their corporation stamped with the corporation's chop. Both individuals and authorised representatives of corporations must produce, at the time of collection, identification and (where applicable) authorisation documents acceptable to the Hong Kong branch share registrar.

Applicants who apply on **YELLOW Application Forms** for 1,000,000 Shares or more Public Offer Shares under the Public Offer and have provided all information required by Application Forms, they may collect their refund cheques (if any) but may not elect to collect their share certificates, which will be deposited into CCASS for credit to their designated CCASS Participants' stock accounts or CCASS Investor Participant stock accounts, as appropriate. The procedure for collection of refund cheques for applicants who apply on **YELLOW Application Forms** is the same as that for **WHITE Application Form** applicants.

Uncollected share certificates (if applicable) and refund cheques (if applicable) will be despatched by ordinary post (at the applicants' own risk) to the addresses specified in the relevant Application Forms shortly after the expiry of the time for collection at the date of despatch of refund cheque as described in the section headed "How to apply for Public Offer Shares – 13. Despatch/collection of share certificates and refund monies" in this prospectus.

Share certificates for the Offer Shares will only become valid certificates of title to which they relate at 8:00 a.m. (Hong Kong time) on the Listing Date provided that (i) the Share Offer has become unconditional in all respects; and (ii) the right of termination as described in the section headed "Underwriting – Underwriting arrangements and expenses – Public Offer – Grounds for termination" in this prospectus has not been exercised and has lapsed. Investors who trade our Shares on the basis of publicly available allocation details prior to the receipt of share certificates or prior to the share certificates becoming valid certificates of title do so entirely at their own risk.

CONTENTS

IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by our Company solely in connection with the Share Offer and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Offer Shares offered by this prospectus pursuant to the Share Offer. This prospectus may not be used for the purpose of, and does not constitute, an offer to sell or a solicitation of an offer in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. Our Company, the Selling Shareholder, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers and the Underwriters have not authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorised by our Company, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters, any of their respective directors, advisers, officers, employees, agents or representatives or any other person involved in the Share Offer.

	<i>Page(s)</i>
Characteristics of GEM	i
Expected timetable	ii
Contents	v
Summary	1
Definitions	16
Glossary of technical terms	28
Forward-looking statements	30
Risk factors	32
Information about this prospectus and the Share Offer	54
Directors and parties involved in the Share Offer	60
Corporate information	64
Industry overview	66

CONTENTS

Regulatory overview	79
History, Reorganisation and Group structure	101
Business	112
Directors and senior management	167
Relationship with Controlling Shareholders	180
Share capital	186
Substantial Shareholders	190
Financial information	192
Future plans and use of proceeds	230
Underwriting	238
Structure and conditions of the Share Offer	248
How to apply for Public Offer Shares	256
Appendix I – Accountant’s report	I-1
Appendix II – Unaudited pro forma financial information	II-1
Appendix III – Property valuation report	III-1
Appendix IV – Summary of the constitution of our Company and Cayman Islands company law	IV-1
Appendix V – Statutory and general information	V-1
Appendix VI – Documents delivered to the Registrar of Companies and available for inspection	VI-1

SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in the Offer Shares. There are risks associated with any investments. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk factors” in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

BUSINESS OVERVIEW

We are a Singapore-based importer of food products with over 16 years of experience in the ship supply industry in Singapore. Our primary business is the supply of various types of food products including canned food and packaged beverages in the dry category, various dairy products in the chilled category and ice cream and frozen cakes and pies in the frozen category to our Ship Supply Customers, who consist mainly of Ship Chandlers based in Singapore. The food products that we sell to Ship Chandlers are provided to ship vessels for consumption by ship crews and passengers. For more details on the products that we offer, please refer to the section headed “Business – Our products” on pages 141 to 142 of this prospectus.

We also distribute products to our Retail and Food Service Customers which comprise supermarkets and hypermarkets, as well as certain segments of the food service industry such as hotels, resorts and restaurants. In 2014, we ventured into value-added food processing, such as the processing of breadcrumbs and the mixing of cheese, in order to grow our business in tandem with our customers’ needs.

As at the Latest Practicable Date, we had a product portfolio of more than 1,100 SKUs, which comprised dry, chilled and frozen products. Over 66.3% of our total purchases during the Track Record Period were purchased from overseas suppliers, and the rest were purchased from suppliers locally in Singapore.

During the Track Record Period, our total revenue amounted to approximately S\$29.2 million, S\$28.2 million and S\$7.5 million, respectively. Our profit/(loss) amounted to approximately S\$1.7 million, S\$1.2 million and S\$(0.2) million, respectively for the Track Record Period.

SUMMARY

Customers

Our customers comprise Ship Supply Customers and Retail and Food Service Customers. For the two years ended 31 December 2016 and the three months ended 31 March 2017, revenue from our five largest customers, each of whom we have maintained a business relationship for more than 11 years, accounted for approximately 46.4%, 40.7% and 40.4% of our total revenue, respectively. Our largest customer accounted for approximately 13.4%, 11.7% and 12.7% of our total revenue for the two years ended 31 December 2016 and the three months ended 31 March 2017, respectively. Due to the nature of our business, we do not enter into formal or long term contracts with our customers. We maintain an orderly system established for customers to enquire and obtain quotations for products. Upon special request by our customers for special items which we do not carry and/or where requests are made on an urgent basis, we approach our local contacts in major supermarkets and grocery chains for the products required. We believe that this value-added service differentiates us from our competitors.

Please refer to the sections headed “Business – Customers” and “Business – Business model for our supply to Ship Supply Customers – (5) Receive and process orders” on pages 143 to 146 and pages 129 to 131 of this prospectus, respectively.

Suppliers

During the Track Record Period and up to the Latest Practicable Date, we sourced food products from our established network of over 200 local and overseas suppliers. Our suppliers comprise manufacturers and trading companies, mainly from Singapore, Malaysia and Europe. As at the Latest Practicable Date, we had maintained a business relationship with our top five suppliers for approximately three years to 11 years. Our Group’s five largest suppliers contributed approximately S\$5.5 million, S\$6.2 million and S\$1.5 million, which accounted for approximately 25.8%, 29.3% and 31.0% of our Group’s total cost of purchases for the two years ended 31 December 2016 and the three months ended 31 March 2017, respectively. The largest supplier contributed approximately S\$1.9 million, S\$2.3 million and S\$0.6 million, which accounted for approximately 8.9%, 10.7% and 11.3% of our Group’s total cost of purchases for the two years ended 31 December 2016 and the three months ended 31 March 2017, respectively. Please refer to the section headed “Business – Suppliers” on pages 148 to 152 of this prospectus.

SUMMARY

Main qualifications, licences and certifications

The main qualifications, licences and certificates held by our Group for the carrying out of our business and operations in Singapore as at the Latest Practicable Date are as follows:

Recipient	Registration/Licence	Relevant authority/ organisation	Expiry date
Cool Link Marketing	Licence for import, export and transshipment of meat products and fish products	AVA	30 September 2018
Cool Link Marketing	Registration to import processed food products and food appliances	AVA	30 April 2018
Cool Link Supply	Registration to import processed food products and food appliances	AVA	31 December 2017
Cool Link Marketing	Licence to operate a food establishment for manufacturing of bread crumbs and repacking of cheese	AVA	31 July 2018
Cool Link Marketing	Licence to operate in PSA's restricted areas	PSA Corporation Limited	30 June 2022

As at the Latest Practicable Date, our food processing facilities in Singapore attained the B (Good) grade under the AVA's grading system.

SUMMARY

The major certifications obtained by our Group are as follows:

Recipient	Certification	Relevant list/category	Relevant authority/ organisation	Date of grant	Expiry date
Cool Link Marketing	ISO 22000:2005	Food safety management system for manufacturing of breadcrumbs and associated packaging of cheese for wholesale distribution and ship chandlers	Certification International (UK) Limited	15 June 2015	14 June 2018
Cool Link Marketing	Fire safety certificate	Fire safety certificate in respect of proposed liquefied petroleum gas and piping installation to existing unit at 21 Wan Lee Road	SCDF	3 August 2012	Not applicable as this is a one time certification by the SCDF that the fire safety works in the project had been satisfactorily completed in accordance with the Fire Safety Act.

COMPETITIVE STRENGTHS

We believe that the following are our key competitive strengths that have contributed significantly to our success and which differentiate us from our competitors:

- We can source extensive products at competitive prices as we have established a large network of suppliers
- We specialise in the delivery, storage and handling of dairy products
- We provide value-added service including round-the-clock delivery service throughout the year
- We have an experienced team with strong knowledge of our customers' needs

For further details of our competitive strengths, please refer to the section headed "Business – Our competitive strengths" on pages 113 to 115 of this prospectus.

SUMMARY

OUR OBJECTIVES AND BUSINESS STRATEGIES

Our business objective is to leverage on our competitive advantages to expand the scale of our operations so as to strengthen our position in both our sales to Ship Supply Customers and Retail and Food Service Customers in Singapore, and expand to other regions where there are related opportunities by implementing the following strategies:

- Expansion of the food processing and storage capacity of our current warehouse premises;
- Expansion of our operations to Hong Kong; and
- Expansion into new product lines and the processing and/or manufacturing of new products.

For further details of our objectives and business strategies, please refer to the section headed “Business – Our objectives and business strategies” on pages 115 to 120 of this prospectus.

KEY OPERATIONAL AND FINANCIAL INFORMATION

The table below sets forth a summary of our combined results during the Track Record Period which have been extracted from, and should be read in conjunction with, the Accountant’s Report set out in Appendix I to this prospectus.

Summary of combined statements of comprehensive income

	Year ended 31 December		Three months ended
	2015	2016	31 March 2017
	S\$’000	S\$’000	S\$’000
Revenue	29,171	28,177	7,535
Gross profit	7,108	7,161	2,012
Profit/(loss) before income tax	2,062	1,551	(24)
Profit/(loss) and total comprehensive income for the year/period	1,710	1,210	(156)

SUMMARY

Revenue

We generated our revenue from the sale of goods to our Ship Supply Customers and Retail and Food Service Customers during the Track Record Period. Our revenue represents the net invoiced value of goods sold, net of returns, rebates, discounts and sales related tax, during the relevant periods. The following table sets forth the breakdown of our revenue by customer type for the periods indicated:

	Year ended 31 December				Three months ended	
	2015		2016		31 March	
	2015	2016	2015	2016	2017	2017
	\$S'000	%	\$S'000	%	\$S'000	%
Ship Supply Customers	28,851	98.9	27,048	96.0	7,141	94.8
Retail and Food Service Customers	<u>320</u>	<u>1.1</u>	<u>1,129</u>	<u>4.0</u>	<u>394</u>	<u>5.2</u>
	<u>29,171</u>	<u>100.0</u>	<u>28,177</u>	<u>100.0</u>	<u>7,535</u>	<u>100.0</u>

During the Track Record Period, the revenue, sales volume and average selling price by product type was as follows:

	Year ended 31 December								Three months ended 31 March			
	2015				2016				2017			
	Revenue	Percentage of total revenue	Sales volume	Average selling price	Revenue	Percentage of total revenue	Sales volume	Average selling price	Revenue	Percentage of total revenue	Sales volume	Average selling price
\$S'000	%	ton	\$S per kg	\$S'000	%	ton	\$S per kg	\$S'000	%	ton	\$S per kg	
Dry	17,194	58.9	28,247	0.61	16,296	57.8	28,300	0.58	4,125	54.7	7,345	0.56
Chilled	5,745	19.7	903	6.36	5,607	19.9	863	6.50	1,760	23.4	351	5.01
Frozen	<u>6,232</u>	<u>21.4</u>	<u>1,077</u>	<u>5.79</u>	<u>6,274</u>	<u>22.3</u>	<u>1,123</u>	<u>5.59</u>	<u>1,650</u>	<u>21.9</u>	<u>343</u>	<u>4.81</u>
	<u>29,171</u>	<u>100.0</u>	<u>30,227</u>	<u>0.97</u>	<u>28,177</u>	<u>100.0</u>	<u>30,286</u>	<u>0.93</u>	<u>7,535</u>	<u>100.0</u>	<u>8,039</u>	<u>0.94</u>

Dry products refer to dry food products that are not perishable and are stored in ambient or air-conditioned environment. Such dry food products include, amongst others, processed/canned food, dried goods, flour-based products and packaged beverages. Please refer to the section headed “Business – Our products” on pages 141 to 142 of this prospectus for more details.

SUMMARY

During the Track Record Period, the profit contribution by customers type (supply to Ship Supply Customers and supply to Retail and Food Service Customers) was as follows:

	Year ended 31 December				Three months ended	
	2015		2016		31 March	
	Gross profit margin S\$'000	Gross profit margin %	Gross profit margin S\$'000	Gross profit margin %	Gross profit margin S\$'000	Gross profit margin %
Ship Supply Customers	7,028	24.4	7,045	26.0	1,986	27.8
Retail and Food Service Customers	<u>80</u>	<u>25.0</u>	<u>116</u>	<u>10.3</u>	<u>26</u>	<u>6.6</u>
	<u><u>7,108</u></u>	<u><u>24.4</u></u>	<u><u>7,161</u></u>	<u><u>25.4</u></u>	<u><u>2,012</u></u>	<u><u>26.7</u></u>

During the Track Record Period, the profit contribution by product type was as follows:

	Year ended 31 December				Three months ended	
	2015		2016		31 March	
	Gross profit margin S\$'000	Gross profit margin %	Gross profit margin S\$'000	Gross profit margin %	Gross profit margin S\$'000	Gross profit margin %
Dry	3,862	22.5	3,498	21.5	856	20.8
Chilled	2,030	35.3	1,716	30.6	722	41.0
Frozen	<u>1,921</u>	<u>30.8</u>	<u>2,427</u>	<u>38.7</u>	<u>588</u>	<u>35.6</u>
	7,813	26.8	7,641	27.1	2,166	28.7
Less: Other cost of sales (note)	<u>(705)</u>	N/A	<u>(480)</u>	N/A	<u>(154)</u>	N/A
	<u><u>7,108</u></u>	<u><u>24.4</u></u>	<u><u>7,161</u></u>	<u><u>25.4</u></u>	<u><u>2,012</u></u>	<u><u>26.7</u></u>

Note: Other cost of sales includes freight charges and costs of repackaging.

SUMMARY

Profit/(loss) and total comprehensive income for the year/period

Our profit and total comprehensive income for the year decreased by approximately S\$0.5 million or approximately 29.2% from approximately S\$1.7 million for the year ended 31 December 2015 to approximately S\$1.2 million for the year ended 31 December 2016. Our profit/(loss) and total comprehensive income for the period decreased by approximately S\$0.8 million or approximately 125.7% from a profit of approximately S\$0.6 million for the three months ended 31 March 2016 to a loss of approximately S\$0.2 million for the three months ended 31 March 2017 because of the non-recurring listing expenses of approximately S\$0.7 million incurred for the three months ended 31 March 2017. Please refer to the sections headed “Financial information – Results of operations – Three months ended 31 March 2017 compared to three months ended 31 March 2016 – Profit/(loss) and total comprehensive income for the period” and “Financial information – Results of operations – Year ended 31 December 2016 compared to year ended 31 December 2015 – Profit and total comprehensive income for the year” on page 205 and page 207 of this prospectus, respectively for more details.

Summary of combined statements of financial position

	As at 31 December		As at
	2015	2016	31 March
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Non-current assets	4,159	4,890	4,925
Current assets	10,949	13,204	14,063
Current liabilities	6,236	7,445	6,122
Net current assets	4,713	5,759	7,941
Net assets	5,679	6,899	9,133

Net current assets

Our net current assets increased by approximately S\$1.0 million from approximately S\$4.7 million as at 31 December 2015 to approximately S\$5.8 million as at 31 December 2016. Our net current assets further increased to approximately S\$7.9 million as at 31 March 2017. Please refer to the section headed “Financial information – Liquidity and capital resources – Current assets and liabilities” on pages 211 to 212 of this prospectus for more details.

SUMMARY

Selected financial ratios

The following table sets forth our key financial ratios as at each of the dates indicated:

	Year ended 31 December		Three months ended 31 March
	2015	2016	2017
Gross profit margin (%)	24.4	25.4	26.7
Net profit/loss margin (%)	5.9	4.3	-2.1
Return on equity (%)	30.1	17.5	-6.8
Return on total assets (%)	11.3	6.7	-3.3
Interest coverage ratio (times)	27.8	15.4	0.3
			As at
	As at 31 December		31 March
	2015	2016	2017
Current ratio	1.8	1.8	2.3
Quick ratio	1.4	1.4	1.9
Gearing ratio	59.9	57.5	43.3
Net debt to equity ratio	21.8	7.2	4.4

Our overall gross profit margin increased from approximately 24.4% for the year ended 31 December 2015 to approximately 25.4% for the year ended 31 December 2016, and increased to 26.7% for the three months ended 31 March 2017. We had a net loss margin during the three months ended 31 March 2017 because of non-recurring listing expenses of approximately S\$0.7 million incurred for the three months ended 31 March 2017. Please refer to the sections headed “Financial information – Results of operations – Three months ended 31 March 2017 compared to three months ended 31 March 2016 – Gross profit and gross profit margin” and “Financial information – Results of operations – Year ended 31 December 2016 compared to year ended 31 December 2015 – Gross profit and gross profit margin” on page 204 and page 206 of this prospectus, respectively for more details. We intend to continue improving our gross profit margin by focusing on improving our product mix and increasing sales volume of products with higher profit margins.

SUMMARY

Cash flow

	Year ended 31 December		Three months ended
	2015	2016	31 March
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Net cash from/(used in) operating activities	1,931	1,275	(712)
Net cash used in investing activities	(86)	(992)	(69)
Net cash (used in)/from financing activities	(638)	1,026	858
Net increase in cash and cash equivalents	1,207	1,309	77
Cash and cash equivalents at beginning of the year/period	955	2,162	3,471
Cash and cash equivalents at end of the year/period	2,162	3,471	3,548

As at 31 December 2015 and 2016, we had cash and cash equivalents of approximately S\$2.2 million and S\$3.5 million, respectively, representing an increase of approximately 60.5%. Our cash and cash equivalents further increased by approximately 2.2% to approximately S\$3.5 million as at 31 March 2017. We incurred a negative cashflow from operating activities during the three months ended 31 March 2017 because of non-recurring listing expenses of approximately S\$0.7 million incurred for the three months ended 31 March 2017.

Please refer to the section headed “Financial information” on pages 192 to 229 of this prospectus for details of our Group’s financial performance during the Track Record Period.

RISK FACTORS

There are risks associated with any investment in relation to the Share Offer. Some of the relatively material risks relating to our Group include:

- Our Group may be unable to retain or replace our major customers
- Our Group will be adversely affected by any significant or prolonged disruption to our cold storage and refrigeration facilities
- We are exposed to inventory risk and stock obsolescence
- We face risks associated with contamination or deterioration of food products, and may be exposed to negative publicity, customer complaints, product liability claims and potential litigation

SUMMARY

- We may be adversely affected by a shortage of products

A detailed discussion of the risk factors is set forth in the section headed “Risk factors” on pages 32 to 53 of this prospectus and investors should read the entire section before making any investment decision in relation to the Share Offer.

SHAREHOLDERS INFORMATION

Our Controlling Shareholders

Immediately after completion of the Share Offer and the Capitalisation Issue (without taking into account any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), our Controlling Shareholders will hold/be interested in 378,000,000 Shares, representing 63.0% in aggregate of the total issued share capital of our Company. Mr. D Tan, Mr. M Tan and Mr. R Gay (through Packman Global, the principal business of which is investment holding) will each hold approximately 33.3% attributable interest of our Company’s share capital and in aggregate control 63.0% of the Shares in issue. As such, Mr. D Tan, Mr. M Tan, Mr. R Gay and Packman Global will be regarded as a group of Controlling Shareholders which holds a controlling interest in our Company upon completion of the Share Offer and the Capitalisation Issue. Further, Mr. D Tan, Mr. M Tan and Mr. R Gay have confirmed that during the Track Record Period and up to the date of the Listing, they have been and will be acting in concert and voted and will vote in a unanimous manner on any resolution in respect of the management, development and operations of our Group’s operations.

Packman Global, being one of our Controlling Shareholders and the Selling Shareholder, is selling 30,000,000 Shares pursuant to the Placing at the Offer Price. For details of the Selling Shareholder, please refer to the section headed “Other information – 25. Particulars of the Selling Shareholder” on page V-32 in Appendix V to this prospectus.

Pre-IPO Investment

On 31 October 2016, Absolute Elite Limited, the Pre-IPO Investor, entered into the Subscription Agreement with Open Treasure Enterprises, and Mr. D Tan, Mr. R Gay and Mr. M Tan collectively as guarantors to the Pre-IPO Investor, for the subscription of 15 ordinary shares in the share capital of Open Treasure Enterprises, representing approximately 15% of the enlarged issued share capital of Open Treasure Enterprises on a fully diluted basis.

For further information, please refer to the section headed “History, Reorganisation and Group structure – Pre-IPO Investment” on pages 105 to 107 of this prospectus.

SUMMARY

DIVIDENDS

Our Company currently does not have a dividend policy and may distribute dividends by way of cash or by other means that our Directors consider appropriate. A decision to declare and pay dividend would require the approval of our Directors and will be at their discretion. In addition, any final dividend for a financial year will be subject to Shareholders' approval. Please refer to the section headed "Financial information – Dividends" on page 226 of this prospectus.

FUTURE PLANS AND USE OF PROCEEDS

The net proceeds from the Share Offer are estimated to be approximately HK\$35.6 million assuming the Offer Price of HK\$0.50 per Offer Share (being the mid-point of the Offer Price range) and 120,000,000 Offer Shares being offered under the Share Offer and after deducting the underwriting commission and expenses relating to the Share Offer.

We intend to use the net proceeds from the Share Offer for the following purposes:

- (a) approximately HK\$17.4 million, representing approximately 48.9% of the total net proceeds, will be used to partly fund the expansion of the capacity of our current warehouse premises;
- (b) approximately HK\$5.9 million, representing approximately 16.5% of the total net proceeds, will be used to expand our operations in Hong Kong;
- (c) approximately HK\$10.3 million, representing approximately 29.0% of the total net proceeds, will be used to expand into new product lines, namely ice cream and shredded/grated cheese; and
- (d) approximately HK\$2.0 million, representing approximately 5.6% of the total net proceeds, will be used for our general working capital.

For details, please refer to the section headed "Future plans and use of proceeds" on pages 230 to 237 of this prospectus.

SUMMARY

SHARE OFFER STATISTICS

	Based on an Offer Price of HK\$0.45	Based on an Offer Price of HK\$0.55
Our market capitalisation at Listing	HK\$270 million	HK\$330 million
Unaudited pro forma adjusted net tangible assets per Share	HK\$0.1463	HK\$0.1650

Notes:

- (1) The calculation of market capitalisation is based on 600,000,000 Shares expected to be in issue immediately upon completion of the Share Offer and the Capitalisation Issue.
- (2) The unaudited pro forma adjusted net tangible assets per Share as at 31 March 2017 is arrived at after the adjustments set forth in Appendix II to this prospectus and on the basis that 600,000,000 Shares were in issue immediately following the completion of the Share Offer and the Capitalisation Issue.

RECENT DEVELOPMENT

We have continued to focus on strengthening our market position for the supply of food products to Ship Supply Customers and Retail and Food Service Customers in Singapore. As far as we are aware, our industry remained relatively stable after the Track Record Period, with no material adverse change in the general economic and market conditions in Singapore or the industry in which we operate that had affected or would affect our business operations or financial condition materially and adversely. From 1 April 2017 up to the date of this prospectus, we did not experience any significant drop in revenue or increase in cost of sales or other costs as there are no significant changes to the general business model for our Group.

In March and April 2017, Cool Link Supply applied with two supermarket chains located in Singapore for the supply of “Zott” and “Obento” products. Of the two supermarket chains, one is a grocery fresh food supermarket retailing chain which is part of a pan-Asian retailer with hypermarkets and supermarkets in Asia and the holding company of which is listed on the London Stock Exchange, with secondary listings in Bermuda and Singapore, while the other supermarket chain is a grocery and fresh food supermarket retailing chain listed on the Mainboard of the Singapore Exchange Securities Trading Limited. As at the Latest Practicable Date, our Group had commenced the supply of “Zott” and “Obento” products to one of the supermarket chains at an agreed price, with a payment term of 60 days with a discount of 10% for prompt payment for the supply of “Zott” products and a rebate of 2% for the supply of “Obento” products. Save for such supermarket chain, our Group does not provide discounts for prompt payments for the supply of “Zott” products to our customers. In May 2017, Cool Link Supply was awarded a contract to supply “Zott” yogurt products to a provider of food solutions

SUMMARY

and gateway services which is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. The term of the contract is from 1 July 2017 to 30 June 2018 and has an estimated value of S\$256,000.

Prospective investors are specifically warned that given the estimated non-recurring listing expenses of our Group, of which approximately HK\$12.7 million is expected to be charged to the combined statement of comprehensive income of our Group for the year ending 31 December 2017, our Group's profit for the year ending 31 December 2017 may show a substantial decline as compared to that of the previous financial year whereby a net loss will be expected. Prospective investors are specifically warned that, given the aforesaid expenses, our Group's financial performance for the year ending 31 December 2017 may not be comparable to that of the previous year.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed, after performing all the due diligence work which our Directors consider appropriate, and save as disclosed under section headed "Summary – Recent development" on pages 13 to 14 of this prospectus, there is no event which would materially affect the information shown in our combined financial information included in the Accountant's Report set forth in Appendix I to this prospectus since 31 March 2017, and as of the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects.

LISTING EXPENSES

The total estimated expenses in relation to the Listing are approximately HK\$26.5 million (assuming an Offer Price of HK\$0.50 per Share, being the mid-point between the maximum Share price of HK\$0.55 each and a minimum Share Price of HK\$0.45 each), of which approximately HK\$24.4 million and HK\$2.1 million are to be borne by our Group and the Selling Shareholder, respectively. Out of the estimated listing expenses of approximately HK\$24.4 million to be borne by us, approximately HK\$3.7 million and HK\$3.8 million were reflected in our profit or loss account for the year ended 31 December 2016 and the three months ended 31 March 2017, respectively, and approximately HK\$8.9 million and HK\$8.0 million are expected to be charged to the profit or loss account and equity account of our Group for the nine months ending 31 December 2017 respectively.

REASONS FOR LISTING

Our Group has been contemplating the diversification, growth and expansion of our business and accordingly, a listing has been considered. Having considered the level of internationalism of the Stock Exchange, its maturity in the global financial world and the sufficiency of institutional capital and funds following listed companies in Hong Kong, our Directors are of the view that the Stock Exchange is a suitable platform for listing.

SUMMARY

Further, the Listing on GEM is in line with our strategy to expand our operations to Hong Kong and, in particular, to leverage on its status as a major maritime trading hub and its close proximity to the PRC, which is one of the largest economies in the world. Our Directors believe that the Listing is strategic to our entrance into the Hong Kong ship supply industry, and will raise the profile and visibility of our Group and strengthen our competitiveness among our competitors, in the hope of leading to an increase in market share. Please refer to the section headed “Business – Our objectives and business strategies” on pages 115 to 120 of this prospectus. In addition, our Directors also believe that customers and suppliers may prefer to work with listed companies given their reputation, listing status, public financial disclosures and general regulatory supervision by the relevant regulatory bodies.

Given the continuing expansion plans of our Group, the Listing would also provide us with a long-term fund raising platform to raise funds through secondary fund raising exercises after the Listing. Therefore, our Directors believe that the Listing will be beneficial to our Group.

DEFINITIONS

In this prospectus, the following expressions and terms shall have the meanings set out below unless the context otherwise requires.

“Accountant’s Report”	the accountant’s report of our Group prepared by the reporting accountant as set out in Appendix I to this prospectus
“Application Form(s)”	WHITE application form(s) and YELLOW application form(s) or, where the context so requires, any of them
“Articles” or “Articles of Association”	the articles of association of our Company, conditionally adopted on 30 August 2017 to become effective upon the Listing Date, and as amended from time to time, a summary of which is set out in Appendix IV to this prospectus
“Ascenda Cachet”	Ascenda Cachet Risk Consulting Limited, the internal control adviser to our Company
“associate(s)” or “close associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“AVA”	the Agri-Food & Veterinary Authority of Singapore
“BCA”	the Building and Construction Authority of Singapore
“Board” or “our Board”	the board of Directors from time to time or a duly authorised committee thereof
“Business Day”	a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which licensed banks in Hong Kong are generally open for normal business to the public
“BVI”	British Virgin Islands
“Capitalisation Issue”	the issue of 479,999,900 new Shares to be made upon capitalisation of part of the sum standing to the credit of the share premium account of our Company as referred to in the paragraph headed “3. Resolutions in writing of all the Shareholders passed on 30 August 2017” in Appendix V to this prospectus
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

DEFINITIONS

“CCASS Clearing Participant(s)”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant(s)”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant(s)”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Operational Procedures”	the operational procedures of the HKSCC in relation to CCASS, containing the practices, procedures and administrative requirement relating to the operations and functions of CCASS, as from time to time in force
“CCASS Participant(s)”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“Chairman”	the chairman of the Board
“Companies Act”	the Companies Act (Chapter 50 of Singapore), as amended, supplemented and/or otherwise modified from time to time
“Companies Law” or “Cayman Islands Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented and/or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented and/or otherwise modified from time to time
“Companies Registry”	the Companies Registry of Hong Kong
“Companies (WUMP) Ordinance” or “Companies Ordinance (Miscellaneous Provisions)”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Cool Link (Holdings) Limited, an exempted company incorporated in the Cayman Islands with limited liability on 27 January 2017 and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 1 March 2017

DEFINITIONS

“connected person(s)” or “core connected person(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“connected transaction(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules and, in the context of this prospectus, means the controlling shareholders of our Company, namely Mr. D Tan, Mr. M Tan, Mr. R Gay and Packman Global
“Converging Knowledge”	Converging Knowledge Pte Ltd, an Independent Third Party and an independent market research company
“Converging Knowledge Report”	the industry report prepared by Converging Knowledge and commissioned by our Company, the content of which is quoted in this prospectus
“Cool Link Marketing”	Cool Link & Marketing Pte Ltd, a private limited company incorporated in Singapore on 1 March 2001 and an indirect wholly-owned subsidiary of our Company
“Cool Link Supply”	Cool Link Food Supply Pte. Ltd., a private limited company incorporated in Singapore on 21 December 2015 and an indirect 90%-owned subsidiary of our Company
“Cool Link Trading”	Cool Link Trading (HK) Limited, a private limited company incorporated in Hong Kong on 15 March 2017 and an indirect wholly-owned subsidiary of our Company
“CPF”	the Central Provident Fund in Singapore, a comprehensive social security system that enables working Singapore citizens and permanent residents to set aside funds for retirement
“CPFA”	the Central Provident Fund Act, (Chapter 36 of Singapore), as amended, supplemented and/or otherwise modified from time to time
“CWSH”	the Commissioner for Workplace Safety and Health appointed under section 7 of the WSHA

DEFINITIONS

“Deed of Indemnity”	the deed of indemnity dated 30 August 2017 and executed by each of our Controlling Shareholders, in favour of our Company and each of our subsidiaries, particulars of which are set out in the paragraph headed “Other information – 14. Tax indemnity” in Appendix V to this prospectus
“Deed of Non-Competition”	the deed of non-competition dated 30 August 2017 and executed by each of our Controlling Shareholders, in favour of our Company (for ourselves and as trustee for each of our subsidiaries), particulars of which are set out in the section headed “Relationship with Controlling Shareholders – Non-competition undertaking” in this prospectus
“Director(s)”	the director(s) of our Company
“Director-General”	the Director-General, Agri-food and Veterinary Services appointed under section 3(1) of the Animal and Birds Act (Chapter 7 of Singapore), as amended, supplemented and/or otherwise modified from time to time
“EFMA”	the Employment of Foreign Manpower Act (Chapter 91A of Singapore), as amended, supplemented and/or otherwise modified from time to time
“EFMR”	the Employment of Foreign Manpower (Work Passes) Regulations 2012 of Singapore, as amended, supplemented and/or otherwise modified from time to time
“Employment Act”	the Employment Act (Chapter 91 of Singapore), as amended, supplemented and/or otherwise modified from time to time
“EPHA”	the Environmental Public Health Act (Chapter 95 of Singapore), as amended, supplemented and/or otherwise modified from time to time
“EPMA”	the Environmental Protection and Management Act (Chapter 94A of Singapore) of, as amended, supplemented and/or otherwise modified from time to time

DEFINITIONS

“Fire Safety Act”	the Fire Safety Act (Chapter 109A of Singapore), as amended, supplemented and/or otherwise modified from time to time
“Food Processing Establishment Licence”	the licence obtained from the Director-General required under section 21 of the Sale of Food Act
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented and/or otherwise modified from time to time
“Group”, “our Group”, “we”, “us” or “our”	our Company and our subsidiaries or any of them, or where the context so requires, in respect of the period before our Company becoming the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time or the businesses which have since been acquired or carried on by them or as the case may be their predecessors
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKAS(s)”	the Hong Kong Accounting Standards issued by the HKICPA
“HKFRSs”	the Hong Kong Financial Reporting Standards (including the Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA
“HKICPA”	the Hong Kong Institute of Certified Public Accountants
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Share Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar of our Company

DEFINITIONS

“IA”	the Immigration Act (Chapter 133 of Singapore), as amended, supplemented and/or otherwise modified from time to time
“IDR”	Indonesian Rupiah, the lawful currency of Indonesia
“Independent Third Party(ies)”	a person(s) or company(ies) who or which is/are independent of and not connected (within the meaning of the GEM Listing Rules) with our Company or any of the directors, chief executive or Substantial Shareholders of our Company and our subsidiaries or any of their respective associates
“Joint Lead Managers”	Pacific Foundation Securities Limited and Vinco Capital Limited
“kg”	kilogram, a unit of mass equal to 1000 grams
“Latest Practicable Date”	5 September 2017, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Listing”	the listing of the Shares on GEM
“Listing Date”	the date, expected to be on or about Friday, 22 September 2017, on which the Shares are listed on GEM and from which date dealings in the Shares are permitted to commence on GEM
“LTA”	the Land Transport Authority of Singapore
“MAS”	the Monetary Authority of Singapore
“Meat Import Licence”	licence to import meat products in accordance with section 5 of the WMFA
“Memorandum” or “Memorandum of Association”	the amended and restated memorandum of association of our Company adopted on 30 August 2017 and as supplemented, amended or otherwise modified from time to time, a summary of which is contained in Appendix IV to this prospectus
“MOM”	the Ministry of Manpower of Singapore

DEFINITIONS

“MPA”	the Maritime and Port Authority of Singapore
“Mr. D Tan”	Mr. Tan Seow Gee, one of the founders of our Group, our Controlling Shareholder and an executive Director
“Mr. M Tan”	Mr. Tan Chih Keong, our Controlling Shareholder and a senior management of our Company
“Mr. R Gay”	Mr. Gay Teo Siong, one of the founders of our Group, our Controlling Shareholder and an executive Director
“NEA”	the National Environment Agency of Singapore
“New Shares”	the 120,000,000 new Shares to be offered by our Company for subscription at the Offer Price under the Share Offer
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of not more than HK\$0.55 per Offer Share and expected to be not less than HK\$0.45 per Offer Share, such price to be agreed upon by our Company and the Joint Lead Managers on or before the Price Determination Date
“Obento”	a range of Japanese food products by Oriental Merchant Pty Ltd
“Offer Shares”	collectively, the Placing Shares and the Public Offer Shares
“Open Treasure Enterprises”	Open Treasure Enterprises Limited, a company incorporated in the BVI on 28 June 2016, a wholly-owned subsidiary of our Company
“Packman Global”	Packman Global Holdings Limited, a company incorporated in the BVI on 8 June 2016 and owned by Mr. D Tan, Mr. M Tan and Mr. R Gay as to one third each
“PDPA”	the Personal Data Protection Act 2012, (No. 26 of 2012) of Singapore, as amended, supplemented and/or otherwise modified from time to time

DEFINITIONS

“Placing”	the conditional placing of the Placing Shares by the Placing Underwriters on behalf of our Company, for cash at the Offer Price with professional, institutional and other investors in Hong Kong as described in the section headed “Structure and conditions of the Share Offer” in this prospectus
“Placing Share(s)”	135,000,000 Shares comprising 105,000,000 New Shares offered for subscription by our Company and 30,000,000 Sale Shares offered for sale by the Selling Shareholder at the Offer Price under the Placing and a “Placing Share” means one of these Shares
“Placing Underwriters”	the underwriters of the Placing Shares who are expected to enter into the Placing Underwriting Agreement to underwrite the Placing Shares
“Placing Underwriting Agreement”	the conditional underwriting agreement related to the Placing expected to be entered into, amongst others, our Company, our Controlling Shareholders, our executive Directors, the Selling Shareholder, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers and the Placing Underwriters on or about the Price Determination Date
“PORTNET”	business-to-business port community solution developed by portnet.com Pte Ltd to assist shipping lines, hauliers, freight forwarders and government agencies to manage information better and synchronise their operational processes
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this prospectus, Hong Kong, Macau and Taiwan
“Pre-IPO Investor”	Absolute Elite Limited, a company incorporated in the BVI on 16 August 2016 and wholly and beneficially owned by Mr. Tan Chu En Ian
“Price Determination Agreement”	the agreement to be entered into by the Joint Lead Managers (for themselves and on behalf of the Underwriters) and our Company (for ourselves and on behalf of the Selling Shareholder) on or before the Price Determination Date to record and fix the final Offer Price

DEFINITIONS

“Price Determination Date”	the date, expected to be on or about Friday, 15 September 2017 but no later than Wednesday, 20 September 2017, on which the Offer Price is to be determined
“PUB”	the Public Utilities Board of Singapore
“Public Offer”	the offer of the Public Offer Shares for subscription by the public in Hong Kong for cash at the Offer Price on and subject to the terms and conditions stated in this prospectus and in the Application Forms as further described in the section headed “Structure and conditions of the Share Offer” in this prospectus
“Public Offer Shares”	the 15,000,000 new Shares (subject to reallocation) initially being offered by our Company for subscription in the Public Offer, as described under the section headed “Structure and conditions of the Share Offer” in this prospectus
“Public Offer Underwriters”	the underwriters of the Public Offer Shares whose names are set out in the section headed “Underwriting” in this prospectus
“Public Offer Underwriting Agreement”	the conditional underwriting agreement relating to the Public Offer entered into by our Company, our executive Directors, our Controlling Shareholders, the Selling Shareholder, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers and the Public Offer Underwriters on or around 11 September 2017, details of which are set forth in the section headed “Underwriting” in this prospectus
“Reorganisation”	the corporate reorganisation of our Group in preparation for the Listing, details of which are set out in the section headed “History, Reorganisation and Group structure” in this prospectus
“RIEA”	the Regulation of Imports and Exports Act (Chapter 272A of Singapore), as amended, supplemented and/or otherwise modified from time to time
“RM”	Malaysian Ringgit or Ringgit Malaysia, the lawful currency of Malaysia
“S\$” or “SGD”	Singapore dollars, the lawful currency of Singapore

DEFINITIONS

“Sale of Food Act”	the Sale of Food Act (Chapter 283 of Singapore), as amended, supplemented and/or otherwise modified from time to time
“Sale Shares”	30,000,000 Shares to be offered for sale by the Selling Shareholder at the Offer Price under the Placing
“SCDF”	the Singapore Civil Defence Force
“SFFER”	the Sale of Food (Food Establishments) Regulations of Singapore, as amended, supplemented and/or otherwise modified from time to time
“Selling Shareholder”	Packman Global, particulars of which are set out in the section headed “Other information – 25. Particulars of the Selling Shareholder” in Appendix V to this prospectus
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented and/or otherwise modified from time to time
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of our Company
“Share Offer”	the Public Offer and the Placing
“Share Option Scheme”	the share option scheme conditionally adopted by our Company pursuant to a resolution in writing passed by all the Shareholders on 30 August 2017 as described in the paragraph headed “13. Share Option Scheme” in Appendix V to this prospectus
“Shareholder(s)”	holder(s) of the Share(s)
“Singapore”	the Republic of Singapore
“Singapore Legal Adviser”	Rajah & Tann Singapore LLP, the legal advisers to our Company as to Singapore law
“Singapore Subsidiaries”	Cool Link Marketing and Cool Link Supply, collectively
“Sole Bookrunner”	Pacific Foundation Securities Limited

DEFINITIONS

“Sole Sponsor”	Vinco Capital Limited, a wholly-owned subsidiary of Vinco Financial Group Limited (stock code: 8340), a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the sole sponsor and one of the Joint Lead Managers to the Share Offer
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement entered into among Open Treasure Enterprises, the Pre-IPO Investor, Mr. D Tan, Mr. R Gay and Mr. M Tan on 31 October 2016 relating to the subscription of 15 shares in Open Treasure Enterprises, representing approximately 15% of the issued share capital of Open Treasure Enterprises, by the Pre-IPO Investor at a cash consideration of HK\$13,000,000
“subsidiary” or “subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules, unless the context otherwise requires
“Substantial Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period comprising the two financial years ended 31 December 2016 and the three months ended 31 March 2017
“Underwriters”	the Public Offer Underwriters and the Placing Underwriters
“Underwriting Agreements”	the Public Offer Underwriting Agreement and the Placing Underwriting Agreement
“URA”	the Urban Redevelopment Authority of Singapore
“U.S.”, “United States” or “USA”	the United States of America
“US\$” or “U.S. dollars”	United States dollars, the lawful currency of the United States of America

DEFINITIONS

“WHITE Application Form(s)”	the application form(s) for use by the public who require(s) such Public Offer Shares to be issued in the applicant’s or applicants’ own name(s)
“WICA”	the Work Injury Compensation Act (Chapter 354 of Singapore), as amended, supplemented and/or otherwise modified from time to time
“WMFA”	the Wholesome Meat and Fish Act (Chapter 349A of Singapore), as amended, supplemented and/or otherwise modified from time to time
“WSHA”	the Workplace Safety and Health Act (Chapter 354A of Singapore), as amended, supplemented and/or otherwise modified from time to time
“WSH Factories Regulations”	the Workplace Safety and Health (Registration of Factories) Regulations 2008 of Singapore, as amended, supplemented and/or otherwise modified from time to time
“WSHR”	the Workplace Safety and Health (General Provisions) Regulations of Singapore, as amended, supplemented and/or otherwise modified from time to time
“YELLOW Application Form(s)”	the application form(s) for use by the public who require(s) such Public Offer Shares to be deposited directly into CCASS
“Zott”	a range of premium dairy products produced by Zott SE & Co. KG and its subsidiaries
“%” or “per cent.”	per cent.

All dates and times in this prospectus refer to Hong Kong time unless otherwise stated.

No representation is made that any amounts in S\$ or HK\$ can be or could have been converted at the related dates at the above rates or any other rates or at all. Unless otherwise stated, the conversion of S\$ into HK\$ in this prospectus is based on the exchange rate of S\$1.00 to HK\$5.50.

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments and, accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

In this prospectus, if there is any inconsistency between English names and their Chinese translations, the English names shall prevail.

GLOSSARY OF TECHNICAL TERMS

This glossary contains certain definitions of technical terms used in this prospectus in connection with the business of our Group. As such, some terms and definitions may not correspond to standard industry definitions or usage of these terms.

“anchorage”	a suitable place for a ship to anchor
“berth”	a place alongside a quay where a vessel may load or discharge its cargo, usually an area of a port or harbour
“Cargo Declaration Form”	a document that provides details of the goods being imported or exported
“CIF”	acronym of cost, insurance and freight, a contractual term that requires the seller to arrange for the carriage of goods by sea to a port of destination and to procure marine insurance against the risk of loss or damage to the goods during the transit
“CNF”	acronym of cost and freight, a contractual term that requires the seller to arrange for the carriage of goods by sea to a port of destination; however the seller does not have to procure marine insurance against the risk of loss or damage to the goods during the transit
“DDU”	acronym for delivered duty unpaid, a contractual term where the seller is responsible for all costs associated with delivering the goods to the named point and place of destination, excluding duties, taxes and other charges payable upon importation
“dairy products”	products made from or containing milk, such as yogurt, cheese, ice cream and butter
“Employment Pass”	a type of work permit granted by MOM to foreign professionals, managers and executives who wish to work in Singapore and earn at least S\$3,600 a month and have acceptable qualifications
“FOB”	acronym for free on board, a contractual term that requires the seller to pay for transportation of the goods to the port of shipment, plus loading costs
“freight forwarder”	a firm specialising in arranging storage and shipping of merchandise on behalf of its shippers

GLOSSARY OF TECHNICAL TERMS

“GFA”	acronym for gross floor area
“lighter”	a type of flat-bottomed barge used to transfer goods and passengers to and from moored ships
“off port limit” or “OPL”	waters which do not fall within the limits described in the Schedule of the Maritime and Port Authority of Singapore (Port Limits) Notification 2010 and any place or premises which is under the control of or used by the MPA for the purpose of carrying out its duties or functions declared to be the port within the meaning of the Maritime and Port Authority of Singapore Act (Chapter 170A of Singapore)
“pallet”	a small, low and portable platform on which goods are placed for storage or moving in a warehouse or ship
“refrigeration vehicle”	road transport vehicles such as vans, trucks and semi-trailers with refrigeration equipment to control the temperature of perishable food products during transport
“Retail and Food Service Customers”	our customers who are retailers and our customers who are in the food service industry
“Ship Chandlers”	retail dealers who specialise in supplying required supplies or equipment (including food supplies) to ship vessels
“S-Pass”	a type of work permit granted by MOM to mid-level skilled foreigners who wish to work in Singapore and earn at least S\$2,200 a month and have the relevant qualifications and work experience
“Ship Supply Customers”	our customers who are Ship Chandlers in Singapore and to a lesser extent, trading companies in the Asia Pacific region, such as Cambodia, the Philippines and Indonesia
“SKUs”	acronym for stock keeping unit, a unique identifier for each distinct product and service that can be purchased
“sq.ft”	acronym for square foot or square feet. Where an area in square metres is converted into sq.ft., a conversion ratio of 1 square metre to 10.8 sq.ft. is applied
“sq.m.”	acronym for square metre or square metres
“ZIKA virus”	a virus transmitted primarily by Aedes mosquitoes

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that state our Company's belief, expectations, or intentions for the future. These forward-looking statements are contained principally in the sections headed "Summary", "Risk factors", "Industry overview", "Business" and "Financial information", which are, by their nature, subject to risks and uncertainties.

The words "aim", "anticipate", "believe", "could", "estimate", "expect", "forecast", "going forward", "intend", "ought to", "may", "might", "plan", "potential", "project", "seek", "should", "will", "would", "wish" and similar expressions, as they relate to us, are intended to identify a number of these forward-looking statements.

These forward-looking statements reflecting our current views with respect to future events are not a guarantee of future performance and are, by their nature, subject to certain risks, uncertainties and assumptions, including the risk factors described in this prospectus, some of which are beyond our control. One or more of these risks or uncertainties may materialise, or underlying assumptions may prove incorrect. These forward-looking statements include, without limitation, statements relating to:

- our business strategies and plan of operation and our various measures to implement such strategies;
- our operations and business prospects, including development plans for our existing business;
- our capital expenditure plans;
- changes in policies, legislation, regulations or practices in the industry and those countries or territories in which we operate that may affect our business operations;
- our financial condition and results of operations;
- changes in economic conditions in Singapore, Hong Kong and overseas;
- macroeconomic measures taken by the Singapore government to manage economic growth and general economic trends in Singapore;
- the regulatory environment and industry outlook in general;
- the general industry outlook, competition in our business activities and future developments in our industry;

FORWARD-LOOKING STATEMENTS

- catastrophic losses from fires, floods, wind;
- other statements in this prospectus that are not historical facts;
- realisation of the benefits or future plans and strategies; and
- other factors beyond our control and other risks and uncertainties described in the section headed “Risk factors” in this prospectus.

We believe that the sources of information and assumptions contained in such forward-looking statements are appropriate sources for such statements and we have taken reasonable care in extracting and reproducing such information and assumptions. We have no reason to believe that information and assumptions contained in such forward-looking statements are fake or misleading or that any fact has been omitted that would render such forward-looking statements fake or misleading in any material respect.

The information and assumptions contained in the forward-looking statements have not been independently verified by us, the Controlling Shareholders, the Selling Shareholder, the Sole Sponsor, the Joint Lead Managers and the Sole Bookrunner, the Underwriters and any other party involved in the Share Offer or their respective directors, officers, employees, advisers or agents and no representation is given as to the accuracy or completeness of such information or assumptions on which the forward-looking statements are made. Additional factors that could cause actual performance or achievements of our Group to differ materially include, but are not limited to, those discussed under the section headed “Risk factors” and elsewhere in this prospectus.

These forward-looking statements are based on current plans and estimates, and apply only as of the date they are made. Subject to the requirements of the applicable laws, rules (including the GEM Listing Rules) and regulations, our Group does not intend to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way our Group expects, or at all.

We caution you that a number of important facts could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statement. Accordingly, you should not place undue reliance on any forward-looking information or statements. All forward-looking statements in this prospectus are qualified by reference to the cautionary statements set forth in this section.

In this prospectus, statements of or references to the intentions of our Company or any of our Directors are made as of the date of this prospectus. Any such intentions may potentially change in light of future developments.

RISK FACTORS

Prospective investors should consider carefully all the information set forth in this prospectus and, in particular, should consider the following risks and special considerations in connection with an investment in our Company before making any investment decision in relation to the Share Offer. The occurrence of any of the following risks may have a material adverse effect on the business, results of operations, financial conditions and future prospects of our Group. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment.

This prospectus contains certain forward-looking statements regarding our plans, objectives, expectations and intentions which involve risks and uncertainties. Our Group's actual results could differ materially from those discussed in this prospectus. Factors that could cause or contribute to such differences include those discussed below as well as those discussed elsewhere in this prospectus. The trading price of the Offer Shares could decline due to any of these risks, and you may lose all or part of your investment.

RISKS RELATING TO OUR BUSINESS

Our Group may be unable to retain or replace our major customers

Our major customers are primarily Ship Chandlers in the shipping industry in Singapore. Our top five major customers together accounted for approximately 46.4%, 40.7% and 40.4% of our total sales respectively for the two years ended 31 December 2016 and the three months ended 31 March 2017, the largest of whom accounted for approximately 13.4%, 11.7% and 12.7% of our total revenue, respectively. We cannot assure you that our revenue generated from our major customers will reach or exceed historical levels in any future period. Loss or cancellation of business from, or decreases in our profit margins could harm our profitability and financial performance.

While we have good working relationships with our customers, there is no assurance that they will continue to place orders with us at all or at current levels in the future. In the event that our major customers significantly reduce their orders with us or we are unable to secure continued orders from them or secure alternative orders of comparable size, our business and results of operations will be adversely affected.

If there is a significant decline in demand from our major customers or should they decide to discontinue their relationship with our Group, we may be left with surplus inventory which we may not be able to sell within a viable period and the expired products will have to be written-off. Consequently, our Group's sales volume and financial performance will be adversely affected.

RISK FACTORS

Our Group's profit margins are susceptible to various factors beyond our control

Our Group's profit margins are susceptible to factors such as the cost of food products, changes in exchange rates and interest rates, loss of major customers, climate, bad debt, and increase in subcontracting costs and/or staff costs. As our Group is dependent on maintaining high volumes of sales, a loss of major customers or reduced demand for products from major customers will adversely affect our business performance. As most of our customers are granted credit terms, we are exposed to the risk of bad debt in the event that any of our customers default on payment to us. The cost of food products are subject to various factors beyond our control such as exchange rates as well as applicable laws, rules, regulations and policies relating to the sale and/or import of food products. In the event of an increase in the cost of food products, our profit margins and financial performance may be adversely affected, in particular if we are unable to pass on such increased costs to our customers. Our profit margins may also be negatively affected in the event that the subcontracting costs that we pay to our third-party storage provider, as well as labour costs paid to our staff increase.

Our Group will be adversely affected by any significant or prolonged disruption to our cold storage and refrigeration facilities

We face a number of operational risks with regard to our storage facility and processing facility. We provide cold storage and refrigeration facilities as many of our products, particularly our dairy products, require refrigeration at designated temperatures. Any prolonged and/or significant downtime arising from major and unexpected repairs or servicing or mechanical failure of any of our cold stores that result in major disruptions to our operations could cause us to be unable to store and/or process our food products, either within a short period of time or at all, which could lead to a loss of product or diminished product quality. During the Track Record Period, we did not experience any prolonged and/or significant downtime in our cold storage and refrigeration facilities.

Similarly, our cold storage facilities are also subject to a number of risks, such as fires, floods, explosions, natural disasters, third-party interference, disruptions in power supply or power outages, war, terrorism and communal unrest. This could lead to significant disruption to our operations or result in significant damage to our Group's cold storage facilities or inventories. These hazards could also result in environmental pollution, personal injury or wrongful death claims and other damage to our properties. These may materially and adversely affect our Group's business and financial performance.

The production processes at our production facilities are dependent on a continuous supply of utilities such as electricity. Any disruption to the supply of electricity or any outbreak of fire or similar calamities at our production facilities may result in the breakdown of our facilities, such as our cold storage facilities, which will in turn lead to deterioration or loss of our inventories. This could adversely affect our ability to fulfil our sales orders and consequently, our business operations, financial performance and financial position may be adversely affected.

RISK FACTORS

We rely on a third-party storage provider for the storage of our food products

We rely on a third-party storage provider to store our food products. Our goods are generally stored in our warehouse in Singapore located at 21 Wan Lee Road. The total number of pallets that our existing storage area can accommodate is approximately 570 pallets. During the Track Record Period, our warehouse was operating at almost full utilisation rate. Due to the lack of available storage space at our 21 Wan Lee Road premises, our Group engages a third-party storage provider to store our food products. For details of the extent of our use of the third-party storage provider during the Track Record Period, please refer to the section headed “Business – Our objectives and business strategies – (1) Expansion of the food processing and storage capacity of our current warehouse premises” of this prospectus.

There is no assurance that the third-party storage provider engaged by our Group will continue working with our Group or to fulfil our needs and expectations in terms of cost and quality of service. In the event that such third-party storage provider is not able to fulfil our requirements, or we are unable to maintain the existing arrangements with such third-party storage provider on favourable terms or should they terminate the provision of storage services to us, and we are not able to seek alternative providers in a timely manner and/or at reasonable prices, our business operations, financial performance and our financial position could be adversely affected.

We are exposed to inventory risk and stock obsolescence

Perishable goods form a large part of our inventory. These include dairy products such as milk, cheese, yogurt, and ice cream. We incur costs in respect of the special storage requirements for these dairy products. In addition, dairy products such as cheese and yogurt have short shelf life. If they expire, we would have to incur costs of storage and costs of disposal. In addition, we plan our purchases based on our estimate of demand. In the event our estimations are inaccurate, there may be stock obsolescence. We source and stock more than 1,100 SKUs of food products. We maintain certain levels of inventories so that we can fulfil our customers’ requirements within a stipulated delivery time. As a result of holding and managing a significant level of inventory, we may incur high holding costs such as financing costs, warehousing and logistic costs and insurance costs. A significant increase in these costs may have a material and adverse impact on our financial position.

While our inventory range and inventory levels are reviewed regularly to ensure that we have sufficient inventory on hand to meet confirmed and projected sales orders, we are unable to predict with certainty our customers’ demands. There is also no certainty that our customers will not reschedule the delivery of their purchases or cancel their orders. The nature, timing, direction and degree of changes in shipping industry conditions are unpredictable and as a result, the demand for our food products by ship vessels are outside of our control and may be unpredictable. In the event that there is a decrease in shipping activity and a decrease in demand for food products by ship vessels, we will have excess inventory.

RISK FACTORS

We may also stock inventory as and when there are sourcing opportunities which allow us to purchase inventory at competitive prices. In the event that we are unable to sell such stocks promptly, our cash flow may be adversely affected. Moreover, if such stock cannot be sold before their expiry dates, we may have to write-off such stocks. This would have an adverse effect on our profitability. In addition, in the event that stock in our warehouse is damaged due to fire, this may disrupt our business and affect our profitability adversely. Further, we may not be able to fully recover our losses from our insurers.

We face risks associated with contamination or deterioration of food products, and may be exposed to negative publicity, customer complaints, product liability claims and potential litigation

Food contamination and tampering are risks inherent to food-related operations. We import a wide variety and volume of food products from various local and overseas suppliers. Food products are perishable and susceptible to contamination and tampering if not properly stored or packed. The contamination or deterioration of our products, whether actual or alleged, deliberate or accidental, could harm our reputation and business. A risk of contamination or deterioration may exist during each stage of our business operations, including processing (whether through repackaging or mixing), and delivery of our products to Ship Supply Customers and Retail and Food Service Customers, and the storage and shelving of our products at our facilities. Several of our food products which we import, such as dairy products, are required to be stored at specific temperature ranges in order to maintain their quality and freshness.

We also process certain food products we obtain from our suppliers, such as bread and cheese, which may be contaminated during food processing in the event of lapses in food handling hygiene or cleanliness of our processing facility. Contaminated ingredients may result in end-customers falling ill and may give rise to bad publicity. In such cases, we may be ordered by the relevant authorities to suspend or cease all or part of our business operations, which will materially and adversely affect our business and financial performance. While our food processing facilities in Singapore have obtained the B (Good) grade under the AVA's grading system and we have attained the ISO 22000:2005 qualification for the manufacturing of breadcrumbs and associated packing of cheese for wholesale distribution and Ship Chandlers, which specifies requirements for a food safety management system, there can be no assurance that food contamination and tampering will not occur.

Any such contamination or deterioration could result in product complaints, a recall of our products and/or criminal or civil liability and restrict our ability to sell our products. In the instances where some of these product liability claims escalate into lawsuits against our Group, our Group would have to divert management resources and expend costs to defend ourselves in such lawsuits. This would consequently have a material adverse effect on our business operations, financial performance, financial position and prospects.

RISK FACTORS

Even though most of such lawsuits will be against the manufacturer rather than us as the distributor, there can be no assurance that we will not be involved in such lawsuits as co-defendants. In addition, our Group does not presently maintain any product liability insurance. Notwithstanding that there has been no material litigation brought against our Group in relation to product liability claims since our inception, we cannot assure you that there will not be any litigation brought against us in the future. Furthermore, even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that our products caused personal injury or illness could adversely affect our reputation with customers and our business operations, financial position and our financial performance. For further information, please refer to the section headed “Business – Insurance” of this prospectus.

We may be adversely affected by a shortage of products

We purchase certain key food products such as bread on a daily basis from our suppliers both locally and overseas. As such, we are highly dependent on a consistent and sufficient supply of food products from our suppliers. If our suppliers are unable to supply us with sufficient food products, our business and operations may be disrupted and this may in turn materially and adversely affect our business and financial performance.

The supply of food products are subject to various factors beyond our control, including climate, seasonality and applicable laws, rules, regulations and policies in relation to the sales and/or import of these products. There can be no assurance that we will be able to anticipate decreases in supply or secure alternative food products that satisfy our requirements. If we are unable to procure sufficient supplies of key food products required by our customers, our business and financial performance may be adversely affected. In the event that food products which we order from our overseas suppliers are damaged en route to Singapore, we may face a shortage of food products for our customers. There is no assurance that our marine cargo insurance will be adequate in such cases to compensate our losses.

Our financial performance may be affected by seasonal fluctuations in demand

Sale of our food products to our Ship Supply Customers are subject to the cruise season and the demand during the months of October to March and during the festive seasons such as Christmas, New Year and the Chinese Lunar New Year. In addition, the occurrence of weather or climate changes such as haze may also cause shipping activity to decrease which will result in decreased demand from our Ship Supply Customers. These factors may cause our sales volume and business performance to fluctuate from quarter to quarter. As such, our results for the peak months may not be taken as an indication of our financial performance for the entire financial year. Prospective investors should therefore be aware of the seasonal fluctuations when making any comparisons of our financial performance. As some of our expenses are fixed in nature, our operating performance may be affected in the relevant months and/or quarters.

RISK FACTORS

We are subject to regulatory requirements for our operations

Our business in Singapore is subject to various laws, rules and regulations, including but not limited to the RIEA, WMFA and the Sale of Food Act. We are also required to comply with the regulations and policies of relevant authorities such as the AVA and NEA. Please refer to the section headed “Regulatory overview” of this prospectus for further information.

If there are changes to the applicable laws, regulations or policies in Singapore, we may be required to comply with further and/or stricter requirements, which may restrict or hamper our business or operations or result in higher operating costs. If we are unable to pass on any increased operating costs to our customers, our business, operations and financial performance may be adversely affected. In addition, there can be no assurance that we will continue to be able to comply with the requirements of new applicable laws, regulations and policies in Singapore.

Regulatory licences and/or exemptions are required for our operations in Singapore. Certain licences are granted for fixed periods of time and need to be renewed upon expiry. There can be no assurance that our licences will be processed, issued and/or renewed in time or at all. In addition, licences are generally subject to conditions stipulated in the licences, and/or applicable laws, rules and regulations.

If we are found to be in breach of any applicable laws, rules, regulations or conditions, the relevant government or regulatory authority may take action against us, such as issuing warnings, imposing penalties, suspending our licence(s), reducing the term of our licence(s), imposing additional conditions or restrictions and/or revoking our licence(s). Any failure to obtain, maintain or renew any of the licences may materially and adversely affect our business, operations and financial performance.

We are dependent on our key management personnel for our continued success and growth

Our Group’s success to-date is attributable to the contributions and expertise of our key management personnel, who each have over 15 years of experience in our industry. In particular, our managing director, Mr. D Tan, our chief executive officer, Mr. R Gay, and our general manager, Mr. M Tan, have been instrumental in formulating our business strategies and spearheading the growth of our business and operations. Our continued success and growth will depend, to a large extent, on our ability to retain the services of our executive Directors and senior management. The loss of services of any key management personnel without suitable and timely replacements may materially and adversely affect our business, prospects and financial performance.

Further, in the event that we need to increase employee compensation levels substantially to attract and/or retain any key management personnel, our costs may increase and our financial performance may be materially and adversely affected.

RISK FACTORS

We rely on skilled and experienced personnel and we are subject to labour and immigration laws and policies that govern the employment of foreign workers

Our business is labour-intensive, and we rely on experienced personnel for our operations. Qualified individuals with requisite skills are in short supply within the food trading and processing industry. In particular, we rely on our foreign worker personnel for various roles in our Company such as warehouse operations, including food packing, food processing, delivery, coordinating sales and other administrative duties.

We also employ a significant number of foreigners, and are subject to applicable laws, rules and regulations. As at the Latest Practicable Date, approximately 44.9% of our employees in Singapore were foreigners.

Any changes in applicable laws, regulations or policies of Singapore or those of the foreigners' countries of origin may result in labour shortages and/or increase our operating costs. For instance, the availability of foreign workers in Singapore is regulated by MOM through policy instruments such as the imposition of levies and quotas, known as dependency ratio ceilings, being the percentage of foreign workers permitted in a company's total workforce. Our Group is subject to foreign worker levies and we are susceptible to any increase in such levies and any changes in the supply and/or quota of foreign workers that we are permitted to hire. As a result of these measures, our costs of hiring foreign workers may increase. We may also be required to hire fewer foreign workers in Singapore and could potentially face difficulties in identifying alternative sources of foreign workers with the same or lower costs. As at the Latest Practicable Date, based on information obtained from MOM, the maximum number of foreign workers that our Group could employ in Singapore was 49, based on the relevant dependency ratio ceiling for the manufacturing sector and service sectors. Please refer to the section headed "Regulatory overview – Dependency ratio ceilings" in this prospectus for further details. In addition, we are vulnerable to changes in the availability and costs of hiring foreign workers from other countries. If our labour costs increase substantially or if we are unable to retain our foreign workers or hire new employees on terms acceptable to us or at all, our business, operations and financial performance may be materially and adversely affected.

We are also required to comply with the conditions stipulated in work permits issued to our foreign workers, and may be liable if we contravene such conditions. If we contravene the conditions stipulated in the work permits issued to our foreign workers, such contravention may result in a statutory penalty, a curtailment in our foreign workers' quota and/or a ban by the MOM on our applications and renewals of work permits for foreign workers. Such an event may result in the disruption of our operations and/or an increase in our labour costs, which may materially and adversely affect our business and financial performance.

RISK FACTORS

We may be affected by disease outbreaks

Any outbreak of diseases or viruses in livestock or food scares in the region or around the world, such as the avian influenza H7N9 virus (also known as “bird flu”) or bovine spongiform encephalopathy (also known as “mad cow disease”) or Zika virus, may materially and adversely affect our business and financial performance.

A loss in consumer confidence concerning any particular ingredient may lead to a reduction in consumption of the affected type of meat or food, and force us to reduce or eliminate the use of that ingredient as part of our food processing operations or the import of that food product for our customers. Certain ingredients from particular countries may be restricted or banned by the government in Singapore or elsewhere, and scarcity of supplies may lead to price increases for those ingredients, thereby increasing the costs of importing, manufacturing and/or processing such food products for distribution. Consumer sentiments may also be adversely affected, and our customers may be less willing to purchase such food products. In addition, an outbreak of disease in Singapore may result in fewer shipping vessels calling in Singapore. As a result, there may be a reduced demand from our Ship Supply Customers for our food products.

Further, if any of our employees involved in food processing shows any symptoms or becomes infected with contagious diseases, we may be required to shut down our processing facility for quarantine purposes and also recall the products that were produced during the relevant period. In the event that any of these events occur, our business, operations and financial performance may be materially and adversely affected.

Our insurance coverage may not be adequate

Our storage and warehousing operations are exposed to the risk of equipment failure, risk of failure by our employees to follow procedures and protocols, as well as inherent risks in operating equipment and machinery, resulting in damage to or loss of any relevant machines, equipment or facilities required in our warehousing and storage facility, or personal injury. While we maintain insurance coverage for our material assets and operations, including fire insurance for our properties and insurance for, *inter alia*, interruption of our Group’s operations, we do not or are not able to obtain insurance in respect of losses arising from certain operating risks such as acts of terrorism. Please refer to the section entitled “Business – Insurance” of this prospectus for further details on our insurance coverage.

Our insurance policies may not be sufficient to cover all of our losses in all events. The occurrence of certain incidents, including fraud, confiscation by investigating authorities or misconduct committed by our employees or third parties, severe weather conditions, earthquakes, fire, war, flooding and power outages may not be covered adequately, if at all, by our insurance policies.

RISK FACTORS

If our losses exceed the insurance coverage or are not covered by our insurance policies, we may be liable to bear such losses. Our insurance premiums may also increase substantially due to claims made. In such circumstances, our financial results will be materially and adversely affected.

Pilferage and theft by our employees will harm our business and financials

Our drivers from our operations department are responsible for collecting the amount due from our Ship Supply Customers in respect of each order that is on a cash-on-delivery basis. While we have implemented various cash management policies, there can be no assurance that lapses in internal controls will not occur. We may be unable to prevent pilferage, misappropriation or theft by our employees. In the event that such pilferage, misappropriation or theft occurs, our business operations, financial performance and our financial position could be adversely affected.

We may be affected by unfavourable exchange rate fluctuations

We are exposed to risks related to exchange rate fluctuations, particularly with respect to S\$, HK\$, RM, IDR, US\$ and the Euro, as our purchases are denominated in these currencies, while our sales are denominated mainly in US dollar and S\$. We have not hedged our foreign currency exposure in the past. In addition, proceeds from the Share Offer will be received by us in HK\$, whereas our Group's primary reporting and functional currency is in S\$. In case of a material depreciation of HK\$ for whatever reason, our financial position and liquidity position may be adversely affected. Unfavourable exchange rate fluctuations may have a material adverse effect on our business, financial condition, results of operations and/or prospects.

Central banks in the countries in which we operate may intervene in the currency exchange markets in furtherance of their policies, either by selling local currency or by using their foreign currency reserves to purchase local currency. We cannot assure you that such currencies will not be subject to appreciation and continued volatility, or that the various governments will take additional action to stabilise, maintain or increase the value of their respective currencies, or that any of these actions, if taken, will be successful. Modification of the current exchange rate policies by any of the countries in which we operate could result in significantly higher domestic interest rates, liquidity shortages, capital or exchange controls or the withholding of additional financial assistance by multinational lenders. This could result in a reduction of economic activity, an economic recession, loan defaults or declining interest by our customers, and as a result, we may also face difficulties in funding our capital expenditure and in implementing our business strategy. Any of the foregoing consequences could have a material adverse effect on our business, financial condition, results of operations and/or prospects.

RISK FACTORS

Our business may be affected by macroeconomic factors and other factors beyond our control

Our business may be affected by macroeconomic factors, such as general economic conditions, market sentiment and consumer confidence, particularly in Singapore. Various factors may influence these macroeconomic conditions, including without limitation, unemployment rates and real disposable income, inflation, recession, stock market performance, the interest rate environment, the availability of consumer credit, and regulatory (including fiscal and other governmental policies), social or political changes, all of which are beyond our control. Any adverse macroeconomic conditions may lead to consumers becoming more budget conscious and price sensitive, which will result in a decrease in discretionary consumer spending.

Our business and operations may also be materially and adversely affected by unforeseeable circumstances and other factors such as changes in consumer preferences, power outages, labour disputes, severe weather conditions and natural or other catastrophes, which may disrupt our operations and cause loss and damage to our outlets, and terrorist attacks or other acts of violence, which may materially and adversely affect the global financial markets and business and consumer confidence.

If any of these events occur, our business, financial performance and results of operations may be materially and adversely affected.

We may face rising labour costs

Our labour costs accounted for approximately 8.3%, 8.5% and 8.8% of our revenue for the two years ended 31 December 2016 and the three months ended 31 March 2017, respectively. Our Group has observed an overall tightening of the labour market and increase in labour costs in Singapore in recent years and currently expects such increase in labour costs to continue in the near future. Competition for qualified employees may result in us having to pay higher wages to attract and retain our employees, which may result in higher labour costs. The increase in labour costs will increase our business operation costs and our financial performance and financial position may be adversely affected.

We face intense competition from other food product suppliers

According to the Converging Knowledge Report, our competitors in Singapore include other food product suppliers, wholesalers and distributors. Our competitors may have substantially greater financial, technical, marketing, distribution and other resources than us. Additionally, a change in the number of competitors, level of marketing or investment undertaken by our competitors, our competitors' pricing policies, foreign exchange rates, an increase in the volume of competing products, the introduction of competing products into the markets where we operate or sell our products, or other changes in the competitive environment in our markets could cause a reduction in demand for our products and in our market share, and could consequently lead to a decline in our revenues and an increase in our marketing or

RISK FACTORS

investment expenditures, which could have a material adverse effect on our business, financial condition, results of operations and prospects. There is no assurance that we will be able to compete successfully with our competitors in the future. If we are unable to stay ahead in the face of progressively intense competition from other food suppliers, our business operations and financial performance will be materially and adversely affected. Please refer to the section “Business – Competition” of this prospectus for more details.

We are exposed to the credit risk of our customers

We are exposed to the credit risk of some of our customers who are granted credit terms, which range from 0 to 60 days. Should our customers experience cash flow difficulties or face possibilities of liquidation due to deterioration in their business performance or financial position, our profitability, cash flow and financial position may be materially and adversely affected as our customers may default on their payment to us. Our customers’ ability to pay us may also be affected by an economic downturn as well as political pressures faced by our foreign customers located in their respective countries that might affect their ability to obtain foreign exchange or credit facilities to pay us. This may result in us experiencing payment delays for our products or in more severe cases not receiving payment for our products which may adversely affect our business operations, financial performance and financial position. While we have obtained credit term insurance in respect of certain customers, the insurance does not cover all our customers and our insurance coverage does not cover the full amount of each invoice. Even if we seek to recover from our insurers, there is no assurance that we will be able to recover the full amounts that we claim for.

Due to these delays and/or defaults, we may have to make allowances for doubtful debts or write-off bad debts, which may have an adverse impact on our financial performance. During the Track Record Period, we did not make any allowances for doubtful debts and our bad debts that have been written off were approximately S\$4,000, nil and nil for the two years ended 31 December 2016 and the three months ended 31 March 2017, respectively. The trade receivables’ turnover days were 71.7 days, 78.1 days and 77.2 days for the two years ended 31 December 2016 and the three months ended 31 March 2017, respectively. Please refer to the section headed “Financial information – Liquidity and capital resources – Trade receivables” of this prospectus for details on our credit policy.

We may experience negative cash flow due to non-recurring listing expenses

We had negative cash flow from operating activities during the three months ended 31 March 2017 mainly because of non-recurring listing expenses of approximately S\$0.7 million incurred for the three months ended 31 March 2017. For further information, please refer to the section headed “Financial information – Liquidity and capital resources – Cash flow – Operating activities” of this prospectus.

RISK FACTORS

Our cash flow may be adversely affected if there is an increase in the mismatch in our trade receivables turnover days and our trade payables turnover days

We generally grant credit period ranging from cash on delivery to 60 days from the invoice date for our major customers, while our suppliers generally offer us a trade credit period ranging from cash on delivery to 60 days. During the Track Record Period, the turnover days of our trade receivables was approximately 71.7 days, 78.1 days and 77.2 days, respectively, while the turnover days of our trade payables was approximately 42.8 days, 51.0 days and 48.2 days, respectively. For further information on our trade receivables and trade payables, please refer to the section headed “Financial information – Liquidity and capital resources – Trade receivables” and “Financial information – Liquidity and capital resources – Trade payables” of this prospectus respectively. Our cash flow from operating activities may fluctuate depending on the timing and extent of the receipt of payments from our customers as well as the timing and extent of our payment to our suppliers. Accordingly, in the event of any increase in the mismatch in the turnover days of our trade receivables from our customers and trade payables to our suppliers, our operating cash flow may be adversely affected.

Our business and future expansion plans may be adversely affected if we are unable to repay existing debt or to secure additional financing

We have relied on bank borrowings as one of the sources of funding for our business operations. As at 31 December 2015, 31 December 2016 and 31 March 2017, our Group’s bank borrowings amounted to approximately S\$3.2 million, S\$3.8 million and S\$3.7 million, respectively. There is a risk that we may encounter difficulty in repaying principal and/or interest in the event that interest rates increase or in the event our business, profits or financial position is adversely affected by any of the factors described in this prospectus. We may continue to depend on bank borrowings for the expansion of our business. For example, in relation to the proposed expansion of the food processing and storage capacity of our 21 Wan Lee Road premises, we intend to obtain bank borrowings of approximately HK\$25.2 million in 2019 to fund such expansion. Failure to obtain sufficient bank borrowings or alternative banking facilities on similar or more favourable terms may have an adverse effect on our financial position and our future expansion plans.

As at 31 December 2015, 31 December 2016 and 31 March 2017, our net debt to equity ratio was approximately 21.8%, 7.2% and 4.4%, respectively. Failure to maintain a low debt to equity ratio may place us in a vulnerable financial position and at a competitive disadvantage against other competitors. In addition, a high debt to equity ratio may prevent us from borrowing under existing loans, obtaining new loans or obtaining new loans on favourable terms. These may have a negative impact on our operations and financial position.

RISK FACTORS

Our Group is exposed to fluctuations in interest rates

Our Group has borrowings which are at floating interest rates and all of which are secured against our Group's assets, whereas our finance lease obligations (such as hire-purchase liabilities) are at fixed interest rates. Any increase in interest rates would increase borrowing costs and adversely affect our Group's profitability. Any significant increase in interest rates, especially for a prolonged period, could have a material and adverse effect on our Group's business, financial condition, results of operations and prospects. In the event of an increase in interest rates at the point of refinancing, there is the risk that we may encounter difficulty in repaying the principal and/or interest.

Our Group may be unable to adequately manage our future growth and expansion

Any future development of our business is subject to the availability of resources and the constraints of the ever changing market conditions. Our Group may be unable to manage our growth effectively in a controlled manner. Any over-expansion could exert pressure on our limited managerial, operational and financial resources and may in turn pose risks to our operational and financial stability. For example, we may be unable to increase the food processing and storage capacity of our current warehouse facilities, further penetrate the market for distribution of food products to retail and food service customers, and recruit sufficient manpower in a timely manner to support our business growth. Failure to manage our expansion plans properly may result in increased operational costs and lower profits than anticipated. For more information on our business strategies, please refer to the section headed "Business – Our objectives and business strategies" of this prospectus.

Risks related to the intended expansion of our current warehouse premises

We are currently operating near full capacity at our 21 Wan Lee Road premises and intend to use approximately 48.9% of the net proceeds from the Share Offer to expand the capacity of our current warehouse premises. For more information, please refer to the section headed "Business – Our objectives and business strategies – (1) Expansion of the food processing and storage capacity of our current warehouse premises" of this prospectus. We may experience significant difficulties in expanding our warehousing and storage capacity, which may materially and adversely affect our business expansion plans and results of operations.

A delay in the upgrading and expansion of our current warehouse premises will affect our billings, revenue, operational cash flows and financial performance. Such delay can be due to various factors, including but not limited to, a shortage of manpower, a shortage of machinery, delays by contractors and subcontractors. We are also subject to risks associated with non-performance, late performance or poor performance by our contractors and subcontractors.

The upgrading and expansion of our current warehouse premises will cause disruption to our existing operations at our 21 Wan Lee Road premises, particularly in respect of our value added food processing operations. We expect that we will require at least seven days to move our

RISK FACTORS

office and all the products stored at our 21 Wan Lee Road premises to a temporary office and warehouse facility. While we will continue to supply products to our customers using products which are stored at third party storage facilities during such period of moving, there is no assurance that there will be no delays in our moving due to unforeseen circumstances. In addition, we intend to rely on third party storage facilities during the period of construction. We expect to incur increased costs in respect of the monthly rental of approximately S\$47,250 for the leasing of temporary office and warehouse facility from such third party storage providers. For more information on the costs of the upgrading and expansion of our warehouse premises, please refer to the section headed “Future plans and use of proceeds – Use of proceeds – Net proceeds” in this prospectus.

While we may be able to use our leasehold property at 8A Admiralty Street as a temporary food processing space once the lease to the Independent Third Party ends in June 2018, there is no assurance that we will be able to obtain the relevant licences and regulatory approvals (where necessary) to carry out our food processing operations at those premises. In such event, we may have to cease our food processing operations. During the Track Record Period, our food processing operations contributed to approximately 3.4%, 4.8% and 5.3% of our revenue, respectively.

Cost overruns in our expansion and upgrading plans will affect our costs and materially affect our financial performance. While we will obtain certain quotations from contractors and subcontractors and carry out internal costing and budgeting estimates of labour cost, we may have to bear cost fluctuations in the event that adjustments are required to the construction plan or changes in specifications are required to be made.

In connection with the expansion of our warehouse premises, we intend to invest in more equipment and an open truck as well as hire new employees to enhance our workforce to keep up with our expanding operations. Even if we are able to expand the capacity of our warehouse facility and increase our equipment, vehicles and staff, there is no assurance that the economic benefits of such expansion will materialise.

Risks in expanding into new target businesses

We incorporated our subsidiary, Cool Link Supply in 2015 in order to extend our business beyond our supply of food products to our Ship Supply Customers, to Retail and Food Service Customers comprising retailers such as supermarkets and hypermarkets as well as certain segments of the food service industry such as hotels, resorts and restaurants. In this regard, we have in 2016 obtained two sole distributorship rights, namely with Zott Dairy Asia Pacific Pte. Ltd. to be the sole and exclusive distributor of the “Zott” range of premium dairy products in Singapore, as well as Oriental Merchant Pty Ltd to be sole distributor in Singapore of “Obento” panko breadcrumbs and “Obento” tempura batter mix. There is no assurance that we will be able to continually renew these distributorship rights or obtain new distributorship rights. In the event

RISK FACTORS

that the existing distributorship rights are terminated, and we do not obtain new distributorship rights, our business, financial condition, results of operations and prospects may be adversely affected.

