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

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

**(Stock code: 8491)**

### **MAJOR ACQUISITION IN RELATION TO THE ACQUISITION OF THE PROPERTY AND CHANGE IN USE OF PROCEEDS**

#### **THE ACQUISITION**

The Board is pleased to announce that on 6 December 2017, the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into the Acquisition Agreement pursuant to which the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to dispose of the Property for the Consideration of S\$10,000,000 (equivalent to approximately HK\$58,000,000). The Acquisition Agreement is not effective until the approval of JTC is obtained for the Acquisition Agreement. Such conditional approval was formally obtained on 2 March 2018.

#### **GEM LISTING RULES IMPLICATIONS**

The relevant applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition are more than 25% but less than 100%. Accordingly, the Acquisition constitutes a major acquisition for the Company under Chapter 19 of the GEM Listing Rules and is subject to reporting, circular and shareholders' approval requirements under the GEM Listing Rules.

So far as the Directors are aware after making reasonable enquiry, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition Agreement.

Written approvals of the Acquisition Agreement have been obtained from Packman Global Holdings Limited, which holds 378,000,000 shares in the Company, representing approximately 63.00% of the entire issued capital of the Company as at the date of this announcement. Accordingly, no general meeting will be convened for the purpose of approving the Acquisition as permitted under Chapter 19 of the GEM Listing Rules.

## **CHANGE IN USE OF PROCEEDS**

As set out in the Prospectus, the Company intended to use part of the Net Proceeds to partly fund the expansion of the capacity of the Group's current warehouse premises. The Board wishes to announce that, after careful consideration and detailed evaluation of the Company's current operations and in order to enhance the Company's cash management and the utilisation efficiency of efficiently utilise the Net Proceeds, the Board resolved to (1) adjust the allocation of the uses of the Net Proceeds and (2) utilise part of the Net Proceeds for partial settlement of the Acquisition. For further details, please refer to the paragraph headed "Change in Use of Proceeds" in this announcement.

A circular containing information required under the GEM Listing Rules is expected to be dispatched to the Shareholders on or before 26 March 2018.

## **THE ACQUISITION**

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Details of the Acquisition Agreement are summarised as follow:

### **Date**

Dated 6 December 2017 but effective on 2 March 2018

### **Parties**

- (i) the Purchaser (a wholly-owned subsidiary of the Company);
- (ii) the Vendor.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons.

### **Subject Matter**

Pursuant to the Acquisition Agreement, the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to dispose of, the Property.

Further details and the financial information of the Property is set out in the section headed "Information on the Property" in this announcement.

## Consideration

The total Consideration for the Acquisition is S\$10,000,000 (equivalent to approximately HK\$58,000,000), which shall be payable by the Purchaser to the Vendor (or its designated nominee or corporation) as follows:

- (i) S\$1,000,000 (equivalent to approximately HK\$5,800,000) (“**Deposit**”) upon the date of the Acquisition Agreement; and
- (ii) the balance on Completion.

The Consideration was determined after arm’s length negotiations between the Vendor and the Purchaser after taking into consideration, among other things, the Company’s assessment on the expected valuation of the Property with a fair market value of not less than S\$12,500,000 (equivalent to HK\$72,500,000).

The Company intends to settle the Cash Consideration from the internal recourses of the Group and bank borrowings, including utilising certain of the proceeds from the Share Offer. For further details, please refer to the paragraph headed “**Change in Use of Proceeds**” in this announcement.

## Conditions precedent

Completion of the Acquisition is conditional upon fulfillment or waiver (as the case may be) of the Conditions as set forth below:

- (1) consent being obtained from JTC for the Acquisition (the “**JTC Approval**”), including all approvals or consents of any of other relevant competent authority required or necessary to enable the Vendor to sell the Property (collectively with the JTC Approval, the “**Approval**”); and
- (2) the Purchaser having obtained all approval from JTC and other relevant competent authority for the change in use of the Property that is consistent with the land zoning requirements of the Urban Redevelopment Authority (URA) and JTC.

If the Purchaser is unable to secure the required financing for not more than 60% of the Consideration, having applied therefor to at least 2 banking institutions and been rejection by all of them, provided that the Purchaser has notified the Vendor in writing and provided documentary evidence thereof within 45 days from the date of the Agreement, the Vendor shall forfeit 10% of the Deposit plus the GST and shall refund 90% of the Deposit plus the GST to the Purchaser under within 30 days of such written notification from the Purchaser.

The Long Stop Date for the fulfillment or waiver of the Conditions is 20 March 2018 (or such later date as the parties may agree in writing). If any of the Conditions are not fulfilled or waived on or before the Long Stop Date, the Acquisition Agreement shall terminate, the Vendor shall forthwith refund the Deposits made by the Purchaser without interest, and no party shall have any claim in relation to the Acquisition Agreement (without prejudice to the rights of any party in respect of antecedent breaches).

