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COOL LINK (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8491)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

The board (the “**Board**”) of directors (the “**Directors**”) of Cool Link (Holdings) Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries for the six months ended 30 June 2021. This announcement, containing the full text of the 2021 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of interim results.

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

Hong Kong, 9 August 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 this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This announcement will also be published on the website of the Company at <http://www.coollink.com.sg>.

Cool Link (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8491

2021

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.

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

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 2021, together with the unaudited comparative figures for the corresponding period in 2020 as set out below:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2021

	Notes	Three months ended 30 June 2021 S\$'000 (unaudited)	2020 S\$'000 (unaudited)	Six months ended 30 June 2021 S\$'000 (unaudited)	2020 S\$'000 (unaudited)
Revenue	4	7,227	6,538	14,387	13,111
Cost of sales		(5,416)	(5,100)	(10,853)	(10,002)
Gross profit		1,811	1,438	3,534	3,109
Other income and other (loss) and gains	5	121	227	1,445	396
Selling and distribution costs		(143)	(414)	(648)	(845)
Administrative and other operating expenses		(2,063)	(1,103)	(3,654)	(2,299)
Share of results of associates		(23)	—	81	—
Finance costs	6	(232)	(202)	(372)	(367)
Profit/(loss) before income tax	7	(529)	(54)	386	(6)
Income tax expense	8	(67)	(23)	(98)	(52)
Profit/(loss) and total comprehensive income for the period		(596)	(77)	288	(58)
Profit/(loss) and total comprehensive income for the period attributable to:					
Owners of the Company		(596)	(78)	289	(55)
Non-controlling interests		—	1	(1)	(3)
		(596)	(77)	288	(58)
Earnings/(loss) per share					
Basic and diluted earnings/(loss) (Singapore cents)	9	(0.08)	(0.01)	0.04	(0.01)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	30 June 2021 S\$'000 (unaudited)	31 December 2020 S\$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	9,985	10,879
Investment properties		1,330	1,360
Right-of-use assets		2,362	2,575
Intangible assets	12	5,166	—
Goodwill	13	2,545	—
Interest in associates		3,653	3,572
Deposits		—	16
		25,041	18,402
Current assets			
Inventories		3,577	3,439
Trade receivables	14	5,946	5,088
Deposits, prepayments, other receivables and other assets		1,607	825
Financial assets at fair value through profit or loss	21	16	62
Cash and cash equivalents		5,105	5,918
		16,251	15,332
Assets classified as held for sale		2,279	3,070
		18,530	18,402
Current liabilities			
Trade payables	15	2,792	2,134
Accruals, other payables and deposits received		2,505	2,253
Bank borrowings	16	2,445	2,984
Lease liabilities		259	269
Promissory notes		7,855	2,130
Income tax payable		223	211
		16,079	9,981
Liabilities directly associated with assets with assets classified as held for sale		442	466
		16,521	10,447

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

As at 30 June 2021

	Notes	30 June 2021 S\$'000 (unaudited)	31 December 2020 S\$'000 (audited)
Net current assets		2,009	7,955
Total assets less current liabilities		27,050	26,357
Non-current liabilities			
Deposits received		—	33
Bank borrowings	16	6,596	7,329
Lease liabilities		2,265	2,401
Promissory note		—	1,146
Deferred tax liabilities		182	116
		9,043	11,025
Net assets		18,007	15,332
EQUITY			
Share capital	17	1,321	1,038
Reserves		16,702	14,309
Equity attributable to owners of the Company		18,023	15,347
Non-controlling interests		(16)	(15)
Total equity		18,007	15,332

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Equity attributable to the owners of the Company								
	Share capital	Share premium	Share option reserve	Other reserve	Financial assets at fair value through other comprehensive income 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	S\$'000
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
At 1 January 2021 (audited)	1,038	8,752	—	2,490	(1,045)	4,112	15,347	(15)	15,332
Placing of new shares	208	1,266	—	—	—	—	1,474	—	1,474
Share-based payment	—	—	326	—	—	—	326	—	326
Issuance of shares under Share Option Scheme	75	751	(239)	—	—	—	587	—	587
Profits and total comprehensive income for the period	—	—	—	—	—	289	289	(1)	288
At 30 June 2021 (unaudited)	1,321	10,769	87	2,490	(1,045)	4,401	18,023	(16)	18,007

