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COOL LINK (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8491)

(1) PROPOSED SHARE CONSOLIDATION; AND (2) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO CONSOLIDATED SHARES HELD ON THE RECORD DATE

Underwriter of the Rights Issue



Excellent Success Investments Limited

PROPOSED SHARE CONSOLIDATION

The Board intends to put forward a proposal to the Shareholders to effect the Share Consolidation which involves the consolidation of every twenty (20) issued and unissued Existing Shares of par value HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.20 each. The Share Consolidation is conditional upon, among other things, the approval by the Shareholders by way of poll at the EGM. Currently, the Shares are traded on the Stock Exchange in the board lot size of 5,000 Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 5,000 Consolidated Shares.

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Existing Shares of HK\$0.01 each, of which 763,200,000 Existing Shares have been issued and are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective but before the completion of the Rights Issue and assuming no change in the number of Shares in issue from the date of this announcement to the effective date of the Share Consolidation, the authorised share capital of the Company will become HK\$100,000,000 divided into 500,000,000 Consolidated Shares of HK\$0.20 each, of which 38,160,000 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

PROPOSED RIGHTS ISSUE

The Company proposes, subject to, among other things, the Share Consolidation becoming effective, to raise not less than approximately HK\$17.4 million (before expenses) (assuming no new Shares are issued or repurchased on or before the Record Date) and not more than HK\$17.7 million (before expenses) (assuming no further issue or repurchase of Shares other than the issue of Option Shares upon the exercising of outstanding Share Options in full on or before the Record Date) by issuing not less than 19,080,000 Rights Shares (assuming no new Shares are issued or repurchased on or before the Record Date) and not more than 19,440,000 Rights Shares (assuming no further issue or repurchase of Shares other than the issue of Option Shares upon the exercising of outstanding Share Options in full on or before the Record Date) by way of rights issue at the Subscription Price of HK\$0.91 per Rights Share, on the basis of one (1) Rights Share for every two (2) Consolidated Shares held on the Record Date.

The net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue are estimated to be not less than approximately HK\$16.4 million and not more than approximately HK\$16.7 million. The Company intends to use the entire net proceeds from the Rights Issue for repayment of outstanding debts of the Group.

The Rights Issue is only available to Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and must not be a Non-Qualifying Shareholder. In order to be registered as members of the Company on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with the Registrar for registration no later than 4:30 p.m. (Hong Kong time) on Wednesday, 21 July 2021.

Any Shareholder, together with parties acting in concert with it (if any), who as a result of the Rights Issue collectively hold 30% or more of the voting rights in the Company will, subject to any waiver which may be granted by the Securities and Futures Commission, be obliged to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Shares not already held by it.

IMPLICATIONS UNDER THE GEM LISTING RULES

Share Consolidation

The Share Consolidation is conditional upon, among other things, the approval by the Shareholders by way of poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates would have any interest in the Share Consolidation, no Shareholder would be required to abstain from voting in favour of the resolution(s) relating to the Share Consolidation at the EGM.

Rights Issue

As the Rights Issue will not increase either the number of issued shares or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue is not conditional on approval by the Shareholders pursuant to Rule 10.29 of the GEM Listing Rules.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, the Share Consolidation. A circular containing, among other things, (i) further details of the Share Consolidation; and (ii) a notice convening the EGM, is expected to be despatched on or before Tuesday, 29 June 2021 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

The Prospectus Documents containing information on the Rights Issue are expected to be despatched to the Qualifying Shareholders on or around Thursday, 29 July 2021. The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. The Company will, subject to the advice of the Company's legal advisers in the relevant jurisdiction(s) where the Non-Qualifying Shareholders are located and to the extent reasonably practicable, send copies of the Prospectus with the Overseas Letter to the Non-Qualifying Shareholders (if any) for information purposes only but will not send any PAL or EAF to them.

WARNING ON THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed.

Shareholders should note that the Shares are expected to be dealt in on an ex-right basis from Tuesday, 20 July 2021. Dealings in the Rights Shares in the nil-paid form will take place from Monday, 2 August 2021 to Monday, 9 August 2021 (both dates inclusive).

Any Shareholder or other person contemplating selling or purchasing the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the Shares and any dealings in the Rights Shares in their nil-paid form from Monday, 2 August 2021 to Monday, 9 August 2021 (both dates inclusive) will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Existing Shares into one (1) Consolidated Share.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following:

- i. the passing of the ordinary resolution(s) by the Shareholders to approve the Share Consolidation at the EGM;
- ii. the compliance with all relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the GEM Listing Rules to effect the Share Consolidation; and
- iii. the GEM Listing Committee granting the listing of, and permission to deal in, the Consolidated Shares arising from the Share Consolidation.

The Share Consolidation will become effective on Monday, 19 July 2021, being the second Business Day immediately following the fulfillment of the above conditions.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Existing Shares of HK\$0.01 each, of which 763,200,000 Existing Shares have been issued and are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective but before the completion of the Rights Issue and assuming no further Shares will be issued or repurchased from the date of this announcement to the effective date of the Share Consolidation, the authorised issued share capital of the Company will become HK\$100,000,000 divided into 500,000,000 Consolidated Shares of HK\$0.20 each, of which 38,160,000 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other. No fractional Consolidated Shares will be issued by the Company. Any fractional entitlements of the Consolidated Shares will be aggregated and sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Currently, the Shares are traded on the Stock Exchange in the board lot size of 5,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 5,000 Consolidated Shares.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Group or the interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise.