## **Termination**

If the Approval is refused or not granted by the Long Stop Date, then, the Acquisition Agreement may be terminated by either party to the Acquisition Agreement by written notice to the other party's solicitors whereupon the Vendor shall refund to the Purchaser the Deposit plus the GST thereon but without any interest, compensation or deduction whatsoever and thereupon neither party to the Acquisition Agreement shall then have any claim or demand against the other whether for costs, damages compensation or otherwise. Provided that:

- (i) if (A) JTC's refusal or granting the JTC Approval or the relevant competent authority's refusal for granting its approvals or consents under the Acquisition Agreement; or (B) the delay in obtaining the JTC Approval or the relevant competent authority's approvals or consents under the Acquisition Agreement; or (C) the inability by either or both parties to the Acquisition Agreement to fulfil all terms and conditions as may be imposed on it by JTC and by any other relevant competent authority for the Approval (collectively, the "**Relevant Terms**") is/are attributable to any act, omission, delay, default or negligence on the part of the Purchaser, then the Purchaser shall endeavor to fulfil the Relevant Terms within 60 days of being informed of its act, omission, delay, default or negligence which is causing the refusal, delay or inability to fulfil, failing which, the Deposit plus the GST thereon shall be forfeited and belong to the Vendor; and
- (ii) if (A) JTC's refusal for granting the JTC Approval or the relevant competent authority's refusal for granting its approvals or consents under the Acquisition Agreement; or (B) the delay in obtaining the JTC Approval or the relevant competent authority's approvals or consents under the Acquisition Agreement; or (C) the inability by either or both party to the Acquisition Agreement to fulfil the Relevant Terms is/are attributable to any act, omission, delay, default or negligence on the part of the Vendor, then the Vendor shall endeavor to fulfil the Relevant Terms within 60 days of being informed of its act, omission, delay, default or negligence which is causing the refusal, delay or inability to fulfil, failing which the Vendor shall refund the Deposit plus the GST thereon the Purchaser and the Vendor's refund of the Deposit plus the GST thereon to the Purchaser is without prejudice to the Purchaser's other rights at law and in equity.

As of the date of this announcement, conditional JTC Approval for the Acquisition has been obtained.

## **Completion**

Subject to fulfillment or waiver (as the case may be) of all the Conditions, Completion shall take place on the Completion Date.

## **INFORMATION ON THE PROPERTY**

The Property is with a site area of approximately 9,316.2 sq.m and is designated for commercial/warehouse. The Property is a 2-storey detached factory with a gross floor area of approximately 5,430 sq.m which is very close to the Group's current warehouse. It is currently occupied by the owner for workshop and ancillary uses. The title to the Property shall commence from Certificate of Title (Sub) Volume 677 Folio 162 for a leasehold period of thirty (30) years from 1 January 2010.

## **CHANGE IN USE OF PROCEEDS**

References are made to the Prospectus. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Prospectus.

As indicated in the Prospectus, the Company intended to utilise approximately HK\$17.4 million from the net proceeds from the Share Offer (“**Net Proceeds**”) to partly fund the expansion of the capacity of the Group's current warehouse premises. However, the Company was approached by the Vendor to acquire the Property which is in close proximity to the Group's current warehouse. The Property is proposed to be used as the Group's warehouse and manufacturing facility.

## **Benefits of the Acquisition**

As mentioned in the Prospectus, the Group engages a third-party storage provider to store its food products. There was an increase in the number of pallets stored at the third-party storage provider during the Track Record Period and hence an increase in the expenditure for the rental of warehouse from the third-party storage provider. By acquiring the Property with storage areas, the Company can reduce the cost of using third-party storage providers.

The Group can target new business opportunities for production of new product lines such as rice cooking, tamago and chawanmushi production as those require more space for production and storage.

In the Prospectus, for the Group's current warehouse expansion, it was estimated that the construction period will take approximately 15 to 17 months while acquiring the Property will take approximately 6 months for the renovation to complete. This will save time from the building of a new factory.

In order to enhance the Company's cash management and the efficient utilisation of Net Proceeds as well as to speed up the warehouse and manufacturing facilities of the Group, the Board resolved to (1) adjust the allocation of the use of the Net Proceeds and (2) utilise part of the Net Proceeds for partial settlement of the Acquisition.