In addition, we intend to continue bringing in products of other brands to be supplied to Retail and Food Service Customers in Singapore. There may be competition between brands that we carry which may lead to a decrease in sales of our products. In the event that we are unable to secure such agreements or partnerships with these new brands, or we are unable to select products that are popular with consumers, our new business may not develop positively and this could have a material and adverse effect on our Group's overall business, financial condition, results of operations and prospects. In particular, demand for food products in the retail and food service industry is directly dependent on demand from customers which is in turn affected by demographic factors, consumer preferences and trends, as well as factors relating to discretionary consumer spending, including the general condition of the economy.

RISKS RELATING TO OUR INDUSTRY

Our Group's operations are subject to disruptions in transportation and fluctuations in freight and other transportation costs

We provide delivery of food products to our Ship Supply Customers and Retail and Food Service Customers. We currently maintain a fleet of 16 delivery vehicles, eight of which are owned by us and the remaining eight are leased from Independent Third Parties, which are used to deliver food products to our customers. We incur repair and maintenance expenses in relation to our delivery vehicles.

Although delivery costs are included in the prices we quote to our customers, there is no assurance that we will be able to pass on all or any increases in transportation costs to our customers or otherwise offset the effects of any such increases in transportation costs. If we are unable to pass on the increased costs to our customers, our profit margin will be reduced and our business, results of operations, financial condition and prospects will be adversely affected.

Disruption of transportation services arising from factors such as unfavourable weather conditions, labour unrest, significant downtime arising from major and unexpected repairs or other events which are out of our control could affect our Group's ability to supply products to customers on time.

We deliver to ship vessels either at fixed berthing lots at ports, or to lighter terminals for consolidation where ship vessels are in anchorage or at off port limit ("OPL") waters outside Singapore. In the event of late delivery or if additional deliveries are required to be made due to a discrepancy in the orders and packed goods, we typically incur costs at our own expense to hire a "lighter" boat to deliver the products directly to ship vessels. We may suffer a loss of sales if the sale is not completed at all in the event of late or missed delivery, or if the additional delivery attempt is unsuccessful. Failure to or delay in supply of our products to customers may

RISK FACTORS

result in contractual claims against our Group and any repeated delay in or failure to supply products to customers may in the long term, adversely affect the demand for our products and our business, financial condition, results of operations and prospects. In addition to the financial cost of hiring “lighter” boats to make up for late deliveries, there may also be a negative impact to our reputation if our Ship Supply Customers cancel or reduce their orders with us due to our non-delivery or late delivery.

We are dependent on the shipping industry which has traditionally been prone to business fluctuations

General economic, social and political conditions may reduce the demand for our Group’s services and affect our overall operations. Worldwide downturns in the shipping and shipyard industries may be experienced as a result of generally weak economic conditions. We import food products for sale to Ship Chandlers, who thereafter sell these products to ship vessels for use on board. As such, our Group is dependent on the level of demand for food products by the shipping industry, which is in turn dependent on the shipping industry’s performance and demand from ship vessels. A general economic slowdown may affect trade in general and/or demand for specific goods which our Group supplies to Ship Chandlers.

The pricing of our Group’s products and demand for our Group’s products by Ship Chandlers are sensitive to global and regional economic conditions as the shipping industry is cyclical in nature and is influenced by global and regional economic conditions. Any downturn in global economic conditions such as those brought on by the financial crisis in 2008 and 2009 may affect international business conditions and trade, including the shipping industry. In the event of a downturn in the shipping industry and a decrease in the volume of shipping worldwide, there will be fewer vessels calling in Singapore to receive ship supplies. As a result, there may be a reduced demand from Ship Chandlers for our food products.

RISKS RELATING TO DOING BUSINESS IN HONG KONG

Our Group has no prior track record and operating history in Hong Kong

As our Group has no prior track record in operating in the ship supply industry in Hong Kong, there is no assurance that our expansion of business operations to the ship supply industry in Hong Kong will be commercially successful and that our Group will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from such expansion. Further, the costs of doing business in Hong Kong are high as compared to its surrounding regions. Our expansion into Hong Kong may require high capital commitments and may expose our Group to unforeseen liabilities or risks associated with our entry into new markets. In view of the high rental and labour costs in Hong Kong, our Group needs to exercise careful control over our expenditures in these areas. Should we fail to control our costs, the financial performance of our Group may be adversely affected.

RISK FACTORS

Our expansion into Hong Kong also involves business risks including the financial costs of setting up new operations, capital investments and maintaining working capital requirements. If our Group does not derive sufficient revenue from or does not manage the costs of the Hong Kong operations effectively, the overall operations, financial performance and financial position of our Group may be adversely affected.

Our Group may be unable to secure suitable warehouse and office facilities

As set out under the section headed “Business – Our objectives and business strategies – (2) Expansion of our operations to Hong Kong” of this prospectus, our Group plans to expand our operations overseas by incorporating Cool Link Trading as our subsidiary and setting up office and warehouse operations in Hong Kong in order to gain access to the provision supplies distribution industry and the shipping ports of Hong Kong. We may be constrained by the general shortage of land in Hong Kong and may thus encounter difficulties in securing warehousing and office space in Hong Kong. We intend to lease a warehouse facility in Hong Kong and store food products imported from Singapore. Such warehouse facility is intended to serve as a base to supply such stored food products to Ship Chandlers and ships which call at the ports in Hong Kong. We may also face competition in securing warehousing and office space from competitors in the ship supply industry, food distribution industry or businesses in other industries that require office and storage space. Given the high demand for warehousing and office space, we may not have bargaining power to negotiate for commercially acceptable terms when securing the tenancy for such warehousing and office space. There can be no assurance that we will be able to identify or secure suitable warehousing and office space at a reasonable cost or at all. In the event that we are unable to identify or secure a warehousing and office space in Hong Kong at a reasonable cost or at all, or if we face delays or other operational or financial difficulties, our prospects, business operations, financial performance and financial position will be adversely affected.

Our Group is exposed to risks associated with acquisitions, joint ventures or strategic alliances

Depending on the available opportunities, feasibility and market conditions, we may enter into acquisitions, joint ventures and/or strategic alliances with third parties in relation to the potential expansion of our business operations to Hong Kong and other countries. Joint ventures involve special risks. Our joint venture partners may:

- have economic or business interests or goals that are inconsistent with ours;
- take actions or omit to take actions contrary to our instructions, policies or objectives or in violation of good corporate governance practices or the law;
- be unable or unwilling to fulfill their obligations under the relevant joint venture agreements;

RISK FACTORS

- have disputes with us that arise out of the joint ventures; or
- have financial difficulties.

Depending on the extent of our interest in these joint ventures, we may be unable to control or direct the actions of the joint venture and may need the cooperation and consent of our partners to operate joint ventures; such consent may not always be forthcoming.

Any disagreement we may have with our joint venture partners may lead to an operational deadlock, which could adversely affect our operations. We cannot assure you that we will be able to resolve such disagreements in a manner that will be in our best interests, or at all, which could have an adverse effect on our business, financial condition, results of operations and/or prospects.

Political and economic considerations of Hong Kong

As Hong Kong is a special administrative region of the PRC, the PRC may, by its political and economic policies, exert influence on the foregoing aspects of Hong Kong. The PRC economy features a high degree of government involvement. In recent years, the PRC government has implemented various measures to guide the allocation of resources so as to narrow the gaps between economic developments in different regions in the country. We cannot foresee or give any assurance that the PRC government will not in the near future adopt policies that will adversely affect the political, legal and economic conditions of Hong Kong which may in turn materially affect our business.

RISKS RELATING TO THE SHARE OFFER

There is no assurance of liquidity of our Shares and the price and/or trading volume of our Shares may be volatile

Prior to the Share Offer, there has been no public market for the Shares. The Offer Price has been determined through negotiation between our Company (for ourselves and on behalf of the Selling Shareholder) and the Joint Lead Managers (for themselves and on behalf of the Underwriters) and the final Offer Price may not be indicative of the price at which the Shares will be traded following the completion of the Share Offer. Following the Listing, there is no assurance that an active trading market for the Shares will develop, or, if it does develop, that it will be sustained following completion of the Share Offer, or that the trading price of the Shares will not decline below the Offer Price. In addition, investors may not be able to sell their Shares at or above the Offer Price.

RISK FACTORS

The pricing and/or trading volume of the Shares may be volatile. The market price of the Shares may fluctuate significantly and rapidly as a result of the following factors, among others, which may be beyond the control of our Group:

- actual or anticipated fluctuations in our results of operations;
- changes in investors' perception of our Group and the investment environment generally;
- changes in the analysis and recommendations of financial analysts;
- addition or departure of key management personnel;
- changes in pricing made by us or our competitors;
- changes in market valuations and share prices of companies with businesses similar to that of our Company that may be listed in Hong Kong;
- the liquidity of the market for the Shares;
- announcements of competitive developments, acquisitions or strategic alliances in our industry;
- our ability to successfully implement our investment plans and growth strategies;
- fluctuations of exchange rates;
- involvement in potential litigation or regulatory investigations and proceedings;
- general changes and/or developments in rules or regulations with regards to the Singapore ship supply industry that our Group operates in, including those that affect the demand for our products;
- changes in conditions affecting the ship supply industry, the general economic conditions or stock market sentiments or other events or factors.

Furthermore, the stock market of Hong Kong generally has experienced increasing price and volume fluctuations, some of which have been unrelated or have not corresponded to the operating performances of such companies in recent years.

Future sales of substantial amounts of the Shares or the availability thereof in the public market may adversely affect the prevailing market price of the Shares and our Group's ability to raise further capital

Except pursuant to the Share Offer, the Capitalisation Issue and the Share Option Scheme, our Company has undertaken to the Sole Sponsor, Sole Bookrunner and Joint Lead Managers and the Underwriters not to issue any of the Shares or securities convertible into or exchangeable for the Shares within six months from the Listing Date without the prior written consent of the Sole Sponsor, Sole Bookrunner and Joint Lead Managers (for themselves and on behalf of the

RISK FACTORS

Underwriters). Further, the Shares held by our Controlling Shareholders are subject to certain lock-up undertakings in respect of their Shares in our Company. Please refer to the section headed “Underwriting” in this prospectus for a more detailed discussion of restrictions that may apply to future issuances and sales of the Shares.

After these restrictions lapse, the market price of the Shares may decline as a result of the future issuance of the new Shares or other securities relating to the Shares, sales of substantial amounts of the Shares or other securities relating to the Shares in the public market, or the perception that such issuances or sales may occur. This may also materially and adversely affect our Group’s ability to raise capital in the future at a time and at a price we deem appropriate.

Shareholders’ interests may be diluted in the future as a result of additional equity fund raising

We may need to raise additional funds in the future to finance further expansion of our business. If additional funds are raised through the issuance of new equity or equity-linked securities of us other than on a pro rata basis to existing Shareholders, the percentage of ownership of such Shareholders in us may be reduced, and such new securities may confer rights and privileges that take priority over those conferred by our Shares.

Our Company will comply with Rule 17.29 of the GEM Listing Rules, which specifies that no further Shares or securities convertible into equity securities of our Company (subject to certain exceptions) may be issued or form the subject of any agreement to be issued within six months from the Listing Date. Upon expiry of such six-month period, our Group may raise additional funds by way of issue of new equity or equity-linked securities of our Company to finance further expansion of our business, joint ventures or other strategic partnerships and alliances. Such fund-raising exercises may not be conducted on a pro-rata basis to existing Shareholders. As such, the shareholding of the then Shareholders may be reduced or diluted, and such new securities may confer rights and privileges that take priority over those conferred by our Shares.

The interests of our Controlling Shareholders may not always coincide with the interests of our Company’s public shareholders

Immediately upon completion of the Share Offer, our Controlling Shareholders will own approximately 63.0% of our enlarged share capital. Therefore, our Controlling Shareholders will be able to exercise substantial control or influence over our business by directly or indirectly voting at shareholders’ meetings in matters that are significant to us and our public Shareholders. For example, they may perform significant corporate actions, influence the Board composition and affect the issue of dividends. Our Controlling Shareholders may take actions, and exercise influence that favours their interests over the interests of us or our public shareholders. We cannot assure you that our Controlling Shareholders will not cause us to enter into transactions or take, or fail to take, other actions or make decisions that conflict with the best interests of our other Shareholders. If the interests of our Controlling Shareholders conflict with our and/or your interests, or if our Controlling Shareholders choose to cause our business to pursue strategic objectives that conflict with our and/or your interests, Shareholders, including you, may be disadvantaged as a result.

RISK FACTORS

Termination of the Public Offer Underwriting Agreement

Prospective investors should note that the Public Offer Underwriters are entitled to terminate their obligations under the Public Offer Underwriting Agreement by giving written notice to our Company (for ourselves and on behalf of the Selling Shareholder) upon the occurrence of any of the events stated in the paragraph headed “Grounds for termination” under the “Underwriting” section of this prospectus at any time at or before 8:00 a.m. (Hong Kong time) on the Listing Date. Such events include, without limitation, any acts of God, wars, riots, public disorder, civil commotion, fire, flooding, hurricanes, epidemic, pandemic, acts of terrorism, earthquakes, strikes or lockouts. Should the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) exercise their rights and terminate the Public Offer Underwriting Agreement, the Share Offer will not proceed and will lapse.

We may be unable to pay dividends to our Shareholders

The declaration and payment of future dividends will depend on our operating results, financial position, other cash requirements including capital expenditure, the terms of borrowing arrangements (if any) and other factors deemed relevant by our Directors. We may be unable to record profits and have sufficient funds above our funding requirements, other obligations and business plans to declare dividends to our Shareholders. As such, there is no assurance that dividend distributions will be made by our Company in the future.

RISKS RELATING TO INFORMATION CONTAINED IN THIS PROSPECTUS

Investors should not place undue reliance on facts, statistics and data contained in this prospectus relating to the economies and our industry

Certain facts, forecasts, statistics and data in this prospectus are derived from various sources including various official government sources that our Company believes to be reliable and appropriate for such information. However, we cannot guarantee the quality or reliability of such source materials. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such statistics and information false or misleading. Whilst our Directors have taken reasonable care in extracting and reproducing the information, they have not been prepared or independently verified by our Company, the Selling Shareholder, the Sole Sponsor, Sole Bookrunner and Joint Lead Managers, the Public Offer Underwriters or any of their respective directors, affiliates or advisers or any other party involved in the Share Offer. Therefore none of them makes any representation as to the accuracy or completeness of these facts, statistics and data and such facts, statistics and data should not be unduly relied on. Due to possibly flawed or ineffective collection methods or discrepancies between published information, market practice and other problems, the statistics in this prospectus may be inaccurate or may not be comparable to statistics produced for other publications or purposes. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such information or statistics.

RISK FACTORS

Investors should read the prospectus in its entirety and are cautioned not to place undue reliance on and information contained in press articles or media regarding our Group or the Share Offer

There may be press and media coverage regarding our Group or the Share Offer which may include certain events, financial information, financial projections and other information about us that do not appear in this prospectus. We have not authorised the disclosure of any other information not contained in this prospectus. We do not accept any responsibility for any such press or media coverage and we make no representation as to the accuracy or completeness or reliability of any such information or publication. To the extent that any such information appearing in publications other than this prospectus is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors should not rely on any such information. In making your decision as to whether to subscribe for and/or purchase our Shares, you should rely only on the financial, operational and other information included in this prospectus.

Forward-looking statements contained in this prospectus are subject to risks and uncertainties

This prospectus contains certain statements and information that are “forward-looking” and uses forward-looking terminology such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “may”, “ought to”, “should” or “will” or similar terms. Those statements include, among other things, the discussion of our Group’s growth strategy and expectations concerning our future operations, liquidity and capital resources. Investors of the Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect.

The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our Group’s control. In light of these and other uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations by our Company that our plans or objectives will be achieved and investors should not place undue reliance on such forward-looking statements. Our Company does not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. Please refer to the section headed “Forward-looking statements” in this prospectus for further details.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (WUMP) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the GEM Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

Printed copies of this prospectus are available, for information purpose only, during normal office hours from 9:30 a.m. to 5:00 p.m. from Tuesday, 12 September 2017 up to and including Friday, 15 September 2017 (both days inclusive and for business days only) at the office of the Joint Lead Managers and the Underwriters.

SELLING SHAREHOLDER

The Share Offer consists of 30,000,000 Sale Shares being sold by the Selling Shareholder. We estimate that the net proceeds to the Selling Shareholder from the Sale Shares (after deduction of proportional underwriting fees and estimated expenses payable by the Selling Shareholder in relation to the Share Offer) will be approximately HK\$12.9 million (assuming an Offer Price of HK\$0.50 per Share, being the mid-point between the maximum Share price of HK\$0.55 each and a minimum Share price of HK\$0.45 each). We will not receive any of the proceeds from the sale of the Sale Shares.

Details of the Selling Shareholder are set out in the section headed "Other information – 25. Particulars of the Selling Shareholder" in Appendix V to this prospectus.

UNDERWRITING

This prospectus is published solely in connection with the Share Offer, comprising the Placing and the Public Offer. Details of the structure of the Share Offer, including conditions of the Share Offer, are set out in section headed "Structure and conditions of the Share Offer" in this prospectus. The Listing is sponsored by the Sole Sponsor and managed by the Joint Lead Managers. The Public Offer will be fully underwritten by the Public Offer Underwriters under the terms of the Public Offer Underwriting Agreement and is subject to the agreement to the Offer Price between our Company (for ourselves and on behalf of the Selling Shareholder) and the Joint Lead Managers (for themselves and on behalf of the other Underwriters). The Share Offer is managed by the Joint Lead Managers. The Placing will be fully underwritten by the Placing Underwriters under the terms of the Placing Underwriting Agreement. For further details about the Underwriters and the Underwriting Agreements, please refer to the section headed "Underwriting" in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

DETERMINATION OF THE OFFER PRICE

The Offer Shares are being offered at the Offer Price which will be determined by the Joint Lead Managers (for themselves and on behalf of the other Underwriters) and our Company (for ourselves and on behalf of the Selling Shareholder) on the Price Determination Date, or such later date or time as may be agreed by the Joint Lead Managers (for themselves and on behalf of the other Underwriters) and our Company (for ourselves and on behalf of the Selling Shareholder). The Offer Price is currently expected to be not more than HK\$0.55 per Offer Share and not less than HK\$0.45 per Offer Share. Investors applying for the Public Offer Shares must pay, on application, the maximum Offer Price of HK\$0.55 per Offer Share, together with brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price is lower than HK\$0.45 per Offer Share. The Joint Lead Managers (for themselves and on behalf of the other Underwriters) may reduce the indicative Offer Price range stated in this prospectus at any time prior to the Price Determination Date. In such case, a notice of the reduction of the indicative Offer Price range will be published on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.coollink.com.sg.

If the Joint Lead Managers (for themselves and on behalf of the other Underwriters) and our Company (for ourselves and on behalf of the Selling Shareholder) are unable to reach an agreement on the Offer Price on the Price Determination Date, or such later date or time as may be agreed between the Joint Lead Managers (for themselves and on behalf of the other Underwriters) and our Company (for ourselves and on behalf of the Selling Shareholder), the Share Offer will not proceed.

SELLING RESTRICTIONS OF OFFER SHARES

No action has been taken to permit any public offering of the Offer Shares or the distribution of this prospectus and/or the related Application Forms in any jurisdiction other than Hong Kong. Accordingly, this prospectus and/or the related Application Forms may not be used for the purpose of, and does not constitute, an offer or invitation nor is it calculated to invite or solicit offers in any jurisdiction or in any circumstances in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and/or the related Application Forms and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable laws, rules and regulations of such jurisdictions pursuant to registration with or authorisation by the relevant regulatory authorities or as an exemption therefrom.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

The Offer Shares are offered to the public in Hong Kong for subscription solely on the basis of the information contained and the representations made in this prospectus and the related Application Forms. No person is authorised in connection with the Share Offer to give any information or to make any representation not contained in this prospectus, and any information or representation not contained in this prospectus must not be relied upon as having been authorised by our Company, the Selling Shareholder, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters, any of their respective directors, agents or advisers or any other person involved in the Share Offer.

This prospectus and any other materials relating to the Offer Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore pursuant to the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”). Accordingly, this prospectus and any other prospectus or materials in connection with the offer or sale, or invitation for subscription or purchase, of Offer Shares, may not be issued, circulated or distributed, nor may the Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with, the conditions of an exemption invoked under any provision of Subdivision (4) of Division 1 of Part XIII of the SFA.

Each person acquiring the Offer Shares will be required to confirm, or by his/her acquisition of the Offer Shares be deemed to confirm, that he/she is aware of the restrictions on the offer of the Offer Shares described in this prospectus and/or the related Application Forms and that he/she is not acquiring, and has not been offered any such Offer Shares in circumstance that contravenes any such restrictions.

Prospective investors for the Offer Shares should consult their financial advisers and take legal advice as appropriate, to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective investors for the Offer Shares should inform themselves as to the relevant legal requirements of applying for the Offer Shares and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

APPLICATION FOR LISTING ON GEM

The Sole Sponsor has applied on behalf of our Company to the Listing Division of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and which are to be issued or may be issued pursuant to the Share Offer, the Capitalisation Issue and as otherwise described herein on GEM (including any Shares which may be issued pursuant of any option which may be granted under Share Option Scheme up to 10% of the total number of Shares in issue immediately following completion of the Capitalisation Issue and the Share Offer.)

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

No part of the shares or the loan capital of our Company is listed, traded or dealt in on any other stock exchange and save as disclosed herein, no such listing or permission to deal is being or proposed to be sought.

Under section 44B(1) of the Companies (WUMP) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and the permission to deal in, the Offer Shares on GEM is refused before the expiration of three weeks from the date of the closing of the Share Offer or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Listing Division of the Stock Exchange.

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at Listing and all times thereafter, our Company must maintain the minimum prescribed percentage of at least 25% of the issued share capital of our Company in the hands of the public. Accordingly, a total of 150,000,000 Offer Shares, which currently represents 25% of the enlarged issued share capital of our Company immediately following the completion of the Capitalisation Issue and the Share Offer (without taking into account of any Shares which may be allotted and issued pursuant to the exercise of options to be granted under the Share Option Scheme) will be made available under the Share Offer.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the approval of the listing of, and permission to deal in, the Shares on GEM and our Company's compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or, under contingent situation, any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS. If investors are unsure about the details of CCASS settlement arrangement and how such arrangements will affect their rights and interests, they should seek the advice of their stockbroker or other professional advisers.

DEALINGS AND SETTLEMENT

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on or about Friday, 22 September 2017. Shares will be traded in board lots of 5,000 Shares each and are freely transferrable. The GEM stock code for the Shares is 8491.

No temporary documents or evidence of title will be issued.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

HONG KONG SHARE REGISTER AND STAMP DUTY

All of the Shares will be registered in our Company's branch register of members to be maintained in Hong Kong by the branch share registrar and transfer office, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Only Shares registered on our Company's branch register of members maintained in Hong Kong may be traded on GEM.

Our Company's principal register of members will be maintained by the principal share registrar and transfer office, Conyers Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Dealings in the Shares registered in the branch register of members of our Company in Hong Kong will be subject to Hong Kong stamp duty.

Unless determined otherwise by our Company, dividends payable in Hong Kong dollars in respect of the Shares will be paid to the Shareholders listed on our Company's Hong Kong branch register of members to be maintained in Hong Kong, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder or if joint Shareholders, to the first-named therein in accordance with the Articles.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Share Offer are recommended to consult their professional advisers if they are in any doubt as to taxation implications of the subscription for, purchase, holding or disposal of, dealings in, or the exercise of any rights in relation to, the Offer Shares. None of our Company, the Selling Shareholder, our Directors, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters, any of their respective directors, advisers, officers, employees, agents or representatives (where applicable) or any other persons involved in the Share Offer accepts responsibility for any tax effects on or liabilities of any person resulting from the subscription for, purchase, holding or disposal of, dealings in, or the exercise of any rights in relation to, the Offer Shares.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in US\$, S\$ and HK\$. No representation is made and none should be construed as being made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all on such date or any other date. Unless otherwise specified, for the purpose of this prospectus and for the purpose of illustration only, Hong Kong dollar amounts have been translated using the following rate:

US\$1.00: HK\$7.78

S\$1.00: HK\$5.50

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, totals of rows or columns of numbers in tables may not be equal to the apparent total individual items. When information is presented in thousands or millions of units, amounts may have been rounded up or down.

LANGUAGE

If there is any inconsistency between the English version of this prospectus and the Chinese version of this prospectus, the English version of this prospectus shall prevail. Names of any laws and regulations, governmental authorities, institutions, natural persons or other entities which have been translated into English and included in this prospectus and for which no official English translation exists are unofficial translations for your reference only.

OTHER

Any discrepancy in any table or chart between the totals and the sums of the amounts listed therein are due to rounding.

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

DIRECTORS

Name	Residential address	Nationality
------	---------------------	-------------

Executive Directors

Mr. Tan Seow Gee (陳少義)	53 Jurong East Avenue 1 #06-01 Singapore 609783	Singaporean
------------------------	---	-------------

Mr. Gay Teo Siong (倪朝祥)	Apt Blk 39 Jalan Rumah Tinggi #15-268 Singapore 151039	Singaporean
-------------------------	--	-------------

Independent non-executive Directors:

Mr. Tam Wai Tak Victor (譚偉德)	Flat D, 9/F., Block 9 Royal Ascot, Fotan New Territories, Hong Kong	Chinese
------------------------------	---	---------

Ms. Chan Oi Chong (陳愛莊)	Flat A, 19/F., Block 2 Scenecliff No. 33 Conduit Road Central, Hong Kong	Chinese
-------------------------	---	---------

Mr. Choy Wing Hang William (蔡穎恒)	Flat 1, 32/F., Block J Beverly Hills 6 Broadwood Road Happy Valley Hong Kong	Chinese
-------------------------------------	--	---------

Please refer to the section headed “Directors and senior management” in this prospectus for further information on our Directors.

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

PARTIES INVOLVED IN THE SHARE OFFER

Sole Sponsor

Vinco Capital Limited

A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Units 4909-4910, 49/F

The Center

99 Queen's Road Central

Hong Kong

Sole Bookrunner

Pacific Foundation Securities Limited

A corporation licensed to carry out Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the SFO

11/F, New World Tower II

16-18 Queen's Road Central

Hong Kong

Joint Lead Managers

Pacific Foundation Securities Limited

A corporation licensed to carry out Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the SFO

11/F, New World Tower II

16-18 Queen's Road Central

Hong Kong

Vinco Capital Limited

A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Units 4909-4910, 49/F

The Center

99 Queen's Road Central

Hong Kong

Public Offer Underwriters

Pacific Foundation Securities Limited

11/F, New World Tower II

16-18 Queen's Road Central

Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

Vinco Capital Limited

Units 4909-4910, 49/F
The Center
99 Queen's Road Central
Hong Kong

Placing Underwriters

Pacific Foundation Securities Limited

11/F, New World Tower II
16-18 Queen's Road Central
Hong Kong

Vinco Capital Limited

Units 4909-4910, 49/F
The Center
99 Queen's Road Central
Hong Kong

Legal advisers to our Company

As to Hong Kong law:

Robertsons

Solicitors, Hong Kong
57th Floor, The Center
99 Queen's Road Central
Hong Kong

As to Singapore law:

Rajah & Tann Singapore LLP

Solicitors, Singapore
9 Battery Road, #25-01
Singapore 049910

As to Cayman Islands law:

Conyers Dill & Pearman

Cayman Islands attorneys-at-law
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

Legal advisers to the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers and the Underwriters	<i>As to Hong Kong law:</i> Howse Williams Bowers <i>Solicitors, Hong Kong</i> 27th Floor, Alexandra House 18 Chater Road Central Hong Kong
Auditor and reporting accountant	BDO Limited <i>Certified Public Accountants</i> 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong
Compliance adviser	Vinco Capital Limited <i>A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO</i> Units 4909-4910, 49/F The Center 99 Queen's Road Central Hong Kong
Internal control adviser	Ascenda Cachet Risk Consulting Limited 13F, Neich Tower 128 Gloucester Road Wanchai, Hong Kong
Industry consultant	Converging Knowledge Pte. Ltd 20 Maxwell Road #09-16 Maxwell House Singapore 069113
Property Valuer	Roma Appraisals Limited 22/F, China Overseas Building 139 Hennessy Road Wan Chai Hong Kong
Receiving bank	Standard Chartered Bank (Hong Kong) Limited 15/F, Standard Chartered Tower 388 Kwun Tong Road Hong Kong

CORPORATE INFORMATION

Registered office	Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Principal place of business in Hong Kong registered under Part 16 of the Companies Ordinance	Room 5705, 57th Floor The Center 99 Queen's Road Central Hong Kong
Headquarters and principal place of business in Singapore	No. 21 Wan Lee Road Singapore 627949
Company's website	http://www.coollink.com.sg <i>(Note: The contents in the website of our Company do not form part of this prospectus)</i>
Company secretary	Mr. Lui Wai Sing, <i>HKICPA</i> Flat 09, 26/F Ko Ki Hse Ko Cheung Court Yau Tong Kowloon Hong Kong
Authorised representatives	Mr. Tan Seow Gee 53 Jurong East Avenue 1, #06-01 Singapore 609783 Mr. Lui Wai Sing Flat 09, 26/F Ko Ki Hse Ko Cheung Court Yau Tong Kowloon Hong Kong
Compliance officer	Mr. Tan Seow Gee 53 Jurong East Avenue 1, #06-01 Singapore 609783

CORPORATE INFORMATION

Audit committee	Mr. Tam Wai Tak Victor (<i>Chairman</i>) Ms. Chan Oi Chong Mr. Choy Wing Hang William
Remuneration committee	Ms. Chan Oi Chong (<i>Chairlady</i>) Mr. Choy Wing Hang William Mr. Tam Wai Tak Victor Mr. Gay Teo Siong
Nomination committee	Mr. Choy Wing Hang William (<i>Chairman</i>) Mr. Tam Wai Tak Victor Ms. Chan Oi Chong Mr. Gay Teo Siong
Principal share registrar and transfer office in the Cayman Islands	Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong
Principal banker	United Overseas Bank Limited 80 Raffles Place, UOB Plaza Singapore 048624

INDUSTRY OVERVIEW

Unless otherwise indicated, the information presented in this section is derived from the Converging Knowledge Report prepared by Converging Knowledge, which was commissioned by us and is prepared primarily as a market research tool intended to reflect estimates of market conditions based on publicly available resources and trade union surveys. References to Converging Knowledge should not be considered as its opinion as to the value of any security or the advisability of investing in our Group. Our Directors believe that the sources of information and statistics are appropriate sources for such information and statistics. Our Directors have no reason to believe that such information and statistics are false or misleading or that any fact has been omitted that would render such information and statistics false or misleading in any material respect. The information prepared by Converging Knowledge and set out in this Industry Overview section has not been independently verified by our Group, the Selling Shareholder, our Directors, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters or any other party involved in the Share Offer or their respective directors, officers, employees, advisers and agents, and no representation is given as to its accuracy and completeness. Accordingly, such information should not be unduly relied upon.

SOURCE OF INFORMATION

We have commissioned Converging Knowledge, an independent market research and consulting company, to conduct comprehensive research, analyse and report on the provision supplies distribution industry in Singapore and Hong Kong for a total fee of approximately S\$54,200 which we believe reflect market rate.

Founded in 2002, Converging Knowledge is an independent provider of customised research and analysis, including on-demand research and strategic intelligence. In arriving at the qualitative and quantitative analysis contained in the Converging Knowledge Report has analysed secondary statistics, conducted primary research and taken into account continued industry movements in the provision supplies distribution industry in Singapore.

The market projections for the forecast period from 2017 to 2019 in the Converging Knowledge Report were based on the following key assumptions and parameters:

- the social, economic and political environment in Singapore and Hong Kong are likely to remain stable;
- global and regional trends are likely to influence/drive the provision supplies distribution industry; and
- there will be no external shocks such as raw material shortages or change in industry regulations that would affect the demand and supply of food provisions.

Our Directors confirm that there is no material adverse change in the market information since the issue of the Converging Knowledge Report which may qualify, contradict, misrepresent or otherwise adversely affect the accuracy and completeness of the information in this section in material respects.

OVERVIEW OF THE PROVISION SUPPLIES DISTRIBUTION (“PSD”) INDUSTRY

PSD refers to the supply of food products through various channels. This section focuses on processed foods, dry provisions and beverages. Fresh, frozen and chilled meats, seafood, fruits and vegetables are not part of this research.

Players in the PSD industry (collectively referred as the “**provision suppliers**”) take on different roles in the supply chain, serving different groups of customer segments. Some provision suppliers specialise in catering to Ship Chandlers, which will, in turn, sell to vessels calling at the Port of Singapore. Many operate as local distributors and supply directly to different channels such as wholesalers, retailers, hotels, restaurants and cafes. Others participate in tenders called for by corporates such as airline operators, caterers or organisers of major events. Most provision suppliers support a broad range of food needs, while others practice some form of food specialisation.

INDUSTRY OVERVIEW

Singapore – An important PSD player in the Association of Southeast Asian Nations (“ASEAN”)

Singapore has long historic roots as a trading port, where goods from various parts of the world are brought into and subsequently re-exported into the region. As the region’s main source of foreign goods, Singapore has, thus, been playing an important role in the PSD industry in ASEAN since the early days. The nation continues to be highly trade-dependent to this day – its lack of natural resources and farmland means that almost everything, including food supplies, needs to be imported.

Total food commodity trade for Singapore grew at a compound annual growth rate (“CAGR”) of 2.8% from 2012 to 2016, reaching S\$15.9 billion in 2016. In Q1 2017, Singapore registered total food commodity trade worth S\$3.7 million, which is 3.2% lower than that of Q1 2016. ASEAN members are important trading partners for Singapore – Malaysia, Thailand, Indonesia and Vietnam are among its key ASEAN trading partners. The tables below set forth the top 10 food import sources for and food export destinations from Singapore, from 2012 to 2016:

Top 10 Food Import Sources for Singapore

Ranking	Total Countries (US\$ Billion)	2012	2013	2014	2015	2016	CAGR (%)
		US\$ (Billion)					
1	6.27 France	1.20	1.37	1.41	1.17	1.14	-1.3
2	4.54 Malaysia	0.87	0.95	0.97	0.87	0.88	0.1
3	3.27 United Kingdom	0.72	0.79	0.62	0.58	0.56	-5.8
4	2.19 U.S.A.	0.41	0.47	0.48	0.44	0.40	-0.6
5	2.10 Australia	0.48	0.44	0.48	0.35	0.34	-8.3
6	2.04 Indonesia	0.46	0.42	0.46	0.42	0.29	-11.5
7	1.72 New Zealand	0.31	0.40	0.44	0.32	0.25	-5.3
8	1.67 Thailand	0.35	0.36	0.36	0.32	0.30	-3.9
9	1.13 People’s Republic of China (“PRC”)	0.19	0.21	0.23	0.25	0.22	1.8
10	0.96 Vietnam	0.15	0.21	0.25	0.22	0.22	-6.0
Total	25.90*	5.15*	5.63*	5.71*	4.92*	4.49*	-3.4

Top 10 Food Export Destinations from Singapore

Ranking	Total Countries (US\$ Billion)	2012	2013	2014	2015	2016	CAGR (%)
		US\$ (Billion)					
1	4.09 Malaysia	0.81	0.91	0.83	0.79	0.75	-2.0
2	3.85 Japan	0.78	0.77	0.87	0.71	0.72	-2.2
3	3.59 Vietnam	0.47	0.63	0.78	0.85	0.87	16.8
4	3.54 Australia	0.41	0.74	0.89	0.77	0.73	15.7
5	3.39 PRC	0.79	0.81	0.73	0.54	0.53	-9.4
6	2.49 Thailand	0.44	0.48	0.54	0.53	0.50	2.9
7	2.48 Indonesia	0.58	0.50	0.49	0.46	0.45	-5.9
8	1.85 Philippines	0.25	0.31	0.44	0.39	0.46	16.2
9	1.75 Hong Kong	0.30	0.31	0.39	0.42	0.32	1.8
10	1.68 Taiwan	0.29	0.32	0.36	0.34	0.37	6.5
Total	28.72*	5.11*	5.78	6.33*	5.81*	5.69*	2.7

* The sum of figures does not add up to total due to rounding differences

Notes:

- Ranking is based on the total summation of trade from 2012 to 2016.
- Countries in bold are those belonging to ASEAN.

INDUSTRY OVERVIEW

- ASEAN countries include Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Thailand, Singapore and Vietnam.

Source: *Converging Knowledge Report*

Exports of dry processed foods, dry provisions and beverages from Singapore to ASEAN have been on the increase, recording a CAGR of 3.9% from 2012 to 2016. PSD players in Singapore have been seeking opportunities beyond the domestic market. Within ASEAN, Singapore's food exports to Vietnam recorded the highest CAGR at 16.8%, followed by the Philippines (16.2%), and Cambodia (3.9%). Among the top 10 food export destinations outside of ASEAN, Australia (15.7%), Taiwan (6.5%) and Hong Kong (1.8%) posted the highest CAGRs during the period from 2012 to 2016.

COMPETITIVE LANDSCAPE

Competition within the PSD industry in Singapore is highly intensive, due to the large number of similar players. Many provision suppliers offer products and services with minimal or no differentiation. There may be more than 500 such players in the PSD Industry catering to vessels calling at the Port of Singapore. Provision suppliers carve out their competitive advantages through four differentiation tactics:

- *Price* – A key differentiation factor for provision suppliers. Customers tend to favour provision suppliers that offer them the best prices.
- *Wider and differentiated product and service range* – Expansion of product and service offerings to keep up with customers' requests. Customers prefer to deal with a fewer number of provision suppliers that can satisfy the maximum demand from their end-customers.
- *Reputation* – Building brand reputation by sharpening responsiveness towards customers' needs, resourcefulness in seeking out unique requests, or providing value added food processing services, and/or establishing themselves in a niche area.
- *Diversified customer base* – Customer portfolio diversification allows the larger provision suppliers to spread the pressure of lower supplier prices across multiple segments.

Major PSD players in Singapore

The following table identifies and compares some of the major players in the PSD Industry in Singapore.

Peer comparison of major players in Singapore's PSD industry

Companies	Types of Foods				Importer	Distributor	Wholesaler*	House Brand	Value Add Processor**	Own Retail***	Exporter
	Dry Provisions	Processed Foods	Beverages	Frozen/Chilled/Fresh Meats, Seafood, Fruits or Vegetables							
Cool Link Marketing (S) Pte Ltd	X	X	X		X	X	X	X	X		
Teo Soon Seng Pte Ltd	X	X	X		X	X	X	X			X
Yong Wen Food (S) Pte Ltd	X	X	X		X	X		X			X
Radha Exports Pte Ltd	X	X	X		X		X	X		X	X
Auric Pacific Group Pte Ltd	X	X	X		X	X					X
SATS BRF Food Pte Ltd		X		X	X	X	X	X	X		
Angliss Singapore Pte Ltd	X	X		X	X	X	X	X	X		X
SS Kim Enterprises Pte Ltd	X		X	X	X	X	X		X	X	X
MVO Marketing (S) Pte Ltd		X			X	X	X			X	

Notes:

- The list is compiled based on industry interviews and may not be exhaustive.

INDUSTRY OVERVIEW

- * It is observed that the understanding of wholesale may differ from one provision supplier to another. Some regard themselves as wholesalers, as they sell their products to the wholesalers. Others see themselves as distributors that sell to wholesalers. In view of these differing concepts, the roles of provision suppliers in this table are indicated per the interviews.
- ** Value add processor refers to the service of processing food products by provision suppliers for their customers, and does not include break-bulk or repackaging.
- *** Own retail refers to provision suppliers having their own retail outlet or online store. Otherwise, sales to third party retail chains and portals are taken into account through their distribution/wholesale activities.

Source: *Converging Knowledge Report*

Entry barriers to PSD

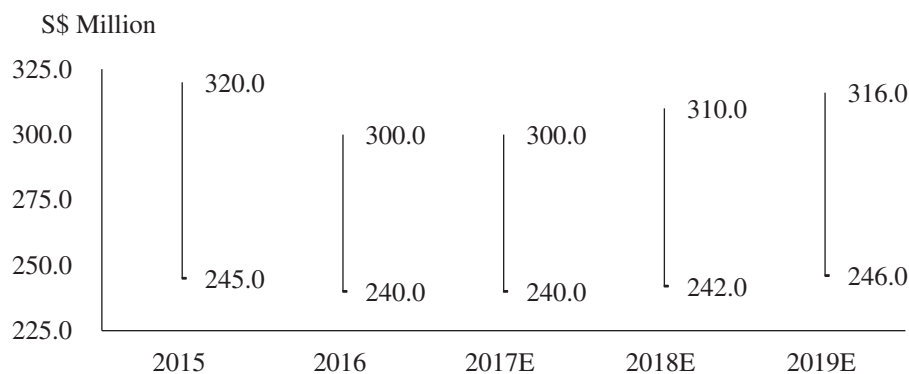
The following are some of the key barriers to entering the PSD Industry:

- *Established supplier network* – Provision suppliers need to have an established network of suppliers to ensure a stable source of food stocks, be able to negotiate favourable prices, and cope with changing food preferences and demand from customers.
- *Strong track record with customers* – Customers prefer to work with provision suppliers that have a strong track record in servicing them. Established provision suppliers already have a good understanding of their customers, and are, thus, able to respond in a timely manner.

PSD market size for vessel calls to Singapore

This study looks specifically at the PSD segment serving vessels calling at the Port of Singapore, as this is the focused segment of our Company's business. The following graph presents the market size of the PSD segment serving vessels calling at the Port of Singapore from 2015 to 2019.

PSD market size for vessel calls to Singapore, 2015–2019E



Note:

- “E” denotes estimated values.

Source: *Converging Knowledge Report*

From 2015 to 2016, the market size for the PSD Industry in Singapore declined by an estimated 2.0% to 6.3%, reaching between S\$240.0 million and S\$300.0 million. Although the number of vessels calling at the Port of Singapore had increased by a CAGR of 2.5% from 2012 to 2016, the PSD market is impacted by controlled spending per vessel, higher price sensitivity among buyers, as well as intensifying competition from other players trying to retain their market share, in the midst of an oil and gas downturn. Singapore's PSD market for vessels is expected to

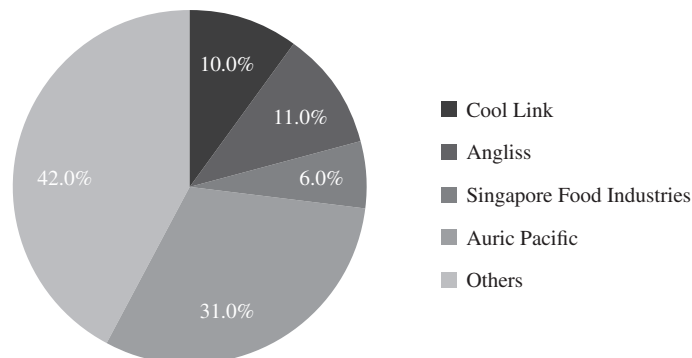
INDUSTRY OVERVIEW

remain status quo in 2017, as players take time to revamp their operations. Market conditions, however, are expected to improve from 2018, along with anticipated economic recovery and further development in Singapore’s port capabilities, amongst others.

Market share of our Company

In 2016, our Company is estimated to have a market share of approximately 10.0% in the PSD segment for vessels calling at Singapore.

Estimated market share of our Company and major players in 2016



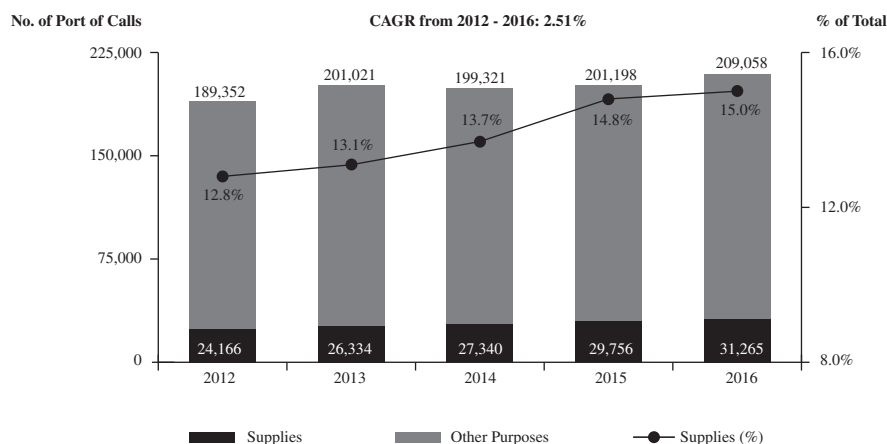
Source: *Converging Knowledge Report*

GLOBAL AND REGIONAL TRENDS

Some of the key trends that may impact Singapore’s PSD industry are:

- Vessel calls to Singapore** – Ship Chandlers are an important customer segment that provision suppliers serve. As one of the busiest ports in the region, many vessels make ports of call in Singapore to deliver cargo, make repairs, bunker, acquire supplies, or engage in a combination of the above. The number of vessel calls to Singapore increased from 189,352 in 2012 to reach 209,058 in 2016, achieving a CAGR of 2.5% within the same period. Those calling for supplies increased from 24,166 in 2012 to reach 31,265 in 2016, which took up 12.8% and 15.0% of the total number of ports of call, respectively.

Number of vessel calls in Singapore from 2012 to 2016



INDUSTRY OVERVIEW

Notes:

- Supplies refer to both food and non-food. The Maritime and Port Authority of Singapore does not keep track of ships calling at the Port of Singapore specifically for food supplies, and those statistics are not available.
- Other purposes include cargo, repairs, and bunkers.
- Statistics only cover vessels > 75GT (Gross Tonnage). This range covers most of the vessels calling at Singapore.

Source: *Converging Knowledge Report*

In Q1 2017, the total number of vessel calls to Singapore reached 52,458, which is a 6.6% increase from Q1 2016. Vessels calling at Singapore for supplies rose to 8,133 in Q1 2017, from 8,003 in Q1 2016.

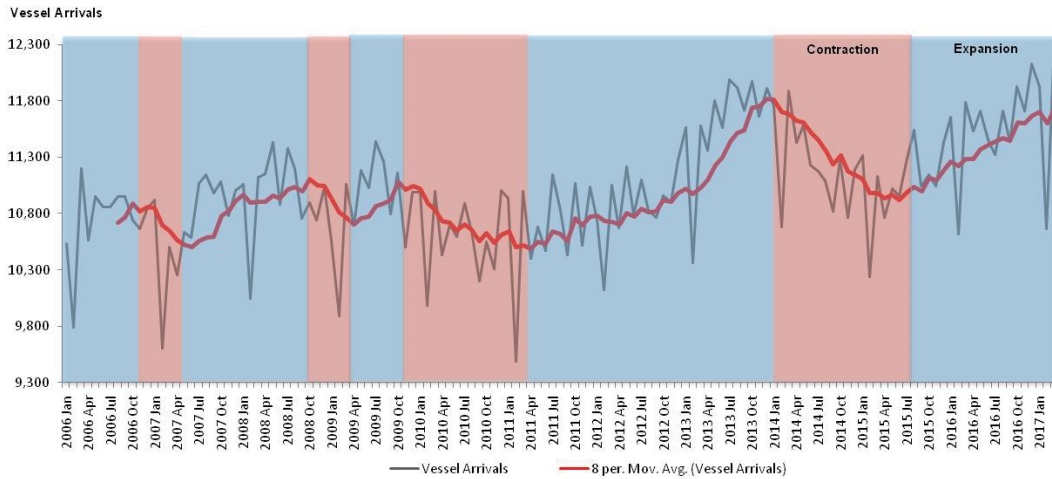
- *Port developments and new sea trade routes* – Regional port development projects present opportunities for provision suppliers to serve a larger pool of customers. Improved ports have higher capacities and better facilities to handle more and bigger vessels, encouraging vessels to call at their ports, thus allowing provision suppliers to gain access to a larger shipping customer base. New sea trade routes provide opportunities for provision suppliers, in terms of wider geographical coverage when sourcing for products overseas.
- *Changes in food preferences carve new demand segments for PSD* – Growing health-consciousness amongst consumers has spurred demand for healthy foods. In response to the demand shifts, provision suppliers have begun to consider the potential in the healthy food categories.
- *E-commerce – Stimulus to changing consumer buying patterns and promotes commerce* – The advent of e-commerce has created new opportunities for provision suppliers, forcing them to re-look the way they can reach out to their targeted buyers. Provision suppliers and retailers are tapping on multiple channels to sell their merchandise, thus, availing themselves to new potential markets worldwide.
- *Growth in travel, tourism and hospitality sectors promote demand for food items* – Higher demand for air travel in the region and increase in air traffic out of Singapore provide more opportunities for provision suppliers to support airline caterers in providing a diverse selection of in-flight meals on departing carriers. An increasing number of international visitor arrivals would boost tourism expenditure on shopping, and food and beverage (“**F&B**”) services. The number of F&B services establishments in Singapore is expected to continue on an upward trend, along with consumers’ higher spending propensities and penchant for eating out. This will further increase demand for food supplies and ingredients.

Cyclical nature of Singapore’s shipping industry

As the prospects of the PSD Industry are correlated to shipping activities, the business cycle of the shipping industry will inadvertently have an impact on the PSD Industry. Singapore’s shipping industry faced a volatile period in 2016, with widespread consolidations and mergers even amongst the bigger shipping players. One of the key events was the acquisition of Singapore’s home-grown shipping company, Neptune Orient Lines Limited (“NOL”), by CMA-CGM S.A. of France. Conversely, however, inbound trade by sea is picking up. In terms of vessel arrivals, the country’s sea trade is going through a recovery phase that started in the second half of 2015. Prior to that, vessel arrivals slowed down throughout much of 2014, and the early half of 2015.

INDUSTRY OVERVIEW

Volume and the cyclical trend of vessel arrivals in Singapore from January 2006 to March 2017



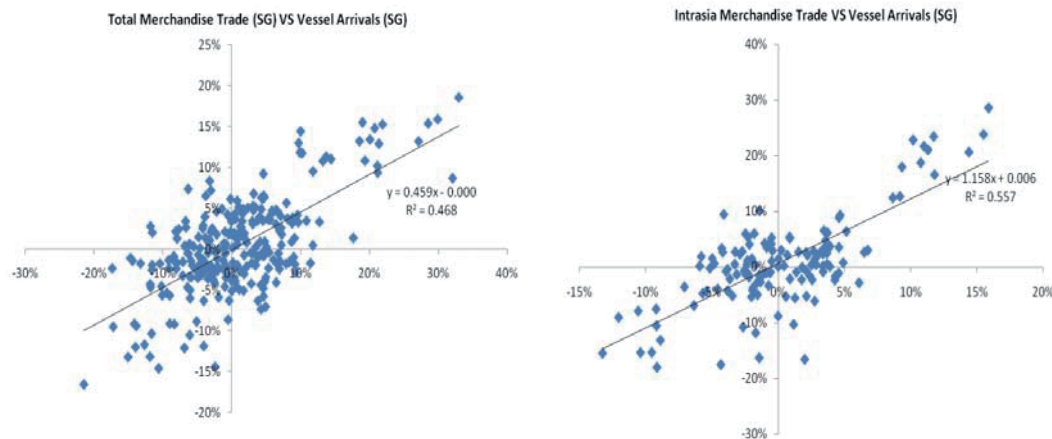
Notes:

- Statistics only cover vessels > 75GT. This range covers most of the vessels calling at Singapore.

Source: *Converging Knowledge Report*

The business cycle of Singapore’s shipping traffic can be partly explained by total merchandise trade in Singapore, either on the back of domestic demand for imported goods (imported merchandise represented 98.3% of the country’s nominal GDP in 2016) or on re-export activities. Vessel arrivals into Singapore are also significantly linked to regional trade, underscoring Singapore’s role as a transshipment hub for sea-based traffic in the region. However, this also means that Singapore’s shipping traffic is not insulated from external shocks arising from global trade and economic trends – in particular, the economic performance of the PRC and the US.

Relationship between total/intrasia merchandise trade and vessel arrivals in Singapore



Source: *Converging Knowledge Report*

INDUSTRY OVERVIEW

In the longer term, growth in the number of vessel arrivals is expected to taper off due to external factors. With global politics poised towards a curb on globalisation (for example, withdrawal of the US from the Trans-Pacific Partnership and uncertainties over Brexit), the growth in the number of vessel arrivals in Singapore is expected to plateau. Furthermore, increased tension over the South China Sea islands may likely have a dampening effect on consumption and investments in the Southeast Asian region. In addition, the PRC is ramping up efforts to develop the One Belt, One Road project, some of which may bypass the sea-borne route through the Singapore Straits.

In the medium term, international trade is expected to rebound in 2017, signaling renewed optimism despite the global political trend. Strong performance from the country's non-oil domestic exports figures in the first quarter of the year indicated that 2017 may turn out to be a positive year for international trade. The World Trade Organization expects world merchandise trade volume to grow by 2.4% in 2017. Consequently, it is forecast that the ship arrival figures could expand by 1.2% to 2.0% in 2017 and 2018.

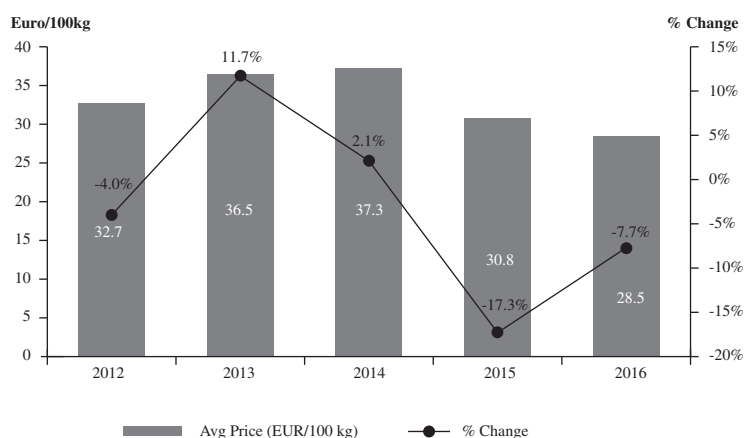
Source: *Converging Knowledge Report*

HISTORICAL PRICE TRENDS OF RAW MATERIALS

Milk

Our Company's key food offerings are dairy products, of which milk is an essential raw material. As our Company imports its dairy products from Europe, the prices of the final goods are, thus, influenced by milk prices from that part of the world. The following graph illustrates the average prices of raw milk from Europe from 2012 to 2016.

Average prices of raw milk from Europe, 2012 to 2016



Source: *Converging Knowledge Report*

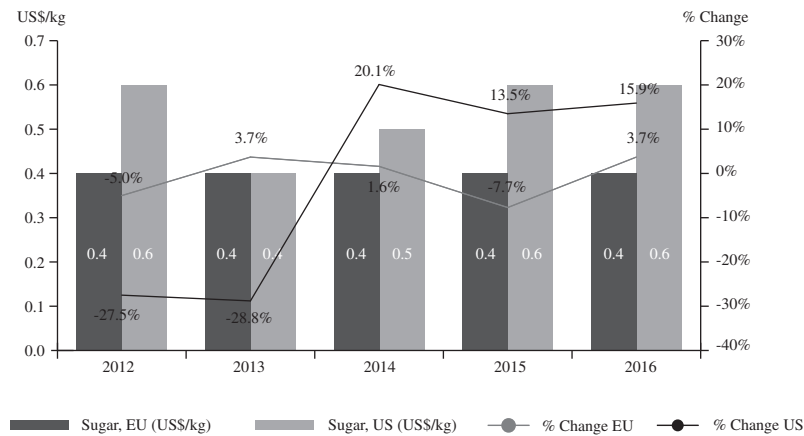
Overall, raw milk prices in Europe saw a decline in the past five years, recording a CAGR of approximately -3.4%. Although the price of raw milk rose by 11.7% (EUR36.5/100 kg) in 2013, and subsequently posted a 2.1% rise in 2014 (EUR37.3/100 kg), issues such as removal of milk quotas, the Russian ban on EU dairy products, and milk overproduction suppressed the average prices of this commodity in the subsequent two years. Raw milk prices fell 17.3% to EUR30.8/100 kg in 2015, and dropped further by 7.7% to EUR28.5/100 kg in 2016. However, raw milk prices saw an uptrend in Q1 2017, averaging EUR33.3/100 kg.

Sugar

In addition to dairy products, our Company also supplies an assortment of processed foods as well as dry provisions and beverages. Sugar is a necessary raw material used in dairy products and processed food products.

INDUSTRY OVERVIEW

Average prices of sugar from Europe and US, 2012 to 2016



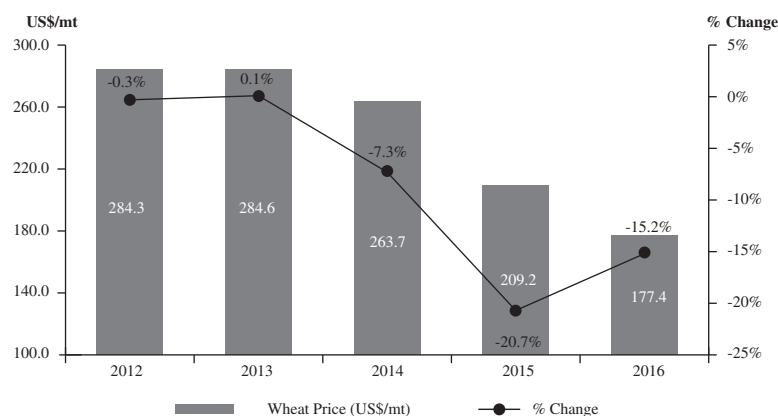
Source: *Converging Knowledge Report*

Sugar prices from the US and Europe have been on the uptrend from 2012 to 2016, recording CAGRs of 2.97% and 0.22%, respectively. The average price of sugar from the US is comparatively higher than its European counterparts, and this differential has widened in the recent two years – from US\$0.56/kg as opposed to US\$0.37/kg in 2015, to US\$0.65/kg as opposed to US\$0.38/kg in 2016. US sugar prices are more expensive due to protectionist measures by the US government – the restriction on sugar imports ensures that the income of sugar crop growers remains high. On the contrary, Europe’s sugar supply has been increasing, with a stockpile of 86 million tonnes of sugar built up over 2010 to 2015, resulting in an oversupply of sugar, and hence, lowering the sugar prices. In Q1 2017, sugar prices in the US surged to US\$0.66/kg, while prices for sugar in Europe fell further to US\$0.35/kg.

Wheat

Wheat can be milled into flour, the latter of which is used in the manufacture of flour-based staples such as confectionery, pastries and pasta.

Average prices of wheat, 2012 to 2016



Source: *Converging Knowledge Report*

INDUSTRY OVERVIEW

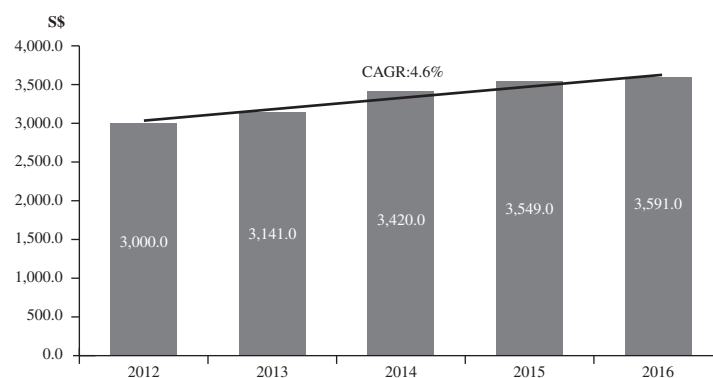
Wheat prices have been gradually decreasing over the last five years, registering a CAGR of -11.12% from 2012 to 2016. In 2016, wheat prices recorded at US\$177.4 per metric tonne, down from US\$284.3 per metric tonne in 2012. This decline in average wheat prices was brought about by a global increase in the supply of this commodity, particularly from Russia and the US, due to a bumper crop. As a result, lower wheat prices will lead to a reduction in the cost of staple foods. In Q1 2017, wheat prices remained fairly stable, at US\$177.1 per metric tonne.

Labour cost

Cost of labour has been on the increase in Singapore, and rising salaries has been the main driver behind the country's mounting labour costs. The tight labour market has and will continue to drive up wages.

Median gross monthly income for the wholesale and retail trade sector rose from S\$3,000.0 in 2012 to S\$3,591.0 in 2016, representing a CAGR of 4.6%. The graph below shows the median gross monthly income for the wholesale and retail trade sector in Singapore from 2012 to 2016.

Median gross monthly income for the wholesale and retail trade sector in Singapore, 2012 to 2016



Notes:

- Data is for mid-year.
- The PSD Industry falls under the wholesale and retail trade sector.

Source: *Converging Knowledge Report*

Prospects of the industry

Singapore and ASEAN

Prospects of the PSD Industry are expected to be optimistic, albeit in the face of uncertainties in the global economy, and challenges brought about by structural changes in the maritime industry, amongst others. Growth momentum of the PSD Industry is buoyed mainly by the potential of intra-ASEAN trade, importance of Singapore's port in the region, development of regional ports, as well as growing food expenditure/consumption.

- *Intra-ASEAN trade expansion to spur PSD activity* – ASEAN has become an important trade alliance. Expansion in intra-ASEAN trade is now changing the global sourcing and manufacturing landscape. In 2015, intra-ASEAN trade accounted for 23.9% of the region's total trade (US\$2,269.9 billion), which implies that there is room to develop further, and opportunities to tap on, with growing regional integration.

INDUSTRY OVERVIEW

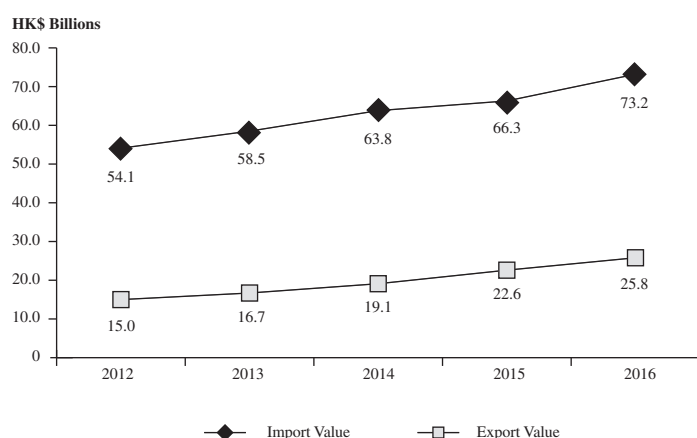
- *PSD activity to increase as Port of Singapore steps up competitive edge* – Singapore’s port is strengthening its foothold as the regional hub, in the midst of rising regional competition. It will continue to be attractive due to: (1) its skill and scalability in adjusting to seasonable requirements and handling big vessels, (2) its long-standing and strong track record in providing stable and reliable port handling services, and (3) it being the chosen hub for alliances formed amongst major shipping companies.
- *PSD activity to gain from spillover effects of regional port developments* – Ports in the region, particularly those in Malaysia, have announced their expansion plans. Being in close proximity to Malaysia, provision suppliers in Singapore have the advantage of expanding their outreach to serve vessels calling at neighbouring ports.
- *Rising spending power boosts food demand* – Food is a necessity, and thus, there will always be a demand for it. Demand for food is expected to escalate further, along with economic prosperity, and will continue to carve opportunities for provision suppliers.

Hong Kong and the PRC

The PSD markets in Hong Kong and the PRC boast much vibrancy, drawing the participation of many provision suppliers. Hong Kong has long been an active trading hub, and has traditionally served as the key transit point for goods and services exchange between the PRC and the international economy. The PRC, on the other hand, presents a huge consumer market just from the sheer size of its population. Both Hong Kong and the PRC are already among Singapore’s top 10 food export destinations.

- *Rising GDP boosts food expenditure and PSD opportunities* – Hong Kong’s real GDP increased by a CAGR of 2.5%, from HK\$2.1 trillion in 2012 to HK\$2.4 trillion in 2016. In Q1 2017, Hong Kong posted GDP of HK\$627,383 million, an increase of approximately 6.3% from Q1 2016. Higher economic growth has translated to rising household incomes for the citizens as well as average household expenditure. The average monthly household expenditure on processed foods, dry provisions and beverages in Hong Kong rose from HK\$499 in 2004/2005 to HK\$575 in the 2009/2010 period, and subsequently reached HK\$618 in 2014/2015.
- *Hong Kong – already a strong PSD hub* – Hong Kong is the world’s 8th largest trading economy. Its imports of processed foods, dry provisions and beverages have seen an increase from 2012 to 2016, reaching HK\$73.2 billion in 2016.

Imports and exports of processed foods, dry provisions and beverages, Hong Kong, 2012 to 2016



Source: *Converging Knowledge Report*

INDUSTRY OVERVIEW

The overall increase in the value of imports signals good news for exporters to Hong Kong, as it is largely dependent on imports, and is expected to continually bring goods into the country. Hong Kong is largely dependent on its re-exports of goods to fuel its economy, with re-exports accounting for 81.6% and 86.1% of the total export value in 2012 and 2016, respectively. This reflects the country's position as a strong re-exporter of processed foods, dry provisions and beverages.

- *Hong Kong serves as a springboard to an even bigger market* – (1) With its strong transportation and logistics infrastructure, as well as its proximity to mainland PRC, provision suppliers venturing into Hong Kong are well-positioned to tap into PSD opportunities locally as well as those in the PRC. In terms of land accessibility, the upcoming bridge linking Hong Kong to Zhuhai in Guangdong province in the PRC and Macau will provide greater ease of transportation and shorter delivery times for provision suppliers. The PRC is already Hong Kong's largest export destination for processed foods, dry provisions and beverages, accounting for 38.0% of HK\$33 billion worth of exports from January to July 2016. Exporting to Hong Kong would allow provision suppliers access to the PRC's huge consumer market; (2) Hong Kong is a major maritime trading hub, and the Port of Hong Kong is regarded as one of the top 10 container ports in the world. The number of vessel arrivals from the PRC into Hong Kong was the largest, and hovered around 54.0% to 55.0% within the period 2012 to 2016. In Q1 2017, vessel arrivals from the PRC remained the largest, accounting for 54.1% of the total arrivals. High vessel traffic from the PRC into Hong Kong reinforces the close proximity of the two countries, in terms of trade. The number of vessels calling at the Port of Hong Kong for supplies also increased from 1,320 in 2012, to 1,823 in 2016, reflecting a positive trend for Ship Chandlers, and thus, provision suppliers.

OVERVIEW OF THE COMPETITIVE LANDSCAPE OF THE PSD MARKET IN HONG KONG

Like Singapore, competition within the PSD Industry in Hong Kong is also highly intensive. Whilst there are many provision suppliers in Hong Kong selling similar products, or those with minimal differentiations, the following are observed:

- Provision suppliers try to set themselves apart from others by bringing in or representing products from specific geographical origins. For example, some focus on food products from the US, while others import/distribute brands from other European regions like Italy or Japan.
- Bulk buying via online portals is fast catching up in Hong Kong. Online retailers also cater to Ship Chandlers in Hong Kong by offering wholesale prices for bulk purchases.
- Provision suppliers face fierce price pressures. With the higher availability of different brands and products in the market, Ship Chandlers have a wider variety of goods to choose from, and can select those that fit the price range of their clients.
- Ship chandling is only one of the many segments served by provision suppliers. Due to stiff competition, provision suppliers broaden their coverage by serving other segments such as hotels, restaurants, cafes, airlines and cruise ships.
- Some provision suppliers serve exclusively the PRC market. Although based or headquartered in Hong Kong, products imported by these provision players by-pass the Hong Kong market, catering to the PRC residents' tastes.

INDUSTRY OVERVIEW

Peer comparison of major players in Hong Kong's provision supplies distribution industry

Companies	Types of Foods				Importer	Distributor	Wholesaler*	House Brand	Value Add Processor**	Own Retail***	Exporter	Estimated Market Share (%)
	Dry Provisions	Processed Foods	Beverages	Frozen/Chilled/Fresh Meats, Seafood, Fruits or Vegetables								
Dah Chong Hong Wilson International	X	X	X	X	X	X		X	X	X		7.0 - 10.0
Frozen Foods	X	X	X	X	X	X	X		X	X		2.0 - 3.0
Angliss Hong Kong Food Service Ltd	X	X	X	X	X	X	X	X	X	X	X	2.0 - 3.0
Bright Overseas Food	X	X	X		X	X		X		X		1.0 - 2.0
Heng Tai Consumables Group	X	X	X	X	X	X	X			X	X	0.5 - 1.0

Notes:

- The list is compiled based on industry interviews and may not be exhaustive.
- * It is observed that the understanding of wholesale may differ from one provision supplier to another. Some regard themselves as wholesalers, as they sell their products to the wholesalers. Others see themselves as distributors that sell to wholesalers. In view of these differing concepts, the roles of provision suppliers in this table are indicated per the interviews.
- ** Value add processor refers to the service of processing food products by provision suppliers for their customers, and does not include break-bulk or repackaging.
- *** Own retail refers to provision suppliers having their own retail outlet or online store. Otherwise, sales to third party retail chains and portals are taken into account through their distribution/wholesale activities.

Source: *Converging Knowledge Report*

In Hong Kong, there are as many as 10,478 food importers and distributors registered with the Centre for Food Safety. This means that there is already an extensive list of food suppliers operating in Hong Kong, and are available for Hong Kong-based Ship Chandlers to tap on. It is further observed that many Ship Chandlers in the country often do not share a common pool of stable suppliers, with many not being aware of the existence of some major PSD players. In addition, many Ship Chandlers are often involved the food trade themselves, importing large bulks of selected foods to cater to vessels calling at the Port of Hong Kong. As such, some Ship Chandlers have taken on the role of provision suppliers. These findings reinforce that the number of provision suppliers operating in the Hong Kong market is huge, and that the industry is highly fragmented.

REGULATORY OVERVIEW

This section of the prospectus contains a summary of certain laws and regulations currently relevant to our Group's operations and our industry. Having made all reasonable enquiries and to their best knowledge, our Directors confirm that save as disclosed in this section and the sections headed "Risk factors" and "Business" in this prospectus, our Group has complied with all material applicable laws and regulations in Singapore, where our Group operated during the Track Record Period and as at the Latest Practicable Date and has obtained all necessary permits, licences and certificates for our operations. Save as disclosed below, as at the Latest Practicable date, our current and intended future business operations are not subject to any special legislation or regulatory controls other than those generally applicable to companies and businesses incorporated and/or operating in Singapore and Hong Kong.

SINGAPORE

Sale of Food Act

The objectives of the Sale of Food Act (Chapter 283 of Singapore) ("**Sale of Food Act**") are: (i) securing wholesomeness and purity of food and fixing standards for the same; (ii) preventing the sale or other disposition, or the use of articles dangerous or injurious to health and (iii) the regulation of food establishments. The Agri-Food & Veterinary Authority of Singapore ("**AVA**") is responsible for the administration and enforcement of the Sale of Food Act. Under the Sale of Food Act, it is an offence to, among other things, sell any food which is unsound or unfit for human consumption.

Section 21 of the Sale of Food Act requires any person who operates or uses a food establishment to obtain a licence ("**Food Processing Establishment Licence**") from the Director-General of the AVA.

Under the Sale of Food Act, a "food establishment" includes a food processing establishment where food is manufactured, processed, prepared or packed for the purpose of distribution to wholesalers and retailers, whether or not the food processing establishment also consists of a retail food establishment or a catering establishment, and also includes a food establishment that is used as a cold store. Regulation 5 of the Sale of Food (Food Establishments) Regulations ("**SFFER**") requires a licensee holding a Food Processing Establishment Licence to exhibit such licence in a conspicuous position within the licensed food establishment. The SFFER also provides that a licensee holding a Food Processing Establishment Licence must adhere to certain requirements, including ensuring that food is stored in such a way that it is protected from the likelihood of contamination and that the environmental conditions under which it is stored will not adversely affect the safety and suitability of the food and maintaining prescribed standards of personal cleanliness in relation to persons who are engaged in the preparation of food.

Regulation 5 of the Food Regulations, enacted pursuant to Section 56 the Sale of Food Act, provides that no person may import, advertise, manufacture, sell, consign or deliver any pre-packed food if the package of pre-packed food does not bear a label containing all the particulars required by the Food Regulations. Further, it is an offence to import, sell, consign or deliver any pre-packed food with an expired date mark.

REGULATORY OVERVIEW

Section 9 of the SFFER requires every licensee of a Food Processing Establishment Licence to ensure that food is packed (i) with packing material that is fit for its intended use; (ii) with material that is not likely to contaminate the food; and (iii) with care to prevent any contamination during the packaging process.

Any person who fails to comply with the Sale of Food Act, the SFFER and/or the Food Regulations will be guilty of an offence and may be liable on conviction to monetary fines and/or custodial sentences.

Our Group has obtained a Food Processing Establishment Licence which is valid until 31 July 2018 for the purpose of processing of breadcrumbs and repackaging of cheese in respect of our factory at 21 Wan Lee Road, Singapore 627949.

Following the expansion of our warehouse premises at 21 Wan Lee Road, we intend to expand our product offerings and carry out the processing and/or manufacturing of new products, such as shredded and grated cheese and ice cream at our 21 Wan Lee Road premises. Please refer to the section headed “Business – Our objectives and business strategies – (3) Expansion into new product lines and the processing and/or manufacturing of new products” of this prospectus for further information on our expansion plans.

For each of the processing of shredded and grated cheese and the manufacturing of ice cream, we will also need to apply for a Food Processing Establishment Licence from the Director-General of the AVA in accordance with the Sale of Food Act before we may commence such production as our existing Food Processing Establishment Licence only covers the processing of breadcrumbs and repackaging of cheese. As at the Latest Practicable Date, we had not applied for such licences. We intend to commence application for the Food Processing Establishment Licences for the processing of shredded and grated cheese and the manufacturing of ice cream when the layout plan for the construction works is available. Our Singapore legal advisers are of the view that, barring any unforeseen circumstances, there are no impediments to our Group obtaining such licences in the future. Our Directors are of the view that the compliance costs for maintaining such licences would not be significant going forward.

Grading Scheme for Food Processing Establishments

The AVA carries out an annual grading assessment of food processing establishments to ensure that good manufacturing practices are observed so as to produce safe and wholesome quality food in their factories. Each establishment is graded prior to the expiry of its Food Processing Establishment Licence and is reassessed annually.

The AVA classifies food processing establishments into four graded categories, A (Excellence), B (Good), C (Average) and D (Pass), based on the following criteria for assessment:

- general cleanliness and housekeeping of the premises;
- food storage;

REGULATORY OVERVIEW

- food processing equipment and facilities;
- food handling and facilities;
- product identification and transportation;
- food safety system;
- food hygiene training;
- documentation; and
- record of past violations.

As at the Latest Practicable Date, our food processing facilities in Singapore operated by Cool Link Marketing have attained the B (Good) grade under the AVA's grading system.

Fire Safety Act

Section 23(1) of the Fire Safety Act states the person for whom any proposed fire safety works are to be commenced or carried out shall apply in accordance with the regulations made under the Fire Safety Act to the Commissioner of Civil Defence for approval of the plans of the fire safety works.

The Commissioner of Civil Defence may approve, subject to terms and conditions as he may impose, any one or more of the plans submitted to him under Section 23(1) of the Fire Safety Act, disapprove any of the plans which is not in order, or in writing direct the applicant to comply, within such period as may be specified in the direction, with such requirements as the Commissioner of Civil Defence may specify for the purpose of ensuring compliance with the provisions of the Fire Safety Act.

On 3 August 2012, our Group obtained approval in accordance with Section 23(4) of the Fire Safety Act for our proposed plan to install liquefied petroleum gas cylinders and piping in respect of our factory at 21 Wan Lee Road, Singapore 627949 for the purposes of on-site cooking for our employees.

Wholesome Meat and Fish Act

Licence for import, export and/or transshipment of meat products and fish products

Section 5 of the WMFA states that any person who imports, exports or transships any meat product or fish product in Singapore is required to apply for a licence from the Director-General of the AVA. In addition, such licence holders must obtain a permit from the Director-General of the AVA in respect of each consignment of meat products or fish products to be imported, exported or transhipped by him and the import, export or transshipment of each such consignment must be carried out in accordance with the conditions of the permit.

REGULATORY OVERVIEW

Section 10 of the WFMA states that any person who has imported any meat product or fish product into Singapore or who intends to export any meat product or fish product from Singapore shall forthwith arrange at his own expense, for the meat product or fish product to be inspected, examined and certified by an authorised examiner before it is sold or distributed or exported, as the case may be. Where any meat product or fish product which has been inspected or examined by an authorised examiner is found by the authorised examiner to be diseased, adulterated, or otherwise unfit for human consumption, the authorised examiner shall issue to the person who imported the meat product or fish product a certificate stating his finding and the person who imported the meat product or fish product shall remove the meat product or fish product from Singapore or destroy or otherwise dispose of the meat product or fish product in the prescribed manner. A licence for import, export and transshipment of meat products and fish products shall be valid for the period stated therein unless it is revoked before the expiry of that period. Upon expiry of the licence, it may be renewed. Our Group has obtained a licence for import, export and transshipment of meat products and fish products which is valid until 30 September 2018 in respect of our business operations.

Regulation of Imports and Exports Act

Registration to import processed foods

Section 3(2)(k) of the RIEA states that the Minister of Trade and Industry Singapore may make regulations for the registration of importers, exporters, common carriers of food or any person making a declaration under the RIEA or any regulations made thereunder. In addition, Section 35B of the Regulation of Imports and Exports Regulations states that the Director-General of Customs may register any person who is an importer, exporter, shipping agent, air cargo agent freight forwarder or common carrier who is not a declaring entity and whom the Director-General of Customs deems necessary or expedient to be registered. Each of Cool Link Marketing and Cool Link Supply has been registered with the AVA as an importer of processed food, and such registrations are valid until 30 April 2018 and 31 December 2017, respectively.

In accordance with the above, importers of processed foods are required to first register with AVA, quarantine and inspection group. Processed food products refer to all food products and supplements of food nature except meat products and fish products, fresh fruits and fresh vegetables.

Once the importer has been registered with AVA, quarantine and inspection group to import processed foods (“**Registrant**”), the Registrant must then obtain a permit for the import of each consignment of processed food. Traders may apply for the import permits by declaring their food imports prior to importation into Singapore. Upon approval by the Singapore Customs and AVA, the import permit for the consignment is incorporated into the cargo clearance permit printed at the trader’s terminal.

Importers must ensure that the food products imported for sale in Singapore comply with the food standards and labeling requirements stipulated in the Food Regulations.

REGULATORY OVERVIEW

All imported processed food products are subject to inspection. Samples may be taken for laboratory analysis. In some cases, consignments may be placed on “hold and test”, which means that the importer’s consignment cannot be sold or distributed until the laboratory results have been released and the sample is found to be compliant with the Food Regulations. In certain cases of the food items, a conditional approval message will be posted on the import permits to require traders to contact AVA for an inspection.

The export and transshipment of processed food is not regulated by the AVA and a separate licence to export and transship processed food is not required.

