

# Cool Link (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8491

**2022**

**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 2022, together with the unaudited comparative figures for the corresponding period in 2021 as set out below:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2022

	Notes	For the three months ended 31 March 2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
<b>Revenue</b>	3	<b>8,228</b>	7,160
Cost of sales		<b>(6,004)</b>	(5,437)
<b>Gross profit</b>		<b>2,224</b>	1,723
Other income and gains and (loss)	4	<b>145</b>	1,324
Selling and distribution costs		<b>(805)</b>	(505)
Administrative and other operating expenses		<b>(1,673)</b>	(1,591)
Share of results of associates		<b>17</b>	104
Finance costs	5	<b>(91)</b>	(140)
<b>(Loss)/profit before income tax</b>		<b>(183)</b>	915
Income tax expense	6	<b>(2)</b>	(31)
<b>(Loss)/profit for the period</b>		<b>(185)</b>	884
<b>(Loss)/profit for the period attributable to:</b>			
Owners of the Company		<b>(185)</b>	885
Non-controlling interests		<b>-</b>	(1)
		<b>(185)</b>	884
<b>(Loss)/earnings per share attributable to owners of the Company during the period</b>			
Basic and diluted (loss)/earnings (Singapore cents)	7	<b>(0.31)</b>	2.78

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2022

	Attributable to the owners of the Company									
	Share capital S\$'000	Share premium S\$'000	Other reserve S\$'000	Translation reserve S\$'000	Share held for share award plan 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 2021 (audited)	1,038	8,752	2,490	–	–	(1,045)	4,112	15,347	(15)	15,332
Placing of new shares	208	1,266	–	–	–	–	–	1,474	–	1,474
Profit and total comprehensive income for the period	–	–	–	–	–	–	885	885	(1)	884
At 31 March 2021 (unaudited)	1,246	10,018	2,490	–	–	(1,045)	4,997	17,706	(16)	17,690
At 1 January 2022 (audited)	2,021	13,205	2,490	41	–	(1,045)	2,911	19,623	–	19,623
Placing of new shares	264	703	–	–	–	–	–	967	–	967
Loss for the period	–	–	–	–	–	–	(185)	(185)	–	(185)
Purchase of shares for the Plan (note a)	–	–	–	–	(791)	–	–	(791)	–	(791)
Exchange differences arising on translation of financial statements of foreign operations	–	–	–	(26)	–	–	–	(26)	–	(26)
Shares of other comprehensive income of associate	–	–	–	(11)	–	–	–	(11)	–	(11)
At 31 March 2022 (unaudited)	2,285	13,908	2,490	4	(791)	(1,045)	2,726	19,577	–	19,577

Note a: During the period, the Company contributed approximately S\$791,000 (HK\$4,569,000) at an average price of HK\$0.786 per share for purchase of 5,795,000 ordinary shares which are currently held under the share award plan (the "Plan") adopted on 14 September 2021.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2022

## 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 and healthcare supplies business.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2022 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 2021 except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for the annual periods beginning on 1 January 2022. 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	
	2022	2021
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Sales of goods	8,228	7,160

#### 4. OTHER INCOME (LOSS) AND GAINS

	For the three months ended 31 March	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Bank interest income	—	7
Rental income from investment properties	86	119
Government grants	46	56
Gain on disposal of investment property	—	1,145
Loss on disposal of financial assets at fair value through profit or loss	—	(4)
Net foreign exchange gain	8	1
Others	5	—
	<b>145</b>	<b>1,324</b>

#### 5. FINANCE COSTS

	For the three months ended 31 March	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Interest on bank borrowings	26	50
Finance charges on lease liabilities	32	11
Interest on promissory note	33	79
	<b>91</b>	<b>140</b>

#### 6. INCOME TAX (CREDIT)/EXPENSE

	For the three months ended 31 March	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Current tax		
– Singapore	11	31
– Hong Kong	17	—
	<b>28</b>	<b>31</b>
Deferred tax	(26)	—
	<b>2</b>	<b>31</b>

## 7. (LOSS)/EARNINGS PER SHARE

	For the three months ended 31 March	
	2022	2021
	S\$'000	S\$'000
	(unaudited)	(unaudited)
(Loss)/profit attributable to the owners of the Company	(185)	885

	For the three months ended 31 March	
	2022	2021
	'000	'000
		(Restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares	60,398	31,861

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the three months ended 31 March 2021 has been adjusted for the share consolidation on 19 July 2021 and right issue completed on 23 August 2021.