## Use of the Net Proceeds under the Prospectus

As disclosed in the Prospectus, the Directors intended to apply the Net Proceeds as follows:

- (a) approximately HK\$17.4 million, representing approximately 48.9% of the total net proceeds, will be used to partly fund the expansion of the capacity of our current warehouse premises;
- (b) approximately HK\$5.9 million, representing approximately 16.5% of the total net proceeds, will be used to expand our operations in Hong Kong;
- (c) approximately HK\$10.3 million, representing approximately 29.0% of the total net proceeds, will be used to expand into new product lines, namely ice cream and shredded/grated cheese; and
- (d) approximately HK\$2.0 million, representing approximately 5.6% of the total net proceeds, will be used for our general working capital.

The table below sets out the utilisation of the Net Proceeds as at the date indicated.

|                                                                                | <b>Original<br/>allocation</b> | <b>Utilised<br/>amount up<br/>to the date<br/>of this<br/>announcement</b> | <b>Unutilised<br/>amount as<br/>at the date<br/>of this<br/>announcement</b> | <b>Revised<br/>allocation</b> |
|--------------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------------|------------------------------------------------------------------------------|-------------------------------|
|                                                                                | <i>HK\$'000</i>                | <i>HK\$'000</i>                                                            | <i>HK\$'000</i>                                                              | <i>HK\$'000</i>               |
| Partly fund the expansion of the capacity of<br>the Group's warehouse premises | 17,400                         | –                                                                          | 17,400                                                                       | –                             |
| Expand Hong Kong operations                                                    | 5,900                          | –                                                                          | 5,900                                                                        | 5,900                         |
| Expand new product lines                                                       | 10,300                         | –                                                                          | 10,300                                                                       | 10,300                        |
| Acquisition                                                                    | –                              | –                                                                          | –                                                                            | 17,400                        |
| Working Capital                                                                | 2,000                          | 400                                                                        | 1,600                                                                        | 1,600                         |
|                                                                                | <u>35,600</u>                  | <u>400</u>                                                                 | <u>35,200</u>                                                                | <u>35,200</u>                 |

Save as the above, the Board confirms that there is no other changes to the used of Net Proceeds.

For the reasons set out below, the Company proposes to utilise the Net Proceeds of approximately HK\$17,400,000 allocated to expansion of the capacity of the Group's current warehouse premises for partial settlement of the Acquisition.

Save as disclosed, the Company intends to apply the remaining Net Proceeds as set out in the Prospectus.

## **The current warehouse**

In light of the proposed Acquisition, the Jurong-Clementi Town Council has informed the Company that the Group should dispose of its current property at No. 21 Wan Lee Road, Singapore 627949. Such request is made on the basis that the Jurong-Clementi Town Council has made a qualitative and quantitative analysis in order to optimise the productive use of scarce land in Singapore. The Jurong-Clementi Town Council assesses companies based on land productivity, remuneration per worker and skilled workers profile for assignment of lease. Having considered the new premises, the Company has been informed that the Jurong-Clementi Town Council believes the new Property is sufficient to support the Group's expansion plan and accordingly deemed the holding of 2 properties to be unnecessary in land scarce Singapore. As such, the Company expects to dispose of the existing property at No. 21 Wan Lee Road, Singapore 627949 on or before the third quarter of 2018 and in any event not before the completion of the Acquisition and renovation of the new Property. The Company will comply with the GEM Listing Rules in connection with such disposal. A further announcement will be made as and when applicable.

## **The Board's views**

Taking into account the benefits mentioned above, the Board considered the proposed change in use of the Net Proceeds will enhance the Company's cash management and utilisation efficiency of the Net Proceeds and is in the best interests of the Company and its shareholders as a whole.

The Board (including the independent non-executive Directors) confirms that (i) save for the Acquisition, there are no material changes in the nature of business as set out in the Prospectus, (ii) there are no material changes in the existing businesses operations and business scale of the Group since the Listing up to the date of this announcement and (iii) the proposed change in use of Net Proceeds will not adversely affect the existing operation and business of the Group.

The Group is principally engaged in the provision of supply of various types of food products including canned food and packaged beverages in the dry category, various dairy products in the chilled category and ice cream and frozen cakes and pipes in the frozen category to its ship supply customers consisting mainly of ship chandlers based in Singapore.

## **INFORMATION OF THE VENDOR**

The Vendor is an independent third party and based in Singapore and provides service and support solutions to operators of maritime fleets and the offshore oil and gas industry. It also provides support solutions to oil and gas rigs and offshore support vessels for major operators in the region.

## **GEM LISTING RULES IMPLICATIONS**

The relevant applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition are more than 25% but less than 100%. Accordingly, the Acquisition constitutes a major acquisition for the Company under Chapter 19 of the GEM Listing Rules and is subject to reporting, circular and shareholders' approval requirements under the GEM Listing Rules.