Workplace Safety and Health Act

The WSHA provides that every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include, but are not limited to, (i) providing and maintaining for employees a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work, (ii) ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by the employees, (iii) ensuring that the employees are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer, (iv) developing and implementing procedures for dealing with emergencies that may arise while employees are at work and (v) ensuring that the employees at work have adequate instruction, information, training and supervision as is necessary for them to perform their work. The WSHA is applicable to, among other things, premises within which persons are employed in the handling, sorting, packing, storing, altering, repairing, construction, processing or manufacturing of any goods or product. The relevant regulatory body is the MOM.

Under the WSHA, the Commissioner for Workplace Safety and Health (“CWSH”) may serve a remedial order or a stop-work order in respect of a workplace if he is satisfied that (i) the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any process or work carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of the persons at work, (ii) any person has contravened any duty imposed by the WSHA or (iii) any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work. The remedial order will direct the person served with the order to take such measures, to the satisfaction of the CWSH, to, amongst others, remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work, while the stop-work order will direct the person served with the order to immediately cease to carry on any work indefinitely or until such measures as are required by the CWSH have been taken to remedy any danger so as to enable the work in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

REGULATORY OVERVIEW

Pursuant to the Workplace Safety and Health (Registration of Factories) Regulations 2008 (the “**WSH Factories Regulations**”), any person who desires to occupy or use any premises as a factory falling within any of the classes of factories described in the First Schedule of the WSH Factories Regulations must apply to the CWSH to register the premises as a “factory” at least one month before the factory starts operations. A certificate of registration issued by the CWSH in respect of any factory under Part I of the First Schedule is valid for a period of five years, or such other period as the CWSH may determine, and may be renewed subsequently upon the payment of a renewal fee. A certificate of registration issued by the CWSH in respect of any factory under Part II of the First Schedule shall remain in force from the date of its issue until such time as it is revoked.

Under Regulation 5 of the WSH Factories Regulations, any person who desires to occupy or use any premises as a factory not falling within any of the classes of factories described in the First Schedule of the WSH Factories Regulation must, before the commencement of operation of the factory, submit a notification to the CWSH informing the CWSH of his intention to occupy or use those premises as a factory. The notification is not subject to any renewal requirements. However, in the event that the CWSH is of the view that the factory in respect of which a notification has been submitted is to pose or likely to pose a risk to the safety, health and welfare of persons at work in the factory, the CWSH may, by notice in writing (i) specify the date from which the notification will cease to be valid and (ii) direct the occupier of the factory to register the factory notwithstanding that the factory does not fall within any of the classes of the factories described in the First Schedule.

As our processing facility in Singapore operated by Cool Link Marketing does not fall within any of the classes of factories described in the First Schedule of the WSH Factories Regulations, a notification to the CWSH informing the CWSH of our intention to occupy or use the premises as a factory will suffice. We have submitted the relevant notifications to the CWSH.

Employment Act

The Employment Act (Chapter 91 of Singapore) (“**Employment Act**”) is administered by the MOM and sets out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees who are covered under the Employment Act (“**Relevant Employees**”). Such Relevant Employees include, *inter alia*, (a) any person, skilled or unskilled, who has entered into a contract of service with an employer in pursuance of which he is engaged in manual labour, including any apprentice, (b) any person employed partly for manual labour and partly for the purpose of supervising in person any workman in and throughout the performance of his work. In particular, Part IV of the Employment Act sets out requirements for rest days, hours of work and other conditions of service for workmen who receive salaries not exceeding S\$4,500 a month and employees (other than workmen) who receive salaries not exceeding S\$2,500 a month. Section 38(8) of the Employment Act provides that a Relevant Employee is not allowed to work for more than 12 hours in any one day except

REGULATORY OVERVIEW

in specified circumstances, such as where the work is essential to the life of the community, defence or security. In addition, Section 38(5) of the Employment Act limits the extent of overtime work that a Relevant Employee can perform to 72 hours a month.

Employers must seek the prior approval of the Commissioner for Labour for an exemption if they require a Relevant Employee or class of Relevant Employees to work for more than 12 hours a day or work overtime for more than 72 hours a month. The Commissioner for Labour may, after considering the operational needs of the employer and the health and safety of the Relevant Employee or class of Relevant Employees, by order in writing exempt such Relevant Employees from the overtime limits subject to such conditions as the Commissioner for Labour thinks fit. Where such exemptions have been granted, the employer must display the order or a copy thereof conspicuously in the place where such employees are employed.

Under the Employment (Employment Records, Key Employment Terms and Pay Slips) Regulations 2016 (“**Employment Regulations 2016**”), all employers must issue key employment terms (“**KETs**”) in writing to employees covered under the Employment Act. Such employees include employees who: (i) enter into a contract of service with the company on or after 1 April 2016; (ii) are covered by the Employment Act and (iii) are employed for 14 days or more in relation to the length of contract (does not apply to number of days of work). KETs include, *inter alia*, full name of employer and employee, job title, duties and responsibilities, start date of employment, duration of employment, basic salary, fixed allowances, fixed deductions, overtime pay, leave, medical benefits, probation period and notice period. KETs which are not applicable to specific employees may be excluded from their contracts.

Under Regulation 7 of the Employment Regulations 2016, for the purposes of Section 96(1)(a) of the Employment Act, employers must also issue to all their employees itemised pay slips at least once a month on the date of salary payment or not later than three working days after the date of salary payment. In the event of termination of employment or dismissal, the pay slip must be given to the employee together with the final payment of salary or the employee’s last day of employment. The pay slip must include details such as payments and deductions for each salary period, and overtime pay if applicable.

Under the Employment Regulations 2016, for the purposes of Section 95(1) of the Employment Act, employers must maintain detailed employment records for each employee, in two categories: (i) salary records, with the same information as required in the itemised pay slips; and (ii) employee records, with information such as address of the employee, identity card or foreign identification number, date of birth, gender, date of starting and leaving employment, working hours including duration of meals and breaks, dates and other details of public holidays and leave taken. For current employees, such records must be kept for the latest two years. For ex-employees, records of the last two years are to be kept for one year after the employment ended.

REGULATORY OVERVIEW

Child Development Co-Savings Act

The Child Development Co-Savings Act (Chapter 38A of Singapore) provides that every female employee is legally entitled to 16 weeks of paid maternity leave regardless of her occupation if: (1) her child is a Singapore citizen; and (2) she has served the company for a continuous period of at least 3 months before the birth of her child. During such period of leave, the female employee shall be entitled to receive payment from her employer at her gross rate of pay.

Employment of Foreign Manpower Act

The policies and regulations relating to the employment of foreign workers and manpower are set out, *inter alia*, under the EFMA and relevant government gazettes to regulate the availability and cost of foreign workers, both skilled and unskilled, in the domestic labour market.

Section 5 of the EFMA provides that no person may employ a foreign employee unless he has obtained in respect of the foreign employee a valid work pass from the MOM, which allows the foreign employee to work for him.

Any person who fails to comply with or contravenes the section shall be guilty of an offence and shall (a) be liable on conviction to a fine not less than S\$5,000 and not more than S\$30,000 or to imprisonment for a term not exceeding 12 months or to both; and (b) on a second or subsequent conviction, in the case of an individual be punished with imprisonment for a term of not less than one month and not more than 12 months and also be liable to a fine not less than S\$10,000 and not more than S\$30,000 and in any other case, be punished with a fine not less than S\$20,000 and not more than S\$60,000.

The availability of foreign workers to the manufacturing industry is regulated by the MOM as only foreign workers who satisfy the conditions for source countries, age when applying and maximum period of employment may be hired.

The EFMR prescribes that the categories of work passes include, among other things, a work permit, an S pass, an employment pass and letter of consent.

In relation to the employment of semi-skilled or unskilled foreign workers, employers must apply for a work permit. In relation to the employment of foreign mid-level skilled workers, employers must apply for an S pass. The S pass is intended for mid-level skilled foreigners who earn a fixed monthly salary of at least S\$2,200. In relation to the employment of foreign professionals, managers and executives, employers apply for an employment pass. The employment pass is intended for foreign professionals, managers and executives who earn a fixed monthly salary of at least S\$3,600.

REGULATORY OVERVIEW

The EFMR also requires employers of work permit holders to, among other things:

- subsidise the medical expenses of the foreign employee (unless otherwise agreed);
- provide safe working conditions and take such measures as are necessary to ensure the safety and health of the foreign employee at work;
- ensure that the foreign employee has acceptable accommodation, which must be consistent with any law or governmental regulations; and
- purchase and maintain medical insurance with coverage of at least S\$15,000 per 12-month period of the foreign employee's employment for in-patient care and day surgery.

Employers are required to comply with the conditions of the work permits, such as the requirement to provide acceptable accommodation for their foreign workers. Such accommodation must meet the statutory requirements set by various government agencies, including the NEA, PUB, SCDF, URA, LTA and the BCA. Employers could be prosecuted if they do not ensure that their workers have acceptable housing. Future work permit applications or renewals may also be affected.

The EFMR also requires employers of S Pass holders to, among other things:

- subsidise the medical expenses of the foreign employee (unless otherwise agreed); and
- purchase and maintain medical insurance with coverage of at least S\$15,000 per 12-month period of the foreign employee's employment for in-patient care and day surgery.

In addition to the EFMA, an employer of foreign workers is also required to comply with, among other things, the provisions in the Employment Act, the Immigration Act (Chapter 133 of Singapore) ("IA") and the regulations issued pursuant to the IA.

As at the Latest Practicable Date, we had 35 foreign employees in Singapore. Please refer to the section headed "Business – Employees" in this prospectus for further details.

Security bonds and foreign worker levy

In the manufacturing sector, for each non-Malaysian worker whom we were successfully granted with a work permit, a security bond of S\$5,000 in the form of a banker's guarantee or insurance guarantee is required to be furnished to the Controller of Work Passes under the Employment of Foreign Manpower Act. The security bond must be furnished prior to the foreign worker's arrival in Singapore, failing which entry into Singapore will not be allowed. Malaysian workers are exempt from the above requirement of furnishing a security bond.

REGULATORY OVERVIEW

Dependency ratio ceilings

The dependency ratio ceiling for the manufacturing industry is currently set at one local full time employee to one-and-a-half foreign workers. Therefore, for every two local employees in the manufacturing sector, a company may hire a maximum of three foreign employees. The dependency ratio ceiling for the service sector is currently set at one local full time employee to 0.666667 foreign workers. Therefore, for every three local employees in the service sector, a company may hire a maximum of two foreign employees. The manufacturing industry and service industry are further subject to different sub-quotas: (i) sub-quota for foreign workers from the PRC; and (ii) sub-quota for foreign workers under each different levy tier:

- (i) Sub-quota for foreign workers from the PRC:

For workers from the PRC the sub-quota is calculated using the following formula:

Manufacturing sector

$$25\% \times (\text{company's total workforce} + 1)$$

Service sector

$$8\% \times (\text{total workforce} + 1)$$

From 1 July 2017, local full-time employees are defined as Singaporeans and permanent residents who earn at least S\$1,100 per month. Local part-time employees are defined as Singaporeans and permanent residents who earn S\$550 to below S\$1,100 per month. Two part-time employees count as one full-time employee. MOM uses the average of three months' CPF contributions to determine the number of local employees for the purpose of calculating the maximum number of foreign workers a company can employ.

As at the Latest Practicable Date, Cool Link Marketing employed 26 local full time employees and 33 foreign workers. Cool Link Marketing is in the manufacturing sector. As at the Latest Practicable Date, based on information obtained from MOM, the maximum number of foreign workers it can employ is 43.

As at the Latest Practicable Date, Cool Link Supply employed seven local full time employees, ten local part-time employees, one part-time foreign worker and one full time foreign worker. Cool Link Supply is in the services sector. As at the Latest Practicable Date, based on information obtained from MOM, the maximum number of foreign workers it can employ is six.

- (ii) Foreign workers under each different levy tier (see below for levy tier details):

Levy Tiers	<u>Manufacturing sector</u>	<u>Service sector</u>
Tier 1	$T_1 = 25\% \times \text{total workforce}$	$T_1 = 10\% \times \text{total workforce}$
Tier 2	$T_2 = (50\% \times \text{total workforce}) - T_1$	$T_2 = (25\% \times \text{total workforce}) - T_1$
Tier 3	$T_3 = \text{Actual number of foreign workers} - T_1 - T_2$	$T_3 = \text{Actual number of foreign workers} - T_1 - T_2$

REGULATORY OVERVIEW

During the Track Record Period, Cool Link Marketing and Cool Link Food Supply were subject to foreign worker levies under tiers 1 to 3 and tier 1, respectively.

Immigration Act

Pursuant to the IA, no person, other than a citizen of Singapore, shall enter or attempt to enter Singapore unless, *inter alia*, he is in possession of a valid pass lawfully issued to him to enter Singapore. Such valid pass would include, *inter alia*, a valid work pass issued by the Controller of Work Passes under the EFMA and the regulations issued pursuant to the EFMA, including *inter alia*, work permits (including a training work permit), S passes and employment passes. A work pass may be in the form of a card or in an endorsement made in the passport or other travel document of the work pass holder or in such other form as the Controller of Work Passes may determine.

Housing of foreign workers

The URA grants planning permission for the operation of, *inter alia*, ancillary workers' dormitories by an applicant subject to, *inter alia*, the applicant obtaining prior clearances from the relevant authorities and the consent of the relevant landowner. The number of workers can be housed in the workers' dormitory will be subject to the technical requirements of the relevant authorities such as LTA, PUB, NEA, SCDF and the BCA and compliance with, *inter alia*, the relevant fire safety regulations, prevailing living space standards and amenity provision guidelines for workers' dormitories, subject to the use not causing any amenity problems.

We have obtained a grant of written permission (temporary) (the “**URA Approval**”) from the URA to provide ancillary workers' dormitories in our premises at 21 Wan Lee Road, Singapore 627949. The URA Approval allows for a maximum of 25 workers to be housed at the premises, and such approval is valid until December 2017. As at the Latest Practicable Date, out of the 35 foreign workers employed by our Group in Singapore, 25 are housed in our dormitory at 21 Wan Lee Road. Our Group provides housing allowance to one foreign worker from the PRC who makes her own arrangements for external lodging in Singapore. Among the remaining nine foreign workers employed by our Group, six foreign workers make their own housing arrangements in Singapore at their own cost and three foreign workers return to Malaysia daily.

Work Injury Compensation Act

The WICA applies to all employees in all industries engaged under a contract of service or apprenticeship, regardless of their level of earnings and provides that the employer will be liable to pay compensation to them in accordance with the provisions of the WICA, if personal injury by accident arising out of and in the course of the employment is caused to them. The WICA sets out, among other things, the amount of compensation they are entitled to and the method(s) of calculating such compensation. The relevant regulatory body is the MOM.

REGULATORY OVERVIEW

Employers are also subject to, *inter alia*, provisions set out in the EFMA, the EFMR, the Employment Act, and the IA. During the Track Record Period and up to the Latest Practicable Date, there has not been any material non-compliance by our Group with the EFMA, the EFMR, the Employment Act and the IA.

Workmen's compensation

The WICA does not cover self-employed persons or independent contractors. However, as the WICA provides that, where any person (referred to as the principal) in the course of or for the purpose of his trade or business contracts with any other person (referred to as the subcontractor employer), the principal shall be liable to compensate those employees of the subcontractor employer who were injured while employed in the execution of work for the principal.

The WICA provides that if an employee dies or sustains injuries in a work-related accident or contracted occupational diseases in the course of the employment, the employer shall be liable to pay compensation in accordance with the provisions of the WICA. An injured employee is entitled to claim medical leave wages, medical expenses and lump sum compensation for permanent incapacity or death, subject to certain limits stipulated in the WICA.

An employee who has suffered an injury arising out of and in the course of his employment can choose to either:

- (a) submit a claim for compensation through the MOM without needing to prove negligence or breach of statutory duty by employer. There is a fixed formula in the WICA on amount of compensation to be awarded; or
- (b) commence legal proceedings to claim damages under common law against the employer for breach of duty or negligence.

Damages under a common law claim are usually more than an award under WICA and may include compensation for pain and suffering, loss of wages, medical expenses and any future loss of earnings. However the employee must show that the employer has failed to provide a safe system of work, or breached a duty required by law or that the employer's negligence caused the injury.

Under the WICA, every employer is required to insure and maintain insurance under approved policies with an insurer against all liabilities which he may incur under the provisions of the WICA in respect of all employees employed him, unless specifically exempted. The insurance is valid for one year and is renewed annually by the Group.

During the Track Record Period and up to the Latest Practicable Date, there were no incidents of workplace injury and there were no claims against our Group.

REGULATORY OVERVIEW

Central Provident Fund Act

The Central Provident Fund (“CPF”) system is a mandatory social security savings scheme funded by contributions from employers and employees. Pursuant to the Central Provident Fund Act (Chapter 36 of Singapore) (the “CPF Act”), an employer is obliged to make CPF contributions for all employees who are Singapore citizens or permanent residents who are employed in Singapore under a contract of service (save for employees who are employed as a master, a seaman or an apprentice in any vessel, subject to an exception for non-exempted owners). CPF contributions are not applicable for foreigners who hold employment passes, S Passes or work permits.

CPF contributions are required for both ordinary wages and additional wages (subject to a yearly additional wage ceiling) of employees at the applicable prescribed rates which is dependent on, *inter alia*, the amount of monthly wages and the age of the employee. An employer must pay both the employer’s and employee’s share of the monthly CPF contribution. However, an employer can recover the employee’s share of CPF contributions by deducting it from their wages when the contributions are paid for that month.

Environmental Public Health Act

The EPHA regulates, among others, the disposal and treatment of industrial waste and public nuisances. Under the EPHA, the Ministry of Environment has empowered the Director-General of Public Health to serve a nuisance order on the owner or occupier of the premises on which the nuisance arises. Some of the nuisances which are liable to be dealt with by the Ministry of Environment and/or its statutory board, the NEA, summarily under the EPHA include any factory or workplace which is not kept in a clean state and any place where there exists or is likely to exist any condition giving rise, or capable of giving rise to the breeding of flies or mosquitoes, any place where there occurs, or from which there emanates noise or vibration as to amount to a nuisance and any machinery, plant or any method or process used in any premises which causes a nuisance or is dangerous to public health and safety.

Environmental Protection and Management Act

The EPMA seeks to control the levels of pollution in Singapore and regulates, among other things, air pollution, water pollution, land pollution and noise control. It is an offence under the EPMA to, among other things, (i) discharge any trade effluent, oil, chemical, sewage or other polluting matters into any drain or land without the written permission of the Director-General of Environmental Protection and (ii) discharge any toxic substance or hazardous substance into inland waters so as to be likely to cause pollution of the environment. The relevant regulatory body is the NEA.

REGULATORY OVERVIEW

Company Laws and Regulations

Our principal subsidiaries, Cool Link Marketing and Cool Link Supply, are indirect wholly-owned and indirect 90%-owned subsidiaries of our Company, respectively. Both are private companies limited by shares, incorporated and governed under the provisions of the Companies Act (Chapter 50 of Singapore) (the “**Companies Act**”) and its regulations.

The Companies Act generally governs, amongst others, matters relating to the status, power and capacity of a company, shares and share capital of a company (including issuances of new shares, including preference shares), treasury shares, share buybacks, redemption, share capital reduction, declaration of dividends, financial assistance, directors and officers and shareholders of a company (including meetings and proceedings of directors and shareholders, dealings between such persons and the company), protection of minority shareholders’ rights, accounts, arrangements, reconstructions and amalgamations, winding up and dissolution.

In addition, members of a company are subject to, and bound by the provisions in its constitution (which in the case of a company incorporated immediately before the date of commencement of Section 3 of the Companies (Amendment) Act 2014, refers to the memorandum and articles of association of the company). The constitution of a company sets out, *inter alia*, the objects of the company, provisions relating to some of the matters in the foregoing paragraph, transfers of shares as well as the rights and privileges attached to the different classes of shares of the company (if applicable).

Personal Data Protection Act 2012

The main data protection rules in the PDPA came into full effect on 2 July 2014. The PDPA governs the collection, use and disclosure of personal data by organisations in a manner that recognises both the right of individuals to protect their personal data and the need of organisations to collect, use or disclose the same for purposes that a reasonable person would consider appropriate in the circumstances. Under the PDPA, personal data is defined as data, whether true or not, about an individual (whether living or deceased) who can be identified (a) from that data; or (b) from that data and other information to which the organisation has, or is likely to have access. Generally, the PDPA imposes the following obligations on organisations collecting, using or disclosing personal data of individuals (“**relevant persons**”): obligations of obtaining consent, giving notification and access and correction rights to the relevant persons, purpose limitation in respect of use of, and retention limitation and transfer limitation in respect of personal data collected, ensuring accuracy and protection of data collected and openness in making information available on its privacy policies and procedures relating to protection of personal data.

REGULATORY OVERVIEW

Singapore Taxation

Corporate tax

A company is regarded as a tax resident in Singapore if the control and management of the company's business is exercised in Singapore.

A Singapore tax resident corporate taxpayer is subject to Singapore income tax on:

- income accrued in or derived from Singapore; and
- foreign-sourced income received or deemed received in Singapore, unless otherwise exempted.

Foreign-sourced income in the form of foreign branch profits, foreign-sourced dividends and foreign-sourced service fee income (collectively referred to as “**specified foreign income**”) received or deemed received in Singapore by a Singapore tax resident corporate taxpayer on or after 1 June 2003 are exempted from Singapore tax provided that the following qualifying conditions are met:–

- a. At the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15%;
- b. Such income is subject to tax of a similar character to income tax (by whatever name called) under the law of the territory from which the income is received; and
- c. The Comptroller of Income Tax is satisfied that the tax exemption would be beneficial to the corporate taxpayer.

A non-Singapore tax resident corporate taxpayer, subject to certain exceptions, is subject to Singapore income tax accruing in or derived from Singapore, and on foreign-sourced income received or deemed received in Singapore.

The prevailing corporate tax rate in Singapore is 17% with effect from Year of Assessment 2010. In addition, the partial tax exemption scheme applies on the first S\$300,000 of normal chargeable income; and specifically 75% of up to the first S\$10,000 of a company's normal chargeable income, and 50% of up to the next S\$290,000 is exempt from corporate tax. The remaining chargeable income (after the partial tax exemption) will be taxed at 17%. Further, for years of assessment 2016 to 2018, companies will be granted a corporate income tax rebate of 50% (capped at S\$20,000), 50% (capped at S\$25,000) and 20% (capped at S\$10,000) respectively.

REGULATORY OVERVIEW

Dividend distributions

(i) One tier corporate taxation system

Singapore adopts the one-tier corporate taxation system (“**One-Tier System**”). Under the One-Tier System, the tax collected from corporate profits is a final tax and the after-tax profits of the company resident in Singapore can be distributed to the shareholders as tax-exempt (One-Tier) dividends. Such dividends are tax-exempt in the hands of the shareholders, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

(ii) Withholding taxes

Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders.

Goods and Services Tax (“GST”)

GST in Singapore is a consumption tax that is levied on import of goods into Singapore, as well as nearly all supplies of goods and services in Singapore at a prevailing rate of 7%.

Productivity and Innovation Credit Scheme (“PIC Scheme”)

The PIC Scheme allows, amongst others, companies with active business operations in Singapore to claim (i) tax deductions and/or allowances; and/or (ii) cash payouts; and/or (iii) cash bonuses (on a dollar for dollar matching basis) in addition to (i) and/or (ii) above, in respect of certain qualifying activities undertaken by such companies, including the acquisition or leasing of certain qualifying equipment and certain types of training of employees, subject to prescribed expenditure caps. Further conditions apply before a company is eligible to make each of such claims, including having to invest in relevant qualifying expenditure and (in the case of the cash payouts and the cash bonuses) meeting the minimum three local employees requirement and (in the case of cash bonuses) investing the minimum qualifying expenditure per year of assessment over the course of three years from year of assessment 2013 to 2015. The PIC Scheme has been extended for another three years from year of assessment 2016 to 2018, and higher expenditure caps in relation to tax deductions and allowances apply for qualifying small and medium enterprises, which takes effect from year of assessment 2015. As announced in Singapore Budget Announcement 2016, the PIC payment will be at 40% for qualifying expenditure incurred on or after 1 August 2016.

During the Track Record Period, we received cash payouts of approximately S\$13,000 under the PIC Scheme.

REGULATORY OVERVIEW

Wage Credit Scheme

The Wage Credit Scheme was introduced in Budget 2013 by the Singapore Government as a three-year scheme under which the Singapore Government co-funds 40% of the wage increases that are given in 2013 to 2015 to Singapore citizen employees earning a gross monthly wage of S\$4,000 and below.

In Budget 2015, it was announced that the Wage Credit Scheme would be extended for two years (2016 to 2017). New wage increases given from 2016 to 2017 will be co-funded at 20% instead of 40%. For wage increases given in 2015 which are sustained in 2016 and 2017 by the same employer, employers will receive 20% co-funding for two additional years from 2016 to 2017.

Only employers are eligible for co-funding. Employers do not need to apply for wage credit. Wage credits are automatically paid to eligible employers annually, based on the CPF contributions that they make for their employees.

During the Track Record Period, we have received wage credits amounting to approximately S\$85,000 granted under the Wage Credit Scheme, which is recognised in our other income in our financial statements.

Special Employment Credit (“SEC”)

From 2012 to 2016, employers who hire Singaporean employees aged above 50 earning up to \$4,000 a month receive SEC of up to 8% of the employee’s monthly wages.

As announced at Budget 2016, the SEC will be extended for three years (i.e. 1 January 2017 to 31 December 2019) to continue providing a wage-offset to employers hiring Singaporean workers aged 55 and above, and earning up to \$4,000.

The extended SEC will be tiered by employee age to provide stronger support for employers hiring Singaporeans in the older age bands, where employment rates are lower. Employers who hire workers aged 65 and above, with monthly wages of not more than \$4,000 per month, will receive the highest SEC of 8% of the employees’ monthly wages. The wage offset will be up to 5% for workers aged 60 to 64, and up to 3% for those aged 55 to 59.

During the Track Record Period, we have received SEC amounting to approximately S\$23,000, which is recognised in our other income in our financial statements.

REGULATORY OVERVIEW

HONG KONG

Cool Link Trading was incorporated on 15 March 2017. In order for our Group to expand our operations into Hong Kong, our business and operations may be subject to the following laws and regulations in Hong Kong:

Food and Safety Ordinance (Chapter 612 of the Laws of Hong Kong)

The Food Safety Ordinance (Chapter 612 of the Laws of Hong Kong) (the “FSO”) provides that food importers and food distributors who carry on a food importation or distribution business are required to register their businesses under the registration scheme. A “food importer” means a person who carries on a business which brings or causes to be brought any food into Hong Kong by air, land or sea. Section 7(3) of the FSO provides that main food categories and food classifications of all food to be imported by the business (for a food importer) or supplied by wholesale by the business (for a food distributor) must be identified in the registration application. Apart from the registration requirement as set out above, sections 21 to 24 of the FSO also requires any person who, in the course of business, imports, acquires or supplies by wholesale food in Hong Kong to keep transaction records of the business from which the food was obtained and the business to which it was supplied.

Under the FSO, a person must not carry on the business of food importation or distribution unless the person is registered as a food importer or distributor in respect of that business. Any person or business that, without reasonable excuse, contravenes such a requirement imposed under the FSO commits an offence and is liable to a fine and imprisonment for 6 months.

An application may be refused and/or registration may be revoked if the applicant has repeatedly contravened the FSO in the period of 12 months immediately preceding the day on which the application was made or by the Department of Food and Environmental Hygiene (“DFEH”). The DFEH is also empowered to revoke a registration through the Demerit Point System established under the Food Safety Ordinance, which provides that if a registered food importer or distributor is convicted of any offence under the Food Safety Ordinance in respect of his business, a specified number of demerit points will be assigned and entered against his registration. Demerit points for a particular offence may be doubled, trebled or quadrupled respectively if the same offence is committed for the second, third or fourth time within a period of twelve months. If the registered food importer or distributor accumulates twenty points or more within a period of twelve months, its registration will be revoked.

On 13 April 2017, Cool Link Trading received a notice of registration as a food importer/food distributor from the DEFH for three years until 11 April 2020 for our proposed plan to expand our operations into Hong Kong. Please refer to the paragraph headed “Business – Main qualifications, licences and certifications – Licence in Hong Kong” in this prospectus for details.

REGULATORY OVERVIEW

Import and Export (Registration) Regulations (Chapter 60E of the Laws of Hong Kong)

Regulations 4 and 5 of the Import and Export (Registration) Regulations (Chapter 60E of the Laws of Hong Kong) (the “**Import and Export Registration Regulations**”) provide that every person who imports or exports any article other than an exempted article shall lodge an accurate and complete import or export declaration relating to such article using services provided by a specific body with the Commissioner of Customs and Excise within 14 days after the importation and exportation of the article. As we import products from overseas, we are subject to the regulations of the Import and Export Registration Regulations.

Any person failing to declare within 14 days after the importation without reasonable excuse is liable to a fine of HK\$1,000 upon summary conviction and HK\$100 in respect of every day such declaration has not been lodged. Furthermore, the Import and Export Registration Regulations also provide that any person knowingly or recklessly lodges any declaration with the Commissioner that is inaccurate in any material particular shall be liable to a fine of HK\$10,000 upon summary conviction.

Consumer Goods Safety Ordinance (Chapter 456 of the Laws of Hong Kong)

The Consumer Goods Safety Ordinance (Chapter 456 of the Laws of Hong Kong) (the “**CGSO**”) imposes a statutory duty on manufacturers, importers and suppliers of consumer goods to ensure that any goods which are ordinarily supplied for private use or consumption, complies with the general safety requirement or, where an approved standard(s) applies to the consumer good, the proved safety standard(s) or specifications prescribed by the Secretary for Commerce and Economic Development of Hong Kong.

Under section 6 of the CGSO, a person or business must not manufacture, import or supply consumer goods in Hong Kong unless the consumer goods comply with the general safety requirement of consumer goods as provided by the CGSO or with the applicable approved safety standard for the particular consumer goods.

If the Commissioner of Customs and Exercise (the “**Commissioner**”) reasonable believes the consumer goods is non-compliant with the safety standard or approved standard or safety specification, the Commissioner is empowered to:

- (i) serve prohibition notices prohibiting the person or business supplying consumer goods from supplying those goods for a specified period not exceeding six months, and
- (ii) serve recall notices requiring the immediate withdrawal of any consumer goods or products which may cause serious injury and do not comply with an approved standard or safety standard or specification established by regulation or are believed to be unsafe contrary to the general safety requirement of consumer goods.

REGULATORY OVERVIEW

Any person or business who or which violates the general safety requirement or applicable approved standards commits an offence under the CGSO and may be subject to a fine and/or imprisonment.

Sale of Goods Ordinance (Chapter 26 of the Laws of Hong Kong)

The Sale of Goods Ordinance (Chapter 26 of the Laws of Hong Kong) (the “**SOGO**”) governs, among other things, the scope of certain implied terms or conditions and warranties generally relating to the safety and suitability of goods supplied under a contract for the sale of goods in Hong Kong. Warranties relating to the safety and suitability of goods supplied include that goods for sale must be of merchantable quality and as such are, among other things, free from defects, safe and durable.

The Sale of Goods Ordinance applies only to sellers of goods in Hong Kong. A breach of warranty by the seller under the Sale of Goods Ordinance may entitle the buyer to reject the goods, set up against the seller a diminution or extinction of the price or maintain an action against the seller for damages.

Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong)

Pursuant to the Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong) (the “**PHMSO**”), no person shall add substance to food, use any substance as an ingredient in the preparation of food, abstract any constituent from food, or subject food to any other process or treatment, so as to render the food injurious to health. It also provides that no one shall sell any such food for human consumption.

Under Section 62(1) of the PHMSO, the DFEH is empowered to collect food samples at point of entry into Hong Kong for analyses, including bacteriological and chemical examination, to ensure that are safe and fit for human consumption. The DFEH also has the power to seize, remove, destroy or dispose of any food which appears to be unfit for human consumption.

Under the PHMSO, a person may be guilty of an offence for selling any food which is not of the nature, not of the substance, or not of the quality, of the food demanded by the purchaser. It is also an offence under the PHMSO if a person sells, or offers or exposes for sale or has in his possession for the purpose of sale any food intended for, but unfit, for human consumption. Furthermore, it is also an offence for a food seller to apply for a label, which falsely describes the food or is calculated to mislead as to its nature, substance or quality.

REGULATORY OVERVIEW

The subsidiary legislation of the PHMSO provides further regulations. Specific restrictions on the use of food colouring, the use of food sweeteners, metallic contents in food, the maximum levels of specified harmful substances in food, food preservations and pesticide residue content are found in the Colouring Matter in Food Regulations (Chapter 132H of the Laws of Hong Kong), the Sweeteners in Food Regulations (Chapter 132U of the Laws of Hong Kong), the Food Adulteration (Metallic Contamination) Regulations (Chapter 132V of the Laws of Hong Kong), the Harmful Substances in Food Regulations (Chapter 132AF of the Laws of Hong Kong), the Preservatives in Food Regulation (Chapter 132BD of the Laws of Hong Kong) and the Pesticide Residues in Food Regulation (Chapter 132CM of the Laws of Hong Kong) respectively.

Our packaged food ingredients are also subject to the Food and Drugs (Composition and Labelling) Regulations (Chapter 132W of the Laws of Hong Kong), a subsidiary legislation under the PHMSO. Regulation 4A of and Schedule 3 to the Food and Drugs (Composition and Labelling) Regulations require pre-packaged food be labeled in either English, Chinese or both languages, with its food name or designation, a list of ingredients, an indication of the “best before” or “use by” date, a statement of special conditions for storage or instructions for use, count, weight or volume and the name and address of manufacturer or packer. Furthermore, pre-packaged food shall be legibly marked or labeled with a list of nutrients, setting out the food’s energy, nutrient contents and other additional information, if a nutrient claim is made. A person who sells pre-packaged food without proper label is guilty of an offence under Regulation 5 of the Food and Drugs (Composition and Labelling) Regulations.

Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong)

The Trade Description Ordinance aims to protect customers against unfair trade practices by regulating businesses to sell products and services in a truthful manner. It prohibits false trade descriptions in respect of services supplied in the course of trade.

Section 2 of the Trade Descriptions Ordinance provides, *inter alia*, that “trade description” in relation to services means an indication, direct or indirect, and by whatever means given, with respect to the service or any part of the service including an indication of any of the matters – nature, scope, quantity (including the number of occasions on which, and the length of time for which, the service is supplied or to be supplied), standard, quality, value or grade; fitness for purpose, strength, performance, effectiveness, benefits or risks; method and procedure by which, manner in which, and location at which, the service is supplied or to be supplied; availability; testing by any person and the results of the testing; approval by any person or conformity with a type approved by any person; a person by whom it has been acquired, or who has agreed to acquire it; the person by whom the service is supplied or to be supplied; after-sale service assistance concerning the service; price, how price is calculated or the existence of any price advantage or discount.

REGULATORY OVERVIEW

Section 7 of the Trade Descriptions Ordinance provides that no person shall in the course of trade or business apply a false trade description to any goods or sell or offer for sale any goods with false trade descriptions applied thereto.

Section 7A of the Trade Descriptions Ordinance provides that a trader who applies a false trade description to a service supplied or offered to be supplied to a consumer, or supplies or offers to supply to a consumer a service to which a false trade description is applied, commits an offence.

Section 12 of the Trade Descriptions Ordinance provides that a person must not import or export any goods to which a false trade description or forged trade mark is applied. This section shall not apply to any goods in transit.

Sections 13E, 13F, 13G, 13H and 13I of the Trade Descriptions Ordinance provide that a trader who engages in relation to a consumer in a commercial practice that (a) is a misleading omission; or (b) is aggressive; (c) constitutes bait advertising; (d) constitutes a bait and switch; or (e) constitutes wrongly accepting payment for a product, commits an offence.

A person who commits an offence under sections 7, 7A, 12, 13E, 13F, 13G, 13H or 13I shall be subject, on conviction on indictment, to a fine of HK\$500,000 and to imprisonment for five years, and on summary conviction, to a fine at HK\$100,000 and to imprisonment for two years.

Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong)

The Mandatory Provident Fund (“MPF”) schemes are defined as a contribution retirement scheme managed by authorised independent trustees. The Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) provides that an employer shall participate in an MPF scheme and make contributions for its employees aged between 18 and 65. Under the MPF scheme, an employer and its employee are both required to contribute 5% of the employee’s monthly relevant income as mandatory contribution for and in respect of the employee, subject to the minimum and maximum relevant income levels for contribution purposes. The maximum level of relevant income for contribution purposes is currently HK\$30,000 per month or HK\$360,000 per year.

HISTORY, REORGANISATION AND GROUP STRUCTURE

OUR BUSINESS DEVELOPMENT

Introduction

We are a Singapore-based importer of food products with over 16 years of experience in the ship supply industry in Singapore. We principally trade and supply food products to Ship Chandlers in Singapore and to a lesser extent, trading companies in the Asia Pacific region such as Cambodia, the Philippines and Indonesia, as well as supply food products to retailers and the food service industry.

Our history can be traced back to March 2001 when Mr. R Gay and Mr. D Tan, our executive Directors, founded Cool Link Marketing using their own resources. Prior to establishing our Group, Mr. R Gay and Mr. D Tan were previously involved in Mr. R Gay's family business which was engaged in the food processing business. For further details on our founders, please refer to the section headed "Directors and senior management" in this prospectus.

Over a period of 16 years, we have grown from a small food trading company into one of the largest food product suppliers to Ship Chandlers in Singapore, serving approximately 100 Ship Supply Customers as at the Latest Practicable Date. According to the Converging Knowledge Report, as at 31 December 2016, our Group had an estimated market share of approximately 10.0% in the provision supplies distribution industry in Singapore.

In September 2009, as part of our efforts to increase our competitiveness, widen our product offerings, and instil customer loyalty through the establishment of a brand identity, we registered our "do it right" trademark in Singapore and began selling bottled water under such brand in July 2010. In August 2014, we also registered our "The Right Choice" trademark in Singapore and began supplying canned food products such as condensed milk and evaporated milk under such brand in November 2014. For more details on our registered trademarks, please refer to the paragraph headed "Further information about the business of our Group – 8. Intellectual property rights of our Group" in Appendix V to this prospectus.

In April 2011, to accommodate the growth and expanding operations of our Group, we purchased our current premises at 21 Wan Lee Road, Singapore 627949, which comprises our corporate headquarters, foreign worker dormitory, warehouse facilities and food processing facilities. In February 2014, in line with our strategy to diversify into food processing so as to provide value-added service to our Ship Supply Customers, we commenced the selling of breadcrumbs that were manufactured by us. Subsequently, in February 2015, we expanded our food processing services to include mixing of cheeses for supply to an Italian restaurant chain in Singapore.

HISTORY, REORGANISATION AND GROUP STRUCTURE

In December 2015, we expanded our operations and incorporated Cool Link Supply to serve our Retail and Food Service Customers in Singapore. Cool Link Supply was officially appointed the sole and exclusive distributor of “Zott” premium dairy products and the sole distributor for “Obento” panko breadcrumbs and “Obento” tempura batter mix in Singapore in March 2016 and May 2016, respectively.

Key business milestones

The key milestones in the development of our Group are highlighted chronologically below:

Month/Year	Event
March 2001	Cool Link Marketing was incorporated
September 2009	Registered our “do it right” trademark in Singapore
April 2011	Purchased our new facilities at 21 Wan Lee Road, Singapore.
February 2014	Commenced sale of breadcrumbs manufactured by us to our Ship Supply Customers
August 2014	Registered our “The Right Choice” trademark in Singapore
November 2014	Commenced sale of condensed milk and evaporated milk under our “The Right Choice” brand
December 2015	Cool Link Supply was incorporated
March 2016	Cool Link Supply was officially appointed as the sole and exclusive distributor of “Zott” premium dairy products in Singapore
May 2016	Cool Link Supply was officially appointed as the sole distributor in Singapore for “Obento” panko breadcrumbs and “Obento” tempura batter mix
December 2016	Cool Link Marketing attained an estimated market share of approximately 10.0% in the provision suppliers distribution market in Singapore

HISTORY, REORGANISATION AND GROUP STRUCTURE

CORPORATE HISTORY

Our Company was incorporated in the Cayman Islands under the Companies Law as a company with limited liability on 27 January 2017. As at the Latest Practicable Date, our Company had an authorised share capital of HK\$100,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.01 each. As part of the Reorganisation, our Company became the ultimate holding company of our Group.

A summary of the corporate history of our major operating subsidiaries of our Group is set out below:

Cool Link Marketing

On 1 March 2001, Cool Link Marketing was incorporated in Singapore with an issued and paid up share capital of S\$2.00 divided into two shares of S\$1.00 each, held equally by two individuals who are Independent Third Parties. In April 2001, the two shares were transferred to Mr. R Gay and Mr. D Tan. In August 2002, 16,999, 16,499 and 16,500 ordinary shares were allotted to Mr. R Gay, Mr. D Tan and Mr. M Tan respectively, and a further allotment in August 2005 of 17,000, 16,500 and 16,500 ordinary shares to Mr. R Gay, Mr. D Tan and Mr. M Tan respectively. Cool Link Marketing's issued and paid up share capital immediately prior to the Reorganisation was S\$100,000 divided into 100,000 shares of S\$1.00 each, of which 34,000, 33,000 and 33,000 ordinary shares were held by Mr. R Gay, Mr. D Tan and Mr. M Tan, respectively.

As part of the Reorganisation, on 30 August 2017, Mr. D Tan, Mr. R Gay and Mr. M Tan and Open Treasure Enterprises entered into a sale and purchase agreement, pursuant to which Mr. D Tan, Mr. R Gay and Mr. M Tan transferred their respective equity interests in the issued share capital of Cool Link Marketing, representing the entire issued share capital of Cool Link Marketing, to Open Treasure Enterprises in consideration of Open Treasure Enterprises allotting and issuing one share in its share capital to Packman Global (as nominee of Mr. D Tan, Mr. R Gay and Mr. M Tan), credited as fully paid.

As at the Latest Practicable Date, Cool Link Marketing is an indirect wholly-owned subsidiary of our Company and is principally engaged in the supply of food products to Ship Supply Customers.

HISTORY, REORGANISATION AND GROUP STRUCTURE

Cool Link Supply

On 21 December 2015, Cool Link Supply was incorporated in Singapore with an issued and paid up share capital of S\$1,000 divided into 1,000 shares of S\$1.00 each, of which 340, 330 and 330 shares were allotted and issued to Mr. R Gay, Mr. D Tan and Mr. M Tan, respectively for cash. In February 2016, 29,660, 29,670, 29,670 and 10,000 ordinary shares were allotted and issued to Mr. R Gay, Mr. D Tan, Mr. M Tan and Mr. Tay Meng Siong (who was then an Independent Third Party) respectively for cash.

On 15 September 2016, each of Mr. R Gay, Mr. D Tan and Mr. M Tan transferred 30,000 shares to Cool Link Marketing for a cash consideration of S\$1.00 per share (amounting to a total cash consideration of S\$30,000 each).

As at the Latest Practicable Date, Cool Link Supply is an indirect 90%-owned subsidiary of our Company and is principally engaged in the supply of food products to Retail and Food Service Customers.

Cool Link Trading

On 15 March 2017, Cool Link Trading was incorporated in Hong Kong with an issued and paid up share capital of HK\$100 divided into 100 shares of HK\$1.00 each, of which 100 shares were allotted and issued to Open Treasure Enterprises for cash on the same day.

As at the Latest Practicable Date, Cool Link Trading is an indirect wholly-owned subsidiary of our Company and is incorporated for the purpose of expanding into the food supply market in Hong Kong.

ACTING IN CONCERT

Mr. D Tan, Mr. M Tan and Mr. R Gay have confirmed that during the Track Record Period and up to the date of the Listing, they have been and will be acting in concert and voted and will vote in a unanimous manner on any resolution in respect of the management, development and operations of our Group's operations.

HISTORY, REORGANISATION AND GROUP STRUCTURE

PRE-IPO INVESTMENT

Overview

On 31 October 2016, Absolute Elite Limited, the Pre-IPO Investor, entered into the Subscription Agreement with Open Treasure Enterprises, Mr. D Tan, Mr. R Gay and Mr. M Tan collectively as guarantors to the Pre-IPO Investor, for the subscription of 15 ordinary shares in the share capital of Open Treasure Enterprises, representing approximately 15% of the issued share capital of Open Treasure Enterprises on a fully diluted basis (the “**Subscription Shares**”), for a total cash consideration of HK\$13,000,000 (the “**Pre-IPO Investment**”).

Details of Pre-IPO Investment

Date of the relevant agreement	Pre-IPO Investor	Aggregate consideration paid under the Pre-IPO Investment		Date of completion (and settlement of full payment) of the Pre-IPO Investment	Approximate percentage of shareholdings in Open Treasure Enterprises after Pre-IPO Investment	Approximate percentage of interests in our Company upon Listing (without taking into account any Shares that may be allotted and issued upon exercise of the options to be granted under the Share Option Scheme)	Approximate cost of investment per Share upon Listing	Approximate percentage of discount to the mid-point Offer Price of HK\$0.50 per Share
		Investment	Basis of consideration					
31 October 2016	Absolute Elite Limited	HK\$13,000,000	The net asset value of Cool Link Marketing and Cool Link Supply based on their respective management accounts for the month ended 31 July 2016 and anticipated future earnings of Cool Link Marketing and Cool Link Supply	16 January 2017	15%	12.0%	HK\$0.181	63.8%

Beneficial owner of the Pre-IPO Investor

To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, Absolute Elite Limited is wholly and beneficially owned by Mr. Tan Chu En Ian, an Independent Third Party.

Save for the Pre-IPO Investment, each of Absolute Elite Limited and Mr. Tan Chu En Ian, is independent of and is not connected with our Group and/or any connected person(s) of our Company. Mr. Tan Chu En Ian is working in the manufacturing industry and his family has previously invested in the food industry in Singapore. The source of funding for investment in our Group was from Mr. Tan Chu En Ian’s personal resources. Following negotiations on an arms-length basis, the Pre-IPO Investment was concluded.

HISTORY, REORGANISATION AND GROUP STRUCTURE

Benefits of the introduction of the Pre-IPO Investor

In light of our Group's needs for additional capital in view of the expenses to be incurred during the preparation of the Listing, we are of the view that the investment made by the Pre-IPO Investor would assist in pay for such expenses without affecting our cash flow and working capital.

Basis of consideration

The terms of the Subscription Agreement were arrived at after arm's length negotiations among Open Treasure Enterprises, the Pre-IPO Investor, Mr. D Tan, Mr. R Gay and Mr. M Tan, and the consideration paid by the Pre-IPO Investor thereunder was determined with reference to the net asset value of Cool Link Marketing and Cool Link Supply based on its management accounts for the month ended 31 July 2016 and their respective anticipated future earnings. The proceeds from the Subscription Agreement will be used to finance part of the costs of the Listing. As at the Latest Practicable Date, all of the Pre-IPO Investment proceeds had been fully utilised in the settlement of professional fees relating to the Listing.

Rights of the Pre-IPO Investment

Call Option

Under the Subscription Agreement, the Pre-IPO Investor granted Mr. D Tan, Mr. R Gay and Mr. M Tan the right to require the Pre-IPO Investor to sell the 15 shares in Open Treasure Enterprises acquired pursuant to the Pre-IPO Investment (the "**Option**") to Mr. D Tan, Mr. R Gay and Mr. M Tan at the option price of HK\$10.

The Option may be exercised in whole but not in part by Mr. D Tan, Mr. R Gay and Mr. M Tan at any time after 31 December 2017 provided that the Listing does not materialise other than as a result of a default event. For the purpose of the Option, a default event means the inability to conduct the Listing due to reasons of (i) unsuitability of the Controlling Shareholders and/or the Directors as a result of events/actions, regulatory sanctions or reprimands leading to such person unsuitable to be a director or controlling shareholder of a listed company; or (ii) material breaches of any member of our Group of laws and regulations (i.e. including but not limited to tax, licences, mandatory provident fund, misleading financials); or (iii) Mr. D Tan, Mr. R Gay and Mr. M Tan cease to proceed with the Listing for whatever reason (a "**Default Event**").

To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, no Default Event had occurred since the entering into of the Subscription Agreement and up to the Latest Practicable Date.

HISTORY, REORGANISATION AND GROUP STRUCTURE

Return of Consideration

Open Treasure Enterprises, Mr. D Tan, Mr. R Gay and Mr. M Tan have jointly and severally undertaken to the Pre-IPO Investor that in the event that the Listing does not materialise by 31 December 2017 as a result of a Default Event, then Mr. D Tan, Mr. R Gay and Mr. M Tan shall jointly acquire the Subscription Shares from the Pre-IPO Investor for an amount equal to HK\$13,000,000. Such acquisition shall take place as soon as possible after 31 December 2017.

Lock up undertaking by the Pre-IPO Investor

The Pre-IPO Investor has undertaken to our Company not to directly or indirectly, for a period of nine months from the Listing Date, dispose of, enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of our Shares in respect of which it is shown in this prospectus to be the beneficial owner upon Listing.

The Sole Sponsor has confirmed that the investment made by the Pre-IPO Investor is in compliance with (i) the “Interim Guidance on pre-IPO Investments” issued by the Stock Exchange as the considerations for the Pre-IPO Investment was settled more than 28 clear days before the date of the first submission of the Listing application to the Stock Exchange in relation to the Listing; and (ii) the “Guidance on pre-IPO investments” (GL43-12) issued by the Stock Exchange.

REORGANISATION

In preparation for the Listing, our Group has undergone the Reorganisation and the steps are as follows:

1. On 8 June 2016, Packman Global was incorporated in the BVI with limited liability and is authorised to issue a maximum of 50,000 shares of a single class, each with a par value of US\$1.00, of which 33 fully paid shares have been allotted and issued for cash at par to each of Mr. D Tan, Mr. R Gay and Mr. M Tan, respectively on 31 October 2016.
2. On 28 June 2016, Open Treasure Enterprises was incorporated in the BVI with limited liability and is authorised to issue a maximum of 50,000 shares of a single class, each with a par value of US\$1.00, of which 84 fully paid shares have been allotted and issued for cash at par to Packman Global on 31 October 2016.
3. On 31 October 2016, the Pre-IPO Investor entered into a subscription agreement with Open Treasure Enterprises, Mr. D Tan, Mr. M Tan and Mr. R Gay to subscribe for 15 shares in Open Treasure Enterprises at a consideration of HK\$13,000,000.

HISTORY, REORGANISATION AND GROUP STRUCTURE

4. On 27 January 2017, our Company was incorporated as an exempted company in the Cayman Islands with limited liability under the Companies Law and the nil-paid initial Share was issued to Sharon Pierson and transferred to Packman Global at nil-paid on 27 January 2017. Upon incorporation, our Company had an authorised share capital of HK\$380,000 divided into 38,000,000 Shares of a par value of HK\$0.01 each.
5. On 15 March 2017, Cool Link Trading was incorporated in Hong Kong with an issued and paid up share capital of HK\$100 divided into 100 shares of HK\$1.00 each, of which all were allotted and issued to Open Treasure Enterprises for cash on the same day.

Acquisition of our Group

On 30 August 2017, Mr. D Tan, Mr. R Gay and Mr. M Tan and Open Treasure Enterprises entered into a sale and purchase agreement, pursuant to which Mr. D Tan, Mr. R Gay and Mr. M Tan transferred their respective equity interests in the issued share capital of Cool Link Marketing, representing the entire issued share capital of Cool Link Marketing, to Open Treasure Enterprises in consideration of Open Treasure Enterprises allotting and issuing one share in its share capital to Packman Global (as the nominee of Mr. D Tan, Mr. R Gay and Mr. M Tan), credited as fully paid.

On 30 August 2017, Packman Global, the Pre-IPO Investor and our Company entered into a sale and purchase agreement, wherein Packman Global and the Pre-IPO Investor transferred their respective equity interests in Open Treasure Enterprises, representing the entire issued share capital of Open Treasure Enterprises, to our Company in consideration of our Company (i) crediting the initial Share held in the name of Packman Global as fully paid and (ii) allotting and issuing 84 Shares and 15 Shares to Packman Global and the Pre-IPO Investor, respectively, all credited as fully paid.

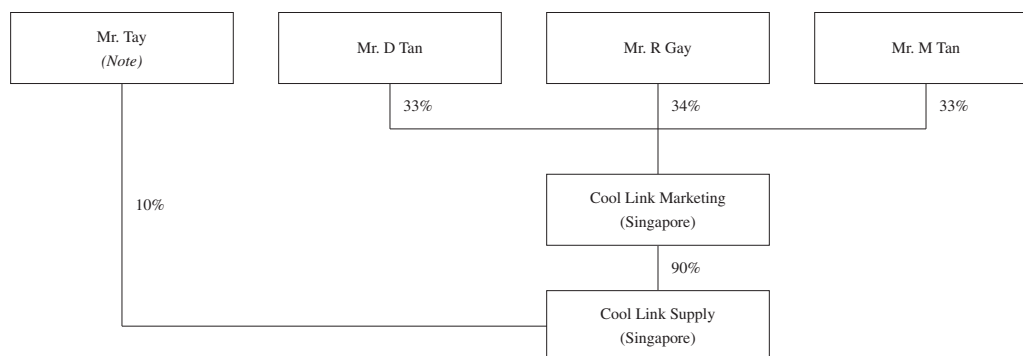
Based on the foregoing arrangement as agreed by the parties, the acquisitions of Cool Link Marketing and Open Treasure Enterprises by our Company were properly and legally completed and settled.

HISTORY, REORGANISATION AND GROUP STRUCTURE

Our Directors confirm that, save for the written consent from our principal bank in connection with the change of ownership of our Group pursuant to the Reorganisation and the Share Offer under the terms of the material facility agreement entered into between our Group and our principal bank, which consent was granted on 2 September 2017, the change of shareholdings in the Singapore Subsidiaries under the Reorganisation would not require any other approval or permit from any third parties or relevant government authorities in the Cayman Islands or Singapore.

Immediately before the Reorganisation

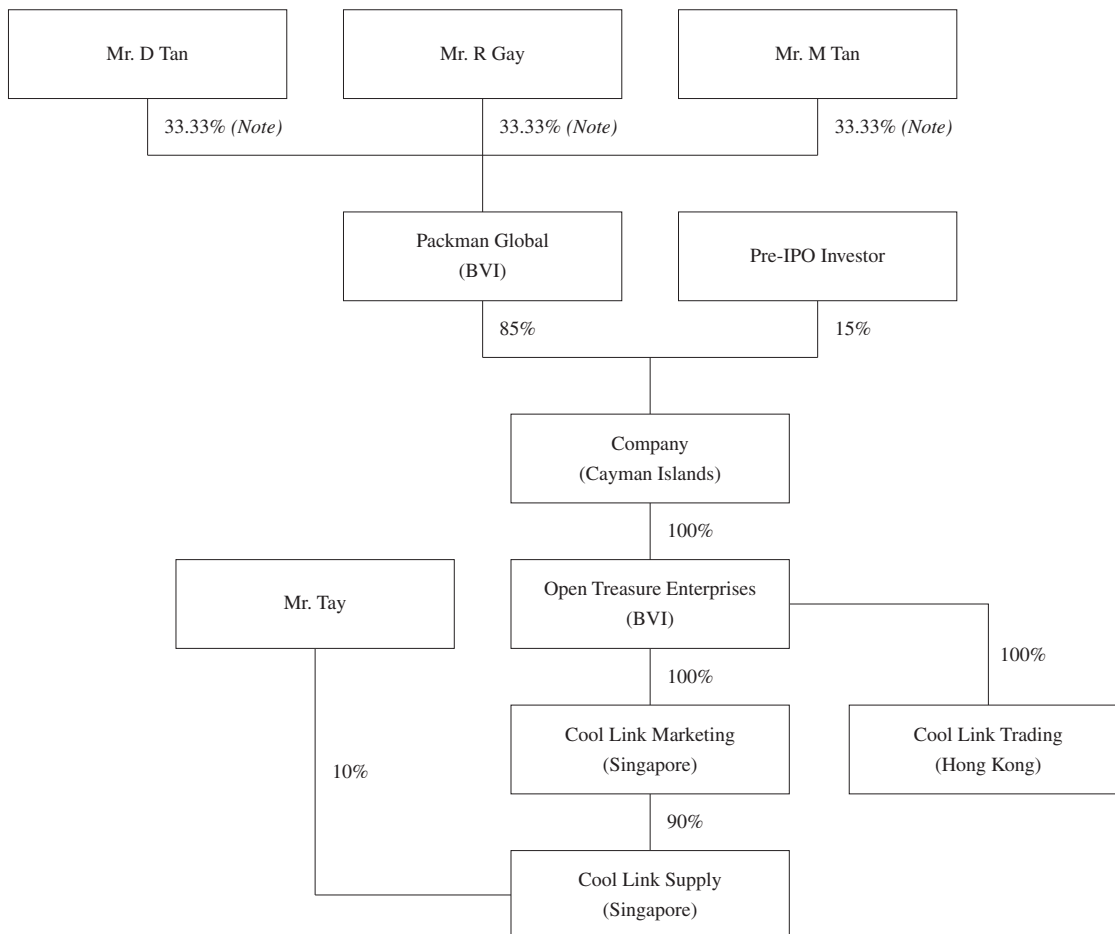
The following chart sets out our corporate structure immediately prior to the implementation of the Reorganisation:



Note: Cool Link Supply is an indirect 90%-owned subsidiary of our Company with Mr. Tay Meng Siong (“Mr. Tay”), who became a shareholder of Cool Link Supply in February 2016 and holding 10% of the entire issued share capital of Cool Link Supply as at the Latest Practicable Date. Mr. Tay, aged 38, is currently a head of retail and food service of Cool Link Supply responsible for overseeing its operation on trading and supply of food to retail outlets and food service market. Mr. Tay has around 10 years of experience in the sales operation in the food and beverage industry. Mr. Tay is not a director of Cool Link Supply, and he is not related to any Directors, senior management or Substantial Shareholders or Controlling Shareholders of our Company as at the Latest Practicable Date.

HISTORY, REORGANISATION AND GROUP STRUCTURE

Immediately after the Reorganisation (but before the Share Offer and the Capitalisation Issue and without taking into account the allotment and issue of shares upon the exercise of options to be granted under the Share Option Scheme)



Note: Each of Mr. D Tan, Mr. R Gay and Mr. M Tan held approximately 33.33% of the issued share capital of Packman Global. The shareholding percentages do not add up to 100% due to rounding.

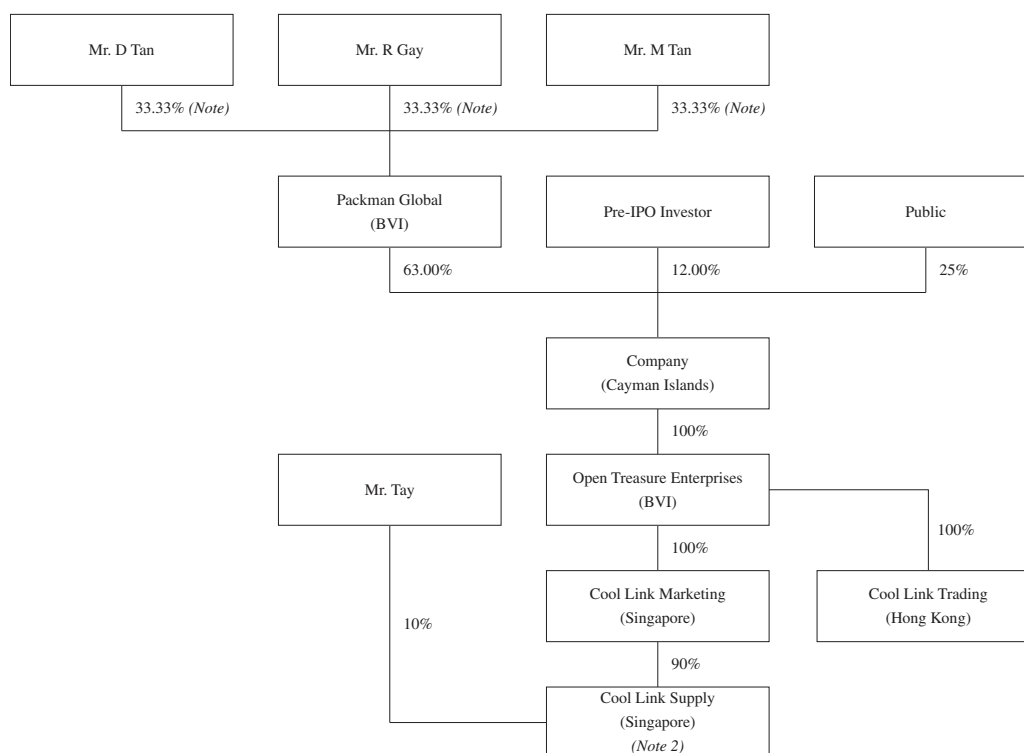
HISTORY, REORGANISATION AND GROUP STRUCTURE

Capitalisation Issue and Share Offer

Conditional upon the creation of our Company's share premium account as a result of the issue of the new Shares pursuant to the Share Offer, an amount of HK\$4,799,999 standing to the credit of the share premium account of our Company will be capitalised by applying such sum towards paying up in full at par a total of 479,999,900 Shares for the allotment and issue to the then existing Shareholders.

Immediately following completion of the Share Offer and the Capitalisation Issue

The following chart sets out our shareholding structure immediately after completion of the Capitalisation Issue and the Share Offer (without taking into account of the Shares which may be issued pursuant to the exercise of the options to be granted under the Share Option Scheme):



Note: Each of Mr. D Tan, Mr. R Gay and Mr. M Tan held approximately 33.33% of the issued share capital of Packman Global. The shareholding percentages do not add up to 100% due to rounding.

BUSINESS

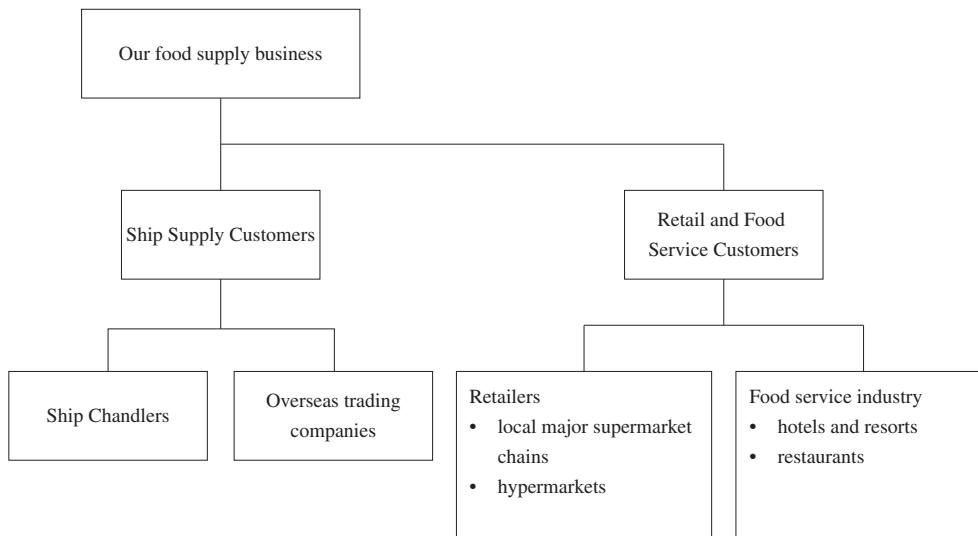
OVERVIEW

We are a Singapore-based importer of food products with over 16 years of experience in the ship supply industry in Singapore. Our customers comprise Ship Supply Customers and Retail and Food Service Customers.

We supply various types of food products including canned food and packaged beverages in the dry category, various dairy products in the chilled category and ice cream and frozen cakes and pies in the frozen category to our Ship Supply Customers, who consist mainly of Ship Chandlers based in Singapore. Ship Chandlers are a one-stop “middle-man” for the sale of, among others, food products from distributors to ship vessels for consumption by ship crews and passengers. We sell a variety of food products to Ship Chandlers, who then provide the food products to the ship vessels including commercial cruise liners. To a lesser extent, we also export food products directly to trading companies in the Asia Pacific region, such as Cambodia, the Philippines and Indonesia.

In addition, we distribute food products to our Retail and Food Service Customers which comprise supermarkets and hypermarkets, as well as certain segments of the food service industry such as hotels, resorts and restaurants. In 2014, we have also ventured into value-added food processing as a way of growing our business in tandem with our customers’ needs.

The diagram below sets out an overview of our businesses:



BUSINESS

During the Track Record Period, our total revenue amounted to approximately S\$29.2 million, S\$28.2 million and S\$7.5 million, respectively. Our profit/(loss) for the two years ended 31 December 2016 and the three months ended 31 March 2017 amounted to approximately S\$1.7 million, S\$1.2 million and S\$(0.2) million, respectively. The breakdown of our revenue by customer type for the Track Record Period is set out in the table below:

	Year ended 31 December				Three months ended	
	2015		2016		31 March	
	S\$'000	%	S\$'000	%	S\$'000	%
Revenue <i>(Note)</i>						
Ship Supply Customers	28,851	98.9	27,048	96.0	7,141	94.8
Retail and Food Service Customers	<u>320</u>	<u>1.1</u>	<u>1,129</u>	<u>4.0</u>	<u>394</u>	<u>5.2</u>
Total	<u><u>29,171</u></u>	<u><u>100</u></u>	<u><u>28,177</u></u>	<u><u>100</u></u>	<u><u>7,535</u></u>	<u><u>100</u></u>

Note: Please refer to the section headed "Financial information – Description of selected items in combined statements of comprehensive income – Revenue" in this prospectus for an explanation on the revenue fluctuation during the Track Record Period.

OUR COMPETITIVE STRENGTHS

Our Directors believe that our Group's competitive strengths set out below have driven the growth in our business and financial performance.

We can source extensive products at competitive prices as we have established a large network of suppliers

In sourcing for products to meet our customers' needs, we are able to choose from a wide range of products as we have established a large network of over 200 local and overseas suppliers. According to the Converging Knowledge Report, companies with strong networks would have better bargaining power in catering to last-minute or one-off requests from their customers.

Two of our top five suppliers during the Track Record Period have been providing us with food products for more than eight years. We believe we have established strong relationships with our suppliers based on many years of business dealings and transactions, thereby enabling us to have a continuous supply of products without major disruptions and allowing us to respond to our customers' demands in a timely manner.

BUSINESS

We carry a comprehensive inventory of products, including a wide range of high quality products such as products from numerous well-established brand names. We offer an extensive product range consisting of, amongst others, ice cream, yogurt, frozen products, dairy products, Greek, Turkish and Filipino products. As at the Latest Practicable Date, we carried various types of food products from more than 100 brands worldwide, including well established brand-names of fast moving consumer goods.

We specialise in the delivery, storage and handling of dairy products

We specialise in the delivery, storage and handling of dairy products, and we supply a variety of dairy products to our Ship Supply Customers. As a result, we are able to carry a high volume and variety of dairy products. Dairy products have relatively shorter shelf lives which necessitate the use of specialised refrigeration equipment and storage facilities, in order to ensure the freshness of the products while they are in storage and before they are delivered to our customers. We operate cold storage facilities and delivery vehicles which have been specially equipped to meet the demands and requirements of this specific food group. Our Directors believe that companies without cold storage facilities are constrained by their ability to distribute food items that require a precise range of temperature control. The cost of these cold storage facilities and specially-equipped delivery vehicles, constitute a significant barrier to entry, thus enhancing our Company's competitive advantage in the supply of this food group.

We provide value-added service including round-the-clock delivery service throughout the year

Our delivery team provides 24-hour, round-the-clock delivery services to our customers, and are able to deliver products within three-hours of notice. Our business operations are ongoing 365 days a year, even throughout the festive periods. Our delivery service extends to ports and ships, and in the event that we miss a scheduled delivery and the ship has departed from the port or other pick-up point, we will take the initiative to charter a loading barge (a small ship know as a "lighter") to "catch up" to the relevant ship vessel to ensure that the products are delivered to the end-customer, as the Ship Chandler would not have been able to order from an alternative supplier since ships generally do not have much time at a port.

In addition to our delivery promise, we are also able to provide customisation of food products to suit each customer's needs. For example, part of our dairy product offering includes mixing various cheeses according to the requests of one of our Retail and Food Service Customers. We also engage an Independent Third Party subcontractor in Thailand to assist us with customising flavoured chicken wings for the same customer in accordance with its requirements.

We believe that we have been able to develop strong relationships with our customers by virtue of our ability to meet their product needs, in particular in terms of quality and product range, in a timely manner with effective service and at competitive pricing.

BUSINESS

We have an experienced team with strong knowledge of customers' needs

Our Group's clientele comprises Ship Supply Customers and Retail and Food Service Customers. We have developed strong relationships with our Ship Supply Customers and have been servicing some of them for more than 11 years. We are led by an experienced management team which is headed by Mr. D Tan and Mr. R Gay, who each has over 16 years of experience in the distribution of food products in the ship supply industry in Singapore. We believe that their strong management capabilities, product, industry and technical knowledge, business network, ability to identify market trends and new business opportunities have contributed significantly to the growth of our business and are vital to our continued growth and future development.

Our management team is supported by a team of well-trained employees across all levels who possess knowledge of the shipping industry, including port knowledge and the needs and requirements of Ship Chandlers and ship vessels alike. Our sales team in particular is attuned to the needs and demands of our customers. Our executive Directors are supported by our experienced and dedicated managers and employees. As at the Latest Practicable Date, 11 of our employees had been with our Group for five years or more, and a number of long service employees have been with our Group for more than ten years. We believe that our staff are an invaluable resource and we have provided various employee staff training and development programmes to our employees.

Our Directors believe that our track record demonstrates our Group's ability to remain competitive in the market place in the long term against other food suppliers and distributors as well as new entrants.

OUR OBJECTIVES AND BUSINESS STRATEGIES

Our aim is to leverage on our competitive advantages to expand the scale of our operations so as to further strengthen our position in both our sales to Ship Supply Customers and Retail and Food Service Customers in Singapore, and expand to other regions where there are related opportunities. We intend to achieve this by implementing the following corporate strategies:

(1) Expansion of the food processing and storage capacity of our current warehouse premises

Currently, we own one warehouse and food processing facility in Singapore located at 21 Wan Lee Road with a GFA of approximately 2,551 sq.m., of which (i) approximately 1,585 sq.m. out of approximately 1,705 sq.m. in the first storey is used as office, food processing, freezer, chiller, air-conditioned and ambient storage; (ii) approximately 354 sq.m. out of approximately 423 sq.m. in the second storey is used as ambient storage; and (iii) approximately 121 sq.m. out of 423 sq.m. in the third storey is used as a dormitory for our foreign workers.

BUSINESS

Our goods are generally stored in our warehouse on pallets. The total number of pallets that our existing storage area can accommodate is approximately 570 pallets. During the Track Record Period, our warehouse was operating at almost full utilisation rate. Due to the lack of available storage space at our 21 Wan Lee Road premises, our Group engages a third-party storage provider to store our food products. The maximum number of pallets stored at the third-party storage provider as at the end of each month during the Track Record Period was approximately 460 pallets, 1,480 pallets and 1,100 pallets. There was an increase in the number of pallets stored at the third-party storage provider during the Track Record Period primarily due to an increase of dry products stored cumulatively at such third-party storage provider as compared to the corresponding period. During the Track Record Period, the average monthly amount of food products stored by us at such third party warehouse facility was approximately 310 pallets, 810 pallets and 1,060 pallets, respectively. On this basis, our Directors believe that the expansion of our warehouse capacity at our 21 Wan Lee Road premises is necessary.

During the Track Record Period, our expenditure for the rental of warehouse from the third party storage provider was approximately S\$0.2 million, S\$0.4 million and S\$88,000, respectively, representing an increase of approximately S\$0.2 million from the year ended 31 December 2015 to 31 December 2016 and an increase of approximately S\$18,000 from the three months ended 31 March 2016 to the three months ended 31 March 2017. In order to reduce our reliance on third party storage and delivery services and enable us to have greater control over costs, we intend to expand our storage capacity to approximately 960 pallets. In addition, we intend to increase the types of our product offerings in line with the increased capacity and scale of operations, which we expect will require additional storage space. Accordingly, in anticipation of the growth of our business, we intend to expand and enhance our food processing and storage capacity by upgrading and expanding our current premises at 21 Wan Lee Road as well as to acquire new machinery and equipment which will be refitted to our premises. In connection with the expansion of our warehouse facility, we intend to invest in more equipment (consisting of two cargo lifts and one open top truck and, if required, additional racking) as well as hire nine additional staff to enhance our workforce to keep up with our expanding operations.

We intend to increase our premises from a GFA of approximately 2,551 sq.m. to approximately 4,577 sq.m., out of the permissible GFA of approximately 7,507 sq.m., consisting of at least three floors. Subject to the final architect plan for our proposed expansion, we intend to expand the GFA of our first floor to approximately 1,470 sq.m. and our second floor and third floor to at least 1,554 sq.m. each.

We estimate the total construction costs, renovation fees and architect fees to be approximately HK\$39.5 million. We intend to spend approximately HK\$12.2 million out of HK\$39.5 million on the expansion of our current warehouse premises from the net proceeds of the Share Offer for the total construction costs, renovation fees and architect fees and the remaining amount of approximately HK\$27.3 million from bank borrowings. The construction works for the expansion plan is expected to commence in the second half of 2018. We intend to utilise approximately HK\$12.2 million from the net proceeds from the Share Offer in the initial

BUSINESS

stage of the construction and bank borrowings which will be in place at the beginning of 2019 for the remaining stages of the construction. Please refer to the section headed “Future plans and use of proceeds” of this prospectus for more information.

The proposed expansion of our 21 Wan Lee Road premises is expected to require approvals from various governmental authorities. We will engage a consultant for the expansion project who will advise us specifically on the necessary approvals based on the finalised plan. Our Group is in the midst of obtaining quotations from various consultants and we intend to appoint a professional consultant for the addition and alteration works to 21 Wan Lee Road between October to November 2017.

Generally speaking, the types of regulatory approvals required may include planning permission from URA, approval from Jurong Town Corporation (as head lessor), approval of the building plan from BCA, as well as notifications, consents or approvals that may be required by other regulatory authorities such as NEA and SCDF in relation to existing licences and certificates held by our Group. As at the Latest Practicable Date, we had not commenced any application for the requisite approvals, consents or permissions in relation to our proposed expansion. The professional consultant which we intend to appoint will likely assist with the following:

- (i) preparation of planning plans for submission to URA;
- (ii) preparation of architect drawings for building plan approval (including obtaining relevant technical departments’ clearances);
- (iii) preparing and submitting structural drawings to BCA for structural approval;
- (iv) liaising with an accredited checker on the checking of structural design;
- (v) applying for the relevant permit to commence works;
- (vi) providing statutory inspection of works during the construction stage; and
- (vii) submitting the relevant certificate of supervision for a temporary occupancy permit and completing an application for a statutory certificate.

Based on a preliminary discussion with a potential consultant, we estimate that the time period for obtaining all the necessary permits and approvals prior to commencing construction work will be between four to six months. Depending on the finalised plan for the additions and alterations to be made to 21 Wan Lee Road, we estimate that the construction period will take approximately 15 months to 17 months.

BUSINESS

We recognise the need to have alternative product storage facilities as well as food processing facilities during the construction works for the expansion of 21 Wan Lee Road. Our Group is currently in discussion with a warehousing solutions and logistics service provider who will be able to provide the required warehouse storage capability for rental to our Group. We expect such rental expenses for the alternative office and warehouse facilities during the construction period to amount up to approximately S\$0.8 million. We believe that by consolidating our business operations, we will be able to streamline our operations, decrease transportation and logistical costs, increase efficiency and expand our food processing and storage capacity.

(2) Expansion of our operations to Hong Kong

In order to increase our competitiveness through quicker deliveries and other advantages from being in close proximity to our customers, we intend to expand our operations to Hong Kong. Our Group is currently considering business opportunities in Hong Kong and have, for this purpose, incorporated Cool Link Trading as our subsidiary.

We plan to expand our business to our Ship Supply Customers overseas by setting up an office as well as warehouse operations in Hong Kong in order to gain access to the provision supplies distribution industry and the shipping ports of Hong Kong. We intend to set up an office and warehouse facility of approximately 1,111 sq.m. in Hong Kong near the Kwai Tsing Container Terminals and import food products from our Singapore operations to be supplied to Ship Chandlers in Hong Kong, and such new office and warehouse facility will serve as our base to supply products to ships who call at the ports in Hong Kong. We intend to hire local staff in Hong Kong with the relevant background (including a general manager who will oversee the overall implementation of business operations) for our new office and warehouse operations as well as sales staff in relation to our intended sales to Ship Chandlers in Hong Kong. If necessary, we may engage an external company to provide logistics and delivery support. We intend to commence our operations in Hong Kong in April 2018. However, as at the Latest Practicable Date, we had yet to identify a suitable venue for our new office and warehouse operations in Hong Kong.

Considering (i) the size of the warehouse facility to be set up; (ii) the number of staff to be recruited; and (iii) our target customers in Hong Kong, namely Ship Chandlers only, we anticipate our scale of operations in Hong Kong at the initial stage to be significantly smaller than our operations in Singapore. Our Directors are of the view that our operations in Hong Kong at the initial stage will not have a significant impact on our financial performance.

BUSINESS

Hong Kong has long been an active trading hub, and has traditionally served as a key transit point for goods and services exchange between the PRC and the international economy. The PRC is one of the largest economies in the world, with population large enough to sustain domestic economic growth. The country's sheer size and huge consumerism makes the Chinese market well coveted by many suppliers in the industry. Other than economic growth, rising affluence and the willingness to spend, the PRC's large population also propels the country's consumption levels of food and beverage related products and services. The Chinese population grew from approximately 1.3 billion in 2011 to approximately 1.4 billion in 2016, thus presenting growth opportunities for provision suppliers like us looking at exporting to the country.

Hong Kong is a major maritime trading hub, and it is also important in terms of its geographical location, which serves as a gateway into the PRC. The number of vessel arrivals from the PRC into Hong Kong was the largest and hovered around 54% to 55% within the period from 2012 to 2016. The high vessel traffic from the PRC into Hong Kong reinforces the close proximity of the two in terms of trade.

As we currently have Ship Chandler customers who operate in both the PRC and Hong Kong, we believe that we can tap on our existing relationships and knowledge of their demands to expand our reach into the Hong Kong ship supply industry. For the two years ended 31 December 2016 and the three months ended 31 March 2017, we had 13 Ship Chandler customers with operations in the PRC and/or Hong Kong, which contributed to approximately 48.8%, 46.1% and 48.1% of our revenue, respectively. In addition, four out of these Ship Chandler customers were among our top five customers during the Track Record Period. These Ship Chandlers have been our customers for an average of 8.5 years. For details of our top five customers during the Track Record Period, please refer to the paragraph headed "Customers – Background information of our customers" in this section below. Although the expected sales volume from such customers cannot be ascertained, some of these customers have indicated that they are interested in purchasing food products from our Hong Kong operations. In addition, certain of our Ship Supply Customers in Singapore also have existing operations in Hong Kong. We intend to reach out to these customers when we expand our business into Hong Kong. We believe that given our past relationship with such Ship Supply Customers, and given that we are familiar with how they operate, we will be able to establish a solid customer base in Hong Kong. We also believe that our 24-hour delivery service and the variety of food products we are able to offer to potential customers in Hong Kong, particularly a wide range of dairy products, will give us a competitive edge. These future plans, however, are subject to economic and market conditions.

These expansion plans are expected to be funded by the net proceeds from the Share Offer, and external financing. We intend to set aside approximately HK\$5.9 million of the net proceeds from the Share Offer to partly fund the above.

