

# Cool Link (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8491

**2020**

**FIRST QUARTERLY REPORT**

## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “Directors”) of Cool Link (Holdings) Limited (the “Company” and together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

The board (the “**Board**”) of Directors is pleased to announce the unaudited condensed consolidated results of the Group for the three months ended 31 March 2020, together with the unaudited comparative figures for the corresponding period in 2019 as set out below:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2020

	Notes	For the three months ended 31 March 2020 S\$'000 (unaudited)	2019 S\$'000 (unaudited)
<b>Revenue</b>	3	<b>6,573</b>	5,702
Cost of sales		<b>(4,902)</b>	(4,273)
<b>Gross profit</b>		<b>1,671</b>	1,429
Other income and gains	4	<b>169</b>	355
Selling and distribution costs		<b>(431)</b>	(520)
Administrative and other operating expenses		<b>(1,196)</b>	(1,087)
Finance costs	5	<b>(165)</b>	(94)
<b>Profit before income tax</b>		<b>48</b>	83
Income tax expense	6	<b>(29)</b>	(32)
<b>Profit and total comprehensive income for the period</b>		<b>19</b>	51
<b>Profit and total comprehensive income for the period attributable to:</b>			
Owners of the Company		<b>23</b>	47
Non-controlling interests		<b>(4)</b>	4
		<b>19</b>	51
<b>Earnings per share attributable to owners of the Company during the period</b>			
Basic and diluted earnings (Singapore cents)	7	<b>0.004</b>	0.008

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2020

	Attributable to the owners of the Company							
	Share capital S\$'000	Share premium S\$'000	Other reserve S\$'000	Financial assets at fair value through other comprehensive reserve (non-recycling) S\$'000	Retained profits S\$'000	Sub-total S\$'000	Non-controlling interests S\$'000	Total S\$'000
At 1 January 2019 (audited)	1,038	8,752	2,490	—	5,327	17,607	(38)	17,569
Profit and total comprehensive income for the period	—	—	—	—	47	47	4	51
At 31 March 2019 (unaudited)	1,038	8,752	2,490	—	5,374	17,654	(34)	17,620
At 1 January 2020 (audited)	1,038	8,752	2,490	(1,028)	4,460	15,712	(54)	15,658
Profit and total comprehensive income for the period	—	—	—	—	23	23	(4)	19
At 31 March 2020 (unaudited)	1,038	8,752	2,490	(1,028)	4,483	15,735	(58)	15,677

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 31 March 2020*

## 1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 27 January 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as revised and consolidated) of the Cayman Islands. 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 33 Chin Bee Crescent, Singapore 619901.

The principal activity of the Company is investment holding while the Group is principally engaged in food supplies business.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2020 have been prepared in accordance with all the applicable Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Companies Ordinance. In addition, the unaudited condensed consolidated financial statements also comply with the applicable disclosure requirements under the GEM Listing Rules.

The accounting policies and the method of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2019 except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for the annual periods beginning on 1 January 2020. The effect of the adoption of these standards, amendments and interpretations was not material on the Group's results of operations and financial position.

The unaudited condensed consolidated financial statements are presented in Singapore dollars ("S\$") which is also the functional currency of the Company. All values are rounded to the nearest thousands except when otherwise indicated.

### 3. REVENUE

Revenue represents the net invoiced value of goods sold, net of returns, rebates, discounts and sales related tax, where applicable. Revenue recognised during the respective periods are as follows:

	For the three months ended 31 March	
	2020 S\$'000 (unaudited)	2019 S\$'000 (unaudited)
Sales of goods	6,573	5,702

### 4. OTHER INCOME AND GAINS

	For the three months ended 31 March	
	2020 S\$'000 (unaudited)	2019 S\$'000 (unaudited)
Bank interest income	5	—
Rental income from investment properties	80	44
One-off slotting and marketing fee received	—	86
Government grants	13	18
Gain on disposal of financial assets at fair value through profit or loss	—	159
Gain on disposal of property, plant and equipment	—	7
Net foreign exchange gain	59	38
Others	12	3
	169	355