The calculation of basic loss per share for the three months ended 31 March 2022 is based on the loss attributable to owners of the Company of approximately S\$185,000 (2021: profit of approximately S\$885,000) and on the weighted average number of 60,398,000 (2021 (restated): 31,861,000) ordinary shares in issue during the period by taken into account (i) the completion of placing of 7,632,000 shares and (ii) the purchase of share held for the Plan.

Diluted loss per share is the same as basic loss 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 2022 (2021: Nil).

## 9. CONTINGENT LIABILITIES

As at 31 March 2022, 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\$950,000 (2021: S\$925,000).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is principally engaged in food and healthcare supplies business. During the three months ended 31 March 2022 (the “period”), the Group continued to supply products to ship chandlers, retailers and customers who are in the related service industry.

For the three months ended 31 March 2022, the revenue and gross profit increased by approximately S\$1.0 million and S\$0.5 million respectively as compared to the three months ended 31 March 2021. For the three months ended 31 March 2022, the Group recorded a loss of approximately S\$185,000 as compared to a profit of approximately S\$884,000 for the same period in 2021. The decrease in profit was mainly attributable to the absence of one-off gain on sales of investment property of approximately S\$1.1 million recognised in the three months ended 31 March 2021.

### OUTLOOK

The future prospect of the Group is full of challenges with the global economy being affected by the global widespread outbreak of coronavirus disease (“COVID-19”) and international trade conflicts. 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.

The Group has been continuously exploring different opportunities to broaden its income stream and strengthen its market presence. The outbreak of COVID-19 has caused disruptions to the economic and social activities in the market that the Group operates in. Those disruptions pose threat on affecting the entire world and make the outlook highly uncertain. However, the Board remains optimistic and taking necessary actions to ensure the impact to our core businesses is minimized, through dedication and expansion so as to deliver sustainable growth and profitability to the Group. It is undeniable that the global economy faces its challenges in recent history due to the COVID-19 pandemic. Looking forward, the Group will continue to adopt diversified strategies with a view to grasping all valuable business opportunities for the Group to advance its business model and to growth in the coming years.

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\$1.0 million or approximately 14.9% from approximately S\$7.2 million for the three months ended 31 March 2021 to approximately S\$8.2 million for the period. Such increase was mainly driven by the increase in selling price of the frozen products.

### Cost of sales

The Group's cost of sales increased by approximately S\$0.6 million or approximately 10.4% from approximately S\$5.4 million for the three months ended 31 March 2021 to approximately S\$6.0 million for the period. 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\$0.5 million or approximately 29.1% from approximately S\$1.7 million for the three months ended 31 March 2021 to approximately S\$2.2 million for the period. The Group's overall gross profit margin increased from approximately 24.1% for the three months ended 31 March 2021 to approximately 27.0% for the three months ended 31 March 2022 was mainly due to the higher sales of the frozen products with higher gross profit margins.

### Selling and distribution costs

The Group's selling and distribution costs increased by approximately S\$0.3 million or approximately 59.4% from approximately S\$0.5 million for the three months ended 31 March 2021 to approximately S\$0.8 million for the period. Primarily as a result of the increase in advertising and promotion expenses, the increase was in line with the increase in revenue.

## **Administrative and other operating expenses**

The Group's administrative and other operating expenses slightly increased by approximately S\$82,000 or approximately 5.2% from approximately S\$1.6 million for the three months ended 31 March 2021 to approximately S\$1.7 million for the period.

## **Finance Costs**

The Group's finance costs decreased by approximately S\$49,000 or approximately 35.0% from approximately S\$140,000 for the three months ended 31 March 2021 to approximately S\$91,000 for the three months ended 31 March 2022. The decrease was mainly due to the redemption of certain promissory notes before the period.

## **(Loss)/Profit and Total Comprehensive Income for the Period**

As a result of the foregoing, the Group recorded a loss of approximately S\$185,000 for the period as compared to a profit of approximately S\$884,000 for the three months ended 31 March 2021. The decrease in profit was mainly due to the absence of the one-off gain on sales of investment property of approximately S\$1.1 million recognised in the three months ended 31 March 2021.

