

# Cool Link (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8491

**2020**

**INTERIM REPORT**

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

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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

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

The board (the “Board”) of Directors is pleased to announce the unaudited condensed consolidated results of the Group for the three months and six months ended 30 June 2020, together with the unaudited comparative figures for the corresponding period in 2019 as set out below:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2020

	Notes	Three months ended 30 June		Six months ended 30 June	
		2020 S\$'000 (unaudited)	2019 S\$'000 (unaudited)	2020 S\$'000 (unaudited)	2019 S\$'000 (unaudited)
<b>Revenue</b>	4	<b>6,538</b>	5,576	<b>13,111</b>	11,278
Cost of sales		<b>(5,100)</b>	(4,110)	<b>(10,002)</b>	(8,383)
<b>Gross profit</b>		<b>1,438</b>	1,466	<b>3,109</b>	2,895
Other income and gains/(losses)	5	<b>227</b>	(283)	<b>396</b>	72
Selling and distribution costs		<b>(414)</b>	(411)	<b>(845)</b>	(931)
Administrative and other operating expenses		<b>(1,103)</b>	(1,157)	<b>(2,299)</b>	(2,244)
Finance costs	6	<b>(202)</b>	(114)	<b>(367)</b>	(208)
<b>Loss before income tax</b>	7	<b>(54)</b>	(499)	<b>(6)</b>	(416)
Income tax expense	8	<b>(23)</b>	(2)	<b>(52)</b>	(34)
<b>Loss and total comprehensive income for the period</b>		<b>(77)</b>	(501)	<b>(58)</b>	(450)
<b>Loss and total comprehensive income for the period attributable to:</b>					
Owners of the Company		<b>(78)</b>	(504)	<b>(55)</b>	(457)
Non-controlling interests		<b>1</b>	3	<b>(3)</b>	7
		<b>(77)</b>	(501)	<b>(58)</b>	(450)
<b>Loss per share</b>					
Basic and diluted loss (Singapore cents)	9	<b>(0.01)</b>	(0.08)	<b>(0.01)</b>	(0.08)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Notes	30 June 2020 S\$'000 (unaudited)	31 December 2019 S\$'000 (audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	13,718	14,385
Investment properties		2,192	2,232
Financial assets at fair value through other comprehensive income	18	17	17
Right-of-use assets		3,195	3,395
Deposits		24	24
		<b>19,146</b>	<b>20,053</b>
<b>Current assets</b>			
Inventories		3,500	2,830
Trade receivables	12	4,997	6,254
Deposits, prepayments, other receivables and other assets		659	408
Financial assets at fair value through profit or loss	18	51	77
Cash and cash equivalents		6,093	5,917
		<b>15,300</b>	<b>15,486</b>
<b>Current liabilities</b>			
Trade payables	13	2,756	2,981
Accruals, other payables and deposits received		1,145	1,554
Bank borrowings	14	599	412
Lease liabilities		345	354
Income tax payable		221	169
		<b>5,066</b>	<b>5,470</b>
<b>Net current assets</b>		<b>10,234</b>	<b>10,016</b>
<b>Total assets less current liabilities</b>		<b>29,380</b>	<b>30,069</b>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 30 June 2020

		30 June 2020 S\$'000 (unaudited)	31 December 2019 S\$'000 (audited)
<b>Non-current liabilities</b>			
Deposits received		58	58
Bank borrowings	14	9,556	10,046
Lease liabilities		2,929	3,096
Promissory note		1,121	1,095
Deferred tax liabilities		116	116
		<b>13,780</b>	14,411
<b>Net assets</b>		<b>15,600</b>	15,658
<b>EQUITY</b>			
Share capital	15	1,038	1,038
Reserves		14,619	14,674
<b>Equity attributable to owners of the Company</b>		<b>15,657</b>	15,712
Non-controlling interests		(57)	(54)
<b>Total equity</b>		<b>15,600</b>	15,658

