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## **COOL LINK (HOLDINGS) LIMITED**

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

**(Stock code: 8491)**

### **SUPPLEMENTAL ANNOUNCEMENT ADOPTION OF SHARE AWARD PLAN**

Reference is made to the announcement (the “**Announcement**”) of Cool Link (Holdings) Limited (the “**Company**”) dated 14 September 2021 in relation to, among others, the Cool Link (Holdings) Limited Share Award Plan (the “**Plan**”). Capitalized terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

The Company would like to provide additional information regarding the Plan and the Trust Deed as follows:

#### **Eligibility**

In addition to employee of any member of the Group (excluding any director of the Company), the Eligible Participants also include provider of goods and/or services, customer, consultant or adviser of the Group or any invested entity, and any holder of securities issued by any member of the Group. For the purpose of illustration only, holder of securities issued by any member of the Group could be shareholder(s) of joint venture to be established or other business partner(s) invested in the subsidiary(ies) of the Group. As of the date of this announcement, the Company does not have any concrete plan for establishment of any joint ventures nor introducing investors to any of the Group’s subsidiaries. The Board considers that including non-employees of the Group as Eligible Participants as appropriate because the success of the Group cannot be solely achieved by employees of the Group but also by the cooperation with other stakeholders outside the Group. Such scope of Eligible Participants is also line with that of similar share incentive schemes of other listed issuers in Hong Kong.

The Board will consider the suitability of each of the Selected Participants based on merits and his/her/its contribution to the growth and development of the Group on a case-by-case basis before any award is made. In particular,

- (a) as for provider of the goods and/or services and consultant or advisor, the Board might consider factors including but without limitation to, (i) their background and length of business relationship with the Group, (ii) the materiality and nature of their products and/or services, (iii) the track record in the quality of products supplied or the services and advices provided, and (iv) whether the transaction amount is significant relative to the costs of the Group;

- (b) as for customer, the Board might consider factors including but without limitation to, (i) the actual or expected growth in the Group's revenue or profits contributed by the respective customer, (ii) the quantity and frequency of the business transactions, (iii) the timeliness of bill settlement, (iv) whether the transaction amount is significant relative to the revenue of the Group, and (v) any potential future business opportunities; and
- (c) as for holder of securities issued by any member of the Group, the Board might consider factors including but without limitation to, (i) contribution brought by such shareholder to the member of the Group in terms of revenue and profits, (ii) the number, scale and nature of the projects undertaken by such member of the Group, (iii) the duration of business relationship with the Group and (iv) any potential future business prospects with such shareholder.

Therefore, depending on the suitability of each Eligible Participant and the effectiveness of incentives, the Board might consider to grant alternative incentives other than the Award to motivate such non-employee-Eligible Participants. Where Award is chosen to be granted to such Eligible Participant, the Board may or may not, at its absolute discretion before granting any award under the Plan, state performance target in the offer letter of an Award to any of above-mentioned parties. Such arrangement would allow the Board to have flexibility to impose suitable terms and conditions, which would better facilitate the Group to attract and retain suitable personnel for the further development of the Group.

The Board would consider to grant Award to the non-employee-Eligible Participants given that (i) the grant of Plan Shares would enable the Group to retain and attract high calibre external parties that are valuable to the Group by aligning their interests with the interests of the Group on a long-term basis which is considered to be more effective than giving one-off cash reward to them and (ii) non-cash based reward would enable the Group to maintain a strong cash flow for its operation. The Board consider that it is proper and necessary to include each of the non-employed Eligible Participants in the Plan, in particular,

- (a) as for provider of the goods and/or services and consultant or advisor, granting Award will offer incentives for them to provide continuing efforts in providing high-quality products and/or services, which might assist the Group in reducing operational cost and increasing sales efficiency, that also contribute to maintain and enhance the Group's competitive advantages and allow the Group to avoid expensive one-off transaction costs that may impact the cashflow of the Group;
- (b) as for the customer, granting Award will build their loyalty to the Group and provided incentive for their retention in long-term and continuing revenue contribution by aligning their interest with the Group and its Shareholders; and
- (c) as for holder of securities issued by any member of the Group, granting Award to them would be a more effective way to promote their commitment to develop the Group's business, by aligning their interest with the Group, they have incentive to refer business, introduce partnership and/or other potential co-operation that may lead to growth and development of the Group.