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

		Six months ended 30 June	
		2021	2020
	Notes	S\$'000	S\$'000
		(unaudited)	(unaudited)
Cash flows from operating activities			
Profit/(loss) before income tax		386	(6)
Adjustments for:			
Interest expense	6	372	367
Depreciation of property, plant and equipment	7	894	702
Depreciation of right-of-use assets	7	200	200
Depreciation of investment properties	7	30	40
Fair value (gain)/loss on financial assets at fair value through profit or loss	5	(1)	26
Loss on disposal of financial assets at fair value through profit or loss	5	4	—
Gain on disposal of investment property	5	(1,145)	—
Share of results of associates		(81)	—
Write-off of inventories	7	—	28
Operating profit before working capital changes		659	1,357
Increase in inventories		(138)	(698)
(Increase)/decrease in trade receivables		(858)	1,257
Increase in deposits, prepayments, other receivables and other assets		(782)	(251)
Increase/(decrease) in trade payables		658	(225)
Increase/(decrease) in accruals, other payables and deposits received		252	(409)
Cash (used)/generated from operations		(209)	1,031
Income tax paid, net		—	—
Net cash (used)/generated from operating activities		(209)	1,031

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

For the six months ended 30 June 2021

		Six months ended 30 June	
		2021	2020
	Notes	S\$'000	S\$'000
		(unaudited)	(unaudited)
Cash flows from investing activities			
Purchases of property, plant and equipment		—	(35)
Acquisition of subsidiary, net of cash acquired	20	148	—
Proceeds from disposal of investment property		1,960	—
Other cash flows used in investing activities		(9)	—
Net cash generated from/(used in) investing activities		2,099	(35)
Cash flows from financing activities			
Net proceeds from placing		1,430	—
Net proceeds from issuance of shares upon exercise of share options		579	—
Repayment of promissory notes		(3,075)	—
Repayments of bank borrowings		(1,272)	(303)
Payment of lease liabilities		(275)	(269)
Interests paid on bank borrowings	6	(90)	(248)
Net cash used in financing activities		(2,703)	(820)
Net (decrease)/increase in cash and cash equivalents		(813)	176
Cash and cash equivalents at beginning of the period		5,918	5,917
Cash and cash equivalents at end of the period		5,105	6,093

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

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 2021 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 2020 except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for the annual periods beginning on 1 January 2021. 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 2020.

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

Amended HKFRSs that are effective for annual periods beginning or after 1 January 2021

The condensed consolidated interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with the accounting policies adopted in the Group's annual financial statements for the year ended 31 December 2020, except for the adoption of the following amended HKFRSs which are effective as of 1 January 2021.

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

None of the new and amended HKFRSs is expected to have a material impact on the Group's condensed consolidated interim 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	
	2021 S\$'000 (unaudited)	2020 S\$'000 (unaudited)	2021 S\$'000 (unaudited)	2020 S\$'000 (unaudited)
Sales of goods	7,227	6,538	14,387	13,111
Timing of revenue recognition	7,227	6,538	14,387	13,111

5. OTHER INCOME AND OTHER (LOSS) AND GAINS

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Bank interest income	7	19	14	24
Rental income from investment properties	75	87	194	167
Fair value gain/(loss) on financial assets at fair value through profit or loss	1	(26)	1	(26)
Government grants	36	216	92	229
Loss on disposal of financial assets at fair value through profit or loss	—	—	(4)	—
Gain on disposal of investment property	—	—	1,145	—
Others	2	(69)	3	2
	121	227	1,445	396

6. FINANCE COSTS

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest on borrowings	40	143	90	248
Finance charges on lease liabilities	82	46	93	93
Interest on promissory note	110	13	189	26
	232	202	372	367

