

# Cool Link (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8491

**2023**

**FIRST QUARTERLY REPORT**

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

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This 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 ended 31 March 2023, together with the unaudited comparative figures for the corresponding period in 2022 as set out below:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2023

|   | Notes | For the three months ended 31 March |                                |
|---|-------|-------------------------------------|--------------------------------|
|   |       | 2023<br>S\$'000<br>(unaudited)      | 2022<br>S\$'000<br>(unaudited) |
| <b>Revenue</b>  | 3     | <b>7,494</b>                        | 8,228                          |
| Cost of sales   |       | <b>(4,929)</b>                      | (6,004)                        |
| <b>Gross profit</b>   |       | <b>2,565</b>                        | 2,224                          |
| Other income and gains and (loss)   | 4     | <b>144</b>                          | 145                            |
| Selling and distribution costs  |       | <b>(756)</b>                        | (805)                          |
| Administrative and other operating expenses                               |       | <b>(983)</b>                        | (1,673)                        |
| Share of results of associates  |       | <b>(3)</b>                          | 17                             |
| Finance costs   | 5     | <b>(87)</b>                         | (91)                           |
| <b>Profit/(loss) before income tax</b>                                    |       | <b>880</b>                          | (183)                          |
| Income tax expense  | 6     | <b>(176)</b>                        | (2)                            |
| <b>Profit/(loss) for the period attributable to owners of the Company</b> |       | <b>704</b>                          | (185)                          |
| Basic and diluted earnings/(loss) (Singapore cents)                       | 7     | <b>0.84</b>                         | (0.31)                         |

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2023

|   | Attributable to the owners of the Company |               |               |                     |                      |                                 |  |                  | Total   |
|---|---|---------------|---------------|---------------------|----------------------|---------------------------------|--|------------------|---------|
|   | Share capital                             | Share premium | Other reserve | Translation reserve | Share option reserve | Share held for share award plan | Financial assets at fair value through other comprehensive reserve (non-recycling) | Retained profits |         |
|   | S\$'000                                   | S\$'000       | S\$'000       | S\$'000             | S\$'000              | S\$'000                         | S\$'000  | S\$'000          | S\$'000 |
| At 1 January 2022 (audited)   | 2,021                                     | 13,205        | 2,490         | 41                  | –                    | –                               | (1,045)  | 2,911            | 19,623  |
| Placing of new shares   | 264                                       | 703           | –             | –                   | –                    | –                               | –  | –                | 967     |
| Loss for the period   | –   | –             | –             | –                   | –                    | –                               | –  | (185)            | (185)   |
| Purchase of shares for the Plan (note a)  | –   | –             | –             | –                   | –                    | (791)                           | –  | –                | (791)   |
| Exchange differences arising on translation of financial statements of foreign operations | –   | –             | –             | (26)                | –                    | –                               | –  | –                | (26)    |
| Shares of other comprehensive income of associate   | –   | –             | –             | (11)                | –                    | –                               | –  | –                | (11)    |
| At 31 March 2022 (unaudited)  | 2,285                                     | 13,908        | 2,490         | 4                   | –                    | (791)                           | (1,045)  | 2,726            | 19,577  |
| At 1 January 2023 (audited)   | 2,904                                     | 15,236        | 2,490         | 126                 | 88                   | (791)                           | (1,045)  | (5,790)          | 13,218  |
| Profit for the period   | –   | –             | –             | –                   | –                    | –                               | –  | 704              | 704     |
| Exchange differences arising on translation of financial statements of foreign operations | –   | –             | –             | 8                   | –                    | –                               | –  | –                | 8       |
| Shares of other comprehensive income of associate   | –   | –             | –             | (9)                 | –                    | –                               | –  | –                | (9)     |
| At 31 March 2023 (unaudited)  | 2,904                                     | 15,236        | 2,490         | 125                 | 88                   | (791)                           | (1,045)  | (5,086)          | 13,921  |

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2023

## 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 three months ended 31 March 2023 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 2022 except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for the annual periods beginning on 1 January 2023. The effect of the adoption of these standards, amendments and interpretations was not material on the Group's results of operations and financial position.

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

## 3. REVENUE

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

|                | For the three months<br>ended 31 March |             |
|----------------|--|-------------|
|                | 2023                                   | 2022        |
|                | S\$'000                                | S\$'000     |
|                | (unaudited)                            | (unaudited) |
| Sales of goods | 7,494                                  | 8,228       |

#### 4. OTHER INCOME (LOSS) AND GAINS

|   | For the three months<br>ended 31 March |                                |
|---|--|--------------------------------|
|   | 2023<br>S\$'000<br>(unaudited)         | 2022<br>S\$'000<br>(unaudited) |
| Interest income   | 7                                      | —                              |
| Rental income from investment properties                                      | 85                                     | 86                             |
| Government grants   | 46                                     | 46                             |
| Fair value change on financial assets at fair value through<br>profit or loss | 1                                      | —                              |
| Net foreign exchange gain   | —                                      | 8                              |
| Others  | 5                                      | 5                              |
|   | <b>144</b>                             | <b>145</b>                     |