## **Pool of Awarded Shares**

Pursuant to the Plan Rules, the Board may from time to time instruct the Trustee in writing to purchase Shares on the Stock Exchange or subscribe for new Shares to be allotted and issued by the Company, for the purpose of the Plan, regardless of whether or not, the Award have been determined or Selected Participant have been identified. For any Award to be satisfied by subscribing new Shares under general mandate or specific mandate, the Company shall comply with all applicable laws and the relevant GEM Listing Rules (including applying to the Stock Exchange for the listing of, and permission to deal in the such new Shares). As at the date of this announcement, the Board does not have any concrete plan or intention to instruct the Trustee to subscribe for such new Shares and the source of mandate of issue and allotment of such new Shares to constitute part of the pool of Award Shares.

## **Lapse of Awarded Shares**

As disclosed in the Announcement, in the event that prior to or on the Vesting Date, a Selected Participant ceases to be an Eligible Participant or is found to be an Excluded Participant, the relevant Award made to such Selected Participant shall, unless otherwise determined by the Board in its absolute discretion, automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the Trust Fund. For the avoidance of doubt, such lapsed Awarded Shares would be held by the Trustee as part of the Trust Fund which would be used for further Award in accordance with the instructions from the Board.

## **Plan Limit**

As disclosed in the Announcement, the total number of Shares to be subscribed for and/or purchased by the Trustee under the Plan shall not exceed 10% of the Company's issued Shares as at the beginning of such calendar year subject to adjustment in the event of capitalization issue or right issue (the "**Annual Limit**").

The Trustee will become a connected person of the Company if the number of the Awarded Shares held by the Trustee for the benefit of the connected persons of the Company equals or exceeds 30% of the pool of the Award Shares pursuant to Rule 20.10(1)(b) of the GEM Listing Rules. The Company will comply with the relevant provisions under Chapter 20 of the GEM Listing Rules where appropriate.

The Shares held by the Trustee will not be regarded as public float of the Company for the purpose of the GEM Listing Rules if the Trustee shall become an associate of connected person of the Company under Chapter 20 of the GEM Listing Rules. The Company has no intention to grant Award to such an extent which would affect the Company's satisfaction of the minimum public float of shares as prescribed by the GEM Listing Rules.

The Company appreciates that if the Award is to be satisfied by new Shares, there will be diluting effect on the shareholding of the Shareholders. However, the Company believes that the Annual Limit and the public float limit would be sufficient to contain such diluting effect. Further, as the new Shares to satisfy any Awards will be issued under available general mandate in effect at the time of the relevant subscription of Shares by the Trustee or a specific mandate to be approved by the Shareholders, Shareholders would be able to evaluate the relevant diluting effect before they vote in respect of the relevant mandate. Therefore, as of the date of this announcement, the Company considers that the Annual Limit alone would be sufficient and does not intend to set a total limit on the maximum number of Shares to be issued under the Plan and has not determined to what extent the Shares under the Plan are to be satisfied by new Shares. If the Company decides to adopt any total limit on the maximum number of Shares to be issued under the Plan, the Company will (i) take into consideration of the principles set out in HKEx-LD40-2 and HKEx-LD40-3 when determining the annual limit and total limit and (ii) announce details of the relevant total limit, and the basis of determination thereof.

Save for the above, the other contents of the Announcement remains unchanged.

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

Hong Kong, 23 November 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 in this announcement misleading.*

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