7. PROFIT/(LOSS) BEFORE INCOME TAX

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

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Auditor's remuneration	26	26	52	53
Cost of inventories recognised as expenses				
– Cost of inventories sold	5,333	4,167	10,383	9,687
– Write-off of inventories	–	3	–	28
	5,333	4,170	10,383	9,715
Depreciation of property, plant and equipment	446	350	894	702
Depreciation of right-of-use assets	100	100	200	200
Depreciation of investment properties	15	21	30	40
Direct operating expenses arising from investment properties that generated rental income	8	3	32	36
Employee benefit expenses (including directors' remuneration)				
– Salaries and welfare	745	662	1,365	1,318
– Defined contributions	54	53	98	92
Share option granted to directors and employees	326	–	326	–
	1,125	715	1,789	1,410
Lease charges				
– Short term leases and leases with lease term shorter than 12 months as at initial application of HKFRS 16	3	2	6	5
– Variable lease payments (note)	6	6	12	11
	9	8	18	16
Net foreign exchange loss/(gain)	(14)	72	(25)	13

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	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax — Singapore income tax				
— Tax for the period	(67)	23	(98)	(52)
Income tax expense	(67)	23	(98)	(52)

9. EARNINGS/(LOSS) PER SHARE

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)

Profit/(loss)

Profit/(loss) attributable to the owners
of the Company

	(596)	(78)	289	(55)
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	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	'000	'000	'000	'000

Number of shares

Weighted average number of ordinary
shares

	745,776	600,000	678,594	600,000
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The calculation of basic earnings per share of the Company (the "Share") for the six months ended 30 June 2021 is based on the profit attributable to owners of the Company of approximately S\$0.29 million (2020: loss of approximately S\$55,000) and on the weighted average number of 678,594,475 (2020: 600,000,000) ordinary shares in issue during the period after taking into account (i) placing of 120 million Shares completed on 24 March 2021 and (ii) allotment of 17.6 million Shares and 25.6 million Shares pursuant to exercise of share options on 30 April and 13 May 2021 respectively.

The calculation of basic loss per Share for the three months ended 30 June 2021 is based on the loss attributable to owners of the Company of approximately S\$0.6 million (2020: loss of approximately S\$78,000) and on the weighted average number of 745,775,824 (2020: 600,000,000) ordinary shares in issue during the period after taking into account the allotment of 17.6 million Shares and 25.6 million Shares pursuant to exercise of share options on 30 April and 13 May 2021 respectively.

Diluted earnings per share is the same as basic earnings 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 2021 (2020: Nil).

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group did not acquire any property, plant and equipment (2020: approximately S\$35,000).

12. INTANGIBLE ASSETS

Intangible assets related to the right of use trademark arose from acquisition of subsidiaries in January 2021 (Note 20).

	Trademark S\$'000
Cost	5,166
Accumulated amortisation	—
Net book amount	5,166

13. GOODWILL

The net carrying amount of goodwill can be analysed as follows:

	30 June 2021 S\$'000 (unaudited)	31 December 2020 S\$'000 (audited)
At the beginning of reporting period	—	—
Acquisition of subsidiaries (Note 20)	2,545	—
Impairment loss	—	—
At the end of reporting period	2,545	—

14. TRADE RECEIVABLES

	30 June 2021 S\$'000 (unaudited)	31 December 2020 S\$'000 (audited)
Trade receivables	6,011	5,153
Less: Provision of ECL allowance	(65)	(65)
	5,946	5,088

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:

	30 June 2021 S\$'000 (unaudited)	31 December 2020 S\$'000 (audited)
0 to 30 days	2,479	2,143
31 to 90 days	3,100	2,756
91 to 180 days	367	133
Over 180 days	—	56
	5,946	5,088

15. TRADE PAYABLES

	30 June 2021 S\$'000 (unaudited)	31 December 2020 S\$'000 (audited)
Trade payables	2,792	2,134

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:

	30 June 2021 S\$'000 (unaudited)	31 December 2020 S\$'000 (audited)
0 to 30 days	1,753	1,079
31 to 90 days	994	1,014
91 to 180 days	45	37
Over 180 days	—	4
	2,792	2,134

16. BANK BORROWINGS

	30 June 2021 S\$'000 (unaudited)	31 December 2020 S\$'000 (audited)
Current liabilities		
Secured mortgage loans		
— Amounts repayable within one year	2,445	2,898
Unsecured term loan		
— Amounts repayable within one year	—	86
	2,445	2,984
Non-current liabilities		
Secured mortgage loans		
— Amounts repayable after one year	6,596	6,915
Unsecured term loan		
— Amounts repayable after one year	—	414
	6,596	7,329
Total bank borrowings	9,041	10,313