Adjustments in relation to other securities of the Company

As at the date of this announcement, there are outstanding Share Options for subscription of an aggregate amount of 14,400,000 Existing Shares under the Share Option Schemes. Pursuant to the terms of the Share Option Schemes and the GEM Listing Rules, the Share Consolidation may lead to adjustments to the exercise price and/or the number of Shares falling to be issued upon the exercise of the outstanding Share Options. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save as disclosed above, as at the date of this announcement, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Shares.

Odd lots arrangements and matching services

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company will procure an arrangement with an agent to stand in the market to provide matching services for sale and purchase of odd lots of the Consolidated Shares on a best effort basis. Further details in respect of the odd lots arrangements will be set out in the circular to be despatched to the Shareholders in relation to, among other things, the Share Consolidation.

Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not guaranteed. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation having become effective, Shareholders may, during the period from Monday, 19 July 2021 to Wednesday, 25 August 2021, submit the existing share certificates for the Existing Shares to the Registrar at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Consolidated Shares. Thereafter, existing share certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Consolidated Shares at the expense of the Shareholders on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each existing share certificate cancelled or each new share certificate issued for Consolidated Shares (whichever is higher) but are not acceptable for delivery, trading and settlement purposes.

The new share certificates for the Consolidated Shares will be issued in green colour in order to distinguish them from the existing red colour.

Listing and Dealings of the Consolidated Shares

Application will be made to the GEM Listing Committee for the granting of the listing of, and permission to deal in, the Consolidated Shares in issue arising from the Share Consolidation.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. 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 will be made for the Consolidated Shares to be admitted into CCASS.

None of the Existing Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

REASONS FOR THE SHARE CONSOLIDATION

Under Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK0.01 or HK\$9,995.00, the issuer may be required by the Stock Exchange either to change the trading method or to proceed with a consolidation or splitting of its securities.

Pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 (the “**Guideline**”), the expected board lot value should be greater than HK\$2,000 per board lot taking into account the minimum transaction costs for a securities trade. As at the date of this announcement, the closing price of each Existing Share is HK\$0.075, with a board lot size of 5,000 Existing Shares, the existing board lot value is only HK\$375, which is less than HK\$2,000.

In order to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes to implement the Share Consolidation. It is expected that the Share Consolidation will bring about a corresponding upward adjustment to the share price per board lot, and increase the value of each board lot of the Consolidated Shares to more than HK\$2,000.

Accordingly, the Board believes that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

Closure of register of members

The register of members of the Company will be closed from Friday, 9 July 2021 to Thursday, 15 July 2021 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM. No transfer of the Existing Shares will be registered during the above book closure period.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” above. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in these entities of the Company. If they are in doubt, they should consult their professional advisers.

PROPOSED RIGHTS ISSUE

The Company proposes, subject to, among other things, the Share Consolidation becoming effective, the Rights Issue with the terms set out as follows:

Issue statistics

Basis of the Rights Issue	: One (1) Rights Share for every two (2) Consolidated Shares held on the Record Date
Subscription Price	: HK\$0.91 per Rights Share
Number of Shares in issue as at the date of this announcement	: 763,200,000 Shares

Number of Consolidated Shares in issue upon the Share Consolidation becoming effective	: 38,160,000 Consolidated Shares
Number of Rights Shares	: Not less than 19,080,000 Rights Shares (assuming no new Shares are issued or repurchased on or before the Record Date) and not more than 19,440,000 Rights Shares (assuming no further issue or repurchase of Shares other than the issue of Option Shares upon the exercising of outstanding Share Options in full on or before the Record Date)
Number of Consolidated Shares in issue immediately upon completion of the Rights Issue	: Not less than 57,240,000 Consolidated Shares (assuming no new Shares are issued or repurchased on or before the Record Date) and not more than 58,320,000 Consolidated Shares (assuming no further issue or repurchase of Shares other than the issue of Option Shares upon the exercising of outstanding Share Options in full on or before the Record Date)
Amount to be raised by the Rights Issue before expenses	: Not less than approximately HK\$17.4 million and not more than approximately HK\$17.7 million
Underwriter	: Excellent Success Investments Limited

As at the date of this announcement, there are 14,400,000 outstanding Share Options, which are exercisable during the period from 9 April 2021 to 8 October 2022 (both dates inclusive) entitling the holders thereof to subscribe for a total of 14,400,000 Option Shares at the prevailing exercise price.

Save as disclosed above, the Company does not have any outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into the Shares.

Assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date, 19,080,000 Rights Shares to be issued and allotted pursuant to the Rights Issue represent (i) 50% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Assuming all the outstanding Share Options are exercised in full and Option Shares have been issued pursuant thereto on or before the Record Date, and no further issue or repurchase of Shares on or before the Record Date save for the aforesaid Option Shares, 19,440,000 Rights Shares proposed to be allotted and issued represent (i) approximately 50.94% of the existing issued share capital of the Company; and (ii) approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares immediately after completion of the Rights Issue.

The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the date of this announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own.