#### 5. FINANCE COSTS

|                                      | For the three months<br>ended 31 March |                                |
|--------------------------------------|--|--------------------------------|
|                                      | 2023<br>S\$'000<br>(unaudited)         | 2022<br>S\$'000<br>(unaudited) |
| Interest on bank borrowings          | 43                                     | 26                             |
| Finance charges on lease liabilities | 33                                     | 32                             |
| Interest on promissory note          | 11                                     | 33                             |
|                                      | <b>87</b>                              | <b>91</b>                      |

#### 6. INCOME TAX (CREDIT)/EXPENSE

|              | For the three months<br>ended 31 March |                                |
|--------------|--|--------------------------------|
|              | 2023<br>S\$'000<br>(unaudited)         | 2022<br>S\$'000<br>(unaudited) |
| Current tax  |  |                                |
| – Singapore  | 191                                    | 11                             |
| – Hong Kong  | —                                      | 17                             |
|              | <b>191</b>                             | <b>28</b>                      |
| Deferred tax | (15)                                   | (26)                           |
|              | <b>176</b>                             | <b>2</b>                       |

## 7. (LOSS)/EARNINGS PER SHARE

|   | For the three months<br>ended 31 March |             |
|---|--|-------------|
|   | 2023                                   | 2022        |
|   | S\$'000                                | S\$'000     |
|   | (unaudited)                            | (unaudited) |
| Profit/(loss) attributable to the owners of the Company | 704                                    | (185)       |

|  | For the three months<br>ended 31 March |        |
|--|--|--------|
|  | 2023                                   | 2022   |
|  | '000                                   | '000   |
| <b>Number of shares</b>                    |  |        |
| Weighted average number of ordinary shares | 83,092                                 | 60,398 |

The calculation of basic loss per share for the three months ended 31 March 2023 is based on the profit attributable to owners of the Company of approximately S\$704,000 (2022: loss of approximately S\$185,000) and on the weighted average number of 83,092,000 (2022: 60,398,000) ordinary shares in issue during the period (2022: by taken into account (i) the completion of placing of 7,632,000 shares and (ii) the purchase of share held for the Plan.)

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

## 8. DIVIDENDS

The Board does not recommend a payment of any dividend for the three months ended 31 March 2023 (2022: Nil).

## 9. CONTINGENT LIABILITIES

As at 31 March 2023, 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\$942,000 (2022: S\$938,000).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is principally engaged in food and healthcare supplies business. During the three months ended 31 March 2023 (the “period”), the Group continued to supply products to ship chandlers, retailers and customers who are in the related service industry.

For the three months ended 31 March 2023, the revenue decreased by approximately S\$0.7 million and the gross profit increased by approximately S\$0.3 million as compared to the three months ended 31 March 2022. For the three months ended 31 March 2023, the Group recorded a profit of approximately S\$704,000 as compared to a loss of approximately S\$185,000 for the same period in 2022. The increase in profit was mainly attributable to the decrease in administrative and other operating expenses and the increase in gross profit as a result of increase in selling price of frozen products.

### OUTLOOK

The future prospect of the Group is full of challenges with the global economy being affected by the remaining adverse effects of COVID-19, ongoing geopolitical risks, Russia-Ukraine war and upcoming interest rate hikes. 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 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, after the year end, a management personnel of a subsidiary of the Group which principally engaged in distribution of disinfectant and antiseptic products passed away. The Group is taking necessary actions to ensure the impact to our businesses is minimized, our employees 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 decreased by approximately S\$0.7 million or approximately 8.5% from approximately S\$8.2 million for the three months ended 31 March 2022 to approximately S\$7.5 million for the three months ended 31 March 2023. Such decrease was mainly due to the decrease in sales quantity of the frozen products.

### Cost of sales

The Group's cost of sales decreased by approximately S\$1.1 million or approximately 18.3% from approximately S\$6.0 million for the three months ended 31 March 2022 to approximately S\$4.9 million for the three months ended 31 March 2023. Such decrease was in line with the decrease in revenue.

### Gross profit and gross profit margin

The Group's overall gross profit increased by approximately S\$0.3 million or approximately 13.6% from approximately S\$2.2 million for the three months ended 31 March 2022 to approximately S\$2.5 million for the three months ended 31 March 2023. The Group's overall gross profit margin increased from approximately 27.0% for the three months ended 31 March 2022 to approximately 34.2% for the three months ended 31 March 2023 was mainly due to the higher sales of the frozen products with higher gross profit margins.

### Selling and distribution costs

The Group's selling and distribution costs remain constant at approximately S\$0.8 million for the three months ended 31 March 2023 and 2022.

## **Administrative and other operating expenses**

The Group's administrative and other operating expenses decreased by approximately S\$0.7 million or approximately 41.2% from approximately S\$1.7 million for the three months ended 31 March 2022 to approximately S\$1.0 million for the three months ended 31 March 2023 due to the decrease in salaries and other operating costs.