BUSINESS

(3) Expansion into new product lines and the processing and/or manufacturing of new products

We currently process breadcrumbs and repackage cheese. Following the expansion of our warehouse premises, we intend to expand our product offerings and carry out the processing and/or manufacturing of new products, such as shredded and grated cheese and ice cream. Based on our customers' historical purchases, we believe that cheese and ice cream are potential key products for our Ship Supply Customers and our Retail and Food Service Customers. In respect of the manufacture of ice cream, we will be required to acquire specialised machinery such as a pasteurizer and a batch freezer. We intend to monitor market trends and customer preferences to improve our product mix by introducing new products through market research. By strategically adjusting our food processing capacity and/or expanding our product offering, we expect to be able to cater to a wide range of customers as well as changing customer preferences.

Having considered the historical demand from our customers for ice cream and the estimated gross profit margin of approximately 65% for ice cream and approximately 35% for grated/shredded cheese, we intend to spend approximately HK\$1.4 million for the purchase of new machinery and equipment to manufacture ice cream under our own brand and approximately HK\$0.2 million for the purchase of new machinery and equipment for the processing of grated/shredded cheese. The manufacturing of ice cream and processing of grated/shredded cheese is expected to commence in 2019. As at the Latest Practicable Date, we had a product portfolio of more than 1,100 SKUs. We expect to include around 40 SKUs for our new ice cream manufacturing and around five SKUs for our grated/shredded cheese processing. Our Directors are of the view that the manufacturing of ice cream and processing of grated/shredded cheese at the initial stage will not have a significant impact on our financial performance.

As the manufacture of ice cream would be a vertical expansion of our Group's business, our Directors do not consider that our Group would be subject to a risk profile completely different from that of our business model during the Track Record Period. Risks that apply to our food distribution as disclosed in the section headed "Risk factors" in this prospectus including risks associated with contamination or deterioration of food products, customer complaints, inventory risk, stock obsolescence and disruption to cold storage and refrigeration facilities, would similarly apply to us should we venture into manufacturing of ice cream.

BUSINESS

MAIN QUALIFICATIONS, LICENCES AND CERTIFICATIONS

Registrations, licences and certifications in Singapore

We hold various qualifications, licences and certifications in respect of our business operations. The following table sets out a summary of the main qualifications and licences of our Group for the carrying out of our business and operations in Singapore as at the Latest Practicable Date:

Recipient	Registration/Licence	Relevant authority/ organisation	Expiry date
Cool Link Marketing	Licence for import, export and transshipment of meat products and fish products	AVA	30 September 2018
Cool Link Marketing	Registration to import processed food products and food appliances	AVA	30 April 2018
Cool Link Supply	Registration to import processed food products and food appliances	AVA	31 December 2017
Cool Link Marketing	Licence to operate a food establishment for manufacturing of bread crumbs and repacking of cheese	AVA	31 July 2018
Cool Link Marketing	Licence to operate in PSA's restricted areas	PSA Corporation Limited	30 June 2022

BUSINESS

The following table sets out our major certifications:

Recipient	Certification	Relevant list/category	Relevant authority/organisation	Date of grant	Expiry date
Cool Link Marketing	ISO 22000:2005	Food safety management system for manufacturing of breadcrumbs and associated packaging of cheese for wholesale distribution and ship chandlers	Certification International (UK) Limited	15 June 2015	14 June 2018
Cool Link Marketing	Fire safety certificate	Fire safety certificate in respect of proposed liquefied petroleum gas and piping installation to existing unit at 21 Wan Lee Road	SCDF	3 August 2012	Not applicable as this is a one time certification by the SCDF that the fire safety works in the project had been satisfactorily completed in accordance with the Fire Safety Act.

Our Directors confirmed that as at the Latest Practicable Date, we had obtained all necessary licences and permits in Singapore for our current business operations. Our Directors confirmed that our Group did not experience any material difficulties in obtaining and/or renewing such licences and permits and our Singapore legal advisers have opined that, barring any material breaches of any licenses (which there have been none), they are of the view that there are no impediments to our group obtaining and/or renewing such licences and permits in the future. Further, our Directors are not aware of any circumstances that would significantly hinder or delay the renewal of such licences and permits upon their expiration.

BUSINESS

Licence in Hong Kong

As at the Latest Practicable Date, we held the following registration:

Recipient	Registration	Relevant authority/ organisation	Expiry date
Cool Link Trading	Food importer/food distributor	Food and Environmental Hygiene Department of Hong Kong	11 April 2020

Our Directors confirmed that as at the Latest Practicable Date, we had obtained all necessary licences and permits in Hong Kong for our future business operations. Our Directors confirmed that our Group did not experience any material difficulties in obtaining such registration. Further, our Directors are not aware of any circumstances that would significantly hinder or delay the renewal of such registration upon its expiration.

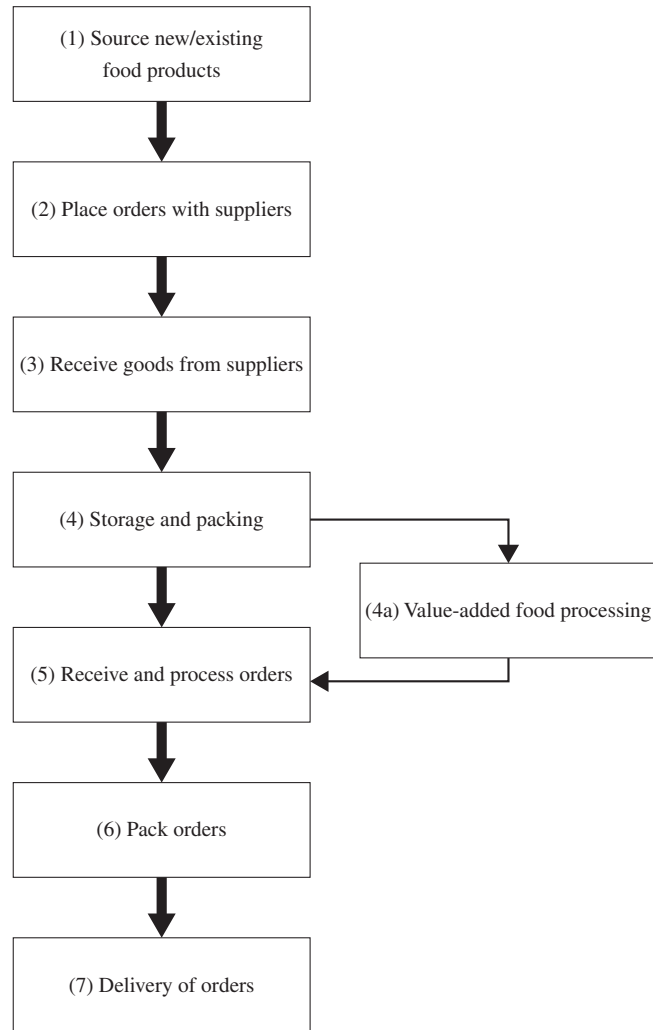
Qualifications and certifications

We have attained the ISO 22000:2005 qualification for the manufacturing of breadcrumbs and associated packaging of cheese for wholesale distribution and Ship Chandlers under our food processing business, which sets out the requirements for a food safety management system. The ISO 22000:2005 incorporates the principles of HACCP (Hazard Analysis and Critical Control Point), and other critical components of a management system to create a harmonised food safety management standard that is acceptable worldwide by stakeholders such as regulators, primary producers, food manufacturers and packers, retailers and consumers. The ISO 22000:2005 maps out what an organisation needs to do to demonstrate its ability to control food safety hazards in order to ensure that food is safe at the time of human consumption. The Singapore Accreditation Council conducts a yearly inspection and audit at our processing and warehouse facility to ensure that such guidelines for food safety management are adhered to by our Group.

BUSINESS

BUSINESS MODEL FOR OUR SUPPLY TO SHIP SUPPLY CUSTOMERS

The following diagram illustrates the typical process of our supply of food products to our Ship Supply Customers during the Track Record Period.



BUSINESS

Details of each step of our business process are set out below:

(1) Source new/existing food products

We source food products based on indicative or standing orders and anticipated demands of our existing customers so that we have a ready stock of such food products to meet their requests. Our customers typically place orders with us daily. We anticipate demand from our existing customers based on customers' historical purchase amounts and the forecasts prepared by our purchase manager. Our Group has not encountered any material retraction of standing orders from our customers during the Track Record Period.

In addition, as a value-added service, we also source for new products which we believe to be suitable for our customers from time to time. Our food products are sourced from both local and overseas suppliers, including manufacturers, food importers and wholesalers. In relation to overseas suppliers, we regularly attend food exhibitions locally in Singapore, as well as in Asia Pacific, the Middle East and Europe to source products that are suitable for our customers. As part of our quality control procedure, when sourcing products from countries where food safety may be of greater concern to consumers, we also send food samples of products that we have identified to a third party test and inspection company for testing at its laboratories. We only place orders for such products if the test results indicate that they are safe for consumption and the food product complies with the relevant food hygiene regulations in Singapore.

Our Group takes into account several factors when selecting suppliers. Our criteria include, amongst others, the reliability of supply, the number of years in business, their reputation and the price offered. When we attend food exhibitions in various countries, we also test and compare products that are suitable for our business. By attending various food exhibitions, we are also able to sample new products, tap on new opportunities and form relationships with new suppliers that are beneficial to our business. In addition, attending food exhibitions allows us to be updated and apprised of new and healthier products that we may consider adding to our product list and inventory.

In considering whether to take on a new product, we consider, among other things, (i) regulatory requirements in Singapore (e.g. including whether the products or the country of origin are restricted by AVA), (ii) the anticipated demand by our customers, which determines the volume/capacity we are able to take on, (iii) the price quoted, and (iv) the quality of the product.

(2) Place orders with suppliers

In relation to overseas food suppliers, negotiations are often conducted at the food exhibitions mentioned above or by email exchanges following our attendance of these food exhibitions. Over 66.3% of our total purchases during the Track Record Period were purchased from overseas suppliers, and the rest were purchased from suppliers locally in Singapore. Overseas import orders are planned more than two months in advance so as to take into account the time required for delivery of products to our warehouse in Singapore. We monitor and manage our inventory regularly to ensure that we always have a large and ready base of stock to meet our customers' demands in a timely manner.

BUSINESS

Upon special request by our customers for special items which we do not carry and/or where requests are made on an urgent basis, we approach our local contacts in major supermarkets and grocery chains in Singapore for the products required by our customers. For smaller quantities of requested items in an order, we may purchase these products from retail supermarkets in order to satisfy the customer's order. Such purchases will be collected by a designated driver from our operations department. We believe that this value-added service differentiates us from our competitors.

(3) Receive goods from suppliers

Our local suppliers typically provide delivery of goods ordered by us to our warehouse. In situations of urgency, we may collect the products from these local suppliers ourselves.

Our overseas suppliers deliver goods to us by air, sea and (in the case of certain suppliers in Malaysia) land. For delivery by sea, we arrange for our third party freight forwarder to collect our overseas shipments directly from the ports in Singapore when received. Please refer to the paragraph headed "Our procurement process" in this section for information on how our goods are procured from overseas suppliers. For delivery by air, we collect the goods from the airport for storage at our warehouse.

There is a designated loading and unloading area at our storage and processing facilities at 21 Wan Lee Road. Where there is insufficient storage space at our 21 Wan Lee Road facility, we store some of our goods at a third party warehouse facility at an agreed fee. We retrieve these goods from the third party warehouse facility as and when required.

The receivers in our warehouse department handle the receipt of goods from suppliers and records each delivery by tallying the delivered goods against those specified in the purchase orders and supplier invoices that accompany each shipment. Our receivers are also responsible for checking the quality of the products that we receive from our suppliers. This involves checking the packaging of the product to ensure that there is no damage to the packaging, checking the expiry date to ensure that the products are not expired, and in the case of food products that are required to be kept at a certain temperature, our receivers will also use the Fluke infrared thermometer, a temperature reading device to check the temperature of such products on the spot. Most of the receivers in our warehouse department have been with our Group for more than two years and are trained by our warehouse supervisor, who has been with our Group for more than three years. The packers in our warehouse department are responsible for unpacking the goods and (where necessary) labelling the goods according to their expiry dates. The goods are then allocated to the relevant storage area, according to each product's storage requirements such as the recommended storage temperature. We have equipment such as forklifts to place the received goods from suppliers into the respective storage areas. Our purchasing department works closely with our warehouse department and will inform our warehouse department of the orders that have been placed, including the delivery schedule so that our warehouse team may plan and anticipate storage space for the goods to be received.

BUSINESS

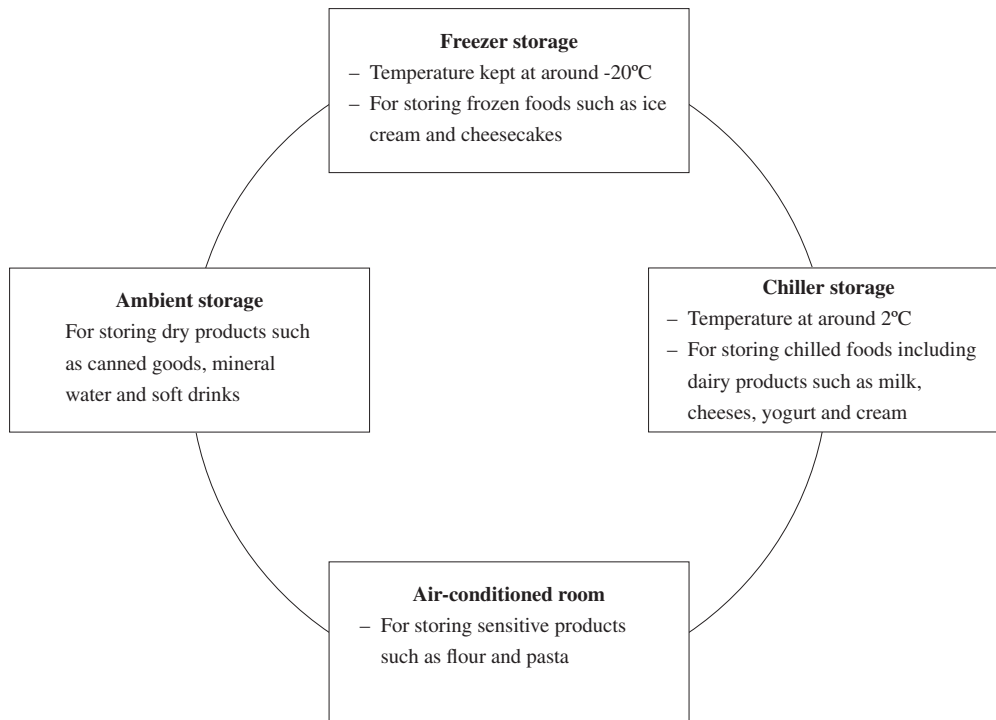
When arranging inventory in our storage facility, the shelf lives of items are considered and expiry dates will be checked as the goods are received. We practice a “first-in, first-out” method with regard to the food products handled by us.

We inspect the goods when they arrive at our warehouse. On some occasions, AVA may take food samples of our products. Furthermore, we separately engage a third party test and inspection company to conduct tests at its laboratories on certain of our food products in order to ascertain compliance with the relevant regulations and import restrictions set by local authorities such as AVA so that we are also updated on the safety and quality of our food products. Please refer to the section headed “Regulatory overview” of this prospectus for further details.

(4) Storage and packing

Once the food products are received from our suppliers, they are stored in our warehouse and cold storage facilities, depending on the type of product. We have a multi-temperature storage facility which caters for the storage of different food products with different storage requirements. Our multi-temperature storage facility enables us to store and subsequently deliver food products that not only meet the required food safety and quality standards, but which are also fresh and appealing to our customers. Where there are space constraints in our storage facility, we also store our products at a third party warehouse which is managed by our freight forwarder.

The diagram below sets out a brief summary of our storage capabilities:



BUSINESS

Our customised warehouse facility is built to meet our storage needs. We have a freezer storage room which is maintained at a temperature range of around -20°C, which is used to store frozen products such as ice cream and cheesecakes.

We have a chiller storage facility which is maintained at a temperature of about 2°C to 6°C, which is used to store our dairy products such as milk, cheeses, yogurt, cream and cakes.

We have an air-conditioned room which is maintained at a temperature of about 20°C to 22°C for storing sensitive products such as flour and pasta.

We also have an ambient storage area which is maintained at room temperature, mainly for the storage of dry products as well as canned food products.

In addition, where storage space is limited at our 21 Wan Lee Road warehouse facilities, we also utilise a third party storage and logistics provider with warehouse facilities on Fishery Port Road and Jurong Port Road. We store dry, chilled and frozen food products at the warehouse facilities of our third party storage and logistics provider as they are able to provide multi-temperature product storage support, namely freezer storage (pre-set at approximately -18°C), chiller storage space (pre-set at approximately 4°C), air-conditioned storage space (pre-set at 18°C). Our third party storage provider is an established third party logistics provider with a food graded warehouse approved by AVA. We ensure the quality of the storage of our food products at such third party storage facilities by ensuring that the goods are correctly categorised into the required type of storage. In the event that the packaging of certain food products is damaged, our third party storage provider will promptly inform us of this and record the amount of goods received. We receive monthly reports from our third party storage provider in the form of warehouse receipts which details the quantity and type of stock in third party storage. We will typically bring the products back to our headquarters at 21 Wan Lee Road for the purposes of packing and delivery.

During the Track Record Period, the rates for third party storage have remained stable.

(4a) Value-added food processing

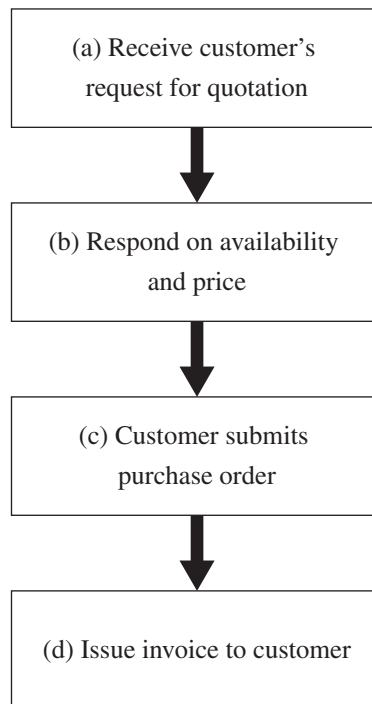
If required, we also provide certain custom-made food products for sale to our customers. During the Track Record Period, our food processing operations contributed to approximately 3.4%, 4.8% and 5.3% of our revenue, respectively. Our main processing and customisation of food products are conducted at our premises at 21 Wan Lee Road which has a production area of approximately 1,800 sq.m, where we process breadcrumbs and repackaging cheeses.

BUSINESS

We process breadcrumbs for our Ship Supply Customers out of bread which we obtain from our suppliers. Our main customers for this product are the Ship Chandlers. We toast the bread on-site in an oven and use an industrial grinding machine to crush and grind the bread into breadcrumbs. The shelf-life of such breadcrumbs is about six months and we package the breadcrumbs using a sealing machine. We store the breadcrumbs in ambient storage.

(5) Receive and process orders

Our typical sales process, from the time we receive a request for quotation from a customer up to the stage before the goods are packed for delivery is set out below.



(a) Receive customer's request for quotation

We do not generally enter into formal or long term contracts with our customers. We maintain an orderly system established for customers to enquire and obtain quotations for products. Our sales coordinator assists in coordinating and communicating with customers on their orders. Our sales coordinator receives customers' request for quotations, which is typically by way of email or fax. Such request for quotation sets out the list of products and quantity of each product that the customer requires quotation for.

BUSINESS

Our sales coordinator maintains historical records on customers' enquiries, past request for quotations and sales records for ease of future repeat orders. Our sales coordinator also follows up with new customers' enquiries where our quotations are not accepted by them. Our sales coordinator also prepares a report on daily sales volume and monthly price lists to keep track of customers' orders. Based on this information, we are able to focus on sourcing different varieties of food products that are in high demand. By maintaining customers' accounts, our sales coordinator is able to build on existing relationships with customers and anticipate future orders of a similar nature. We also provide customers with product information on new arrivals, discontinued products, and price movements.

(b) Respond on availability and price

Once such requests for quotations are received, we prepare quotations based on our product offering, stock level and price. Prices quoted are valid for seven days and are subject to stock availability. The response on products which we are able to deliver and the corresponding selling price is then sent back to the customer promptly, typically by fax or by email.

(c) Customer submits purchase order

Once our response is received and accepted by the customer, the customer then submits a purchase order ("**PO**") to us. The PO authorises us as supplier to supply the product to them and provide invoicing. Our administrative department is responsible for checking the quantity and price on the PO against the quotation.

The total amount due from a customer is typically fixed by the prices of each product stated on the PO. No administrative fee is charged to our customers during the overall sales process. Our pricing is based on negotiations with customers. Prices are negotiable depending on the amount ordered. Delivery is included as part of our service to customers, save for PO with less than the minimum required monetary value.

In addition to the abovementioned pricing policy, we also offer sales rebate and sales discounts to certain customers.

BUSINESS

Sales rebates may be granted to certain customers when their purchase amounts achieve or exceed a certain target amount pre-agreed between the parties on the condition that their invoices are settled in accordance with the credit terms offered to them. The amount of sales rebate is calculated based on a certain percentage of the customers' annual total purchase amount (excluding GST and excluding items purchased at a discount) and is settled on an annual basis by way of a credit note. During the Track Record Period, the sales rebates we had given to our customers amounted to approximately 0.8% and 0.7% of our revenue generated in the two years ended 31 December 2016, respectively and approximately 0.5% of our revenue generated in the three months ended 31 March 2017.

Sales discounts are also granted to customers on certain orders on a discretionary basis depending on certain factors such as the size of the order placed and the relationship with the customer, as determined by our executive Director, Mr. D Tan. During the Track Record Period, the sales discounts we provided amounted to approximately 0.1%, 0.1% and 0.1% of our total revenue in the two years ended 31 December 2016 and the three months ended 31 March 2017, respectively.

(d) Issue invoice to customer

Our administrative manager oversees the day-to-day processing of orders by our administrative department. Orders are processed after we receive a PO from a customer. Our checker in the administrative department is our front-line personnel and is the main contact point for our customers. Our checker in the administrative department calls our customers to confirm receipt of POs from them and ensures that the invoice generated tallies with the PO received.

Our order processing team in our administrative department receives the PO and issues an invoice for the accepted order. Our order processing team then sorts the invoices according to the delivery date and urgent orders are processed first.

The issued invoice is then forwarded to our operations and warehouse departments for packing and delivery. As at the Latest Practicable Date, there were a total of two planners and one safety officer to ensure that the process of packing and loading of orders onto the delivery trucks are conducted in a safe and orderly fashion.

BUSINESS

(6) Pack orders

The hand packers of our warehouse department are responsible for packing orders according to each invoice. For orders where no customisation or processing is required, our hand packers handle the picking and packing of products according to the customer's invoice (which serves as a packing list). We also use foam boxes when packing frozen and chilled products so as to maintain the quality and freshness of the products during delivery. Our hand packers pack the orders onto pallets, which are flat structures utilised in cargo container ships for supporting goods or containers.

The checkers of our warehouse department then verify the packed goods and approve the invoices to be issued to customers.

(7) Delivery of orders



We have a fleet of eight delivery trucks for the delivery of goods to our Ship Supply Customers, two out of which are refrigeration vehicles for transporting our frozen and chilled food products by keeping them in an isolated thermostatically controlled cargo compartment which maintains the temperature at all times within the labelled range of the product transported. We lease an additional six delivery vehicles from Independent Third Parties for the delivery of goods to our Ship Supply Customers. For the two years ended 31 December 2016 and the three months ended 31 March 2017, our delivery vehicles depreciated by an amount of approximately S\$63,000, S\$55,000 and S\$20,000, respectively, and we incurred minimal repair and maintenance costs for our delivery vehicles in the same periods.

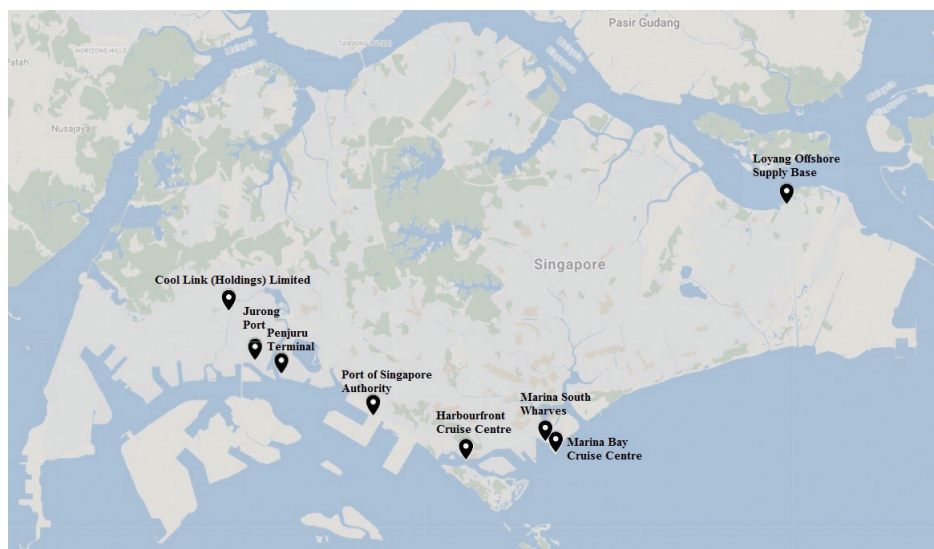
The drivers of our operations department are responsible for transporting our products to our Ship Supply Customers either at ports, jetties or to the relevant Ship Chandler's address in Singapore directly. The process of delivery varies depending on the agreed mode of delivery and destination. As at the Latest Practicable Date, we had 11 drivers in our operations department.

BUSINESS

During the Track Record Period, payments by our Ship Supply Customers were either settled by cash on delivery or payment by cheque with a credit term up to 60 days. In respect of our Ship Supply Customers, the percentage of revenue derived from our Group's credit customers was approximately 99.1%, 99.1% and 98.2% for the two years ended 31 December 2016 and the three months ended 31 March 2017, respectively. During the Track Record Period, the average size of cash on delivery orders received by our Group from our Ship Supply Customers was approximately S\$440, S\$600 and S\$680, respectively. During the Track Record Period, we received cash payments from nine, 11 and seven Ship Supply Customers, respectively, representing approximately 5.8%, 7.9% and 5.7%, respectively of our Ship Supply Customers who purchased from us during the same periods. Such cash on delivery payments take up approximately 0.1%, 0.2% and 0.5%, respectively of our Group's total revenue in the Track Record Period.

The drivers of our operations department are responsible for collecting the amount due from our Ship Supply Customers in respect of each order that is on a cash-on-delivery basis. We require our drivers to return all the invoices for all the deliveries that they have made in the day together with all the cash collected to the supervisor on duty at our operations department on the same day. We also record any cash receipts and check them against the corresponding invoices on a daily basis. Our accounts manager is responsible for the safe keeping of cash collected. All the cash collected are deposited into our bank account monthly.

The map below sets out an overview of certain of our delivery destinations:



We deliver to ports in Singapore which are regulated by MPA. We set a minimum order of S\$700 for deliveries directly to ports in the day time and a minimum order of S\$1,000 for deliveries in the night time. Singapore has two main commercial port terminal operators, namely PSA Corporation Limited and Jurong Port. The procedures for delivery to each of these port terminal operators vary slightly and are set out briefly in (i) and (ii) below. We also deliver to other destinations, details of which are set out briefly in (iii) below.

BUSINESS

(i) Port of Singapore Authority (“PSA”)

For every entry into restricted areas in the PSA, such as loading and unloading areas of the port, our drivers are required to have a valid PSA Pass to enter the premises (“**PSA Pass**”). The PSA Pass may be either a regular pass which is valid for one to three years or a temporary pass (valid for 24 hours up to two weeks, and is usually applied for when the existing regular pass has expired and has not been renewed). As at the Latest Practicable Date, our Group held a total of eight PSA Passes. Companies sponsoring a PSA Pass application must first be licensed by the PSA. The licence categorisation depends on the applicant’s activities. We currently hold a PSA licence under the category “General services – Ship suppliers” which is valid until 30 June 2022, and which can be renewed within three months before expiry date.

In the event that there is a discrepancy in the products delivered and the product ordered, our Ship Supply Customer contacts us directly to inform us of the discrepancy or error. In such event, depending on the requirements of the ship vessel, and instructions from the boarding officer, we may be required to make a second delivery to provide the correct products at our own cost. During the Track Record Period, our Group did not incur any such costs as no second deliveries were required to be made.

(ii) Jurong Port

We also deliver to Penjuru Lighter Terminal (“**PLT**”) and Marina South Wharves (“**MSW**”) which are managed by Jurong Port.

To enter Jurong Port, PLT and MSW, prior approval must be obtained from Jurong Port Pte Ltd by way of a Jurong Port Pass (“**JP Pass**”) which may be either a short term pass or a long term pass (valid for one year). The JP Pass application must be endorsed by a sponsoring company. Our Ship Supply Customers sponsor the JP Pass application for our drivers to enter the port. As at the Latest Practicable Date, we had nine JP Passes.

(iii) Others

We also deliver to other destinations such as cruise centres and our Ship Supply Customers’ addresses in Singapore, depending on our customers’ requirements.

For the two years ended 31 December 2016 and the three months ended 31 March 2017, revenue from our Ship Supply Customers were approximately S\$28.9 million, S\$27.0 million and S\$7.1 million, and accounted for approximately 98.9%, 96.0% and 94.8% of our total revenue, respectively.

BUSINESS

BUSINESS MODEL FOR OUR SALES TO RETAIL AND FOOD SERVICE CUSTOMERS

Under this business model, the process of sourcing new and existing food products, placing orders with suppliers, receiving goods from suppliers, and the storing and packing of goods is similar to that described in parts (1) to (6) of our business model for Ship Supply Customers.

We mainly sell dairy products to our Retail and Food Service Customers. We also sell mixed cheeses, chicken wings and bottled water to our Retail and Food Service Customers.

Supply to retailers

We sell the “Zott” brand of premium dairy products and the “Obento” brand of panko breadcrumbs and tempura batter mix to retail supermarkets. Our Group’s supply to retailers is by direct sales, and not on a consignment basis. We purchase the “Zott” products and “Obento” products from Zott Dairy Asia Pacific Pte. Ltd. and the agent of Oriental Merchant Pty Ltd in Singapore, respectively. Retail supermarkets provide us with shelving for our products, for which we pay supermarket slotting fees. Retail supermarkets place orders with us and upon delivery of the ordered products, we provide an invoice for the amount that is delivered.

Obento



Retail supermarkets place orders for “Obento” products with us by sending purchase orders to our sales and marketing department. We deliver the “Obento” products directly to the retailers’ warehouses regularly and issue invoices according to the amount delivered.

BUSINESS

Zott



Our van sales representatives deliver “Zott” premium dairy products to each retail supermarket store directly. Our van sales representatives work with our merchandisers and promoters at retail supermarkets to ensure the smooth promotion and sale of our products.

Our merchandisers are tasked to ensure that the placement of “Zott” and “Obento” products on the supermarket shelves is properly attended to, and that the correct price ticket is indicated. There is a monthly fixed roster setting out which retail supermarket outlets our merchandisers are to visit from Monday to Friday. If the product is low in stock, our merchandisers will go to the retailers’ back store to check if there is standby stock in the chiller. If not, our merchandisers will liaise with either our van sales representatives or the retailers’ warehouse staff to obtain more products in order to replenish stock in the retail store.

Our merchandisers are responsible for obtaining sales reports from the retail supermarkets, so that we are able to monitor sales of our products closely.

We also have promoters who are responsible for promoting products at retail supermarkets and road shows. There is a monthly fixed roster setting out which of our promoters are to be stationed at each retail supermarket daily. For “Zott” products, our promoters will provide tasting samples. For “Obento” products, our promoters will provide cooking demonstrations as well as tasting samples. Our sales and marketing department liaises with our retailers on in-store offers and promotions.

Supply to food service business

We also provide certain value-added food processing services (as described in part (4a) of the business model for Ship Supply Customers above). For example, we import different types of cheese and repackage them according to the recipes and instructions from a customer, which is a local restaurant chain in Singapore. Mixing of cheese is done manually at our facility at 21 Wan Lee Road. Once mixed, we use a sealing machine to pack the mixed cheese securely.

We supply mixed cheese directly to such customer using refrigeration vehicles. We also engage a subcontractor in Thailand to assist us with customising flavoured chicken wings and drumsticks for the same local restaurant chain in Singapore.

BUSINESS

We receive orders from these food service businesses by way of telephone call or text message as these orders are typically received on an urgent basis.

In addition, we also import bottled water which we customise for a customer which is a resort and hotel operator, in accordance with their brand.

We send invoices to our Retail and Food Service customers as and when we deliver products ordered. The invoice sets out the description of the food product, the quantity, unit price and amount. The terms of the invoices specify that the goods sold are not refundable.

For the two years ended 31 December 2016 and the three months ended 31 March 2017, revenue from our supply to Retail and Food Service Customers was approximately S\$0.3 million, S\$1.1 million and S\$0.4 million, accounting for approximately 1.1%, 4.0% and 5.2% of our total revenue, respectively.

FOOD SAFETY AND QUALITY CONTROL

Food safety and quality control are of paramount importance to our reputation and business. As such, we implement the following food safety and quality control policies and procedures in our food processing, delivery and inventory management, to ensure the full safety and high quality of our products.

Supplier quality control

We maintain an approved list of suppliers and normally place orders with these approved suppliers. When selecting suppliers, we take into account several factors, including their reputation. As part of our quality control procedure, when sourcing products from countries where food safety may be of greater concern to consumers, we will also send food samples of the products we have identified to a third party test and inspection company for testing at its laboratories. We had on one previous occasion sent certain food products sourced from a country known to be the world's biggest producer, importer and consumer of food for third party testing and the results obtained were satisfactory. We will only place orders for such products if the test results indicate that they are safe for consumption and the food product complies with the relevant food hygiene regulations in Singapore.

In considering whether to take on a new product, we will also consider, among other things, the regulatory requirements in Singapore, including whether the products are restricted by AVA.

BUSINESS

Food processing facilities quality control

Our food processing facilities include production working stations, equipment such as oven and industrial grinding machine and air conditioning systems. We establish adequate safety and quality standards at each stage of our food processing processes in accordance with the relevant regulatory requirements and also ISO 22000:2005, which sets out the requirements for food safety management system for the manufacturing of breadcrumbs and associated packaging of cheese for wholesale distribution and ship chandlers. The ISO 22000:2005 maps out what an organisation needs to do to demonstrate its ability to control food safety hazards in order to ensure that food is safe at the time of human consumption. The Singapore Accreditation Council conducts a yearly inspection and audit at our processing and warehouse facility to ensure that such guidelines for food safety management are adhered to by our Group. Our food processing facilities and equipment are subject to daily cleaning. In addition, our food processing machinery and production lines are subject to periodic repair and maintenance. Our food processing facilities in Singapore have obtained the B (Good) grade under the AVA's grading system.

We require our personnel involved in the food production activities to follow strict hygiene standards. All our food processing personnel are required to clean themselves and wear clean protective clothing such as facial mask, hair covering, gloves and apron to prevent food contamination. Appropriate storage facilities are also provided for finished food products according to their storage requirements.

In addition, from time to time, we conduct random microbiological testing of the bread crumbs and mixed cheese that we produce to ensure that they comply with food safety requirements. During the Track Record Period, we have conducted two microbiological testings on the bread crumbs and one testing on the mixed cheese that we produced.

Inventory and storage quality control

Upon receipt of goods from our suppliers, we will unpack the goods and, where necessary, label the goods according to their expiry dates. All our food products are stored at the appropriate storage area, according to each product's storage requirements such as the recommended storage temperature. We have a multi-temperature storage facility which comprises ambient storage, air-conditioned room, chiller storage and freezer storage. We also engage an Independent Third Party freight forwarder to provide storage services, including freezer storage, chiller storage, air-conditioned storage and dry storage. We believe these multi-temperature storage facilities cater for the storage of different food products with different storage requirements and enable us to store and subsequently deliver food products that meet the required food safety and quality standards.

Our air-conditioned room, chiller storage and freezer storage facilities are serviced regularly to reduce risks of breakdown, as any significant downtime arising from any failure of our cold stores could result in diminished product quality.

BUSINESS

We practice a first-in-first-out policy in our inventory management to minimise unnecessary write-off of food products before they are sold.

Logistics quality control

We have refrigeration vehicles for transporting our frozen and chilled food products by keeping them in an isolated thermostatically controlled cargo compartment which maintains the temperature at all times within the labelled range of the product transported. Our delivery trucks are regularly cleaned. Our refrigeration vehicles are subject to regular maintenance and servicing works.

In addition, the loading and unloading areas at our warehouse are separated from our food processing areas and storage facilities to maintain the level of cleanliness and reduce the risk of contamination.

Pest control

To ensure high level of cleanliness and hygiene at our warehouse and food processing facilities, we engage an Independent Third Party pest control company to carry out monthly pest controls to prevent rodent, cockroach, rat, termite and mosquito infestations.

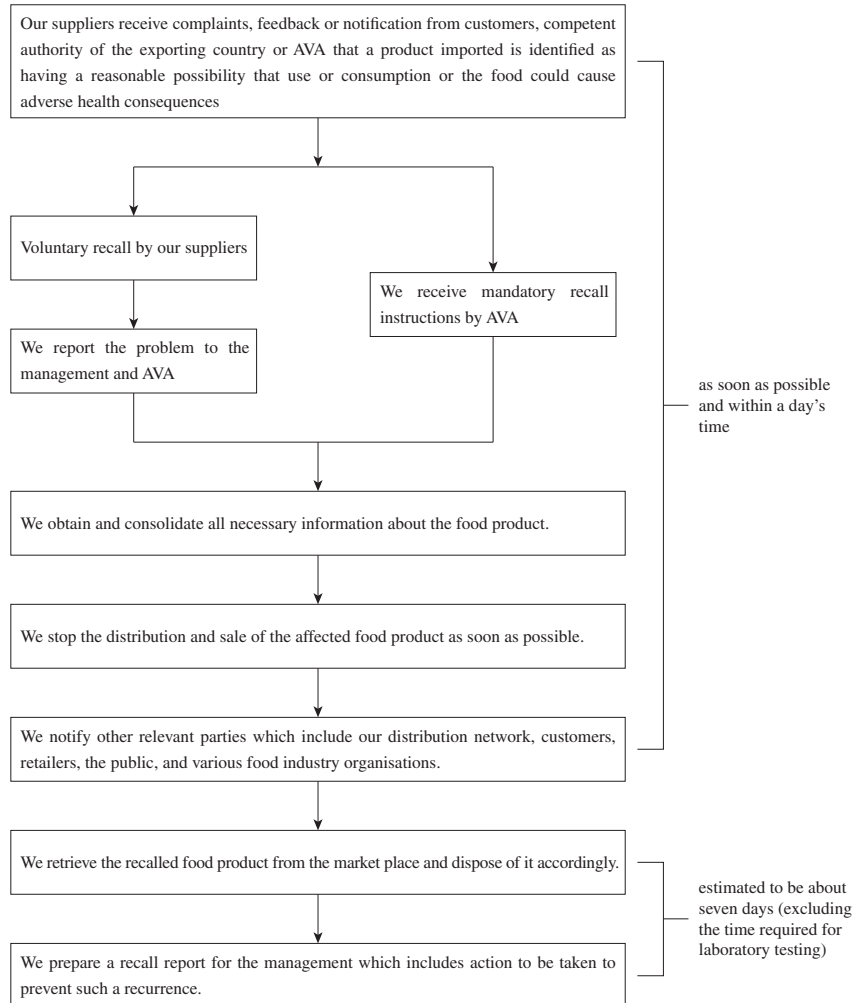
Food recall plan

As part of our application for the Meat Import Licence, we submitted a food recall procedure plan. In the event we are notified by our suppliers that they receive complaints, feedback or notification from their customers, suppliers or AVA that a product imported is identified as having a reasonable possibility that the use or consumption of the food could cause adverse health consequences, we have in place a recall procedure. This recall procedure is disseminated to all our employees.

We will be notified by our supplier in the event of a voluntary recall by our importer. In the event that we receive such notification or a mandatory recall directly from AVA, we will obtain and consolidate the necessary information about the food product and stop the distribution and sale of the affected food product as soon as possible. As soon as possible and within a day's time, we will notify the relevant parties such as the distribution network, trade customers, retailers, the public and various food industry organisations to remove the affected food products off their shelves and to stop consuming the affected food product immediately. Once the affected food product has been removed from the shelves, we will retrieve the affected food product from the market place and dispose of it in accordance with our food recall procedure plan. We estimate such retrieval and disposal process to be completed within seven days. If required, we will send the affected food product for laboratory testing, which may take about five to seven working days depending on the type of food product and test required. We will look into the

BUSINESS

incident and prepare a recall report for the management which will include any action to be taken to prevent recurrence in the future. The entire process described above is estimated to take about seven days (excluding the time required for laboratory testing).



During the Track Record Period, none of the food products distributed by us were recalled and none of the food products were subject to complaints.

BUSINESS

OUR PRODUCTS

As at the Latest Practicable Date, we carried more than 1,100 SKUs, including but not limited to the products listed below:

Category	Product type	Key item(s)	Typical range of shelf life of key item(s) ^(Note 1)
Dry	Processed/canned food	Luncheon meat, sardines, fruit cocktail, condensed milk, evaporated milk	11 months to 35 months
	Dried goods	Instant noodles, pasta, cereal, nuts, potato chips, oil	Seven months to 24 months
	Flour-based products	Bread, buns, pastries, biscuit (including Danish butter cookies)	Four days to 16 months
	Beverages	Soft drinks, packet drinks, fruit juices, drinking water, sparkling mineral water,	Seven months to 22 months
	Customised products	Breadcrumbs, mixed cheese	Six months to 12 months ^(Note 2)
	‘Obento’ products Turkish products	Panko breadcrumbs, tempura batter mix Turkish delight, Turkish dessert	14 months to 18 months Nine months to ten months
Chilled	Dairy products	Fresh milk, cheeses, yogurt, butter, ‘Zott’ products	Nine months to 12 months
	Greek products	Confectionery and sweets (halva), pastry (baklava), kataifi strings, pita bread	15 months to 18 months
	Turkish products	Turkish cheese	Three months to eight months
Frozen	Frozen products	Cakes, pizza, meat, sausages, ice cream, “dim sum”, chicken pie, dumplings, “satay” meat, spring roll, roti prata, cheesecakes, chicken wings/stick	Two months to 18 months ^(Note 3)

Notes:

- (1) Shelf life refers to the date of the relevant invoice/packing list/delivery note and up to the expiration date of the product or the stated shelf life.
- (2) Based on the test results conducted by a third party test and inspection company.
- (3) As the “satay” meat that we carry is uncooked, the invoice and packaging do not indicate the expiration date. The typical shelf life of uncooked meat ranges from six months to one year when stored in a freezer.

BUSINESS

The table below illustrates our Group's inventory turnover rate in days by product category during the Track Record Period:

	Year ended 31 December		Three months ended
	2015	2016	31 March
	(days)	(days)	2017 (days)
Dry	33.4	47.3	48.1
Chilled	83.0	63.5	57.5
Frozen	23.2	31.1	25.9

Revenue generated from the sale of dry products amounted to approximately S\$17.2 million, S\$16.3 million and S\$4.1 million, representing approximately 58.9%, 57.8% and 54.7% of our revenue for the two years ended 31 December 2016 and the three months ended 31 March 2017, respectively. Please refer to the section headed "Financial information – Description of selected items in combined statements of comprehensive income – Revenue" in this prospectus for a detailed analysis of our revenue generated during the Track Record Period.

On 28 March 2016, we were appointed as an authorised sole and exclusive distributor of the "Zott" range of premium dairy products in Singapore.

On 4 May 2016, we were also appointed as sole distributor in Singapore for the "Obento" panko breadcrumbs and "Obento" tempura batter mix.

We also supply canned food products such as condensed and evaporated milk under our "The Right Choice" brand, and bottled drinking water under our "do it right" brand to our food service customers.

BUSINESS

CUSTOMERS

Our customers comprise Ship Supply Customers and Retail and Food Service Customers.

We do not enter into formal or long term contracts with our customers. Our customers typically place orders with us through purchase orders. Upon receipt of the purchase order, our order processing team issues an invoice for the accepted order. The invoice constitutes our contract with the customer and sets out, among other things, the product description, quantity required, unit price of the product, delivery address and the credit terms (if applicable). Please refer to the section headed “Business – Business model for our supply to Ship Supply Customers – (5) Receive and process orders” in this prospectus for more information on how we receive and process orders from our customers.

As at the Latest Practicable Date, we had maintained business relationships with our top five customers for more than 11 years. Our Group’s five largest customers contributed approximately S\$13.5 million, S\$11.5 million and S\$3.0 million of revenue, which accounted for approximately 46.4%, 40.7% and 40.4% of our Group’s revenue in the two years ended 31 December 2016 and the three months ended 31 March 2017, respectively, while revenue from our largest customer amounted to approximately S\$3.9 million, S\$3.3 million and S\$1.0 million, which accounted for approximately 13.4%, 11.7% and 12.7% of our Group’s revenue in the same periods. The table below sets out the details of our top five largest customers and details of revenue generated during the Track Record Period:

For the year ended 31 December 2015

Rank	Customer	Payment terms/ Payment method	Approximate years of relationship	Revenue S\$’000	Approximate % of total revenue of our Group
1	Customer A	30 days/Cheque	11	3,908	13.4
2	Customer B	30 days/Cheque	11	3,252	11.1
3	Customer C	30 days/Cheque	11	2,582	8.9
4	Customer D (Note)	30 days/Cheque	11	2,405	8.2
5	Customer E	30 days/Cheque	11	<u>1,402</u>	<u>4.8</u>
	Total			<u>13,549</u>	<u>46.4</u>

Note: We first dealt with a company in January 2006, which was wholly-owned by the shareholders of Customer D prior to its disposal in 2015.

BUSINESS

For the year ended 31 December 2016

Rank	Customer	Payment terms/ Payment method	Approximate years of relationship	Revenue S\$'000	Approximate % of total revenue of our Group
1	Customer B	30 days/Cheque	11	3,299	11.7
2	Customer A	30 days/Cheque	11	3,065	10.9
3	Customer C	30 days/Cheque	11	2,212	7.9
4	Customer D <i>(Note)</i>	30 days/Cheque	11	1,566	5.6
5	Customer E	30 days/Cheque	11	<u>1,325</u>	<u>4.7</u>
	Total			<u><u>11,467</u></u>	<u><u>40.7*</u></u>

* The sum of figures does not add up to total due to rounding differences

For the three months ended 31 March 2017

Rank	Customer	Payment terms/ Payment method	Approximate years of relationship	Revenue S\$'000	Approximate % of total revenue of our Group
1	Customer A	30 days/Cheque	11	954	12.7
2	Customer B	30 days/Cheque	11	769	10.2
3	Customer D <i>(Note)</i>	30 days/Cheque	11	458	6.1
4	Customer C	30 days/Cheque	11	463	6.1
5	Customer E	30 days/Cheque	11	<u>398</u>	<u>5.3</u>
	Total			<u><u>3,042</u></u>	<u><u>40.4</u></u>

Note: We first dealt with a company in January 2006, which was wholly-owned by the shareholders of Customer D prior to its disposal in 2015.

Background information of our customers

Customer A is a private company incorporated in Singapore in December 1994 and is principally engaged in the business of ship chandling and freight forwarding and ship repair including steel works, piping and fabrication of marine modules. Customer A was founded in 1994 and is headquartered in Singapore. It is an indirect wholly-owned subsidiary of a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited. The group provides services including marine supplies, marine logistics and agency services and offshore support supply services in Singapore, Malaysia, Hong Kong, the PRC, Thailand and Australia. Customer A, together with its group, is also one of our Ship Chandler customers which have operations in Hong Kong and the PRC. It has operations in major cities in the PRC, such as

BUSINESS

Dalian, Shanghai and Tianjin. Based on its group's annual report for the year ended 31 December 2016, it recorded a revenue of approximately S\$152.2 million, of which approximately 7.1% was generated from countries other than Singapore and Australia.

Customer B is a private company incorporated in Singapore and is principally engaged in the provision of ship and marine supplies and warehousing and logistics services and an importer and exporter of goods and commission agents in relation thereto. Customer B was founded in 1982 and is based in Singapore. It is part of a corporate group which is headquartered in Japan and has subsidiaries and branch offices located in all major maritime centres worldwide including Singapore, Brazil, Greece, the Netherlands, South Korea, Hong Kong, Shanghai, Shenzhen and Dubai. The group is a marine supplier providing products and services to ships. Customer B is registered under the Major Exporter Scheme of the Singapore Customs and is also accredited under the Secure Trade Partnership Scheme by the Singapore Customs. Customer B, together with its group, is also one of our Ship Chandler customers which have operations in Hong Kong and Shanghai and Shenzhen in the PRC.

Customer C is a private company incorporated in Singapore and is principally engaged in the business of operating ports and general warehousing. Customer C is founded in 1991 and is based in Singapore. It is part of a global maritime services group specialising in the provision of general ship supplies, stores, spare parts and leading technical maritime brands. The group operates in 18 countries throughout Asia Pacific, Middle East, Africa, Europe and America and has a network of more than 600 ports. Customer C, together with its group, is also one of our Ship Chandler customers which have operations in Hong Kong and Guangzhou, Dalian, Shanghai and Tianjin in the PRC.

Customer D is a private company incorporated in Singapore in October 2014 and is principally engaged in the ship chandling business and packaging activities. We first dealt with a company in January 2006, which was wholly-owned by the shareholders of Customer D prior to its disposal in 2015. Customer D's group was founded in 1980's and is based in Singapore. In 1993, the group expanded its business into cathodic protection products and began manufacturing zinc and aluminium anodes and providing design services for cathodic protection systems. The group subsequently moved into general ship supply and Ship Chandler business, which have become the core businesses of the group. The group subsequently expanded its services into marine and offshore equipment supply and is now one of the leaders in Singapore's marine supply industry.

Customer E is a private company incorporated in Singapore and is principally engaged in the ship chandling business. Customer E is founded in 2000 and is based in Singapore. It is part of a corporate group which is founded in the 1950s in Denmark. The group is the world's largest ship supplier with global activities through regional centres in Europe, Far East, Middle East and North America. They are a full service provider, including handling of goods, shipping, airfreight and related marine services for marine, offshore and navy operation, including land operations. Customer E, together with its group, is one of our Ship Chandler customers which have

BUSINESS

operations in Guangzhou and Shanghai in the PRC. Based on its group's annual report for the year ended 31 December 2016, it recorded net sales of approximately DKK4.1 million (equivalent to approximately S\$0.8 million), of which approximately 10.4% was generated from Asia.

Please refer to the section headed "Business – Business model for our supply to Ship Supply Customers – (5) Receive and process orders" in this prospectus for more information on how we receive and process orders from our customers.

None of our Directors, or any of their respective close associates or any existing Shareholders which, to the knowledge of our Directors, owns more than 5% of the issued share capital of our Company immediately following the completion of the Share Offer and the Capitalisation Issue, had any interest in any of our five largest customers during the Track Record Period.

Credit policy

During the Track Record Period, we generally granted credit periods ranging from cash on delivery to 60 days from the invoice date to our major customers. However, the credit limit for each customer may vary from customer to customer, depending on factors such as their payment track record, financial background and length of business relationships. We also take into account information on our customer credibility provided to us by our insurer when deciding credit terms. The initial credit terms and changes to the credit terms are subject to approval by Mr. D Tan.

We monitor the payment status of our customers closely and follow up with customers (where necessary) by issuing statements of accounts. Our trade receivables turnover days during the Track Record Period exceeded our Group's general credit period of up to 60 days from the date of the invoice as we had experienced delayed settlement from our customers. For details of the delayed settlement from our customers, please refer to the section headed "Financial information – Liquidity and capital resources – Trade receivables" in this prospectus.

Sales return policy

While we do not have a formal policy or written agreements with our customers for the return of products sold to our customers, we accept return of products which have not met the required standard or which have been wrongly ordered by a customer on a case-by-case basis. We typically negotiate with the customers directly in order to achieve an amicable settlement regarding returns. During the Track Record Period, the returns received were not material and there were no major disagreements with our customers.

In respect of our supply to retailers, we accept return of "Zott" products which have not been sold by them. The expired products which have been returned to us will be disposed of.

BUSINESS

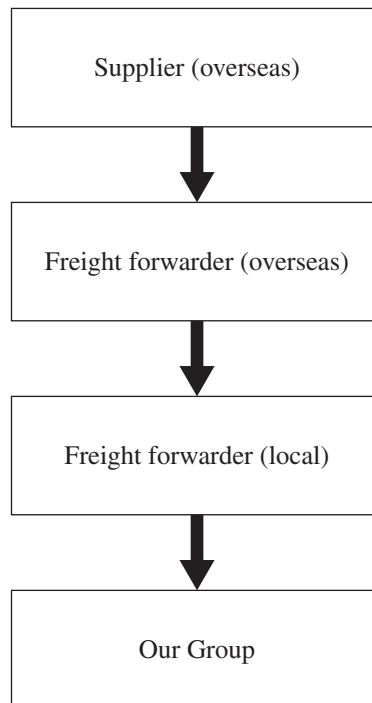
SEASONALITY

Our sales are generally subject to the seasonality of the shipping industry. We typically experience greater demand during the months of October to March which is the cruise season as well as during festive seasons such as Christmas, New Year and the Chinese Lunar New Year. The occurrence of regional weather or climate changes such as haze may also cause shipping activity to decrease.

OUR PROCUREMENT PROCESS

Generally, our local suppliers deliver their products to our warehouse directly at their own cost. On occasion, where the need is urgent, we may collect the products from these local suppliers ourselves.

The process of procuring food products from our overseas suppliers requires coordination between our suppliers (who are either original manufacturers, or trading companies), overseas freight forwarders, local freight forwarders and us. The process can be briefly summarised as follows:



Once orders have been placed with our suppliers, our suppliers will send us a copy of the sales contract which contains details of the goods, delivery details and other salient terms as well as a pro forma invoice reflecting the same terms.

Where suppliers quote us an ex-factory price, i.e. the price at the relevant supplier's factory (which does not include, among others, delivery charges), the supplier is not responsible for delivery to us. In such cases, we engage overseas freight forwarders to collect the goods from the relevant supplier's factory.

BUSINESS

Once the goods are shipped by the suppliers, our suppliers or freight forwarder send us (i) the bill of lading, (ii) a certificate of origin in respect of the product, (iii) a packing list, and (iv) a health certificate (if required).

We engage a local freight forwarder who organises our shipments from our overseas suppliers by sea. An import permit is required to collect the goods. We provide our local freight forwarder with a copy of our Meat Import Licence or our registration to import processed food products and food appliances (as the case may be) accompanied by our instructions as to whether the received goods should be transported from the Singapore port to our 21 Wan Lee Road warehouse or to the local freight forwarder's warehouse.

The mode of delivery is dependent on the agreed terms with our overseas suppliers, which may vary. For example, delivery may be FOB, which means that the overseas supplier is only responsible for delivery of the goods up to the overseas port. In such a case, the invoice will typically state the FOB cost as well as ocean freight charges. Ocean freight charges cover the cost of delivery from the overseas port to our port in Singapore. Other variations of delivery terms include under CNF, which is a lump sum price inclusive of ocean freight charges, and is uninsured and hence we will take up marine cargo insurance in such cases in order to cover such goods. Where delivery is made on DDU terms, our overseas suppliers are responsible for all transport expenses up to the Singapore port (not including insurance).

SUPPLIERS

We procure food products from our suppliers who are Independent Third Parties and are mainly engaged in the food production business. Our suppliers comprise manufacturers and trading companies mainly from Singapore, Malaysia and Europe. The table below sets out the details of our top five largest suppliers during the Track Record Period:

For the year ended 31 December 2015

Rank	Supplier	Credit terms/ Payment method	Approximate years of relationship	Purchase amount S\$'000	Approximate % of total cost of purchase of our Group
1	Supplier A	30 days/Cheque	8	1,907	8.9
2	Supplier B	Cash on delivery	11	1,123	5.3
3	Supplier C	45 days/Bank transfer	3	873	4.1
4	Supplier D	Prepayment/Bank transfer	5	847	4.0
5	Supplier E	Cash on delivery/Bank transfer	4	766	3.6
	Total			<u>5,517*</u>	<u>25.8*</u>

* The sum of figures does not add up to total due to rounding differences

BUSINESS

For the year ended 31 December 2016

Rank	Supplier	Credit terms/ Payment method	Approximate years of relationship	Purchase amount <i>S\$'000</i>	Approximate % of total cost of purchase of our Group
1	Supplier A	30 days/Cheque	8	2,264	10.7
2	Zott Dairy Asia Pacific Pte. Ltd.	60 days/Bank transfer	3	1,194	5.7
3	Supplier C	45 days/Bank transfer	3	1,100	5.2
4	Supplier B	Cash on delivery	11	877	4.2
5	Supplier F	30 days/Bank transfer	3	<u>745</u>	<u>3.5</u>
Total				<u><u>6,180</u></u>	<u><u>29.3</u></u>

For the three months ended 31 March 2017

Rank	Supplier	Credit terms/ Payment method	Approximate years of relationship	Purchase amount <i>S\$'000</i>	Approximate % of total cost of purchase of our Group
1	Supplier A	30 days/Cheque	8	554	11.3
2	Zott Dairy Asia Pacific Pte. Ltd.	90 days/Bank transfer	3	322	6.6
3	Supplier B	Cash on delivery	11	231	4.7
4	Supplier G	30 days/Cheque	4	213	4.3
5	Supplier F	30 days/Bank transfer	3	<u>202</u>	<u>4.1</u>
Total				<u><u>1,522</u></u>	<u><u>31.0</u></u>

BUSINESS

Background information of our suppliers

Supplier A is a company incorporated in Malaysia in December 2000 and is principally engaged in the manufacturing and selling of bottled water.

Supplier B is a company incorporated in Malaysia in November 1995 and is principally engaged in the marketing and distribution of frozen and package food and drinks.

Supplier C is a company incorporated in Singapore in November 2011 and is principally engaged in other business support service activities, and its parent company is in the dairy industry in Germany.

Supplier D is a company incorporated in Cyprus in February 1995 and is principally engaged in producing and bottling of beverages.

Supplier E is a company incorporated in South Africa in June 1990 and is a supplier of a famous soft drink brand to the maritime industry supplying Ship Chandlers internationally for offshore catering, cruise ships and cargo vessels.

Zott Dairy Asia Pacific Pte. Ltd. is a company incorporated in Singapore in March 2014 and is principally engaged in the wholesale of dairy products and all kinds of food. In March 2016, we were appointed by Zott Dairy Asia Pacific Pte. Ltd. to be the sole and exclusive distributor of the “Zott” range of premium dairy products in Singapore.

Supplier F is a company incorporated in Singapore in July 1978 and is principally engaged in the manufacture of bread, cakes and confectionery as well as food catering.

Supplier G is a sole proprietorship registered in Singapore in March 2000 and is principally engaged in the general wholesale trade.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material delay in receiving products or services from our suppliers.

As at the Latest Practicable Date, we have maintained a business relationship with our top five suppliers for approximately three years to 11 years. Our Group’s five largest suppliers contributed approximately S\$5.5 million, S\$6.2 million and S\$1.5 million, which accounted for approximately 25.8%, 29.3% and 31.0% of our Group’s total cost of purchases in the two years ended 31 December 2016 and the three months ended 31 March 2017, respectively, while the largest supplier contributed approximately S\$1.9 million, S\$2.3 million and S\$0.6 million, which accounted for approximately 8.9%, 10.7% and 11.3% of our Group’s total cost of purchases in the same periods. Our suppliers typically grant us credit period ranging from cash on delivery to 60 days.

BUSINESS

After negotiations with our suppliers, we typically place our purchase orders at least two months in advance with our suppliers at a time and in bulk so as to enjoy better pricing terms from our suppliers and protect ourselves against fluctuations in global prices. However, the delivery dates are usually spread out across the year so as to (i) meet our warehouse storage capacity, (ii) accommodate the short shelf life of certain products, and (iii) manage our cash flow. We send the purchase order to the overseas suppliers and obtain a confirmation in the form of a pro forma invoice.

Generally, we have an approved list of suppliers which we update regularly. The key considerations to be our approved suppliers include price and service support. As at the Latest Practicable Date, there were over 200 suppliers on our approved list of suppliers. Please refer to the section headed “Business – Business model for our supply to Ship Supply Customers – (1) Source new/existing food products” in this prospectus for more information on our basis for selecting suppliers.

None of our Directors, their respective close associates or any Shareholder, which, to the knowledge of our Directors, owns more than 5% of the issued share capital of our Company immediately following completion of the Share Offer and the Capitalisation Issue, had any interest in any of the five largest suppliers of our Group during the Track Record Period. During the Track Record Period, we have not had any material disagreement nor dispute with any of our suppliers.

As at the Latest Practicable Date, we had not entered into any long-term agreements or distributorship agreements with our suppliers. In general, we would place orders with our suppliers by way of a purchase order, who would then issue the relevant invoices to us which constitute our contracts with the suppliers and set out, among other things, the product description, quantity required from us, unit price of the product, delivery address and the credit terms (if applicable).

To the best knowledge and belief of our Directors, save that we are the sole and exclusive distributor of “Zott” range of premium dairy products in Singapore and the sole distributor in Singapore for the “Obento” panko bread crumbs and “Obento” tempura batter mix, none of our suppliers deal exclusively with our Group and we are not bound by any exclusive arrangements with any of our suppliers.

We engage certain subcontractors to assist us with certain aspects of our business operations. We engage an Independent Third Party freight forwarder to provide storage services, including freezer storage, chiller storage, air-conditioned storage, dry storage and delivery services when required. We also subcontract the customisation of flavoured chicken wings and drumsticks based on one of our customer’s specific requirements to a company in Thailand which specialises in frozen cooked chicken meats.

BUSINESS

Our subcontractors are selected based on the price and quality of service provided. We do not enter into long term contracts for such subcontracting arrangements. The key terms of our engagement with the Independent Third Party freight forwarder include rates of services for, among other things, container haulage services, delivery services, storage fees for freezer storage, chiller storage, air-conditioned storage and dry storage, which is valid for one year. The key terms of our engagement with our subcontractor in Thailand for the customisation of flavoured chicken wings and drumsticks based on a designated recipe include pricing, product requirement, quantity required.

For the two years ended 31 December 2016 and the three months ended 31 March 2017, the Independent Third Party freight forwarder contributed to approximately 10.8%, 17.1% and 14.6% of our selling and distribution costs, respectively while our subcontractor in Thailand contributed to approximately nil, 0.28% and nil of our total cost of sales, respectively.

INVENTORY MANAGEMENT

Our inventory comprises a variety of food products, including dairy products, dried foods, chilled foods, frozen food and canned food products. In order to ensure that our inventory is managed efficiently and effectively, we adopt the “first in, first out” strategy for perishable goods such as cheese, bread and other chilled or frozen products.

We have a stock monitoring system that enables us to monitor the minimum stock level pre-set for each product. Our managing director, general manager, accounts manager, account assistant, administrative and purchasing departments have access to the stock monitoring system. Our administrative department liaises directly with our purchasing department when products are running low in stock. The administrative department is also in charge of informing the purchasing department in advance should larger quantities of products are required.

We conduct stock-take semi-annually. Our purchasers are responsible for maintaining a record of purchased items in our stock monitoring system.

We monitor our inventory daily after each incoming supply and outgoing delivery based on the stock monitoring system.

BUSINESS

OBSOLETE POLICY

We regularly review our inventory levels for slow moving inventory, obsolescence or declines in market value. When obsolete or expired products are discovered, the item will be removed from our warehouse and our stock monitoring system will be updated accordingly. Such products are usually disposed off. However we have considered certain alternatives such as using products which are near expiry for sampling at retail outlets. We had written off obsolete inventory amounting to approximately S\$33,000, S\$137,000 and S\$40,000 in the two years ended 31 December 2016 and the three months ended 31 March 2017, respectively. The increase in the amount of obsolete inventory was primarily due to (i) a general decline in sales in 2016 including dairy products such as yogurt, milk and cheese which have relatively shorter shelf life; and (ii) the write-off of certain products in the dry category.

For products returned from customers which are damaged and products that are approaching expiry dates, these products are reported as a loss and disposed of by our Group. If the quantities are large, we will engage a third party storage and logistics provider to help us dispose of the products.

Please refer to the section headed “Financial information – Liquidity and capital resources – Inventories” in this prospectus for further details of our inventory.

SALES AND MARKETING ACTIVITIES

Our Ship Supply Customers comprise repeat customers and new customers who we believe have obtained our contact through industry contacts. We therefore receive requests for quotations and purchase orders from customers based on word of mouth or referrals and our reputation and established track record, rather than from advertising and promotion efforts. We also rely on our executive Directors who network with other shipping industry businesses.

Mr. D Tan is responsible for maintaining and enhancing our customer relationships as well as sourcing for business opportunities. Mr. D Tan is in frequent contact with both local and overseas customers in particular to obtain their feedback and to increase our understanding of customers’ requirements, preferences and trends so as to secure orders and promote products to prospective customers.

We also participate regularly in major products exhibitions and conferences in the Asia Pacific, Middle East and Europe.

In respect of our Retail and Food Service Customers, our promoters conduct sales and marketing activities in retail supermarkets. We also carry out advertising and promotional activities in respect of the “Zott” and “Obento” products. Please refer to the section headed “Business – Business model for our sales to Retail and Food Service Customers – Supply to retailers” in this prospectus for more details on our sales and promotional activities at retail supermarkets.

BUSINESS

We do not conduct any sales and marketing activities in respect of our supply to food service businesses.

PROPERTIES AND OTHER FIXED ASSETS

Details of the leasehold properties owned by our Group as at the Latest Practicable Date are as follows:

Location	Approximate GFA (sq.m.)	Lease duration	Use of property
21 Wan Lee Road Singapore 627949	2,550.9	30 years commencing from 1 August 1999	Warehouse and food processing facility
8A Admiralty Street #03-26 Singapore 757437	519	60 years commencing from 9 October 2000	Investment property – leased to an Independent Third Party (<i>Note 1</i>)
27 Tuas Bay Walk #04-01 Westview Food Factory, Singapore 637127	234	30 years commencing from 22 July 2013	Investment property – leased to an Independent Third Party (<i>Note 2</i>)

Notes:

1. At a rental rate of S\$7,447 per month (exclusive of GST) during the period 1 January 2015 to 1 June 2015 and S\$7,608 per month (exclusive of GST) during the period 1 June 2015 to 1 June 2016. At a rental rate of S\$10,810.80 per month (exclusive of GST) for the first year and S\$11,411.40 per month (exclusive of GST) for the second year during the period 1 June 2016 to 1 June 2018.
2. At a rental rate of S\$5,700 per month (exclusive of GST) for the period from 1 November 2016 to 31 October 2020.

For further details of the leasehold properties owned by us, please refer to the property valuation report set out in Appendix III to this prospectus.

As at the Latest Practicable Date, save for the leasing of storage space from an Independent Third Party, our Group did not lease any properties from third parties.

BUSINESS

The warehouse storage spaces leased by us from such Independent Third Party are located at Fishery Port Road and Jurong Port Road. There is no fixed lease term and the leasing arrangement therefore continues for so long as our food products are stored in the Independent Third Party's warehouse facilities and are not withdrawn. Our Group is billed monthly based on such level of remaining stock.

The rates for the leasing of storage space from such Independent Third Party are as follows:

- (i) freezer storage space – S\$55.00 per pallet per month or part thereof;
- (ii) chiller storage space – S\$44.00 per pallet per month or part thereof;
- (iii) air-conditioned storage space – S\$22.00 per pallet per month or part thereof; and
- (iv) dry storage space – S\$15.00 per pallet per month or part thereof,

including handling charges and miscellaneous charges such as unstuffing charges.

To the best of our Directors' knowledge, as at the Latest Practicable Date, there were no defects in the titles relating to the leasehold properties owned by our Group and there are no regulatory requirements or environmental issues that may materially affect our utilisation of the above properties and fixed assets, which materially and adversely affect our business. We also have not encountered any disruptions to our business or operations due to any material disputes or claims in relation to the leasehold properties owned by our Group as at the Latest Practicable Date. We received rental revenue (exclusive of GST) from two Independent Third Parties of approximately S\$84,000, S\$129,000 and S\$52,000 for the two years ended 31 December 2016 and three months ended 31 March 2017, respectively.

COMPETITION

According to the Converging Knowledge Report, competition within the provision supplies distribution industry in Singapore is highly intensive due to the large number of similar players, many of whom offer products and services that are similar, or with minimal or no differentiation. It is not uncommon to find provision suppliers carrying items from the same food categories or product brands. According to the Converging Knowledge Report, there are no official statistics on the number of provision suppliers in Singapore but research indicates that there may be more than 500 such players in the provisions supplies distribution industry serving vessels calling at the Port of Singapore.

BUSINESS

We compete for customers based on, pricing, products and service offered and reputation. Even though we operate in a highly competitive environment, we believe that our competitive strengths distinguish us from our competitors.

According to the Converging Knowledge Report, based on the estimated size of Singapore's market size on provision suppliers catering to Ship Chandlers, our Group is estimated to have a market share of approximately 10.0% in 2016. Please refer to the section headed "Industry overview" of this prospectus for more details.

ENVIRONMENTAL PROTECTION

Due to the nature of our business, our operational activities do not directly generate industrial pollutants, and we did not incur directly any cost of compliance with applicable environmental protection rules and regulations during the Track Record Period. Our Directors expect that our Group will not directly incur significant costs for compliance with applicable environmental protection rules and regulations in the future. As at the Latest Practicable Date, our Group had not come across any material non-compliance issues in respect of any applicable laws and regulations on environmental protection.

WORK SAFETY

Our Directors confirm that, during the Track Record Period, we were, and we currently are, in compliance with all applicable work safety laws and regulations, including in particular, the WSHA and the WSH Factories Regulations as referred to in the paragraph headed "Workplace Safety and Health Act" in the section headed "Regulatory overview" of this prospectus. We have not incurred and do not expect to incur material costs in connection with the compliance of safety laws and regulations. During the Track Record Period, we did not face any material claims for personal injuries or any significant incidents in relation to work safety.

EMPLOYEES

We believe that our success is attributable to the implementation of our business strategies by our employees. We are committed to recruiting, training and retaining adequately skilled and experienced people throughout our operations to better serve our customers. We intend to do so through offering attractive remuneration packages, including basic salary and discretionary bonuses, as well as staff training and career development.

BUSINESS

As at the Latest Practicable Date, our Group had a total of 79 employees. The employees are not unionised. Our employees in Singapore included 40 Singapore nationals, three Singapore permanent residents, six S-Pass holders, 28 Singapore work permit holders and one letter of consent holders as at the Latest Practicable Date. The following table sets out the total number of our employees by function as at 31 December 2015, 31 December 2016, 31 March 2017 and as at the Latest Practicable Date:

Functions	Number of Employees			As at the
	As at 31 December 2015	2016	As at 31 March 2017	Latest Practicable Date
Management	3	3	4	4
Accounts and administration	13	13	15	11
Purchasing	5	4	5	6
Sales and marketing	0	9	9	18
Kitchen	3	3	5	5
Operations	10	13	14	15
Warehouse	21	20	20	20
Total	55	65	72	79

We believe that we have a strong working relationship with our employees. Our Directors confirm that, during the Track Record Period, our Group did not experience any significant difficulty in recruiting new employees, any significant employee turnover, nor was there any incidence of strikes, work stoppages or significant labour disputes which significantly affected our Group's operations.

Remuneration

We conduct monthly appraisals on our employees and scores are given on a points basis. We review the performance of our employees on a regular basis. The results of these reviews are used for the purposes of salary and promotion appraisals.

CPF CONTRIBUTIONS

Under the CPFA, we are required to pay to CPF monthly in respect of each employee, who is either a citizen or permanent resident of Singapore, contributions at the contribution rates prescribed in the CPFA. Our Directors confirm that the CPF contributions for all staff members are up to date.

BUSINESS

Staff training and development

We provide external training programmes to our staff including, among others, customer service courses and leadership and people management courses, workforce productivity training and professional development training. Our training programmes are designed to cater for the needs of our staff according to their functions for both soft skills and technical skills training.

We recruit Singaporean staff through advertisements in newspapers. Foreign employees are employed through an employment agency in Singapore.

INTELLECTUAL PROPERTY RIGHTS

As at the Latest Practicable Date, we were the registrant of the domain name www.coollink.com.sg. We recognise the importance of protecting our trademarks and enforcing our intellectual property rights. As at the Latest Practicable Date, our Group had registered three trademarks, “The Right Choice”, “do it right” and the “Cool Link” logo in Singapore, as well as applied for registration of the “Cool Link” logo in Hong Kong. Please see the section headed “Further information about the business of our Group – 8. Intellectual property rights of our Group” in Appendix V to this prospectus for further details on our Group’s trademarks.

Save as aforesaid, there are no other trade or service marks, patents, copyright, other intellectual or industrial property rights which are material in relation to our Group’s business. As at the Latest Practicable Date, we were not aware of any material infringements nor any pending or threatened claims in relation thereto, by us of any intellectual property rights owned by third parties.

RESEARCH AND DEVELOPMENT

During the Track Record Period and up to the Latest Practicable Date, we did not engage in any research and development activities.

BUSINESS

INSURANCE

Our insurance coverage includes work injury compensation and medical insurance for our employees, fire insurance in respect of our premises at 21 Wan Lee Road, and public liability insurance in respect of our business operations in Singapore. We have also taken up marine cargo insurance covering goods shipped to us from overseas suppliers. In addition, we have also taken up a trade credit insurance policy which covers payment default by certain of our customers. For the two years ended 31 December 2016 and the three months ended 31 March 2017, our total insurance expenses were approximately S\$97,000, S\$64,000 and S\$15,000, respectively.

The above insurance policies are reviewed from time to time for adequacy in the breadth of coverage. We may increase the coverage if we deem it necessary and appropriate.

We have not experienced any difficulties in obtaining or renewing our insurance policies, or on realising claims under any of our insurance policies. Our Directors believe that our insurance coverage as at the Latest Practicable Date was in line with normal commercial practice. Save as disclosed under the section entitled “Risk factors” of this prospectus, our Directors believe that the coverage from these insurance policies is adequate for our present operations. However, our business operations are susceptible to potential losses caused by a wide range of business disruptions and we may not be fully indemnified for our losses under our current insurance coverage. Please refer to the section headed “Risk factors – Risks relating to our business – Our insurance coverage may not be adequate” in this prospectus for more details.

LEGAL PROCEEDINGS AND REGULATORY COMPLIANCE

As at the Latest Practicable Date, there were no litigation or arbitration proceedings or claims of material importance pending or threatened against any member of our Group or any of our Directors which, in the opinion of our Directors, could have a material adverse effect on our Group’s financial condition or results of operations. Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, there was no non-compliance incident the nature of which is material or systemic.

INTERNAL CONTROL AND RISK MANAGEMENT

Our Directors recognise that corporate governance and risk management are crucial to the development and success of our business. We have adopted corporate governance measures and risk management measures in various aspects of our business operations such as financial reporting, sales risk management, legal and regulatory compliance, premises safety and human resources management.

BUSINESS

Internal Control

In preparation for the Listing and to further improve our internal control system, we have engaged an Independent Third Party internal control adviser, Ascenda Cachet to undertake a review on the internal control system of our Group. Ascenda Cachet was incorporated in 2011 and it is an affiliate company of Ascenda Cachet CPA Limited which specialises in internal control reviews. Ascenda Cachet has experiences in (i) reviewing internal control systems of companies for the purpose of preparation for new listing or resumption of trading of their shares on the Stock Exchange and companies listed on the Stock Exchange and Singapore Exchange Securities Trading Limited; and (ii) making recommendations on any measures to rectify any material weaknesses identified in its reviews. Ascenda Cachet has conducted reviews of our internal control system from October 2016 to November 2016 (the “**First Review**”) and recommended measures to improve and rectify some weaknesses of our internal control systems identified during the First Review. Ascenda Cachet subsequently performed a follow-up review from January 2017 to March 2017 on our adoption of the recommendations provided by Ascenda Cachet (the “**Follow-up Review**”) and recommended further measures to improve and rectify weaknesses of the internal control systems identified. Save as disclosed below in this section, we have fully adopted the enhanced internal control measures as recommended by Ascenda Cachet, and the following table summarises the findings and recommendations of Ascenda Cachet as well as our implementation of these recommendations.

Findings	Recommendation	Implementation by our Group
An internal audit division has not been established to carry out the internal audit functions for our Group.	To ensure a high level of independence, our Group should set up an internal audit division or appoint external professional to carry out the internal audit functions of our Group.	With effect from January 2017, we have set up an internal audit division and prepared the internal audit charter as well as policy and procedures.
	The internal audit division should perform internal control monitoring and evaluation as part of their regular duties, or upon request by our Board or senior management and report directly to the audit committee of our Board.	Before Listing, our company secretary, Mr. Lui Wai Sing would take up the role to carry out the regular duties of the internal audit function. Given the potentially conflicting roles of our company secretary, our Company will appoint an internal control auditor to head up the internal audit division, reporting directly to the audit committee of our Board after the Listing.