Subscription Price

The Subscription Price is HK\$0.91 per Rights Share, payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or applies for excess Rights Shares or a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 39.3% to the theoretical closing price of HK\$1.50 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.075 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 40.1% to the theoretical closing price of approximately HK\$1.52 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of approximately HK\$0.076 per Existing Share for the last five (5) consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (iii) a discount of approximately 40.9% to the theoretical closing price of approximately HK\$1.54 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of approximately HK\$0.077 per Existing Share for the last ten (10) consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;

- (iv) a discount of approximately 30.9% to the theoretical ex-rights price of approximately HK\$1.32 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the benchmarked price of approximately HK\$1.52 per Consolidated Share (after taking into account the effect of the Share Consolidation);
- (v) a discount of approximately 61.8% to the net asset value per Consolidated Share of approximately HK\$2.38 (based on the latest audited consolidated net asset value of the Group of approximately HK\$90,848,000 (equivalent to approximately S\$15,503,000) as at 31 December 2020 as disclosed in the annual report of the Company for the financial year ended 31 December 2020 and 38,160,000 Consolidated Shares assuming the Share Consolidation has become effective); and
- (vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 13.2%, represented by the theoretical diluted price of approximately HK\$1.32 per Consolidated Share to the benchmarked price of approximately HK\$1.52 per Consolidated Share (after taking into account the effect of the Share Consolidation) (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.075 per Existing Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of this announcement of approximately HK\$0.076 per Existing Share).

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the market price and trading liquidities of the Shares under the prevailing market conditions.

As all Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date, the Board considers that the discount of the Subscription Price would encourage the Qualifying Shareholders to participate in the future growth of the Group. The Board considers that the Subscription Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The estimated net price per Rights Share after deducting the related expenses of the Rights Issue will be not less than approximately HK\$16.4 million and not more than approximately HK\$16.7 million.

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfillment or waiver (as the case may be) of the following conditions:

- (a) the Share Consolidation having become effective;
- (b) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents in compliance with the GEM Listing Rules and the Companies (WUMP) Ordinance (together with any other documents required by applicable law or regulation) not later than the Prospectus Posting Date;

- (c) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the Prospectus Posting Date;
- (d) the GEM Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares, in nil-paid and fully-paid forms, by no later than the Prospectus Post Date and such listing and permission not being revoked prior to the Latest Time for Termination;
- (e) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement not being terminated in accordance with the terms thereof on or before the Latest Time for Termination; and
- (f) the representation, warranties and undertakings of the Company as set out in the Underwriting Agreement remain true and accurate in all material respects.

The Company shall use all reasonable endeavours to procure the fulfilment or waiver (as the case may be) of all the above conditions precedent by the Latest Time for Termination or such other date as the Company and the Underwriter may agree.

The Underwriter may at any time by notice in writing to the Company waive the condition precedent set out in paragraph (f) above. Save and except the condition precedent set out in paragraph (f) above, the other conditions precedent are incapable of being waived. If the conditions precedent set out in paragraphs (a) to (f) above are not satisfied and/or waived in whole or in part by the Underwriter by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate (save and except the provisions regarding fees, notices and governing law and jurisdiction which shall remain in full force and effect) and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) Consolidated Shares held by the Qualifying Shareholders on the Record Date. Acceptance of all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, will rank pari passu with the Shares then in issue in all respects. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares in their fully-paid form.

Closure of register of members

The register of members of the Company will be closed from Thursday, 22 July 2021 to Wednesday, 28 July 2021, both dates inclusive, to determine entitlements of the Qualifying Shareholders to participate in the Rights Issue. No transfer of Shares will be registered during this period.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Prospectus Posting Date.

To qualify for the Rights Issue, a Shareholder must (i) be registered as a member of the Company on the Record Date and (ii) not be a Non-Qualifying Shareholders.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in doubt as to their status and action to be taken.

In order to be registered as members of the Company on the Record Date, Shareholders must lodge any transfers of the Shares (together with the relevant share certificates) with the Registrar at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on Wednesday, 21 July 2021.

The last day for dealing in the Shares on a cum-rights basis is Monday, 19 July 2021. The Shares will be dealt with on an ex-rights basis from Tuesday, 20 July 2021.

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares is expected to be at 4:00 p.m. on Thursday, 12 August 2021.

Non-Qualifying Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

Pursuant to Rule 17.41(1) of the GEM Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. The Company notes the requirements specified in section 140 of the Companies Ordinance and Rule 17.41(1) of the GEM Listing Rules and will only exclude from the Rights Issue the Overseas Shareholders whom the Directors, after making enquiries, consider it necessary or expedient to exclude on account of

either the legal restrictions under the laws of the relevant jurisdictions or any requirements of the relevant regulatory bodies or stock exchanges in such jurisdictions. The basis of exclusion of the Non-Qualifying Shareholders from the Rights Issue, if any, will be disclosed in the Prospectus. The Company will not offer the Rights Shares to the Non-Qualifying Shareholders. Accordingly, no provisional allotment of Rights Shares will be sent to the Non-Qualifying Shareholders. The Company will, subject to the advice of the Company's legal advisers in the relevant jurisdiction(s) where the Non-Qualifying Shareholders are located and to the extent reasonably practicable, send copies of the Prospectus with the Overseas Letter to the Non-Qualifying Shareholders (if any) for their information only, but the Company will not send any PAL and EAF to them.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders had they been Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before dealings in the nil-paid Rights Shares end, if a premium in excess of all expenses of sale can be obtained. The aggregate net proceeds of such sale will be distributed by the Company to the Non-Qualifying Shareholders (pro-rata to their respective entitlements on the Record Date and round down to the nearest cent) in Hong Kong dollars, provided that if any of such Non-Qualifying Shareholders would be entitled to a sum not less than HK\$100. In view of administrative costs, the Company will retain individual amount of less than HK\$100 for its own benefit. Any unsold nil-paid Rights Shares to which such Non-Qualifying Shareholders (if any) would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders under the EAFs.

Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue pursuant to section 140 of the Companies Ordinance and Rule 17.41(1) of the GEM Listing Rules subject to the results of the enquiries made by the Board. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution and consult their professional advisers when dealing in the Shares.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. Shareholders and beneficial owners of the Shares (including, without limitation, their respective agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Application for excess Rights Shares

Qualifying Shareholders may apply for, by way of excess application:

- (a) any unsold entitlements to the Rights Shares of the Non-Qualifying Shareholder(s) (if any);
- (b) any unsold Rights Shares arising out of the aggregating fractions of the Rights Shares; and
- (c) any nil-paid Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise not subscribed for by transferees of nil-paid Rights Shares

(collectively referred to as “**Untaken Rights**”).

Applications for excess Rights Shares may be made by completing an EAF and lodging the same with a separate remittance for the full amount payable for the excess Rights Shares being applied for with the Registrar.

The Directors will allocate any excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (a) any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them as far as practicable on a pro-rata basis by reference to the number of the excess Rights Shares applied for under each application;
- (b) no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders; and
- (c) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings.

If the aggregate number of Rights Shares underlying the Untaken Rights is greater than the aggregate number of excess Rights Shares being applied for under EAFs, the Directors will allocate to each Qualifying Shareholder who applies for excess Rights Shares the actual number of excess Rights Shares being applied for. Any Rights Shares not taken up by the Qualifying Shareholders and not taken up by excess applications will be taken up by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

Investors with Shares held by a nominee (or which are held in CCASS) should note that the Board will regard the nominee (including HKSCC Nominees Limited) whose name appears on the register of members of the Company (the “**Registered Nominee**”) as a single Shareholder under the aforesaid arrangement in relation to the allocation of excess Rights Shares. Beneficial owners who hold Shares through a Registered Nominee are advised to consider whether they would like to arrange for the registration of their Shares in their own names prior to the Record Date.

Investors whose Shares are held by a Registered Nominee and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the Registrar, Boardroom Share Registrars (HK) Limited of Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for completion of the relevant registration by 4:30 p.m. on Wednesday, 21 July 2021. The register of members of the Company will be closed from Thursday, 22 July 2021 to Wednesday, 28 July 2021, both dates inclusive.

Qualifying Shareholders who wish to apply for excess Rights Shares in addition to their provisional allotment must complete and sign an EAF and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar, Boardroom Share Registrars (HK) Limited on or before the Latest Time for Acceptance.

Fractions of the Rights Shares

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil-paid form) and sold in the market for the benefit of the Company if a premium (net of expenses) can be obtained, and the Company will retain the proceeds from such sale. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAFs.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be posted to those who have accepted and (where applicable) applied for and paid for the Rights Shares on or before Monday, 23 August 2021 by ordinary post at their own risk. If the Rights Issue is terminated or for unsuccessful application for Rights Issue, refund cheques in respect of the acceptance for Rights Shares are expected to be posted on or before Monday, 23 August 2021 by ordinary post to the applicants at their own risk.

Application for listing of the Rights Shares

The Company will apply to the GEM Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully paid forms on the Stock Exchange.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully paid forms on the Stock Exchange as well as compliance with the stock admission requirement of HKSCC, the Rights Shares in both their nil-paid and fully paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in Rights Shares in both their nil-paid and fully paid forms on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

The nil-paid Rights Shares shall have the same board lot size as the Consolidated Shares, i.e. 5,000 Consolidated Shares per each board lot.

Dealings in the Rights Shares in both their nil-paid and fully paid forms, which are registered in the branch register of members of the Company in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, the Securities and Futures Commission transaction levy, and any other applicable fees and charges in Hong Kong.

Those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

As at the date of this announcement, the Company has not received any undertaking from any Substantial Shareholder of the Company of any intention as to whether such Shareholder will take up his/her entitlements under the Rights Issue (or otherwise).

Any Shareholder, together with parties acting in concert with it (if any), who as a result of the Rights Issue collectively hold 30% or more of the voting rights in the Company will, subject to any waiver which may be granted by the Securities and Futures Commission, be obliged to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Shares not already held by it.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company and the Group is principally engaged in food supplies business in Singapore.

The estimated gross proceeds from the Rights Issue will be not less than approximately HK\$17.4 million (assuming no new Shares are issued or repurchased on or before the Record Date) and not more than approximately HK\$17.7 million (assuming no further issue or repurchase of Shares other than the issue of Option Shares upon the exercising of outstanding Share Options in full on or before the Record Date). The net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue are estimated to be not less than approximately HK\$16.4 million and not more than approximately HK\$16.7 million. The Company intends to use net proceeds from the Rights Issue for the repayment of outstanding debts of the Group.

The Board has considered other fund raising alternatives before resolving to the Rights Issue, including but not limited to debt financing and issue of new shares. Debt financing will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations.