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

	Equity attributable to the owners of the Company							
	Share capital	Share premium	Other reserve	Financial assets at fair value through other comprehensive reserve (non-recycling)	Retained profits	Subtotal	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2019 (audited)	1,038	8,752	2,490	-	5,327	17,607	(38)	17,569
Loss and total comprehensive income for the period	-	-	-	-	(457)	(457)	7	(450)
At 30 June 2019 (unaudited)	1,038	8,752	2,490	-	4,870	17,150	(31)	17,119
At 1 January 2020 (audited)	1,038	8,752	2,490	(1,028)	4,460	15,712	(54)	15,658
Loss and total comprehensive income for the period	-	-	-	-	(55)	(55)	(3)	(58)
At 30 June 2020 (unaudited)	1,038	8,752	2,490	(1,028)	4,405	15,657	(57)	15,600

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

	Notes	Six months ended 30 June	
		2020 S\$'000 (unaudited)	2019 S\$'000 (unaudited)
<b>Cash flows from operating activities</b>			
Loss before income tax		(6)	(416)
Adjustments for:			
Interest expense	6	367	208
Depreciation of property, plant and equipment	7	702	465
Depreciation of right-of-use assets	7	200	86
Depreciation of investment properties	7	40	27
Fair value loss on financial assets at fair value through profit or loss		26	388
Gain on disposal of property, plant and equipment		-	(7)
Gain on disposal of financial assets at fair value through profit or loss		-	(159)
Write-off of inventories	7	28	66
Operating profit before working capital changes		1,357	658
(Increase)/decrease in inventories		(698)	521
Decrease/(increase) in trade receivables		1,257	(141)
Increase in deposits, prepayments, other receivables and other assets		(251)	(28)
Decrease in trade payables		(225)	(380)
Decrease in accruals, other payables and deposits received		(409)	(174)
Cash generated from operations		1,031	456
Income tax paid, net		-	(114)
<b>Net cash from operating activities</b>		<b>1,031</b>	<b>342</b>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

For the six months ended 30 June 2020

	Notes	Six months ended 30 June	
		2020 S\$'000 (unaudited)	2019 S\$'000 (unaudited)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(35)	(633)
Other cash flows arising from investing activities		-	87
<b>Net cash used in investing activities</b>		<b>(35)</b>	<b>(546)</b>
<b>Cash flows from financing activities</b>			
Repayments of bank borrowings		(303)	(327)
Payment of lease liabilities		(269)	(107)
Interests paid on bank borrowings	6	(248)	(161)
<b>Net cash used in financing activities</b>		<b>(820)</b>	<b>(595)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>176</b>	<b>(799)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>5,917</b>	<b>8,023</b>
<b>Cash and cash equivalents at end of the period</b>		<b>6,093</b>	<b>7,224</b>



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2020*

## 1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 27 January 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as revised and consolidated) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at 33 Chin Bee Crescent, Singapore 619901.

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

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2020 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements under the GEM Listing Rules.

The accounting policies and the method of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2019 except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for the annual periods beginning on 1 January 2020. The unaudited condensed consolidated financial statements do not include all the information and disclosures required for annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2019.

During the interim period, the Group has adopted all the new and amended Hong Kong Financial Reporting Standards ("HKFRSs") which are first effective for the reporting period and relevant to the Group. The adoption of these new and amended HKFRSs did not result in material changes to the Group's accounting policies and unaudited condensed consolidated interim financial information.

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. ADOPTION OF NEW AND AMENDED HKFRSs

#### **New and amended HKFRSs that are effective for annual periods beginning or after 1 January 2020**

The condensed consolidated financial statements for the six months ended 30 June 2020 have been prepared in accordance with the accounting policies adopted in the Group's annual financial statements for the year ended 31 December 2019, except for the adoption of the following new and amended HKFRSs effective as of 1 January 2020. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

Amendments to HKFRS 3	Definition of Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKAS 1 and HKAS 8	Definition of Material

The adoption of the new and amended HKFRSs had no material impact on the Group's condensed consolidated financial statements.

#### **Issued but not yet effective HKFRSs**

At the date of authorisation of these condensed consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 17	Insurance Contracts <sup>2</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>5</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKFRS 16	Covid-19-Related Rent Concessions <sup>1</sup>
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use <sup>3</sup>
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract <sup>3</sup>
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020 <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 June 2020

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>4</sup> Effective date not yet determined

<sup>5</sup> Effective for business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2022

None of the new and amended HKFRSs is expected to have a material impact on the Group's condensed consolidated financial statements.