BUSINESS

Findings	Recommendation	Implementation by our Group
Our Group did not have in place an enterprise risk management framework (“ERM Framework”).	Our Group should establish an ERM Framework which includes identifying, ranking or evaluating, responding to significant risks, resourcing controls, on-going monitoring, reaction planning, reporting and monitoring of risk management performance. The ERM Framework should be managed by a responsible person and/or taskforce.	<p>In January 2017, we established an ERM Framework and an enterprise risk management taskforce (the “ERM Taskforce”).</p> <p>The ERM Taskforce is coordinated by Mr. D Tan, our executive Director and the managing director of our Group, and includes Mr. R Gay, our executive Director and controlling Shareholder, Mr. M Tan, the general manager of our Group, and several other senior management of the Company.</p>
There was no written documentation to keep track of all identified business risks, rectification status and action points for future reference.	Our Group should have a periodic review on the ERM Framework and report the performance to our Board and/or its audit committee. Such reports should be kept by a responsible person and/or taskforce.	<p>The ERM Taskforce has carried out the first review on the ERM Framework and has passed to our Board for approval in March 2017.</p> <p>After that, the ERM Taskforce will have a periodic review on the ERM Framework and report the performance to our Board and/or its audit committee semi-annually.</p> <p>All review reports will be kept by the ERM Taskforce.</p>
There were purchase cut-off errors and unrecorded purchases as at the end of the accounting period.	<p>Our Group should record purchases and payables based on the delivery terms.</p> <p>Source documents such as receiving reports, shipping reports and bills of lading pertaining to goods shipped and received should be reviewed closely to verify that transactions have been recorded in the proper period so as to avoid cut-off errors.</p>	<p>From February 2017, Ms. Yeo Poh Choo, our accounting manager, will be responsible for identifying and recording goods in transit and the purchased goods outside of Singapore, and the delivery dates of such goods during the relevant financial period.</p> <p>In addition, our accounting manager will perform reviews at the end of each accounting period by matching accounts payable invoices to receiving reports, and matching sales invoices to shipping documents to verify that transactions have been recorded in the proper period and avoid purchase cut-off errors.</p>

BUSINESS

Findings	Recommendation	Implementation by our Group
There is no proper mechanism for monitoring and accounting for accrued liabilities.	<p>The accounting department of our Group should establish a list of commonly incurred expenses that may have to be accrued at the end of the reporting period. This list will serve as a reminder and help to ensure that all expenses have been identified.</p>	<p>We have in February 2017 established procedures to monitor and account for accrued liabilities. We have established a list of commonly incurred expenses to be accrued at the end of each reporting period so as to ensure that all expenses have been identified. Starting from February 2017, such list will be compared against our journal entries that record the accrued liabilities at the end of each reporting period.</p>
	<p>At the end of each accounting period, a responsible person should review the adequacy of accrued expenses. A journal entry should be made to adjust both the accrued expenses and accrued liabilities if appropriate.</p>	<p>At the end of each reporting period, our accounting manager will review the adequacy of the accrued expenses and, if necessary, adjust both our accrued expenses and accrued liabilities.</p>
A reporting and disclosure checklist should be established to comply with disclosure requirements.	<p>Our Company should set up and adopt a reporting and disclosure checklist to comply with disclosure requirements, including but not limited to, the HKFRSs and in accordance with transitional and saving arrangements for Part 9 of the Companies Ordinance and the GEM Listing Rules.</p>	<p>In January 2017, we adopted a reporting and disclosure checklist to comply with the disclosure requirements of the HKFRSs. After Listing, our Group will also adopt a reporting and disclosure checklist to comply with the disclosure requirements of Part 9 of the Companies Ordinance and the GEM Listing Rules.</p>
No cash flow forecast, balance sheets forecast and budget-to-actual analysis for 2017 were prepared for managerial and financial reporting purposes.	<p>The finance department should prepare balance sheet and cashflow forecast as well as the actual figures for periodic meetings to separately identify capital expenditure from revenue expenditure.</p>	<p>Mr. Lui Wai Sing will prepare and submit balance sheet and cashflow forecast each year to our Board for approval.</p>
	<p>A detailed analysis of budget-to-actual variance should be prepared for managerial and financial reporting purposes so as to capture the reasons of the variance with follow-up actions being devised. Such analysis should be carried out at least on an annual basis.</p>	<p>Mr. Lui Wai Sing has prepared and submitted the cashflow and balance sheet forecast for the period from 1 March 2017 to 31 December 2018 to our Board for approval.</p> <p>The budget-to-actual analysis will be reviewed on an annual basis.</p>

BUSINESS

Findings	Recommendation	Implementation by our Group
There is no independent review on the accuracy of salary calculations. As such, errors may not be detected.	Other than the accounting manager, two separate responsible personnels should act as the checker of the salary calculations and approver of salary.	From February 2017, Mr. R Gay will act as the checker of salary calculations and Mr. D Tan will act as the approver of salary payments.
Some of the staff records are not centrally stored and certain staff records are incomplete.	The checking by the responsible personnel should be formally documented and the records should be maintained properly for future reference.	Starting from February 2017, all human resource documents and record has been maintained by our human resource manager for future reference.

During the Follow-up Review, Ascenda Cachet noted that our Group has satisfactorily implemented all the rectification measures in accordance with their recommendations, except for the following which could only be implemented after Listing:

1. Ascenda Cachet noted that the reporting and disclosure checklist in relation to the disclosure requirements of Part 9 of the Companies Ordinance and the GEM Listing Rules has been prepared and ready for use after Listing; and
2. Since the budget-to actual analysis will be reviewed on an annual basis, no samples were obtained in the Follow-up Review.

Ascenda Cachet considered that our Group had maintained, in all material aspects, effective internal control to meet the obligations of the GEM Listing Rules, and had fully adopted the enhanced internal control measures as recommended save for those set out above.

In addition, the Sole Sponsor carried out its own enquiries into the internal controls of our Group. The Sole Sponsor conducted its enquiries through interviewing the management team of our Group and visiting our relevant sites in Singapore, reviewing documents requested during and following meetings and reviewing improvements made to our Group's internal procedures and systems. Based on the above, our Directors are of the view that the internal control measures are adequate and effective to enhance the internal control of our Group. The Sole Sponsor has reviewed the internal control report prepared by Ascenda Cachet, discussed with Ascenda Cachet on the areas reviewed together with the findings and concurred with our Directors' view that our Company's enhanced internal controls, when fully implemented, are sufficient and effective.

Our management will continuously monitor and improve the procedures to ensure that effective operation of those internal controls are in line with the growth of our business and good corporate governance practice.

BUSINESS

CORPORATE GOVERNANCE

In order to continuously improve our corporate governance, we intend to adopt or have adopted the following measures:

- (a) we have designated Mr. D Tan as our compliance officer to assist our Board to identify, assess and manage the risks associated with our operations from time to time to ensure due compliance of laws, rules and regulations applicable to our Group;
- (b) an audit committee with written terms of reference in accordance with Appendix 15 to the GEM Listing Rules will be established from the Listing Date to review the internal control systems and procedures for compliance with the requirements under the GEM Listing Rules and the Companies Ordinance;
- (c) our company secretary and compliance officer will act as the principal channel of communication between members of our Group and our Company in relation to legal, regulatory and financial reporting compliance matters of our Group as well as the chief coordinators to oversee the internal control systems and procedures in general. Upon receipt of any queries or reports on legal, regulatory and/or financial reporting compliance matters, our company secretary and compliance officer will look into the matter and, if considered appropriate, seek advice, guidance and recommendations from professional advisers;
- (d) we will provide our Directors, senior management and employees of our Group with training, development programmes and/or updates regarding the legal and regulatory requirements applicable to the business operations of our Group from time to time. Our Directors and senior management have attended training session in which they were given an overview on the applicable laws and regulations in Hong Kong. We will continue to arrange various trainings to be provided by external advisers such as lawyers, accountants and surveyors who have the relevant expertise and/or other appropriate accredited institution, to reinforce our Directors' awareness on applicable Hong Kong laws. Such trainings to be provided to our Directors and senior management will focus more on the on-going obligations and duties of our Company and our employees in respect of the requirements, procedure and importance of holding annual general meetings and preparation of financial reports under the GEM Listing Rules and Companies Ordinance and other legal issues that may arise during the course of business of our Group; and
- (e) we have appointed the Sole Sponsor as our compliance adviser to advise our Group on compliance matters upon Listing in accordance with Rule 6A.19 of the GEM Listing Rules. Particulars of the terms of appointment are set forth in the section headed "Directors and senior management – Compliance adviser" of this prospectus.

BUSINESS

Risk management

Our management team has designed and implemented a risk management policy to identify and address various potential risks in relation to our operations, including sales risk and regulatory risks, which are further elaborated on below. Our Board is responsible for overseeing the overall risk management and assessing and updating our risk management policy as appropriate.

Sales risk management

Sales and customers

We recognise that the continuous intake of new purchase orders from customers is vital for our financial performance and business sustainability. In this regard, we ensure that we maintain good working relationships with our customers. We continually review the possibility of expanding the scope of services we provide, including expanding our range of value-added related products and work to differentiate ourselves from our competitors. Furthermore, the net proceeds we obtain from the Share Offer will increase our financial and operational capacities to expand into Hong Kong.

We have also established procedures for assessing and monitoring sales risk. In our preparation of responses to requests for quotations, our processing administrative and sales coordinator work closely together to consider and evaluate our customers' financial conditions, past payment records and the adequacy of our internal resources and capacity for the orders received. We are mindful to avoid being over-reliant on any specific customer.

Furthermore, the credit terms which we typically grant to our customers, ranging from cash on delivery to 60 days, will limit our financial risks and our accounts manager also monitors the payment pattern of our customers regularly and closely. Our managing director, Mr. D Tan is aware of our Group's contracts and cash flows and monitors the financial health of our Group.

Suppliers and subcontractors

Our Group has adopted a policy of maintaining good working relationships with a group of reliable suppliers and subcontractors by being prompt and on-time in our payments. We are constantly sourcing for reliable suppliers to reduce our reliance on any one supplier or few suppliers in our operations. We evaluate our suppliers to ensure that our suppliers can meet the needs of our Ship Supply Customers and Retail and Food Service Customers.

Loss of key personnel

Our Directors ensure that suitable and sufficient numbers of staff are properly appointed and assigned to manage each part of our business operations.

BUSINESS

Regulatory risk management

Our Group keeps abreast of any changes in government policies, regulations, licensing requirements, permits and safety requirements and we are aware that any non-compliance of the foregoing may impact on our operations and business. We will ensure that all changes in government policies, regulations, licensing requirements, permits and safety requirements are closely monitored and communicated to our staff for proper implementation and compliance. Our general manager, Mr. M Tan and our administrative manager are responsible for monitoring regulatory compliance across our Group and they will also report periodically to the Board on the status of material licences and permits required for our business.

Foreign labour

We believe that inability to employ foreign labour may materially affect our operation and financial performance. In order to mitigate the impact of foreign labour shortages arising from changes in relevant laws, rules and regulations in Singapore and/or other countries where the foreign labour originated, our management team has adopted a policy to employ foreign labour from more than one country for example, from the PRC, India, Myanmar and Malaysia. As at the Latest Practicable Date, we employed 35 foreign workers in Singapore. Among the 35 foreign workers, 25 of them are housed in our dormitory at 21 Wan Lee Road while the rest have external lodging in Singapore or return to Malaysia daily. For further information on the housing arrangements for our foreign workers, please refer to the section headed “Regulatory overview – Employment of Foreign Manpower Act – Housing of foreign workers” of this prospectus.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Our Board consists of two executive Directors and three independent non-executive Directors. It is responsible for and has general powers for the management and conduct of our business.

The day-to-day operations of our Group are supervised and carried out by our executive Directors with the assistance of our senior management.

The following table sets out some information in respect of our Directors:

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Main roles and responsibilities	Relationship with other Directors and senior management (other than that through or relating to our Group)
<i>Executive Directors</i>						
Mr. Tan Seow Gee (陳少義)	43	Chairman and Executive Director	27 March 2001	27 January 2017	Overall strategic planning, management and operation of our Group	Spouse of Ms. Fang Yunru Wanda, a member of our senior management
Mr. Gay Teo Siong (倪朝祥)	56	Executive Director	27 March 2001	27 January 2017	Overall management of our Group	Spouse of Ms. Yeo Poh Choo, a member of our senior management
<i>Independent Non-executive Directors</i>						
Mr. Tam Wai Tak Victor (譚偉德)	40	Independent Non-executive Director	30 August 2017	30 August 2017	Providing independent judgement on issues of strategy, policy, performance, accountability, resources and standard of conduct	N/A
Ms. Chan Oi Chong (陳愛莊)	41	Independent Non-executive Director	30 August 2017	30 August 2017	Providing independent judgement on issues of strategy, policy, performance, accountability, resources and standard of conduct	N/A
Mr. Choy Wing Hang William (蔡穎恒)	40	Independent Non-executive Director	30 August 2017	30 August 2017	Providing independent judgement on issues of strategy, policy, performance, accountability, resources and standard of conduct	N/A

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Tan Seow Gee (陳少義) (“Mr. D Tan”), aged 43, is an executive Director and one of our Controlling Shareholders. He was appointed as the chairman of the Board and compliance officer of our Company on 17 March 2017. He co-founded our Group together with Mr. R Gay in March 2001 and is currently the managing director of our Group. He is responsible for the overall strategic planning, management and operation of our Group. In particular, he is responsible for maintaining and improving profit margins of our Group’s business and to source and launch new products and services. He is a managing director of Cool Link Marketing since 27 March 2001. He is also a director of Cool Link Supply since 21 December 2015 and Open Treasure Enterprises since 27 December 2016.

Mr. D Tan has not less than 15 years of experience in the distribution industry, primarily focusing on local and overseas business trading including import of supplies and export of product.

Prior to establishing our Group, Mr. D Tan ran a number of partnership businesses, namely Cool Link & Marketing which was in the business of wholesale of ice cream and Jun Chuan Discus Farm which was in the business of operation of fish hatcheries and fish farms. He was also the sole proprietor of Sheng Huat Packing & Transport which was in the business of manufacture of wooden containers. All these business enterprises have been terminated prior to the establishment of our Group.

Mr. D Tan has successfully completed the Effective Strategic Leadership’s training program in August 2015 conducted by Leadership Management Singapore Pte Ltd.

Mr. D Tan was previously a director of companies shown in the table below which were struck off and dissolved pursuant to Section 344 of the Companies Act due to cessation of business:

Company	Place of incorporation	Principal business activity prior to dissolution	Date of incorporation	Date of dissolution
Xiang Fu Pte. Ltd.	Singapore	General wholesale trade (food supply and services)	1 August 2012	12 May 2015

The above company was solvent at the date of dissolution. As far as Mr. D Tan was aware, the dissolution of Xiang Fu Pte. Ltd. has not resulted in any liability or obligation being imposed against him. Xiang Fu Pte. Ltd. is not related to our Group and hence the dissolution did not affect our Group and/or the Listing.

Mr. D Tan does not have any current or past directorship in any listed companies in the last three years prior to the Latest Practicable Date. Mr. D Tan is the spouse of Ms. Fang Yunru Wanda, a member of our senior management.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Gay Teo Siong (倪朝祥) (“Mr. R Gay”), aged 56, is an executive Director and one of our Controlling Shareholders. He is currently the chief executive officer of our Company. He co-founded our Group together with Mr. D Tan in March 2001. He is primarily responsible for the overall management of our Group. He has been a director of Cool Link Marketing since 27 March 2001, Cool Link Supply since 21 December 2015 and Open Treasure Enterprises since 27 December 2016.

Mr. R Gay has over 16 years of experience in the distribution industry, based on his experience in our Group.

Prior to establishing our Group, Mr. R Gay ran a number of partnership businesses. He owned Cool Link & Marketing which was in the business of wholesale of ice cream, Jun Chuan Discus Farm which was in the business of operation of fish hatcheries and fish farms and Rui En which was in the business of providing business support services. Save for Rui En which was terminated in March 2005, all the other business enterprises have been terminated prior to establishing our Group.

Mr. R Gay was previously a director of companies shown in the table below which were struck off and dissolved pursuant to Section 344 of the Companies Act due to cessation of business:

Company	Place of incorporation	Principal business activity prior to dissolution	Date of incorporation	Date of dissolution
Xiang Fu Pte. Ltd.	Singapore	General wholesale trade (including general importers and exporters)	1 August 2012	12 May 2015

The above company was solvent at the date of dissolution. As far as Mr. R Gay was aware, the dissolution of Xiang Fu Pte. Ltd. has not resulted in any liability or obligation being imposed against him. Xiang Fu Pte. Ltd. is not related to our Group and hence the dissolution did not affect our Group and/or the Listing.

Mr. R Gay does not have any current or past directorship in any listed companies in the last three years prior to the Latest Practicable Date. Mr. R Gay is the spouse of Ms. Yeo Poh Choo, a member of our senior management.

Independent non-executive Directors

Mr. Tam Wai Tak Victor (譚偉德) (“Mr. Tam”), aged 40, was appointed as an independent non-executive Director on 30 August 2017. He is the Chairman of the audit committee and a member of the nomination and remuneration committees.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Tam has over 15 years of experience in audit and accounting fields in Hong Kong. The following table summarises his professional experience:

Company name	Principal business activities of the company	Last/current position held	Period of services
Differ Group Holding Co. Limited (stock code: 6878)	Providing guarantee services, express loan services, financial services, finance lease services and asset management services	Financial controller and company secretary	January 2013 to present
BDO Limited	Providing assurance, business services & outsourcing, private client services, risk advisory services, specialist advisory services, and taxation	Senior audit manager	January 2011 to January 2013
Grant Thornton	Providing audit, tax, and advisory services	Audit manager	April 2005 to January 2010
Ronald H.T Lee & Co.	Providing audit, tax, and advisory services	Senior auditor	January 2002 to February 2005

Mr. Tam's directorship in other companies listed on the Stock Exchange are set out below:

Company name	Principal business during tenure	Position	Period of service
Shun Wo Group Holdings Limited (stock code: 1591)	Undertaking foundation works mainly included ELS works, socketed H-piling and mini-piling works and pile caps constructor works	Independent non-executive director	September 2016 to present

Save as disclosed above, Mr. Tam does not have any current or past directorships in any listed companies in the last three years prior to the Latest Practicable Date.

Mr. Tam graduated from the University of Glamorgan (now known as University of South Wales) in June 2001 with a Bachelor of Arts degree in accounting and finance (first class honours). He is a member of Hong Kong Institute of Certified Public Accountants since July 2005 and a fellow member of Association of Chartered Certified Accountants since February 2010.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Chan Oi Chong (陳愛莊)(“**Ms. Chan**”), aged 41, was appointed as an independent non-executive Director on 30 August 2017. She is the Chairwoman of the remuneration committee and a member of the audit and nomination committees.

The following table summarises Ms. Chan’s professional experience.

Company name	Principal business activities of the company	Last/current position held	Period of services
China U-Ton Holdings Limited (stock code: 6168)	Deployment services of optical fibers and low-voltage equipment integration services	Company secretary	December 2015 to present
Pine Agritech Limited (a company formerly listed on the Singapore Exchange Securities Trading Limited and was privatised and voluntarily delisted in December 2010)	Manufacturing and distribution of soybean-based products and other by-products	Financial controller and joint company secretary	September 2007 to March 2010
Deloitte Touche Tohmatsu	Providing audit, tax, consulting, enterprise risk and financial advisory services	Manager	April 2000 to September 2007

Ms. Chan does not have any current or past directorships in any listed companies in the last three years prior to the Latest Practicable Date.

Ms. Chan graduated from the Hong Kong University of Science of Technology in November 1998 with Bachelor of Business Administration degree in Accounting. She is a member of the Hong Kong Institute of Certified Public Accountants, a member to the Association of Chartered Certified Accountants in October 2001 and became a fellow of the association in October 2006.

Mr. Choy Wing Hang William (蔡穎恒)(“**Mr. Choy**”), aged 40, was appointed as an independent non-executive Director on 30 August 2017. He is the Chairman of the nomination committee and a member of the audit and remuneration committees.

He has over 13 years of experience in the manufacturing and trading industry.

DIRECTORS AND SENIOR MANAGEMENT

The following table summarises Mr. Choy's professional experience:

Company name	Principal business activities of the company	Last/current position held	Period of services
C-BONS Holding (International) Ltd	Manufacturing and trading of sanitary products, property development, and resort and tourism development	Chief investment officer and managing director	April 2004 to present

Mr. Choy's directorship in other companies listed on the Stock Exchange is set out below:

Company name	Principal business during tenure	Position	Period of service
China Unienergy Group Limited (stock code: 1573)	Extraction and sale of anthracite coal in Guizhou Province, the PRC	Independent non-executive director	June 2016 to present

Save as disclosed above, Mr. Choy does not have any current or past directorships in any listed companies in the last three years prior to the Latest Practicable Date.

Mr. Choy was previously a director of the following companies shown in the table below which has been dissolved by deregistration due to cessation of business:

Company	Place of incorporation	Principal business activities prior to dissolution	Date of incorporation	Date of dissolution
Vencela International Limited	Hong Kong	N/A	13 July 2001	12 December 2014
CLF Management Contracting Limited 加力發營造有限公司	Hong Kong	N/A	18 February 2004	6 September 2013

Mr. Choy confirmed that there is no wrongful act on his part leading to the above dissolution of the companies and he is not aware of any actual or potential claim that has been or will be made against him as a result of dissolution of the company. None of the abovementioned dissolved companies are related to our Group and hence the dissolutions did not affect our Group and/or the Listing.

Mr. Choy obtained a bachelor of arts degree from the University of British Columbia (Canada) in May 2002, and a doctor of business administration degree from the California University of Management (USA) in March 2008.

DIRECTORS AND SENIOR MANAGEMENT

Disclosure required under Rule 17.50(2) of the GEM Listing Rules

Save as disclosed above, none of our Directors:

- (i) held any other positions in our Company or other members of our Group as at the Latest Practicable Date;
- (ii) had any other relationship with any Directors, senior management or Substantial Shareholders or Controlling Shareholders of our Company as at the Latest Practicable Date;
- (iii) held any other directorships in listed public companies in Hong Kong or overseas in the three years prior to the Latest Practicable Date; and
- (iv) save as disclosed in the section “Further information about Directors, management and substantial Shareholders” in Appendix V to this prospectus, he/she does not have any interests in the Shares within the meaning of Part XV of the SFO;

Save as disclosed above, to the best of the knowledge, information and belief of our Directors after having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules as at the Latest Practicable Date.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

The following table sets out some information in respect of our senior management:

Name	Age	Position	Date of joining our Group	Main roles and responsibilities	Relationship with other Directors and senior management (other than that through or relating to our Group)
Mr. Tan Chih Keong (陳治樞)	43	General manager	1 August 2001	Responsible for overseeing the overall financial performance and marketing of our Group as well as the production matters	N/A
Ms. Yeo Poh Choo (楊寶珠)	55	Account executive	1 July 2004	Responsible for performing the financial accounting and reporting of our Group	Spouse of Mr. Gay Teo Siong, our executive Director
Ms. Fang Yunru Wanda (方韻茹)	43	Account manager	1 August 2001	Responsible for supervising and managing the overall financial accounting and reporting of our Group	Spouse of Mr. Tan Seow Gee, our executive Director
Mr. Lui Wai Sing (呂偉勝)	28	Company secretary	5 January 2017	Responsible for financial management and company secretarial matters	N/A

Mr. Tan Chih Keong (陳治樞) (“Mr. M Tan”), aged 43, joined our Group in August 2001 and is the general manager of Cool Link Marketing and a director of Cool Link Marketing and Cool Link Supply since 2 September 2002 and 21 December 2015, respectively. He is primarily responsible for the overseeing the overall financial performance and marketing of our Group, as well as production matters. Mr. M Tan has over 16 years of experience in the distribution industry.

Mr. M Tan has successfully completed the Effective Motivational Leadership (Chinese) programme, the Effective Personal Productivity course and the Dynamic of Successful Management course conducted by Leadership Management Singapore Pte Ltd in March 2016, October 2006 and May 2006, respectively. Mr. M Tan has been awarded the National Technical Certificate Grade Two in Electronics Servicing (Video Technology) from the Institute of Technical Education Singapore in July 1994.

Mr. M Tan has all along been in the supervisory role in charge of the operations and marketing of Cool Link Marketing. Given that he is not involved in setting the strategic direction or overall corporate management or governance process of our Group, it was determined by our Directors that it would be more appropriate for Mr. M Tan to remain as a member of senior management rather than acting as a Director. Furthermore, Mr. M Tan has confirmed that he is involved in the operations of Cool Link Marketing full time, and hence it is unlikely that he can allocate sufficient time to be involved in the daily management of our Group.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Yeo Poh Choo (楊寶珠)(“**Ms. Yeo**”), aged 55, is the account executive of our Group. She joined our Group on 1 July 2004 as an account executive and is also a director of Cool Link Marketing since 1 July 2008. She is the spouse of Mr. R Gay.

Ms. Yeo has over 14 years of experience in managing and overseeing the accounts receivables collection.

Prior to joining our Group, she worked at Asea Brown Boveri Pte Ltd where she received a service award for 15 years of service with Asea Brown Boveri Pte Ltd in November 1996. She owned Rui En which was in the business of business support services which has been terminated in March 2005.

Ms. Yeo has successfully completed the Effective Personal Productivity course in October 2006 conducted by SMI Strategic Management Consultancy Pte Ltd.

Ms. Fang Yunru Wanda (方韵茹)(“**Ms. Fang**”), aged 43, is the account manager of our Group. She joined our Group on 1 August 2001 as an account manager and is also a director of Cool Link Marketing since 1 July 2008. She is the spouse of Mr. D Tan.

Prior to joining our Group, Ms. Fang worked as a purchaser in Pacific Garment Manufacturing Pte Ltd from July 1998 to March 2004. Then, she was employed by Ocean Sky Limited as a purchaser until February 2007. In August 2007, she joined Quality Power Management Pte Ltd until shortly before joining our Group.

Ms. Fang has successfully completed the Industrial Technician Certificate in Mechanical Engineering from Institute of Technical Education Singapore in July 1994. She was awarded the Program Certificate in Purchasing Skills, the Certificate in Purchasing Management and the Diploma in Materials Management all organised by the Singapore Institute of Purchasing & Materials Management in August 1996, March 1999 and November 2000 respectively. Ms. Fang has also successfully completed the course of food and beverage safety and hygiene policies and procedures conducted by Eduquest International Institute Pte. Ltd. in September 2016.

Mr. Lui Wai Sing (呂偉勝) (“**Mr. Lui**”), aged 28, was appointed as our company secretary on 17 March 2017. Mr. Lui joined our Company on 5 January 2017.

Prior to joining our Group, from June 2009 to February 2011, Mr. Lui was employed by Philip Poon & Partners CPA Limited as an audit staff. From June 2011 to January 2015, he worked at BDO Limited in the assurance department where his last position was assistant manager. He joined Deloitte Touche Tohmatsu as a senior from January 2015 to January 2017.

Mr. Lui was admitted as a certified public accountant of the Hong Kong Institute of Certified Public Accountants in September 2013. He received a Bachelor of Business Administration from Lingnan University in October 2009. We have engaged an external corporate secretarial service provider, and will continue to do so after the Listing to support Mr. Lui in corporate secretarial works relating to our Group.

DIRECTORS AND SENIOR MANAGEMENT

None of our senior management currently holds, or in the past three years preceding the Latest Practicable Date held, any other directorships in any public companies the securities of which are listed on any securities markets in Hong Kong or overseas.

COMPANY SECRETARY

Mr. Lui Wai Sing (呂偉勝) is the company secretary of our Company. His biography is set out in the paragraph headed “Senior management” in this section above.

BOARD COMMITTEES

Our Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee and delegated various responsibilities to these committees, which assist our Board in discharging its duties and overseeing particular aspects of our Group’s activities.

Audit Committee

Our Company established an audit committee pursuant to a resolution of our Directors passed on 30 August 2017 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules. The audit committee comprises three independent non-executive Directors: Mr. Tan Wai Tak Victor, Ms. Chan Oi Chong and Mr. Choy Wing Hang William. Mr. Tam Wai Tak Victor was appointed to serve as the Chairman of the audit committee. The primary duties of our audit committee are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the internal control procedures of our Company.

Remuneration Committee

Our Company established a remuneration committee pursuant to a resolution of our Directors passed on 30 August 2017 with written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and the CG Code. The remuneration committee comprises three independent non-executive Directors and an executive Director: Ms. Chan Oi Chong, Mr. Choy Wing Hang William, Mr. Tam Wai Tak Victor and Mr. Gay Teo Siong. Ms. Chan Oi Chong was appointed as the Chairwoman of the remuneration committee. The primary functions of our remuneration committee are to make recommendations to the Board on the overall remuneration policy and the structure relating to all Directors and senior management of our Group, review performance-based remuneration and ensure none of our Directors determine their own remuneration.

DIRECTORS AND SENIOR MANAGEMENT

Nomination Committee

Our Company established a nomination committee pursuant to a resolution of our Directors passed on 30 August 2017 with written terms of reference in compliance the CG Code. The nomination committee comprises three independent non-executive Directors and an executive Director: Mr. Choy Wing Hang William, Mr. Tam Tak Wai Victor, Ms. Chan Oi Chong and Mr. Gay Teo Siong. Mr. Choy Wing Hang William was appointed as the Chairman of the nomination committee. The primary functions of our nomination committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement our Company's corporate strategy; identify individuals suitably qualified as potential Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of our independent non-executive Directors; and make recommendations to the Board on the appointment or reappointment of Directors and succession planning of Directors, in particular that of our Chairman and the chief executive.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Our Company will comply with the CG Code in Appendix 15 of the GEM Listing Rules. Our Directors will review our corporate governance policies and compliance with the Corporate Governance Code each financial year and comply with the "comply or explain" principle in our corporate governance report which will be included in our annual reports upon the Listing.

COMPLIANCE OFFICER

Mr. D Tan was appointed as the compliance officer of our Company for the purpose of the GEM Listing Rules on 17 March 2017. For details of his qualification and experience, please refer to the paragraph headed "Executive Directors" of this section above.

AUTHORISED REPRESENTATIVES

Mr. D Tan and Mr. Lui Wai Sing are the authorised representatives of our company.

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

The aggregate amounts of compensation paid by our Company (including salaries, allowances, discretionary bonus, contributions to pension schemes) to our Directors for the two years ended 31 December 2016 and the three months ended 31 March 2017 were approximately S\$1.0 million, S\$0.8 million and S\$0.2 million, respectively. Under the arrangement and pursuant to our Directors' service contracts and letters of appointment referred to in the paragraph headed "Further information about Directors, management and substantial shareholders – 9. Directors – (a) Particulars of service contracts and letters of appointment" in Appendix V to this prospectus, the aggregate amount of Directors' fee and other emoluments payable to our Directors (excluding any discretionary bonuses) and benefits in kind receivable by our Directors for the year ending 31 December 2017 is estimated to be approximately S\$0.8 million.

DIRECTORS AND SENIOR MANAGEMENT

The aggregate amount of compensation paid (including salaries, allowances, discretionary bonus, contributions to pension schemes) by our Company to our five highest paid individuals, including our Directors, for the two years ended 31 December 2016 and the three months ended 31 March 2017 were approximately S\$1.8 million, S\$1.3 million and S\$0.3 million, respectively.

REMUNERATION POLICY

Our Group's principal policies concerning remuneration of Directors or staff of high caliber are determined based on the relevant Director's or staff's duties, responsibilities, experience and skills. Our Directors and senior management receive compensation in the form of salaries, benefits in kind and/or discretionary bonuses relating to the performance of our Group. Our Company also reimburses them for expenses which are necessarily and reasonably incurred for providing services to our Company or executing their functions in relation to our operations. Our Company regularly reviews and determines the remuneration and compensation packages of our Directors and senior management. Our Company regularly provides discretionary bonuses to our senior management and key employees as incentive.

Our Company has conditionally adopted the Share Option Scheme on 30 August 2017 to enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group. Please see the paragraph headed "13. Share Option Scheme" in Appendix V to this prospectus for further details of the Share Option Scheme.

After Listing, our Remuneration Committee will review and determine the remuneration and compensation packages of our Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

During the Track Record Period, no remuneration was paid by our Company to, or received by, our Directors or the five highest paid individual as an inducement to join or upon joining our Company. No compensation was paid by our Group to, or received by, our Directors, past Directors or the five highest paid individuals during the Track Record Period for the loss of any office in connection with the management of the affairs of any members of our Group. None of our Directors waived or agreed to waive any emoluments during the Track Record Period.

STAFF

We recognise the importance of having a good relationship with our employees. The remuneration payable to the employees includes salaries and allowances.

We have not experienced any significant problems with the recruitment and retention of experienced employees. In addition, we have not suffered from any material disruption of our normal business operations as a result of labour disputes or strikes.

DIRECTORS AND SENIOR MANAGEMENT

COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, we have appointed Vinco Capital Limited as the compliance adviser (the “**Compliance Adviser**”). The Compliance Adviser will provide us with guidance and advice as to compliance with the requirements under the GEM Listing Rules. Pursuant to Rule 6A.23 of the GEM Listing Rules, the Compliance Adviser will advise us in the following circumstances:

- (i) before the publication of any regulatory announcement, circular, or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (iii) where we propose to use the proceeds of the Share Offer in a manner different from that detailed in this prospectus or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this prospectus; and
- (iv) where the Stock Exchange makes an inquiry to the Company in accordance with Rule 17.11 of the GEM Listing Rules.

The term of appointment of the Compliance Adviser shall commence on the Listing Date and is expected to end on the date on which we comply with Rule 18.03 of the GEM Listing Rules in respect of our financial results for the second full financial year commencing after the Listing Date.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately after completion of the Share Offer and the Capitalisation Issue (without taking into account of any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), our Controlling Shareholders will hold/be interested in 378,000,000 Shares, representing 63.0% in aggregate of the total issued share capital of our Company. Mr. D Tan, Mr. M Tan and Mr. R Gay (through Packman Global, the principal business of which is investment holding) will each hold approximately 33.3% attributable interest of our Company's share capital and in aggregate control 63.0% of the Shares in issue. As such, Mr. D Tan, Mr. M Tan, Mr. R Gay and Packman Global will be regarded as a group of Controlling Shareholders which holds a controlling interest in our Company upon completion of the Share Offer and the Capitalisation Issue. Further, Mr. D Tan, Mr. M Tan and Mr. R Gay have confirmed that during the Track Record Period and up to the date of the Listing, they have been and will be acting in concert and voted and will vote in a unanimous manner on any resolution in respect of the management, development and operations of our Group's operations.

RULE 11.04 OF THE GEM LISTING RULES

As confirmed by our each of our Directors, our Controlling Shareholders, our substantial shareholders and their respective close associates do not have any interests in any business, apart from the business operated by members of our Group, that competes or is likely to compete, directly or indirectly, with the business of our Group, and would require disclosure pursuant to Rule 11.04 of the GEM Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that our Group is capable of carrying on our business independent of and without undue reliance on our Controlling Shareholders and their respective close associates after the Listing based on the following reasons:

Management independence

Our Board has five Directors comprising two executive Directors and three independent non-executive Directors. The main function of our Board includes approving our overall business plans and strategies, monitoring the implementation of these policies and strategies and the management of our Group.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Although our Controlling Shareholders will remain as Controlling Shareholders in our Company upon completion of the Share Offer and the Capitalisation Issue, the day-to-day management and operation of the business of our Group will be the responsibility of an independent management team which is led by a team of senior management with substantial experience and expertise in our business to implement our Group's policies with strategies. Our Board and senior management operate as a matter of fact independently of our Controlling Shareholders and they are in a position to fully discharge their duties to the Shareholders as a whole after the Listing of our Company on the Stock Exchange without reference to our Controlling Shareholders.

Each of our Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit of and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Director(s) will abstain from voting at the relevant Board meetings in respect of such transactions and will not be counted in the quorum.

Having considered the above factors, our Directors are satisfied that they are able to perform their roles in our Company independently, and our Directors are of the view that our Company is capable of managing our Group's business independently from the Controlling Shareholders.

Operational independence

Our Directors consider that our operations do not depend on our Controlling Shareholders and their respective close associates based on the following reasons:

- (a) there is no competing business between our Group and any of our Controlling Shareholders and their respective close associates;
- (b) none of our Directors has an interest in any business which competes or is likely to compete, either directly or indirectly, with our business; and
- (c) our Group has established an organisational structure made up of individual departments, each with specific areas of responsibilities. Our Group has not shared any operational resources, such as vendors, customers, office premises, sales and marketing and general administration resources with our Controlling Shareholders and their close associates, during the Track Record Period and up to the Latest Practicable Date. Our Group has also established a set of internal controls to facilitate the effective operation of our business.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Financial independence

We have our own accounting and finance department and independent financial system and make financial decisions according to our own business needs. We also have our own treasury function and independent access to third party financing. During the Track Record Period, certain bank borrowings were secured/guaranteed by personal guarantees of our Controlling Shareholders. Please refer to the section headed “Financial information – Indebtedness” of this prospectus and Note 25 (Bank borrowings) to the Accountant’s Report set out in Appendix I to this prospectus for further details. All the above securities/guarantees provided to our Group will be released upon Listing.

In view of our Group’s internal resources and the estimated net proceeds from the Share Offer, our Directors believe that our Group will have sufficient capital for its financial needs without dependence on our Controlling Shareholders. Our Directors further believe that, upon the Listing, our Group is capable of obtaining financing from external sources independently without the support of our Controlling Shareholders.

Operational independence

The operations of our Group are independent of and not connected with our Controlling Shareholders and their respective close associates. Our Group has established our own set of organisational structure made up of individual divisions, each with specific areas of responsibilities.

During the Track Record Period and up to the Latest Practicable Date, all of our top five customers are Independent Third Parties. All of the operating subsidiaries of our Company hold the necessary assets and equipment for the operation of our Group.

Our Directors are of the view that there is no operational dependence on our Controlling Shareholders or their respective close associates.

NON-COMPETITION UNDERTAKING

Our Controlling Shareholders (each a “**Covenantor**” and collectively, the “**Covenantors**”) entered into the Deed of Non-Competition in favour of our Company, under which each of the Covenantors has irrevocably and unconditionally, jointly and severally, warranted and undertaken to our Company (for ourselves and as trustee for each of our subsidiaries) that:

- (a) he/it will not, and will procure any Covenantor and his/its close associates (each a “**Controlled Person**” and collectively, the “**Controlled Persons**”) and any company directly or indirectly controlled by the Covenantor (which for the purpose of the Deed of Non-Competition, shall not include any member of our Group) (the “**Controlled Company**”) not to, except through any member of our Group, directly or indirectly (whether on its own account or with each other or in conjunction with or on behalf of

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

any person or company, or as principal or agent, through any body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise), carry on, engage in, invest or acquire or hold any rights or be interested or otherwise involved in (in each case whether as a shareholder, director, partner, agent or otherwise and whether for profit, reward or otherwise) any business that is similar to or in competition with or is likely to be in competition directly or indirectly with any business carried on by any member of our Group from time to time or in which any member of our Group is engaged or has invested or is otherwise involved in any territory that our Group carries on our business from time to time (“**Restricted Business**”);

- (b) if any of the Covenantors is offered or becomes aware of any project or any new business opportunity (“**New Business Opportunity**”) directly or indirectly to engage or become interested in a Restricted Business, he/it (i) shall promptly in event not later than seven (7) days notify the Company of such New Business Opportunity in writing, refer the same to the Company for consideration first and provide such information as may be reasonably required by the Company to make an informed assessment of such New Business Opportunity; and (ii) shall not, and shall procure that the Covenantors, Controlled Persons and/or Controlled Company shall not, invest or participate in any such New Business Opportunity unless such New Business Opportunity shall have been declined by our Company and the principal terms of which he/it and/or his/its close associates invest or participate in are no more favourable than those made available to our Company.

The restrictions which each of the Covenantors has agreed to undertake pursuant to the Deed of Non-Competition will not apply to such Covenantors in the circumstances where he/she/it has:

- (a) the holding of or interests in shares or other securities by any of the Covenantors and/or his/its close associates in any company which conducts or is engaged in any Restricted Business, provided that, in the case of such shares, they are listed on a recognised stock exchange as specified under the SFO and either:
 - (i) the relevant Restricted Business (and assets relating thereto) accounts for less than 10% of the relevant consolidated turnover or consolidated assets of the company in question, as shown in the latest audited accounts of the company in question; or

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

- (ii) the total number of the shares held by any of the Covenantors and his/its close associates or in which they are together interested does not amount to more than 5% of the issued shares of that class of the company in question, provided that any of the Covenantors and his/its close associates, whether acting singly or jointly, are not entitled to appoint a majority of the directors of that company and that at all times there is a holder of such shares holding (together, where appropriate, with its close associates) a larger percentage of the shares in question than the Covenantors and his/its close associates together hold.

The Deed of Non-Competition will take effect from the date on which dealings in the Shares first commence on GEM and will cease to have any effect upon the earliest of the date on which (i) such Covenantor, being a Controlling Shareholder, individually or collectively with any other Covenantor(s) ceases to be interested, directly or indirectly, in 30% or more of the issued Shares, or otherwise ceased to be regarded as Controlling Shareholder; or (ii) the Shares cease to be listed and traded on GEM or other recognised stock exchange.

CORPORATE GOVERNANCE MEASURES

Our Company will adopt the following measures to strengthen its corporate governance practice and to safeguard the interests of the Shareholders:

- (a) the Articles provide that a Director shall absent himself/herself from participating in Board meetings (nor shall he/she be counted in the quorum) and voting on any resolution of the Board approving any contract or arrangement or other proposal in which he/she or any of his/her close associates is materially interested unless a majority of the independent non-executive Directors expressly requested him/her to attend;
- (b) the independent non-executive Directors will review and will disclose decisions with basis, on an annual basis, the compliance with the Deed of Non-Competition by the Controlling Shareholders;
- (c) our Controlling Shareholders undertake to provide all information requested by our Company which is necessary for the annual review by the independent non-executive Directors and the enforcement of the Deed of Non-Competition;
- (d) our Company will disclose decisions with basis on matters reviewed by the independent non-executive Directors relating to compliance and enforcement of the Deed of Non-Competition of the Controlling Shareholders in the annual reports of our Company;

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

- (e) our Controlling Shareholders will make an annual declaration on compliance with their Deed of Non-Competition in the annual report of our Company;
- (f) our Company has appointed Vinco Capital Limited as the compliance adviser, which will provide advice and guidance to our Company in respect of compliance with the applicable laws and the GEM Listing Rules including various requirements relating to directors' duties and internal controls;
- (g) the independent non-executive Directors will be responsible for deciding whether or not to allow our Controlling Shareholders and/or their respective close associates to involve or participate in a Restricted Business and if so, any condition to be imposed; and
- (h) the independent non-executive Directors may appoint independent financial adviser and other professional advisers as they consider appropriate to advise them on any matter relating to the Deed of Non-Competition undertaking or connected transaction(s) at the cost of our Company.

Further, any transaction that is proposed between our Group and our Controlling Shareholders and their respective close associates will be required to comply with the requirements of the GEM Listing Rules, including, where appropriate, the reporting, annual review, announcement and independent shareholders' approval requirements.

None of the members of our Group has experienced any dispute with its shareholders or among its shareholders and our Directors believe that each member of our Group has maintained positive relationship with its shareholders. With the corporate governance measures including the measures set out above, our Directors believe that the interest of the Shareholders will be protected.

SHARE CAPITAL

SHARE CAPITAL

The tables as shown below assume the Share Offer and the Capitalisation Issue have become unconditional and the issue of Shares pursuant thereto is made as described herein. It does not take into account of any Shares which may be allotted and issued upon the exercise of the options which may be granted under the Share Option Scheme.

The authorised and issued share capital of our Company before and following the completion of the Share Offer and the Capitalisation Issue is as follows:

<i>Authorised share capital:</i>		<i>HK\$</i>
<u>10,000,000,000</u> Shares		<u>100,000,000</u>
<i>Shares in issue or to be issued, fully paid or credited as fully paid:</i>		
100 Shares in issue as at the Latest Practicable Date at HK\$0.01 each		1
479,999,900 Shares to be issued pursuant to Capitalisation Issue (<i>Note</i>)		4,799,999
<u>120,000,000</u> New Shares to be issued pursuant to the Share Offer		<u>1,200,000</u>
<u>600,000,000</u> Total		<u>6,000,000</u>

Note: Pursuant to the written resolutions of the Shareholders passed on 30 August 2017, conditional upon the share premium account of the Company being credited as a result of the Share Offer, the Directors were authorised to capitalise the amount of HK\$4,799,999 from the amount standing to the credit of the share premium account of the Company and to appropriate such amount as to pay up in full at par 479,999,900 Shares for allotment and issue to the persons whose names appeared on the register of members of the Company at the close of business on the Business Day immediately before the Listing Date, in proportion (or as nearly as possible without involving fractions) to their respective shareholdings in the Company.

ASSUMPTIONS

The tables as shown above assume the Share Offer becomes unconditional and the allotment and issue of Shares pursuant thereto and under the Capitalisation Issue is made as described herein. It does not take into account any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by our Company pursuant to the general

SHARE CAPITAL

mandate given to our Directors to allot and issue or repurchase Shares referred to in the paragraph headed “General mandate to issue Shares” or the paragraph headed “General mandate to buy back Shares” in this section below, as the case may be.

RANKING

The Offer Shares will rank *pari passu* in all respects with all Shares in issue or to be issued as mentioned herein, and will qualify for all dividends or other distributions declared, made or paid after the date of this prospectus, save for entitlements under the Capitalisation Issue.

MINIMUM PUBLIC FLOAT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at the time of Listing and at all times thereafter, our Company must maintain the minimum prescribed percentage of 25% of the issued share capital of our Company in the hands of the public (as defined in the GEM Listing Rules).

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme. The principal terms of the Share Option Scheme are summarised in the paragraph headed “Share Option Scheme” in Appendix V to this prospectus.

GENERAL MANDATE TO ISSUE SHARES

Conditional on the conditions as stated in the section headed “Structure and conditions of the Share Offer” in this prospectus being fulfilled, our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares and to make or grant offers, agreements or options which might require such Shares to be allotted and issued or dealt with subject to the requirement that the aggregate number of Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued (otherwise than pursuant to a rights issue, or scrip dividend scheme or similar arrangements, or a specific authority granted by the Shareholders) shall not exceed:

- (a) 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Share Offer and the Capitalisation Issue; and
- (b) the aggregate nominal amount of the share capital of our Company which may be purchased by our Company pursuant to the authority granted to our Directors as referred to in the paragraph headed “General mandate to buy back Shares” below.

SHARE CAPITAL

This mandate does not cover Shares to be allotted, issued, or dealt with under a rights issue or upon the exercise of any options which may be granted under the Share Option Scheme. This general mandate to issue Shares will remain in effect until:

- (a) the conclusion of our Company's next annual general meeting;
- (b) the expiration of the period within which our Company's next annual general meeting is required to be held by any applicable laws of the Cayman Islands or the Articles; or
- (c) it is varied or revoked by an ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

For further details of this general mandate, please refer to the paragraph headed "Further information about our Company and its subsidiaries – 3. Resolutions in writing of all the Shareholders passed on 30 August 2017" in Appendix V to this prospectus.

GENERAL MANDATE TO BUY BACK SHARES

Conditional on conditions as stated in the section headed "Structure and conditions of the Share Offer" in this prospectus being fulfilled, our Directors have been granted a general unconditional mandate to exercise all the powers to buy back Shares (Shares which may be listed on the Stock Exchange or on any other stock exchange which is recognised by the SFC and the Stock Exchange for this purpose) which represent up to 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following the completion of the Share Offer and the Capitalisation Issue (excluding Shares which may be allotted and issued pursuant to the exercise of the options which may be granted under the Share Option Scheme).

This mandate only relates to buy-back made on the Stock Exchange, or on any other stock exchange on which the Shares may be listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and made in connection with all applicable laws and regulations and the requirements of the GEM Listing Rules. A summary of the relevant GEM Listing Rules is set out in the paragraph headed "Further information about our Company and its subsidiaries – 6. Buy-back by our Company of its own securities" in Appendix V to this prospectus.

The general mandate to buy back Shares will remain in effect until:

- (i) the conclusion of the Company's next annual general meeting;
- (ii) the expiration of the period within which the Company's next annual general meeting is required to be held by any applicable laws of the Cayman Islands or the Articles; or
- (iii) it is varied or revoked by an ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

SHARE CAPITAL

For further details of this general mandate, please also refer to the paragraph headed “Further information about our Company and its subsidiaries – 3. Resolutions in writing of all the Shareholders passed on 30 August 2017” in Appendix V to this prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

The circumstances under which general meeting and class meeting are required are provided in the Articles of Association. For details, please see paragraph headed “2. Articles of Association – (e) Meeting of members – (iv) Notices of meetings and business to be conducted” in Appendix IV to this prospectus.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

Immediately following completion of the Share Offer and the Capitalisation Issue (without taking into account of the Shares which may be allotted and issued pursuant to the exercise of options that may be granted under the Share Option Scheme), based on the information available on the Latest Practicable Date, the following persons/entities will have an interest or a short position in the Shares or underlying Shares which would be required to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group:

Name of Shareholder	Nature of interest	Shares held as at the Latest Practicable Date		Shares held immediately following completion of the Reorganisation		Shares held immediately following completion of the Capitalisation Issue and the Share Offer ^{Note 1}	
		Number of Shares	Percentage of shareholding in our Company (%)	Number of shares	Percentage of shareholding in our Company (%)	Number of Shares	Percentage of shareholding in our Company (%)
Packman Global	Beneficial owner	85(L)	85	85	85	378,000,000 (L)	63.00
Mr. D Tan	Interest in controlled corporation/Interest held jointly with another person ^{Note 2}	85(L)	85	85	85	378,000,000 (L)	63.00
Ms. Fang Yunru Wanda	Interest of spouse ^{Note 3}	85(L)	85	85	85	378,000,000 (L)	63.00
Mr. R Gay	Interest in controlled corporation/Interest held jointly with another person ^{Note 2}	85(L)	85	85	85	378,000,000 (L)	63.00
Ms. Yeo Poh Choo	Interest of spouse ^{Note 4}	85(L)	85	85	85	378,000,000 (L)	63.00
Mr. M. Tan	Interest in controlled corporation/Interest held jointly with another person ^{Note 2}	85(L)	85	85	85	378,000,000 (L)	63.00
Ms. Chen Feiping	Interest of spouse ^{Note 5}	85(L)	85	85	85	378,000,000 (L)	63.00
Absolute Elite	Beneficial owner	15	15	15	15	72,000,000 (L)	12.00
Mr. Tan Chu En Ian ^{Note 6}	Interest in controlled corporation ^{Note 7}	15	15	15	15	72,000,000 (L)	12.00
Ms. Sinta Muchtar	Interest of spouse ^{Note 8}	15	15	15	15	72,000,000 (L)	12.00

SUBSTANTIAL SHAREHOLDERS

Notes:

- (1) The Letter “L” denotes the person’s long position in the relevant Shares.
- (2) The entire issued share capital of Packman Global is legally and beneficially owned as to approximately 33.3% by Mr. D Tan, Mr. R Gay and Mr. M Tan respectively. Accordingly, Mr. D Tan, Mr. R Gay and Mr. M Tan are deemed to be interested in 378,000,000 Shares held by Packman Global by virtue of the SFO. Mr. D Tan and Mr. R Gay are executive Directors while Mr. M Tan is one of the senior management. Mr. D Tan, Mr. R Gay and Mr. M Tan are persons acting in concert and accordingly each of them is deemed to be interested in the Shares held by the others. Mr. D Tan, Mr. M Tan and Mr. R Gay have confirmed that during the Track Record Period and up to the date of the Listing, they have been and will be acting in concert and voted and will vote in unanimous manner on any resolution in respect of the management, development and operations of our Group’s operations.
- (3) Ms. Fang Yunru Wanda is the spouse of Mr. D Tan and is therefore deemed to be interested in all the Shares that Mr. D Tan is interested in by virtue of SFO.
- (4) Ms. Yeo Poh Choo is the spouse of Mr. R Gay and is therefore deemed to be interested in all the Shares that Mr. R Gay is interested in by virtue of SFO.
- (5) Ms. Chen Feiping is the spouse of Mr. M Tan and is therefore deemed to be interested in all the Shares that Mr. M Tan is interested in by virtue of SFO.
- (6) Mr. Tan Chu En Ian is the beneficial owner of the Pre-IPO Investor.
- (7) The entire issued share capital of Absolute Elite, the Pre-IPO Investor, is legally and beneficially owned as to 100% by Mr. Tan Chu En Ian. Accordingly, Mr. Tan Chu En Ian is deemed to be interested in all the Shares held by Absolute Elite by virtue of the SFO.
- (8) Ms. Sinta Muchtar is the spouse of Mr. Tan Chu En Ian and is therefore deemed to be interested in all the Shares held/owned by Mr. Tan Chu En Ian (by himself or through Absolute Elite) by virtue of SFO.

Save as disclosed above, our Directors are not aware of any person who will, immediately following the Share Offer and the Capitalisation Issue (without taking into account the Shares which may be allotted and issued pursuant to the exercise of options that may be granted under the Share Option Scheme), have an interest or short position in the Shares or underlying Shares which would be required to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group.

UNDERTAKINGS

Each of the Controlling Shareholders has given certain undertakings in respect of the Shares held by them to our Company, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers (for themselves and on behalf of the Underwriters) and the Stock Exchange, details of which are set out under the section headed “Underwriting – Undertakings” in this prospectus. The Controlling Shareholders have also given undertakings in respect of the Shares to our Company and the Stock Exchange as required by Rules 13.16A(1) and 13.19 of the GEM Listing Rules.

FINANCIAL INFORMATION

You should read this section in conjunction with our audited combined financial statements, including the notes thereto, as included in the Accountant's Report set out in Appendix I to this prospectus (the "Financial Information"). Our financial information has been prepared in accordance with HKFRS. You should read the entire Accountant's Report and not rely merely on the information contained in this section.

The following discussion and analysis contains forward-looking statements that reflect the correct views with respect to future events and financial performance. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and projections depends on a number of risks and uncertainties over which we do not have control. For further information, please refer to the sections headed "Forward-looking statements and "Risk factors" in this prospectus.

OVERVIEW

We are a Singapore-based importer of food products with over 16 years of experience in the ship supply industry in Singapore. Our customers comprise Ship Supply Customers and Retail and Food Service Customers.

We have generated revenue of approximately S\$29.2 million, S\$28.2 million and S\$7.5 million for the two years ended 31 December 2016 and the three months ended 31 March 2017, respectively. Our net profit/(loss) for the two years ended 31 December 2016 and the three months ended 31 March 2017 amounted to approximately S\$1.7 million, S\$1.2 million and S\$(0.2) million, respectively. Our net profit margin slightly decreased from approximately 5.9% for the year ended 31 December 2015 to approximately 4.3% for the year ended 31 December 2016. Excluding the non-recurring listing expenses of approximately S\$0.7 million incurred for the three months ended 31 March 2017, our profit would be approximately S\$0.5 million.

BASIS OF PRESENTATION

Our Company was incorporated in the Cayman Islands on 27 January 2017 as an exempted company with limited liability under the Companies Law and become the holding company of our Group pursuant to the Reorganisation completed on 5 September 2017. Please refer to the section headed "History, Reorganisation and Group structure" in this prospectus for further details of the Reorganisation. The Financial Information has been prepared as if our Company had been the holding company of our Group throughout the Track Record Period.

FINANCIAL INFORMATION

We have prepared our combined financial information for the Track Record Period in accordance with HKFRS issued by the HKICPA on the basis of preparation as set out in note 3 to the Accountant's Report in Appendix I to this prospectus.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been and will continue to be affected by a number of factors, including those set out below:

Customer demand for our food products

The market demand for food products from Ship Chandlers, retailers and food service industry is one of the key factors impacting the selling price of our products, which in turn impacts our revenue. We believe that fluctuations in demand for food products will continue to affect our revenue in the future.

Supply of food products

Our profitability and operating margins are dependent on our ability to anticipate any interruptions in our distribution network and changes to food costs and availability. We generally do not enter into long term contracts with our suppliers requiring them to commit to provide products to us for any duration of time. We have developed a close and stable relationship with our key suppliers and have an adequate number of suppliers for each major type of products, which allows us to maintain a stable and flexible supply of products. However, we are still exposed to a risk that our suppliers may be unable to provide products that we need in the quantities and at the times and prices we request. Alternatively, we will look for our alternative suppliers from our existing list of suppliers to purchase the products. Any decline or interruption in supply from our suppliers will result in a significant increase in cost, which may materially and adversely affect our financial condition, results of operations and business prospect.

Cost of inventories

Most of our products' sales prices are based on their purchase cost plus a percentage markup. As a result, fluctuations in purchase costs of our products have a direct impact on our profitability. If there is any increase in the purchase costs of our products, we may be unable to pass on all or a portion of such increases in purchase costs to our customers, which may have a negative impact on our profit margins and results of operations. Our ability to effectively determine the selling price of our products and quickly respond to inflationary cost pressures could have a material impact on our business, financial condition or results of operations.

FINANCIAL INFORMATION

Retention of our major customers

Although we have good working relationships with our customers, there is no assurance that they will continue to place orders with us at all or at current levels in the future. In the event that our major customers significantly reduce their orders with us or we are unable to secure continued orders from them and secure alternative orders of comparable size in a timely manner, our business and results of operations will be adversely affected.

If there is a significant decline in demand from our major customers or should they decide to discontinue their relationship with our Group, we may be left with surplus inventory which we may not be able to sell within a viable period and the expired products will have to be written off. Consequently, our Group's sales volume and financial performance will be severely and adversely affected.

Product and customer mix

Our profitability and results of operations are affected by our product and customer mix. Depending on their quality and brands, our diversified portfolio of food and beverage products have different cost bases and selling prices, and hence different gross profit margins. Moreover, the composition of sales to each customer varies depending on their demands. This may create possibilities of inventory obsolescence with respect to the products with diminishing customer demand. Consequently, our gross profit margins are affected by the composition of the products that made up our sales.

In the event that price-cutting strategy is implemented to retain existing customers or to acquire new customers, we may not be able to maintain our selling price and our revenue may be adversely affected. Any change in the structure of revenue contribution from our product and customer mix or change in gross profit margin of any component may have a corresponding impact on our overall gross profit margin.

FINANCIAL INFORMATION

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our financial information in accordance with HKFRS. The Accountant's Report in Appendix I to this prospectus set forth these significant accounting policies in note 5 to the Accountant's Report in Appendix I to this prospectus. Some of our accounting policies involve subjective assumptions and estimates, as well as judgments relating to accounting items. Our estimates are based on historical experience, latest information and other assumptions that we believe to be reasonable under the circumstances. Actual results may differ under different assumptions and conditions. Further information regarding the key judgements made in applying our accounting policies are set forth in note 6 to the Accountant's Report set out in Appendix I to this prospectus.

DESCRIPTION OF SELECTED ITEMS IN COMBINED STATEMENTS OF COMPREHENSIVE INCOME

Revenue

We generated our revenue from the sale of goods to Ship Supply Customers and Retail and Food Service Customers during the Track Record Period. Our revenue represents the net invoiced value of goods sold, net of returns, rebates, discounts and sales related tax, during the relevant periods.

The following table sets forth the breakdown of our revenue by customer type for the periods indicated:

	Year ended 31 December				Three months ended 31 March			
	2015		2016		2016		2017	
	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%
Ship Supply Customers	28,851	98.9	27,048	96.0	7,320	98.0	7,141	94.8
Retail and Food Service Customers	320	1.1	1,129	4.0	148	2.0	394	5.2
	<u>29,171</u>	<u>100.0</u>	<u>28,177</u>	<u>100.0</u>	<u>7,468</u>	<u>100.0</u>	<u>7,535</u>	<u>100.0</u>

FINANCIAL INFORMATION

The table below sets forth the breakdown of our revenue and sales volume by product type for the periods indicated:

	Year ended 31 December							
	2015				2016			
	Revenue S\$'000	Percentage of total revenue %	Sales volume ton	Average selling price S\$ per kg	Revenue S\$'000	Percentage of total revenue %	Sales volume ton	Average selling price S\$ per kg
Dry	17,194	58.9	28,247	0.61	16,296	57.8	28,300	0.58
Chilled	5,745	19.7	903	6.36	5,607	19.9	863	6.50
Frozen	6,232	21.4	1,077	5.79	6,274	22.3	1,123	5.59
	<u>29,171</u>	<u>100.0</u>	<u>30,227</u>	<u>0.97</u>	<u>28,177</u>	<u>100.0</u>	<u>30,286</u>	<u>0.93</u>

	Three months ended 31 March							
	2016				2017			
	Revenue S\$'000	Percentage of total revenue %	Sales volume ton	Average selling price S\$ per kg	Revenue S\$'000	Percentage of total revenue %	Sales volume ton	Average selling price S\$ per kg
Dry	4,441	59.5	7,529	0.59	4,125	54.7	7,345	0.56
Chilled	1,383	18.5	296	4.67	1,760	23.4	351	5.01
Frozen	1,644	22.0	343	4.79	1,650	21.9	343	4.81
	<u>7,468</u>	<u>100.0</u>	<u>8,168</u>	<u>0.91</u>	<u>7,535</u>	<u>100.0</u>	<u>8,039</u>	<u>0.94</u>

Revenue from Ship Supply Customers

Our revenue from the trading and supply of food products to Ship Supply Customers decreased by approximately 6.2% from approximately S\$28.9 million for the year ended 31 December 2015 to approximately S\$27.0 million for the year ended 31 December 2016, primarily due to the decrease in average selling price of our food products as a result of the decrease in purchase price of those products in order to increase market share in this competitive industry.

Our revenue from Ship Supply Customers slightly decreased by approximately 2.4% from approximately S\$7.3 million for the three months ended 31 March 2016 to approximately S\$7.1 million for the three months ended 31 March 2017 as a result of the slight decrease in sales volume and average selling price of dry products.

Revenue from Retail and Food Service Customers

Our business in the distribution of food products to retailers such as supermarkets, hypermarkets and other retail outlets contributed approximately S\$0.3 million, S\$1.1 million and S\$0.4 million to our total revenue for the two years ended 31 December 2016 and for the three months ended 31 March 2017, respectively.

FINANCIAL INFORMATION

During the Track Record Period, revenue generated from sales of dry products contributed the largest share of our revenue, which accounted for approximately 58.9%, 57.8% and 54.7% for the Track Record Period, respectively. Revenue generated from sales of chilled products accounted for approximately 19.7%, 19.9% and 23.4% for the Track Record Period, respectively. Revenue generated from sales of frozen products made up approximately 21.4%, 22.3% and 21.9% of our revenue for the Track Record Period, respectively.

Our sales of dry products decreased by approximately S\$0.9 million or 5.2% for the year ended 31 December 2016 as compared to the previous year as a result of a decrease in average selling price due to a decrease in general commodities price despite the sales volume remaining stable. Our sales of dry products decreased by approximately S\$0.3 million or 7.1% for the three months ended 31 March 2017 as compared to the same period for the previous year as a result of a decrease in average selling price and sales volume.

Our sales of chilled products decreased by approximately S\$0.1 million or 2.4% for the year ended 31 December 2016 as compared to the previous year as a result of a decrease in sales volume offset by the increase in average selling price. Our sales of chilled products increased by approximately S\$0.4 million or 27.3% for the three months ended 31 March 2017 as compared to the same period for the previous year as a result of the increase in sales volume and the increase in average selling price.

Our sales of frozen products increased by approximately S\$42,000 or 0.7% for the year ended 31 December 2016 as compared to the previous year as a result of increased orders received for certain frozen products. Our sales of frozen products increased by approximately S\$6,000 for the three months ended 31 March 2017 as compared to the same period for the previous year as a result of the increase in average selling price.

Cost of sales

Our cost of sales mainly represents costs of buying food products from suppliers, freight charges and costs of repackaging materials.

The following table sets forth the breakdown of our cost of sales by customer type for the periods indicated:

	Year ended 31 December				Three months ended 31 March			
	2015		2016		2016		2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Ship Supply Customers	21,823	98.9	20,003	95.2	5,515	98.1	5,155	93.3
Retail and Food Service Customers	240	1.1	1,013	4.8	104	1.9	368	6.7
	<u>22,063</u>	<u>100.0</u>	<u>21,016</u>	<u>100.0</u>	<u>5,619</u>	<u>100.0</u>	<u>5,523</u>	<u>100.0</u>

FINANCIAL INFORMATION

The table below sets forth the breakdown of our cost of sales by product type for the periods indicated:

	Year ended 31 December				Three months ended 31 March			
	2015		2016		2016		2017	
	\$S'000	%	\$S'000	%	\$S'000	%	\$S'000	%
Cost of inventories recognised as expenses								
Dry	13,332	60.4	12,798	60.9	3,572	63.6	3,269	59.2
Chilled	3,715	16.8	3,891	18.5	814	14.5	1,038	18.8
Frozen	4,311	19.6	3,847	18.3	1,143	20.3	1,062	19.2
Freight charges	626	2.8	399	1.9	76	1.4	120	2.2
Costs of repackaging	79	0.4	81	0.4	14	0.2	34	0.6
	<u>22,063</u>	<u>100.0</u>	<u>21,016</u>	<u>100.0</u>	<u>5,619</u>	<u>100.0</u>	<u>5,523</u>	<u>100.0</u>

Cost of inventories recognised as expenses, mainly include our costs of buying products from suppliers, which formed the largest component of our cost of sales, representing approximately 96.8%, 97.7% and 97.2%, respectively, of our total cost of sales for the Track Record Period.

Our freight charges mainly include shipping charges, terminal storage charges and depot handling charges. It accounted for approximately 2.8%, 1.9% and 2.2% of our total cost of sales respectively for the Track Record Period.

Gross profit and gross profit margin

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit divided by our revenue, expressed as a percentage.

The following table sets forth a breakdown of our gross profit and gross profit margin by customer type for the periods indicated:

	Year ended 31 December				Three months ended 31 March			
	2015		2016		2016		2017	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	\$S'000	%	\$S'000	%	\$S'000	%	\$S'000	%
Ship Supply Customers	7,028	24.4	7,045	26.0	1,805	24.7	1,986	27.8
Retail and Food Service Customers	80	25.0	116	10.3	44	29.7	26	6.6
	<u>7,108</u>	<u>24.4</u>	<u>7,161</u>	<u>25.4</u>	<u>1,849</u>	<u>24.8</u>	<u>2,012</u>	<u>26.7</u>

FINANCIAL INFORMATION

The table below sets forth our gross profit and gross profit margin by each of our product type for the periods indicated:

	Year ended 31 December				Three months ended 31 March			
	2015		2016		2016		2017	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Dry	3,862	22.5	3,498	21.5	869	19.6	856	20.8
Chilled	2,030	35.3	1,716	30.6	569	41.1	722	41.0
Frozen	1,921	30.8	2,427	38.7	501	30.5	588	35.6
	7,813	26.8	7,641	27.1	1,939	26.0	2,166	28.7
Less: Other cost of sales (note)	(705)	N/A	(480)	N/A	(90)	N/A	(154)	N/A
	<u>7,108</u>	<u>24.4</u>	<u>7,161</u>	<u>25.4</u>	<u>1,849</u>	<u>24.8</u>	<u>2,012</u>	<u>26.7</u>

Note: Other cost of sales include freight charges and costs of repackaging.

The fluctuation in gross profit margin during the Track Record Period was primarily attributable to improvements in our product mix that resulted in higher sales volume of some of our chilled and frozen products with higher profit margins.

Other income and gains

Other income and gains mainly consists of rental income, government grants and other sundry income. The following table sets out a breakdown of our other income and gains for the periods indicated:

	Year ended 31 December				Three months ended 31 March			
	2015		2016		2016		2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Bank interest income	2	1.0	-	-	-	-	-	-
Rental income from investment properties	84	44.0	129	30.0	23	33.8	52	40.9
One-off slotting and marketing fee received	-	-	198	46.1	-	-	48	37.8
Government grants	105	55.0	84	19.5	45	66.2	25	19.7
Others	-	-	19	4.4	-	-	2	1.6
	<u>191</u>	<u>100.0</u>	<u>430</u>	<u>100.0</u>	<u>68</u>	<u>100.0</u>	<u>127</u>	<u>100.0</u>

Rental income was received as we had leased the premises at 8A Admiralty Street #03-26 Singapore 757437 and 27 Tuas Bay Walk #04-01 Westview Food Factory, Singapore 637127 to two Independent Third Parties.

FINANCIAL INFORMATION

One-off slotting and marketing fee received during the Track Record Period mainly represented the receipts from supplier of (i) one-off supermarket slotting fee, which comprises sampling fee that is based on the numbers of shelving slots where the products were placed and listing fee that is based on the number of retail outlets where the products would be shelved and (ii) expenses incurred for hiring temporary promoters to conduct sales and marketing activities by our Group in retail supermarkets.

Government grants comprised of one-off unconditional cash subsidies from the Singapore government to subsidise our Group's operation costs, which include wage credit scheme, temporary employment credit scheme and special employment credit scheme.

The following table sets out a breakdown of our government grants by the type of credit scheme for the periods indicated:

	Year ended 31 December				Three months ended 31 March			
	2015		2016		2016		2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Wage credit scheme	27	25.7	41	48.8	41	91.1	16	64.0
Special employment credit scheme	5	4.8	10	11.9	4	8.9	8	32.0
PIC Scheme	4	3.8	9	10.7	-	-	-	-
Temporary employment credit scheme	3	2.9	7	8.3	-	-	1	4.0
Trade credit insurance scheme	52	49.5	12	14.3	-	-	-	-
Others	14	13.3	5	6.0	-	-	-	-
	<u>105</u>	<u>100.0</u>	<u>84</u>	<u>100.0</u>	<u>45</u>	<u>100.0</u>	<u>25</u>	<u>100.0</u>

Selling and distribution costs

Our selling and distribution costs primarily include depreciation of property, plant and equipment, employee benefit expenses, rental for motor vehicles, rental for warehouses and others.

The following table sets forth a breakdown of our selling and distribution costs for the periods indicated:

	Year ended 31 December				Three months ended 31 March			
	2015		2016		2016		2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Depreciation of property, plant and equipment	62	3.4	55	2.2	12	2.5	20	3.3
Employee benefit expenses	1,320	71.3	1,518	62.1	331	69.2	380	63.1
Rental for motor vehicles	113	6.1	201	8.2	32	6.7	51	8.5
Rental for warehouses	200	10.8	419	17.2	70	14.7	88	14.6
Transportation expenses	133	7.2	130	5.3	30	6.3	39	6.5
Other selling and distribution costs	22	1.2	123	5.0	3	0.6	24	4.0
	<u>1,850</u>	<u>100.0</u>	<u>2,446</u>	<u>100.0</u>	<u>478</u>	<u>100.0</u>	<u>602</u>	<u>100.0</u>

FINANCIAL INFORMATION

Our selling and distribution costs accounted for approximately 6.3%, 8.7% and 8.0% of total revenue respectively for the Track Record Period. The increase of selling and distribution costs for the year ended 31 December 2016 as compared to the previous year was mainly due to (i) the increase of employee benefit expenses relating to sales and distribution of goods incurred as a result of the increase in supply of food products to retailers and food service industry in 2016 and thus the number of employee under sales and purchasing and marketing functions increased from five as at 31 December 2015 to 13 as at 31 December 2016; and (ii) the increase of rental for warehouses as a result of the increase in average level of inventories. Our selling and distribution costs increased by approximately 25.9% for the three months ended 31 March 2017 as compared to the same period for previous year, primarily due to the increase of rental for warehouses as a result of the increase in average level of inventories and increase in employee benefit expenses.

Administrative and other operating expenses

Our administrative and other operating expenses primarily comprise depreciation of property, plant and equipment and investment properties, directors' remuneration, employee benefit expenses, listing expenses, insurance and others.

The following table sets forth a breakdown of our administrative and other operating expenses for the periods indicated:

	Year ended 31 December				Three months ended 31 March			
	2015		2016		2016		2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Depreciation of property, plant and equipment and investment properties	348	10.5	306	8.8	78	11.0	92	6.0
Directors' remuneration	1,004	30.3	757	21.7	187	26.4	192	12.6
Employee benefit expenses	1,248	37.7	1,033	29.6	242	34.1	323	21.2
Insurance	82	2.5	46	1.3	47	6.6	8	0.5
Listing expenses	–	–	668	19.2	–	–	684	44.8
Repairs and maintenance	63	1.9	57	1.6	10	1.4	14	0.9
Travelling and entertainment	112	3.4	105	3.0	14	2.0	35	2.3
Other administrative and other operating expenses (note)	453	13.7	514	14.8	131	18.5	178	11.7
	<u>3,310</u>	<u>100.0</u>	<u>3,486</u>	<u>100.0</u>	<u>709</u>	<u>100.0</u>	<u>1,526</u>	<u>100.0</u>

Note: Other administrative and other operating expenses include utilities expenses, banks charges, professional fees and other sundry expenses.

Our administrative and other operating expenses accounted for approximately 11.3%, 12.4% and 20.3% of total revenue respectively for the Track Record Period. The increase of administrative and other operating expenses for the year ended 31 December 2016 as compared to the previous year was mainly due to the listing expenses recognised for the year ended 31 December 2016 and offset by the decrease in directors' remuneration and employee benefit expenses relating to the administration of the business of the Group. The increase of

FINANCIAL INFORMATION

administrative and other operating expenses for the three months ended 31 March 2017 as compared to the same period for previous year was mainly due to the listing expenses recognised for the three months ended 31 March 2017 and the increase in employee benefit expenses.

Finance costs

Our finance costs mainly comprise interest charges on our interest-bearing bank borrowings and finance leases.

The following table sets forth a breakdown of our finance costs for the periods indicated:

	Year ended 31 December				Three months ended 31 March			
	2015		2016		2016		2017	
	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%
Interest on bank borrowings	64	83.1	94	87.0	19	86.4	30	85.7
Interest on finance leases	13	16.9	14	13.0	3	13.6	5	14.3
	<u>77</u>	<u>100.0</u>	<u>108</u>	<u>100.0</u>	<u>22</u>	<u>100.0</u>	<u>35</u>	<u>100.0</u>

Finance costs mainly comprise interest charges on our interest-bearing bank borrowings and finance leases. Our finance costs amounted to approximately S\$77,000, S\$108,000 and S\$35,000 respectively, for the Track Record Period.

Income tax expense

Income tax expense represents income tax paid or payable at the applicable tax rates in accordance with the relevant laws and regulations in each tax jurisdiction we operate or domicile. We had no tax payable in tax jurisdictions other than Singapore during the Track Record Period.

The statutory corporate tax rate in Singapore was 17% throughout the Track Record Period.

For the years ended 31 December 2015 and 2016, our income tax expense was approximately S\$352,000 and S\$341,000, respectively, and our effective tax rate for the same period was approximately 17.1% and 22.0%, respectively. The increase in effective tax rate was due to the tax effect of the non-deductible listing expenses incurred in the year ended 31 December 2016.

For the three months ended 31 March 2017, our income tax expense was approximately S\$132,000. Excluding the non-recurring listing expenses of approximately S\$0.7 million incurred for the three months ended 31 March 2017 which was non-deductible for tax purpose, our effective tax rate would be approximately 20.0%, which approximated to our prevailing tax rates.

During the Track Record Period and up to the Latest Practicable Date, we had fulfilled all our income tax obligations and have not had any unresolved income tax issues or disputes with the relevant tax authorities.

FINANCIAL INFORMATION

RESULTS OF OPERATIONS

The following table summarises the selected items in our combined statements of comprehensive income for the Track Record Period, extracted from the Accountant's Report in Appendix I to this prospectus:

	Year ended 31 December		Three months ended 31 March	
	2015 S\$'000	2016 S\$'000	2016 S\$'000	2017 S\$'000
			(unaudited)	
Revenue	29,171	28,177	7,468	7,535
Cost of sales	<u>(22,063)</u>	<u>(21,016)</u>	<u>(5,619)</u>	<u>(5,523)</u>
Gross profit	7,108	7,161	1,849	2,012
Other income and gains	191	430	68	127
Selling and distribution costs	(1,850)	(2,446)	(478)	(602)
Administrative and other operating expenses	(3,310)	(3,486)	(709)	(1,526)
Finance costs	<u>(77)</u>	<u>(108)</u>	<u>(22)</u>	<u>(35)</u>
Profit/(loss) before income tax	2,062	1,551	708	(24)
Income tax expense	<u>(352)</u>	<u>(341)</u>	<u>(102)</u>	<u>(132)</u>
Profit/(loss) and total comprehensive income for the year/period	<u><u>1,710</u></u>	<u><u>1,210</u></u>	<u><u>606</u></u>	<u><u>(156)</u></u>

Three months ended 31 March 2017 compared to three months ended 31 March 2016

Revenue

Our revenue increased by approximately S\$67,000 or approximately 0.9% from approximately S\$7,468,000 for the three months ended 31 March 2016 to approximately S\$7,535,000 for three months ended 31 March 2017. Such increase was driven by the increase in the average selling price of our food products from approximately S\$0.91 per kg for the three months ended 31 March 2016 to approximately S\$0.94 per kg for the three months ended 31 March 2017.

FINANCIAL INFORMATION

Cost of sales

Our cost of sales decreased by approximately S\$0.1 million or approximately 1.7% from approximately S\$5.6 million for three months ended 31 March 2016 to approximately S\$5.5 million for three months ended 31 March 2017. Such decrease was primarily due to the decrease in our cost of inventories recognised as expenses by approximately S\$0.2 million from approximately S\$5.4 million for the three month ended 31 March 2017 as compared to approximately S\$5.5 million for the three month ended 31 March 2016.

Gross profit and gross profit margin

Our overall gross profit increased by approximately S\$0.2 million or approximately 8.8% from approximately S\$1.8 million for three months ended 31 March 2016 to approximately S\$2.0 million for the three months ended 31 March 2017. Our overall gross profit margin increased from approximately 24.8% for the three months ended 31 March 2016 to approximately 26.7% for the three months ended 31 March 2017, which was mainly due to improvements in our product mix that resulted in higher sales of our products with higher gross profit margins as a result of more discounts obtained from overseas suppliers.

Other income and gains

Our other income and gains increased by approximately S\$59,000 or approximately 86.8% from approximately S\$68,000 for the three months ended 31 March 2016 to approximately S\$127,000 for the three months ended 31 March 2017. The increase was primarily due to the receipts of one-off slotting and marketing fee from our supplier which amounted to approximately S\$48,000.

Selling and distribution costs

Our selling and distribution costs increased by approximately S\$124,000 or approximately 25.9% from approximately S\$0.5 million for the three months ended 31 March 2016 to approximately S\$0.6 million for the three months ended 31 March 2017. The increase was primarily due to (i) increase of rental for warehouses of approximately S\$18,000 as a result of the increase in average level of inventories; and (ii) increase in employee benefit expenses relating to sales and distribution of goods of approximately S\$49,000.

Administrative and other operating expenses

Our administrative and other operating expenses increased by approximately S\$0.8 million or approximately 115.2% from approximately S\$0.7 million for the three months ended 31 March 2016 to approximately S\$1.5 million for the three months ended 31 March 2017. The increase was primarily due to the recognition of listing expenses for the three months ended 31 March 2017 amounted to approximately S\$0.7 million.

FINANCIAL INFORMATION

Finance costs

Our finance costs increased by approximately S\$13,000 or approximately 59.1% from approximately S\$22,000 for the three months ended 31 March 2016 to approximately S\$35,000 for the three months ended 31 March 2017. The increase was mainly due to the increase of bank borrowings as a result of acquisition of an investment property in October 2016.

Income tax expense

Our income tax expense increased from approximately S\$102,000 for the three months ended 31 March 2016 to approximately S\$132,000 for the three months ended 31 March 2017. Our effective tax rate was approximately 14.4% for three months ended 31 March 2016. Excluding the non-recurring listing expenses of approximately S\$0.7 million incurred for the three months ended 31 March 2017 which was non-deductible for tax purpose, our effective tax rate would be approximately 20.0%, which approximated to our prevailing tax rates.

Profit/(loss) and total comprehensive income for the period

As a result of the foregoing, our profit/(loss) and total comprehensive income for the period decreased by approximately S\$0.8 million or approximately 125.7% from a profit of approximately S\$0.6 million for the three months ended 31 March 2016 to a loss of approximately S\$0.2 million for the three months ended 31 March 2017. Excluding the non-recurring listing expenses of approximately S\$0.7 million incurred for the three months ended 31 March 2017, our profit would remain stable at approximately S\$0.6 million and S\$0.5 million respectively for the three months ended 31 March 2016 and 31 March 2017; our net profit margin would remain stable at approximately 8.1% and 7.0% respectively for the three months ended 31 March 2016 and 31 March 2017.

Year ended 31 December 2016 compared to year ended 31 December 2015

Revenue

Our revenue decreased by approximately S\$1.0 million or approximately 3.4% from approximately S\$29.2 million for the year ended 31 December 2015 to approximately S\$28.2 million for the year ended 31 December 2016. Such decrease was driven by the overall decrease in average selling price of our food products from approximately S\$0.97 per kg for the year ended 31 December 2015 to approximately S\$0.93 per kg for the year ended 31 December 2016.

FINANCIAL INFORMATION

Cost of sales

Our cost of sales decreased by approximately S\$1.0 million or approximately 4.7% from approximately S\$22.1 million for the year ended 31 December 2015 to approximately S\$21.0 million for the year ended 31 December 2016. Such decrease was in line with the drop in revenue and it was primarily due to the decrease in our cost of inventories recognised as expenses by approximately S\$0.8 million from approximately S\$21.4 million for the year ended 31 December 2015 to approximately S\$20.5 million for the year ended 31 December 2016.