17. SHARE CAPITAL

A summary of the movements in the Company's authorised and issued share capital during the period is as follow:

	Number of ordinary shares	Nominal value of ordinary shares S\$'000
Authorised share capital of HK\$0.01 each		
At 1 January 2020, 31 December 2020 and 30 June 2021	10,000,000,000	17,337
Issued and fully paid		
For the six months ended 30 June 2021		
As at 31 December 2020 and 1 January 2021 (audited)	600,000,000	1,038
Issue of new ordinary shares (note a)	120,000,000	208
Exercise of share options (note b)	43,200,000	75
As at 30 June 2021 (unaudited)	763,200,000	1,321

Notes:

- (a) During the six months ended 30 June 2021, the Company completed the issue of 120,000,000 new ordinary shares under general mandate pursuant to the terms of placing agreement at the placing price of HK\$0.071 per share. The new ordinary shares were allotted and issued on 24 March 2021.
- (b) 17,600,000 Shares and 25,600,000 Shares were issued upon exercise of share options under the share option scheme of the Company at exercise price of HK\$0.078 on 30 April and 13 May 2021 respectively, and resulted in approximately S\$75,000 increase in share capital and S\$751,000 increase in share premium.

18. CAPITAL COMMITMENT

As at 30 June 2021, the Group did not have any capital commitments (31 December 2020: Nil).

19. RELATED PARTY TRANSACTIONS

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	
	2021	2020
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Short-term employee benefits	632	555
Defined contributions	26	24
	658	579

20. ACQUISITION OF SUBSIDIARIES

On 15 January 2021, the Group has completed the acquisition of the entire equity interest in a company engaging in distribution of disinfectant and antiseptic products at the consideration of HK\$45 million (equivalent to approximately S\$7.8 million).

(i) Subsidiaries acquired

Name of subsidiaries	Form of business structure	Place of incorporation and operation	Particulars of registered capital	% of effective interest held	Principal activity
Bright Path Group Limited	Corporate	BVI	United States Dollar ("US") 1	100% (2020: Nil)	Investment holding
Dove Biotech Hong Kong Limited	Corporate	Hong Kong	HK\$10,000	100% (2020: Nil)	Distribute disinfectant and antiseptic products

Bright Path Group Limited and Dove Biotech Hong Kong Limited were acquired to widen the Group's source of revenue.

(ii) Fair value of net identifiable assets and liabilities acquired at the acquisition date

	Total S\$'000
Inventory	137
Bank balances and cash	148
Trade and other receivables	5
Payables and accruals	(3)
Other payables	(335)
Total net identifiable assets acquired	(48)

(iii) Goodwill arising on acquisition

	Total S\$'000
Cash consideration transferred	7,759
Intangible assets (Note 12)	5,166
Fair value of identifiable net assets acquired	48
Goodwill arising on acquisition (Note 13)	2,545

Goodwill arose in the above acquisition as the costs of business combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected growth and wide source of revenue and future market development.

21. 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 2021

	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 profit or loss —					
Listed equity securities in					
Hong Kong	(a)	16	—	—	16
		16	—	—	16

As at 31 December 2020

	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 profit or loss —					
Listed equity securities in					
Hong Kong	(a)	62	—	—	62
		62	—	—	62

There have been no transfers between levels 1, 2 and 3 during the six months ended 30 June 2021 (2020: 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) 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.

(b) 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 2020 and 30 June 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in food supplies business in Singapore. During the six months ended 30 June 2021, 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 2021, the Group recorded a profit of approximately S\$0.29 million as compared to a loss of approximately S\$58,000 for the same period in 2020. The turnaround from loss to profit was mainly attributable to the gain on disposal of investment property and offset by (i) the increase in operating expenses for expansion and (ii) the recognition of share option expense during the period.

OUTLOOK

The future prospect of the Group is full of challenges with the global economy being affected by the global widespread outbreak of coronavirus disease (“COVID-19”) and international trade conflicts. However, the Group will continue its effort to promote its brand as well as to provide quality products and seize business opportunities in various regions.