#### 4. 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:

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales of goods	6,538	5,576	13,111	11,278

#### 5. OTHER INCOME AND GAINS/(LOSSES)

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Bank interest income	19	38	24	38
Rental income from investment properties	87	44	167	88
One-off slotting and marketing fee received	-	50	-	136
Fair value loss on financial assets at fair value through profit or loss	(26)	(388)	(26)	(388)
Government grants	216	4	229	22
Gain on disposal of financial assets at fair value through profit or loss	-	-	-	159
Gain on disposal of property, plant and equipment	-	-	-	7
Others	(69)	(31)	2	10
	227	(283)	396	72

#### 6. FINANCE COSTS

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest on borrowings	143	80	248	161
Finance charges on lease liabilities	46	21	93	22
Interest on promissory note	13	13	26	25
	202	114	367	208

## 7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	Three months ended 30 June		Six months ended 30 June	
	2020 S\$'000 (unaudited)	2019 S\$'000 (unaudited)	2020 S\$'000 (unaudited)	2019 S\$'000 (unaudited)
Auditor's remuneration	26	30	53	60
Cost of inventories recognised as expenses				
– Cost of inventories sold	4,167	3,927	9,687	8,048
– Write-off of inventories	3	24	28	66
	4,170	3,951	9,715	8,114
Depreciation of property, plant and equipment	350	217	702	465
Depreciation of right-of-use assets	100	44	200	86
Depreciation of investment properties	21	13	40	27
Direct operating expenses arising from investment properties that generated rental income	3	9	36	36
Employee benefit expenses (including directors' remuneration)				
– Salaries and welfare	662	669	1,318	1,346
– Defined contributions	53	49	92	94
	715	718	1,410	1,440
Lease charges				
– Short term leases and leases with lease term shorter than 12 months as at initial application of HKFRS 16	2	6	5	14
– Variable lease payments (note)	6	–	11	36
	8	6	16	50
Net foreign exchange loss/(gain)	72	30	13	(8)

Note: Contingent rents represent lease payments of warehouses which are charged based on the volume of inventories handled in the warehouses.

## 8. INCOME TAX EXPENSE

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax – Singapore income tax				
– Tax for the period	23	2	52	34
Income tax expense	23	2	52	34

## 9. LOSS PER SHARE

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Loss</b>				
Loss attributable to the owners of the Company	(78)	(504)	(55)	(457)

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
	'000	'000	'000	'000
<b>Number of shares</b>				
Weighted average number of ordinary shares	600,000	600,000	600,000	600,000

The calculation of basic loss per share for the six months ended 30 June 2020 is based on the loss attributable to owners of the Company of approximately S\$55,000 (2019: loss of approximately S\$457,000) and on the weighted average number of 600,000,000 (2019: 600,000,000) ordinary shares in issue during the period.

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

## 10. DIVIDENDS

The Board does not recommend a payment of any dividend for the six months ended 30 June 2020 (2019: Nil).

## 11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired property, plant and equipment at a total cost of approximately S\$35,000 (2019: approximately S\$633,000).

## 12. TRADE RECEIVABLES

	<b>30 June 2020 S\$'000 (unaudited)</b>	31 December 2019 S\$'000 (audited)
Trade receivables	5,041	6,298
Less: Loss allowance for trade receivables	(44)	(44)
	<b>4,997</b>	6,254

The credit period is generally ranging from cash on delivery to 60 days. Based on invoices date, ageing analysis of the Group's trade receivables (net of loss allowance) is as follows:

	<b>30 June 2020 S\$'000 (unaudited)</b>	31 December 2019 S\$'000 (audited)
0 to 30 days	1,648	1,863
31 to 90 days	3,057	3,182
91 to 180 days	185	1,182
Over 180 days	107	27
	<b>4,997</b>	6,254

## 13. TRADE PAYABLES

	<b>30 June 2020 S\$'000 (unaudited)</b>	31 December 2019 S\$'000 (audited)
Trade payables	2,756	2,981

The credit period is generally ranging from cash on delivery to 60 days.