Gross profit and gross profit margin

Our overall gross profit increased by approximately S\$53,000 or approximately 0.7% from approximately S\$7.1 million for the year ended 31 December 2015 to approximately S\$7.2 million for the year ended 31 December 2016. Our overall gross profit margin increased from approximately 24.4% for the year ended 31 December 2015 to approximately 25.4% for the year ended 31 December 2016, which was mainly due to the improvements in our product mix that resulted in higher sales volume of some of our frozen products with higher profit margins.

Other income and gains

Our other income and gains increased by approximately S\$239,000 or approximately 125.1% from approximately S\$191,000 for the year ended 31 December 2015 to approximately S\$430,000 for the year ended 31 December 2016. The increase was primarily due to increase of rental income of approximately S\$45,000 as a result of the acquisition of investment property for leasing and the receipt of one-off slotting and marketing fee from our supplier which amounted to approximately S\$198,000.

Selling and distribution costs

Our selling and distribution costs increased by approximately S\$0.6 million or approximately 32.2% from approximately S\$1.9 million for the year ended 31 December 2015 to approximately S\$2.4 million for the year ended 31 December 2016. The increase was primarily due to (i) increase of employee benefit expenses incurred as a result of increase in number of employees under sales and purchasing and marketing functions from five as at 31 December 2015 to 13 as at 31 December 2016 due to the increase in the supply of food products to retailers and food service industry in 2016 of approximately S\$0.2 million; and (ii) increase of rental for warehouses of approximately S\$0.2 million as a result of the increase in average level of inventories.

FINANCIAL INFORMATION

Administrative and other operating expenses

Our administrative and other operating expenses increased by approximately S\$0.2 million or approximately 5.3% from approximately S\$3.3 million for the year ended 31 December 2015 to approximately S\$3.5 million for the year ended 31 December 2016. The increase was primarily due to the recognition of listing expenses for the year ended 31 December 2016 amounted to approximately S\$0.7 million and offset by the decrease in directors' remuneration and employee benefit expenses of approximately S\$0.5 million.

Finance costs

Our finance costs increased by approximately S\$31,000 or 40.3% from approximately S\$77,000 for the year ended 31 December 2015 to approximately S\$108,000 for the year ended 31 December 2016. The increase was mainly due to the increase of effective interest rate from approximately 2.35% per annum as at 31 December 2015 to the range of approximately 1.98% to 3.55% as at 31 December 2016.

Income tax expense

Our income tax expense remained relatively stable at approximately S\$352,000 and approximately S\$341,000 for the two years ended 31 December 2016 respectively. Our effective tax rate increased from approximately 17.1% for the year ended 31 December 2015 to approximately 22.0% for the year ended 31 December 2016 which was mainly due to the tax effect of the non-deductible listing expenses of approximately S\$0.7 million incurred in the year ended 31 December 2016.

Profit and total comprehensive income for the year

As a result of the foregoing, our profit and total comprehensive income for the year decreased by approximately S\$0.5 million or 29.2% from approximately S\$1.7 million for the year ended 31 December 2015 to approximately S\$1.2 million for the year ended 31 December 2016. Our net profit margin decreased slightly from approximately 5.9% for the year ended 31 December 2015 to approximately 4.3% for the year ended 31 December 2016, which was mainly due to one-off listing expenses incurred in relation to the Listing which amounted to approximately S\$0.7 million. Our Group would have recorded a profit of approximately S\$1.9 million for the year ended 31 December 2016 which is comparable to the year ended 31 December 2015 of approximately S\$1.7 million should the expenses related to the Listing be excluded.

FINANCIAL INFORMATION

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

Our use of cash primarily relates to the purchase of goods, packaging materials, other operating activities, purchase of investment property and repayment of bank borrowings. We have historically financed our operations primarily through a combination of cash flow generated from our operations and bank borrowings. We were able to repay our obligations under bank borrowings when they became due. We did not experience any difficulties in rolling over our bank borrowings during the Track Record Period. We currently expect that there will not be any material change in the sources and uses of cash of our Group, except that we would have additional funds from proceeds of the Share Offer for implementing our future plans as detailed under the section headed “Future plans and use of proceeds” in this prospectus.

The following table sets forth a summary of our combined cash flows for the periods indicated:

	Year ended 31 December		Three months ended 31 March	
	2015 S\$'000	2016 S\$'000	2016 S\$'000	2017 S\$'000
			(unaudited)	
Net cash from/(used in)				
operating activities	1,931	1,275	903	(712)
Net cash used in investing				
activities	(86)	(992)	(926)	(69)
Net cash (used in)/from				
financing activities	<u>(638)</u>	<u>1,026</u>	<u>(34)</u>	<u>858</u>
Net increase/(decrease) in cash				
and cash equivalents	1,207	1,309	(57)	77
Cash and cash equivalents at				
beginning of the year/period	<u>955</u>	<u>2,162</u>	<u>2,162</u>	<u>3,471</u>
Cash and cash equivalents at				
end of the year/period	<u><u>2,162</u></u>	<u><u>3,471</u></u>	<u><u>2,105</u></u>	<u><u>3,548</u></u>

FINANCIAL INFORMATION

Operating activities

Net cash from operating activities comprises profit/(loss) before income tax adjusted for non-cash items, such as depreciation of property, plant and equipment, depreciation of investment properties, write-off of inventories and finance costs, and adjusted for the change in working capital. During the Track Record Period, our cash flow from operating activities was principally from profit before income tax. Our cash used in operating activities principally included net cash outflows relating to the changes in working capital and income tax paid.

For the three months ended 31 March 2017, our net cash used in operating activities of approximately S\$0.7 million was a combined result of (i) operating cash inflow before changes in working capital of S\$0.2 million, (ii) decrease in inventories of approximately S\$0.4 million, (iii) increase in trade receivables of approximately S\$1.0 million, (iv) increase in deposits, prepayments and other receivables of approximately of S\$0.2 million, (v) decrease in trade payables of approximately of S\$0.4 million and (vi) increase in accruals, other payables and deposits received of approximately S\$0.4 million.

For the year ended 31 December 2016, our net cash from operating activities of approximately S\$1.3 million was a combined result of (i) operating cash inflow before changes in working capital of approximately S\$2.2 million, (ii) income tax paid of approximately S\$0.3 million, (iii) increase in inventories of approximately S\$0.7 million, (iv) decrease in trade receivables of approximately S\$0.1 million, (v) increase in deposits, prepayments and other receivables of approximately S\$0.5 million, (vi) increase in trade payables of approximately S\$0.5 million and (vii) increase in accruals, other payables and deposits received of approximately S\$64,000.

For the year ended 31 December 2015, our net cash from operating activities of approximately S\$1.9 million was a combined result of (i) operating cash inflow before changes in working capital of approximately S\$2.6 million, (ii) income tax paid of approximately S\$0.2 million, (iii) increase in inventories of approximately S\$0.1 million, (iv) increase in trade receivables of approximately S\$0.7 million, (v) decrease in deposits, prepayments and other receivables of approximately S\$0.1 million, (vi) increase in trade payables of approximately S\$0.2 million and (vii) decrease in accruals, other payables and deposits received of approximately S\$13,000.

Investing activities

For the three months ended 31 March 2017, our net cash used in investing activities was approximately S\$69,000, solely due to purchase of property, plant and equipment.

For the year ended 31 December 2016, our net cash used in investing activities was approximately S\$992,000, mainly due to acquisition of investment property of approximately S\$871,000 and purchase of property, plant and equipment of approximately S\$121,000.

FINANCIAL INFORMATION

For the year ended 31 December 2015, our net cash used in investing activities was approximately S\$86,000, mainly due to the deposit paid for the acquisition of investment property of approximately S\$49,000 and purchase of property, plant and equipment of approximately S\$45,000.

Financing activities

For the three months ended 31 March 2017, our net cash from financing activities of approximately S\$0.9 million was primarily due to proceeds from issue of shares of approximately S\$1.6 million which was offset by repayments of bank borrowings and finance lease obligations of approximately S\$52,000 and S\$45,000 respectively, net repayment of amounts due to directors of approximately S\$654,000 and interest paid for bank borrowings and finance leases of approximately S\$30,000 and S\$5,000 respectively.

For the year ended 31 December 2016, our net cash from financing activities of approximately S\$1.0 million was primarily due to proceeds from bank borrowings of approximately S\$736,000 which was offset by repayments of bank borrowings and finance lease obligations of approximately S\$175,000 and S\$73,000 respectively, deposit received from the Pre-IPO Investor of approximately S\$746,000, net repayment of amounts due to directors of approximately S\$120,000 and interest paid for bank borrowings and finance leases of approximately S\$94,000 and S\$14,000 respectively.

For the year ended 31 December 2015, our net cash used in financing activities of approximately S\$638,000 was primarily due to repayment of bank borrowings of approximately S\$277,000, repayment of finance lease obligations of approximately S\$60,000, net repayment of amounts due to directors of approximately S\$224,000 and interest paid for bank borrowings and finance leases of approximately S\$64,000 and S\$13,000 respectively.

FINANCIAL INFORMATION

Current assets and liabilities

We recorded net current assets of approximately S\$4.7 million, S\$5.8 million S\$7.9 million and S\$7.8 million as at 31 December 2015, 31 December 2016, 31 March 2017 and 31 July 2017, respectively. The table below sets forth our current assets and current liabilities as of the dates indicated:

	As at 31 December		As at 31 March	As at 31 July
	2015	2016	2017	2017
	S\$'000	S\$'000	S\$'000	S\$'000
				(unaudited)
Current assets				
Inventories	2,433	3,017	2,563	3,617
Trade receivables	6,091	5,964	6,963	6,040
Deposits, prepayments and other receivables	110	599	836	1,027
Time deposit with original maturity over three months	153	153	153	153
Cash and cash equivalents	<u>2,162</u>	<u>3,471</u>	<u>3,548</u>	<u>2,484</u>
	<u>10,949</u>	<u>13,204</u>	<u>14,063</u>	<u>13,321</u>
Current liabilities				
Trade payables	2,700	3,178	2,735	2,788
Accruals, other payables and deposits received	1,825	2,605	2,247	2,202
Due to directors	1,148	1,028	374	–
Due to non-controlling interests	–	10	10	10
Bank borrowings	174	204	205	207
Finance lease obligations	60	63	65	12
Income tax payable	<u>329</u>	<u>357</u>	<u>486</u>	<u>346</u>
	<u>6,236</u>	<u>7,445</u>	<u>6,122</u>	<u>5,565</u>
Net current assets	<u><u>4,713</u></u>	<u><u>5,759</u></u>	<u><u>7,941</u></u>	<u><u>7,756</u></u>

FINANCIAL INFORMATION

Our net current assets increased by approximately S\$1.0 million from approximately S\$4.7 million as at 31 December 2015 to approximately S\$5.8 million as at 31 December 2016. The increase was primarily due to (i) the increase in cash and cash equivalents of approximately S\$1.3 million; (ii) the increase in inventories of approximately S\$0.6 million; and (iii) the increase in deposits, prepayments and other receivables of approximately S\$0.5 million, which was partially offset by (a) increase in trade payables of approximately S\$0.5 million; and (b) increase in accruals, other payables and deposits received of approximately S\$0.8 million.

Our net current assets further increased to approximately S\$7.9 million as at 31 March 2017. The increase was primarily due to (i) increase in trade receivables of approximately S\$1.0 million; (ii) decrease in trade payables of approximately S\$0.4 million; (iii) decrease in accruals, other payables and deposits received of approximately S\$0.4 million; (iv) decrease in amounts due to directors of approximately S\$0.7 million, which was partially offset by decrease in inventories of approximately S\$0.5 million.

Based on our unaudited combined financial statement as at 31 July 2017, our net current assets slightly decreased to approximately S\$7.8 million as compared to the three months ended 31 March 2017. The decrease was primarily due to the decrease in cash and cash equivalents and trade receivables of approximately S\$1.1 million and S\$0.9 million respectively, which was partially offset by (i) increase in inventories of approximately S\$1.1 million; (ii) increase in deposits, prepayments and other receivables of approximately S\$0.2 million; (iii) decrease in amounts due to directors of approximately S\$0.4 million and (iv) decrease in income tax payable of approximately S\$0.1 million.

Inventories

Our inventories increased from approximately S\$2.4 million as at 31 December 2015 to approximately S\$3.0 million as at 31 December 2016 which was mainly due to more inventories purchased in order to fulfill the subsequent sales orders from customers. Our inventories then decreased to approximately S\$2.6 million as at 31 March 2017, such decrease was mainly due to more sales of dry products during the three months ended 31 March 2017.

Our Group makes provision for inventory impairment based on our assessment of net realisable value of existing inventories. Allowances are applied to inventories where events or changes in circumstances indicate that the net realisable value of certain items is lower than the cost of those items. The identification of obsolete inventories require the use of estimation of the net realisation value of items of inventory and evaluation of physical condition. Where the estimated net realisable value is lower than the cost of inventory items, management would write-down the inventories cost to net realisable value. Our Directors are of the view that our Group's provisioning policies for inventories are adequate. Our Group had written-off inventories of approximately S\$33,000, S\$137,000 and S\$40,000 respectively for the Track Record Period. The increase was primarily due to (i) general decline in sales in 2016 including dairy products such as yogurt, milk and cheese which have relatively shorter shelf life; and (ii) the write-off of certain products in the dry category.

FINANCIAL INFORMATION

The table below sets forth our turnover days of our inventories as at the dates indicated:

	Year ended 31 December		Three months ended 31 March
	2015	2016	2017
Inventory turnover days ^(Note)	40.0	47.3	45.5

Note: Inventory turnover days is calculated using the average balance of inventory divided by cost of sales for the relevant period and multiplied by numbers of days in the relevant period (i.e. 365 days for a full year and 90 days for the three months ended 31 March 2017). Average balance of inventory is calculated as the sum of the beginning and the ending balance for the relevant period, divided by two.

Our inventory turnover days increased from approximately 40.0 days for the year ended 31 December 2015 to approximately 47.3 days for the year ended 31 December 2016 and remained stable at approximately 45.5 days for the three months ended 31 March 2017. Such increase was mainly due to increased amount of purchases of products near year end to fulfill subsequent sales orders during the year ended 31 December 2016.

As at 31 July 2017, approximately 71.2% of our inventories as at 31 March 2017 had been sold or utilised.

Trade receivables

Our trade receivables primarily relate to receivables for our products sold to our customers. Our trade receivables remained relatively stable at approximately S\$6.1 million as at 31 December 2015 and approximately S\$6.0 million as at 31 December 2016 and further increased to approximately S\$7.0 million as at 31 March 2017. Such increase is consistent with the increased revenue generated from customers per month in the three months ended 31 March 2017 as compared to that of the year ended 31 December 2016.

During the Track Record Period, we conducted our sales by cash on delivery and credit sales. Before accepting any new customers, our Group will apply an internal credit assessment policy to assess the potential customer's credit quality and define credit limit by customer. We generally granted credit period ranging from cash on delivery to 60 days from the invoice date for our major customers. Each customer has a maximum credit limit. We seek to maintain strict control over our outstanding receivables to minimise the credit risk. We typically do not require any collateral as security.

FINANCIAL INFORMATION

The following table sets forth the aging analysis (based on invoices date) of our Group's trade receivables due from third parties, as at the dates indicated:

	As at 31 December		As at 31 March
	2015	2016	2017
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
0-30 days	2,797	2,472	2,797
31-90 days	3,071	3,205	3,816
91-180 days	223	286	345
Over 180 days	<u>–</u>	<u>1</u>	<u>5</u>
	<u><u>6,091</u></u>	<u><u>5,964</u></u>	<u><u>6,963</u></u>

Our policy for impairment on trade receivables due from third parties is based on an evaluation of collectability and aging analysis of the receivables that requires the use of judgment and estimates of our management. Provisions would apply to the receivables when there are events or changes in circumstances which indicate that the balances may not be collectible. We closely review the trade receivables balances and any overdue balances on an ongoing basis, and assessments are made by our management on the collectability of overdue balances. After fully considering the nature of trade receivables and their collectability on a case-by-case basis, we have made provisions for the impairment of certain overdue trade receivables in order to ensure the quality of our assets. We did not experience any material payment defaults from our customers during the Track Record Period. During the years ended 31 December 2015 and 2016 and the three months ended 31 March 2017, our Group has determined trade receivables of approximately S\$4,000, nil and nil respectively as irrecoverable and written-off due to the liquidation of the owing customer.

The table below sets forth our turnover days of our trade receivables as at the dates indicated:

	Year ended 31 December		Three months ended 31 March
	2015	2016	2017
	Turnover days of trade receivables ^(Note)	71.7	78.1

Note: Turnover days of trade receivables is calculated using the average balance of trade receivables divided by revenue for the relevant period and multiplied by numbers of days in the relevant period (i.e. 365 days for a full year and 90 days for the three months ended 31 March 2017). Average balance of trade receivables is calculated as the sum of the beginning and the ending balance for the relevant period, divided by two.

FINANCIAL INFORMATION

Our trade receivables turnover days increased from approximately 71.7 days for the year ended 31 December 2015 to approximately 78.1 days for the year ended 31 December 2016 and remained relatively stable at approximately 77.2 days for the three months ended 31 March 2017. Such increase was attributed to a decrease in revenue by approximately S\$1.0 million for the year ended 31 December 2016 as compared to the previous year. Our trade receivables turnover days exceeded our Group's general credit period of up to 60 days from the date of invoice as we had experienced delayed settlement from our customers. During the Track Record Period, one of our long standing customers required us to comply with their internal procedure, involving numerous steps, for the settlement of our bills, which is different from our other customers' bill settlement process. In general, the time required for the majority of our customers to settle our bills during the Track Record Period is consistent with the turnover days of our trade receivables for the same periods. Further, it is common practice for the customers of other companies in the same industry in Singapore to delay bill settlement and take 75 days or more to pay. Based on the fact that these customers have been settling our bills continuously without default, our Directors considered that there was no collectability issue in relation to such outstanding trade receivables.

Based on the management accounts of our Group, as at 31 July 2017, approximately S\$6.8 million or approximately 97.4% of our trade receivables outstanding as at 31 March 2017 were settled.

Deposits, prepayments and other receivables

Our deposits, prepayments and other receivables mainly comprise rental and utilities deposits, prepayments for motor vehicle expenses, insurance and listing expenses. The following sets forth a breakdown on our deposits, prepayments and other receivables as at the dates indicated:

	As at 31 December		As at
	2015	2016	31 March
	S\$'000	S\$'000	2017
			S\$'000
Deposits	30	216	288
Prepayments	67	298	399
Other receivables	<u>19</u>	<u>110</u>	<u>174</u>
	<u>116</u>	<u>624</u>	<u>861</u>
Classified as:			
Non-current assets	6	25	25
Current assets	<u>110</u>	<u>599</u>	<u>836</u>
	<u>116</u>	<u>624</u>	<u>861</u>

FINANCIAL INFORMATION

Our deposits, prepayments and other receivables increased from approximately S\$116,000 as at 31 December 2015 to approximately S\$624,000 as at 31 December 2016 and increased to approximately S\$861,000 as at 31 March 2017, which was mainly due to increase of trade deposits paid to the suppliers who required upfront payment before delivery of goods and listing expenses prepaid for the professional parties relating to the Listing which will be deducted against equity upon the Listing.

Trade payables

Our trade payables primarily consist of outstanding amounts payable to the local and overseas suppliers. Our trade payables increased from approximately S\$2.7 million as at 31 December 2015 to approximately S\$3.2 million as at 31 December 2016, which was mainly due to amount payable to the suppliers in respect of supply of food products to retailers and food service industry business of approximately S\$0.6 million. Our trade payables decreased to approximately S\$2.7 million as at 31 March 2017, which was mainly due to earlier settlement of our trade payables with respect to the ship supply business.

Our suppliers generally offer us a trade credit period of ranging from cash on delivery to 60 days. The table below sets forth, as of the end of reporting periods indicated, the aging analysis of our trade payables (based on invoices date):

	As at 31 December		As at
	2015	2016	31 March
	<i>S\$'000</i>	<i>S\$'000</i>	<i>2017</i>
			<i>S\$'000</i>
0-30 days	1,638	1,681	1,513
31-90 days	1,052	1,455	1,113
91-180 days	9	35	109
Over 180 days	<u>1</u>	<u>7</u>	<u>–</u>
	<u><u>2,700</u></u>	<u><u>3,178</u></u>	<u><u>2,735</u></u>

The table below sets forth our turnover days of our trade payables as at the dates indicated:

	Year ended 31 December		Three
	2015	2016	months
			ended
			31 March
			2017
Turnover days of trade payables ^(Note)	42.8	51.0	48.2

Note: Turnover days of trade payables is calculated using the average balance of trade payables divided by cost of sales for the relevant period and multiplied by numbers of days in the relevant period (i.e. 365 days for a full year and 90 days for the three months ended 31 March 2017). Average balance of trade payables is calculated as the sum of the beginning and the ending balance for the relevant period, divided by two.

FINANCIAL INFORMATION

Our trade payables turnover days increased from approximately 42.8 days for the year ended 31 December 2015 to approximately 51.0 days for the year ended 31 December 2016. Such increase was mainly because we enjoyed better credit terms granted by our suppliers in 2016 for our retail and food services businesses due to our good and punctual payment record and stable and consistent order. Our trade payables turnover days then decreased to approximately 48.2 days for the three months ended 31 March 2017, which was mainly due to earlier settlement of our trade payables with respect to the ship supply business and hence the trade payables decreased by approximately S\$0.4 million.

As at 31 July 2017, approximately S\$2.7 million or approximately 99.6% of our trade payables outstanding as at 31 March 2017 had been settled.

Accruals, other payables and deposits received

The following table set out our accruals, other payables and deposits received at the dates indicated:

	As at 31 December		As at
	2015	2016	31 March
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Accruals	1,650	1,657	2,089
Other payables	175	202	158
Deposits received	<u>–</u>	<u>776</u>	<u>30</u>
	<u><u>1,825</u></u>	<u><u>2,635</u></u>	<u><u>2,277</u></u>
Classified as:			
Non-current liabilities	–	30	30
Current liabilities	<u>1,825</u>	<u>2,605</u>	<u>2,247</u>
	<u><u>1,825</u></u>	<u><u>2,635</u></u>	<u><u>2,277</u></u>

Our accruals slightly increased from approximately S\$1,650,000 as at 31 December 2015 to approximately S\$1,657,000 as at 31 December 2016. The slight increase was mainly due to the increase of accrued listing expenses of approximately S\$224,000 and offset by the decrease of accrued employee benefit expenses of approximately S\$213,000. Our accruals further increased to approximately S\$2.1 million as at 31 March 2017, primarily due to increase in accrued listing expenses of approximately S\$397,000.

FINANCIAL INFORMATION

Our other payables increased slightly from approximately S\$175,000 as at 31 December 2015 to approximately S\$202,000 as at 31 December 2016 which was mainly due to the increase of GST payables. Our other payables then decreased to approximately S\$158,000 as at 31 March 2017, which was mainly due to the net repayments of staff reimbursement.

Our total deposits received was approximately S\$776,000 as at 31 December 2016, which mainly comprised the investment received from the Pre-IPO Investor of approximately S\$746,000. The investment received was subsequently credited to the reserve and hence our deposits received decreased to approximately S\$30,000.

CAPITAL EXPENDITURE AND COMMITMENT

Capital expenditure

Our capital expenditure for the Track Record Period was approximately S\$0.2 million, S\$1.1 million and S\$0.1 million respectively, which were primarily related to our purchases of property, plant and equipment for our office and investment property. We have financed our capital expenditure primarily through cash flow generated from operating activities and bank borrowings.

Operating lease commitments

As at the end of the reporting periods during the Track Record Period, we had commitments for future minimum lease payments in respect of motor vehicles, machineries, warehouses and rented premises under non-cancellable operating lease arrangements, which fall due as follows:

	As at 31 December		As at 31 March	As at 31 July
	2015	2016	2017	2017
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
				(unaudited)
Within one year	94	197	176	147
In the second to fifth year	53	428	412	389
After five years	<u>–</u>	<u>51</u>	<u>33</u>	<u>10</u>
	<u>147</u>	<u>676</u>	<u>621</u>	<u>546</u>

The leases run for an initial period of six months to seven years, with options to renew the lease terms upon expiry when all terms are re-negotiated. Contingent rent is charged based on the volume of inventories handled in the warehouses. As the future handling volume of the warehouses could not be estimated reliably, the relevant contingent rent has not been included above and only the minimum lease commitment has been included in the above table.

FINANCIAL INFORMATION

Capital commitments

The table below sets forth our capital commitments at the dates indicated:

	As at 31 December		As at 31 March	As at 31 July
	2015	2016	2017	2017
	S\$'000	S\$'000	S\$'000	S\$'000 (unaudited)
Commitments for acquisition of:				
Investment property	871	–	–	–
Property, plant and equipment	<u>–</u>	<u>46</u>	<u>–</u>	<u>–</u>
	<u>871</u>	<u>46</u>	<u>–</u>	<u>–</u>

Our capital commitment during the Track Record Period were primarily for acquisition of an investment property and acquisition of property, plant and equipment. We have financed such capital commitments with cash flow generated from operating activities and bank borrowings.

INDEBTEDNESS

Borrowings

The following table sets forth the indebtedness of our Group as at the dates indicated:

	As at 31 December		As at 31 March	As at 31 July
	2015	2016	2017	2017
	S\$'000	S\$'000	S\$'000	S\$'000 (unaudited)
Non-current				
Bank borrowings, secured	3,034	3,565	3,512	3,451
Finance lease obligations, secured	<u>134</u>	<u>138</u>	<u>171</u>	<u>13</u>
	<u>3,168</u>	<u>3,703</u>	<u>3,683</u>	<u>3,464</u>
Current				
Due to directors	1,148	1,028	374	–
Due to non-controlling interests	–	10	10	10
Bank borrowings, secured	174	204	205	207
Finance lease obligations, secured	<u>60</u>	<u>63</u>	<u>65</u>	<u>12</u>
	<u>1,382</u>	<u>1,305</u>	<u>654</u>	<u>229</u>
	<u>4,550</u>	<u>5,008</u>	<u>4,337</u>	<u>3,693</u>

FINANCIAL INFORMATION

Bank borrowings

As at 31 December 2015, 31 December 2016 and 31 March 2017, our Group had total bank borrowings of approximately S\$3.2 million, S\$3.8 million and S\$3.7 million respectively, which were all denominated in S\$. Our bank borrowings bore effective interest rate at approximately 2.35% per annum, ranged from approximately 1.98% to approximately 3.55% per annum and ranged from approximately 1.98% to approximately 3.55% as at 31 December 2015, 31 December 2016 and 31 March 2017 respectively.

Our Group's bank borrowings were primarily used in financing the working capital requirement of our operations and the purchase of existing investment properties and leasehold property. During the Track Record Period, our Group's bank borrowings were secured/guaranteed by (i) personal guarantees executed by Mr. D Tan, Mr. R Gay and Mr. M Tan; (ii) investment properties held by our Group with net carrying amount of approximately S\$1.8 million as at 31 March 2017; and (iii) property, plant and equipment with net carrying amount of approximately S\$2.7 million as at 31 March 2017.

As at 31 July 2017, being the latest practicable date for determining indebtedness, our Group had bank borrowings of approximately S\$3.7 million, in line with the level of borrowings during the Track Record Period. As at 31 July 2017, our Group's bank borrowings were secured/guaranteed by (i) personal guarantees executed by Mr. D Tan, Mr. R Gay and Mr. M Tan; (ii) investment properties held by our Group with net carrying amount of approximately S\$1.7 million as at 31 July 2017; and (iii) property, plant and equipment with net carrying amount of approximately S\$2.6 million as at 31 July 2017.

We obtained the consent from our bank that the personal guarantee executed by Mr. D Tan, Mr. R Gay and Mr. M Tan will be released and be replaced by the corporate guarantee provided by our Company upon Listing.

The table below summaries the details of our banking facilities as at 31 July 2017:

	Facility	Utilisation	Unutilised
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Trade finance	1,250	400	850
Mortgage loan	<u>3,658</u>	<u>3,658</u>	<u>—</u>
	<u>4,908</u>	<u>4,058</u>	<u>850</u>

As at 31 July 2017, being the latest practicable date for the purpose of the indebtedness statement, we have banking facilities of approximately S\$4.9 million and unutilised banking facilities of approximately S\$0.9 million.

FINANCIAL INFORMATION

During the Track Record Period, we did not experience any delay or default in payment of trade and non-trade payables and of bank borrowings nor experience any difficulties in obtaining banking facilities with terms that are commercially acceptable to us. Save for our intention to obtain banking facilities for our proposed expansion as disclosed in this prospectus, we did not have any plan for material external debt financing as at the date of this prospectus. For details, please refer to the section headed “Future plans and use of proceeds – Use of proceeds” in this prospectus.

Finance lease obligations

As at 31 December 2015, 31 December 2016 and 31 March 2017, our total finance lease obligations amounted to approximately S\$194,000, S\$201,000 and S\$236,000 respectively. Please refer to note 26 to the Accountant’s Report set out in Appendix I to this prospectus for details of the present value of minimum lease payments in respect of our obligations under finance leases as at 31 December 2015, 31 December 2016 and 31 March 2017.

Finance lease obligations relate to our purchase of motor vehicles by way of finance lease arrangement. Our finance leases bore effective interest rate ranging from approximately 5.3% to 6.5% per annum, ranging from approximately 5.3% to 6.5% per annum and ranging from approximately 5.4% to 6.5% per annum, respectively as at 31 December 2015 and 2016 and 31 March 2017.

Our obligations under finance leases are secured by the charge over the leased assets with aggregate carrying values of approximately S\$184,000, S\$213,000 and S\$271,000 as at 31 December 2015, 31 December 2016 and 31 March 2017 respectively and are guaranteed by Mr. R Gay, Mr. D Tan as at 31 December 2015, Mr. D. Tan and Mr. M Tan as at 31 December 2016 and 31 March 2017.

As at 31 July 2017, being the latest practicable date for the purpose of the indebtedness statement, our total finance lease obligations amounted to approximately S\$25,000. Our obligations under finance leases were secured by the charge over the leased assets with aggregate carrying values of approximately S\$9,000 as at 31 July 2017 with one guaranteed by Mr. D Tan personally, which will be released upon Listing.

Amounts due to directors

Our amounts due to directors amounted to approximately S\$1.1 million, S\$1.0 million, S\$0.4 million and nil as at 31 December 2015, 31 December 2016, 31 March 2017 and 31 July 2017 respectively. The amounts mainly represented the provision of directors’ remuneration.

Our amount due to directors were unsecured, interest-free, repayable on demand and are non-trade in nature. Such amounts were fully settled from our internal resources in April 2017.

FINANCIAL INFORMATION

Amounts due to non-controlling interests

As at 31 July 2017, being the latest practicable date for the purpose of the indebtedness statement, our amount due to non-controlling interests amounted to approximately S\$10,000. Our amount due to non-controlling interests was unsecured, interest-free and repayable on demand.

Contingent liabilities

As at 31 July 2017, being the latest practicable date for the purpose of the indebtedness statement, we had contingent liabilities in respect of performance bonds issued in favour of certain suppliers in its ordinary course of business amounting to S\$400,000. The guarantees in respect of performance bonds issued by bank are secured by leasehold properties and investment properties of our Group and personal guarantees of Mr. R Gay, Mr. D Tan and Mr. M Tan. We obtained the consent from our bank that the personal guarantee executed by Mr. D Tan, Mr. R Gay and Mr. M Tan will be released and be replaced by the corporate guarantee provided by our Company upon Listing.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have any outstanding loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, finance leases or hire purchases commitments, guarantees, material covenants, or other material contingent liabilities as at 31 July 2017, being the latest practicable date for the purpose of the indebtedness statement.

RELATED PARTY TRANSACTIONS

For details of related party transactions, see note 31 to the Accountant's Report in Appendix I to the prospectus. Our Directors confirm that these transactions were conducted in the ordinary and usual course of business and on normal commercial terms. Our Directors are of the view that the related party transactions did not cause any distortion of our results of operations or make our historical results non-reflective in the Track Record Period.

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as at each of the dates indicated:

	Year ended 31 December		Three months ended 31 March
	2015	2016	2017
Gross profit margin (%) ⁽¹⁾	24.4	25.4	26.7
Net profit/(loss) margin (%) ⁽²⁾	5.9	4.3	-2.1
Return on equity (%) ⁽³⁾	30.1	17.5	-6.8
Return on total assets (%) ⁽⁴⁾	11.3	6.7	-3.3
Interest coverage ratio (times) ⁽⁹⁾	27.8	15.4	0.3
			As at
	As at 31 December		31 March
	2015	2016	2017
Current ratio ⁽⁵⁾	1.8	1.8	2.3
Quick ratio ⁽⁶⁾	1.4	1.4	1.9
Gearing ratio (%) ⁽⁷⁾	59.9	57.5	43.3
Net debt to equity ratio ⁽⁸⁾	21.8	7.2	4.4

Notes:

- (1) Gross profit margin for each of the Track Record Period was calculated on gross profit divided by revenue for the respective period. Please refer to the paragraph headed “Results of operations” in this section for more details on our gross profit margins.
- (2) Net profit/(loss) margin for each of the Track Record Period was calculated on net profit/(loss) for the year/period of our Group divided by revenue for the respective period. Please refer to the paragraph headed “Results of operations” in this section for more details on our net profit/(loss) margins.
- (3) Return on equity equals profit/(loss) for the respective year/period divided by the total equity attributable to the owners of our Company at the end of the relevant period and multiplied by 100%. Calculation on return on equity is on a full year basis.
- (4) Return on total assets equals profit/(loss) for the respective year/period divided by the total assets at the end of the relevant period and multiplied by 100%. Calculation on return on total assets is on a full year basis.
- (5) Current ratio is calculated as the total current assets divided by the total current liabilities.
- (6) Quick ratio is calculated as total current assets less inventories and divided by total current liabilities.
- (7) Gearing ratio is calculated as the total borrowings divided by total equity and multiplied by 100%.
- (8) Net debt to equity ratio is calculated as total borrowings net of cash and cash equivalents, and divided by total equity and multiplied by 100%.
- (9) Interest coverage ratio is calculated based on profit before interest and income tax divided by total finance costs for the respective period.

FINANCIAL INFORMATION

Return on equity

Our return on equity for the two years ended 31 December 2016 was approximately 30.1% and approximately 17.5% respectively. The decrease was mainly due to the increase in our total equity and a decrease in our net profit for the year ended 31 December 2016 as compared to 31 December 2015. Our return on equity further decreased to -6.8% for the three months ended 31 March 2017. Excluding the non-recurring listing expenses of approximately S\$0.7 million incurred for the three months ended 31 March 2017, our return on equity would be approximately 23.1% which was mainly due to the increase in our total equity as at 31 March 2017.

Return on total assets

Our return on total assets decreased from approximately 11.3% in 2015 to approximately 6.7% in 2016 primarily due to the increase in total assets as a result of (i) our acquisition of an investment property during the year ended 31 December 2016; and (ii) increase in cash and cash equivalents. Our return on total assets further decreased to approximately -3.3% for the three months ended 31 March 2017. Excluding the non-recurring listing expenses of approximately S\$0.7 million incurred for the three months ended 31 March 2017, our return on total assets would be approximately 11.1% which was mainly due to increase in trade receivables of approximately S\$1.0 million as compared to 31 December 2016.

Interest coverage ratio

Our Group's interest coverage was 27.8 times and 15.4 times for the two years ended 31 December 2016 respectively. The decrease in interest coverage ratio in 2016 was mainly due to (i) increase in average level of borrowings and hence our finance costs in 2016 was approximately 40.3% higher than that of 2015; and (ii) decrease in our profit before income tax by approximately 24.8%. Our interest coverage further decreased to 0.3 times for the three months ended 31 March 2017. Excluding the non-recurring listing expenses of approximately S\$0.7 million incurred for the three months ended 31 March 2017, our interest coverage would increase to approximately 19.9 times.

Current ratio

Our current ratio remained stable at approximately 1.8 and 1.8 as at 31 December 2015 and 2016, respectively, as our current assets increased by approximately 20.6% while our current liabilities increased by approximately 19.4%. Our current ratio then increased to approximately 2.3 as at 31 March 2017 and such increase was mainly due to (i) decrease in inventories of approximately S\$0.5 million; (ii) decrease in trade payables of approximately S\$0.4 million; (iii) decrease in amounts due to directors of approximately S\$0.7 million, which was partially offset by the increase in trade receivables of approximately S\$1.0 million.

FINANCIAL INFORMATION

Quick ratio

Our quick ratio remained stable at approximately 1.4 and 1.4 as at 31 December 2015 and 2016, respectively, which was in line with the fluctuation in our current ratio over the same period. Our quick ratio then increased to approximately 1.9 as at 31 March 2017, which was in line with the fluctuation in our current ratio except for the change in inventories.

Gearing ratio

Our gearing ratio decreased from approximately 59.9% as at 31 December 2015 to approximately 57.5% as at 31 December 2016, primarily due to the increase of our total equity of approximately S\$1.2 million. Our gearing ratio further decreased to 43.3% as at 31 March 2017, primarily due to the increase of our total equity of approximately S\$2.2 million.

Net debt to equity ratio

Our net debt to equity ratio decreased from approximately 21.8% as at 31 December 2015 to approximately 7.2% as at 31 December 2016, primarily due to the increase of cash and cash equivalents and the fluctuations of our total equity. Our net debt to equity ratio further decreased to approximately 4.4% as at 31 March 2017, mainly due to the fluctuations of our total equity.

Working capital

Our Directors confirm that, taking into consideration the financial resources presently available to us, which includes the cash generated from operations, the available banking facilities and the estimated net proceeds from the Share Offer, we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this prospectus.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENT

As at the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

We are exposed to market risks due to changes in market rates and prices, such as interest rates, credit and liquidity.

Details of the risks to which we are exposed are set out in note 35 to Accountant's Report in Appendix I to this prospectus.

FINANCIAL INFORMATION

We manage our capital to ensure that we will be able to continue operating as a going concern in order to maximise the return to shareholders through the optimisation of the debt and equity balance. Our management reviews our Group's capital structure from time to time, and as part of the review, our management will consider the cost of capital and the risks associated with each class of capital. Depending on our capital structure and needs from time to time, we may adjust our overall capital structure through the payment of dividends, the issuance of new shares, and/or new debts.

DIVIDENDS

No dividends were declared for the two years ended 31 December 2016 and the three months ended 31 March 2017. Save as disclosed above, we have no plan to pay or declare any dividends prior to the Listing. We do not intend to pay or declare any dividends in relation to our accumulated profits as at 31 March 2017 and we also do not intend to determine any expected dividend payout ratio since our priority is to use our earnings for business development and expansion of customer base in the interest of our Shareholders as a whole. Our dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by us in the future. We do not have any predetermined dividend payout ratio.

The recommendation of the payment of dividend is subject to the absolute discretion of our Board, and, after listing, any declaration of final dividend for the year will be subject to the approval of our Shareholders. Our Group does not have any dividend policy. Our Directors may recommend a payment of dividend in the future after taking into account our operations, earnings, financial condition, cash requirements and availability, capital expenditure and future development requirements and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of the dividend will be subject to our constitutional documents and the Cayman Islands Companies Law, including the approval of our Shareholders.

Any distributable profits that are not distributed in any given year will be retained and available for distribution in subsequent years. To the extent profits are distributed as dividends, such portion of profits will not be available to be reinvested in our operations.

DISTRIBUTABLE RESERVES

Our Company was incorporated on 27 January 2017 and is an investment holding company. There were no reserves available for distribution to our Shareholders as at the Latest Practicable Date.

FINANCIAL INFORMATION

LISTING EXPENSES

The total estimated expenses in relation to the Listing are approximately HK\$26.5 million (assuming an Offer Price of HK\$0.50 per Offer Share, being the mid-point between the maximum Offer Price of HK\$0.55 each and a minimum Offer Price of HK\$0.45 each), of which approximately HK\$24.4 million and HK\$2.1 million are to be borne by our Group and the Selling Shareholder, respectively. Out of the estimated listing expenses of approximately HK\$24.4 million to be borne by us, approximately HK\$3.7 million and HK\$3.8 million were reflected in our profit or loss account for the year ended 31 December 2016 and the three months ended 31 March 2017, respectively, approximately HK\$8.9 million and HK\$8.0 million are expected to be charged to the profit or loss account and equity account of our Group for the nine months ending 31 December 2017 respectively.

PROPERTY INTERESTS AND PROPERTY VALUATION

As at the Latest Practicable Date, our Group owned two investment properties in Singapore as for lease purpose and one property in Singapore as our sales office and warehouse. For details of our owned properties, please refer to the section headed “Business – Properties and other fixed assets” in this prospectus.

Roma Appraisals Limited, an independent property valuer, has valued our property interests as at 30 June 2017. The letter and the valuation certificates are set out in Appendix III to this prospectus.

A reconciliation of our property interests (the “Reconciliation”) under property, plant and equipment and investment properties as at 30 June 2017 and such property interests in our combined financial information as at 31 March 2017 as required under Rule 8.30 of the GEM Listing Rules, is set out solely for illustrative purpose. Our Group’s accounting policy of the property interests is to state such property, plant and equipment and investment properties at cost less accumulated depreciation and any impairment loss. The Reconciliation is set forth as follows:

	<i>S\$’000</i>
Net book value, at cost less accumulated depreciation and any impairment loss, of our properties as at 31 March 2017	
– Leasehold properties	2,667
– Investment properties	1,764
Less: Depreciation for the three months ended 30 June 2017	
– Depreciation for leasehold properties	(56)
– Depreciation for investment properties	<u>(14)</u>
Net book value, at cost less accumulated depreciation and any impairment loss, of our properties as at 30 June 2017	4,361
Net valuation surplus (<i>note</i>)	<u>3,759</u>
Valuation as at 30 June 2017	<u><u>8,120</u></u>

FINANCIAL INFORMATION

Note: Net valuation surplus represents variance between the net book value, at cost less accumulated depreciation and any impairment loss, of our property interests under property, plant and equipment and investment properties, and the valuation of such property interests as at 30 June 2017, as if the property interests under property, plant and equipment and investment properties are stated at fair value. The revaluation surplus of the property interests under property, plant and equipment and investment properties will not be included in our Group's financial statements in accordance with our Group's accounting policies.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

For our unaudited pro forma adjusted combined net tangible assets, please refer to the section headed "Appendix II – Unaudited pro forma financial information" in this prospectus.

DISCLOSURE REQUIRED UNDER THE GEM LISTING RULES

Our Directors confirm that as of the Latest Practicable Date, there were no circumstances that would give rise to the disclosure requirements under Rules 17.15 to 17.21 of the GEM Listing Rules.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed, after performing all the due diligence work which our Directors consider appropriate, and save as disclosed under section headed "Summary – Recent developments", there is no event which would materially affect the information shown in our combined financial information included in the Accountant's Report set forth in Appendix I to this prospectus since 31 March 2017, and as of the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects.

FOREIGN EXCHANGE EXPOSURE

Our Directors consider that we will have sufficient foreign exchange, primarily from the conversion of Singapore dollars generated from our operations, to meet our foreign exchange liabilities as they become due.

RECENT DEVELOPMENT

We have continued to focus on strengthening our market position for the supply of food products to Ship Supply Customers and Retail and Food Service Customers in Singapore. As far as we are aware, our industry remained relatively stable after the Track Record Period, with no material adverse change in the general economic and market conditions in Singapore or the industry in which we operate that had affected or would affect our business operations or financial condition materially and adversely. From 1 April 2017 up to the date of this prospectus, we did not experience any significant drop in revenue or increase in cost of sales or other costs as there are no significant changes to the general business model for our Group.

FINANCIAL INFORMATION

In March and April 2017, Cool Link Supply applied with two supermarket chains located in Singapore for the supply of “Zott” and “Obento” products. Of the two supermarket chains, one is a grocery fresh food supermarket retail chain which is part of a pan-Asian retailer with hypermarkets and supermarkets in Asia and the holding company of which is listed on the London Stock Exchange, with secondary listings in Bermuda and Singapore, while the other supermarket chain is a grocery and fresh food supermarket retail chain listed on the Mainboard of the Singapore Exchange Securities Trading Limited. As at the Latest Practicable Date, our Group had commenced the supply of “Zott” and “Obento” products at an agreed price, with a payment term of 60 days with a discount of 10% for prompt payment for the supply of “Zott” products and a rebate of 2% for the supply of “Obento” products. Save for such supermarket chain, our Group does not provide discounts for prompt payments for the supply of “Zott” product to our customers. In May 2017, Cool Link Supply was awarded a contract to supply “Zott” yogurt products to a provider of food solutions and gateway services which is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. The term of the contract is from 1 July 2017 to 30 June 2018 and has an estimated value of S\$256,000.

Prospective investors are specifically warned that given the estimated non-recurring listing expenses of our Group, of which approximately HK\$12.7 million is expected to be charged to the combined statement of comprehensive income of our Group for the year ending 31 December 2017, our Group’s profit for the year ending 31 December 2017 may show a substantial decline as compared to that of the previous financial year whereby a net loss will be expected. Prospective investors are specifically warned that, given the aforesaid expenses, our Group’s financial performance for the year ending 31 December 2017 may not be comparable to that of the previous year.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

Please refer to the paragraph headed “Business – Our objectives and business strategies” in this prospectus for a detailed description of our business strategies and future plans.

USE OF PROCEEDS

Net proceeds

The net proceeds from the Share Offer are estimated to be approximately HK\$35.6 million assuming the Offer Price of HK\$0.50 per Offer Share (being the mid-point of the Offer Price range) and 120,000,000 Offer Shares being offered under the Share Offer and after deducting the underwriting commission and expenses relating to the Share Offer.

We intend to use the net proceeds from the Share Offer for the following purposes:

- (a) Approximately HK\$17.4 million, representing approximately 48.9% of the total net proceeds, will be used to partly fund the expansion of the capacity of our current warehouse premises, as follows:
 - (i) construction costs, renovation fees and architect fee for the expansion of our warehouse building to three storeys of approximately HK\$12.2 million;
 - (ii) leasing temporary office and warehouse facility from an Independent Third Party during the period of construction at our current premises, which we estimate will require approximately 15 months to 17 months, of approximately HK\$1.4 million. Such temporary warehouse facility should have a warehousing capacity of about 100 to 200 pallets;
 - (iii) purchasing two additional cargo lifts, one open top truck and other equipment for the expanded operations of approximately HK\$2.3 million; and
 - (iv) recruiting nine additional staff for our expanded operations of approximately HK\$1.5 million.

As at the Latest Practicable Date, we are still in the process of reviewing quotations from various contractors and appointing a suitable contractor. We estimate the total construction costs, renovation fees and architect fee to be approximately HK\$39.5 million. The balance of the construction costs, renovation fees and architect fees in the amount of approximately HK\$27.3 million will be financed by banking facilities.

FUTURE PLANS AND USE OF PROCEEDS

- (b) Approximately HK\$5.9 million, representing approximately 16.5% of the total net proceeds, will be used to expand our operations in Hong Kong, as follows:
- (i) rental of new office and warehouse facilities in Hong Kong for 24 months of approximately HK\$1.44 million;
 - (ii) purchasing one freezer container, one chiller container, one forklift, one stacker and one open top delivery truck for the operations in Hong Kong of approximately HK\$0.64 million; and
 - (iii) recruiting 11 additional staff, including a general manager who will be responsible for overseeing the overall implementation of business operations in Hong Kong of approximately HK\$3.8 million.

As at the Latest Practicable Date, we are still in the process of identifying suitable sites for our new office and warehouse premises in Hong Kong.

- (c) Approximately HK\$10.3 million, representing approximately 29.0% of the total net proceeds, will be used to expand into new product lines, namely ice cream and shredded/grated cheese, including
- (i) purchasing raw materials such as milk, cream, sugar and cheese for the two new products of approximately HK\$3.2 million;
 - (ii) expanding our cold room facilities such as chiller storage, freezer storage and ante room, racking for cold room and CCTV system for ice cream and shredded/grated cheese of approximately HK\$3.73 million;
 - (iii) purchasing equipment for shredded/grated cheese, namely a bone saw machine, vacuum pack machine, vegetable cutter, blast chiller and freezer of approximately HK\$0.16 million;
 - (iv) recruiting three additional staff (two in charge of production and one packer) and one additional quality assurance staff for shredded/grated cheese production of approximately HK\$1.11 million;
 - (v) purchasing equipment for the manufacture of ice cream, namely one continuous freezer and one pasteuriser from a local vendor of approximately HK\$1.4 million; and
 - (vi) recruiting four additional staff (two in charge of production, one production supervisor and one planner) for production of ice cream of approximately HK\$0.7 million.

FUTURE PLANS AND USE OF PROCEEDS

- (d) Approximately HK\$2.0 million, representing approximately 5.6% of the total net proceeds, will be used for our general working capital.

Should our Directors decide to re-allocate the intended use of proceeds to other business plans to a material extent and/or there be any material modification to the use of proceeds as described above, our Company will issue an announcement in accordance with the GEM Listing Rules.

If the Offer Price is set at HK\$0.55 per Offer Share (being the high-end of the Offer Price range), the net proceeds from the Share Offer will increase to approximately HK\$41.2 million.

If the Offer Price is set at HK\$0.45 per Offer Share (being the low-end of the Offer Price range), the net proceeds from the Share Offer will decrease to approximately HK\$30.1 million.

The above allocation of the net proceeds will be adjusted on a pro-rata basis in the event that the Share Offer is fixed a higher or lower level compared to the mid-point of the estimated Offer Price range stated in this prospectus.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we intend to deposit the net proceeds into short-term demand deposits with authorised financial institutions and/or licensed banks in Singapore or Hong Kong.

Our Directors consider that the net proceeds from the Share Offer together with our internal resources and banking facilities will be sufficient to finance the implementation of our business plans set forth in the paragraphs under “Future plans and use of proceeds – Future plans” in this prospectus.

Implementation plans

Our business objective is to leverage on our competitive advantages to expand the scale of our operations so as to strengthen our market position in both our sales to Ship Supply Customers and sales to Retail and Food Service Customers in Singapore. For a detailed description of our business objectives, please refer to the paragraph headed “Business – Our objectives and business strategies” in this prospectus.

In pursuance of the business strategies set forth above, our Group’s future plans are set forth below for each of the six-month periods until 31 December 2019. Our future plans and the scheduled times for implementation are formulated on the bases and assumptions referred to in the paragraph headed “Bases and assumptions” below. These bases and assumptions are inherently subject to many uncertainties, variables and unpredictable factors and should be read in conjunction with the risk factors set out in the section headed “Risk factors” of this prospectus.

FUTURE PLANS AND USE OF PROCEEDS

Set out below is the expected timeline from the Latest Practicable Date to 31 December 2019 for our Group to deploy the abovementioned net proceeds to be raised from the Share Offer, in accordance with the implementation of our future plans.

	From the Latest Practicable Date up to 31 December 2017 (HK\$'000)	For the six months ending 30 June 2018 (HK\$'000)	For the six months ending 31 December 2018 (HK\$'000)	For the six months ending 30 June 2019 (HK\$'000)	For the six months ending 31 December 2019 (HK\$'000)	Total (HK\$'000)	Approximate percentage of the total net proceeds (%)
(1) Expansion of the capacity of our current warehouse premises							
- Construction cost and renovation fees	-	-	3,400	7,820	-	11,220	31.5
- Architect fee	-	-	300	700	-	1,000	2.8
- Two cargo lifts and other equipment	-	-	-	1,950	-	1,950	5.5
- One open top truck	-	-	-	350	-	350	1.0
- Recruitment of nine additional employees (staff costs)	-	-	-	750	750	1,500	4.2
- Rental of temporary office and warehouse facility	-	700	700	-	-	1,400	3.9
Subtotal	-	700	4,400	11,570	750	17,420	48.9

FUTURE PLANS AND USE OF PROCEEDS

	From the Latest Practicable Date up to 31 December 2017 (HK\$'000)	For the six months ending 30 June 2018 (HK\$'000)	For the six months ending 31 December 2018 (HK\$'000)	For the six months ending 30 June 2019 (HK\$'000)	For the six months ending 31 December 2019 (HK\$'000)	Total (HK\$'000)	Approximate percentage of the total net proceeds (%)
(2) Expansion of operations into Hong Kong							
- Rental of new office and warehouse facilities in Hong Kong	-	360	360	360	360	1,440	4.0
- One open top delivery truck	-	330	-	-	-	330	0.9
- One freezer and one chiller containers	-	110	-	-	-	110	0.3
- One forklift and one stacker	-	200	-	-	-	200	0.6
- Recruitment of 11 staff for Hong Kong operations	-	950	950	950	950	3,800	10.7
Subtotal	<u>-</u>	<u>1,950</u>	<u>1,310</u>	<u>1,310</u>	<u>1,310</u>	<u>5,880</u>	<u>16.5</u>

FUTURE PLANS AND USE OF PROCEEDS

	From the Latest Practicable Date up to 31 December 2017 (HK\$'000)	For the six months ending 30 June 2018 (HK\$'000)	For the six months ending 31 December 2018 (HK\$'000)	For the six months ending 30 June 2019 (HK\$'000)	For the six months ending 31 December 2019 (HK\$'000)	Total (HK\$'000)	Approximate percentage of the total net proceeds (%)
(3) Expansion into new product lines							
- Purchase of raw materials	-	-	400	1,400	1,400	3,200	9.0
- Cold room facilities such as chiller storage, freezer storage and ante room, racking for cold room and CCTV system	-	-	3,730	-	-	3,730	10.5
- Equipment for shredded/grated cheese (bone saw, vacuum pack machine, vegetable cutter, blast chiller and freezer)	-	-	160	-	-	160	0.5
- Additional three staff and one quality assurance staff for shredded/grated cheese production	-	-	370	370	370	1,110	3.1
- Equipment for ice-cream manufacture (pasteuriser and continuous freezer)	-	-	-	1,400	-	1,400	3.9
- Additional four staff for ice cream production	-	-	-	350	350	700	2.0
Subtotal	<u>-</u>	<u>-</u>	<u>4,660</u>	<u>3,520</u>	<u>2,120</u>	<u>10,300</u>	<u>29.0</u>
(4) Working capital	<u>400</u>	<u>400</u>	<u>400</u>	<u>400</u>	<u>400</u>	<u>2,000</u>	<u>5.6</u>
Total	<u>400</u>	<u>3,050</u>	<u>10,770</u>	<u>16,800</u>	<u>4,580</u>	<u>35,600</u>	<u>100.0</u>

FUTURE PLANS AND USE OF PROCEEDS

Notes:

1. Approximately HK\$17.4 million, representing approximately 48.9% of the net proceeds will be used for expanding the capacity of our current warehouse premises.
2. Approximately HK\$5.9 million, representing approximately 16.5% of the net proceeds will be used for expansion of operations into other markets.
3. Approximately HK\$10.3 million, representing approximately 29.0% of the net proceeds will be used for expanding into new product lines and the processing and/or manufacture of new products for both our Ship Supply Customers and Retail and Food Service Customers.
4. Approximately HK\$2.0 million, representing approximately 5.6% of the net proceeds will be used for general working capital.

BASES AND ASSUMPTIONS

Our Directors have adopted the following principal assumptions in the preparation of the future plans from the Latest Practicable Date up to 31 December 2019:

- (a) there will be no material changes in the existing political, legal, fiscal, social or economic conditions in Singapore, or in any other places in which any member of our Group will carry on its business;
- (b) there will be no change in the funding requirement for each of the implementation plans described under the paragraph headed “Implementation plans” in this section from the amounts as estimated by our Directors;
- (c) our Group will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which the business objectives related;
- (d) there will be no material changes in the bases or rates of taxation in Singapore or in any other places in which any member of our Group will operate;
- (e) there will be no material changes in legislation or regulations whether in Singapore or in Hong Kong or elsewhere materially affecting the business carried on by our Group;
- (f) there will be no significant changes in our Group’s business relationship with its existing major customers and suppliers;
- (g) our Group will not be materially affected by the risk factors as set out in the section headed “Risk factors” in this prospectus; and
- (h) the Share Offer will be completed in accordance with and as described in the section headed “Structure and conditions of the Share Offer” of this prospectus.

FUTURE PLANS AND USE OF PROCEEDS

NO LISTING APPLICATION MADE IN SINGAPORE

Our Directors confirmed that we have not applied for listing in Singapore and to the best of their knowledge and belief, there would have been no impediments to our listing application if we were to apply for listing on the Catalist of the Singapore Exchange Securities Trading Limited.

REASONS FOR LISTING

Our Group has been contemplating the diversification, growth and expansion of our business and accordingly, a listing has been considered. Having considered the level of internationalism of the Stock Exchange, its maturity in the global financial world and the sufficiency of institutional capital and funds following listed companies in Hong Kong, our Directors are of the view that the Stock Exchange is a suitable platform for listing.

Further, the Listing on GEM is in line with our strategy to expand our operations to Hong Kong and, in particular, to leverage on its status as a major maritime trading hub and its close proximity to the PRC, which is one of the largest economies in the world. Our Directors believe that the Listing is strategic in our entrance into the Hong Kong ship supply industry, and will raise the profile and visibility of our Group and strengthen our competitiveness among our competitors, in the hope of leading to an increase in market share. Please refer to the section headed “Business – Our objectives and business strategies” of this prospectus.

In addition, our Directors also believe that customers and suppliers may prefer to work with listed companies given their reputation, listing status, public financial disclosures and general regulatory supervision by the relevant regulatory bodies.

Given the continuing expansion plans of our Group, the Listing would also provide us with a long-term fund raising platform to raise funds through secondary fund raising exercise after the Listing. Therefore, our Directors believe that the Listing will be beneficial to our Group.

UNDERWRITING

PUBLIC OFFER UNDERWRITERS

Public Offer Underwriters

Pacific Foundation Securities Limited
Vinco Capital Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Public Offer

Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, our Company is initially offering for subscription by the public in Hong Kong of the 15,000,000 Public Offer Shares at the Offer Price under the Public Offer, on and subject to the terms and conditions set forth in this prospectus and the Application Forms. The Public Offer Underwriters have agreed, severally, but not jointly, on and subject to the terms and conditions in the Public Offer Underwriting Agreement, to procure subscribers for, or failing which they shall subscribe for, the Public Offer Shares.

The Public Offer Underwriting Agreement is subject to various conditions, which include, without limitation:

- (a) the Listing Division granting listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus; and
- (b) the Placing Underwriting Agreement having been executed, becoming unconditional and not having been terminated.

Grounds for termination

The respective obligations of the Public Offer Underwriters to subscribe for, or procure subscribers for, the Public Offer Shares under the Public Offer Underwriting Agreement are subject to termination. The Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) may in their absolute discretion terminate the Public Offer Underwriting Agreement with immediate effect by written notice to our Company (for ourselves and on behalf of the Selling Shareholder) at any time at or before 8:00 a.m. (Hong Kong time) on the Listing Date if:

- (i) there shall develop, occur, exist or come into effect:
 - (a) any change or prospective change (whether or not permanent) in the business or in the business or in the financial or trading position of our Group; or

UNDERWRITING

- (b) any change or development involving a prospective change or development, or any event or series of event resulting or representing or likely to result in any change or development involving a prospective change or deterioration (whether or not permanent) in local, national, regional or international financial, political, military, industrial, economic, legal framework, regulatory, fiscal, currency, credit or market conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets) in or affecting any of Hong Kong, Singapore, the BVI, Cayman Islands or any other jurisdictions where any member of our Group is incorporated or operates (collectively, the “**Relevant Jurisdictions**”); or
- (c) any deterioration of any pre-existing local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit or market conditions in or affecting any of the Relevant Jurisdictions; or
- (d) any new laws or any change or development involving a prospective change in existing laws or any change or development involving a prospective change in the interpretation or application thereof by any court or governmental authority in or affecting any of the Relevant Jurisdictions; or
- (e) a change or development or event involving a prospective change in taxation or exchange control (or in the implementation of any exchange control) or foreign investment regulations in or affecting any of the Relevant Jurisdictions adversely affecting an investment in shares; or
- (f) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or crisis involving or affecting any of the Relevant Jurisdictions; or
- (g) any event, act or omission which gives rise or is likely to give rise to any liability of any of our Company, Controlling Shareholders and executive Directors under the Public Offer Underwriting Agreement pursuant to the indemnities contained therein; or
- (h) (i) any suspension or restriction on dealings in shares or securities generally on the Stock Exchange or (ii) any moratorium on commercial banking activities or disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting any of the Relevant Jurisdictions; or
- (i) the imposition of economic or other sanctions, in whatever form, directly or indirectly, in or affecting any of the Relevant Jurisdictions; or

UNDERWRITING

- (j) any event, or series of events, in the nature of force majeure (including without limitation, any acts of God, acts of government, declaration of a national or international emergency or war, acts or threat of war, calamity, crisis, economic sanction, riot, public disorder, civil commotion, fire, flooding, explosion, epidemic (including but not limited to the severe acute respiratory syndrome or avian flu), pandemic, outbreak of disease, terrorism, strike or lockout) in or affecting any of the Relevant Jurisdictions; or
- (k) any change or development involving a prospective change, or a materialisation of any of the risks set out in the section headed “Risk factors” in this prospectus; or
- (l) any change in the system under which the value of the Hong Kong dollar is linked to that of the U.S. dollar or a material devaluation of Hong Kong dollar against any foreign currency; or
- (m) any demand by any creditor for repayment or payment of any indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity; or
- (n) save as disclosed in this prospectus, a contravention by any member of our Group of the Listing Rules or applicable laws; or
- (o) a prohibition on our Company for whatever reason from allotting the Shares pursuant to the terms of the Share Offer; or
- (p) non-compliance of any of this prospectus or any aspect of the Share Offer with the Listing Rules or any other applicable laws; or
- (q) an order or a petition is presented for the winding-up or liquidation of any member of our Group or any member of our Group making any composition or arrangement with its creditors or entering into a scheme of arrangement or any resolution being passed for the winding-up of any member of our Group or a provisional liquidator, receiver or manager being appointed over all or part of the assets or undertaking of any member of our Group or anything analogous thereto in respect of any member of our Group; or
- (r) any loss or damage sustained by any member of our Group; or
- (s) save as disclosed in this prospectus, any litigation or claim of material importance of any third party being threatened or instigated against any member of our Group; or

UNDERWRITING

- (t) a Director being charged with an indictable offence or prohibited by the operation of law or is otherwise disqualified from taking part in the management of a company; or
- (u) the chairman or president of our Company vacating his office; or
- (v) the commencement by any governmental, regulatory or judicial body or organisation of any action against a Director or an announcement by any governmental, regulatory or judicial body or organisation that it intends to take any such action; or
- (w) any matter or event resulting in a breach of any of the warranties, representations or undertakings contained in the Public Offer Underwriting Agreement or there has been a material breach of any other provisions thereof; or
- (x) the issue or requirement to issue by our Company of a supplement or amendment to this prospectus (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares) pursuant to the Companies Ordinance, the Companies (WUMP) Ordinance or the GEM Listing Rules or any requirement of request of the Stock Exchange and/or the SFC,

which in the sole and absolute opinion of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters):

- (a) is or will or may individually or in the aggregate have a material adverse effect on the business, financial, trading or other condition or prospects of our Group taken as a whole; or
- (b) has or will or may have a material adverse effect on the success of the Share Offer or the level of Offer Shares being applied for or accepted or the distribution of Offer Shares; or
- (c) is or will or may make it impracticable, inadvisable, inexpedient or not commercially viable (i) for any material part of the Public Offer Underwriting Agreement, Placing Underwriting Agreement and/or the Share Offer to be performed or implemented in accordance with its terms or (ii) to proceed with or to market the Share Offer on the terms and in the manner contemplated in this prospectus; or

UNDERWRITING

- (ii) the Joint Lead Managers or any of the Public Offer Underwriters shall become aware of the fact that, or have cause to believe that:
 - (a) any of the warranties given by our Company, Controlling Shareholders and executive Directors under the Public Offer Underwriting Agreement or pursuant to the Placing Underwriting Agreement is untrue, inaccurate, misleading or breached in any material respect when given or as repeated as determined by the Joint Lead Managers (in their sole and absolute discretion), or has been declared or determined by any court or governmental authorities to be illegal, invalid or unenforceable in any material respect; or
 - (b) any statement contained in this prospectus, the Application Forms, the formal notice or any announcement or advertisement issued by or on behalf of the Company in connection with the Public Offer (including any supplemental or amendment thereto) was or is untrue, incorrect or misleading in any material respect, or any matter arises or is discovered which would, if such document was to be issued at that time, constitute a material omission therefrom, or that any forecasts, expressions of opinion, intention or expectation expressed in such document are not, in all material aspects, fair and honest and based on reasonable assumptions, when taken as a whole; or
 - (c) there has been a material breach on the part of any of our Company, Controlling Shareholders and executive Directors of any of the provisions of the Public Offer Underwriting Agreement or the Placing Underwriting Agreement; or
 - (d) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus and not having been discovered in this prospectus, constitute a material omission therefrom; or
 - (e) any material adverse change or development involving a prospective change in the assets, liabilities, conditions, business affairs, prospects, profits, losses or financial or trading position or performance of any member of our Group; or
 - (f) approval by the Listing Division of the listing of, and permission to deal in, the Offer Shares to be issued or sold under the Share Offer is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
 - (g) we withdraw this prospectus (and/or any other documents issued or used in connection with the Share Offer) or the Share Offer.

UNDERWRITING

Undertakings to the Public Offer Underwriters

Undertaking by our Company

Our Company has undertaken to the Sole Sponsor and the Joint Lead Managers and the Public Offer Underwriters, and each of our Controlling Shareholders and executive Directors has undertaken to and covenants with the Sole Sponsor, the Joint Lead Managers and the Public Offer Underwriters that he/she/it will procure our Company that:

- (a) except pursuant to the Share Offer, the Capitalisation Issue, the exercise of the subscription rights attaching to any share options to be granted under the Share Option Scheme or under the circumstances provided under Rules 17.29(1) to 17.29(4) of the GEM Listing Rules, not without the prior written consent of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters), and subject always to the provisions of the GEM Listing Rules, offer, allot, issue or sell, or agree to allot, issue or sell, grant or agree to grant any option, right or warrant over, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by our Company or any of our affiliates (as defined in the Public Offer Underwriting Agreement)), either directly or indirectly, conditionally or unconditionally, any Shares or any securities convertible into or exchangeable for such Shares or any voting right or any other right attaching thereto or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of Shares or such securities or any voting right or any other right attaching thereto, whether any of the foregoing transactions is to be settled by delivery of Shares or such securities, in cash or otherwise or announce any intention to effect any such transaction during the period commencing from the date of the Public Offer Underwriting Agreement up to and including the date falling six months after the Listing Date (the “**First Six-month Period**”);
- (b) not at any time during the First Six-month Period, issue or create any mortgage, pledge, charge or other security interest or any rights in favour of any other person over, directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company or any interest therein (including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, any Shares or securities of our Company) or repurchase any Shares or securities of our Company or grant any options, warrants or other rights to subscribe for any Shares or other securities of our Company or agree to do any of the foregoing, except pursuant to the Share Offer, the Capitalisation Issue or the exercise of the subscription rights attaching to any share options to be granted under the Share Option Scheme or under the circumstances provided under Rules 17.29(1) to 17.29(4) of the GEM Listing Rules or under Note (2) to Rule 10.07 of the GEM Listing Rules;

UNDERWRITING

- (c) not at any time within the period of six months immediately following the expiry of the First Six-month Period (the “**Second Six-month Period**”) do any of the acts set out in (a) and (b) above such that any of our Controlling Shareholders, directly or indirectly, would cease to be a controlling shareholder of our Company (within the meaning defined in the GEM Listing Rules); and
- (d) in the event that our Company does any of the acts set out in clause (a) or (b) after the expiry of the First Six-month Period or the Second Six-month Period, as the case may be, take all steps to ensure that any such act, if done, shall not create a disorderly or false market for any Shares or other securities of our Company or any interest therein.

Provided that none of the above undertakings shall (a) restrict our Company’s ability to sell, pledge, mortgage or charge any share capital or other securities of or any other interest in any of the subsidiaries provided that such sale or any enforcement of such pledge, mortgage or charge will not result in such Subsidiaries ceasing to be a subsidiary of our Company; or (b) restrict any of the subsidiaries from issuing any share capital or other securities thereof or any other interests therein provided that any such issue will not result in that Subsidiary ceasing to be a subsidiary of our Company.

Undertakings by our Controlling Shareholders

- (a) Pursuant to Rule 13.16A of the GEM Listing Rules, each of our Controlling Shareholders jointly and severally agrees and undertakes to our Company, the Sole Sponsor, the Joint Lead Managers and the Public Offer Underwriters and the Stock Exchange that, except with the prior written consent of the Sole Sponsor and the Joint Lead Managers (for themselves and on behalf of the Underwriters) and Stock Exchange and unless in compliance with the requirements of the GEM Listing Rules, none of the Controlling Shareholders will, and they will procure the relevant registered holder(s) and their respective associates and companies controlled by them and any nominee or trustee holding in trust for them shall not:
 - (i) during the First Six-month period, among others, sell, dispose of, nor enter into any agreement to dispose of or otherwise create any Encumbrances (as defined below) in respect of, any of the Shares in respect of which he/it is shown in this prospectus to be the beneficial owner(s); and
 - (ii) during the Second Six-month Period, dispose of, nor enter into any agreement to dispose of or otherwise create any mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, retention arrangement) having similar effect (“**Encumbrances**”) in respect of any of the Shares if, immediately following such disposal or upon the exercise or enforcement of such Encumbrances, he/it would cease to be a Controlling Shareholder.

UNDERWRITING

- (b) Each of our Controlling Shareholders jointly and severally undertakes to and covenants with our Company, the Sole Sponsor, the Joint Lead Managers (for themselves and on behalf of the Underwriters) and the Stock Exchange that during the 12 months period from the Listing Date:
- (i) in the event that he/it pledges or charges any of his/its direct or indirect interest in the Shares under Rule 13.18(1) of the GEM Listing Rules or pursuant to any right or waiver granted by the Stock Exchange pursuant to Rule 13.18(4) of the GEM Listing Rules, he/it must immediately inform our Company, the Sole Sponsor and the Joint Lead Managers (for themselves and on behalf of the Underwriters) in writing of such pledges or charges immediately thereafter, disclosing the details as specified in Rule 17.43(1) to (4) of the GEM Listing Rules; and
 - (ii) having pledged or charged any of his/its interests in the Shares under paragraph (i) above, when our Controlling Shareholders receive indications, either verbal or written, from any pledgee or charged that any of the pledgee or chargee securities or, interests in the securities of our Company will be sold, transferred or disposed of, he/it must immediately inform our Company, the Joint Lead Managers (for themselves and on behalf of the Underwriters) in writing of such indications.

Undertaking by our Company

Our Company undertakes to and covenants with each of the Sole Sponsor and the Joint Lead Managers (for themselves and on behalf of the Underwriters) and the Stock Exchange, and each of our Controlling Shareholders and the executive Directors jointly and severally undertakes to each of the Sole Sponsor and the Joint Lead Managers (for themselves and on behalf of the Underwriters) to procure our Company that, save with the prior written consent of the Sole Sponsor and the Joint Lead Managers (for themselves and on behalf of the Underwriters), or save pursuant to the Share Offer or as permitted under the GEM Listing Rules (including but not limited to Rule 17.29 of the GEM Listing Rules) and the applicable laws or pursuant to the issue of Shares under the Share Option Scheme, our Company shall not, within the period of six months from the Listing Date: (i) allot or issue or agree to allot or issue any Shares or any other securities in our Company (including warrants or other convertible securities (and whether or not of a class already listed)); or (ii) grant or agree to grant any options, warrants or other rights carrying any rights to subscribe for or otherwise convert into, or exchange for any Shares or any other securities of our Company; or (iii) purchase any securities of our Company; or (iv) offer to or agree to do any of the foregoing or announce any intention to do so.

UNDERWRITING

Placing

Placing Underwriting Agreement

In connection with the Placing, it is expected that our Company, our Controlling Shareholders and executive Directors will enter into the Placing Underwriting Agreement with the Sole Sponsor, the Joint Lead Managers, the Placing Underwriters and other parties (if any) on terms and conditions that are substantially similar to the Public Offer Underwriting Agreement as described above and on the additional terms described below.

Under the Placing Underwriting Agreement, subject to the conditions set forth therein, the Placing Underwriters are expected to severally, but not jointly, agree to procure subscribers and purchasers to subscribe for or purchase, or failing which they shall subscribe for or purchase, the Placing Shares initially being offered pursuant to the Placing. It is expected that the Placing Agreement may be terminated on similar grounds as the Public Offer Underwriting Agreement. Potential investors shall be reminded that in the event that the Placing Underwriting Agreement is not entered into, the Share Offer will not proceed. The Placing Underwriting Agreement is conditional on and subject to the Public Offer Underwriting Agreement having been executed, becoming unconditional and not having been terminated. It is expected that pursuant to the Placing Underwriting Agreement, our Company and Controlling Shareholders will make similar undertakings as those given pursuant to the Public Offer Underwriting Agreement as described in the paragraph headed “Undertakings to the Public Offer Underwriters” above in this section.

Commission, fees and expenses

The Public Offer Underwriters will receive a gross underwriting commission of 7% of the aggregate Offer Price of the Public Offer Shares initially offered under the Public Offer, out of which any sub-underwriting commission, praecipium and selling concession will be paid. For unsubscribed Public Offer Shares reallocated to the Placing and any Placing Shares reallocated from the Placing to the Public Offer, we will pay an underwriting commission at the rate applicable to the Placing and such commission will be paid to the Placing Underwriters and not the Public Offer Underwriters.

Based on the Offer Price of HK\$0.50 per Offer Share (being the mid-point of the indicative range of the Offer Price), the aggregate commission, together with Stock Exchange listing fees, SFC transaction levy, Stock Exchange trading fees, legal and other professional fees and printing and other expenses relating to the Share Offer, are estimated to amount to approximately HK\$26.5 million in total, and are payable by our Company and the Selling Shareholder with reference to the number of new Shares and Sale Shares under the Share Offer respectively.

UNDERWRITING

SOLE SPONSOR'S AND UNDERWRITERS' INTEREST IN OUR COMPANY

The Sole Sponsor will receive a sponsorship fee to the Share Offer. The Joint Lead Managers and the Underwriters will receive an underwriting commission and/or praecipium. Particulars of these underwriting commission and expenses are set forth under the “Commission, fees and expenses” above.

Save as disclosed above, none of the Sole Sponsor and the Underwriters is interested legally or beneficially in any Shares or other securities of our Company or any members of our Group or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase any Shares or other securities of our Company or any members of our Group or has any interest in the Share Offer.

Following the completion of the Share Offer, the Public Offer Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their respective obligations under the Public Offer Underwriting Agreement and/or the Placing Underwriting Agreement.

The Sole Sponsor satisfies the independence criteria applicable to sponsor as set out in Rule 6A.07 of the GEM Listing Rules.

MINIMUM PUBLIC FLOAT

Our Directors and the Joint Lead Managers will ensure that there will be a minimum 25% of the total issued Shares held in public hands in accordance with Rule 11.23(7) of the GEM Listing Rules after completion of the Share Offer.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

THE SHARE OFFER

This prospectus is published in connection with the Public Offer as part of the Share Offer. The Share Offer consists of:

- a. the Public Offer of 15,000,000 new Shares (subject to reallocation as mentioned below) in Hong Kong as described below under the section headed “The Public Offer” below; and
- b. the Placing of an aggregate of 105,000,000 New Shares and 30,000,000 Sale Shares (subject to reallocation as mentioned below) which will conditionally be placed with selected professional, institutional, and other investors under the Placing.

Investors may apply for the Offer Shares under the Public Offer or indicate an interest, if qualified to do so, for the Placing Shares under the Placing, but may not do both.

The number of Offer Shares to be offered under the Public Offer and the Placing may be subject to reallocation as described in the paragraph headed “The Public Offer – Reallocation” below.

References in this prospectus to applications, the Application Forms, application monies or the procedure for application relate solely to the Public Offer.

THE PUBLIC OFFER

Number of Offer Shares initially offered

Our Company is initially offering 15,000,000 Public Offer Shares for subscription (subject to reallocation) at the Offer Price by members of the public in Hong Kong under the Public Offer, representing 10% of the total number of Offer Shares initially available under the Share Offer. The Public Offer Shares initially offered under the Public Offer, subject to any reallocation of Offer Shares between the Placing and the Public Offer, will represent 2.5% of our Company’s enlarged issued share capital after completion of the Capitalisation Issue and Share Offer.

The Public Offer is open to all members of the public in Hong Kong as well as to institutional and professional investors. Professional and institutional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Completion of the Public Offer is subject to the conditions as set out in the paragraph headed “Conditions of the Share Offer” of this section.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Allocation

Allocation of the Public Offer Shares to investors under the Public Offer will be based solely on the level of valid applications received under the Public Offer. The basis of allocation may vary, depending on the number of Public Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may be allotted more Public Offer Shares than others who have applied for the same number of Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares.

Multiple or suspected multiple applications under the Public Offer and any application for more than 15,000,000 Public Offer Shares initially available for subscription will be rejected. Each applicant under the Public Offer will also be required to give an undertaking and confirmation in the Application Form submitted by him that he and any person(s) for whose benefit he is making the application have not received any Shares under the Placing, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

Announcement of the Offer Price and the basis of allocations

The final Offer Price, the level of indication of interest in the Placing, level of applications in the Public Offer and the basis of allocation of the Public Offer Shares are expected to be announced on 21 September 2017 through a variety of channels as described in paragraph headed "How to apply for Public Offer Shares – 10. Publication of results".

Reallocation

Allocation of the Offer Shares between the Public Offer and the Placing is subject to adjustment which would have the effect of increasing the number of Offer Shares under the Public Offer to a certain percentage of the total number of Offer Shares offered under the Share Offer if certain prescribed total demand levels are reached. In the event of over-applications in the Public Offer, the Joint Lead Managers shall apply a clawback mechanism following the closing of the application lists on the following basis:

- if the number of Offer Shares validly applied for under the Public Offer represents 15 times or more but less than 50 times of the number of Offer Shares initially available for subscription under the Public Offer, then 30,000,000 Offer Shares will be reallocated to the Public Offer from the Placing so that the total number of Offer Shares available under the Public Offer will be 45,000,000 Offer Shares, representing 30% of the Offer Shares initially available under the Share Offer;
- if the number of Offer Shares validly applied for under the Public Offer represents 50 times or more but less than 100 times of the number of Offer Shares initially available for subscription under the Public Offer, then 45,000,000 Offer Shares will be

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

reallocated to the Public Offer from the Placing so that the total number of Offer Shares available under the Public Offer will be 60,000,000 Offer Shares, representing 40% of the Offer Shares initially available under the Share Offer; and

- if the number of Offer Shares validly applied for under the Public Offer represents 100 times or more of the number of Offer Shares initially available for subscription under the Public Offer, then 60,000,000 Offer Shares will be reallocated to the Public Offer from the Placing so that the total number of Offer Shares available under the Public Offer will be 75,000,000 Offer Shares, representing 50% of the Offer Shares initially available under the Share Offer.

If the Public Offer Shares are not fully subscribed, the Joint Lead Managers (for themselves and on behalf of the Underwriters) will have the discretion (but shall not be under any obligation) to reallocate all or any unsubscribed Public Offer Shares to the Placing in such amount as the Joint Lead Managers (for themselves and on behalf of the Underwriters) deem appropriate. If the Placing Shares are not fully subscribed or purchased, the Joint Lead Managers (for themselves and on behalf of the Underwriters) will have the discretion (but shall not be under any obligation) to reallocate all or any unsubscribed or un-purchased Placing Shares to the Public Offer in such amount as the Joint Lead Managers (for themselves and on behalf of the Underwriters) deem appropriate.