The Board considers that equity financing methods such as placing or subscription of new shares is not a better alternative. The Company has conducted placing of new Shares on 2 March 2021 and such placing was completed on 24 March 2021. The Company has utilised the entire general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 12 May 2020 to allot and issue new Shares. If the Company conducts further placing of new Shares, the Company will need to obtain Shareholders' approval for the refreshment of general mandate limit at an extraordinary general meeting of the Company or conduct further placing of new Shares by way of specific mandate.

The Board considers that the Rights Issue would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

In view of the above, the Board considered that raising funds by way of the Rights Issue is beneficial to the Company and its Shareholders as a whole.

THE UNDERWRITING AGREEMENT

The Company is pleased to announce that on 11 June 2021 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter. Further details of the Underwriting Agreement are set out below:

- Date : 11 June 2021 (after trading hours)
- Issuer : The Company
- Underwriter : Excellent Success Investments Limited, a corporation licensed to carry out type 1 (dealing in securities) regulated activities under the SFO and its ordinary course of business includes securities brokerage and underwriting and placement of securities. As at the date hereof, it is independent of and not connected with the Company or its connected persons.
- Number of Underwritten Shares : Not less than 19,080,000 Rights Shares (assuming no new Shares are issued or repurchased on or before the Record Date) and not more than 19,440,000 Rights Shares (assuming no further issue or repurchase of Shares other than the issue of Option Shares upon the exercising of outstanding Share Options in full on or before the Record Date)
- Commission : 2.5% of the total Subscription Price of the Rights Shares actually subscribed for through the Underwriter and/or its sub-underwriters

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its associates do not hold any Shares as at the date of this announcement. The Underwriter and its ultimate beneficial owners are independent third parties and not connected with the Company or its connected persons as defined under the GEM Listing Rules.

The terms of the Underwriting Agreement (including the underwriting commission) was determined after arm's length negotiations between the Company and the Underwriter with reference to the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. The Directors (including the independent non-executive Directors) consider that the terms of the Underwriting Agreement (including the underwriting commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Underwriter may enter into sub-underwriting arrangement with sub-underwriter(s) or appoint any person to be sub-agent(s) on its behalf for the purpose of arranging for the subscription of the Underwritten Shares with selected subscribers with such authority and rights as the Underwriter have pursuant to its appointment under the Underwriting Agreement.

The Underwriter has undertaken to Company that, among other things, other than the transactions contemplated under the Underwriting Agreement and as disclosed (or will be disclosed) in this announcement and/or the Prospectus Documents, save with the prior consent of the Company, the Underwriter or any of its associates will not deal in the Shares or other securities of the Company from the date of the Underwriting Agreement to the completion of the Rights Issue, provided that the Underwriter may, before completion of the Rights Issue, enter into agreement with any other person(s) in respect of (a) the sub-underwriting of the Rights Shares; and/or (b) the subscription of the Underwritten Shares not taken up, so long as such transactions are in compliance with applicable laws and regulations.

Conditions of the Underwriting Agreement

The conditions of the Underwriting Agreement have been set out in the section headed “Proposed Rights Issue — Conditions of the Rights Issue” above.

Termination of the Underwriting Agreement

If, at any time prior to the Latest Time for Termination there occurs:

- (a) any of the following which, in the reasonable opinion of the Underwriter, will or is likely to materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudices the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
 - (ii) the occurrence, happening, coming into effect or becoming public knowledge of (1) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; (2) a suspension or a material limitation in trading in securities generally on the Stock Exchange; (3) a suspension or a material limitation in trading in the Company’s securities on the Stock Exchange for more than ten consecutive Business Days (other than pending publication of this announcement, circular, Prospectus Documents or any other document relating to the Share Consolidation or the Rights Issue); (4) a general moratorium on commercial banking activities in Hong Kong declared by the relevant authority or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong; or (5) a change or development involving a prospective change in taxation affecting the Company, the Shares or the transfer thereof; or

- (b) any change in the circumstances of the Company or any member of the Group occurs which in the reasonable opinion of the Underwriter will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or
- (c) any event of force majeure occurs, including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, outbreak of an infectious disease, epidemic, terrorism, armed conflict, strike or lock-out; or
- (d) the commencement by any third party of any litigation or claim against any member of the Group after the signing of the Underwriting Agreement which, in the reasonable opinion of the Underwriter, is or might be material to the Group taken as a whole; or
- (e) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole occurs, whether or not *ejusdem generis* with any of the foregoing,

the Underwriter shall be entitled by notice in writing issued by the Underwriter to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

If, at or prior to the Latest Time for Termination:

- (a) the Company commits any material breach of or omits to materially observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement, where, in the reasonable opinion of the Underwriter, such breach or omission will or is likely to have a material and adverse effect on its business, financial or trading prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
- (b) the Underwriter shall receive notification of, or shall otherwise become aware of, the fact that any of the representations, warranties or undertakings was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated, and the Underwriter shall, in its reasonable discretion, determine that any such untrue representation, warranty or undertaking represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
- (c) the Company's application to the GEM Listing Committee for the permission for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) on the Stock Exchange is withdrawn by the Company and/or refused or revoked by the Stock Exchange; or

- (d) any condition to enable the Rights Shares (in their nil-paid and fully-paid forms) to be admitted as eligible securities for deposit, clearance and settlement in CCASS is not satisfied or notification is received by the Company from HKSCC that such admission or facility for holding and settlement has been or is to be refused; or
- (e) any statement contained in this announcement, circular, or any Prospectus Document has been shown to be untrue, inaccurate, incomplete in any material respect or misleading with reference to the date on which such statement was made; or
- (f) the Company shall, after any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect has occurred or come to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company,

the Underwriter shall be entitled (but not bound) by notice in writing issued by it to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from its obligations under the Underwriting Agreement and rescind the Underwriting Agreement. Any such notice shall only be served by the Underwriter prior to the Latest Time for Termination.