In January 2021, the Group has completed its acquisition of a company engaging in distribution of disinfectant and antiseptic products. In view of the growing demand of disinfectant/antiseptic products due to people’s higher awareness of hygiene under the current epidemic, the Group will pursue to leveraging on its existing networks developed in its food supplies business to tap into such new business area which can increase and widen its source of revenue. The Group has been continuously exploring different opportunities to broaden its income stream and strengthen its market presence. The outbreak of COVID-19 has caused disruptions to the economic and social activities in the market that the Group operates in. Those disruptions pose threat on affecting the entire world and make the outlook highly uncertain. However, the Board remains optimistic and taking necessary actions to ensure the impact to our core businesses is minimized, through dedication and expansion so as to deliver sustainable growth and profitability to the Group. It is undeniable that the global economy faces its challenges in recent history due to the COVID-19 pandemic. Looking forward, the Group will continue to adopt diversified strategies with a view to grasping all valuable business opportunities for the Group to advance its business model and to growth in the coming years.

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\$1.3 million or approximately 9.7% from approximately S\$13.1 million for the six months ended 30 June 2020 to approximately S\$14.4 million for the six months ended 30 June 2021. Such increase was mainly driven by the introduction of more products due to the increased demand from customers.

Cost of sales

The Group's cost of sales increased by approximately S\$0.9 million or approximately 8.5% from approximately S\$10.0 million for the six months ended 30 June 2020 to approximately S\$10.9 million for the six months ended 30 June 2021. 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\$0.4 million or approximately 13.7% from approximately S\$3.1 million for the six months ended 30 June 2020 to approximately S\$3.5 million for the six months ended 30 June 2021. The Group's overall gross profit margin remained stable at 23.7% and 24.6% for the six months ended 30 June 2020 and 2021 respectively.

Selling and distribution costs

The Group's selling and distribution costs decreased by approximately S\$0.2 million or approximately 23.3% from approximately S\$0.85 million for the six months ended 30 June 2020 to approximately S\$0.65 million for the six months ended 30 June 2021. 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\$1.4 million or approximately 58.9% from approximately S\$2.3 million for the six months ended 30 June 2020 to approximately S\$3.7 million for the six months ended 30 June 2021. The increase was primarily due to the increase in operating expenses for expansion and the recognition of share option expense during the period.

Finance costs

The Group's finance costs remained stable as approximately S\$0.4 million for the six months ended 30 June 2021 when compared with that of 2020.

Profit/(loss) and total comprehensive income for the period

As a result of the foregoing, the Group recorded a profit of approximately S\$0.29 million for the six months ended 30 June 2021 as compared to a loss of approximately S\$58,000 for six months ended 30 June 2020. The increase in profit was mainly attributable to the gain on sales of investment property and offset by (i) the increase in operating expenses for expansion and (ii) the recognition of share option expense during the period.

CAPITAL STRUCTURE

Details of the Company's share capital are set out in note 17 to the condensed consolidated financial statements in this interim report.

Issue of Placing Shares

On 24 March 2021, an aggregate of 120,000,000 new shares of the Company (the "Shares") were successfully placed to not less than six placees at a price of HK\$0.071 each (the "Placing") under a general mandate granted by the Shareholders at its annual general meeting held on 12 May 2020. The net proceeds from the Placing (after deducting related placing commissions and related expenses) were approximately HK\$8.3 million and the Company intended to repay the interest-bearing promissory notes. Details of the Placing were disclosed in the Company's announcements dated 2 March 2021 and 24 March 2021.

As at the date of this report, the net proceeds has been fully used as intended.

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2021, the Group's working capital was financed by internal resources, Placing as well as bank and other borrowings. As at 30 June 2021, the quick ratio of the Group was approximately 0.9 times (31 December 2020: 1.4 times).

GEARING RATIO

The total borrowings, comprising bank borrowings, lease liabilities and promissory note of the Group as at 30 June 2021 were approximately S\$19.9 million (31 December 2020: S\$16.7 million). The Group's gearing ratio as at 30 June 2021 was approximately 110.3% (31 December 2020: 109.1%), which is calculated as the Group's total borrowings over the Group's total equity.

CAPITAL EXPENDITURE

During the six months ended 30 June 2021, the Group did not have any capital expenditure which was primarily related to our purchases of property, plant and equipment.

CAPITAL COMMITMENTS

As at 30 June 2021, the Group had no significant capital commitments (31 December 2020: nil).