### 5. FINANCE COSTS

	For the three months ended 31 March	
	2020 S\$'000 (unaudited)	2019 S\$'000 (unaudited)
Interest on bank borrowings	105	81
Finance charges on lease liabilities	47	1
Interest on promissory note	13	12
	165	94

## 6. INCOME TAX EXPENSE

	For the three months ended 31 March	
	2020	2019
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Current tax — Singapore income tax:		
Tax for the period	29	32
	<b>29</b>	<b>32</b>

## 7. EARNINGS PER SHARE

	For the three months ended 31 March	
	2020	2019
	S\$'000	S\$'000
	(unaudited)	(unaudited)
<b>Profit</b>		
Profit attributable to the owners of the Company	23	47

	For the three months ended 31 March	
	2020	2019
	'000	'000
<b>Number of shares</b>		
Weighted average number of ordinary shares	600,000	600,000

The calculation of basic earnings per share for the three months ended 31 March 2020 is based on the profit attributable to owners of the Company of approximately S\$23,000 (2019: S\$47,000) and on the weighted average number of 600,000,000 (2019: 600,000,000) ordinary shares in issue during the period.

Diluted earnings per share is the same as basic earnings per share because the Group has no dilutive potential shares during the respective periods.

## 8. DIVIDENDS

The Board does not recommend a payment of any dividend for the three months ended 31 March 2020 (2019: Nil).

## 9. CONTINGENT LIABILITIES

As at 31 March 2020, 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\$550,000 (2019: S\$550,000).

## 10. SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the three months ended 31 March 2020, the Group did not have any significant investment, material acquisition nor disposal of subsidiaries and affiliated companies.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is principally engaged in food supplies business in Singapore. During the three months ended 31 March 2020, the Group continued to supply food products to ship chandlers, retailers and customers who are in the food service industry.

For the three months ended 31 March 2020, the revenue and gross profit increased by approximately S\$0.9 million and S\$0.3 million respectively as compared to the three months ended 31 March 2019. For the three months ended 31 March 2020, the Group recorded a profit of approximately S\$19,000 as compared to approximately S\$51,000 for the same period in 2019. The decrease in profit was mainly attributable to the (i) decrease in other income by approximately S\$0.2 million; and (ii) increase in administrative and other operating expenses by approximately S\$0.1 million and offsetted by the increase in gross profit by approximately S\$0.3 million.

### OUTLOOK

Due to fierce market competition in the industry, the international trading market and the global widespread outbreak of coronavirus disease (COVID-19), the Group anticipates a forthcoming challenging year. However, the Group will continue its effort to promote its brand as well as to provide quality products and seize business opportunities in various regions.

Furthermore, with the expansion of the warehouse and manufacturing facilities of the Group through the acquisition of a new property in Singapore in March 2018, the Group believes it assists in sourcing new business opportunities for launching new product lines and minimising the rental cost of third-party warehouses, which can improve the Group's financial performance and increasing its shareholders' value in long term.

The widespread outbreak of coronavirus disease (COVID-19) has occurred globally, including Singapore and Hong Kong. The consequence and impact of this outbreak is still manifesting not only in the loss of human lives but in the potential disruption to economic and social activities in the markets that the Group operates in. In light of the recent outbreak of coronavirus disease (COVID-19), the Group has also explored new business opportunities to maximize the interest of the Company and its shareholders (the "Shareholders") as a whole and shoulder its corporate social responsibilities on contributing the society as well as fighting the coronavirus disease (COVID-19). In addition, the Group is taking necessary actions to ensure the impact to our core businesses is minimized, our employees and associates are safe and that our valued customers continue to be served as best as we can.



## FINANCIAL REVIEW

### Revenue

The Group's revenue increased by approximately S\$0.9 million or approximately 15.3% from approximately S\$5.7 million for the three months ended 31 March 2019 to approximately S\$6.6 million for the three months ended 31 March 2020. Such increase was mainly driven by the increase of revenue from the ship chandlers due to the increased demand from customers.