Based on invoices date, ageing analysis of the Group's trade payables is as follows:

	<b>30 June 2020 S\$'000 (unaudited)</b>	31 December 2019 S\$'000 (audited)
0 to 30 days	1,047	998
31 to 90 days	1,171	1,384
91 to 180 days	32	204
Over 180 days	506	395
	<b>2,756</b>	<b>2,981</b>

#### 14. BANK BORROWINGS

	<b>30 June 2020 S\$'000 (unaudited)</b>	31 December 2019 S\$'000 (audited)
<b>Current liabilities</b>		
Secured mortgage loans		
– Amounts repayable within one year	599	412
<b>Non-current liabilities</b>		
Secured mortgage loans		
– Amounts repayable after one year	9,556	10,046
Total bank borrowings	<b>10,155</b>	<b>10,458</b>

#### 15. SHARE CAPITAL

	<b>Number of shares</b>	<b>Amount S\$'000</b>
Authorised:		
Ordinary shares		
At 1 January 2019, 31 December 2019 and 30 June 2020	10,000,000,000	17,337
Issued and fully paid:		
At 1 January 2019, 31 December 2019 and 30 June 2020	600,000,000	1,038

## 16. CAPITAL COMMITMENT

As at 30 June 2020, the Group did not have any capital commitments (31 December 2019: Nil).

## 17. RELATED PARTY TRANSACTIONS

(a) As at 30 June 2020, Mr. Tan Chih Keong, a key management personnel of the Group and a director of Cool Link & Marketing Pte. Ltd and Cool Link Supply Pte. Ltd provided a personal guarantee as security for lease liabilities of approximately S\$41,000.

### (b) Compensation of key management personnel

The remuneration of directors and other members of key management during the period were as follows:

	Six months ended 30 June	
	2020	2019
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Short-term employee benefits	555	531
Defined contributions	24	24
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	579	555

## 18. FAIR VALUE MEASUREMENT

The Group's financial assets measured and recognised at fair value in the condensed consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (iii) Level 3: unobservable inputs for the asset or liability.



Disclosures of level in fair value hierarchy:

As at 30 June 2020

	Note	Level 1 S\$'000 (unaudited)	Level 2 S\$'000 (unaudited)	Level 3 S\$'000 (unaudited)	Total S\$'000 (unaudited)
Recurring fair value measurements:					
Financial assets at fair value through other comprehensive income					
- Unlisted equity securities	(a)	-	-	17	17
Financial assets at fair value through profit or loss					
- Listed equity securities in Hong Kong	(b)	51	-	-	51
		51	-	17	68

As at 31 December 2019

	Note	Level 1 S\$'000 (audited)	Level 2 S\$'000 (audited)	Level 3 S\$'000 (audited)	Total S\$'000 (audited)
Recurring fair value measurements:					
Financial assets at fair value through other comprehensive income					
- Unlisted equity securities	(a)	-	-	17	17
Financial assets at fair value through profit or loss					
- Listed equity securities in Hong Kong	(b)	77	-	-	77
		77	-	17	94

There have been no transfers between levels 1, 2 and 3 during the six months ended 30 June 2020 (2019: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

Note:

- (a) The financial assets at FVTOCI represented the acquisition of 15% of the entire issued share capital of an unlisted company principally engaged in dessert catering business. A 5% coupon promissory note was issued in connection with the Acquisition which is payable on maturity in January 2021.

	<b>Financial assets at fair value through other comprehensive income</b>
	S\$'000
At 1 January 2019	–
Additions	1,045
Change in fair value of financial assets at fair value through other comprehensive income	(1,028)
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At 31 December 2019 and 30 June 2020	17

Any gains or losses arising from the measurement of the financial assets at fair value through other comprehensive income are recognised in the condensed consolidated statement of comprehensive income.