Upon the giving of notice referred to above, all obligations of the Underwriter hereunder shall cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement, but without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. Further announcement(s) will be made if the Underwriting Agreement is terminated by the Underwriter.

SHAREHOLDING STRUCTURE OF THE COMPANY

The tables below sets out some possible changes in the shareholding structure of the Company arising from the Rights Issue which are for illustrative purpose only.

Scenario 1

As at the date of this announcement, the Company has 763,200,000 Shares in issue. Set out below is the shareholding structures of the Company (i) as at the date of this announcement, (ii) immediately after the Share Consolidation becoming effective but before completion of the Rights Issue (assuming no issue or repurchase of Shares on or before the Record Date) and (iii) immediately after completion of the Rights Issue (assuming no issue of new Shares or repurchase of Shares up to completion of the Rights Issue save for the Rights Shares):

Shareholder	As at the date of this announcement		Immediately after the Share Consolidation becoming effective but before completion of the Rights Issue		Immediately after completion of the Rights Issue			
					Assuming all Rights Shares are subscribed for by the Qualifying Shareholders		Assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders	
	<i>No. of Existing Shares</i>	<i>Approximate %</i>	<i>No. of Consolidated Shares</i>	<i>Approximate %</i>	<i>No. of Consolidated Shares</i>	<i>Approximate %</i>	<i>No. of Consolidated Shares</i>	<i>Approximate %</i>
Mr. Gay Teo Siong (Note 2)	7,200,000	0.94	360,000	0.94	540,000	0.94	360,000	0.63
Mr. Tan Seow Gee (Note 3)	7,200,000	0.94	360,000	0.94	540,000	0.94	360,000	0.63
Underwriter	—	—	—	—	—	—	19,080,000	33.33
Other public Shareholder	<u>748,800,000</u>	<u>98.11</u>	<u>37,440,000</u>	<u>98.11</u>	<u>56,160,000</u>	<u>98.11</u>	<u>37,440,000</u>	<u>65.41</u>
Total	<u><u>763,200,000</u></u>	<u><u>100</u></u>	<u><u>38,160,000</u></u>	<u><u>100</u></u>	<u><u>57,240,000</u></u>	<u><u>100</u></u>	<u><u>57,240,000</u></u>	<u><u>100</u></u>

Scenario 2

Assuming all outstanding Share Options are exercised and all Option Shares are allotted and issued on or before the Record Date, and no further issue of new Shares or repurchase of Shares up to completion of the Rights Issue save for the Rights Shares and Option Shares:

Shareholder	Immediately after completion of the Rights Issue							
	As at the date of this announcement		Immediately after the Share Consolidation becoming effective but before completion of the Rights Issue		Assuming all Rights Shares are subscribed for by the Qualifying Shareholders		Assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders	
	No. of Existing Shares	Approximate %	No. of Consolidated Shares	Approximate %	No. of Consolidated Shares	Approximate %	No. of Consolidated Shares	Approximate %
Mr. Gay Teo Siong (Note 2)	7,200,000	0.93	360,000	0.93	540,000	0.93	360,000	0.62
Mr. Tan Seow Gee (Note 3)	7,200,000	0.93	360,000	0.93	540,000	0.93	360,000	0.62
Outstanding Share Options being exercised in full	14,400,000	1.85	720,000	1.85	1,080,000	1.85	720,000	1.23
Underwriter	—	—	—	—	—	—	19,440,000	33.33
Other public Shareholder	748,800,000	96.30	37,440,000	96.30	56,160,000	96.30	37,440,000	64.20
Total	<u>777,600,000</u>	<u>100</u>	<u>38,880,000</u>	<u>100</u>	<u>58,320,000</u>	<u>100</u>	<u>58,320,000</u>	<u>100</u>

Notes:

1. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.
2. Mr. Gay Teo Siong is an executive Director.
3. Mr. Tan Seow Gee is the chairman and an executive Director.

Pursuant to the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscription for the Untaken Shares, the Underwriter shall use its best endeavours to ensure that (1) each of the subscribers or ultimate subscribers or purchasers of the Untaken Shares procured by the Underwriter (i) shall be an Independent Third Party of and not connected with the Company, any of the Directors or chief executive or substantial shareholders of the Company or their respective associates; (ii) shall not, together with any party acting in concert with it, hold such number of Untaken Shares which will trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of such sub-underwriters or subscribers or purchasers and

parties acting in concert with it upon completion of the Rights Issue; and (iii) shall not, together with any party acting in concert with it, hold 10% or more of the voting rights of the Company upon the completion of the Rights Issue; (2) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares, which will result in the shareholding of it and parties acting in concert with it in the Company to trigger a mandatory offer obligation under Rule 26 of Takeovers Code on the part of the Underwriter and parties acting in concert with it upon completion of the Rights Issue (3) the public float requirements under Rule 11.23 of the GEM Listing Rules be fulfilled by the Company upon completion of the Rights Issue; and (4) the Underwriter shall not (together with its respective parties acting in concert or any of its respective connected persons or associates) hold in aggregate 10% or more of the voting rights of the Company immediately after the Rights Issue.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

POSSIBLE ADJUSTMENTS RELATING TO THE SHARE OPTIONS

Pursuant to the terms of the Share Option Scheme, the exercise prices and/or number of Shares to be issued upon exercise of the Share Options may be adjusted in accordance with the terms and conditions of the Share Option Scheme due to the Rights Issue. The Company will notify the holders of the Share Options the adjustments, if any, in compliance with the said terms and conditions and, if necessary, make further announcement in respect thereof.

