

Cool Link (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8491

2022

THIRD QUARTERLY REPORT

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

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

The board (the “**Board**”) of Directors of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the three months and nine months ended 30 September 2022, together with the unaudited comparative figures for the corresponding period in 2021 as set out below:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2022

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Revenue	4	8,847	7,534	25,471	21,921
Cost of sales		(7,145)	(5,685)	(19,487)	(16,538)
Gross profit		1,702	1,849	5,984	5,383
Other income and other gains and (loss)	5	163	1,462	395	2,907
Selling and distribution costs		(1,042)	(696)	(2,273)	(1,344)
Administrative and other operating expenses		(923)	(1,159)	(4,378)	(4,813)
Share of results of an associate		(8)	(56)	(22)	25
Finance costs	6	(97)	(101)	(278)	(473)
(Loss)/profit before income tax		(205)	1,299	(572)	1,685
Income tax (expense)/credit	7	(42)	66	(80)	(32)
(Loss)/profit and total comprehensive income for the period		(247)	1,365	(652)	1,653
(Loss)/profit and total comprehensive income for the period attributable to:					
Owners of the Company		(247)	1,365	(652)	1,654
Non-controlling interests		-	-	-	(1)
		(247)	1,365	(652)	1,653
(Loss)/earnings per share					
Basic and diluted (loss)/earnings (Singapore cents)	8	(0.32)	2.91	(0.98)	4.32

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2022

	Equity attributable to the owners of the Company										
	Share capital S\$'000	Share premium S\$'000	Share option reserve S\$'000	Share held for share award plan S\$'000	Translation reserve S\$'000	Other reserve S\$'000	Financial asset at fair value through other comprehensive income reserve (non-recycling) S\$'000	Retained profits S\$'000	Subtotal S\$'000	Non-controlling interests S\$'000	Total S\$'000
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	100	1,007	(326)	–	–	–	–	–	781	–	781
Issuance of shares under rights issue	680	2,908	–	–	–	–	–	–	3,588	–	3,588
Profit and total comprehensive income for the period	–	–	–	–	–	–	–	1,683	1,683	(1)	1,682
At 30 September 2021 (unaudited)	2,026	13,933	–	–	–	2,490	(1,045)	5,795	23,199	(16)	23,183
At 1 January 2022 (audited)	2,021	13,205	–	–	41	2,490	(1,045)	2,911	19,623	–	19,623
Placing of new shares	739	1,449	–	–	–	–	–	–	2,188	–	2,188
Share-based payment	–	–	353	–	–	–	–	–	353	–	353
Issuance of shares under Share Option Scheme	144	582	(227)	–	–	–	–	–	499	–	499
Purchase of share for the plan (note a)	–	–	–	(791)	–	–	–	–	(791)	–	(791)
Exchange differences arising on translation of financial statements of foreign operation	–	–	–	–	563	–	–	–	563	–	563
Share of other comprehensive income of associate	–	–	–	–	108	–	–	–	108	–	108
Loss for the period	–	–	–	–	–	–	–	(652)	(652)	–	(652)
At 30 September 2022 (unaudited)	2,904	15,236	126	(791)	712	2,490	(1,045)	2,259	21,891	–	21,891

Note a:

During the period, the Company contributed approximately S\$791,000 (HK\$4,569,000) at an average price of HK\$0.786 per share for purchase of 5,795,000 ordinary shares which are currently held under the share award plan (the "Plan") adopted on 14 September 2021.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2022

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 and healthcare supplies business.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2022 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 2021 except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for the annual periods beginning on 1 January 2022. 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 2021.

During the nine months ended 30 September 2022, the Group has adopted all the new and amended 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 financial information except as described in the below paragraph headed "Adoption of New or Amended HKFRSs".

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 2022

The unaudited condensed consolidated financial statements for the nine months ended 30 September 2022 have been prepared in accordance with the accounting policies adopted in the Group's annual financial statements for the year ended 31 December 2021, except for the adoption of the following amended HKFRSs which are effective as of 1 January 2022.