Information about level 3 fair value measurements:

Description	Valuation techniques	Significant unobservable inputs	Range	Effect on fair value for increase of inputs
Unlisted equity securities	Income-based approach	Risk-adjusted discount rate	11.19%	Decrease
		Discount for lack of marketability	15.80%	Decrease

**(b) Listed equity securities in Hong Kong**

The listed equity securities are denominated in Hong Kong Dollar. Fair values have been determined by reference to their quoted bid prices at the reporting date.

**(c) Fair values of financial assets and liabilities carried at other than fair value**

The carrying amounts of the Group's financial instruments carried at cost are not materially different from their fair value as at 31 December 2019 and 30 June 2020.

## MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS REVIEW

The Group is principally engaged in food supplies business in Singapore. During the six months ended 30 June 2020, the Group continued to supply food products to ship chandlers, retailers and customers who are in the food service industry.

For the six months ended 30 June 2020, the Group recorded a loss of approximately S\$58,000 as compared to a loss of approximately S\$0.5 million for the same period in 2019. The decrease in loss was mainly attributable to the (i) increase in gross profit by approximately S\$0.2 million; and (ii) increase in other income and gains/(losses) by approximately S\$0.3 million and offset by the increase in finance costs by approximately S\$0.2 million.

### OUTLOOK

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

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

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

## FINANCIAL REVIEW

### Revenue

The Group's revenue increased by approximately S\$1.8 million or approximately 16.3% from approximately S\$11.3 million for the six months ended 30 June 2019 to approximately S\$13.1 million for the six months ended 30 June 2020. Such increase was mainly driven by the increase of revenue from the ship chandlers due to the increased demand from customers.

### Cost of sales

The Group's cost of sales increased by approximately S\$1.6 million or approximately 19.3% from approximately S\$8.4 million for the six months ended 30 June 2019 to approximately S\$10.0 million for the six months ended 30 June 2020. Such increase was in line with the increase in revenue.

### Gross profit and gross profit margin

The Group's overall gross profit increased by approximately S\$0.2 million or approximately 7.4% from approximately S\$2.9 million for the six months ended 30 June 2019 to approximately S\$3.1 million for the six months ended 30 June 2020. The Group's overall gross profit margin remained stable at 25.7% and 23.7% for the six months ended 30 June 2019 and 2020 respectively.

### Selling and distribution costs

The Group's selling and distribution costs decreased by approximately S\$0.1 million or approximately 9.2% from approximately S\$0.9 million for the six months ended 30 June 2019 to approximately S\$0.8 million for the six months ended 30 June 2020. The decrease was due to strengthening the efficiency of distribution channels.

### Administrative and other operating expenses

The Group's administrative and other operating expenses increased by approximately S\$0.1 million or approximately 2.5% from approximately S\$2.2 million for the six months ended 30 June 2019 to approximately S\$2.3 million for the six months ended 30 June 2020. The increase was primarily due to the increase of depreciation of property, plant and equipment in view of the moving into expanded warehouse and manufacturing facilities of the Group since June 2019.

## Finance costs

The Group's finance costs increased by approximately S\$0.2 million or approximately 76.4% from approximately S\$0.2 million for the six months ended 30 June 2019 to approximately S\$0.4 million for the six months ended 30 June 2020. The increase was mainly due to the increase finance charges on lease liabilities and interest expenses on bank borrowings.

## Loss and total comprehensive income for the period

As a result of the foregoing, the Group recorded a loss of approximately S\$58,000 for the six months ended 30 June 2020 as compared to a loss of approximately S\$0.5 million for six months ended 30 June 2019.

## CAPITAL STRUCTURE

The Group regularly reviews and manages its capital structure to ensure that the Group will be able to continue as a going concern while maximizing the return to its shareholders through optimisation of the debt and equity balance.

As at 30 June 2020, the capital structure of the Group consisted of bank borrowings, lease liabilities, promissory note, cash and cash equivalents and total equity of the Group, comprising share capital, share premium, other reserve and retained profits.

## LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2020, the Group's working capital was financed by internal resources and bank borrowings. As at 30 June 2020, the quick ratio of the Group was approximately 2.3 times (31 December 2019: 2.3 times).