## **CAPITAL STRUCTURE**

The change of capital structure of the Group during the period are summarised as below:

### **Issue of Placing Shares**

On 27 January 2022, an aggregate of 7,632,000 new shares of the Company (the "Shares") were successfully placed to not less than six placees at a price of HK\$0.75 each (the "Placing") under a general mandate granted by the Shareholders at its annual general meeting held on 29 June 2021. The net proceeds from the Placing (after deducting related placing commission, professional fees and other related expenses) were approximately HK\$5.58 million and the Company intended to apply the entire net proceeds for general working capital for operation. Details of the Placing were disclosed in the Company's announcements dated 14 January 2022 and 27 January 2022.

As at the date of this report, the net proceeds has been fully used as intended.

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

Save as disclosed in this report, during the period, the Group did not have any significant investment, material acquisition nor disposal of subsidiaries and affiliated companies.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 31 March 2022, the interests and short positions of the Directors or chief executive 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 Laws 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 Rule 5.46 to 5.67 of the GEM Listing Rules, were as follows:

#### Long position in shares of the Company

Name	Capacity/ Nature of interest	Number of shares held/interested	Approximate percentage of shareholding
Mr. Tan Seow Gee (Note 1)	Beneficial owner/ Personal interest	9,785,000 shares	14.84%
Mr. Gay Teo Siong (Note 2)	Beneficial owner/ Personal interest	7,655,000 shares	11.61%

#### Notes

1. Mr. Tan Seow Gee is an executive Director.
2. Mr. Gay Teo Siong is an executive Director.

Save as disclosed above, as at 31 March 2022, 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 AND UNDERLYING SHARES OF THE COMPANY**

So far as is known to the Directors, as at 31 March 2022, 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 position in shares of the Company**

<b>Name</b>	<b>Capacity/ Nature of interest</b>	<b>Number of shares held/interested</b>	<b>Approximate percentage of shareholding</b>
Yaneza Lana	Beneficial owner/ Personal interest	5,310,000 shares	8.05%
Excellent Success Investments Limited	Trustee of Plan/ Others	5,795,000 shares (Note 1)	8.79%

*Note 1:* These 5,795,000 shares were held by Excellent Success Investments Limited, which was the trustee of the Plan adopted with effect from 14 September 2021.

Save as disclosed above, as at 31 March 2022, 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 period.

## **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 2022, no share option was granted, exercised, expired, lapsed or cancelled and there is no outstanding option under the Share Option Scheme.

## **SHARE AWARD PLAN**

On 14 September 2021, the Company adopted the share award plan (the "Plan") in which the Group's employees (whether full time or part time, but excluding directors), providers of goods and/or services, customers, consultants, advisers of the Group or any invested entity, and holders of securities issued by any member of the Group will be entitled to participate (the "Eligible Participant(s)").

The objectives of the Plan are to (i) recognize and reward the contribution of certain Eligible Participants to the growth and development of the Group through an award of shares and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (ii) attract and remain suitable personnel for further development of the Group.

The Plan shall be subject to the administration of the Board and the trustee in accordance with the plan rules and the trust deed of the Plan. The Plan will be valid and effective from the adoption date (i.e. 14 September 2021) and will terminate on the earlier of (i) the tenth anniversary date of the adoption date; and (ii) such date of early termination as determined by the Board provided that such termination will not affect any subsisting rights of any Selected Participant under the Plan.

The maximum number of share to be subscribed for and/or purchased by the Trustee by applying Trust Fund for each calendar year for the purpose of the Plan shall not exceed 10% of the total number of issued shares as at the beginning of such calendar year subject to adjustment in the event of capitalization issue or right issue. The Directors shall not instruct the Trustee to subscribe and/or purchase any shares for the purpose of the Plan when such subscription and/or purchase will result in the said limit being exceeded. The maximum number of shares which may be awarded to a Selected Participant under the Plan, shall not exceed 1% of the total number of issued shares during any 12-month period.

During the three months ended 31 March 2022, a sum of approximately HK\$4,556,000 has been used to acquire 5,795,000 shares from the market by the trustee of the Plan. As at 31 March 2022, no shares have been granted under the Plan.

Details of the Plan were set out in the announcements of the Company dated 14 September 2021 and 23 November 2021.

## **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 period.

## **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 period 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 period.

## AUDIT COMMITTEE

The audit committee of the Company has discussed and reviewed the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2022, which was of the opinion that such results had been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

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

Hong Kong, 14 May 2022

*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. Choi Wai Tong Winton; and the independent non-executive Directors are Ms. Chan Oi Chong, Ms. Luk Huen Ling Claire and Mr. Yim Harrison Chun Fung.*

*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 Listed 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>.*