

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 2018

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 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 2018, together with the audited comparative figures for the corresponding period in 2017 as set out below:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2018

	Notes	For the three months ended 31 March	
		2018 S\$'000 (unaudited)	2017 S\$'000 (audited)
Revenue	3	6,359	7,535
Cost of sales		(4,696)	(5,523)
Gross profit		1,663	2,012
Other income and gains	4	157	127
Selling and distribution costs		(750)	(602)
Administrative and other operating expenses		(933)	(1,526)
Finance costs	5	(51)	(35)
Profit/(loss) before income tax		86	(24)
Income tax expense	6	(42)	(132)
Profit/(loss) and total comprehensive income for the period		44	(156)
Profit/(loss) and total comprehensive income for the period attributable to:			
Owners of the Company		49	(151)
Non-controlling interests		(5)	(5)
		44	(156)
Earnings/(loss) per share			
Basic and diluted earnings/(loss) (Singapore cents)	7	0.01	(0.03)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2018

	Attributable to the owners of the Company					Non- controlling interests	Total
	Share capital	Share premium	Other reserve	Retained profits	Subtotal		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2017 (audited)	–	–	100	6,800	6,900	(1)	6,899
Arising from group reorganisation	–	–	2,390	–	2,390	–	2,390
Loss and total comprehensive income for the period	–	–	–	(151)	(151)	(5)	(156)
At 31 March 2017 (audited)	<u>–</u>	<u>–</u>	<u>2,490</u>	<u>6,649</u>	<u>9,139</u>	<u>(6)</u>	<u>9,133</u>
At 1 January 2018 (audited)	1,038	8,752	2,490	5,734	18,014	(11)	18,003
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>5,783</u>	<u>18,063</u>	<u>(16)</u>	<u>18,047</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2018

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 shares of the Company were listed on the GEM of the Stock Exchange on 22 September 2017 (the "Listing Date") by way of placing and public offer (collectively, the "Share Offer").

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

Pursuant to a group reorganisation completed on 5 September 2017 (the "Reorganisation") to rationalise the group structure in preparation for the listing of the Company's shares on the GEM of the Stock Exchange, the Company became the holding company of the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 12 September 2017 (the "Prospectus").

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2018 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 2017 except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for the annual periods beginning on 1 January 2018. The effect of the adoption of these standards, amendments and interpretations was not material on the Group's results of operations and financial position.

The unaudited condensed consolidated financial statements are presented in Singapore dollars ("S\$") which is also the functional currency of the Company. All values are rounded to the nearest thousands except when otherwise indicated.

3. REVENUE

Revenue represents the net invoiced value of goods sold, net of returns, rebates, discounts and sales related tax, where applicable. Revenue recognised during the respective periods are as follows:

	For the three months ended 31 March	
	2018	2017
	S\$'000	S\$'000
	(unaudited)	(audited)
Sales of goods	<u>6,359</u>	<u>7,535</u>

4. OTHER INCOME AND GAINS

	For the three months ended 31 March	
	2018	2017
	<i>S\$'000</i>	<i>S\$'000</i>
	(unaudited)	(audited)
Rental income from investment properties	40	52
One-off slotting and marketing fee received	90	48
Government grants	25	25
Others	2	2
	<hr/>	<hr/>
	157	127
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5. FINANCE COSTS

	For the three months ended 31 March	
	2018	2017
	<i>S\$'000</i>	<i>S\$'000</i>
	(unaudited)	(audited)
Interest on bank borrowings	51	30
Interest on finance leases	–	5
	<hr/>	<hr/>
	51	35
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6. INCOME TAX EXPENSE

	For the three months ended 31 March	
	2018	2017
	<i>S\$'000</i>	<i>S\$'000</i>
	(unaudited)	(audited)
Current tax – Singapore income tax:		
Tax for the period	42	129
Deferred tax		
Charged to profit or loss	–	3
	<hr/>	<hr/>
	42	132
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7. EARNINGS/(LOSS) PER SHARE