### Cost of sales

The Group's cost of sales increased by approximately S\$0.6 million or approximately 14.7% from approximately S\$4.3 million for the three months ended 31 March 2019 to approximately S\$4.9 million for the three months ended 31 March 2020. Such increase was in line with the increase in revenue.

### Gross profit and gross profit margin

The Group's overall gross profit increased by approximately S\$0.3 million or approximately 16.9% from approximately S\$1.4 million for the three months ended 31 March 2019 to approximately S\$1.7 million for the three months ended 31 March 2020. The Group's overall gross profit margin remained stable at 25.1% and 25.4% for the three months ended 31 March 2019 and 2020 respectively.

### Selling and distribution costs

The Group's selling and distribution costs decreased by approximately S\$0.1 million or approximately 17.1% from approximately S\$0.5 million for the three months ended 31 March 2019 to approximately S\$0.4 million for the three months ended 31 March 2020. The decrease was primarily due to strengthening the efficiency of distribution channels.

## **Administrative and other operating expenses**

The Group's administrative and other operating expenses increased by approximately S\$0.1 million or approximately 10.0% from approximately S\$1.1 million for the three months ended 31 March 2019 to approximately S\$1.2 million for the three months ended 31 March 2020. The increase was primarily due to the increase of depreciation of property, plant and equipment in view of the moving into expanded warehouse and manufacturing facilities of the Group since June 2019.

## **Finance Costs**

The Group's finance costs increased by approximately S\$0.1 million or approximately 75.5% from approximately S\$0.1 million for the three months ended 31 March 2019 to approximately S\$0.2 million for the three months ended 31 March 2020. The increase was mainly due to the increase in finance charges on lease liabilities and interest expenses on bank borrowings.

## **Profit and Total Comprehensive Income for the Period**

As a result of the foregoing, the Group recorded a profit of approximately S\$19,000 for the three months ended 31 March 2020 as compared to a profit of approximately S\$51,000 for the three months ended 31 March 2019.

## **OTHER INFORMATION**

### **DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 31 March 2020, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

## Long positions in shares of the Company

Name	Capacity/ Nature of interest	Number of shares held/interested	Percentage of shareholding
Mr. Tan Seow Gee ("Mr. D Tan")	Interest in controlled corporation/ Interest held jointly with another persons (Note 1)	302,000,000 shares	50.33%
Mr. Gay Teo Siong ("Mr. R Gay")	Interest in controlled corporation/ Interest held jointly with another persons (Note 1)	302,000,000 shares	50.33%

### Notes:

1. The entire issued share capital of Packman Global Holdings Limited ("Packman Global") is legally and beneficially owned as to approximately 33.3% by Mr. D Tan, Mr. R Gay and Mr. Tan Chih Keong ("Mr. M Tan") respectively. Accordingly, Mr. D Tan, Mr. R Gay and Mr. M Tan are deemed to be interested in 302,000,000 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.

Save as disclosed above, as at 31 March 2020, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

So far as is known to the Directors, as at 31 March 2020, the following persons/entities (other than the Directors or chief executives of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Division 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under section 336 of the SFO were as follows:

### Long positions in shares of the Company

Name	Capacity/ Nature of interest	Number of shares held/interested	Percentage of shareholding
Packman Global	Beneficial owner	302,000,000 shares	50.33%
Mr. M Tan	Interest in controlled corporation/ Interest held jointly with another persons (Note 1)	302,000,000 shares	50.33%
Ms. Fang Yunru Wanda	Interest of spouse (Note 2)	302,000,000 shares	50.33%
Ms. Yeo Poh Choo	Interest of spouse (Note 3)	302,000,000 shares	50.33%
Ms. Chen Feiping	Interest of spouse (Note 4)	302,000,000 shares	50.33%
Kingston Finance Limited	Having a security interest (Note 5)	302,000,000 shares	50.33%
Ample Cheer Limited	Interest in controlled corporation (Note 5)	302,000,000 shares	50.33%
Best Forth Limited	Interest in controlled corporation (Note 5)	302,000,000 shares	50.33%
Mrs. Chu Yuet Wah	Interest in controlled corporation (Note 5)	302,000,000 shares	50.33%
Mr. Zhang Yan	Beneficial owner	54,205,000 shares	9.03%
Mr. Meng Jintao	Beneficial owner	34,665,000 shares	5.78%

Notes:

1. 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 302,000,000 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.
2. 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.
3. 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.
4. 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.
5. On 1 March 2019, 302,000,000 shares held by Packman Global were pledged to Kingston Finance Limited, which was wholly owned by Ample Cheer Limited. Ample Cheer Limited was owned by Best Forth Limited and Insight Glory Limited, which were both wholly owned by Mrs. Chu Yuet Wah.