HKFRS 16 (Amendments)	COVID-19-Related Rent Concessions beyond 30 June 2021
Annual Improvements Project (Amendments)	Annual Improvements to HKFRSs 2018–2020
HKFRS 3, HKAS 16 and HKAS 37 (Amendments)	Narrow-scope Amendments
Hong Kong Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations

None of the new and amended HKFRSs is expected to have a material impact on the Group's condensed consolidated third quarterly 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:

	For the three months ended 30 September		For the nine months ended 30 September	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales of goods	8,847	7,534	25,471	21,921

5. OTHER INCOME AND OTHER GAINS AND (LOSS)

	For the three months ended 30 September		For the nine months ended 30 September	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Bank interest income	—	2	—	16
Rental income from investment properties	84	131	254	325
Fair value gain/(loss) on financial assets at fair value through profit or loss	4	(1)	1	—
Government grants	19	5	66	97
Loss on disposal of financial assets at fair value through profit or loss	—	—	—	(4)
Gain on disposal of investment properties	—	1,348	—	2,493
Others	56	(23)	74	(20)
	163	1,462	395	2,907

6. FINANCE COSTS

	For the three months ended 30 September		For the nine months ended 30 September	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Interest on borrowings	49	44	102	134
Finance charges on lease liabilities	33	45	94	138
Interest on promissory note	15	12	82	201
	97	101	278	473

8. (LOSS)/EARNINGS PER SHARE (CONTINUED)

The calculation of basic loss per share of the Company (the "Share") for the nine months ended 30 September 2022 is based on the loss attributable to owners of the Company of approximately S\$0.6 million (2021: profit of approximately S\$1.65 million) and on the weighted average number of 66,631,000 (2021: 39,668,000) ordinary shares in issue during the period after taking into account (i) placing of 7,632,000 Shares and 13,190,000 Shares completed on 27 January 2022 and 17 June 2022 respectively, (ii) the purchase of share held for the Plan and (iii) allotment of 3.95 million Shares pursuant to exercise of share options on 5 July 2022 (2021: (i) placing of 120 million Shares completed on 24 March 2021, (ii) allotment of 17.6 million Shares, 25.6 million Shares and 14.4 million Shares pursuant to exercise of share options on 30 April, 13 May and 6 July 2021 respectively, (iii) 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") which was effective on 19 July 2021 and (iv) the completion of rights issue of 19,440,000 rights shares (adjusted after Share Consolidation being effective) completed on 23 August 2021 (the "Rights Issue").

The calculation of basic loss per Share for the three months ended 30 September 2022 is based on the loss attributable to owners of the Company of approximately S\$247,000 (2021: profit of approximately S\$1.37 million) and on the weighted average number of 77,125,000 (2021: 48,054,000) ordinary shares in issue during the period after taking into account the allotment of 3.95 million Shares pursuant to exercise of share options on 5 July 2022 (2021: (i) the allotment of 14.7 million Shares pursuant to exercise of share options on 6 July 2021, (ii) the Share Consolidation and (iii) the completion of Rights Issue).

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

9. DIVIDENDS

The Board does not recommend a payment of any dividend for the nine months ended 30 September 2022 (2021: Nil).

10. CONTINGENT LIABILITIES

As at 30 September 2022, 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\$950,000 (2021: S\$966,000).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in food and healthcare supplies business. During the nine months ended 30 September 2022, the Group continued to supply products to ship chandlers, retailers and customers who are in the related service industry.

For the nine months ended 30 September 2022, the Group recorded a loss of approximately S\$0.6 million as compared to a profit of approximately S\$1.7 million for the same period in 2021. The turnaround from profit to loss was mainly attributable to the absence of one-off gain on sales of investment property of S\$1.1 million recognised in the nine months ended 30 September 2021 and offset by the increase in operating expenses.

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.

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 treat 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 employee and associates are safe and that our values customers continue to be served as best as we can.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately S\$3.6 million or approximately 16.2% from approximately S\$21.9 million for the nine months ended 30 September 2021 to approximately S\$25.5 million for the nine months ended 30 September 2022. Such increase was mainly driven by the increase in selling price of the frozen products.

Cost of sales

The Group's cost of sales increased by approximately S\$3.0 million or approximately 17.8% from approximately S\$16.5 million for nine months ended 30 September 2021 to approximately S\$19.5 million for nine months ended 30 September 2022. 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\$0.6 million or approximately 11.2% from approximately S\$5.4 million for the nine months ended 30 September 2021 to approximately S\$6.0 million for the nine months ended 30 September 2022. The Group's overall gross profit margin remained stable at 24.6% and 23.5% for the nine months ended 30 September 2021 and 2022 respectively.