Applications

Each applicant under the Public Offer will also be required to give an undertaking and confirmation in the application submitted by him or her that he or she and any person(s) for whose benefit he or she is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Placing Shares under the Placing, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or if he or she has been or will be placed or allocated Placing Shares under the Placing.

THE PLACING

Number of Offer Shares offered

Subject to reallocation as described above, the Placing will consist of 135,000,000 Shares, comprising 105,000,000 New Shares to be issued by us and 30,000,000 Sale Shares to be offered for sale by the Selling Shareholder, representing 90% of the total number of Offer Shares initially available under the Share Offer. Subject to the reallocation of the Offer Shares between the Placing and the Public Offer, the number of Offer Shares initially offered under the Placing will represent 22.5% of our Company's enlarged issued share capital immediately after completion of the Capitalisation Issue and Share Offer.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Allocation

Pursuant to the Placing, the Placing Shares will be conditionally placed on behalf of our Company and the Selling Shareholder by the Placing Underwriters or through selling agents appointed by them. The Placing Shares will be selectively placed to certain professional and institutional and other investors who generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. The Placing is subject to the Public Offer being unconditional.

Allocation of Offer Shares pursuant to the Placing will be effected in accordance with the “book-building” process described in this section and based on a number of factors, including the level and timing of demand, the total size of the relevant investor’s invested assets or equity assets in relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit, of our Company and our Shareholders as a whole.

The Joint Lead Managers (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the Placing, and who has made an application under the Public Offer to provide sufficient information to the Joint Lead Managers so as to allow them to identify the relevant applications under the Public Offer and to ensure that they are excluded from any application of Offer Shares under the Public Offer.

Reallocation

The total number of Offer Shares to be issued pursuant to the Placing may change as a result of the clawback arrangement described in the paragraph headed “The Public Offer – Reallocation” above, and/or any reallocation of unsubscribed Offer Shares originally included in the Public Offer.

Offer Price range

The Offer Price will not be more than HK\$0.55 per Offer Share and is expected to be not less than HK\$0.45 per Offer Share unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Public Offer. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but not expected to be, lowered than the indicative Offer Price range as stated in this prospectus.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Price payable on application

Applicants for Offer Shares under the Public Offer are required to pay, on application, the maximum Offer Price of HK\$0.55 for each Public Offer Share (plus the brokerage, Stock Exchange trading fee and SFC transaction levy payable on each Offer Share), amounting to a total of HK\$2,777.71 per board lot of 5,000 Offer Shares.

If the Offer Price, as finally determined in the manner described above, is lower than the maximum Offer Price of HK\$0.55 per Offer Share, appropriate refund payments (including the related brokerage, the Stock Exchange trading fee and the SFC transaction levy attributable to the excess application monies) will be made to applicants, without interest.

If, for any reason, our Company (for ourselves and on behalf of the Selling Shareholder) and the Joint Lead Managers (for themselves and on behalf of the Underwriters) are unable to reach agreement on the Offer Price on or before Wednesday, 20 September 2017 the Share Offer will not proceed and will lapse.

Further details are set out in the section headed “How to apply for Public Offer Shares” in this prospectus.

Change to Offer Price range

The Joint Lead Managers (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective investors during a book-building process in respect of the Placing, and with the consent of our Company, reduce the number of the Offer Shares being offered under the Share Offer and/or change the indicative Offer Price range stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Public Offer. In such a case, our Company will, as soon as practicable following the decision to make such change, and in any event not later than the morning of the last day lodging applications under the Public Offer, cause there to be published on the Stock Exchange’s website at www.hkexnews.hk and our Company’s website at www.coollink.com.sg notices of reduction in the number of the Offer Shares and/or the indicative Offer Price range. Upon issue of such a notice, the revised number of the Offer Shares and/or Offer Price range will be final and conclusive and the Offer Price, if agreed upon with our Company (for ourselves and on behalf of the Selling Shareholder), will be fixed within such revised number of the Offer Shares and/or Offer Price range. Such notice will also include confirmation or revision, as appropriate, of the working capital statement, the Share Offer statistics, and any other financial information in this prospectus which may change as a result of any such change.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Before submitting applications for the Public Offer Shares, applicants should have regard to the possibility that any announcement of an extension or reduction in the indicative Offer Price range may not be made until the day which is the last day for lodging applications under the Public Offer. Applicants who have submitted their applications for Public Offer Shares before such an announcement is made may subsequently withdraw their applications in the event that such an announcement is subsequently made. In the absence of any notice being published in relation to a reduction in the number of the Offer Shares and/or change in the indicative Offer Price range as stated in this prospectus on or before the morning of the last day for lodging applications under the Public Offer, the Offer Price, if agreed upon by the Joint Lead Managers (for themselves and on behalf of the Underwriters) and our Company, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

Announcement of the Offer Price and the basis of allocations

Announcement of the final Offer Price, together with the level of indication of interests in the Placing, and the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares are expected to be published on Thursday, 21 September 2017 on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.coollink.com.sg website.

UNDERWRITING

The Public Offer is fully underwritten by the Public Offer Underwriters under the terms of the Public Offer Underwriting Agreement. We expect to enter into the Placing Underwriting Agreement relating to the Placing on or around Friday, 15 September 2017. These underwriting arrangements and the Underwriting Agreements are summarised in the section headed "Underwriting" of this prospectus.

CONDITIONS OF THE SHARE OFFER

Acceptance of all applications for the Offer Shares is conditional upon, amongst other things, the satisfaction of all the following conditions, in each case on or before the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than 30 days after the date of this prospectus:

1. Listing

The Listing Division granting the approval of the listing of, and permission to deal in, the Shares in issue and the Shares to be issued pursuant to the Share Offer (including the Shares which fall to be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme) and such listing and permission not subsequently being revoked prior to the commencement of dealings in the Shares on the Stock Exchange.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

2. Placing Underwriting Agreement

The execution and delivery of the Placing Underwriting Agreement on or about Friday, 15 September 2017.

3. Obligations under Underwriting Agreements

The obligations of the Underwriters under each of the Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of a waiver of any condition(s)) and such obligations not being terminated in accordance with the terms of the Underwriting Agreements.

The consummation of each of the Public Offer and the Placing is conditional upon, among other things, the other offering becoming and remaining unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Share Offer will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Public Offer will be published by us on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.coolink.com.sg on the next Business Day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed "How to apply for Public Offer Shares" in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other licensed bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended from time to time).

Share certificates for the Offer Shares are expected to be issued on Thursday, 21 September 2017 but will only become valid certificates of title at 8:00 a.m. on Friday, 22 September 2017 provided that (i) the Share Offer has become unconditional in all respects, and (ii) the right of termination as described in the section headed "Underwriting – Underwriting arrangements and expenses – Public Offer – Grounds for termination" in this prospectus has not been exercised.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made for the Shares to be admitted into CCASS.

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

DEALING ARRANGEMENTS

Assuming that the Public Offer becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, 22 September 2017, it is expected that dealings in Shares on the Stock Exchange will commence at 9:00 a.m. on Friday, 22 September 2017.

The Shares will be traded in board lots of 5,000 Shares each. The stock code of the Shares is 8491.

HOW TO APPLY FOR PUBLIC OFFER SHARES

1. HOW TO APPLY

If you apply for Public Offer Shares, then you may not apply for or indicate an interest for Placing Shares.

To apply for Public Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Joint Lead Managers and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Public Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation chop.

If an application is made by a person under a power of attorney, our Company and the Joint Lead Managers may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

HOW TO APPLY FOR PUBLIC OFFER SHARES

The number of joint applicants may not exceed four.

Unless permitted by the GEM Listing Rules, you cannot apply for any Public Offer Shares if you:

- are an existing beneficial owner of Shares in our Company and/or any of its subsidiaries;
- are a Director or chief executive officer of our Company and/or any of its subsidiaries;
- are a core connected person (as defined in the GEM Listing Rules) of our Company or will become a core connection person of our Company immediately upon completion of the Share Offer;
- are a close associate (as defined in the GEM Listing Rules) of any of the above; and
- have been allocated or have applied for any Placing Shares or otherwise participate in the Placing.

3. APPLYING FOR PUBLIC OFFER SHARES

Which application channel to use

For Public Offer Shares to be issued in your own name, use a **WHITE** Application Form.

For Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, either (i) complete and sign the **YELLOW** Application Form; or (ii) give **electronic application instructions** to HKSCC via CCASS.

Where to collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Tuesday, 12 September 2017 to 12:00 noon on Friday, 15 September 2017 from:

- (i) the following office of the Public Offer Underwriters:

Pacific Foundation	–	11/F, New World Tower II
Securities Limited		16-18 Queen's Road Central
		Hong Kong

HOW TO APPLY FOR PUBLIC OFFER SHARES

Vinco Capital Limited – Units 4909-4910, 49/F
The Center
99 Queen’s Road Central
Hong Kong

- (ii) any of the following branches of Standard Chartered Bank (Hong Kong) Limited, the receiving bank for the Public Offer:

District	Branch Name	Address
Hong Kong Island	Des Voeux Road Branch	Standard Chartered Bank Building 4-4A, Des Voeux Road Central Central
	Wanchai Southorn Branch	Shop C2 on G/F and 1/F to 2/F Lee Wing Building No. 156-162 Hennessy Road Wanchai
Kowloon	Kwun Tong Branch	G/F & 1/F One Pacific Centre 414 Kwun Tong Road Kwun Tong
	Mei Foo Stage I Branch	G/F, 1C Broadway Mei Foo Sun Chuen Stage I Lai Chi Kok
New Territories	Tuen Mun Town Plaza Branch	Shop No. G047-G052 Tuen Mun Town Plaza Phase I Tuen Mun

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Tuesday, 12 September 2017 until 12:00 noon on Friday, 15 September 2017 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Time for lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "HORSFORD NOMINEES LIMITED – COOL LINK PUBLIC OFFER" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

- Tuesday, 12 September 2017 – 9:00 a.m. to 5:00 p.m.
- Wednesday, 13 September 2017 – 9:00 a.m. to 5:00 p.m.
- Thursday, 14 September 2017 – 9:00 a.m. to 5:00 p.m.
- Friday, 15 September 2017 – 9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Friday, 15 September 2017, the last application day or such later time as described in the paragraph headed "Effect of bad weather on the opening of the application lists" in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form, among other things, you (and if you are joint applicants, each of you jointly and severally) for yourself or as an agent or a nominee on behalf of each person for whom you act:

- (i) undertake to execute all relevant documents and instruct and authorise our Company, the Joint Lead Managers (or their agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Public Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;
- (ii) agree to comply with the Companies Law, the Companies Ordinance, the Companies (WUMP) Ordinance and the Memorandum and Articles of Association;
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;
- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- (v) confirm that you are aware of the restrictions on the Share Offer in this prospectus;
- (vi) agree that none of our Company, the Selling Shareholder, the Sole Sponsor, the Sole Bookrunner and the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any of the Placing Shares nor participated in the Placing;
- (viii) agree to disclose to our Company, our Hong Kong branch share registrar, the receiving bank, the Sole Sponsor, the Sole Bookrunner and the Joint Lead Managers, the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;
- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Selling Shareholder, the Sole Sponsor, the Sole Bookrunner and the Joint Lead Managers and the Underwriters nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;
- (x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (xi) agree that your application will be governed by the laws of Hong Kong;
- (xii) represent, warrant and undertake that (i) you understand that the Public Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Public Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (xiii) warrant that the information you have provided is true and accurate;
- (xiv) agree to accept the Public Offer Shares applied for, or any lesser number allocated to you under the application;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- (xv) authorise our Company to place your name(s) or the name of HKSCC Nominees, on our Company's register of members as the holder(s) of any Public Offer Shares allocated to you, and our Company and/or its agents to deposit any share certificate(s) into CCASS and/or to send any share certificate(s) and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have chosen to collect the share certificate(s) and/or refund cheque(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xvii) understand that our Company, the Directors, the Selling Shareholder, the Sole Sponsor, the Sole Bookrunner and the Joint Lead Managers will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC by you or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional instructions for YELLOW Application Form

You may refer to the **YELLOW** Application Form for details.

Section 40 of the Companies (WUMP) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (WUMP) Ordinance (as applied by Section 342E of the Companies (WUMP) Ordinance).

HOW TO APPLY FOR PUBLIC OFFER SHARES

5. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Public Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited

Customer Service Centre

1/F, One & Two Exchange Square

8 Connaught Place

Central

Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are **not a CCASS Investor Participant**, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Public Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Joint Lead Managers and our Hong Kong Share Registrar.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Giving electronic application instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Public Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;
- (ii) HKSCC Nominees will do the following things on your behalf:
 - agree that the Public Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
 - agree to accept the Public Offer Shares applied for or any lesser number allocated;
 - undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing;
 - (if the **electronic application instructions** are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;
 - (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as their agent;
 - confirm that you understand that our Company, the Selling Shareholder, the Directors, the Joint Lead Managers will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted if you make a false declaration;
 - authorise our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Public Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;
 - confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
- agree that none of our Company, the Selling Shareholder, the Sole Sponsor, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to our Company, the Sole Sponsor, our Hong Kong branch share registrar, receiving bank, the Joint Lead Managers, the Underwriters and/or its respective advisers and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Public Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (WUMP) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;
- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Public Offer results;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving **electronic application instructions** to apply for Public Offer Shares;
- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies Law, the Companies Ordinance, the Companies (WUMP) Ordinance and the Memorandum and Articles of Association of our Company; and
- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

Effect of giving electronic application instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Public Offer Shares on your behalf;
- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and
- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Minimum purchase amount and permitted numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 5,000 Public Offer Shares. Instructions for more than 5,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Public Offer Shares will be considered and any such application is liable to be rejected.

Time for inputting electronic application instructions

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

- Tuesday, 12 September 2017 – 9:00 a.m. to 8:30 p.m.⁽¹⁾
- Wednesday, 13 September 2017 – 8:00 a.m. to 8:30 p.m.⁽¹⁾
- Thursday, 14 September 2017 – 8:00 a.m. to 8:30 p.m.⁽¹⁾
- Friday, 15 September 2017 – 8:00 a.m.⁽¹⁾ to 12:00 noon

Note:

- (1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Tuesday, 12 September 2017 until 12:00 noon on Friday, 15 September 2017 (24 hours daily, except on the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Friday, 15 September 2017, the last application day or such later time as described in the paragraph headed “Effect of bad weather on the opening of the application lists” in this section.

No multiple applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Public Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Any **electronic application instructions** to make an application for the Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (WUMP) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (WUMP) Ordinance (as applied by Section 342E of the Companies (WUMP) Ordinance).

Personal data

The section of the Application Form headed “Personal Data” applies to any personal data held by our Company, our Hong Kong branch share registrar, the receiving banker, the Sole Sponsor, the Sole Bookrunner and the Joint Lead Managers, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

6. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Public Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, the Selling Shareholder, our Directors, the Sole Sponsor, the Joint Lead Managers, the Sole Bookrunner and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant will be allotted any Public Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC’s Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Friday, 15 September 2017.

HOW TO APPLY FOR PUBLIC OFFER SHARES

7. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Public Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked “For nominees” you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC, is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

“Unlisted company” means a company with no equity securities listed on the Stock Exchange.

“Statutory control” means you:

- control the composition of the board of directors of the company; or
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

HOW TO APPLY FOR PUBLIC OFFER SHARES

8. HOW MUCH ARE THE PUBLIC OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form in respect of a minimum of 5,000 Public Offer Shares. Each application or **electronic application instruction** in respect of more than 5,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Form.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

9. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number eight or above; or
- a “black” rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, 15 September 2017. Instead they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Friday, 15 September 2017 or if there is a tropical cyclone warning signal number eight or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed “Expected Timetable”, an announcement will be made in such event.

10. PUBLICATION OF RESULTS

The Company expects to announce the final Offer Price, the level of indication of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares on Thursday, 21 September 2017 on our Company’s website at www.coollink.com.sg and the website of the Stock Exchange at www.hkexnews.hk.

HOW TO APPLY FOR PUBLIC OFFER SHARES

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers (where appropriate) of successful applicants under the Public Offer will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our Company's website at www.coollink.com.sg and the Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m. on Thursday, 21 September 2017;
- from the designated results of allocations website at www.tricor.com.hk/ipo/result with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Thursday, 21 September 2017 to 12:00 midnight on Wednesday, 27 September 2017;
- by telephone enquiry line by calling 3691 8488 between 9:00 a.m. and 6:00 p.m. from Thursday, 21 September 2017 to Tuesday, 26 September 2017 on a Business Day;
- in the special allocation results booklets which will be available for inspection during opening hours from Thursday, 21 September 2017 to Saturday, 23 September 2017 at all the receiving bank's designated branches.

If our Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Public Offer Shares if the conditions of the Share Offer are satisfied and the Share Offer is not otherwise terminated. Further details are contained in the section headed "Structure and conditions of the Share Offer" of this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

11. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED PUBLIC OFFER SHARES

You should note the following situations in which the Public Offer shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (WUMP) Ordinance (as applied by Section 342E of the Companies (WUMP) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If our Company or its agents exercise their discretion to reject your application:

Our Company, the Joint Lead Managers and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Public Offer Shares is void:

The allotment of Public Offer Shares will be void if the Listing Division of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Division of the Stock Exchange notifies our Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Public Offer Shares and Placing Shares;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- your Application Form is not completed in accordance with the stated instructions;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- our Company or the Joint Lead Managers believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 100% of the Public Offer Shares initially offered under the Public Offer.

12. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum offer price of HK\$0.55 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Public Offer are not fulfilled in accordance with the section headed "Structure and conditions of the Share Offer – Conditions of the Share Offer" in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker's cashier order will not be cleared.

Any refund of your application monies will be made on Thursday, 21 September 2017.

13. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Public Offer Shares allotted to you under the Public Offer (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

HOW TO APPLY FOR PUBLIC OFFER SHARES

No temporary document of title will be issued in respect of the Public Offer Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Public Offer Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and
- refund cheque(s) crossed “Account Payee Only” in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Public Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest).

Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on dispatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or around Thursday, 21 September 2017. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker’s cashier’s order(s).

Share certificates will only become valid at 8:00 a.m. on Friday, 22 September 2017 provided that the Share Offer has become unconditional and the right of termination described in the section headed “Underwriting” in this prospectus has not been exercised. Investors who trade shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Personal collection

(i) If you apply using a WHITE Application Form

If you apply for 1,000,000 or more Public Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from the Hong Kong Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 21 September 2017 or such other date as notified by us in the newspapers.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on Thursday, 21 September 2017, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Public Offer Shares or more, please follow the same instructions as described above. If you have applied for less than 1,000,000 Public Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on Thursday, 21 September 2017, by ordinary post and at your own risk.

HOW TO APPLY FOR PUBLIC OFFER SHARES

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Thursday, 21 September 2017, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS Participant (other than a CCASS Investor Participant)*

For Public Offer Shares credited to your designated CCASS Participant's stock account (other than CCASS Investor Participant), you can check the number of Public Offer Shares allotted to you with that CCASS Participant.

- *If you are applying as a CCASS Investor Participant*

The Company will publish the results of CCASS Investor Participants' applications together with the results of the Public Offer in the manner described in the paragraph headed "Publication of Results" above. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 21 September 2017, or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Public Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) If you apply via electronic application instructions to HKSCC

Allocation of Public Offer Shares

For the purposes of allocating Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of share certificates into CCASS and refund of application monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Thursday, 21 September 2017, or, on any other date determined by HKSCC or HKSCC Nominees.

HOW TO APPLY FOR PUBLIC OFFER SHARES

- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Public Offer in the manner specified in the paragraph headed “Publication of Results” above on Thursday, 21 September 2017. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 21 September 2017, or such other date as determined by HKSCC or HKSCC Nominees.
- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time) on Thursday, 21 September 2017. Immediately following the credit of the Public Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Public Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.
- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Thursday, 21 September 2017.

HOW TO APPLY FOR PUBLIC OFFER SHARES

14. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report, prepared for the sole purpose of inclusion in this prospectus, received from the independent reporting accountant of the Company, BDO Limited, Certified Public Accountants, Hong Kong.



Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF COOL LINK (HOLDINGS) LIMITED AND VINCO CAPITAL LIMITED

Introduction

We report on the historical financial information of Cool Link (Holdings) Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-61, which comprises the combined statements of financial position as at 31 December 2015, 2016 and 31 March 2017 and the statement of the financial position of the Company as at 31 March 2017, and the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for each of the years ended 31 December 2015, 2016 and the three months ended 31 March 2017 (the "Track Record Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-61 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 12 September 2017 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in note 2 and note 3 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in note 2 and note 3 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the Company's financial position as at 31 March 2017, the Group's financial position as at 31 December 2015, 2016 and 31 March 2017 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out in note 2 and note 3 to the Historical Financial Information, respectively.

Review of Stub Period Comparative Historical Financial Information

We have reviewed the stub period comparative historical financial information of the Group which comprises the combined statement of comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the three months ended 31 March 2016 and other explanatory information (together, the "Stub Period Comparative Historical Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Historical Financial Information in accordance with the basis of presentation and preparation set out in note 2 and note 3 to the

Historical Financial Information, respectively. Our responsibility is to express a conclusion on the Stub Period Comparative Historical Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Historical Financial Information, for the purposes of the accountant’s report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in note 2 and note 3 to the Historical Financial Information, respectively.

Report on matters under the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information and the Stub Period Comparative Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 13 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

No financial statements for the Company

No financial statements have been prepared for the Company since its date of incorporation.

BDO Limited

Certified Public Accountants

Cheung Or Ping

Practising Certificate Number P05412

Hong Kong

12 September 2017

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by BDO Limited in accordance with Hong Kong Standards on Auditing (the "HKSA's") issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Singapore Dollar ("S\$") and all values are rounded the nearest thousand (S\$'000) except when otherwise indicated.

Combined Statements of Comprehensive Income

	Notes	Year ended 31 December		Three months ended 31 March	
		2015 S\$'000	2016 S\$'000	2016 S\$'000 (unaudited)	2017 S\$'000
Revenue	8(a)	29,171	28,177	7,468	7,535
Cost of sales		<u>(22,063)</u>	<u>(21,016)</u>	<u>(5,619)</u>	<u>(5,523)</u>
Gross profit		7,108	7,161	1,849	2,012
Other income and gains	8(b)	191	430	68	127
Selling and distribution costs		(1,850)	(2,446)	(478)	(602)
Administrative and other operating expenses		(3,310)	(3,486)	(709)	(1,526)
Finance costs	9	<u>(77)</u>	<u>(108)</u>	<u>(22)</u>	<u>(35)</u>
Profit/(loss) before income tax	10	2,062	1,551	708	(24)
Income tax expense	12(a)	<u>(352)</u>	<u>(341)</u>	<u>(102)</u>	<u>(132)</u>
Profit/(loss) and total comprehensive income for the year/period		<u>1,710</u>	<u>1,210</u>	<u>606</u>	<u>(156)</u>
Profit/(loss) and total comprehensive income for the year/period attributable to:					
Owners of the Company		1,710	1,221	605	(151)
Non-controlling interests		<u>-</u>	<u>(11)</u>	<u>1</u>	<u>(5)</u>
		<u>1,710</u>	<u>1,210</u>	<u>606</u>	<u>(156)</u>

Combined Statements of Financial Position

		As at 31 December		As at
		2015	2016	31 March
	Notes	S\$'000	S\$'000	2017
				S\$'000
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	15	3,212	3,087	3,136
Investment properties	16	892	1,778	1,764
Deposit paid for purchase of an investment property		49	–	–
Other deposits	19	<u>6</u>	<u>25</u>	<u>25</u>
		<u>4,159</u>	<u>4,890</u>	<u>4,925</u>
Current assets				
Inventories	17	2,433	3,017	2,563
Trade receivables	18	6,091	5,964	6,963
Deposits, prepayments and other receivables	19	110	599	836
Time deposit with original maturity over three months	20	153	153	153
Cash and cash equivalents	20	<u>2,162</u>	<u>3,471</u>	<u>3,548</u>
		<u>10,949</u>	<u>13,204</u>	<u>14,063</u>
Current liabilities				
Trade payables	21	2,700	3,178	2,735
Accruals, other payables and deposits received	22	1,825	2,605	2,247
Due to directors	23	1,148	1,028	374
Due to non-controlling interests	24	–	10	10
Bank borrowings	25	174	204	205
Finance lease obligations	26	60	63	65
Income tax payable		<u>329</u>	<u>357</u>	<u>486</u>
		<u>6,236</u>	<u>7,445</u>	<u>6,122</u>
Net current assets		<u>4,713</u>	<u>5,759</u>	<u>7,941</u>
Total assets less current liabilities		<u>8,872</u>	<u>10,649</u>	<u>12,866</u>

		As at 31 December		As at
		2015	2016	31 March
	Notes	S\$'000	S\$'000	2017
				S\$'000
Non-current liabilities				
Deposits received	22	–	30	30
Bank borrowings	25	3,034	3,565	3,512
Finance lease obligations	26	134	138	171
Deferred tax liabilities	12(b)	<u>25</u>	<u>17</u>	<u>20</u>
		<u>3,193</u>	<u>3,750</u>	<u>3,733</u>
Net assets		<u><u>5,679</u></u>	<u><u>6,899</u></u>	<u><u>9,133</u></u>
EQUITY				
Share capital	27	–	–	–
Reserves	28	<u>5,679</u>	<u>6,900</u>	<u>9,139</u>
Equity attributable to the owners of the Company				
		5,679	6,900	9,139
Non-controlling interests		<u>–</u>	<u>(1)</u>	<u>(6)</u>
Total equity		<u><u>5,679</u></u>	<u><u>6,899</u></u>	<u><u>9,133</u></u>

Statement of Financial Position

		As at 31 March 2017 S\$'000
	<i>Note</i>	
LIABILITIES		
Current liabilities		
Accruals		9
Due to a subsidiary		<u>18</u>
Net liabilities		<u>27</u>
EQUITY		
Share capital	27	–
Accumulated loss		<u>(27)</u>
Total deficits		<u><u>(27)</u></u>

Combined Statements of Changes in Equity

	Attributable to the owners of the Company				Non-	Total
	Share capital S\$'000 (note 27)	Other reserve* S\$'000 (note 28)	Retained profits* S\$'000	Subtotal S\$'000	controlling interests S\$'000	
At 1 January 2015	-	100	3,869	3,969	-	3,969
Profit and total comprehensive income for the year	-	-	1,710	1,710	-	1,710
At 31 December 2015 and 1 January 2016	-	100	5,579	5,679	-	5,679
Capital injection from non- controlling interests	-	-	-	-	10	10
Profit and total comprehensive income for the year	-	-	1,221	1,221	(11)	1,210
At 31 December 2016 and 1 January 2017	-	100	6,800	6,900	(1)	6,899
Issue of shares (note 28)	-	2,390	-	2,390	-	2,390
Loss and total comprehensive income for the period	-	-	(151)	(151)	(5)	(156)
At 31 March 2017	-	2,490	6,649	9,139	(6)	9,133
At 1 January 2016	-	100	5,579	5,679	-	5,679
Capital injection from non-controlling interests	-	-	-	-	10	10
Profit and total comprehensive income for the period	-	-	605	605	1	606
At 31 March 2016 (unaudited)	-	100	6,184	6,284	11	6,295

* These reserve accounts comprise the combined reserves of approximately S\$5,679,000, S\$6,900,000 and S\$9,139,000 in the combined statements of financial position as at 31 December 2015, 2016 and 31 March 2017, respectively.

Combined Statements of Cash Flows

	Notes	Year end 31 December		Three months ended 31 March	
		2015 S\$'000	2016 S\$'000	2016 S\$'000 (unaudited)	2017 S\$'000
Cash flows from operating activities					
Profit/(loss) before income tax		2,062	1,551	708	(24)
Adjustments for:					
Interest income	8(b)	(2)	-	-	-
Interest expense	9	77	108	22	35
Bad debts written off	10	4	-	-	-
Depreciation of property, plant and equipment	10	390	326	85	100
Depreciation of investment properties	10	21	34	5	14
Write-off of inventories	10	33	137	10	40
Operating profit before working capital changes		2,585	2,156	830	165
(Increase)/decrease in inventories		(66)	(721)	(153)	414
(Increase)/decrease in trade receivables		(725)	127	441	(999)
Decrease/(increase) in deposits, prepayments and other receivables		105	(508)	70	(237)
Increase/(decrease) in trade payables		224	478	(157)	(443)
(Decrease)/increase in accruals, other payables and deposits received		(13)	64	(128)	388
Cash generated from/(used in) operations		2,110	1,596	903	(712)
Income tax paid		(179)	(321)	-	-
Net cash from/(used in) operating activities		<u>1,931</u>	<u>1,275</u>	<u>903</u>	<u>(712)</u>
Cash flows from investing activities					
Interest received		2	-	-	-
Purchases of an investment property	16,33(b)	-	(871)	(871)	-
Purchases of property, plant and equipment	15,33(a)	(45)	(121)	(55)	(69)
Deposit paid for purchase of an investment property	33(b)	(49)	-	-	-
Decrease in time deposit with original maturity over three months		6	-	-	-
Net cash used in investing activities		<u>(86)</u>	<u>(992)</u>	<u>(926)</u>	<u>(69)</u>

	Notes	Year end 31 December		Three months ended 31 March	
		2015 S\$'000	2016 S\$'000	2016 S\$'000	2017 S\$'000
Cash flows from financing activities					
Deposit received from the pre-IPO investor	28	-	746	-	-
Capital injection from non-controlling interests		-	10	10	-
Proceeds from issue of shares	28	-	-	-	1,644
Proceeds from bank borrowings		-	736	-	-
Repayments of bank borrowings		(277)	(175)	(45)	(52)
Capital element of finance lease obligations		(60)	(73)	(17)	(45)
Interest element on finance lease payments	9	(13)	(14)	(3)	(5)
(Decrease)/increase in amounts due to directors		(224)	(120)	30	(654)
Increase in amount due to non-controlling interests		-	10	10	-
Interests paid on bank borrowings	9	<u>(64)</u>	<u>(94)</u>	<u>(19)</u>	<u>(30)</u>
Net cash (used in)/from financing activities		<u>(638)</u>	<u>1,026</u>	<u>(34)</u>	<u>858</u>
Net increase/(decrease) in cash and cash equivalents		1,207	1,309	(57)	77
Cash and cash equivalents at beginning of the year/period		<u>955</u>	<u>2,162</u>	<u>2,162</u>	<u>3,471</u>
Cash and cash equivalents at end of the year/period		<u><u>2,162</u></u>	<u><u>3,471</u></u>	<u><u>2,105</u></u>	<u><u>3,548</u></u>

II. NOTES TO HISTORICAL FINANCIAL INFORMATION

1. Corporate information

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 27 January 2017. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at 21 Wan Lee Road, Singapore 627949.

The principal activity of the Company is investment holding while the Group is principally engaged in food supplies business.

As at the date of this report, the particulars of subsidiaries in which the Company has direct or indirect interests are set out as follows:

Company name	Place and date of incorporation and form of business structure	Particulars of issued and fully paid up share capital	Effective interest attributable to the Company	Principal activities and place of operations	Notes
<i>Interest held directly</i>					
Open Treasure Enterprises Limited ("Open Treasure Enterprises")	British Virgin Islands ("BVI"), 28 June 2016, limited liability company	United State Dollar ("US\$") 100	100%	Investment holding, Singapore	(i)
<i>Interest held indirectly</i>					
Cool Link & Marketing Pte Ltd ("Cool Link Marketing")	Singapore, 1 March 2001, limited liability company	Singapore Dollar ("S\$") 100,000	100%	Food supplies business, Singapore	(ii)
Cool Link Food Supply Pte. Ltd. ("Cool Link Supply")	Singapore, 21 December 2015, limited liability company	S\$100,000	90%	Food supplies business, Singapore	(iii)
Cool Link Trading (HK) Limited ("Cool Link Trading")	Hong Kong, 15 March 2017, limited liability company	Hong Kong Dollar ("HK\$") 100	100%	Inactive, Hong Kong	(iv)

Notes:

- (i) As at the date of this report, no audited financial statements have been prepared for Open Treasure Enterprises as there is no statutory audit requirement under the relevant rules and regulations in the jurisdiction of incorporation.

- (ii) The statutory financial statements of Cool Link Marketing for the years ended 31 December 2015 and 2016 were prepared in accordance with Singapore Financial Reporting Standards and provisions of the Singapore Companies Act, Chapter 50. The financial statements for the years ended 31 December 2015 and 2016 were audited by Ken Wong & Co..
- (iii) The statutory financial statements of Cool Link Supply for the period from 21 December 2015 (date of incorporation) to 30 November 2016 were prepared in accordance with Singapore Financial Reporting Standards and provisions of the Singapore Companies Act, Chapter 50. The financial statements for the period from 21 December 2015 (date of incorporation) to 30 November 2016 were audited by Ken Wong & Co..
- (iv) No audited financial statements have been prepared for Cool Link Trading as it is newly incorporated.

2. Group reorganisation and basis of presentation

Pursuant to a corporate reorganisation (the “Reorganisation”) as more fully explained in the section headed “History, Reorganisation and Group structure” in the Prospectus, the Company became the holding company of the subsidiaries now comprising the Group on 5 September 2017.

The Group is regarded as a continuing entity resulting from the Reorganisation since the insertion of certain new holding companies at the top of Cool Link Marketing has not resulted in any change in economic substance. Accordingly, the Historical Financial Information of the Company was combined with that of its subsidiaries using existing book values.

The combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for the Track Record Period include the financial performance and cash flows of all companies now comprising the Group, as if the current group structure had been in existence throughout the Track Record Period, or since their respective dates of incorporation, where this is a shorter period. The combined statements of financial position of the Group as at 31 December 2015, 2016 and 31 March 2017 have been prepared to present the assets and liabilities of the entities now comprising the Group as if the current group structure had been in existence as at the respective dates.

The assets and liabilities of the companies comprising the Group are combined using the existing book values. Intra-group transactions, balances and unrealised gains on transactions between listing group companies have been eliminated on combination.

3. Basis of preparation

The Historical Financial Information has been prepared in accordance with the basis of presentation set out in note 2 and the accounting policies in note 5 below which comply with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective terms include all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA. The Historical Financial Information also includes the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange. All HKFRSs effective for the accounting periods commencing from 1 January 2017 and relevant to the Group, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information consistently throughout the Track Record Period.

The Historical Financial Information has been prepared under the historical cost convention.

It should be noted that accounting estimates and assumptions are used in the preparation of the Historical Financial Information. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in note 6.

The Historical Financial Information is presented in S\$, which is also the functional currency of the Company and its major subsidiaries, and all values are rounded to the nearest thousand except when otherwise indicated.

4. Impact of issued but not yet effective HKFRSs

At the date of this report, the following new/revised HKFRSs have been issued but are not yet effective, and have not been early adopted by the Group.

Amendments to HKAS 40	Transfer of Investment Property ¹
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transaction ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 1 included in Annual Improvements to HKFRSs 2014-2016 Cycle	First-time Adoption of Hong Kong Financial Reporting Standards ¹
Amendments to HKAS 28 included in Annual Improvements to HKFRSs 2014-2016 Cycle	Investments in Associates and Joint Ventures ¹
HKFRS 9 (2014)	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) ¹
HKFRS 16	Leases ²
HK(IFRIC) Interpretation 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) Interpretation 23	Uncertainty over Income Tax Treatments ²

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continues to be permitted

Amendments to HKFRS 2 – Classification and Measurement of Share-based Payment Transaction

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

HKFRS 9 (2014) – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income (“FVTOCI”) if the objective of the entity’s business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit and loss (“FVTPL”).

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

The directors of the Company have reviewed the Group’s financial assets as at 31 March 2017 and anticipate that the application of HKFRS 9 in the future may result in early recognition of credit losses based on expected loss model in relation to the Group’s financial assets measured at amortised cost. Despite that the new impairment model may result in an earlier recognition of credit losses, based on the current assessment, the directors of the Company do not anticipate the adoption of HKFRS 9 in the future will have significant impact on the amounts reported, including the measurement and disclosures in respect of the Group’s financial assets and liabilities based on an analysis of the Group’s existing financial instruments.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and related interpretations.

HKFRS 15 requires the application of a 5 steps approach to revenue recognition:

- Step 1: Identify the contract(s) with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

Amendments to HKFRS 15 – Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

The Group has performed a preliminary assessment of potential impact of the adoption of HKFRS 15 on the Group. Based on the preliminary assessment, the directors of the Company anticipate that the adoption of HKFRS 15 in the future is not likely to have significant impact on the amounts reported but may result in more disclosures made to the financial statements related to revenue.

HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases” and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of use asset and interest on the lease liability, and also classifies cash repayments of the lease

liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

As at 31 March 2017, the Group, as the lessee, has non-cancellable operating lease commitments of approximately S\$621,000 as disclosed in note 29(b). The application of new requirements may result changes in measurement, presentation and disclosure as indicated above. The directors of the Company do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in a significant impact on the Group's results but it is expected that the commitments due after 31 December 2019 will be required to be recognised in the combined statement of financial position as right-of-use assets and lease liabilities.

Except for the above, the directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the Group's future financial statements.

5. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the Historical Financial Information are summarised below. These policies have been consistently applied to all the years/periods presented unless otherwise stated.

Basis of combination

The Historical Financial Information incorporates the financial statements of the Company and its subsidiaries comprising the Group for the Track Record Period.

The merger method of accounting involves incorporating the financial statement items of the combining entities or businesses in which the common control combination occurs. No amount is recognised in respect of goodwill or gain on bargain purchase at the time of common control combination. All differences between the cost of acquisition and the amount at which the assets and liabilities are recorded have been recognised directly in equity as part of reserve.

The Historical Financial Information includes the results and financial positions of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities first came under common control, where this is a shorter period, regardless of the date of the common control combination.

All intra-group transactions, balances and unrealised gains on transactions have been eliminated in full on combination. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred, in which the case the loss is recognised in profit or loss. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Leasehold properties	18 years
Computers	4 years
Furniture and fittings	4 – 5 years
Kitchen equipment	4 years
Machinery and equipment	4 years
Motor vehicles	6 years
Renovation	3 – 5 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the term of the relevant lease.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

Investment property

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Depreciation is charged so as to write off the cost of investment property net of expected residual value over the estimated useful live using straight-line method. The useful live, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (i) Sales of goods are recognised upon on transfer of risks and rewards of ownership, which is at the time of delivery and the title is passed to customer.

- (ii) Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.
- (iii) Rental income under operating leases is recognised on a straight-line basis over the term of the relevant lease.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, and short-term highly liquid investments with original maturities of three months or less that are readily convertible into know amounts of cash which are subject to an insignificant risk of changes in value.

Financial instruments*(i) Financial assets*

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

(ii) Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty;

- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

For loans and receivables

An impairment loss is recognised in profit or loss and directly reduces the carrying amount of financial asset when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade payables, accruals, other payables and deposits received, amounts due to directors/non-controlling interests, bank borrowings and finance lease obligations are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by a group entity are recorded at the proceeds received, net of direct issue costs.

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Income taxes

Income taxes for the year/period comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

Foreign currency

Transactions entered into by the group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

Employee benefits***(i) Short-term employee benefits***

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are recognised in the year/period when the employees render the related service.

(ii) Defined contribution retirement plan

Payments made to the Central Provident Fund in Singapore, which is a defined contribution retirement plan, are recognised as an expense when employees have rendered service entitling them to the contributions.

(iii) Termination benefits

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- investment properties; and
- deposit paid for purchase of an investment property

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

Capitalisation of borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are recognised when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Related parties

- (1) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.

- (2) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (1).
 - (vii) A person identified in (1)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components.

6. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

In addition to information disclosed elsewhere in the Historical Financial Information, other key sources estimation uncertainty that have a significant risk of resulting a material adjustment to the carrying amounts of assets and liabilities within next financial period are as follows:

Estimated useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and residual values for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives. It will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives; actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in the future periods. The carrying amount of property, plant and equipment is disclosed in note 15.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles. Inventory value is reduced when the decision to markdown below cost is made. Management reassesses the estimations at the reporting date. The carrying amount of inventories is disclosed in note 17.

Impairment of trade and other receivables

The Group's management assesses the collectibility of trade and other receivables on a regular basis to determine if any provision for impairment is necessary. This estimate is based on, where appropriate, the evaluation of collectibility and ageing analysis of the receivables and on the management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these outstandings, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of the Group's debtors were to deteriorate, resulting in an impairment of their ability to make payments, provision for impairment may be required. Management reassesses the provision for impairment at the reporting date. The carrying amounts of trade and other receivables are disclosed in notes 18 and 19, respectively.

Income taxes

The Group is subject to income taxes in Singapore. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provision in the period in which such determination is made. The carrying amount of income tax payable amounted to approximately S\$329,000, S\$357,000 and S\$486,000 as at 31 December 2015, 2016 and 31 March 2017, respectively. The carrying amount of deferred tax liabilities is disclosed in note 12(b).

Provision for sales rebates

The Group offers sales rebates to customers when the customers achieve or exceed a certain target amount pre-agreed and settle invoices in accordance with the credit terms offered. The provision for sales rebates is made when the revenue is recognised based on the customer's historical settlement record. The estimation basis is revised on an on-going basis and revised where appropriate.

7. Segment information

(i) Operating segment information

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. There is only one business component in the internal reporting to the executive directors, which is the food supplies business. The Group's assets and capital expenditure are principally attributable to this business component.

(ii) Geographical segment information

The Group's revenue from external customers is divided into the following geographical areas:

	Year ended 31 December		Three months ended 31 March	
	2015 S\$'000	2016 S\$'000	2016 S\$'000 (unaudited)	2017 S\$'000
Singapore	29,003	27,980	7,453	7,503
Indonesia	135	100	15	25
Philippines	31	65	–	–
Others	2	32	–	7
	<u>29,171</u>	<u>28,177</u>	<u>7,468</u>	<u>7,535</u>

Geographical location of customers is based on the location at which the goods are delivered.

No geographical location of non-current assets is presented as all of the Group's non-current assets are physically based in Singapore.

(iii) Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the Track Record Period is as follows:

	Year ended 31 December		Three months ended 31 March	
	2015 S\$'000	2016 S\$'000	2016 S\$'000 (unaudited)	2017 S\$'000
Customer A	3,908	3,065	884	954
Customer B	3,252	3,299	839	769
Customer C	<u>N/A</u>	<u>N/A</u>	<u>777</u>	<u>N/A</u>

N/A Transactions during the year/period did not exceed 10% of the Group's revenue

8. Revenue and other income and gains

- (a) Revenue represents the net invoiced value of goods sold, net of returns, rebates, discounts and sales related tax, where applicable. Revenue recognised during the Track Record Period is as follows:

	Year ended 31 December		Three months ended 31 March	
	2015 S\$'000	2016 S\$'000	2016 S\$'000	2017 S\$'000
			(unaudited)	
Sales of goods	<u>29,171</u>	<u>28,177</u>	<u>7,468</u>	<u>7,535</u>

- (b) An analysis of the Group's other income and gains during the Track Record Period is as follows:

	Year ended 31 December		Three months ended 31 March	
	2015 S\$'000	2016 S\$'000	2016 S\$'000	2017 S\$'000
			(unaudited)	
Bank interest income	2	–	–	–
Rental income from investment properties	84	129	23	52
One-off slotting and marketing fee received	–	198	–	48
Government grants (note)	105	84	45	25
Others	<u>–</u>	<u>19</u>	<u>–</u>	<u>2</u>
	<u>191</u>	<u>430</u>	<u>68</u>	<u>127</u>

Note: Government grants comprised unconditional cash subsidies from government for subsidising the Group's operation.

9. Finance costs

	Year ended 31 December		Three months ended	
	2015	2016	2016	2017
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
			(unaudited)	
Interest on bank borrowings	64	94	19	30
Interest on finance leases	<u>13</u>	<u>14</u>	<u>3</u>	<u>5</u>
	<u>77</u>	<u>108</u>	<u>22</u>	<u>35</u>

10. Profit/(loss) before income tax

Profit/(loss) before income tax is arrived at after charging/(crediting):

	Year ended 31 December		Three months ended 31 March	
	2015 S\$'000	2016 S\$'000	2016 S\$'000 (unaudited)	2017 S\$'000
Auditor's remuneration	7	17	-	-
Bad debts written off	4	-	-	-
Costs of inventories recognised as expenses				
- Cost of inventories sold	21,325	20,399	5,519	5,329
- Write-off of inventories	33	137	10	40
	21,358	20,536	5,529	5,369
Depreciation of property, plant and equipment				
- Owned	327	271	73	83
- Held under finance lease	63	55	12	17
	390	326	85	100
Depreciation of investment properties	21	34	5	14
Direct operating expenses arising from investment properties that generated rental income	23	58	19	24
Employee benefit expenses (including directors' emoluments (<i>note 11</i>))				
- Wages, salaries and other benefits	3,428	3,140	725	854
- Defined contributions	173	197	40	46
	3,601	3,337	765	900
Lease payments under operating leases in respect of motor vehicles, machineries, warehouses and rented premises				
- Minimum lease payments	113	201	32	60
- Contingent rents (<i>note</i>)	200	419	70	88
	313	620	102	148
Listing expenses	-	668	-	684
Net foreign exchange loss/(gain)	57	53	(1)	4

Note: Contingent rents represent lease payments of warehouses which are charged based on the volume of inventories handled in the warehouses.

11. Directors' emoluments and five highest paid individuals

(a) Directors' emoluments

The emolument of each of the directors for the Track Record Period is set out below:

	Fees S\$'000	Salaries, allowances and benefits in kind S\$'000	Discretionary bonuses S\$'000	Defined contributions S\$'000	Total S\$'000
Year ended					
31 December 2015					
<i>Executive directors:</i>					
Mr. Tan Seow Gee ("Mr. D Tan")	280	134	45	17	476
Mr. Gay Teo Siong ("Mr. R Gay")	<u>280</u>	<u>187</u>	<u>45</u>	<u>16</u>	<u>528</u>
	<u><u>560</u></u>	<u><u>321</u></u>	<u><u>90</u></u>	<u><u>33</u></u>	<u><u>1,004</u></u>
Year ended					
31 December 2016					
<i>Executive directors:</i>					
Mr. D Tan	187	133	20	17	357
Mr. R Gay	<u>187</u>	<u>179</u>	<u>20</u>	<u>14</u>	<u>400</u>
	<u><u>374</u></u>	<u><u>312</u></u>	<u><u>40</u></u>	<u><u>31</u></u>	<u><u>757</u></u>
Three months ended					
31 March 2016					
(unaudited)					
<i>Executive directors:</i>					
Mr. D Tan	47	33	5	4	89
Mr. R Gay	<u>47</u>	<u>43</u>	<u>5</u>	<u>3</u>	<u>98</u>
	<u><u>94</u></u>	<u><u>76</u></u>	<u><u>10</u></u>	<u><u>7</u></u>	<u><u>187</u></u>
Three months ended					
31 March 2017					
<i>Executive directors:</i>					
Mr. D Tan	47	33	5	4	89
Mr. R Gay	<u>47</u>	<u>48</u>	<u>5</u>	<u>3</u>	<u>103</u>
	<u><u>94</u></u>	<u><u>81</u></u>	<u><u>10</u></u>	<u><u>7</u></u>	<u><u>192</u></u>

The independent non-executive directors were appointed with effect from 30 August 2017 and have not received any emoluments during the Track Record Period.

During the Track Record Period, no director or any of the highest paid individuals waived or agreed to waive any emoluments. No emoluments were paid by the Group to the directors or any of the highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

(b) Five highest paid individuals

The five highest paid individuals of the Group included 2, 2 and 2 directors for the years ended 31 December 2015, 2016 and the three months ended 31 March 2017 (three months ended 31 March 2016 (unaudited): 2), respectively, whose emoluments are reflected in note (a).

The analysis of the emolument of the 3, 3 and 3 highest paid non-director individuals for the years ended 31 December 2015, 2016 and the three months ended 31 March 2017 (three months ended 31 March 2016 (unaudited): 3), respectively, are set out below:

	Year ended 31 December		Three months ended 31 March	
	2015 S\$'000	2016 S\$'000	2016 S\$'000 (unaudited)	2017 S\$'000
Salaries, allowances and benefits in kind	707	508	126	136
Discretionary bonuses	53	38	9	7
Defined contributions	<u>29</u>	<u>40</u>	<u>7</u>	<u>6</u>
	<u>789</u>	<u>586</u>	<u>142</u>	<u>149</u>

The emolument paid or payable to each of the above non-director individuals for the Track Record Period fell within the following band:

	Year ended 31 December		Three months ended 31 March	
	2015 <i>No. of individuals</i>	2016 <i>No. of individuals</i>	2016 <i>No. of individuals</i> (unaudited)	2017 <i>No. of individuals</i>
Nil to				
HK\$1,000,000	1	2	3	3
HK\$1,000,001 to				
HK\$1,500,000	1	–	–	–
HK\$1,500,001 to				
HK\$2,000,000	–	1	–	–
HK\$2,500,001 to				
HK\$3,000,000	<u>1</u>	<u>–</u>	<u>–</u>	<u>–</u>

12. Income tax expense

(a) *Income tax*

The amount of taxation in the combined statements of comprehensive income during the Track Record Period represents:

	Year ended 31 December		Three months ended 31 March	
	2015 S\$'000	2016 S\$'000	2016 S\$'000	2017 S\$'000
			(unaudited)	
Current tax –				
Singapore income tax				
Tax for the year/period	328	357	114	129
Under/(over)-provision in respect of prior years	<u>7</u>	<u>(8)</u>	<u>–</u>	<u>–</u>
	335	349	114	129
Deferred tax				
Charged/(credited) to profit or loss	<u>17</u>	<u>(8)</u>	<u>(12)</u>	<u>3</u>
	<u><u>352</u></u>	<u><u>341</u></u>	<u><u>102</u></u>	<u><u>132</u></u>

Pursuant to the rules and regulations of Cayman Islands, the Group is not subject to any taxation under the jurisdictions of Cayman Islands. Singapore income tax has been provided at the rate of 17% on the estimated assessable profits for each of the financial years/periods during the Track Record Period.

The income tax expense for the Track Record Period can be reconciled to the profit/(loss) before income tax per the combined statements of comprehensive income as follows:

	Year ended 31 December		Three months ended	
	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)			
Profit/(loss) before income tax	<u>2,062</u>	<u>1,551</u>	<u>708</u>	<u>(24)</u>
Tax calculated at the statutory rate of 17%	351	264	120	(4)
Tax effect of revenue not taxable for tax purpose	(1)	(1)	(2)	–
Tax effect of expenses not deductible for tax purpose	50	177	14	135
Tax effect of temporary differences not recognised	15	(21)	(9)	4
Tax effect of tax losses not recognised	–	20	–	8
Enhanced tax allowances, exemptions and rebates	(70)	(90)	(21)	(11)
Under/(over)- provision in respect of prior years	<u>7</u>	<u>(8)</u>	<u>–</u>	<u>–</u>
Income tax expense	<u>352</u>	<u>341</u>	<u>102</u>	<u>132</u>

(b) Deferred tax

Details of the deferred tax liabilities recognised and movements in the Track Record Period:

	Accelerated tax depreciation			
	Year ended 31 December		Three months ended 31 March	
	2015	2016	2016	2017
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
			(unaudited)	
At beginning of the year/period	8	25	25	17
Charged/(credited) to profit or loss	<u>17</u>	<u>(8)</u>	<u>(12)</u>	<u>3</u>
At end of the year/ period	<u><u>25</u></u>	<u><u>17</u></u>	<u><u>13</u></u>	<u><u>20</u></u>

As at 31 December 2015, 2016 and 31 March 2017, the Group has estimated unused tax losses of Nil, approximately S\$115,000 and S\$164,000 respectively that are available for offsetting against future taxable profits. The estimated unused tax losses may be carried forward indefinitely. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

13. Dividends

No dividend has been declared or paid by the Company since its incorporation, or by any of the companies now comprising the Group during the Track Record Period.

14. Earnings per share

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation, and the presentation of the financial performance of the Group for the Track Record Period on a combined basis as disclosed in note 2 above.

15. Property, plant and equipment

	Leasehold properties S\$'000	Computers S\$'000	Furniture and fittings S\$'000	Kitchen equipment S\$'000	Machinery and equipment S\$'000	Motor vehicles S\$'000	Renovation S\$'000	Total S\$'000
At 1 January 2015								
Cost	4,000	84	90	240	139	481	609	5,643
Accumulated depreciation	(833)	(60)	(74)	(211)	(112)	(350)	(554)	(2,194)
Net carrying amount	<u>3,167</u>	<u>24</u>	<u>16</u>	<u>29</u>	<u>27</u>	<u>131</u>	<u>55</u>	<u>3,449</u>
Year ended 31 December 2015								
Opening net carrying amount	3,167	24	16	29	27	131	55	3,449
Additions	-	33	2	1	1	116	-	153
Depreciation	(222)	(14)	(10)	(26)	(16)	(63)	(39)	(390)
Closing net carrying amount	<u>2,945</u>	<u>43</u>	<u>8</u>	<u>4</u>	<u>12</u>	<u>184</u>	<u>16</u>	<u>3,212</u>
At 31 December 2015 and 1 January 2016								
Cost	4,000	117	92	241	140	597	609	5,796
Accumulated depreciation	(1,055)	(74)	(84)	(237)	(128)	(413)	(593)	(2,584)
Net carrying amount	<u>2,945</u>	<u>43</u>	<u>8</u>	<u>4</u>	<u>12</u>	<u>184</u>	<u>16</u>	<u>3,212</u>
Year ended 31 December 2016								
Opening net carrying amount	2,945	43	8	4	12	184	16	3,212
Additions	-	34	11	3	64	84	5	201
Depreciation	(222)	(22)	(5)	(2)	(17)	(55)	(3)	(326)
Closing net carrying amount	<u>2,723</u>	<u>55</u>	<u>14</u>	<u>5</u>	<u>59</u>	<u>213</u>	<u>18</u>	<u>3,087</u>
At 31 December 2016 and 1 January 2017								
Cost	4,000	151	103	244	204	585	614	5,901
Accumulated depreciation	(1,277)	(96)	(89)	(239)	(145)	(372)	(596)	(2,814)
Net carrying amount	<u>2,723</u>	<u>55</u>	<u>14</u>	<u>5</u>	<u>59</u>	<u>213</u>	<u>18</u>	<u>3,087</u>
Three months ended 31 March 2017								
Opening net carrying amount	2,723	55	14	5	59	213	18	3,087
Additions	-	18	17	-	1	113	-	149
Depreciation	(56)	(6)	(2)	(1)	(7)	(20)	(8)	(100)
Closing net carrying amount	<u>2,667</u>	<u>67</u>	<u>29</u>	<u>4</u>	<u>53</u>	<u>306</u>	<u>10</u>	<u>3,136</u>
At 31 March 2017								
Cost	4,000	169	120	244	205	698	614	6,050
Accumulated depreciation	(1,333)	(102)	(91)	(240)	(152)	(392)	(604)	(2,914)
Net carrying amount	<u>2,667</u>	<u>67</u>	<u>29</u>	<u>4</u>	<u>53</u>	<u>306</u>	<u>10</u>	<u>3,136</u>

Notes:

- (i) As at 31 December 2015, 2016 and 31 March 2017, the Group's motor vehicles with an aggregate net carrying amount of approximately S\$184,000, S\$213,000 and S\$271,000 respectively, were held under finance leases (note 26).
- (ii) As at 31 December 2015, 2016 and 31 March 2017, the Group's leasehold properties with a net carrying amount of approximately S\$2,945,000, S\$2,723,000 and S\$2,667,000 respectively, were pledged to secure banking facilities granted to the Group (note 25).

16. Investment properties

	<i>S\$'000</i>
Cost	
At 1 January 2015, 31 December 2015 and 1 January 2016	1,014
Additions	<u>920</u>
At 31 December 2016, 1 January 2017 and 31 March 2017	<u><u>1,934</u></u>
Accumulated depreciation	
At 1 January 2015	101
Depreciation	<u>21</u>
At 31 December 2015 and 1 January 2016	122
Depreciation	<u>34</u>
At 31 December 2016 and 1 January 2017	156
Depreciation	<u>14</u>
At 31 March 2017	<u><u>170</u></u>
Net carrying amount	
At 31 December 2015	<u><u>892</u></u>
At 31 December 2016	<u><u>1,778</u></u>
At 31 March 2017	<u><u>1,764</u></u>
Fair value	
At 31 December 2015	<u><u>2,600</u></u>
At 31 December 2016	<u><u>3,320</u></u>
At 31 March 2017	<u><u>3,320</u></u>

The estimated useful life of the investment properties is from 27 to 50 years. The investment properties are stated at cost less accumulated depreciation and any impairment loss.

Fair value is determined by a market comparison method based on market observable transactions of similar properties and adjusted to reflect the conditions and locations of the subject properties. The fair value of the investment properties has been carried out by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment properties being valued. The fair value disclosed is categorised as Level 3 valuation.

Significant unobservable input used in valuing the investment properties was the price per square meter and taking into account the movement of the industrial property market index in Singapore, location and other individual factors. The price per square meter used is approximately S\$4,600 as at 31 December 2015, S\$3,900 to S\$4,600 as at 31 December 2016 and S\$3,900 to S\$4,600 as at 31 March 2017. Significant increases/decreases in the price per square meter would result in a significant higher/lower fair value measurement. The highest and best use of the investment properties of the Group does not differ from its current use.

The investment properties were secured for the Group's mortgage loans (note 25).

17. Inventories

	As at 31 December		As at 31 March
	2015	2016	2017
	S\$'000	S\$'000	S\$'000
Inventories for resale	<u>2,433</u>	<u>3,017</u>	<u>2,563</u>

18. Trade receivables

	As at 31 December		As at 31 March
	2015	2016	2017
	S\$'000	S\$'000	S\$'000
Trade receivables	<u>6,091</u>	<u>5,964</u>	<u>6,963</u>

The credit period is generally ranging from cash on delivery to 60 days.

Based on invoices date, ageing analysis of the Group's trade receivables as at the reporting dates is as follows:

	As at 31 December		As at
	2015	2016	31 March
	S\$'000	S\$'000	2017
0 to 30 days	2,797	2,472	2,797
31 to 90 days	3,071	3,205	3,816
91 to 180 days	223	286	345
Over 180 days	<u>—</u>	<u>1</u>	<u>5</u>
	<u>6,091</u>	<u>5,964</u>	<u>6,963</u>

Ageing analysis of the Group's trade receivables as at the reporting dates that are not impaired is as follows:

	As at 31 December		As at
	2015	2016	31 March
	S\$'000	S\$'000	2017
Neither past due nor impaired	2,554	2,350	2,707
1 to 30 days past due	2,374	2,289	2,227
31 to 90 days past due	1,130	1,152	1,947
91 to 180 days past due	33	172	77
Over 180 days past due	<u>—</u>	<u>1</u>	<u>5</u>
	<u>6,091</u>	<u>5,964</u>	<u>6,963</u>

At each of the reporting date, the Group's trade receivables are individually determined for impairment testing. The Group's trade receivables as at the reporting dates that were neither past due nor impaired for whom there was no recent history of default. The Group's management considers that trade receivables that were past due but not impaired under review are of good credit quality. Based on past experience, the management believes that no impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable. The Group does not hold any collateral in respect of trade receivables past due but not impaired. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly. During the years ended 31 December 2015, 2016 and the three months ended 31 March 2017, the Group has determined trade receivables of approximately S\$4,000, Nil and Nil respectively (note 10) as irrecoverable and written off.

19. Deposits, prepayments and other receivables

	As at 31 December		As at
	2015	2016	31 March
	S\$'000	S\$'000	2017
Deposits	30	216	288
Prepayments	67	298	399
Other receivables	<u>19</u>	<u>110</u>	<u>174</u>
	<u>116</u>	<u>624</u>	<u>861</u>
Classified as:			
Non-current assets	6	25	25
Current assets	<u>110</u>	<u>599</u>	<u>836</u>
	<u>116</u>	<u>624</u>	<u>861</u>

20. Cash and bank balances

	Notes	As at 31 December		As at
		2015	2016	31 March
		S\$'000	S\$'000	2017
Cash at banks and in hand	(i)	2,315	3,624	3,701
Less: Time deposit with original maturity over three months	(ii)	<u>(153)</u>	<u>(153)</u>	<u>(153)</u>
Cash and cash equivalents		<u>2,162</u>	<u>3,471</u>	<u>3,548</u>

Notes:

- (i) Bank balances earn interest at floating rates based on daily bank deposit rates.
- (ii) Time deposit was made for 12 months and bore interest rate in the range of 0.00% – 0.55% per annum as at 31 December 2015, 2016 and 31 March 2017.

Included in cash and bank balances are the following amounts denominated in currencies other than the functional currency:

	As at 31 December		As at
	2015	2016	31 March
	S\$'000	S\$'000	2017
Euro ("EUR")	211	210	153
US\$	14	14	14
HK\$	<u>–</u>	<u>55</u>	<u>1,194</u>

21. Trade payables

	As at 31 December		As at
	2015	2016	31 March
	S\$'000	S\$'000	2017
Trade payables	<u>2,700</u>	<u>3,178</u>	<u>2,735</u>

The credit period is generally ranging from cash on delivery to 60 days.

Based on invoices date, ageing analysis of the Group's trade payables as at the reporting dates is as follows:

	As at 31 December		As at
	2015	2016	31 March
	S\$'000	S\$'000	2017
0 to 30 days	1,638	1,681	1,513
31 to 90 days	1,052	1,455	1,113
91 to 180 days	9	35	109
Over 180 days	<u>1</u>	<u>7</u>	<u>–</u>
	<u>2,700</u>	<u>3,178</u>	<u>2,735</u>

Included in trade payables are the following amounts denominated in currencies other than the functional currency:

	As at 31 December		As at
	2015	2016	31 March
	S\$'000	S\$'000	2017
			S\$'000
EUR	747	1,129	775
Malaysia Ringgit ("RM")	220	229	205
US\$	116	159	141
Indonesian Rupiah ("IDR")	<u>–</u>	<u>41</u>	<u>–</u>

22. Accruals, other payables and deposits received

	As at 31 December		As at
	2015	2016	31 March
	S\$'000	S\$'000	2017
			S\$'000
Accruals	1,650	1,657	2,089
Other payables	175	202	158
Deposits received (<i>note</i>)	<u>–</u>	<u>776</u>	<u>30</u>
	<u>1,825</u>	<u>2,635</u>	<u>2,277</u>
Classified as:			
Non-current liabilities	–	30	30
Current liabilities	<u>1,825</u>	<u>2,605</u>	<u>2,247</u>
	<u>1,825</u>	<u>2,635</u>	<u>2,277</u>

Note:

As at 31 December 2016, included in the Group's deposits received are deposit received from a Pre-IPO Investor (defined in note 28), amounting to approximately S\$746,000 (equivalent to HK\$4,000,000). The balances represented the partial consideration received from the Pre-IPO Investor in advance for the subscription of shares in the share capital of Open Treasure Enterprises (note 28). The issue of shares by Open Treasure Enterprises to the Pre-IPO Investor was executed in January 2017.

Included in accruals and other payables are the following amounts denominated in currencies other than the functional currency:

	As at 31 December		As at
	2015	2016	31 March
	S\$'000	S\$'000	2017
			S\$'000
US\$	–	8	19
HK\$	–	77	512

23. Due to directors

The balances were unsecured, interest-free and repayable on demand, which have been fully settled in April 2017.

24. Due to non-controlling interests

The balances were unsecured, interest-free and repayable on demand.

25. Bank borrowings

	As at 31 December		As at
	2015	2016	31 March
	S\$'000	S\$'000	2017
			S\$'000
Current liabilities			
Secured mortgage loans			
– Amounts repayable within one year	174	204	205
Non-current liabilities			
Secured mortgage loans			
– Amounts repayable after one year	<u>3,034</u>	<u>3,565</u>	<u>3,512</u>
Total bank borrowings	<u>3,208</u>	<u>3,769</u>	<u>3,717</u>

Notes:

- (a) Bank borrowings are interest-bearing at the banks' base lending rate adjusted by certain basis points per annum. As at 31 December 2015, 2016 and 31 March 2017, the Group's bank borrowings bore effective interest rate at 2.35%, ranging from 1.98% to 3.55% and ranging from 1.98% to 3.55% per annum, respectively.
- (b) Based on the schedule repayment dates set out in the loan agreements, the bank borrowings are repayable as follows:

	As at 31 December		As at
	2015	2016	31 March
	S\$'000	S\$'000	2017
Within one year	174	204	205
More than one year, but not exceeding two years	172	210	212
More than two years, but not exceeding five years	553	674	680
After five years	<u>2,309</u>	<u>2,681</u>	<u>2,620</u>
	<u><u>3,208</u></u>	<u><u>3,769</u></u>	<u><u>3,717</u></u>

- (c) The Group's banking facilities are secured by:
- the pledge of leasehold properties of the Group with net carrying amount of approximately S\$2,945,000, S\$2,723,000 and S\$2,667,000 as at 31 December 2015, 2016 and 31 March 2017, respectively (note 15);
 - the pledge of investment properties of the Group with net carrying amount of approximately S\$892,000, S\$1,778,000 and S\$1,764,000 as at 31 December 2015, 2016 and 31 March 2017, respectively (note 16); and
 - the personal guarantees by Mr. R Gay and Mr. D Tan, directors of the Company, and Mr. Tan Chih Keong ("Mr. M Tan"), a key management personnel of the Group and a director of the Cool Link Marketing and Cool Link Supply, as at 31 December 2015, 2016 and 31 March 2017. The personal guarantees from Mr. R Gay, Mr. D Tan and Mr. M Tan will be released upon listing.
- (d) The Group's aggregate banking facilities amount to approximately S\$6,106,000, S\$6,163,000 and S\$6,163,000, of which approximately S\$3,745,000, S\$4,258,000 and S\$4,213,000 have been utilised as at 31 December 2015, 2016 and 31 March 2017, respectively.

26. Finance lease obligations

	As at 31 December			As at 31 March		
	2015	2016	2017	2015	2016	2017
	Minimum lease payments S\$'000	Present values of minimum lease payments S\$'000	Minimum lease payments S\$'000	Present values of minimum lease payments S\$'000	Minimum lease payments S\$'000	Present values of minimum lease payments S\$'000
Within one year	73	60	74	63	79	65
In the second to fifth years, inclusive	<u>151</u>	<u>134</u>	<u>157</u>	<u>138</u>	<u>195</u>	<u>171</u>
	224	194	231	201	274	236
Less: Future finance charges	<u>(30)</u>	<u>n/a</u>	<u>(30)</u>	<u>n/a</u>	<u>(38)</u>	<u>n/a</u>
Present value of lease obligations	<u><u>194</u></u>	<u>194</u>	<u><u>201</u></u>	<u>201</u>	<u><u>236</u></u>	<u>236</u>
Less: Amounts due for settlement within 12 months (shown under current liabilities)		<u>(60)</u>		<u>(63)</u>		<u>(65)</u>
Amounts due for settlement after 12 months (shown under non-current liabilities)		<u><u>134</u></u>		<u><u>138</u></u>		<u><u>171</u></u>

The Group leases certain motor vehicles under finance leases (note 15). The lease term is ranging from five to seven years. As at 31 December 2015, 2016 and 31 March 2017, the effective interest rate is ranging from approximately 5.3% to 6.5%, 5.3% to 6.5% and 5.4% to 6.5% per annum, respectively. All the leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The Group's obligations under finance leases are secured by the charge over the leased assets and guaranteed by Mr. R Gay and Mr. D Tan as at 31 December 2015, Mr. D Tan and Mr. M Tan as at 31 December 2016 and 31 March 2017.

Subsequent to 31 March 2017, all personal guarantees from Mr. D Tan and Mr. M Tan have been released upon full settlement in April 2017 except one personal guarantee from Mr. D Tan will be released upon listing.

27. Share capital

The Company was incorporated in the Cayman Islands on 27 January 2017, and therefore there was no issued share capital shown in the combined statements of financial position as at 31 December 2015 and 2016. Upon incorporation, the authorised share capital was HK\$380,000 divided into 38,000,000 ordinary shares of HK\$0.01 each. One nil-paid share was allotted and issued on the same date.

28. Reserves

Details of the movements on the Group's reserves are set out in the combined statements of changes in equity in Section I.

During the year ended 31 December 2016, a pre-IPO investor (the "Pre-IPO Investor") as subscriber, and Open Treasure Enterprises as the issuer and Mr. D Tan, Mr. R Gay and Mr. M Tan collectively as guarantors to the Pre-IPO Investor entered into an agreement, pursuant to which the Pre-IPO Investor agreed to subscribe and Open Treasure Enterprises agreed to allot and issue 15 ordinary shares in the share capital of Open Treasure Enterprises to the Pre-IPO Investor for a total cash consideration of HK\$13,000,000 (the "Pre-IPO Investment") to Open Treasure Enterprises. During the year ended 31 December 2016, the Pre-IPO Investor has made partial investment of approximately S\$746,000 (equivalent to HK\$4,000,000) (the "Partial Pre-IPO Investment"). The subscription of shares from the Pre-IPO Investor was not yet completed as at 31 December 2016 and the Partial Pre-IPO Investment of S\$746,000 is shown as deposit received (note 22) as at 31 December 2016.

In January 2017, Open Treasure Enterprises issued 15 ordinary shares to the Pre-IPO Investor after the latter fully settled the cash consideration. Accordingly, approximately S\$2,390,000 (equivalent to HK\$13,000,000) was recorded in the share capital and share premium account of Open Treasure Enterprises.

Other reserve

The other reserve represents the difference between the investment costs in subsidiaries and the nominal value of the issued share capital of the Group's subsidiaries.

29. Operating lease arrangement**(a) As lessor**

Future minimum lease rental receivables under non-cancellable operating leases of the Group as at the reporting dates are as follows:

	As at 31 December		As at
	2015	2016	31 March
	S\$'000	S\$'000	2017
Within one year	43	213	215
In second to fifth year	<u>–</u>	<u>255</u>	<u>201</u>
	<u>43</u>	<u>468</u>	<u>416</u>

The Group leases its investment properties under operating leases. The leases run for an initial period of two to four years, with options to renew the lease terms upon expiry when all terms are re-negotiated. None of these leases includes any contingent rentals.

(b) As lessee

Future minimum rental payables under non-cancellable operating leases of the Group as at the reporting dates are as follows:

	As at 31 December		As at
	2015	2016	31 March
	S\$'000	S\$'000	2017
Within one year	94	197	176
In second to fifth year	53	428	412
After five years	<u>–</u>	<u>51</u>	<u>33</u>
	<u>147</u>	<u>676</u>	<u>621</u>

The Group leases motor vehicles, machineries, warehouses and rented premises under operating leases. The leases run for an initial period of six months to seven years, with options to renew the lease terms upon expiry when all terms are re-negotiated. Contingent rent is charged based on the volume of inventories handled in the warehouses. As the future handling volume of the warehouses could not be estimated reliably, the relevant contingent rent has not been included above and only the minimum lease commitment has been included in the above table.

30. Capital commitments

The Group has the following capital commitments as at the reporting dates in respect of:

	As at 31 December		As at
	2015	2016	31 March
	S\$'000	S\$'000	2017
			S\$'000
Commitments for acquisition of:			
Investment property	871	–	–
Property, plant and equipment	<u>–</u>	<u>46</u>	<u>–</u>
	<u>871</u>	<u>46</u>	<u>–</u>

31. Related party transactions

(a) As at 31 December 2015, 2016 and 31 March 2017, Mr. R Gay and Mr. D Tan, directors of the Company, and Mr. M Tan, a key management personnel of the Group and a director of Cool Link Marketing and Cool Link Supply, provided personal guarantees as security for the bank borrowings and banking facilities (note 25) and finance lease obligations (note 26) granted to the Group. The details of the release of personal guarantees are detailed in notes 25 and 26.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the Track Record Period were as follows:

	Year ended 31 December		Three months ended	
	2015	2016	31 March	
	S\$'000	S\$'000	2016	2017
			S\$'000	S\$'000
			(unaudited)	
Short-term employee benefits	1,732	1,274	314	339
Defined contributions	<u>62</u>	<u>62</u>	<u>14</u>	<u>13</u>
	<u>1,794</u>	<u>1,336</u>	<u>328</u>	<u>352</u>

32. Contingent liabilities

As at 31 December 2015, 2016 and 31 March 2017, the Group had contingent liabilities in respect of performance bonds issued in favour of certain suppliers in its ordinary course of business amounting to S\$525,000, S\$445,000 and S\$400,000, respectively. The guarantees in respect of performance bonds issued by bank are secured by leasehold properties and investment properties of the Group and personal guarantees of Mr. R Gay, Mr. D Tan and Mr. M Tan.

33. Notes to the combined statements of cash flows

Major non-cash transactions

- (a) During the years ended 31 December 2015, 2016 and the three months ended 31 March 2017, the Group acquired property, plant and equipment at cost of approximately S\$108,000, S\$80,000 and S\$80,000, respectively, which were financed by finance lease arrangement as set out in note 26.
- (b) During the year ended 31 December 2016, deposit of approximately S\$49,000 paid for the acquisition of an investment property was capitalised as investment property, upon completion of acquisition.

Reconciliation of liabilities arising from financing activities

	As at 1 January 2015 S\$'000	Financing cash flow S\$'000	Non-cash changes		At 31 December 2015 S\$'000
			Interest expense recognised S\$'000	New finance lease S\$'000	
Year ended 31 December 2015					
Due to directors	1,372	(224)	-	-	1,148
Bank borrowings	3,485	(341)	64	-	3,208
Finance lease obligations	146	(73)	13	108	194

	As at 1 January 2016 S\$'000	Financing cash flow S\$'000	Non-cash changes		At 31 December 2016 S\$'000
			Interest expense recognised S\$'000	New finance lease S\$'000	
Year ended 31 December 2016					
Deposit received from a Pre-IPO Investor (included in note 22)	-	746	-	-	746
Due to directors	1,148	(120)	-	-	1,028
Due to non-controlling interests	-	10	-	-	10
Bank borrowings	3,208	467	94	-	3,769
Finance lease obligations	194	(87)	14	80	201

	As at 1 January 2016 S\$'000	Financing cash flow S\$'000	Non-cash changes Interest expense recognised S\$'000	At 31 March 2016 S\$'000 (unaudited)
Three months ended 31 March 2016 (unaudited)				
Due to directors	1,148	30	-	1,178
Due to non-controlling interests	-	10	-	10
Bank borrowings	3,208	(64)	19	3,163
Finance lease obligations	194	(20)	3	177

	As at 1 January 2017 S\$'000	Financing cash flow S\$'000	Interest expense recognised S\$'000	Non-cash changes New finance lease S\$'000	Issue of shares S\$'000	At 31 March 2017 S\$'000
Three months ended 31 March 2017						
Deposit received from a Pre-IPO						
Investor (included in note 22)	746	1,644	-	-	(2,390)	-
Due to directors	1,028	(654)	-	-	-	374
Due to non-controlling interests	10	-	-	-	-	10
Bank borrowings	3,769	(82)	30	-	-	3,717
Finance lease obligations	201	(50)	5	80	-	236

34. Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the reporting dates are as follows:

Financial assets

	As at 31 December		As at 31 March
	2015	2016	2017
	S\$'000	S\$'000	S\$'000
Loans and receivables			
Trade receivables	6,091	5,964	6,963
Deposits and other receivables	49	326	462
Time deposit with original maturity over three months	153	153	153
Cash and cash equivalents	<u>2,162</u>	<u>3,471</u>	<u>3,548</u>
	<u>8,455</u>	<u>9,914</u>	<u>11,126</u>

Financial liabilities

	As at 31 December		As at 31 March
	2015	2016	2017
	S\$'000	S\$'000	S\$'000
Financial liabilities at amortised cost			
Trade payables	2,700	3,178	2,735
Accruals, other payables and deposits received	1,825	1,889	2,277
Due to directors	1,148	1,028	374
Due to non-controlling interests	–	10	10
Bank borrowings	3,208	3,769	3,717
Finance lease obligations	<u>194</u>	<u>201</u>	<u>236</u>
	<u>9,075</u>	<u>10,075</u>	<u>9,349</u>

35. Financial risk management objectives and policies

The Group is exposed to a variety of financial risks in the normal course of business. The Group does not have written risk management policies and guidelines. However, the directors meet periodically to analyse and formulate strategies to manage the Group's exposure to market risks (specifically to foreign currency risk and interest rate risk), credit risk and liquidity risk. Generally, the Group utilises conservative strategies on its risk management. The Group's exposure to market risk is kept to minimum. The Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The directors review and agree policies for managing each of these risks and they are summarised below.

Foreign currency risk

Currency risk refers to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group only operates in Singapore with most of the transactions denominated and settled in S\$, RM, US\$, EUR, IDR and HK\$ respectively. No foreign currency risk has been identified for the financial assets and financial liabilities denominated in S\$, which is the functional currency of the subsidiaries in Singapore to which these transactions relate.

As at 31 December 2015, 2016 and 31 March 2017, the Group's assets and liabilities denominated in other currencies other than S\$ are disclosed in notes 20, 21 and 22.

The following table indicates the approximate effect on the result for the year/period in response to reasonably possible changes in the foreign exchange rates, with all other variables held constant, to which the Group has significant exposure at the end of each reporting period. The appreciation and depreciation of 4% in S\$ exchange rate against foreign currencies represents management's assessment of a reasonably possible change in currency exchange rate over the Track Record Period.

	As at 31 December		As at 31 March
	2015	2016	2017
	S\$'000	S\$'000	S\$'000
RM to S\$			
Appreciation by 4%	(7)	(8)	(7)
Depreciation by 4%	7	8	7
US\$ to S\$			
Appreciation by 4%	(3)	(5)	(5)
Depreciation by 4%	3	5	5
EUR to S\$			
Appreciation by 4%	(18)	(30)	(21)
Depreciation by 4%	18	30	21
IDR to S\$			
Appreciation by 4%	–	(1)	–
Depreciation by 4%	–	1	–
HK\$ to S\$			
Appreciation by 4%	–	(1)	23
Depreciation by 4%	–	1	(23)

The measures to manage foreign currency risk have been followed by the Group since prior years and are considered to be effective.

Interest rate risk

The Group's interest rate risk arises primarily from borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest risk respectively.

Other than cash and bank balances (note 20), bank borrowings (note 25) and finance lease obligations (note 26), the Group does not have any other significant interest-bearing financial assets and liabilities. Any change in the interest rate promulgated by banks from time to time is not considered to have significant impact to the Group.

The Group's interest rate risk arises primarily from the floating rate borrowings whereas its finance lease obligations bore interest at fixed rates. Borrowings at floating rates expose the Group to cash flow interest rate risk.

At 31 December 2015, 2016 and 31 March 2017, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's result for the year/period (through the impact on the Group's bank borrowings which are subject to floating interest rate) by approximately S\$13,000, S\$16,000 and S\$15,000 respectively. No impact would be on other components of combined equity in response to the general increase/decrease in interest rates.

The sensitivity analysis as above has been determined assuming that the change in interest rates had occurred at each of reporting date and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 50 basis point increase or decrease represents the management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date.

The measures to manage interest rate risk have been followed by the Group since prior years and are considered to be effective.

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instruments and cause a financial loss to the Group.

The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problem. Most of the Group's cash and cash equivalents are held in major reputable financial institutions, which management believes are of high credit quality.

The Group has policies in place to ensure that sales of goods are made to customers with an appropriate credit history and the Group assesses the credit worthiness and financial strength of its customers as well as considering prior dealing history with the customers. Generally customers are granted credit terms ranging from cash on delivery to 60 days. Management makes periodic collective assessment as well as individual assessment on the recoverability of trade and other receivables based on historical payment records, the length of the overdue period, the financial strength of the debtors and whether there are any disputes with the debtors. Normally, the Group does not obtain collateral from customers.