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2021, the Group has pledged its leasehold properties and investment properties with net book value amounted to approximately S\$9 million (31 December 2020: S\$9 million) and approximately S\$0.8 million (31 December 2020: S\$0.8 million), respectively, for certain banking facilities granted to the Group.

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

Save as disclosed in this interim report, during the six months ended 30 June 2021, the Group did not have any significant investment, material acquisition nor disposal of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this interim report, the Group does not have other plans for material investments and capital assets as of 30 June 2021.

CONTINGENT LIABILITIES

As at 30 June 2021, 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\$925,000 (31 December 2020: \$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 2021 and 31 December 2020.

INFORMATION ON EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2021, the Group employed 58 employees (31 December 2020: 58) with total staff cost (including directors' emoluments) of approximately S\$1.8 million incurred for the six months ended 30 June 2021 (six months ended 30 June 2020: S\$1.4 million). The Group's remuneration packages are generally structured with reference to market terms and individual merits. The Group has adopted a share option scheme for the grant of share options to eligible participants. 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 2021, the net proceeds from the Share Offer had been applied as follows:

			Planned use of revised net proceeds up to 30 June 2020 HK\$'000	Actual use of net proceeds as at 30 June 2021 HK\$'000	Unutilised net proceeds as at 30 June 2021 HK\$'000
	Original use of net proceeds HK\$'000	Revised use of net proceeds 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	1,841	4,059
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	31,541	4,059

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 2021, 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 and underlying Shares

Name	Capacity/ Nature of interest	Number of shares held/interested	Approximate percentage of shareholding (Note 1)
Mr. Tan Seow Gee	Beneficial Owner	7,200,000 (Note 2)	0.94%
Mr. Gay Teo Siong	Beneficial Owner	7,200,000 (Note 2)	0.94%
Mr. Choi Wai Tong Winton	Beneficial Owner	7,200,000 (Note 3)	0.94%
Ms. Luk Huen Ling Claire	Beneficial Owner	7,200,000 (Note 3)	0.94%

Notes:

1. The percentage is calculated on the basis of the total number of issued Shares as at 30 June 2021 (i.e. 763,200,000 Shares).
2. These represented the 7,200,000 Shares held by each of Mr. Tan Seow Gee and Mr. Gay Teo Siong.
3. These represented the 7,200,000 share options granted to each of Mr. Choi Wai Tong Winton and Ms. Luk Huen Ling Claire pursuant to the share option scheme of the Company.

Save as disclosed above, as at 30 June 2021, 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

As at 30 June 2021, the following corporations which or persons who (other than a Director or the chief executive of the Company) had interests or short positions in the Shares and the underlying Shares, which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO:

Long positions in the Shares and underlying Shares

Name	Capacity/ Nature of interest	Number of shares held/interested	Approximate percentage of shareholding (Note 1)
Excellent Success Investments Limited	Underwriter	19,440,000 (Note 2)	33.33%
Roma Group Limited	Interest of controlled corporation	19,440,000 (Note 2)	33.33%

Notes:

1. The percentage is calculated with reference to the total number of 58,320,000 consolidated Shares in issue upon completion of the consolidation of every 20 issued and unissued Shares into 1 consolidated Share, please refer to the Company's announcement dated 11 June and 15 July 2021 for details.
2. Based on the notices of disclosure of interests of Roma Group Limited filed with the Stock Exchange, it was interested in 19,440,000 consolidated Shares in long position by virtue of Excellent Success Investments Limited ("Excellent Success") as the underwriter and is obliged to take up 19,440,000 consolidated Shares in relation to the rights issue on the basis of 1 right Share for every 2 consolidated Shares. Excellent Success is wholly owned by Roma Group Limited and it was deemed to be interested in the Shares interested by Excellent Success pursuant to Part XV of the SFO accordingly.

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 2021.

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.

