

# **COOL LINK (HOLDINGS) LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8491)**

## **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2019**

### **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.**

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

*This announcement, 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 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.*

The board (the “**Board**”) of directors of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the three months ended 31 March 2019, together with the unaudited comparative figures for the corresponding period in 2018 as set out below:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2019

	Notes	For the three months ended 31 March	
		2019 S\$'000 (unaudited)	2018 S\$'000 (unaudited)
<b>Revenue</b>	3	<b>5,702</b>	6,359
Cost of sales		<u>(4,273)</u>	<u>(4,696)</u>
<b>Gross profit</b>		<b>1,429</b>	1,663
Other income and gains	4	<b>355</b>	157
Selling and distribution costs		<b>(520)</b>	(750)
Administrative and other operating expenses		<b>(1,087)</b>	(933)
Finance costs	5	<b>(94)</b>	<u>(51)</u>
<b>Profit before income tax</b>		<b>83</b>	86
Income tax expense	6	<b>(32)</b>	<u>(42)</u>
<b>Profit and total comprehensive income for the period</b>		<b>51</b>	<u>44</u>
<b>Profit/(loss) and total comprehensive income for the period attributable to:</b>			
Owners of the Company		<b>47</b>	49
Non-controlling interests		<b>4</b>	<u>(5)</u>
		<b>51</b>	<u>44</u>
<b>Earnings per share attributable to owners of the Company during the period</b>			
Basic and diluted earnings ( <i>Singapore cents</i> )	7	<b>0.01</b>	<u>0.01</u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the three months ended 31 March 2019*

	Attributable to the owners of the Company					Non- controlling interests	Total
	Share capital	Share premium	Other reserve	Retained profits	Sub-total		
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000
At 1 January 2018 (audited)	1,038	8,752	2,490	5,734	18,014	(11)	18,003
Initial application of HKFRS 9	–	–	–	(41)	(41)	(1)	(42)
At 1 January 2018 (restated)	1,038	8,752	2,490	5,693	17,973	(12)	17,961
Profit and total comprehensive income for the period	–	–	–	49	49	(5)	44
At 31 March 2018 (unaudited)	<u>1,038</u>	<u>8,752</u>	<u>2,490</u>	<u>5,742</u>	<u>18,022</u>	<u>(17)</u>	<u>18,005</u>
At 1 January 2019 (audited)	<b>1,038</b>	<b>8,752</b>	<b>2,490</b>	<b>5,327</b>	<b>17,607</b>	<b>(38)</b>	<b>17,569</b>
Profit and total comprehensive income for the period	–	–	–	47	47	4	51
At 31 March 2019 (unaudited)	<u><b>1,038</b></u>	<u><b>8,752</b></u>	<u><b>2,490</b></u>	<u><b>5,374</b></u>	<u><b>17,654</b></u>	<u><b>(34)</b></u>	<u><b>17,620</b></u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2019

## 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 21 Wan Lee Road, Singapore, 627949.

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

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2019 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 2018 except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for the annual periods beginning on 1 January 2019. 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:

	<b>For the three months ended 31 March</b>	
	<b>2019</b>	<b>2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Sales of goods	<b>5,702</b>	<b>6,359</b>

#### 4. OTHER INCOME AND GAINS

	For the three months ended 31 March	
	2019 <i>S\$'000</i> (unaudited)	2018 <i>S\$'000</i> (unaudited)
Rental income from investment properties	44	40
One-off slotting and marketing fee received	86	90
Government grants	18	25
Gain on disposal of financial assets at fair value through profit or loss	159	–
Gain on disposal of property, plant and equipment	7	–
Others	41	2
	<hr/>	<hr/>
	355	157
	<hr/> <hr/>	<hr/> <hr/>

#### 5. FINANCE COSTS

	For the three months ended 31 March	
	2019 <i>S\$'000</i> (unaudited)	2018 <i>S\$'000</i> (unaudited)
Interest on borrowings	81	51
Interest on finance leases	1	–
Interest on promissory note	12	–
	<hr/>	<hr/>
	94	51
	<hr/> <hr/>	<hr/> <hr/>

#### 6. INCOME TAX EXPENSE

	For the three months ended 31 March	
	2019 <i>S\$'000</i> (unaudited)	2018 <i>S\$'000</i> (unaudited)
Current tax – Singapore income tax:		
Tax for the period	32	42
	<hr/>	<hr/>
	32	42
	<hr/> <hr/>	<hr/> <hr/>

## 7. EARNINGS PER SHARE

	For the three months ended 31 March	
	2019 S\$'000 (unaudited)	2018 S\$'000 (unaudited)
<b>Earnings</b>		
Profit attributable to the owners of the Company	<u>47</u>	<u>49</u>

	For the three months ended 31 March	
	2019 '000	2018 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares	<u>600,000</u>	<u>600,000</u>

The calculation of basic earnings per share for the three months ended 31 March 2019 is based on the profit attributable to owners of the Company of approximately S\$47,000 (2018: S\$49,000) and on the weighted average number of 600,000,000 (2018: 600,000,000) ordinary shares in issue during the period.