WARNING OF THE RISKS OF DEALING IN SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed.

Shareholders should note that the Shares are expected to be dealt in on an ex-rights basis commencing from Tuesday, 20 July 2021. Dealings in the Rights Shares in the nil-paid form will take place from Monday, 2 August 2021 to Monday, 9 August 2021 (both dates inclusive).

Any Shareholder or other person contemplating selling or purchasing the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the Shares and any dealings in the Rights Shares in their nil-paid form from Monday, 2 August 2021 to Monday, 9 August 2021 (both dates inclusive) will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation and the Rights Issue set out below is indicative only and is subject to change. All dates and times specified in this announcement refer to Hong Kong local dates and times.

2021

Publication of Rights Issue announcement	Friday, 11 June
Expected despatch date of the circular, proxy form and notice of the EGM	Tuesday, 29 June
Latest time for lodging transfers of Existing Shares in order to qualify for attendance and voting at the EGM	4:30 p.m., Thursday, 8 July
Register of members closes (both dates inclusive).	Friday, 9 July to Thursday, 15 July
Latest time for lodging proxy forms for the EGM (not less than 48 hours prior to the time of the EGM)	11:00 a.m., Tuesday, 13 July
Record date for determining attendance and voting at the EGM	Thursday, 15 July
Expected date and time of the EGM	11:00 a.m., Thursday, 15 July
Announcement of the poll result of the EGM	Thursday, 15 July
Register of members re-opens	Friday, 16 July
Effective date of the Share Consolidation	Monday, 19 July
Commencement of dealings in the Consolidated Shares.	9:00 a.m., Monday, 19 July
Original counter for trading in Existing Shares in board lots of 5,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m., Monday, 19 July
Temporary counter for trading in the Consolidated Shares in board lots of 250 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m., Monday, 19 July
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Monday, 19 July

Last day of dealing in the Consolidated Shares on a cum-rights basis relating to the Rights Issue	Monday, 19 July
First day of dealing in the Consolidated Shares on an ex-rights basis relating to the Rights Issue	Tuesday, 20 July
Latest time for lodging transfers of Consolidated Shares in order to be qualified for the Rights Issue	4:30 p.m., Wednesday, 21 July
Register of members closes (both dates inclusive)	Thursday, 22 July to Wednesday, 28 July
Record Date for determining entitlements under the Rights Issue	Wednesday, 28 July
Register of members reopens	Thursday, 29 July
Prospectus Documents to be posted	Thursday, 29 July
Original counter for trading in Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of new share certificates) reopens	9:00 a.m., Monday, 2 August
Parallel trading in Consolidated Shares (in the form of both existing share certificate and new share certificates) commences	9:00 a.m., Monday, 2 August
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares and fully-paid Rights Shares	9:00 a.m., Monday, 2 August
First day of dealing in nil-paid Rights Shares	9:00 a.m., Monday, 2 August
Latest time for splitting nil-paid Rights Shares	4:30 p.m., Wednesday, 4 August
Last day of dealing in nil-paid Rights Shares	4:00 p.m., Monday, 9 August
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m., Thursday, 12 August
Rights Issue expected to become unconditional	Friday, 13 August
Latest time for the termination of the underwriting agreement	4:00 p.m., Friday, 13 August

Announcement of Rights Issue results	Friday, 20 August
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Share	4:00 p.m., Friday, 20 August
Temporary counter for trading Consolidated Shares in board lots of 250 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m., Friday, 20 August
Parallel trading in the Consolidated Shares (in the form of new and existing share certificates) ends	4:10 p.m., Friday, 20 August
Dispatch of certificates for fully-paid Rights Shares and refund cheques for wholly and partially unsuccessful excess applications.	Monday, 23 August
First day of dealings in the fully-paid Rights Shares	9:00 a.m., Tuesday, 24 August
Latest time for free exchange of existing share certificates for new share certificates	4:00 p.m., Wednesday, 25 August

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place at 4:00 p.m. on Thursday, 12 August 2021 if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning, if such circumstances is:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place at 4:00 p.m. on the date of the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same day instead; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place on the date of the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the date of the Latest Time for Acceptance, the dates mentioned in the section headed “Expected Timetable” in this announcement may be affected. An announcement will be made by the Company in such event.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Set out below are the fund raising activities conducted by the Company in the past 12 months immediately preceding the date of this announcement:

Date of initial announcement	Fund raising activity	Net proceeds raised <i>Approximate (HK\$)</i>	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
2 March 2021	Placing of new shares under general mandate	8.30 million	For repayment of the interest-bearing promissory notes	Fully used as intended

As at the date of this announcement, save for the Rights Issue, there is no agreement, arrangement, understanding, intention, negotiation (concluded or otherwise) for any fund raising activity for the Group in the coming 12 months; and the Company has no intention to carry out any other corporate actions or arrangements that may affect the trading in the Shares (including share consolidation, share subdivision and change in board lot size) in the coming 12 months.