Selling and distribution costs

The Group's selling and distribution costs increased by approximately S\$1.0 million or approximately 69.1% from approximately S\$1.3 million for the nine months ended 30 September 2021 to approximately S\$2.3 million for the nine months ended 30 September 2022. Primarily as a result of the increase in advertising and promotion expenses, the increase was in line with the increase in revenue.

Administrative and other operating expenses

The Group's administrative and other operating expenses decreased by approximately S\$0.4 million or approximately 9.0% from approximately S\$4.8 million for the nine months ended 30 September 2021 to approximately S\$4.4 million for the nine months ended 30 September 2022.

Finance costs

The Group's finance costs decreased by approximately S\$0.2 million or approximately 41.2% from approximately S\$0.5 million for the nine months ended 30 September 2021 to approximately S\$0.3 million for the nine months ended 30 September 2022. The decrease was mainly due to the redemption of certain promissory notes in 2021.

(Loss)/profit and total comprehensive income for the period

As a result of the foregoing, the Group recorded a loss of approximately S\$0.6 million for the nine months ended 30 September 2022 as compared to a profit of approximately S\$1.7 million for nine months ended 30 September 2021. The turnaround from profit to loss was mainly attributable to the absence of one-off gain on sales of investment property of S\$1.1 million recognised in the nine months ended 30 September 2021 and offset by the increase in operating expenses.

CAPITAL STRUCTURE

The change of capital structure of the Group during the nine months ended 30 September 2022 are summarized as below:

Issue of Placing Shares

On 27 January 2022, an aggregate of 7,632,000 new shares of the Company were successfully placed to not less than six placees at a price of HK\$0.75 each (the **"Placing in Jan 2022"**) under a general mandate granted by the Shareholders at its annual general meeting held on 29 June 2021. The net proceeds from the Placing in Jan 2022 (after deducting related placing commission, professional fees and other related expenses) were approximately HK\$5.58 million and the Company intended to apply the entire net proceeds for general working capital for operation, which has been fully utilised as intended as at the date of this report. Details of the Placing in Jan 2022 were disclosed in the Company's announcements dated 14 and 27 January 2022 and the next day disclosure return dated 27 January 2022.

On 17 June 2022, an aggregate of 13,190,000 new shares of the Company were successfully placed to not less than six placees at a price of HK\$0.52 each (the **"Placing in Jun 2022"**) under a general mandate granted by the Shareholders at its annual general meeting held on 30 May 2022. The net proceeds from the Placing in Jun 2022 (after deducting related placing commission, professional fees and other related expenses) were approximately HK\$6.76 million and the Company intended to apply the entire net proceeds for general working capital for operation, which has been fully utilised as intended as at the date of this report. Details of the Placing in Jun 2022 were disclosed in the Company's announcements dated 2 and 17 June 2022 and the next day disclosure return dated 17 June 2022.

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

Save as disclosed in this report, during the nine months ended 30 September 2022, the Group did not have any significant investment, material acquisition nor disposal of subsidiaries and affiliated companies.

OTHER INFORMATION

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

As at 30 September 2022, 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 and underlying Shares

Name	Capacity/ Nature of interest	Number of shares held/interested	Number of underlying shares held	Approximate percentage of shareholding (Note 1)
Mr. Tan Seow Gee	Beneficial owner/ Personal interest	10,575,000	—	12.73%
Mr. Gay Teo Siong ("Mr. Gay")	Beneficial owner/ Personal interest/	8,445,000	—	10.16%
Ms. Yeo Poh Choo ("Ms. Yeo")	Interest of spouse	8,445,000 (Note 2)	—	10.16%
Mr. Choi Wai Tong Winton	Beneficial owner/ Personal interest	—	790,000 (Note 3)	0.95%

Notes:

1. The percentage is calculated on the basis of the total number of issued Shares as at 30 September 2022 (i.e. 83,092,000 Shares).
2. By virtue of the SFO, Mr. Gay, being the spouse of Ms. Yeo, was deemed to be interested in all Shares held by Ms. Yeo.
3. These represent the Shares to be issued and allotted by the Company upon exercise of the options granted under the share option scheme of the Company.