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

## 8. DIVIDENDS

The Board does not recommend a payment of any dividend for the three months ended 31 March 2019 (2018: Nil).

## 9. CONTINGENT LIABILITIES

As at 31 March 2019, the Group had contingent liabilities in respect of performance bonds issued in favour of certain suppliers in its ordinary course of business amounting to S\$550,000.

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

During the three months ended 31 March 2019, the Group did not have any significant investment, material acquisition nor disposal of subsidiaries and affiliated companies.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group is principally engaged in food supplies business in Singapore. During the three months ended 31 March 2019, the Group continued to supply food products to ship chandlers, retailers and customers who are in the food service industry.

For the three months ended 31 March 2019, the Group recorded a profit of approximately S\$51,000 as compared to a profit of approximately S\$44,000 for the same period in 2018. Despite the decrease in revenue for the three months ended 31 March 2019, in view of the latest negotiations with existing and potential new customers, there has been no fundamental deterioration in the commercial and operational viability in the Group's business.

### **OUTLOOK**

Due to fierce market competition in the industry and the international trading market, the Group anticipates a forthcoming challenging year. However, the Group will continue its effort to promote its brand as well as to provide quality products and seize business opportunities in various regions.

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

### **FINANCIAL REVIEW**

#### **Revenue**

The Group's revenue decreased by approximately S\$0.7 million or approximately 10.3% from approximately S\$6.4 million for the three months ended 31 March 2018 to approximately S\$5.7 million for the three months ended 31 March 2019. Such decrease was mainly driven by the decrease of revenue from the ship chandlers due to the intense competition in the market.

#### **Cost of sales**

The Group's cost of sales decreased by approximately S\$0.4 million or approximately 9.0% from approximately S\$4.7 million for the three months ended 31 March 2018 to approximately S\$4.3 million for the three months ended 31 March 2019. Such decrease was primarily due to the decrease in the cost of inventories recognised as expenses for the three months ended 31 March 2019 as compared to the same period in 2018 and was in line with the decrease in revenue.

### **Gross profit and gross profit margin**

The Group's overall gross profit decreased by approximately S\$0.2 million or approximately 14.1% from approximately S\$1.7 million for the three months ended 31 March 2018 to approximately S\$1.4 million for the three months ended 31 March 2019. The Group's overall gross profit margin remained stable at 26.2% and 25.1% for the three months ended 31 March 2018 and 2019 respectively.

### **Selling and distribution costs**

The Group's selling and distribution costs decreased by approximately S\$0.2 million or approximately 30.7% from approximately S\$0.8 million for the three months ended 31 March 2018 to approximately S\$0.5 million for the three months ended 31 March 2019. The decrease was primarily due to decrease of employee benefit expenses relating to sales and distribution of goods and decrease of rental for warehouses.

### **Administrative and other operating expenses**

The Group's administrative and other operating expenses increased by approximately S\$0.2 million or approximately 16.5% from approximately S\$0.9 million for the three months ended 31 March 2018 to approximately S\$1.1 million for the three months ended 31 March 2019. The increase was primarily due to the increase of depreciation of property, plant and equipment and other administrative and operating expenses for the three months ended 31 March 2019.

### **Finance Costs**

The Group's finance costs increased by approximately S\$43,000 or approximately 84.3% from approximately S\$51,000 for the three months ended 31 March 2018 to approximately S\$94,000 for the three months ended 31 March 2019. The increase was mainly due to the increase of bank borrowings as a result of the Acquisition.

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

As a result of the foregoing, the Group recorded a profit of approximately S\$51,000 for the three months ended 31 March 2019 as compared to a profit of approximately S\$44,000 for the three months ended 31 March 2018.



## OTHER INFORMATION

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

As at 31 March 2019, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

#### Long positions in shares of the Company

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

#### Notes:

1. The entire issued share capital of Packman Global Holdings Limited ("Packman Global") is legally and beneficially owned as to approximately 33.3% by Mr. D Tan, Mr. R Gay and Mr. Tan Chih Keong ("Mr. M Tan") respectively. Accordingly, Mr. D Tan, Mr. R Gay and Mr. M Tan are deemed to be interested in 302,000,000 Shares held by Packman Global by virtue of the SFO. Mr. D Tan and Mr. R Gay are executive Directors while Mr. M Tan is one of the senior management. Mr. D Tan, Mr. R Gay and Mr. M Tan are persons acting in concert and accordingly each of them is deemed to be interested in the shares held by the others.