So far as the Directors are aware after making reasonable enquiry, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition Agreement.

Written approvals of the Acquisition Agreement have been obtained from Packman Global Holdings Limited, which holds 378,000,000 shares in the Company, representing approximately 63.00% of the entire issued capital of the Company as at the date of this announcement. Accordingly, no general meeting will be convened for the purpose of approving the Acquisition as permitted under Chapter 19 of the GEM Listing Rules.

## **GENERAL**

A circular containing information required under the GEM Listing Rules is expected to be dispatched to the Shareholders on or before 26 March 2018.

## **DEFINITIONS**

In this announcement, the following terms have the following meanings unless the context requires otherwise:

|                         |                                                                                                                                                                                                                       |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Acquisition”           | the proposed acquisition of the Property by the Purchaser from the Vendor pursuant to the Acquisition Agreement                                                                                                       |
| “Acquisition Agreement” | an agreement entered into between the Purchaser and the Vendor on 6 December 2017 in relation to the Acquisition effective on the date of JTC Approval of the Acquisition which was formally obtained on 2 March 2018 |
| “associate(s)”          | having the meaning ascribed thereto under the GEM Listing Rules                                                                                                                                                       |
| “Board”                 | the board of Directors                                                                                                                                                                                                |
| “BVI”                   | British Virgin Islands                                                                                                                                                                                                |
| “Company”               | Cool Link Holdings Limited, a company incorporated in Cayman Islands with limited liability and whose Shares are listed on the GEM of the Stock Exchange with stock code 8491                                         |

|                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Completion”        | completion of the Acquisition in accordance with the terms and subject to the conditions of the Acquisition Agreement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| “Completion Date”   | the date of Completion which shall be: <ul style="list-style-type: none"> <li>(i) four (4) weeks from the date of the JTC Approval letter; or</li> <li>(ii) four (4) weeks from the date of JTC’s written acceptance of the EBS if required by JTC and confirmation that environmental measures (including decontamination) need not be carried out; or</li> <li>(iii) four (4) weeks from the date of JTC’s written confirmation that environmental measures (including decontamination, if required by JTC) have been completed to JTC’s satisfaction; or</li> <li>(iv) such other date as may be mutually agreed in writing between the Vendor and the Purchaser whichever is the latest date</li> </ul> |
| “Conditions”        | the conditions precedent to the Completion as contained in the Acquisition Agreement and summarised in the sub-paragraph headed “Conditions precedent” under the paragraph headed “THE ACQUISITION AGREEMENT” in this announcement                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| “connected person”  | having the meaning as ascribed thereto under the GEM Listing Rules                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| “Director(s)”       | the director(s) of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| “EBS”               | Environmental Baseline Study                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on the GEM of the Stock Exchange                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| “Group”             | the Company and its subsidiaries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| “GST”               | the goods and service tax levied under the Goods and Services Tax Act (Chapter 117A of Singapore)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| “Hong Kong”         | Hong Kong Special Administrative Region of the PRC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

|                  |                                                                                                                                                                                                    |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “JTC”            | JTC Corporation, a body corporate incorporated under the Jurong Town Corporation Act (Chapter 150 of Singapore) and having its office at The JTC Summit, 8 Jurong Town Hall Road, Singapore 609434 |
| “Long Stop Date” | 20 March 2018, or such later date as may be agreed in writing between the Purchaser and the Vendor                                                                                                 |
| “PRC”            | the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan                                          |
| “Property”       | No. 33 Chin Bee Crescent, Singapore 619901 (MK6-2490X)                                                                                                                                             |
| “Prospectus”     | the prospectus of the Company dated 12 September 2017 relating to the listing of the Shares                                                                                                        |
| “Purchaser”      | Cool Link & Marketing Pte. Ltd., a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of the Company                                                           |
| “Share Offer”    | the initial public offering of the shares of the Company by way of share offer                                                                                                                     |
| “Share(s)”       | ordinary share(s) of HK\$0.10 each in the issued share capital of the Company                                                                                                                      |
| “Shareholder(s)” | holder(s) of the Share(s)                                                                                                                                                                          |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited                                                                                                                                                            |
| “Vendor”         | Amos International (S) Pte. Ltd., being an independent third party                                                                                                                                 |
| “HK\$”           | Hong Kong dollars, the lawful currency of Hong Kong                                                                                                                                                |
| “S\$”            | Singapore dollars, the lawful currency of the Republic of Singapore                                                                                                                                |
| “%”              | per cent                                                                                                                                                                                           |

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

Hong Kong, 5 March 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, 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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or in this announcement misleading.*

*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 publication. This announcement will also be published on the Company's website at <http://www.coollink.com.sg>.*