The Group has a certain concentration of credit risk with respect to trade receivables. As at 31 December 2015, 2016 and 31 March 2017, the Group's trade receivables due from five largest customers amounted to approximately S\$2,674,000, S\$2,254,000 and S\$2,716,000 and represented 44%, 38% and 39% of trade receivables respectively. These customers have a good settlement record and reputation.

The Group has assessed the recoverability of all overdue receivables. The directors consider that no provision is necessary to cover the credit risk by reference to the counterparty's default history.

The measures to manage credit risk have been followed by the Group since prior years and are considered to be effective.

Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings, also regularly monitor its liquidity requirements, its compliance with lending covenants and its relationship with its bankers to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The Group's liquidity position is monitored on a daily basis by the management.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay.

	Carrying amount S\$'000	Total contractual undiscounted cash flow S\$'000	Within 1 year or on demand S\$'000	More than 1 year but less than 2 years S\$'000	More than 2 years but less than 5 years S\$'000	Over 5 years S\$'000
At 31 December 2015						
Trade payables	2,700	2,700	2,700	-	-	-
Accruals, other payables and deposits received	1,825	1,825	1,825	-	-	-
Due to directors	1,148	1,148	1,148	-	-	-
Bank borrowings	3,208	4,118	266	277	830	2,745
Finance lease obligations	194	224	73	56	95	-
	<u>9,075</u>	<u>10,015</u>	<u>6,012</u>	<u>333</u>	<u>925</u>	<u>2,745</u>
At 31 December 2016						
Trade payables	3,178	3,178	3,178	-	-	-
Accruals, other payables and deposits received	1,889	1,889	1,889	-	-	-
Due to directors	1,028	1,028	1,028	-	-	-
Due to non-controlling interests	10	10	10	-	-	-
Bank borrowings	3,769	4,736	323	323	968	3,122
Finance lease obligations	201	231	74	74	83	-
	<u>10,075</u>	<u>11,072</u>	<u>6,502</u>	<u>397</u>	<u>1,051</u>	<u>3,122</u>
At 31 March 2017						
Trade payables	2,735	2,735	2,735	-	-	-
Accruals, other payables and deposits received	2,277	2,277	2,277	-	-	-
Due to directors	374	374	374	-	-	-
Due to non-controlling interests	10	10	10	-	-	-
Bank borrowings	3,717	4,656	323	323	968	3,042
Finance lease obligations	236	274	79	77	118	-
	<u>9,349</u>	<u>10,326</u>	<u>5,798</u>	<u>400</u>	<u>1,086</u>	<u>3,042</u>

The measures to manage liquidity risk have been followed by the Group since prior years and are considered to be effective.

Fair values

The directors consider that the fair value of financial assets and financial liabilities are not materially different from their carrying amounts.

36. Capital management

The Group's objective of managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The capital structure of the Group consists of debts, which includes the bank borrowings (note 25), finance lease obligations (note 26), cash and cash equivalents (note 20) and total equity, comprising share capital (note 27), reserves (note 28) and non-controlling interests respectively. The Group's risk management reviews the capital structure on a semi-annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The net debt to equity ratio as at the reporting dates was as follows:

	As at 31 December		As at 31 March
	2015	2016	2017
	S\$'000	S\$'000	S\$'000
Bank borrowings	3,208	3,769	3,717
Finance lease obligations	194	201	236
Less: Cash and cash equivalents	<u>(2,162)</u>	<u>(3,471)</u>	<u>(3,548)</u>
Net debt	<u>1,240</u>	<u>499</u>	<u>405</u>
Total equity	<u>5,679</u>	<u>6,899</u>	<u>9,133</u>
Net debt to equity ratio	<u>22%</u>	<u>7%</u>	<u>4%</u>

37. Event after the reporting period

Except as disclosed elsewhere in this report, the Group has the following subsequent events undertaken by the Company or by the Group after 31 March 2017.

The companies in the Group underwent the Reorganisation in preparation for the listing of shares of the Company on the Stock Exchange. Further details of the Reorganisation are set out in the paragraph headed “Reorganisation” in the “History, Reorganisation and Group structure” to the Prospectus.

38. Subsequent financial statements

No audited financial statements have been prepared by the Company or its subsidiaries in respect of any period subsequent to 31 March 2017.

The information set out in this appendix does not form part of the accountant's report prepared by BDO Limited, Certified Public Accountants, Hong Kong, the independent reporting accountant of the Company, as set out in Appendix I to this prospectus, and is included herein for illustrative purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial information" to this prospectus and the "Accountant's report" set forth in Appendix I to this prospectus.

For illustrative purpose, only the unaudited pro forma financial information prepared in accordance with paragraph 7.31 of the GEM Listing Rules is set forth below to provide the prospective investors with further information on how the Share Offer might have affected the net tangible assets of the Group attributable to owners of the Company after the completion of the Share Offer.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED COMBINED NET TANGIBLE ASSETS

The following is an illustrative and unaudited pro forma statement of adjusted combined net tangible assets prepared on the basis of the notes set out below, for the purpose of illustrating the effect of the Share Offer on the combined net tangible assets of the Group attributable to owners of the Company as if the Share Offer had taken place on 31 March 2017. This unaudited pro forma statement of combined net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the combined net tangible assets of the Group attributable to owners of the Company had the Share Offer been completed as of 31 March 2017 or at any future dates.

	Combined net tangible assets attributable to the owners of the Company as at 31 March 2017 S\$'000 (note 1)	Estimated net proceeds from the Share Offer S\$'000 (note 2)	Unaudited pro forma adjusted combined net tangible assets attributable to the owners of the Company S\$'000	Unaudited pro forma adjusted combined net tangible assets per Share S\$ (notes 3 to 4)
Based on an Offer Price of HK\$0.45 per Share	<u>9,139</u>	<u>6,821</u>	<u>15,960</u>	<u>0.0266</u>
Based on an Offer Price of HK\$0.55 per Share	<u>9,139</u>	<u>8,849</u>	<u>17,988</u>	<u>0.0300</u>

Notes:

- (1) The audited combined net tangible assets attributable to the owners of the Company as at 31 March 2017 is extracted from the Accountant's Report set out in Appendix I to this prospectus.
- (2) The estimated net proceeds from the Share Offer are based on 120,000,000 New Shares and the indicative Offer Price of HK\$0.45 and HK\$0.55 per Share, being the lower and higher end of the stated Offer Price range per Share, respectively, after deduction of the underwriting fees and other related expenses payable by the Company in connection with the Share Offer. No account has been taken of the Shares which may be issued upon the exercise of options that may be granted under the Share Option Scheme. The estimated net proceeds are converted from HK\$ into S\$ at an exchange rate of HK\$5.5 to S\$1, which was the rate prevailing on 31 March 2017.
- (3) The unaudited pro forma adjusted combined net tangible assets per Share is calculated based on 600,000,000 Shares in issue immediately following the completion of the Share Offer and the Capitalisation Issue as set out in the "Share capital" section to this prospectus, without taking into account of any Share which may be issued pursuant to the exercise of any option that may be granted under the Share Option Scheme or any Share which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchases of Shares.
- (4) The unaudited pro forma adjusted combined net tangible assets per Share is equal to approximately HK\$0.1463 per Share based on the Offer Price of HK\$0.45 per Share and HK\$0.1650 per Share based on the Offer Price of HK\$0.55 per Share, respectively. The conversion of S\$ into HK\$ is at an exchange rate of S\$1 to HK\$5.5, which was the rate prevailing on 31 March 2017.
- (5) No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2017.
- (6) The property interests of the Group as at 30 June 2017 were valued by Roma Appraisals Limited. By comparing the valuation of the property interests under property, plant and equipment and investment properties as set out in Appendix III to this prospectus, the revaluation surplus of the property interests under property, plant and equipment and investment properties is approximately S\$2,189,000 and S\$1,570,000, respectively, as compared to their respective carrying amounts as at 30 June 2017, which has not been included in the above combined net tangible assets of the Group. The Group's accounting policy is to state such property, plant and equipment and investment properties at cost less accumulated depreciation and any impairment loss rather than at fair value. Had all the property interests been stated at such valuations, the additional annual depreciation would be approximately S\$209,000.

B. INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the sole purpose of inclusion in this prospectus, received from the independent reporting accountant of the Company, BDO Limited, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information.



Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**To the directors of Cool Link (Holdings) Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Cool Link (Holdings) Limited (the "Company") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of combined net tangible assets of the Company as at 31 March 2017 and related notes as set out on pages II-1 to II-2 of Appendix II of the Company's prospectus dated 12 September 2017 (the "Prospectus") in connection with the proposed initial public offering of the shares of the Company (the "Share Offer"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Share Offer on the Company's combined financial position as at 31 March 2017 as if the Share Offer had taken place at 31 March 2017. As part of this process, information about the Company's combined financial position has been extracted by the directors of the Company from the Company's financial information for the three months ended 31 March 2017, on which an accountant's report set out in Appendix I of the Prospectus has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the

“GEM Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Share Offer at 31 March 2017 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

BDO Limited

Certified Public Accountants

Hong Kong

12 September 2017

The following is the text of a letter, and valuation certificates, prepared for the purpose of incorporation in this Prospectus received from Roma Appraisals Limited, an independent valuer, in connection with its valuation as at 30 June 2017 of the property interests held by our Group.



22/F, China Overseas Building,
139 Hennessy Road, Wan Chai, Hong Kong
Tel (852) 2529 6878 Fax (852) 2529 6806
E-mail info@romagroup.com
<http://www.romagroup.com>

12 September 2017

Cool Link (Holdings) Limited

Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman KY1-1111,
Cayman Islands

Case Ref: YU/RE3904/JAN17

Dear Sir/Madam,

Re: Property Valuation of Various Properties located in Singapore

In accordance with your instruction for us to value the properties held by Cool Link (Holdings) Ltd (the “Company”) and/or its subsidiaries (together with the Company referred to as the “Group”) in Singapore, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at 30 June 2017 (the “Date of Valuation”) for the purpose of incorporation in the prospectus of the Company dated 12 September 2017.

1. BASIS OF VALUATION

Our valuations of the properties are our opinion of the market values of the concerned properties which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

2. VALUATION METHODOLOGY

We have valued the properties by the direct comparison approach assuming sale of the properties in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.

3. TITLE INVESTIGATION

We have carried out land searches at the Singapore Land Authority. However, we have not scrutinized all the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us. We do not accept a liability of any interpretation which we have placed on such information which is more properly the sphere of your legal advisers.

4. VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the owner sells the properties in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of such properties.

In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the properties and no allowance has been made for the properties to be sold in one lot or to a single purchaser.

5. SOURCE OF INFORMATION

In the course of our valuations, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of properties, particulars of occupation, site/floor areas, ages of building and all other relevant matters which can affect the values of the properties. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

6. VALUATION CONSIDERATION

We have inspected the exterior and, where possible, the interior of the properties. No structural survey has been made in respect of the properties. However, in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the properties is free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurement to verify the site/floor areas of the properties under consideration but we have assumed that the site/floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Group and are therefore approximations.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Our valuations are prepared in compliance with the requirements set out in Chapter 8 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and in accordance with the HKIS Valuation Standards (2012 Edition) published by the Hong Kong Institute of Surveyors.

7. REMARKS

Unless otherwise stated, all monetary amounts stated in our valuations are in Singapore Dollar (“SGD”).

Our Summary of Values and Valuation Certificates are attached.

Yours faithfully,

For and on behalf of

Roma Appraisals Limited

Nancy Chan

BSc (Hons) MHKIS MRICS

RPS(GP)

Director

Note: Ms. Nancy Chan is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and a member of the Royal Institution of Chartered Surveyors. She has over 7 years’ experience in real estate industry and property and asset valuation in Hong Kong, Macau, the PRC, Singapore, United Kingdom and other overseas countries.

SUMMARY OF VALUES

Group I – Property held by the Group for owner-occupation purpose in Singapore

No.	Property	Market Value in Existing State as at 30 June 2017
1.	No. 21 Wan Lee Road, Singapore 627949	SGD4,800,000
		<hr/>
	Sub-Total:	<u>SGD4,800,000</u>

Group II – Properties held by the Group for investment purpose in Singapore

No.	Property	Market Value in Existing State as at 30 June 2017
2.	No. 8A Admiralty Street #03-26, Singapore 757437	SGD2,400,000
3.	No. 27 Tuas Bay Walk #04-01, Singapore 637127	SGD920,000
		<hr/>
	Sub-Total:	<u>SGD3,320,000</u>
	Grand-Total:	<u>SGD8,120,000</u>

VALUATION CERTIFICATE

Group I – Property held by the Group for owner-occupation purpose in Singapore

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 June 2017
1.	No. 21 Wan Lee Road, Singapore 627949	The property comprises a parcel of land (Lot No. MK6-657N) with a site area of approximately 3,002.60 sq.m. and a 3-storey industrial complex with ancillary structures erected thereon, which was completed in about 1999.	The property is occupied by the Group.	SGD4,800,000

According to the plan No. 70115-DC-01 approved by Land Planning Division on 22 January 2015, the property has a gross floor area (“GFA”) of approximately 2,550.86 sq.m. (or about 27,457.46 sq.ft.).

GFA Breakdown of the property are as follows, please refer to Notes No. 2:-

Uses	GFA (sq.m.)
Production Area	1,784.38
Other Ancillary	491.05
Ancillary Office	154.33
Workers dormitory	<u>121.10</u>
Total:	<u><u>2,550.86</u></u>

The property is held under a leasehold estate for a term of 30 years commencing from 1 August 1999.

Notes:

1. Pursuant to a Certificate of Title (Sub) Volume 674 Folio 21 obtained from Singapore Land Authority on 19 January 2017, the proprietor of the property is Cool Link & Marketing Pte Ltd.
2. Pursuant to the plan No. 70115-SC-01 approved by the Landowner, JTC Corporation (“JTC”) on 22 January 2015, details usages and GFA breakdown of the property are as follows:

	Production Area (sq. m.)	Other Ancillary (sq. m.)	Office (sq. m.)	Dormitory (25 workers) (sq. m.)	GFA Sub-Total (sq. m.)
1st Storey	1,430.43	120.13	154.33	–	1,704.89
2nd Storey	353.95	69.03	–	–	422.98
3rd Storey	–	301.89	–	121.10	422.99
Total GFA:	<u>1,784.38</u>	<u>491.05</u>	<u>154.33</u>	<u>121.10</u>	<u>2,550.86</u>

3. Pursuant to the consent letter issued by JTC dated 5 August 2011, JTC (Lessor/Landlord) grants a consent to the Cool Link Marketing Pte. Ltd (Lessee/Tenant) to extend the authorized/permitted use of the property to include an ancillary worker’s dormitory (“Extended Authorized Use”) for the duration of Permitted Period. The duration of Permitted Period of the Extended Authorized Use shall automatically cease three months before the expiry of the Lease/Tenancy or upon expiry of the permitted dorm period (“Permitted Period”). The dormitory and the Extended Authorized Use shall not occupy or comprise more than 49% of the GFA of the property.
4. The property lies within an area zoned “Business 2” under the Singapore Master Plan 2014 (approved amendments incorporated).
5. The property is subject to a mortgage in favour of United Overseas Bank Limited vide Memorial No. IC/200733A dated 3 May 2011.
6. Pursuant to the Revised Banking Facilities Letter Ref. No. MEMO071215/TSK/sal, the property is subject to a mortgage in favour of United Overseas Bank Limited dated 10 December 2015 for the 20-year Line of Credit of SGD5,506,000.
7. Pursuant to the Revised Banking Facilities Letter Ref. No. RST/16/0-00005329/001/TSK/gt, the property is subject to a mortgage in favour of United Overseas Bank Limited dated 6 October 2016 for the Line of Credit of SGD5,563,000.
8. The property is situated along Wan Lee Road, an industrial area located in the Western Singapore. Developments in the vicinity comprises a mixture of industrial buildings. Public transportation facilities such as buses and taxis are readily available along Wan Lee Road.
9. As advised by the Group, for the property tax, the annual value of the property in 2017 is SGD362,000 and the current tax rate is 10%.
10. Our inspection was performed by Ms. Nancy Chan, RPS(GP), MHKIS, MRICS, B.Sc. (Surv), in January 2017.

VALUATION CERTIFICATE

Group II – Properties held by the Group for investment purpose in Singapore

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 June 2017
2.	No. 8A Admiralty Street #03-26, Singapore 757437	<p>The property comprises a factory unit on the 3rd floor of a 7-storey industrial building, which was completed in about 2000.</p> <p>According to the Sale and Purchase Agreement dated 16 May 2008, the property has a gross floor area (“GFA”) of approximately 519 sq.m. (or about 5,586.52 sq.ft.).</p> <p>The property is held under a leasehold estate for a term of 60 years commencing from 9 October 2000 and expiring on 8 October 2060.</p>	<p>Portion of the property is subject to a tenancy. For details, refers to Notes No. 3.</p>	SGD2,400,000

Notes:

- Pursuant to a Certificate of Title Volume 666 Folio 36 obtained from Singapore Land Authority on 19 January 2017, the proprietor of the property is All Subsidiary Proprietors of All the Strata Lots.
- Pursuant to a Sale and Purchase Agreement between Ascendas (Admiralty) Pte Ltd and Cool Link & Marketing Pte Ltd dated 16 May 2008, the leasehold estate of the property with a total GFA of 519 sq.m. has been transferred to Cool Link & Marketing Pte Ltd for the consideration of SGD1,014,000.
- Pursuant to a Tenancy Agreement between Cool Link & Marketing Pte Ltd and Mayor Food Industries Pte Ltd, the portion of the property with GFA of 4,004 sq.ft. is leased to Mayor Food Industries Pte Ltd for a term of 2 years commencing on 1 June 2016 and expiring on 1 June 2018 with a monthly rental of SGD10,810.80 for the first year and SGD11,411.40 for the second year exclusive of Goods and Services Tax (“GST”), all charges of electricity, water, gas and telephone and other utilities related to the property.
- The property lies within an area zoned “Business 2” under the Singapore Master Plan 2014 (approved amendments incorporated).
- Pursuant to the Revised Banking Facilities Letter Ref. No. MEMO071215/TSK/sal, the property is subject to a mortgage in favour of United Overseas Bank Limited dated 10 December 2015 for the 20-year Line of Credit of SGD5,506,000.
- Pursuant to the Revised Banking Facilities Letter Ref. No. RST/16/0-00005329/001/TSK/gt, the property is subject to a mortgage in favour of United Overseas Bank Limited dated 6 October 2016 for the Line of Credit of SGD5,563,000.

7. The property is subject to the following encumbrances:
 - a. Strata Title Application IB/495510S registered on 29 September 2009; and
 - b. Strata Title Plan No.3481 registered on 16 October 2009.
8. The property is situated along Admiralty Street, an industrial area located in the Northern Singapore. Developments in the vicinity comprises industrial buildings. Public transportation facilities such as buses and taxis are readily available along Admiralty Street.
9. As advised by the Group, for the property tax, the annual value of the property in 2017 is SGD12,900 and the current tax rate is 10%.
10. Our inspection was performed by Joekoh, Bachelor of Arts honours business management in March 2017.

VALUATION CERTIFICATE

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 June 2017
3.	No. 27 Tuas Bay Walk #04-01, Westview Food Factory, Singapore 637127	<p>The property comprises a factory unit on the 4th floor of a 4-storey industrial building, which was completed in about 2013.</p> <p>According to the Sale and Purchase Agreement dated 25 January 2016, the property has a gross floor area ("GFA") of approximately 234 sq.m. (or about 2,518.78 sq.ft.).</p> <p>The property is held under a leasehold estate for a term of 30 years commencing from 22 July 2013.</p>	The property is subject to a tenancy. For details, refer to Notes No. 3.	SGD920,000

Notes:

- Pursuant to a Certificate (SUB) of Title Volume 721 Folio 110 obtained from Singapore Land Authority on 19 January 2017, the proprietor of the property is All Subsidiary Proprietors of All the Strata Lots.
- Pursuant to a Sale and Purchase Agreement between Yee Lee Development Pte. Ltd. and Cool Link & Marketing Pte Ltd dated 25 January 2016 and the Certificate of Stamp Duty issued by the Inland Revenue Authority of Singapore dated 7 December 2015, the leasehold estate of the property with a total GFA of 234 sq.m. has been transferred to Cool Link & Marketing Pte Ltd for the consideration of SGD920,000.
- Pursuant to a Tenancy Agreement between Cool Link & Marketing Pte Ltd and Sin Hup Huat Sesame Oil dated 30 August 2016, the property is leased to Sin Hup Huat Sesame Oil for a term of 4 years commencing on 1 November 2016 and expiring on 31 October 2020 with a monthly rental of SGD6,099 inclusive of Goods and Services Tax ("GST"), exclusive of all charges of electricity, water, gas and telephone and other utilities related to the property.
- The property lies within an area zoned "Business 2" under the Singapore Master Plan 2014 (approved amendments incorporated).
- Pursuant to the Revised Banking Facilities Letter Ref. No. MEMO071215/TSK/sal, the property is subject to a mortgage in favour of United Overseas Bank Limited dated 10 December 2015 for the 20-year Line of Credit of SGD5,506,000.
- Pursuant to the Revised Banking Facilities Letter Ref. No. RST/16/0-00005329/001/TSK/gt, the property is subject to a mortgage in favour of United Overseas Bank Limited dated 6 October 2016 for the Line of Credit of SGD5,563,000.

7. The property is subject to the following encumbrances:
 - a. Strata Title Application IE/466202W registered on 28 July 2016; and
 - b. Strata Title Plan No. 4349 registered on 15 August 2016.
8. The property is situated along Tuas Bay Walk, an industrial area located in the Western Singapore. Developments in the vicinity comprises industrial buildings. Public transportation facilities such as buses and taxis are readily available along Tuas Bay Walk.
9. As advised by the Group, for the property tax, the annual value of the property in 2017 is SGD52,900 and the current tax rate is 10%.
10. Our inspection was performed by Joekoh, Bachelor of Arts honours business management in March 2017.

**APPENDIX IV SUMMARY OF THE CONSTITUTION OF OUR COMPANY
AND CAYMAN ISLANDS COMPANY LAW**

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 27 January 2017 under the Cayman Islands Companies Law. The Company's constitutional documents consist of its Amended and Restated Memorandum of Association and its Amended and Restated Articles of Association.

1. MEMORANDUM OF ASSOCIATION

- (a) The Memorandum states, *inter alia*, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Law and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

- (b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on 30 August 2017 with effect from the Listing Date. The following is a summary of certain provisions of the Articles:

(a) Shares

(i) Classes of shares

The share capital of the Company consists of ordinary shares.

(ii) Variation of rights of existing shares or classes of shares

Subject to the Companies Law, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Alteration of capital

The Company may by ordinary resolution of its members:

- (i) increase its share capital by the creation of new shares;
- (ii) consolidate all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;
- (iv) sub divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum; or
- (v) cancel any shares which, at the date of passing of the resolution, have not been taken and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(iv) Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time.

The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of that share.

The board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

The board may decline to recognise any instrument of transfer unless a fee (not exceeding the maximum sum as the Stock Exchange may determine to be payable) determined by the Directors is paid to the Company, the instrument of transfer is properly stamped (if applicable), it is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in any newspaper or by any other means in accordance with the requirements of the Stock Exchange, at such times and for such periods as the board may determine. The register of members must not be closed for periods exceeding in the whole thirty (30) days in any year.

Subject to the above, fully paid shares are free from any restriction on transfer and free of all liens in favour of the Company.

(v) Power of the Company to purchase its own shares

The Company is empowered by the Companies Law and the Articles to purchase its own shares subject to certain restrictions and the board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by Stock Exchange.

Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender must be limited to a maximum price determined by the Company in general meeting. If purchases are by tender, tenders must be made available to all members alike.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the board determines.

(b) Directors

(i) *Appointment, retirement and removal*

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification. Further, there are no provisions in the Articles relating to retirement of Directors upon reaching any age limit.

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and members of the Company may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated if:

- (aa) he resigns by notice in writing delivered to the Company;
- (bb) he becomes of unsound mind or dies;
- (cc) without special leave, he is absent from meetings of the board for six (6) consecutive months, and the board resolves that his office is vacated;
- (dd) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (ee) he is prohibited from being a director by law; or
- (ff) he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine, or (b) on terms that, at the option of the Company or the holder thereof, it is liable to be redeemed.

The board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may determine.

Subject to the provisions of the Companies Law and the Articles and, where applicable, the rules of Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company are at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by the Company in general meeting.

(iv) Borrowing powers

The board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The ordinary remuneration of the Directors is to be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors are also entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vi) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company must not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.

(viii) Disclosure of interests in contracts with the Company or any of its subsidiaries

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and upon such terms as the board may determine, and may be paid such extra remuneration therefor in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company must declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition does not apply to any of the following matters, namely:

- (aa) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/ themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or

(ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(c) Proceedings of the Board

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(d) Alterations to constitutional documents and the Company's name

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(e) Meetings of members

(i) *Special and ordinary resolutions*

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Under the Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given held in accordance with the Articles.

(ii) Voting rights and right to demand a poll

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any shareholder is, under the rules of the Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings

The Company must hold an annual general meeting of the Company every year within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or a period of not more than eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of the Stock Exchange.

(iv) Notices of meetings and business to be conducted

An annual general meeting must be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meetings must be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice is exclusive of the day on which it is served or deemed to be served of the day for which it is given, and must specify the time and place of the meeting, particulars of resolutions to be considered at the meeting and, in the case of special business, the general nature of that business.

In addition, notice of every general meeting must be given to all members of the Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the auditors for the time being of the Company.

Any notice to be given to or by any person pursuant to the Articles may be served on or delivered to any member of the Company personally, by post to such member's registered address, by advertisement in newspapers in accordance with the requirements of the Stock Exchange or placing it on the Company's website or the website of the Stock Exchange. Subject to compliance with Cayman Islands law and the rules of the Stock Exchange, notice may also be served or delivered by the Company to any member by electronic means.

All business that is transacted at an extraordinary general meeting and at an annual general meeting is deemed special, save that in the case of an annual general meeting, each of the following business is deemed an ordinary business:

- (aa) the declaration and sanctioning of dividends;
- (bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;
- (cc) the election of directors in place of those retiring;
- (dd) the appointment of auditors and other officers;

- (ee) the fixing of the remuneration of the directors and of the auditors;
- (ff) the granting of any mandate or authority to the directors to offer, allot, grant options over or otherwise dispose of the unissued shares of the Company representing not more than twenty per cent (20%) in nominal value of its existing issued share capital; and
- (gg) the granting of any mandate or authority to the directors to repurchase securities of the Company.

(v) *Quorum for meetings and separate class meetings*

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

The quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vi) *Proxies*

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy is entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

(f) Accounts and audit

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records must be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the board or the Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Stock Exchange, the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

At the annual general meeting or at a subsequent extraordinary general meeting in each year, the members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. The remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards which may be those of a country or jurisdiction other than the Cayman Islands. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor must be submitted to the members in general meeting.

(g) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit.

The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(h) Inspection of corporate records

Pursuant to the Articles, the register and branch register of members shall be open to inspection for at least two (2) hours during business hours by members without charge, or by any other person upon a maximum payment of HK\$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Companies Law or, upon a maximum payment of HK\$1.00 or such lesser sum specified by the board, at the office where the branch register of members is kept, unless the register is closed in accordance with the Articles.

(i) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix.

(j) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

- (i) if the Company is wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively; and
- (ii) if the Company is wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(k) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANY LAW

The Company is incorporated in the Cayman Islands subject to the Companies Law and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Company operations

As an exempted company, the Company's operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium.

The Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the "**Court**"), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Companies Law expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company is to be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company is not be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Companies Law.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

The Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

The Courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Disposal of assets

The Companies Law contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Cabinet:

- (1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and
- (2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from 28 February 2017.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Companies Law prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

Members of the Company have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the Company. They will, however, have such rights as may be set out in the Company's Articles.

(n) Register of members

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. A branch register must be kept in the same manner in which a principal register is by the Companies Law required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(o) Register of Directors and Officers

The Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within sixty (60) days of any change in such directors or officers.

(p) Beneficial Ownership Register

An exempted company is required to maintain a beneficial ownership register at its registered office that records details of the persons who ultimately own or control, directly or indirectly, more than 25% of the equity interests or voting rights of the company or have rights to appoint or remove a majority of the directors of the company. The beneficial ownership register is not a public document and is only accessible by a designated competent authority of the Cayman Islands. Such requirement does not, however, apply to an exempted company with its shares listed on an approved stock exchange, which includes the Stock Exchange. Accordingly, for so long as the shares of the Company are listed on the Stock Exchange, the Company is not required to maintain a beneficial ownership register.

(q) Winding up

A company may be wound up (a) compulsorily by order of the Court, (b) voluntarily, or (c) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts as they fall due. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court must declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorised by the company's articles of association and published in the Gazette.

(r) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing seventy-five per cent. (75%) in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

(s) Take-overs

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

(t) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

4. GENERAL

Conyers Dill & Pearman, the Company's special legal counsel on Cayman Islands law, have sent to the Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix VI to this prospectus. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

FURTHER INFORMATION ABOUT OUR COMPANY AND ITS SUBSIDIARIES**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 27 January 2017. Our Company has established a place of business in Hong Kong at Room 5705, 57th Floor, The Center, 99 Queen's Road, Central, Hong Kong and was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 1 March 2017. In connection with such registration, Robertsons has been appointed as the authorised representative of our Company for acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company is incorporated in the Cayman Islands, its operations are subject to the Cayman Islands company law and its constitution, which comprises a memorandum of association and the articles of association. A summary of certain provisions of its constitution and relevant aspects of the Cayman Islands Companies Law is set out in Appendix IV to this prospectus.

2. Changes in authorised and issued share capital of our Company

Our Company was incorporated in the Cayman Islands on 27 January 2017 and the one nil-paid subscriber share was transferred to Packman Global on the same date. The authorised share capital of our Company as at the date of its incorporation was HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each.

On 30 August 2017, the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 Shares of HK\$0.01 each by the creation of an additional 9,962,000,000 Shares of HK\$0.01 each which rank *pari passu* in all respect with the existing Shares.

Save as disclosed in this prospectus, there has been no alteration in the share capital of our Company within two years immediately preceding the date of this prospectus and up to the Latest Practicable Date.

3. Resolutions in writing of all the Shareholders passed on 30 August 2017

Pursuant to the resolutions in writing passed by all the Shareholders on 30 August 2017:

- (a) our Company approved and adopted the Memorandum with immediate effect and conditionally approved and adopted the Articles with effect from the Listing Date;
- (b) our Company increased its authorised share capital from HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 Shares of HK\$0.01 each;

- (c) conditional on (aa) the Listing Division granting the listing of, and permission to deal in, the Shares in issue and the Shares to be allotted and issued as mentioned in this prospectus (including the Shares which may be allotted and issued pursuant to the exercise of the options to be granted under the Share Option Scheme; (bb) the Offer Price having been duly determined and the execution and delivery of the Underwriting Agreements on the date as specified in this prospectus; and (cc) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including the waiver of any condition(s) by the Joint Lead Managers (for themselves and on behalf of the Underwriters) and not being terminated in accordance with the terms of the Underwriting Agreements (or any conditions as specified in this prospectus), in each case on or before the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived before such dates and times) and in any event not later than the date falling 30 days after the date of this prospectus:
- (i) the Share Offer was approved and our Directors were authorised to allot and issue the new Shares under the Share Offer;
 - (ii) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed “Share Option Scheme” below, were approved and adopted and our Directors were authorised to grant options to subscribe for the Shares thereunder and to allot, issue and deal with the Shares pursuant to the exercise of options which may be granted under the Share Option Scheme and to take all such steps as may be necessary, desirable or expedient to carry into effect the Share Option Scheme;
 - (iii) conditional on the share premium account of our Company being credited as a result of the Share Offer, our Directors were authorised to capitalise approximately HK\$4,799,999 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 479,999,900 Shares for allotment and issue to the Shareholders whose names appear on the register of members of our Company at the close of business on the Business Day immediately before the Listing Date in proportion (as nearly as possible without involving fractions so that no fraction of a Share shall be allotted and issued) to their then existing shareholdings in our Company so that the Shares allotted and issued shall rank *pari passu* in all respects with the then existing issued Shares;
 - (iv) a general unconditional mandate (the “**Issue Mandate**”) was given to our Directors to exercise all powers of our Company to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements in accordance with the articles of association of our Company, or pursuant to the exercise of any options which have been or may be granted under the Share Option Scheme, or under the Share Offer or the Capitalisation Issue, Shares not exceeding the sum of (aa) 20% of the aggregate nominal value of the share capital of our Company immediately following completion of the Share Offer and the Capitalisation Issue (excluding Shares which may be allotted and issued pursuant to the exercise of the options which may be granted under the

Share Option Scheme); and (bb) the aggregate nominal amount of the share capital of our Company which may be bought back by our Company pursuant to the Buy-back mandate as referred to in paragraph (vi) below, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to our Directors as set out in this paragraph (v), whichever occurs first;

- (v) a general unconditional mandate (the “**Buy-back Mandate**”) was given to our Directors to exercise all powers of our Company to purchase such number of Shares up to 10% of the aggregate nominal value of the share capital of our Company immediately following completion of the Share Offer and the Capitalisation Issue (excluding Shares which may be allotted and issued pursuant to the exercise of the options which may be granted under the Share Option Scheme) until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to our Directors as set out in this paragraph (vi), whichever occurs first; and
- (vi) the general unconditional mandate mentioned in paragraph (v) above was extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted or agreed conditionally or unconditionally to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company bought back by the Company pursuant to the mandate to buy-back Shares as referred to in paragraph (v) above.

4. Group Reorganisation

The companies comprising our Group underwent the Reorganisation to rationalise our Group’s structure in preparation for the listing of the Shares on the Stock Exchange. For information relating to the Reorganisation, please refer to the section headed “History, Reorganisation and Group structure” in this prospectus.

5. Changes in share capital of subsidiaries

Our Company’s subsidiaries are referred to in the Accountant’s Report, the text of which is set out in Appendix I to this prospectus.

Save as disclosed in section headed “History, Reorganisation and Group structure” in this prospectus, there are no changes in the registered capital of our subsidiaries during the two years preceding the date of this prospectus.

6. Buy-back by our Company of its own securities

This paragraph includes information required by the Stock Exchange to be included in this prospectus concerning the buy-back by our Company of its own securities.

(a) *Provisions of the GEM Listing Rules*

The GEM Listing Rules permit companies with a primary listing on the Stock Exchange to buy-back their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(i) *Shareholders' approval*

All proposed buy-back of securities (which must be fully paid up in the case of shares) by a company listed on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to a resolution in writing passed by all the Shareholders on 30 August 2017, the Buy-back Mandate was given to our Directors to exercise all powers of our Company to purchase Shares on the Stock Exchange or any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, of up to 10% of the aggregate number of issued Shares immediately following completion of the Share Offer and the Capitalisation Issue (excluding Shares which may be allotted and issued pursuant to the exercise of the options which may be granted under the Share Option Scheme). The Buy-back Mandate will expire at the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to our Directors, whichever occurs first.

(ii) *Source of funds*

Buy-back by our Company must be paid out of funds legally available for the purpose in accordance with our Company's Memorandum and Articles of Association and the Companies Law. A listed company may not buy-back its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Under Cayman Islands law, any buy-back by our Company may only be made out of profits of our Company, or out of share premium account, or out of the proceeds of a fresh issue of share made for the purpose of the buy-back, or, if so authorised by its articles of association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a purchase over the par value of the shares to be purchased must be provided for out of profits of our Company or from sums standing to the credit of our Company's share premium account, or, if so authorised by its articles of association and subject to the provisions of the Companies Law, out of capital.

(iii) Connected parties

A company is prohibited from knowingly repurchasing securities from a “core connected person”, that is, a director, chief executive or substantial shareholder of our Company or any of their respective close associates and a core connected person shall not knowingly sell his securities to our Company, on the Stock Exchange.

(b) Reasons for buy-back

Our Directors believe that it is in the best interests of our Company and the Shareholders for our Directors to have general authority from the Shareholders to enable our Company to buy-back Shares in the market. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if our Directors believe that such buy-back will benefit our Company and the Shareholders.

(c) Funding of buy-back

In buy-back securities, our Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the GEM Listing Rules and the applicable laws of the Cayman Islands.

On the basis of the current financial position of our Group as disclosed in this prospectus and taking into account the current working capital position of our Group, our Directors consider that, if the Buy-back Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Group or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

The exercise in full of the Buy-back Mandate, on the basis of 600,000,000 Shares in issue immediately after the listing of the Shares on the Stock Exchange, would result in up to 60,000,000 Shares being bought back by our Company during the period in which the Buy-back Mandate remains in force.

(d) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to our Company or its subsidiaries if the Buy-back Mandate is exercised.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Buy-back Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

No core connected person (as defined in the GEM Listing Rules) has notified our Company that he has a present intention to sell Shares to our Company, or has undertaken not to do so if the Buy-back Mandate is exercised.

If, as a result of a securities buy-back, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any buy-backs pursuant to the Buy-back Mandate.

Our Directors will not exercise the Buy-back Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the GEM Listing Rules).

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP

7. Summary of material contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this prospectus and are or may be material:


- (a) the Subscription Agreement dated 31 October 2016 entered into among the Pre-IPO Investor, Open Treasure Enterprises, Mr. D Tan, Mr. R Gay and Mr. M Tan in relation to the subscription of 15 shares, representing approximately 15% of the issued share capital of Open Treasure Enterprises by the Pre-IPO Investor at a cash consideration of HK\$13,000,000.
- (b) sale and purchase agreement dated 30 August 2017 entered into among Mr. D Tan, Mr. R Gay, Mr. M. Tan and Open Treasure Enterprises in relation to the transfer of the entire issued share capital in Cool Link Marketing from Mr. D Tan, Mr. R Gay and Mr. M Tan to Open Treasure Enterprises in consideration of Open Treasure Enterprises allotting and issuing one share in its share capital to Packman Global (as the nominee of Mr. D Tan, Mr. R Gay and Mr. M Tan), credited as fully paid;

- (c) sale and purchase agreement dated 30 August 2017 entered into between Packman Global, the Pre-IPO Investor and our Company for the transfer of the entire issued share capital of Open Treasure Enterprises from Packman Global and the Pre-IPO Investor to our Company in consideration of our Company (i) crediting the initial Share held in the name of Packman Global as fully paid and (ii) allotting and issuing 84 Shares and 15 Shares to Packman Global and the Pre-IPO Investor, respectively, all credited as fully paid;
- (d) the Deed of Indemnity entered into by our Controlling Shareholders in favour of our Company and each of our subsidiaries dated 30 August 2017, details of which are set out in paragraph headed “Other information – 14. Tax indemnity” of this Appendix;
- (e) the Deed of Non-Competition entered into by our Controlling Shareholders in favour of our Company (for ourselves and as trustee for each of our subsidiaries) dated 30 August 2017, details of which are set out in the section headed “Relationship with Controlling Shareholders – Non-competition undertaking” of this prospectus; and
- (f) the Public Offer Underwriting Agreement entered into between our Company, our executive Directors, our Controlling Shareholders, the Selling Shareholder, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers and the Public Offer Underwriters dated 11 September 2017, details of which are set out in the section headed “Underwriting” of this prospectus.




8. Intellectual property rights of our Group

(a) Trademarks

As at the Latest Practicable Date, our Group has applied for registration of the following trademarks:

Trademark application number	Trademark	Applicant	Place of application	Classes	Application Date
304109021		Cool Link Marketing	Hong Kong	29, 30, 35	13 April 2017

As at the Latest Practicable Date, our Group has registered the following trademarks in Singapore:

Trademark	Registered Owner	Class	Trademark number	Date of registration	Expiry date
	Cool Link Marketing	32	T0910350H	16 September 2009	16 September 2019
	Cool Link Marketing	32	T1413406H	21 August 2014	21 August 2024
	Cool Link Marketing	29, 30, 35	40201703441U	28 February 2017	28 February 2027

(b) *Domain name*

As at the Latest Practicable Date, our Group had registered the following domain name:

Domain name	Date of registration	Expiry date
coollink.com.sg	2 November 2006	2 November 2018

Information contained in the above website does not form part of this prospectus.

Save as disclosed above, there are no other trade or service marks, patents, other intellectual or industrial property rights which are material to the business of our Group.

FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS

9. Directors

(a) *Particulars of service contracts and letters of appointment*

Each of Mr. D Tan and Mr. R Gay, being all the executive Directors, has entered into a service contract with our Company on 30 August 2017. Particulars of these contracts, except as indicated, are in all material respects identical and are set out below:

- (i) each service contract is of three years commencing from the Listing Date and will continue thereafter until terminated in accordance with the terms of the service agreement;
- (ii) the initial annual salary for each of Mr. D Tan and Mr. R Gay is set out below, such salary to be reviewed annually by the Board and the remuneration committee of our Company;
- (iii) each of these executive Directors is entitled to such management bonus by reference to the consolidated net profits of our Group after taxation and minority interests but before extraordinary items as the Board and the remuneration committee of our Company may approve, provided that the relevant executive Director shall abstain from voting and not be counted in the quorum in respect of any resolution of the Board approving the amount of annual salary, management bonus and other benefits payable to him; and
- (iv) the appointments of these executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles.

The current basic annual salaries of the executive Directors are as follows:

Name	Amount
Mr. D Tan	S\$120,000
Mr. R Gay	S\$120,000

Each of Mr. Tam Wai Tak Victor, Ms. Chan Oi Chong and Mr. Choy Wing Hang William, being all the independent non-executive Directors, has entered into a letter of appointment with our Company on 30 August 2017. Each letter of appointment is for an initial term of one year commencing on the Listing Date and will continue for a term of one year unless terminated earlier in accordance with the terms of their letter of appointment. The appointments of the independent non-executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles. Each independent non-executive Director is entitled to an annual director's fee of S\$22,000.

Save as aforesaid, none of our Directors has or is proposed to have a service contract with our Company or any of its subsidiaries (other than contracts expiring or determinable by our Group within one year without the payment of compensation (other than statutory compensation)).

(b) Directors' remuneration

During the Track Record Period, the aggregate of the remuneration (including salaries, discretionary bonuses, defined contribution and allowance, if any) paid and benefits in kind granted by our Group to our Directors was approximately S\$1.0 million, S\$0.8 million and S\$0.2 million, respectively.

Under the arrangements currently in force, the aggregate amount of Directors' fee and other emoluments (excluding any discretionary bonuses, if any) payable to our Directors by our Group and benefits in kind receivable by our Directors for the year ending 31 December 2017 is estimated to be approximately S\$0.8 million.

None of our Directors or any past directors of any member of our Group has been paid any sum of money for each of the two years ended 31 December 2016 and the three months ended 31 March 2017 (i) as an inducement to join or upon joining our Company or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

There has been no arrangement under which a Director has waived or agreed to waive any emoluments for each of the two years ended 31 December 2016 and the three months ended 31 March 2017.

(c) *Interests and short positions of Directors in the share, underlying shares or debentures of our Company and its associated corporations*

Immediately following completion of the Share Offer and the Capitalisation Issue (but not taking into account of any Shares that may be allotted and issued pursuant to the exercise of any option(s) which may be granted under the Share Option Scheme), the interests or short positions of our Directors and the chief executives of our Company in the Shares, underlying Shares and debentures of our Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the GEM Listing Rules, will be as follows:

Name	Capacity/ Nature of interest	Number of Shares held after the Share Offer ^{Note 1}	Percentage of shareholding after the Share Offer
Mr. D Tan	Interest in controlled corporation/ Interest held jointly with another persons ^{Note 2}	378,000,000 Shares (L)	63.00%
Mr. R Gay	Interest in controlled corporation/ Interest held jointly with another persons ^{Note 2}	378,000,000 Shares (L)	63.00%

Notes:

- (1) The Letter "L" denotes the person's long position in the relevant Shares.
- (2) The entire issued share capital of Packman Global is legally and beneficially owned as to approximately 33.3% by Mr. D Tan, Mr. R Gay and Mr. M Tan respectively. Accordingly, Mr. D Tan, Mr. R Gay and Mr. M Tan are deemed to be interested in 378,000,000 Shares held by Packman Global by virtue of the SFO. Mr. D Tan and Mr. R Gay are executive Directors while Mr. M Tan is one of the senior management. Mr. D Tan, Mr. R Gay and Mr. M Tan are persons acting in concert and accordingly each of them is deemed to be interested in the Shares held by the others. Mr. D Tan, Mr. M Tan and Mr. R Gay have confirmed that during the Track Record Period and up to the date of the Listing, they have been and will be acting in concert and voted and will vote in unanimous manner on any resolution in respect of the management, development and operations of our Group's operations.

10. Interest discloseable under the SFO and substantial shareholders

So far as our Directors are aware, immediately following the completion of the Share Offer and the Capitalisation Issue (but not taking into account of any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme), based on the information available on the Latest Practicable Date, the following persons/entities (other than a Director or chief executive of our Company) will have or be deemed or taken to have an interest and/or a short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of our Company required to be kept under section 336 of the SFO, or who will be, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other members of our Group:

Name	Capacity/ Nature of interest	Number of Shares held after the Share Offer ^{Note 1}	Percentage of shareholding after the Share Offer
Packman Global	Beneficial owner	378,000,000 Shares (L)	63.00%
Mr. M Tan	Interest in controlled corporation/Interest held jointly with another persons ^{Note 2}	378,000,000 Shares (L)	63.00%
Ms. Fang Yunru Wanda	Interest of spouse ^{Note 3}	378,000,000 Shares (L)	63.00%
Ms. Yeo Poh Choo	Interest of spouse ^{Note 4}	378,000,000 Shares (L)	63.00%
Ms. Chen Feiping	Interest of spouse ^{Note 5}	378,000,000 Shares (L)	63.00%
Absolute Elite	Beneficial owner	72,000,000 Shares (L)	12.00%
Mr. Tan Chu En Ian	Interest in controlled corporation ^{Note 6}	72,000,000 Shares (L)	12.00%
Ms. Sinta Muchtar	Interest of spouse ^{Note 7}	72,000,000 Shares (L)	12.00%

Notes:

- (1) The Letter “L” denotes the person’s long position in the relevant Shares.
- (2) The entire issued share capital of Packman Global is legally and beneficially owned as to approximately 33.3% by Mr. D Tan, Mr. R Gay and Mr. M Tan respectively. Accordingly, Mr. D Tan, Mr. R Gay and Mr. M Tan are deemed to be interested in 378,000,000 Shares held by Packman Global by virtue of the SFO. Mr. D Tan and Mr. R Gay are executive Directors while Mr. M Tan is one of the senior management. Mr. D Tan, Mr. R Gay and Mr. M Tan are persons acting in concert and accordingly each of them is deemed to be interested in the Shares held by the others. Mr. D Tan, Mr. M Tan and Mr. R Gay have confirmed that during the Track Record Period and up to the date of the Listing, they have been and will be acting in concert and voted and will vote in unanimous manner on any resolution in respect of the management, development and operations of our Group’s operations.
- (3) Ms. Fang Yunru Wanda is the spouse of Mr. D Tan and is therefore deemed to be interested in all the Shares that Mr. D Tan is interested in by virtue of SFO.
- (4) Ms. Yeo Poh Choo is the spouse of Mr. R Gay and is therefore deemed to be interested in all the Shares that Mr. R Gay is interested in by virtue of SFO.
- (5) Ms. Chen Feiping is the spouse of Mr. M Tan and is therefore deemed to be interested in all the Shares that Mr. M Tan is interested in by virtue of SFO.
- (6) The entire issued share capital of Absolute Elite is legally and beneficially owned as to 100% by Mr. Tan Chu En Ian. Accordingly, Mr. Tan Chu En Ian is deemed to be interested in all the Shares held by Absolute Elite by virtue of the SFO.
- (7) Ms. Sinta Muchtar is the spouse of Mr. Tan Chu En Ian and is therefore deemed to be interested in all the Shares that Mr. Tan Chu En Ian is interested in via Absolute Elite by virtue of SFO.

11. Related party transactions

During the two years immediately preceding the date of this prospectus, our Group engaged in the related party transactions as mentioned in Note 31 to the Accountant’s Report set out in Appendix I to this prospectus.

12. Disclaimers

Save as disclosed in this prospectus:

- (a) taking no account of any Shares which may be taken up or acquired under the Share Offer or any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme, our Directors are not aware of any person who immediately following completion of the Share Offer and the Capitalisation Issue will have an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, either directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of our Company or any other members of our Group;

- (b) none of our Directors or chief executive of our Company has any interests and short positions in the Shares, underlying Shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required to be notified to our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, in each case once the Shares are listed on the Stock Exchange;
- (c) none of our Directors nor the experts named in the paragraph headed “Qualifications and consents of experts” below has been interested in the promotion of, or has any direct or indirect interest in any assets acquired or disposed of by or leased to, any member of our Group within the two years immediately preceding the date of this prospectus, or which are proposed to be acquired or disposed of by or leased to any member of our Group nor will any Director apply for Offer Shares either in his/her own name or in the name of a nominee;
- (d) none of our Directors nor the experts named in the paragraph headed “Qualification and consents of the experts” below is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;
- (e) none of the experts named in the paragraph headed “Qualifications and consents of experts” below has any shareholding in any member in our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member in our Group;
- (f) none of our Directors has entered or has proposed to enter into any service agreements with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation); and
- (g) so far as is known to our Directors, none of our Directors or their associate or any shareholder of our Company (which to the knowledge of our Directors owns 5% or more of the issued share capital of our Company) has any interest in any of the five largest customers of our Group.

SHARE OPTION SCHEME**13. Share Option Scheme**

Our Company has conditionally adopted the Share Option Scheme, which was approved by written resolutions passed by the Shareholders on 30 August 2017. The following is a summary of the principal terms of the Share Option Scheme but does not form part of, nor was it intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme:

The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to advance the interests of our Company and the Shareholders by enabling our Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to our Group and by enabling such persons' contribution to further advance the interests of our Group.

(b) Participants of the Share Option Scheme and Eligibility Criteria

The eligible persons of the Share Option Scheme to whom options may be granted by the Board shall include (collectively "**Eligible Persons**"):

- (i) any directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of our Group (collectively "**Employee**");
- (ii) any consultants or advisers (in the areas of legal, technical, financial or corporate managerial) of our Group (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid); any provider of goods and/or services to our Group; any customer of our Group; or any holder of securities issued by any member of our Group (collectively "**Business Associate**"); and
- (iii) any other person, who at the sole discretion of the Board, has contributed to our Group (the assessment criteria of which are (1) such person's contribution to the development and performance of our Group; (2) the quality of work performed by such person for our Group; (3) the initiative and commitment of such person in performing his duties; (4) the length of service or contribution of such person to our Group; and (5) such other factors as considered to be applicable by the Board).

The Board may in its absolute discretion specify such conditions as it thinks fit when granting an option to an Eligible Person (including, without limitation, as to any minimum period an option must have been held or the minimum period of service or relationship with any member of our Group to be achieved before an option can be exercised (or any part thereof), to the extent of the option which can be exercised at any material time, or any performance criteria which must be satisfied by the Eligible Person, our Company, and its subsidiaries, before an option may be exercised), provided that such conditions shall not be inconsistent with any other terms and conditions of the Share Option Scheme and the GEM Listing Rules.

(c) *Life of the Share Option Scheme*

Our Company may, by ordinary resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further option shall be offered or granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

Subject to the aforesaid, the Share Option Scheme shall be valid and effective for a period of ten years commencing from the date of adoption, after which period no further options will be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects with respect to options granted during the life of the Share Option Scheme.

(d) *Subscription Price*

The subscription price in respect of any option shall, subject to any adjustments made pursuant to the terms of the Share Option Scheme, be a price determined by the Board and notified to each grantee and shall be at least the highest of:

- (i) the closing price per Share as stated in the Stock Exchange's daily quotation sheet on the offer date;
- (ii) the average of the closing prices per Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the offer date; or
- (iii) the nominal value of the Share.

(e) *Acceptance of Offers*

An offer shall remain open for acceptance by the Eligible Person concerned for such period as determined by the Board, being a date not later than ten Business Days after the offer date by which the Eligible Person must accept the offer or be deemed to have declined

it, provided that no such offer shall be open for acceptance after the tenth anniversary of the date of adoption of the Share Option Scheme or after the Share Option Scheme has been terminated in accordance with the provisions of the Share Option Scheme.

The amount payable by the grantee to our Company on acceptance of the offer shall be a nominal amount to be determined by the Board.

(f) Maximum number of Shares available for Subscription

- (i) The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other Share Option Schemes shall not in aggregate exceed 10% of the total number of Shares in issue as at the Listing Date unless our Company obtains a fresh approval from the Shareholders pursuant to paragraph (f)(ii) below.
- (ii) Our Company may seek approval of Shareholders in general meeting to renew the 10% limit set out in paragraph (f)(i) above such that the total number of Shares in respect of which options may be granted by the Board under the Share Option Scheme and any other share option schemes of our Company in issue shall not exceed 10% of the total number of Shares in issue as at the date of approval of the renewed limit.
- (iii) Our Company may grant options to specified participant(s) beyond the 10% limit set out in paragraph (f)(i) above provided that the options granted in excess of such limit are specifically approved by the Shareholders in general meeting and the participants are specifically identified by our Company before such approval is sought. In seeking such approval, a circular must be sent to the Shareholders containing the required details in accordance with Chapter 23 of the GEM Listing Rules.
- (iv) Notwithstanding the foregoing and subject to the paragraph (g) below, the maximum number of Shares in respect of which options may be granted under the Share Option Scheme together with any options outstanding and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company in issue shall not exceed 30% (or such higher percentage as may be allowed under the GEM Listing Rules) of the total number of Shares in issue from time to time.

(g) Maximum entitlement of each Eligible Person

The total number of Shares issued and to be issued upon exercise of the options granted to each Eligible Person (including both exercised and outstanding options under the Share Option Scheme) in any twelve-month period must not exceed 1% of the issued share capital of our Company.

Where any further grant of options to an Eligible Person would result in excess of such limit shall be subject to the approval of the Shareholders at general meeting with such Eligible Person and his associates abstaining from voting.

In seeking such approval, a circular must be sent to the Shareholders containing the required details in accordance with Chapter 23 of the GEM Listing Rules.

(h) Grants of Options to certain connected persons

- (i) Any grant of options to a connected person (as defined under the GEM Listing Rules) or any of its associates must be approved by all of the independent non-executive Directors (excluding any independent non-executive Director who is also the grantee).
- (ii) Where options are proposed to be granted to a Substantial Shareholder or an independent non-executive Director or any of their respective associates, and the proposed grant of options will result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant representing in aggregate over 0.1 per cent of the issued share capital of our Company and having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such grant of options must be subject to the approval of the Shareholders at general meeting. The connected person involved in such proposed grant of options and all other connected persons must abstain from voting in such general meeting (except that any connected person may vote against the proposed grant provided that his intention to do so has been stated in the relevant circular to the Shareholders).

In seeking such approval, a circular must be sent to the Shareholders containing the required details in accordance with Chapter 23 of the GEM Listing Rules.

Any change in the terms of the options granted to a Substantial Shareholder or an independent non-executive Director of our Company, or any of their respective associates must also be approved by the Shareholders in general meeting.

(i) Time of exercise of Option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to the grantee which the Board may in its absolute discretion determine, save that such period shall not be more than ten years from the date of acceptance of the offer (subject to the provisions for early termination in accordance with the Share Option Scheme) (the “**Option Period**”).

(j) *Rights are personal to Grantee*

An option shall be personal to the grantee and shall not be assignable nor transferable, and no grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt to do so. Any breach of the foregoing shall entitle our Company to cancel any outstanding option or part thereof granted to such grantee.

(k) *Rights on ceasing employment*

In the case of the grantee being an employee or a director of our Group leaves the services of our Group by reason other than death or on one or more of the grounds specified in paragraph (p)(v), or because his employing company ceases to be a member of our Group, the grantee may exercise the option up to his entitlement at the date of cessation (to the extent he is entitled to exercise at the date of cessation but not already exercised) within a period being the earlier of (i) three months (or such other period as the Board may determine) following the date of such cessation, which date shall be the last actual working day with our Group whether salary is paid in lieu of notice or not or the last date of appointment as director of our Group, as the case may be, or (ii) the expiration of the relevant Option Period. Any options not so exercised shall lapse and terminate at the end of the said period provided that in any such case, our Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as our Directors may decide.

(l) *Rights on death*

In the case of the grantee ceases to be an Eligible Person by reason of death, he or (as the case may be) his personal representatives may exercise all or part of his options (to the extent he is entitled to exercise at the date of cessation but not already exercised) within a period being the earlier of (i) six months after he so ceases to be an Eligible Person or (ii) the expiration of the relevant Option Period. Any options not so exercised shall lapse and terminate at the end of the said period provided that in any such case, our Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as our Directors may decide.

(m) *Rights on a general offer*

- (i) If, in consequences of any general offer made to the holders of Shares (being an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of our Company) or otherwise, any person shall have obtained control (as defined in the Takeovers Code) of our Company, then our Directors shall as soon as practicable thereafter notify every grantee accordingly and each grantee shall be entitled to exercise all or any of his options (to the extent he is entitled but not exercised) at any time before the earlier of (1) the expiry of the Option Period, or (2) the fourteenth day following the date on which the general offer becomes or is declared unconditional to exercise any

option in whole or in part, and to the extent that it has not been so exercised, any options shall upon the expiry of such period cease and terminate provided that if, during such period, such person becomes entitled to exercise rights of compulsory acquisition of Shares and gives notice in writing to any holders of Shares that he intends to exercise such rights, options shall be and remain exercisable until the earlier of (1) the expiry of the Option Period or (2) the fourteenth day from the date of such notice and, to the extent that any options which have not been exercised upon the expiry of such period, shall thereupon cease and terminate.

- (ii) If a general offer by way of a scheme of arrangement is made to all the Shareholders and the Share Option Scheme has been approved by the necessary number of Shareholders at the requisite meetings, our Company shall forthwith notify all the grantees and any grantee (or his personal representatives) may thereafter (but before such time as shall be notified by our Company) by notice in writing to our Company exercise the option (to the extent he is entitled but not exercised) to its full extent or to the extent specified in such notice. Any options which have not been exercised upon the expiry of such period as specified in the notice shall thereupon cease and terminate.

(n) Rights on winding-up

In the event that a notice is given by our Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, our Company shall on the same date as or soon after it dispatches such notice to each member of our Company give notice thereof to all grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each grantee (or his personal representatives) shall be entitled to exercise all or any of his options at any time not later than two Business Days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue such number of Shares to the grantee credited as fully paid which falls to be issued on such exercise and register the grantee as holder thereof in the branch register of members of our Company maintained in Hong Kong.

(o) Right on a compromise or scheme of arrangement

If a compromise or arrangement between our Company and the Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company or companies, our Company shall give notice thereof to the grantee (together with a notice of the existence of the provisions of this paragraph) on the same date or soon after it dispatches

the notice to each member or creditor of our Company summoning the meeting to consider such a compromise or arrangement, and thereupon the grantee (or his personal representatives) may by notice in writing to our Company accompanied by the remittance for the aggregate subscription price in respect of the number of option exercised under such notice (such notice to be received by our Company not later than two Business Days prior to the proposed meeting) either to its full extent or to the extent specified in such notice, and our Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting referred to above, allot and issue such number of Shares credited as fully paid, to the grantee which falls to be issued on such exercise and register the grantee as holder thereof in the branch register of members of our Company maintained in Hong Kong.

(p) *Lapse of Option*

The right to exercise an option shall lapse automatically (to the extent not already exercised) immediately upon the earliest of:

- (i) subject to paragraphs (k)-(o), the expiry of the Option Period;
- (ii) the expiry of any of the periods referred to in paragraphs (k)-(m);
- (iii) subject to paragraph (n), the date of the commencement of the winding up of our Company;
- (iv) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph (o);
- (v) in the event that the grantee is an employee or a director of our Group, the date on which the grantee ceases to be an Eligible Person by reason of summary dismissal for misconduct or other breach of the terms of his employment or directorship or other contract constituting him an Eligible Person, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer or a company would be entitled to terminate his employment or directorship at common law or pursuant to any applicable laws or under the grantee's service contract with our Company or the relevant subsidiary of our Company. A resolution of the Board or the board of directors of the relevant subsidiary of our Company to the effect that the employment or other relevant contract of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph (p)(v) shall be conclusive and binding on the grantee;

- (vi) the date on which the grantee ceases to be an Eligible Person by reason of termination of his relationship (whether by appointment or otherwise) with our Group or on any one or more of the following grounds (other than by reason of death or on one or more of the grounds specified in sub-paragraph (p)(v)) that he has become unable to pay his debts (within the meaning of the Bankruptcy Ordinance) or has become otherwise insolvent or has made any arrangement or composition with his creditors generally, or arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) has committed any act which is prejudicial to or not in the interests of our Company or any company in our Group. A resolution of the Board or the board of directors of the relevant subsidiary of our Company to the effect that the relationship with a grantee (other than an employee or a director of our Group) has or has not been terminated and as to the date of such termination shall be conclusive and binding on the grantee;
- (vii) the date on which the grantee commits a breach of paragraph (j); or
- (viii) the date on which the option is cancelled by the Board as provided in paragraph (t).

Our Company shall owe no liability to any grantee for the lapse of any option under this paragraph (p).

(q) *Ranking of Shares*

The Shares to be allotted and issued upon the exercise of an option shall be subject to the Memorandum and Articles and the laws of the Cayman Islands for the time being in force and shall rank *pari passu* in all respects with the fully-paid Shares in issue of our Company as at the date of allotment and will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date of allotment, provided always that when the date of exercise of the option falls on a date upon which the register of members of our Company is closed then the exercise of the options shall become effective on the first Business Day on which the register of members of our Company is re-opened.

(r) Reorganisation of capital structure

In the event of any alteration to the capital structure of our Company whilst any option remains exercisable, arising from capitalisation of profits or reserves, rights issue, consolidation, re-classification or subdivision of Share or reduction of the share capital of our Company in accordance with the legal requirements or requirements of the Stock Exchange, other than any alteration in the capital structure of our Company as a result of an issue of Shares as consideration in a transaction to which our Company is a party, adjustment (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the option so far as unexercised; and/or
- (ii) the subscription price for the Shares subject to the option so far as unexercised; and/or
- (iii) the Shares to which the option relates; and/or
- (iv) any combination thereof as the auditors or the independent financial adviser to our Company (acting as expert not arbitrator) shall at the request of our Company certify in writing to the Board either generally or as regards any particular grantee that the adjustments are in compliance with Rule 23.03(13) of the GEM Listing Rules and the notes thereto.

Any such adjustments must give a grantee the same proportion of the equity capital of our Company as to which that grantee was previously entitled, and any adjustments so made shall be in compliance with the GEM Listing Rules and such applicable guidance and/or interpretation of the GEM Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the “Supplemental Guidance on GEM Listing Rule 23.03(13) and the Note immediately after the Rule” attached to the letter of the Stock Exchange dated 5 September 2005 to all issuers relating to the Share Option Scheme) but no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. The capacity of the auditors or the independent financial adviser to our Company in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on our Company and the grantees. The costs of the auditors or the independent financial adviser to our Company shall be paid by our Company. Notice of such adjustment shall be given to the grantees by our Company.

(s) Alteration to the Share Option Scheme and the terms of Options granted under the Share Option Scheme

The Board may from time to time in its absolute discretion waive or amend any terms of the Share Option Scheme at such time and in such manner as it deems desirable to the extent permissible under the provisions of the GEM Listing Rules in relation to the Share Option Scheme and all applicable laws in respect thereof.

For the avoidance of doubt, except with the prior approval of the Shareholders in general meeting (with the Eligible Persons and their associates abstaining from voting), the Board may not amend:

- (i) any of the provisions of the Share Option Scheme relating to matters contained in Rule 23.03 of the GEM Listing Rules to the advantage of the Eligible Persons or grantees;
- (ii) any terms and conditions of the Share Option Scheme which are of a material nature or any terms of options granted except where such alteration take effect automatically under the existing terms of the Share Option Scheme; and
- (iii) any provisions on the authority of the Board in relation to any alteration to the terms of the Share Option Scheme.

No such amendments shall be altered to the advantage of grantees except with the prior approval of the Shareholders in general meeting (with Eligible Persons and their respective associates abstained from voting). No such alterations shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alterations except with the consent or sanction in writing of such majority of the grantees as would be required of the Shareholders under the articles of association for the time being of our Company for a variation of the rights attached to the Shares, provided that this restriction should not apply to any amendment made by the Board at the request of the Stock Exchange or other regulatory body for the purpose of ensuring that the Share Option Scheme complies with, among other applicable laws, the requirements of such exchange or other regulatory body on which the Shares are in the course of being listed or from time to time listed or which may have or exercise regulatory powers or jurisdiction in relation to our Company. Any amended terms of the Share Option Scheme or options shall still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules (subject to such waiver as may be granted by the Stock Exchange from time to time) and shall automatically take effect on all outstanding options.

(t) *Cancellation of Options granted*

The Board may cancel an option granted but not exercised with the approval of the grantee of such option. No compensation shall be payable to the grantee for cancellation of the options granted but not exercised.

(u) *Termination*

Our Company, by ordinary resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further option will be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

As at the date of this prospectus, no Option has been granted or agreed to be granted by our Company under the Share Option Scheme.

OTHER INFORMATION

14. Tax indemnity

Each of Mr. R Gay, Mr. D Tan, Mr. M Tan and Packman Global (collectively the “**Indemnifiers**”) has pursuant to a deed of indemnity referred to in the section headed “Further information about the business of our Group – Summary of material contracts” in this Appendix (the “**Deed of Indemnity**”), on a joint and several basis, given indemnities in favour of our Group in respect of any amount which any member of our Group becomes liable to pay after the date of the Deed of Indemnity being:

- (a) to the extent of which is applicable, any duty which is or hereafter becomes payable by any member of our Group by virtue of section 35 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) (the “**Estate Duty Ordinance**”) or any law equivalent or similar thereto under the laws of any jurisdiction outside Hong Kong, or under the provision of section 43 of the Estate Duty Ordinance or any law equivalent or similar thereto under the laws of any jurisdiction outside Hong Kong, by reason of the death of any person and by reason of the assets of any members of our Group or any of such assets being deemed for the purpose of estate duty to be included in the property passing on his death, as a result of that person making or having made a relevant transfer to any members of our Group at any time on or before the Listing Date;
- (b) to the extent of which is applicable, any amount recovered against any members of our Group under the provision of section 43(7) of the Estate Duty Ordinance in respect of any duty payable under section 43(1)(c) or section 43(6) of the Estate Duty Ordinance, by reason of the death of any person and by reason of the assets of any members of our Group or any of such assets being deemed for the purpose of estate duty to be included in the property passing on his death, as a result of that person making or having made a relevant transfer to any members of our Group at any time on or before the Listing Date;
- (c) to the extent of which is applicable, any amount of duty which any members of our Group is obliged to pay by virtue of section 43(1)(c) of the Estate Duty Ordinance in respect of the death of any person in any case where the assets of another company are deemed for the purpose of estate duty to be included in the property passing on that person’s death by reason of that person making or having made a relevant transfer to that other company and by reason of any members of our Group having received any distributed assets of that other company on their distribution within the meaning of the Estate Duty Ordinance, in each case at any time on or before the Listing Date, but only to the extent to which any members of our Group is unable to recover an amount or amounts in respect of that duty from any other person under the provision of section 43(7)(a) of the Estate Duty Ordinance or any law equivalent or similar thereto under the laws of any jurisdiction outside of Hong Kong;

- (d) any undeclared tax, overdue tax and any other form of tax burden (including tax burden arising from receipt, accumulation or acceptance of income, profit or gain) of any members of our Group before the Listing Date;
- (e) any claim, fine or other form of liability that may arise from breach of any law, regulation and rule by any members of our Group before the Listing Date;
- (f) all reasonable costs (including all legal costs), expenses or other liabilities which any members of our Group may properly incur in connection with:-
 - (i) the investigation, assessment or the contesting of any claim or other claim pursuant to the Deed of Indemnity;
 - (ii) the settlement of any claim under the Deed of Indemnity;
 - (iii) any legal proceedings in which any members of our Group claims under or in respect of the Deed of Indemnity; or
 - (iv) the enforcement of any settlement or judgment in respect of any legal proceedings referred to in paragraph (iii) above.

In addition, pursuant to the Deed of Indemnity, the Indemnifiers have agreed and undertaken to jointly and severally indemnify the members of our Group and each of them and at all times keep the same indemnified on demand from and against all claims, damages, losses, costs, expenses, fines, actions and proceedings whatsoever and howsoever arising at any time whether present or in the future as a result of or in connection with:

- (a) any alleged or actual violation or non-compliance by any members of our Group with any laws, regulations or administrative orders or measures in Singapore and Hong Kong on or before the Listing Date;
- (b) any and all expenses, payments, sums, outgoing, fees, demands, claims, actions, proceedings, judgments, damages, losses, costs (including but not limited to, legal and other professional costs), charges, contributions, liabilities, fines, penalties which any members of our Group may incur, suffer or accrue, directly or indirectly from or on the basis of or in connection with any failure, delay or defects of corporate or regulatory compliance under, or any breach of any provision of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) or any other applicable laws, rules and regulations by any members of our Group on or before the Listing Date (in the case of our Group Members);
- (c) any irregularities in relation to any corporate documents of any members of our Group; and

- (d) all direct losses and damages that we may suffer as a result of the breach of non-compliance incidents as disclosed in this prospectus.

The Deed of Indemnity does not however cover any claim and the Indemnifiers shall be under no liability in respect of any taxation or liability:-

- (a) to the extent that provision has been made for such taxation in the audited combined accounts of our Group as set out in Appendix I to this prospectus (the “**Accounts**”);
- (b) to the extent that such taxation claim arise(s) or is/are incurred as a consequence of any retrospective change in the law or regulations or the interpretation or practice by the Hong Kong Inland Revenue Department or any other tax or government authorities in any part of the world coming into force after the Listing Date or to the extent such claim arise(s) or is/are increased by an increase in rates of taxation after the Listing Date with retrospective effect;
- (c) to the extent that the liability for such taxation is caused by the act or omission of, or transaction voluntarily effected by, our Group which is carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets after the Listing Date;
- (d) to the extent that such taxation or liability is/are discharged by another person who is not a member of our Group and that none of the members of our Group is required to reimburse such person in respect of the discharge of such taxation or liability;
- (e) to the extent that such taxation or liability would not have arisen but for any act or omission by any of the members of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) voluntarily effected after the Listing Date without the prior written consent or agreement of the Indemnifiers, otherwise than in the ordinary course of business after the Listing Date or carried out, made or entered into pursuant to a legally binding commitment created on or before the Listing Date; and
- (f) to the extent that any provisions or reserve made for taxation in the audited accounts of our Group as set out in Appendix I to this prospectus which is finally established to be an over-provision or as an excessive reserve.

Our Directors have been advised that no material liability for estate duty under the laws of the Cayman Islands is likely to fall on our Group.

15. Litigation

Neither our Company nor any of our subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to our Directors to be pending or threatened against our Company or any of our subsidiaries.

16. Sponsor

The Sponsor has made an application for and on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus, including the Offer Shares and any Shares which may fall to be allotted and issued pursuant to (a) the Capitalisation Issue; and (b) the exercise of options which may be granted under the Share Option Scheme.

The Sponsor has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. The Sponsor's fees in connection with the Listing are approximately HK\$4.0 million.

17. Compliance adviser

In accordance with the requirements of the GEM Listing Rules, our Company has appointed Vinco Capital Limited as our compliance adviser to provide consultancy services to our Company to ensure compliance with the GEM Listing Rules for a period commencing on the Listing Date and ending on the date on which our Company complies with the GEM Listing Rules in respect of our financial results for the second full financial year ending 31 December 2019.

18. Preliminary expenses

The preliminary expenses relating to the incorporation of our Company are approximately US\$5,600 (equivalent to approximately HK\$44,000) and are payable by our Company.

19. Promoters

Our Company does not have any promoter (as defined in the GEM Listing Rules). Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Share Offer and the related transactions described in this prospectus.

20. Qualifications and consents of experts

The qualifications of the experts who have given reports, letter or opinions (as the case may be) in this prospectus are as follows:

Name	Qualification
Vinco Capital Limited	licensed corporation to carry out type 1 (dealing in securities) type 6 (advising on corporate finance) regulated activities under the SFO
BDO Limited	Certified public accountants
Conyers Dill & Pearman	Cayman Islands Attorneys-at-law
Rajah & Tann Singapore LLP	Legal advisers to our Company as to Singapore law
Roma Appraisals Limited	Property valuers
Ascenda Cachet Risk Consulting Limited	Internal control adviser
Converging Knowledge Pte Ltd	Industry consultant

Each of the experts named above has given and has not withdrawn their respective written consents to the issue of this prospectus with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they respectively appear.

None of the experts named above has any shareholding interest in any members of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any members of our Group.

21. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penalty provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

22. Taxation of holders of Shares**(a) Hong Kong***(i) Profits*

No tax is imposed in Hong Kong in respect of capital gains from the sale of property such as the Shares. Trading gains from the sale of property by persons carrying on a trade, profession or business in Hong Kong where such gains are derived from or arise in Hong Kong from such trade, profession or business will be chargeable to Hong Kong profits tax. Gains from sales of the Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of the Shares realised by persons carrying on a business of trading or dealing in securities in Hong Kong.

(ii) Stamp duty

Hong Kong stamp duty will be payable by the purchaser on every purchase and by the seller on every sale of the Shares. The duty is charged at the current rate of 0.2% of the consideration or, if higher, the fair value of the Shares being sold or transferred (the buyer and seller each paying half of such stamp duty). In addition, a fixed duty of HK\$5 is currently payable on any instrument of transfer of shares.

(iii) Estate duty

Estate duty has been abolished in Hong Kong by The Revenue (Abolition of Estate Duty) Ordinance 2005 which came into effect on 11 February 2006.

(b) The Cayman Islands

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(c) Consultation with professional advisers

Intended holders of the Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares or exercising any rights attaching to them. It is emphasised that none of our Company, our Directors or the other parties involved in the Share Offer can accept responsibility for any tax effect on, or liabilities of, holders of the Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the Shares or exercising any rights attaching to them.

23. Miscellaneous

- (a) Save as disclosed in this prospectus, within the two years preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or of any of its subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no commissions, discounts, brokerages (other than under the Underwriting Agreement) or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries;
 - (iii) no commission has been paid or payable subscribing, agreeing to subscribe or procuring subscription or agreeing to procure subscription for any shares in our Company or any of its subsidiaries; and
 - (iv) no share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (b) Saved as disclosed in this prospectus, no founders, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;
- (c) Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 31 December 2016 (being the date to which the latest audited combined financial statements of our Group were made up);
- (d) There has not been any interruption in the business of our Group which has had a material adverse effect on the financial position of our Group in the 24 months preceding the date of this prospectus;
- (e) None of the equity and debt securities of our Company is listed or dealt with on any other stock exchange nor is any listing or submission to deal being or proposed to be sought;
- (f) None of our Directors nor any of the persons whose names are listed in paragraph headed “20. Qualifications and consents of experts” in this Appendix has received any commissions, discounts, agency fees, brokerages or other special terms in connection with the issue or sale of any share or loan capital of any member of our Group;

- (g) Subject to the provisions of the Companies Law, the principal register of members of our Company will be maintained in the Cayman Islands by Conyers Trust Company (Cayman) Limited and a branch register of members of our Company will be maintained in Hong Kong by Tricor Investor Service Limited. Unless the Directors otherwise agree, all transfers and other documents of title of the Shares must be lodged for registration with and registered by, our Company's branch share registrar in Hong Kong and may not be lodged in the Cayman Islands;
- (h) All necessary arrangements have been made to enable the Shares to be admitted into CCASS;
- (i) There is no arrangement under which future dividends have been waived;
- (j) No company within our Group is presently listed on any stock exchange or traded on any trading system;
- (k) Our Directors have been advised that under Cayman Islands Companies Law the use of a Chinese name by our Company does not contravene the Cayman Islands Companies Law;
- (l) Our Company has no outstanding convertible debt securities or debentures;
- (m) None of the persons whose names are listed in the paragraph headed "20. Qualifications and consents of experts" under this Appendix V:
 - (i) is interested beneficially or non-beneficially in any shares in any member of our Group; or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group; and
 - (iii) There is no restriction affecting the remittance of profits or repatriation of capital into Hong Kong and from outside Hong Kong.

24. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided in section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

In case of any discrepancies between the English language version and the Chinese language version, the English language version shall prevail.

25. Particulars of the Selling Shareholder

The particulars of the Selling Shareholder are set out as follows:

Name:	Packman Global
Registered office:	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
Description:	An investment holding company incorporated in the BVI with limited liability
Number of Sale Shares to be sold:	30,000,000
Interest of our Directors in the Sale Shares:	Packman Global is owned by Mr. D Tan, Mr. M Tan and Mr. R Gay as to one third each. Mr. D Tan and Mr. R Gay are our executive Directors while Mr. M Tan is one of our senior management. All of them are our Controlling Shareholders

**APPENDIX VI DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES AND AVAILABLE FOR INSPECTION**

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the WHITE and YELLOW Application Form;
- (b) the written consents referred to in the paragraph headed “Other information – 20. Qualifications and consents of experts” in Appendix V to this prospectus;
- (c) a copy of each of the material contracts referred to in the paragraph headed “Further information about the business of our Group – 7. Summary of material contracts” in Appendix V to this prospectus; and
- (d) the statement of particulars of the Selling Shareholder.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Robertsons at 5705, 57/F, The Center, 99 Queen’s Road Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

- (a) the Memorandum and Articles of Association of our Company;
- (b) the accountant’s report of our Group dated 12 September 2017 prepared by BDO Limited, the text of which is set out in Appendix I to this prospectus – “Accountant’s Report”;
- (c) the report dated 12 September 2017 on unaudited pro forma financial information of our Group issued by BDO Limited, the text of which is set out in Appendix II – “Unaudited pro forma financial information”;
- (d) the audited combined financial statements of our Group for the two years ended 31 December 2016 and the three months ended 31 March 2017;
- (e) the letter, summary of property values and valuation certificates relating to the property interest of our Group prepared by Roma Appraisals Limited, the texts of which is set out in Appendix III to this prospectus;
- (f) the rules of our Share Option Scheme;
- (g) the letter prepared by Conyers Dill & Pearman, the legal advisers to our Company as to Cayman Islands Laws, summarising certain aspects of Cayman Islands Companies Law referred to in Appendix IV – “Summary of the Constitution of our Company and Cayman Islands Companies Law”;

- (h) the Cayman Islands Companies Law;
- (i) the material contracts referred to in the paragraph headed “Further information about the business of our Group – 7. Summary of material contracts” in Appendix V to this prospectus;
- (j) the written consents referred to in the section headed “Other information – 20. Qualifications and consents of experts” in Appendix V to this prospectus;
- (k) the service contracts and letters of appointment referred to in the paragraph headed “Further information about Directors, management and substantial shareholders – 9. Directors – (a) Particulars of service contracts and letters of appointment” in Appendix V to this prospectus;
- (l) legal opinion issued by Rajah & Tann Singapore LLP, legal advisers to our Company as to Singapore law;
- (m) the Converging Knowledge Report;
- (n) the report prepared by Ascenda Cachet Risk Consulting Limited; and
- (o) the statement of particulars of the Selling Shareholder.