Save as disclosed above, as at 30 September 2022, 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 30 September 2022, 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 and underlying Shares

Name	Capacity/ Nature of interest	Number of shares held/interested	Approximate percentage of shareholding
Yaneza Lana	Beneficial owner/ Personal interest	4,220,000 shares	5.08%
Excellent Success Investments Limited	Trustee of Plan/Others	5,795,000 shares (Note 1)	6.97%

Note 1: These 5,795,000 shares were held by Excellent Success Investments Limited, which was the trustee of the Plan adopted with effect from 14 September 2021.

Save as disclosed above, as at 30 September 2022, 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 nine months ended 30 September 2022.

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 nine months ended 30 September 2022 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. 09. 2022	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)	27.6.2022	790,000	790,000	-	-	-	27.6.2022 to 26.12.2023	0.63	0.71	0.71
Mr. Gay Teo Siong (Note 2)	27.6.2022	790,000	790,000	-	-	-	27.6.2022 to 26.12.2023	0.63	0.71	0.71
Mr. Choi Wai Tong Winton (Note 3)	27.6.2022	790,000	-	-	-	790,000	27.6.2022 to 26.12.2023	0.63	-	0.71
Ms. Luk Huen Ling Claire (Note 4)	27.6.2022	790,000	790,000	-	-	-	27.6.2022 to 26.12.2023	0.63	0.71	0.71
Subtotal		3,160,000	2,370,000	-	-	790,000				
Employees (Note 5)	27.6.2022	3,160,000	1,580,000	790,000	-	790,000	27.6.2022 to 26.12.2023	0.63	0.71	0.71
Total		6,320,000	-			1,580,000				

As at 30 September 2022, 1,580,000 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. Among the 3,160,000 options, 790,000 options was granted to Ms. Yeo Poh Choo, an account executive of the Group; also the spouse and an associate of Mr. Gay Teo Siong.
6. 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 nine months ended 30 September 2022.

SHARE AWARD PLAN

On 14 September 2021, the Company adopted the Share Award Plan (the “**Plan**”) in which the Group’s employees (whether full time or part time, but exclude directors), providers of goods and/or services, customers, consultants, advisers of the Group or any invested entity, and holders of securities issued by any member of the Group will be entitled to participate (the “**Eligible Participant(s)**”).

The objectives of the Plan are to (i) recognize and reward the contribution of certain Eligible Participants to the growth and development of the Group through an award of Shares and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (ii) attract and remain suitable personnel for further development of the Group.

The Plan shall be subject to the administration of the Board and the trustee in accordance with the plan rules and the trust deed of the Plan. The Plan will be valid and effective from the adoption date (i.e. 14 September 2021) and will terminate on the earlier of (i) the tenth anniversary date of the adoption date; and (ii) such date of early termination as determined by the Board provided that such termination will not affect any subsisting rights of any Selected Participant under the Plan.

The maximum number of Share to be subscribed for and/or purchased by the Trustee by applying Trust Fund for each calendar year for the purpose of the Plan shall not exceed 10% of the total number of issued Shares as at the beginning of such calendar year subject to adjustment in the event of capitalization issue or right issue. The Directors shall not instruct the Trustee to subscribe and/or purchase any Shares for the

purpose of the Plan when such subscription and/or purchase will result in the said limit being exceeded. The maximum number of Shares which may be awarded to a Selected Participant under the Plan, shall not exceed 1% of the total number of issued Shares during any 12-month period.

During the nine months ended 30 September 2022, a sum of approximately HK\$4,556,000 has been used to acquire 5,795,000 shares from the market by the trustee of the Plan. As at 30 September 2022, no shares have been granted under the Plan.

Details of the Plan were set out in the announcements of the Company dated 14 September 2021 and 23 November 2021.

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 nine months ended 30 September 2022.

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 nine months ended 30 September 2022.

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 nine months ended 30 September 2022.

AUDIT COMMITTEE

The members of the audit committee of the Company (the “**Audit Committee**”) include one non-executive Director, namely Mr. Choi Wai Tong Winton, and three independent non-executive Directors, namely Mr. Yim Harrison Chun Fung, Ms. Chan Oi Chong and Ms. Luk Huen Ling Claire. Mr. Yim Harrison Chun Fung is the chairman of the Audit Committee. The Audit Committee of the Company has discussed and reviewed this third quarterly report and the unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2022, 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, 14 November 2022

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.

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