Save as disclosed above, as at 31 March 2020, no other interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company under section 336 of the SFO.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three months ended 31 March 2020.

## **SHARE OPTION SCHEME**

The Company has adopted the share option scheme (the "Share Option Scheme"), which was approved by written resolution passed by the Shareholders on 30 August 2017. The purpose of the Share Option Scheme is to advance the interests of the Company and the Shareholders by enabling the 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 the Group and by enabling such persons' contribution to further advance the interests of the Group. The principal terms and details of the Share Option Scheme are set in the section headed "Share Option Scheme" in Appendix V to the prospectus of the Company dated 12 September 2017.

For the three months ended 31 March 2020, no share option was granted, exercised, expired, lapsed or cancelled and there is no outstanding under the Share Option Scheme.

## **COMPETITION AND CONFLICT OF INTERESTS**

To the best of the Directors' knowledge, none of the Directors or substantial shareholders of the Company or any of their respective associates had engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group during the three months ended 31 March 2020.

## **COMPLIANCE ADVISER'S INTERESTS**

During the period from 1 January 2020 to 27 March 2020, except for the compliance adviser's agreement dated 24 February 2019 and entered into between the Company and LY Capital Limited, the Company's compliance adviser with effect from 24 February 2019 and terminated on 27 March 2020, neither the Company's compliance adviser nor its directors, employees or associates had any interest in relation to the Company which is required to be notified to the Company pursuant to Rules 6A.32 of the GEM Listing Rules.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its Shareholders and to enhance corporate value. The Company's corporate governance practices are based on the principles and code provision as set out in the Corporate Governance Code ("CG Code") in Appendix 15 to the GEM Listing Rules. The Company had complied with the code provisions in the CG Code during the three months ended 31 March 2020 to the date of this report.

## **CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Group has adopted the required standard of dealings, set out in Rules 5.48 to 5.67 of the GEM Listing Rules, as the code of conduct for securities transactions by the Directors in respect of the shares of the Company. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealings and the code of conduct for securities transactions by Directors during the three months ended 31 March 2020.

## AUDIT COMMITTEE

The Company established an Audit Committee pursuant to a resolution of the Directors passed on 30 August 2017 with written terms of reference revised by the Board with effect from 1 January 2019 in compliance with Rule 5.28 of the GEM Listing Rules and the CG Code as set out in Appendix 15 to the GEM Listing Rules. The Audit Committee comprises three independent non-executive Directors and a non-executive Director: Ms. Chan Oi Chong, Ms. Chin Ying Ying, Ms. Luk Huen Ling Claire and Mr. Cheng King Yip. Ms. Chin Ying Ying was appointed to serve as the Chairlady of the Audit Committee on 14 May 2019. The primary duties of the 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 risk management and internal control systems of the Company.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2020.

By order of the Board  
**Cool Link (Holdings) Limited**  
**Tan Seow Gee**  
*Chairman and Executive Director*

Hong Kong, 13 May 2020

*As at the date of this report, the executive Directors are Mr. Tan Seow Gee and Mr. Gay Teo Siong; the non-executive Director is Mr. Cheng King Yip; and the independent non-executive Directors are Ms. Chan Oi Chong, Ms. Chin Ying Ying and Ms. Luk Huen Ling Claire.*

*This report will remain on the Stock Exchange's website at <http://www.hkexnews.hk> and, in any case of this report, on the "Latest Company Announcements" page for a minimum period of seven days from the date of its posting. This report will also be published on the Company's website at <http://www.coollink.com.sg>.*