IMPLICATIONS UNDER THE GEM LISTING RULES

Share Consolidation

The Share Consolidation is conditional upon, among other things, the approval by the Shareholders by way of poll at the EGM. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates would have any interest in the Share Consolidation, no Shareholder would be required to abstain from voting in favour of the resolution(s) relating to the Share Consolidation at the EGM.

Rights Issue

As the Rights Issue will not increase either the number of issued shares or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue is not conditional on approval by the Shareholders pursuant to Rule 10.29 of the GEM Listing Rules.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, the Share Consolidation. A circular containing, among other things, (i) further details of the Share Consolidation; and (ii) a notice convening the EGM, is expected to be despatched on or before Tuesday, 29 June 2021 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

The Prospectus Documents containing information on the Rights Issue are expected to be despatched to the Qualifying Shareholders on or around Thursday, 29 July 2021. The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. The Company will, subject to the advice of the Company's legal advisers in the relevant jurisdiction(s) where the Non-Qualifying Shareholders are located and to the extent reasonably practicable, send copies of the Prospectus with the Overseas Letter to the Non-Qualifying Shareholders (if any) for information purposes only but will not send any PAL or EAF to them.

WARNING ON THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed.

Shareholders should note that the Shares are expected to be dealt in on an ex-right basis from Tuesday, 20 July 2021. Dealings in the Rights Shares in the nil-paid form will take place from Monday, 2 August 2021 to Monday, 9 August 2021 (both dates inclusive).

Any Shareholder or other person contemplating selling or purchasing the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the Shares and any dealings in the Rights Shares in their nil-paid form from Monday, 2 August 2021 to Monday, 9 August 2021 (both dates inclusive) will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“associate(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday or a Sunday or public holiday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon) on which banks are generally open for business in Hong Kong; and for all other purposes, a day on which the Stock Exchange is open for transaction of business
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	Cool Link (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“connected person(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Consolidated Share(s)”	ordinary share(s) of HK\$0.2 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for excess Rights Shares to be issued in connection with the Rights Issue
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Share Consolidation

“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation having become effective
“GEM”	the GEM of the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed thereto under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	11 June 2021, the last day on which the Existing Shares were traded on the Stock Exchange immediately preceding the publication of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 12 August 2021 or such other time and date as may be agreed between the Company and the Underwriter, being the latest time for application for, acceptance and payment in respect of provisional allotments under the Rights Issue and for application and payment for excess Rights Shares as described in the Prospectus
“Latest Time for Termination”	4:00 p.m. on Friday, 13 August 2021 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s), to whom the Directors, based on legal opinion(s) provided by the legal adviser(s) to the Company, consider it necessary or expedient not to offer the Rights Issue on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Option Shares”	up to 14,400,000 Existing Shares which may be allotted and issued by the Company upon the exercising of 14,400,000 outstanding Share Options

“Overseas Shareholders”	Shareholders whose address on the register of members of the Company are outside Hong Kong
“PAL(s)” or “Provisional Allotment Letter(s)”	the provisional allotment letter(s) in respect of the Rights Issue to be issued to the Qualifying Shareholders
“Prospectus”	the prospectus to be despatched to the Shareholders on the Prospectus Posting Date in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Thursday, 29 July 2021 (or such later date as may be agreed between the Underwriter and the Company) for the despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders (as the case may be)
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company at 4:00 p.m. on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Wednesday, 28 July 2021 or such other date as may be agreed between the Company and the Underwriter for determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar of the Company in Hong Kong, being Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong
“Rights Issue”	the proposed issue of one (1) Rights Share for every two (2) Consolidated Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	not less than 19,080,000 Consolidated Shares and not more than 19,440,000 Consolidated Shares proposed to be offered to the Qualifying Shareholders pursuant to the Rights Issue
“S\$”	Singapore dollars, the lawful currency of Singapore
“SFO”	Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)

“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s) (as the case may be)
“Share Consolidation”	the consolidation of every twenty (20) issued and unissued Existing Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.2 each
“Share Option Scheme”	the share option scheme of the Company adopted on 30 August 2017
“Share Options”	the share options granted by the Company pursuant to the Share Option Scheme which give holders thereof the rights to subscribe for Shares at the exercise price determined in accordance with the rules of the Share Option Scheme
“Shareholder(s)”	holder(s) of the Share(s)
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.91 per Rights Share
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“Underwriter”	Excellent Success Investments Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 11 June 2021 entered into between the Company and the Underwriter in relation to the underwriting arrangement of the Rights Issue
“Underwritten Shares”	the total number of Right Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement, being not less than 19,080,000 Rights Shares and not more than 19,440,000 Rights Shares

“Untaken Share(s)” means those (if any) of the Rights Shares in respect of which valid application under the PALs and EAFs (accompanied by remittances for the relevant amounts payable on acceptance or application) have not been received on or before the Latest Time for Acceptance

“%” per cent

For the purpose of this announcement, the exchange rate between S\$ and HK\$ is S\$1 = HK\$5.86.

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

Hong Kong, 11 June 2021

As at the date of this announcement, 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 announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This announcement will also be published on the website of the Company at www.coollink.com.sg.