Save as disclosed above, as at 31 March 2019, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

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

So far is known to the Directors, as at 31 March 2019, the following persons/entities (other than the Directors or chief executives of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Division 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under section 336 of the SFO were as follows:

### Long positions in shares of the Company

Name	Capacity/ Nature of interest	Number of shares held/interested	Percentage of shareholding
Packman Global	Beneficial owner	302,000,000 shares	50.33%
Mr. M Tan	Interest in controlled corporation/ Interest held jointly with another persons ( <i>Note 1</i> )	302,000,000 shares	50.33%
Ms. Fang Yunru Wanda	Interest of spouse ( <i>Note 2</i> )	302,000,000 shares	50.33%
Ms. Yeo Poh Choo	Interest of spouse ( <i>Note 3</i> )	302,000,000 shares	50.33%
Ms. Chen Feiping	Interest of spouse ( <i>Note 4</i> )	302,000,000 shares	50.33%
Kingston Finance Limited	Having a security interest	302,000,000 shares	50.33%
Ample Cheer Limited	Interest in controlled corporation	302,000,000 shares	50.33%
Best Forth Limited	Interest in controlled corporation	302,000,000 shares	50.33%
Mrs. Chu Yuet Wah	Interest in controlled corporation	302,000,000 shares	50.33%
Mr. Zhang Yan	Beneficial owner	35,950,000 shares	5.99%
Mr. Meng Jintao	Beneficial owner	34,665,000 shares	5.78%

*Notes:*

1. The entire issued share capital of Packman Global is legally and beneficially owned as to approximately 33.3% by Mr. D Tan, Mr. R Gay and Mr. M Tan respectively. Accordingly, Mr. D Tan, Mr. R Gay and Mr. M Tan are deemed to be interested in 302,000,000 Shares held by Packman Global by virtue of the SFO. Mr. D Tan and Mr. R Gay are executive Directors while Mr. M Tan is one of the senior management. Mr. D Tan, Mr. R Gay and Mr. M Tan are persons acting in concert and accordingly each of them is deemed to be interested in the shares held by the others.
2. Ms. Fang Yunru Wanda is the spouse of Mr. D Tan and is therefore deemed to be interested in all the shares that Mr. D Tan is interested in by virtue of SFO.
3. Ms. Yeo Poh Choo is the spouse of Mr. R Gay and is therefore deemed to be interested in all the shares that Mr. R Gay is interested in by virtue of SFO.
4. Ms. Chen Feiping is the spouse of Mr. M Tan and is therefore deemed to be interested in all the shares that Mr. M Tan is interested in by virtue of SFO.

Save as disclosed above, as at 31 March 2019, no other interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company under section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three months ended 31 March 2019.

#### **SHARE OPTION SCHEME**

The Company has adopted the share option scheme (the "Scheme") on 30 August 2017. The purpose of the 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 of the Scheme are summarised in the section headed "Share Option Scheme" in Appendix V to the Prospectus.

As at 31 March 2019, no share option was outstanding under the Scheme. No share option has been granted, exercised, cancelled or lapsed under the Scheme since its adoption.

#### **COMPETITION AND CONFLICT OF INTERESTS**

None of the Directors or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group during the three months ended 31 March 2019.

## **COMPLIANCE ADVISER'S INTERESTS**

As at 31 March 2019, except for the compliance adviser's agreement entered into between the Company and LY Capital Limited, the Company's compliance adviser, on 24 February 2019, neither the Company's compliance adviser nor its directors, employees or associates had any interest in relation to the Company which is required to be notified to the Company pursuant to Rules 6A.32 of the GEM Listing Rules.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value. The Company's corporate governance practices are based on the principles and code provision as set out in the Corporate Governance Code ("CG Code") in Appendix 15 to the GEM Listing Rules. The Company had complied with the code provisions in the CG Code during the three months ended 31 March 2019 to the date of this announcement.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company 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 regarding Directors' securities transactions in securities of the Company. Based on specific enquiry made with the Directors, all Directors confirmed that they had fully complied with the required standard of dealings and there was no event of non-compliance during the three months ended 31 March 2019.

## **AUDIT COMMITTEE**

The Company established an Audit Committee pursuant to a resolution of the Directors passed on 30 August 2017 with written terms of reference revised by the Board with effect from 1 January 2019 in compliance with Rule 5.28 of the GEM Listing Rules and the CG Code as set out in Appendix 15 to the GEM Listing Rules. The Audit Committee comprises three independent non-executive Directors and a non-executive Director: Mr. Tam Wai Tak Victor, Ms. Chan Oi Chong, Mr. Choy Wing Hang William (resigned on 4 February 2019), Ms. Luk Huen Ling Claire (appointed on 4 February 2019) and Mr. Cheng King Yip (appointed on 12 February 2019). Mr. Tam Wai Tak Victor was appointed to serve as the Chairman of the Audit Committee. The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the risk management and internal control systems of the Company.

The audit committee has discussed and reviewed the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2019.

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

Hong Kong, 14 May 2019

*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. Cheng King Yip; and the independent non-executive Directors are Ms. Chan Oi Chong, Ms. Luk Huen Ling Claire and Mr. Tam Wai Tak Victor.*

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