Details of the share options movements during the six months ended 30 June 2021 under the Scheme are as follows:

Grantee	Date of grant of share options	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding as at 30. 06. 2021	Validity period of share options	Share price prior to the grant of options HK\$	Weighted average closing price of share before the date of exercise of options HK\$	Exercise price HK\$
Directors										
Mr. Tan Seow Gee (Note 1)	9.4.2021	7,200,000	7,200,000	–	–	–	9.4.2021 to 8.10.2022	0.070	0.083	0.078
Mr. Gay Teo Siong (Note 2)	9.4.2021	7,200,000	7,200,000	–	–	–	9.4.2021 to 8.10.2022	0.070	0.083	0.078
Mr. Choi Wai Tong Winton (Note 3)	9.4.2021	7,200,000	–	–	–	7,200,000	9.4.2021 to 8.10.2022	0.070	–	0.078
Ms. Luk Huen Ling Claire (Note 4)	9.4.2021	7,200,000	–	–	–	7,200,000	9.4.2021 to 8.10.2022	0.070	–	0.078
Subtotal		28,800,000	14,400,000	–	–	14,400,000				
Employees	9.4.2021	28,800,000	28,800,000	–	–	–	9.4.2021 to 8.10.2022	0.070	0.077	0.078
Total		57,600,000	43,200,000			14,400,000				

As at 30 June 2021, 14,400,000 share options was outstanding under the Scheme.

1. Mr. Tan Seow Gee is an executive Director.
2. Mr. Gay Teo Siong is an executive Director.
3. Mr. Choi Wai Tong Winton is a non-executive Director.
4. Ms. Luk Huen Ling Claire is an independent non-executive Director.
5. All granted options shall vest immediately upon date of grant.

Save as disclosed above, no share options were granted or exercised or cancelled or lapsed during the six months ended 30 June 2021.

CHANGE IN DIRECTOR'S INFORMATION

In accordance with Rule 17.50A(1) of the GEM Listing Rules, changes of the information of the Directors, subsequent to the date of the annual report of the Company for the year ended 31 December 2020, required to be disclosed, are set out below:

Directors	Details of Changes
Mr. Choi Wai Tong Winton	: Appointed as a non-executive Director, as well as a member of each of the audit committee, remuneration committee and nomination committee of the Board with effect from 22 January 2021
Mr. Cheng King Yip	: Resigned as a non-executive Director, as well as a member of each of the audit committee, remuneration committee and nomination committee of the Board with effect from 22 January 2021
Mr. Yim Harrison Chun Fung	: Appointed as an independent non-executive Director, chairman of the audit committee, as well as a member of each of the remuneration committee and nomination committee of the Board with effect from 1 May 2021
Ms. Chin Ying Ying	: Resigned as an independent non-executive Director, chairlady of the audit committee, as well as a member of each of the remuneration committee and nomination committee of the Board with effect from 1 May 2021

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 2021.

EVENTS AFTER THE REPORTING PERIOD

(a) Share Consolidation

An extraordinary general meeting was held on 15 July 2021 in which the Board to approve the proposed share consolidation of every twenty (20) issued and unissued Shares of par value of HK\$0.01 each be consolidated into one (1) consolidated Share of par value of HK\$0.2 each (the “Share Consolidation”).

The Share Consolidation became effective on 19 July 2021. Upon completion of the Share Consolidation, the authorised share capital of the Company was HK\$10,000,000 divided into 500,000,000 consolidated shares of par value of HK\$0.2 each, of 38,880,000 consolidated Shares were in issue.

The details of the Share Consolidation are set out in the announcements of the Company dated 11 June 2021 and 15 July 2021, and circular dated 29 June 2021.

(b) Proposed Rights Issue

On 11 June 2021, the Board proposed to implement the rights issue on the basis of one (1) right share for every two (2) consolidated Shares at the subscription price of HK\$0.91 per rights share (adjusted after Share Consolidation being effective), to raise gross proceeds of approximately HK\$17.7 million before expenses by way of the rights issue of 19,440,000 rights shares (adjusted after Share Consolidation being effective), to the qualifying shareholders of the Company (the “Proposed Rights Issue”).

The prospectus regarding the Proposed Rights Issue was published on 29 July 2021. The Rights Issues was expected to be completed on 13 August 2021.

The details of the Proposed Rights Issue were set out in the Company’s announcement dated 11 June 2021 and 15 July 2021.

Save as disclosed above, the Directors are not aware of any significant event which had material effect on the Group subsequent to 30 June 2021 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 2021.

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 2021.

AUDIT COMMITTEE

The audit committee of the Company has discussed and reviewed this interim report and the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2021, which was of the opinion that such results had been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

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

Hong Kong, 9 August 2021

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. 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 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.coolink.com.sg>.