	For the three months ended 31 March	
	2018	2017
	<i>S\$'000</i>	<i>S\$'000</i>
	(unaudited)	(audited)
Profit/(loss) for the period attributable to the owners of the Company (<i>S\$'000</i>)	<u>49</u>	<u>(151)</u>
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share (<i>'000</i>)	<u>600,000</u>	<u>480,000</u>

The calculation of basic earnings/(loss) per share for the three months ended 31 March 2018 is based on the profit/(loss) attributable to owners of the Company of approximately S\$49,000 (2017: S\$151,000) and on the weighted average number of 600,000,000 (2017: 480,000,000) ordinary shares in issue during the period.

The weighted average number of 480,000,000 ordinary shares derived for calculation of basic earnings/(loss) per share for the three months ended 31 March 2017 represented the number of ordinary shares of the Company are in issue and issuable, in which assuming that 480,000,000 ordinary shares were in issue pursuant to the Reorganisation throughout the three months ended 31 March 2017.

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

8. DIVIDENDS

The Board does not recommend a payment of any dividend for the three months ended 31 March 2018 (2017: Nil).

9. CONTINGENT LIABILITIES

As at 31 March 2018, 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\$500,000.

10. MATERIAL ACQUISITION AND DISPOSAL

Save as disclosed in the Company's circular dated 26 March 2018 in relation to the acquisition of a property in Singapore at a consideration of S\$10.0 million which was completed in March 2018, the Group did not have any material acquisition or disposal of subsidiaries during the three months ended 31 March 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in food supplies business in Singapore. During the three months ended 31 March 2018, 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 2018, the Group recorded a net profit of approximately S\$44,000 as compared to net loss of approximately S\$156,000 for the same period in 2017. The Directors are of the view that the increase of net profit during the three months ended 31 March 2018 was mainly attributable to the non-recurring listing expenses of approximately S\$0.7 million for the three months ended 31 March 2017. Set aside the listing expenses, the Group's net profit for the three months ended 31 March 2017 would be approximately S\$0.5 million. Despite the decrease in revenue for the three months ended 31 March 2018 as compared to the same period in 2017, in view of the latest negotiations with existing and potential new customers, the Directors are of the opinion that there has been no fundamental deterioration in the commercial and operational viability in the Group's business.

During the three months ended 31 March 2018, the Group acquired a new property in Singapore at a consideration of S\$10.0 million (the "Acquisition") and utilised part of the net proceeds from the Share Offer for partial settlement of the Acquisition. For more details of the Acquisition and the change in use of proceeds, please refer to the circular of the Company dated 26 March 2018.

OUTLOOK

The shares were listed on GEM on the Listing Date by way of Share Offer. The Directors believe that the listing is strategic to our entrance into the Hong Kong ship supply industry, and will raise the profile and visibility of the Group and strengthen our competitiveness among our competitors, in the hope of leading to an increase in market share. In addition, the Directors also believe that customers and suppliers may prefer to work with listed companies given their reputation, listing status, public financial disclosures and general regulatory supervision by the relevant regulatory bodies. The net proceeds from the Share Offer will provide financial resources to the Group to meet and achieve its business opportunities and strategies which will further strengthen the Group's market position in the food supply industry.

The Group is in the course of negotiations with existing customers and potential new customers, including groups with scalable size of operations, expressing intentions for inviting us to expand the existing supply scope.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately S\$1.2 million or approximately 15.6% from approximately S\$7.5 million for the three months ended 31 March 2017 to approximately S\$6.4 million for the three months ended 31 March 2018. Such decrease was mainly driven by the decrease of revenue from the ship chandlers due to the slowdown of market demand.