## GEARING RATIO

The total borrowings, comprising bank borrowings, lease liabilities and promissory note of the Group as at 30 June 2020 were approximately S\$14.6 million (31 December 2019: S\$15.0 million). The Group's gearing ratio as at 30 June 2020 was approximately 93.3% (31 December 2019: 95.8%), which is calculated as the Group's total borrowings over the Group's total equity.

## **CAPITAL EXPENDITURE**

During the six months ended 30 June 2020, the Group invested approximately S\$35,000 million for capital expenditure which was primarily related to our purchases of property, plant and equipment.

## **CAPITAL COMMITMENTS**

As at 30 June 2020, the Group had no significant capital commitments.

## **CHARGES ON THE GROUP'S ASSETS**

As at 30 June 2020, the Group has pledged its leasehold properties and investment properties with net book value amounted to approximately S\$11.2 million (31 December 2019: S\$11.5 million) and approximately S\$1.6 million (31 December 2019: S\$1.6 million), respectively, for certain banking facilities granted to the Group.

## **SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

During the six months ended 30 June 2020, the Group did not have any significant investment, material acquisition nor disposal of subsidiaries, associates and joint ventures.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in the prospectus of the Company dated 12 September 2017 (the "Prospectus"), the Group did not have other future plans for material investments or capital assets as at 30 June 2020.

During the six months ended 30 June 2020, the Group entered into several sale and purchases agreements and memorandum of understanding with external parties in relation to the acquisitions of companies whose principal businesses are (i) distribution of certain disinfectant and antiseptic products; (ii) development and operation of online platform for online medical services; (iii) provision of medical diagnosis and treatment at its medical centre and through the online medical platform; (iv) trading and distribution of healthcare related product; and (v) development and operation of e-commerce platform.

For details of the acquisitions, please refer to the Company's announcements dated 5 February 2020, 17 February 2020, 24 March 2020, 7 April 2020 and 11 June 2020. All the acquisitions are subject to conditions precedent to complete and not yet completed up to the date of this interim report.

## CONTINGENT LIABILITIES

As at 30 June 2020, the Group had contingent liabilities in respect of performance bonds issued in favour of certain suppliers in its ordinary course of business amounting to S\$550,000 (31 December 2019: \$550,000). The guarantees in respect of performance bonds issued by bank are secured by leasehold properties and investment properties of the Group and corporate guarantee of the Company as at 30 June 2020 and 31 December 2019.

## INFORMATION ON EMPLOYEES

As at 30 June 2020, the Group employed 60 employees (31 December 2019: 55) with total staff cost (including directors' emoluments) of approximately S\$1.4 million incurred for the six months ended 30 June 2020 (six months ended 30 June 2019: S\$1.4 million). The Group's remuneration packages are generally structured with reference to market terms and individual merits. In addition, the Group also provides various training courses to enhance the employees' skills and capabilities in all aspects.

## USE OF PROCEEDS

According to the Company's announcement dated 5 March 2018, the use of proceeds was revised as follows:

	Revised use of net proceeds HK\$'000	From 22 September 2017 to 31 December 2017 HK\$'000	For the six months ended 30 June 2018 HK\$'000	For the six months ended 31 December 2018 HK\$'000	For the six months ended 30 June 2019 HK\$'000	For the six months ended 31 December 2019 HK\$'000
Partly fund the expansion of the capacity of the Group's warehouse premises	-	-	-	-	-	-
Expand Hong Kong operations	5,900	-	1,970	1,310	1,310	1,310
Expand new product lines	10,300	-	-	4,660	3,520	2,120
Acquisition of new property	17,400	-	17,400	-	-	-
Working capital	2,000	400	400	400	400	400
	35,600	400	19,770	6,370	5,230	3,830

Up to 30 June 2020, the net proceeds from the Share Offer had been applied as follows:

	Original use of net proceeds	Revised use of net proceeds	Planned use	Actual use of	Unutilised
			of revised net proceeds up to 30 June 2020	net proceeds as at 30 June 2020	net proceeds as at 30 June 2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Partly fund the expansion of the capacity of the Group's warehouse premises	17,400	-	-	-	-
Expand Hong Kong operations	5,900	5,900	5,900	965	4,935
Expand new product lines	10,300	10,300	10,300	10,300	-
Acquisition of new property	-	17,400	17,400	17,400	-
Working capital	2,000	2,000	2,000	2,000	-
	35,600	35,600	35,600	30,665	4,935

The future plans and use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus. The actual use of proceeds was applied in accordance with the actual development of the Group's business and the industry conditions.

The reason for the under-utilisation of net proceeds for expanding Hong Kong operations was mainly due to the slowdown of market demand for ship supply industry and overall condition in Hong Kong. The Group expects that the unutilised net proceeds will be used by 2021.

## OTHER INFORMATION

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

As at 30 June 2020, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of 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	Approximate percentage of shareholding
Mr. Tan Seow Gee ("Mr. D Tan")	Interest in controlled corporation/Interest held jointly with another persons (Note 1)	302,000,000 shares	50.33%
Mr. Gay Teo Siong ("Mr. R Gay")	Interest in controlled corporation/Interest held jointly with another persons (Note 1)	302,000,000 shares	50.33%

Note:

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

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

So far as is known to the Directors, as at 30 June 2020, the following persons/entities (other than the Directors or chief executives of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Division 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under section 336 of the SFO were as follows:

### Long positions in shares of the Company

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

Notes:

1. The entire issued share capital of Packman Global is legally and beneficially owned as to approximately 33.3% by Mr. D Tan, Mr. R Gay and Mr. M Tan respectively. Accordingly, Mr. D Tan, Mr. R Gay and Mr. M Tan are deemed to be interested in 302,000,000 Shares held by Packman Global by virtue of the SFO. Mr. D Tan and Mr. R Gay are executive Directors while Mr. M Tan is one of the senior management. Mr. D Tan, Mr. R Gay and Mr. M Tan are persons acting in concert and accordingly each of them is deemed to be interested in the shares held by the others.
2. Ms. Fang Yunru Wanda is the spouse of Mr. D Tan and is therefore deemed to be interested in all the shares that Mr. D Tan is interested in by virtue of SFO.
3. Ms. Yeo Poh Choo is the spouse of Mr. R Gay and is therefore deemed to be interested in all the shares that Mr. R Gay is interested in by virtue of SFO.
4. Ms. Chen Feiping is the spouse of Mr. M Tan and is therefore deemed to be interested in all the shares that Mr. M Tan is interested in by virtue of SFO.
5. On 1 March 2019, 302,000,000 shares held by Packman Global were pledged to Kingston Finance Limited, which was wholly owned by Ample Cheer Limited. Ample Cheer Limited was owned by Best Forth Limited and Insight Glory Limited, which were both wholly owned by Mrs. Chu Yuet Wah.

Save as disclosed above, as at 30 June 2020, no other interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company under section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2020.

## **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 30 June 2020, no share option was outstanding under the Scheme. No share option has been granted, exercised, cancelled or lapsed under the Scheme since its adoption.

## CHANGE IN DIRECTOR'S INFORMATION

Ms. Chin Ying Ying resigned as a non-executive director and was appointed as the company secretary of DL Holdings Group Limited (stock code: 1709) on 27 March 2020.

Save as disclosed above, there is no other information in respect of Directors required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

## COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or substantial shareholders of the Company or any of their respective close 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 six months ended 30 June 2020.

## EVENT AFTER THE REPORTING PERIOD

On 8 April 2020, the Group entered into a sales and purchase agreement with an external party to acquire 49% equity interest in the target company (the "Target Company") at the consideration of HK\$20,000,000. The Target Company and its subsidiary conduct the trading and operation of shops for tea and related products in Hong Kong. A 2.8% coupon promissory note was issued at completion of this acquisition on 31 July 2020 which is payable on 31 January 2021. The acquisition would be classified as an investment in an associate.

Save as disclosed above, the Directors are not aware of any significant event which had material effect on the Group subsequent to 30 June 2020 and up to the date of this interim report.

## 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 six months ended 30 June 2020.

## 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. Having made specific enquiry of all 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 six months ended 30 June 2020.

## AUDIT COMMITTEE

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

The audit committee has discussed and reviewed this interim report and the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2020.

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

Hong Kong, 11 August 2020

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

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