Cost of sales

The Group's cost of sales decreased by approximately S\$0.8 million or approximately 15.0% from approximately S\$5.5 million for the three months ended 31 March 2017 to approximately S\$4.7 million for the three months ended 31 March 2018. Such decrease was primarily due to the decrease in the cost of inventories recognised as expenses for the three months ended 31 March 2018 as compared to the same period in 2017 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\$0.3 million or approximately 17.3% from approximately S\$2.0 million for the three months ended 31 March 2017 to approximately S\$1.7 million for the three months ended 31 March 2018. The Group's overall gross profit margin remained stable at 26.7% and 26.2% for the three months ended 31 March 2017 and 2018 respectively.

Selling and distribution costs

The Group's selling and distribution costs increased by approximately S\$0.2 million or approximately 24.6% from approximately S\$0.6 million for the three months ended 31 March 2017 to approximately S\$0.8 million for the three months ended 31 March 2018. The increase was primarily due to increase of employee benefit expenses relating to sales and distribution of goods and increase of rental for warehouses.

Administrative and other operating expenses

The Group's administrative and other operating expenses decreased by approximately S\$0.6 million or approximately 38.9% from approximately S\$1.5 million for the three months ended 31 March 2017 to approximately S\$0.9 million for the three months ended 31 March 2018. The decrease was primarily due to the recognition of non-recurring listing expenses for the three months ended 31 March 2017 amounted to approximately S\$0.7 million.

OTHER INFORMATION

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

As at 31 March 2018, 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 (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required 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>)	378,000,000 shares	63.00%
Mr. Gay Teo Siong ("Mr. R Gay")	Interest in controlled corporation/ Interest held jointly with another persons (<i>Note 1</i>)	378,000,000 shares	63.00%

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 378,000,000 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 2018, 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 2018, 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	378,000,000 shares	63.00%
Mr. M Tan	Interest in controlled corporation/ Interest held jointly with another persons (<i>Note 1</i>)	378,000,000 shares	63.00%
Ms. Fang Yunru Wanda	Interest of spouse (<i>Note 2</i>)	378,000,000 shares	63.00%
Ms. Yeo Poh Choo	Interest of spouse (<i>Note 3</i>)	378,000,000 shares	63.00%
Ms. Chen Feiping	Interest of spouse (<i>Note 4</i>)	378,000,000 shares	63.00%
Absolute Elite Limited ("Absolute Elite")	Beneficial owner	72,000,000 shares	12.00%
Mr. Tan Chu En Ian	Interest in controlled corporation (<i>Note 5</i>)	72,000,000 shares	12.00%
Ms. Sinta Muchtar	Interest of spouse (<i>Note 6</i>)	72,000,000 shares	12.00%

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 378,000,000 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. The entire issued share capital of Absolute Elite is legally and beneficially owned as to 100% by Mr. Tan Chu En Ian. Accordingly, Mr. Tan Chu En Ian is deemed to be interested in all the shares held by Absolute Elite by virtue of the SFO.
6. Ms. Sinta Muchtar is the spouse of Mr. Tan Chu En Ian and is therefore deemed to be interested in all the shares that Mr. Tan Chu En Ian is interested in via Absolute Elite by virtue of SFO.

Save as disclosed above, as at 31 March 2018, 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 2018.

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 2018, 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 2018.

COMPLIANCE ADVISER'S INTERESTS

As at 31 March 2018, except for the compliance adviser's agreement entered into between the Company and Vinco Capital Limited, the Company's compliance adviser, on 11 September 2017, 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 2018 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 2018.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with rules 5.28 of the GEM Listing Rules and the CG Code. The audit committee consists of all the three independent non-executive Directors being Mr. Tam Wai Tak Victor, Ms. Chan Oi Chong and Mr. Choy Wing Hang William. Mr. Tam Wai Tak Victor was appointed to serve as the Chairman of the audit committee. The primary duties of our 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 internal control procedures 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 2018.

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

Hong Kong, Friday, 11 May 2018

As at the date of this announcement, the executive Directors are Mr. Tan Seow Gee and Mr. Gay Teo Siong; and the independent non-executive Directors are Mr. Tam Wai Tak Victor, Ms. Chan Oi Chong and Mr. Choy Wing Hang William.

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>.