## **Finance Costs**

The Group's finance costs decreased by approximately S\$4,000 or approximately 4.4% from approximately S\$91,000 for the three months ended 31 March 2022 to approximately S\$87,000 for the three months ended 31 March 2023. The decrease was mainly due to the redemption of certain promissory notes before the period.

## **Profit/(Loss) and Total Comprehensive Income for the Period**

As a result of the foregoing, the Group recorded a profit of approximately S\$704,000 for the three months ended 31 March 2023 as compared to a loss of approximately S\$185,000 for the three months ended 31 March 2022. The increase in profit was mainly attributable to the increase in the selling price of the frozen products which leads to an increase in gross profit.

## **CAPITAL STRUCTURE**

During the Current Period, no shares was issued and allotted. As at 31 March 2023, the Company had an aggregate of 83,092,000 shares of HK\$0.2 each in issue.

## SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as disclosed in this report, during the period, 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 OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 31 March 2023, 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 position in shares and underlying shares of the Company

| Name                          | Capacity/<br>Nature of interest     | Number of<br>shares held<br>interested | Number of<br>underlying<br>shares held | Approximate<br>percentage of<br>shareholding<br>(Note 1) |
|-------------------------------|-------------------------------------|--|--|--|
| Mr. Tan Seow Gee              | Beneficial owner/Personal interest  | 11,760,000                             | —                                      | 14.15%   |
| Mr. Gay Teo Siong ("Mr. Gay") | Beneficial owner/Personal interest/ | 13,107,000                             | —                                      | 15.78%   |
| Ms. Yeo Poh Choo ("Ms. Yeo")  | Interest of spouse                  | 13,107,000<br>(Note 2)                 | —                                      | 15.78%   |
| Mr. Choi Wai Tong Winton      | Beneficial owner/Personal interest  | —                                      | 790,000<br>(Note 3)                    | 0.95%  |

Notes:

1. The percentage is calculated on the basis of the total number of issued Shares as at 31 March 2023 (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 31 March 2023, 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 AND UNDERLYING SHARES OF THE COMPANY**

So far is known to the Directors, as at 31 March 2023, 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 position in shares of the Company**

| <b>Name</b>                           | <b>Capacity/<br/>Nature of interest</b> | <b>Number of shares<br/>held/interested</b> | <b>Approximate<br/>percentage of<br/>shareholding</b> |
|---------------------------------------|---|---|---|
| Excellent Success Investments Limited | Trustee of Plan/<br>Others              | 5,795,000 shares<br>(Note 1)                | 8.79%   |

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 31 March 2023, 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 period.

## 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 three months ended 31 March 2023 under the Scheme are as follows:

| Grantee                              | Date of grant of share options | Outstanding as at 1.1.2023 | Granted during the year | Exercised during the year | Lapsed during the year | Cancelled during the year | Outstanding as at 31.1.2023 | Validity period of share options | Share price                           | Weighted average closing price               | Exercise price |
|--------------------------------------|--------------------------------|----------------------------|-------------------------|---------------------------|------------------------|---------------------------|-----------------------------|----------------------------------|---------------------------------------|--|----------------|
|                                      |                                |                            |                         |                           |                        |                           |                             |                                  | prior to the grant of options<br>HK\$ | of share before the date of exercise<br>HK\$ |                |
| <b>Directors</b>                     |                                |                            |                         |                           |                        |                           |                             |                                  |                                       |  |                |
| Mr. Choi Wai Tong<br>Winton (Note 1) | 27.6.2022                      | 790,000                    | -                       | -                         | -                      | -                         | 790,000                     | 27.6.2022 to<br>26.12.2023       | 0.63                                  | -  | 0.71           |
| Subtotal                             |                                | 790,000                    | -                       | -                         | -                      | -                         | 790,000                     |                                  |                                       |  |                |
| Employees                            | 27.6.2022                      | 790,000                    | -                       | -                         | -                      | -                         | 790,000                     | 27.6.2022 to<br>26.12.2023       | 0.63                                  | 0.71   | 0.71           |
| <b>Total</b>                         |                                | <b>1,580,000</b>           | <b>-</b>                | <b>-</b>                  | <b>-</b>               | <b>-</b>                  | <b>1,580,000</b>            |                                  |                                       |  |                |

1. Mr. Choi Wai Tong Winton is a former non-executive director whom resigned on 28 March 2023.
2. 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 period ended 31 March 2023.

As at the date of this report, the remaining life of the Scheme is less than 4 years. The options under the Scheme were granted at no consideration.

The number of options available for grant under the mandate limited of the Scheme at 1 January 2023 and 31 March 2023 were 275,200 Shares.

The total number of share options to be granted under the Scheme shall not exceed 10% of the issued Shares of the Company as at 30 August 2017. Upon approval by the Shareholders, the Company may renew the Scheme Mandate Limit, provided that each renewal shall not exceed 10% of the issued Shares as at the date of approval by the Shareholders, and a circular regarding the proposed renewal of the Scheme Mandate Limit has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 27 of the GEM Listing Rules. The aggregate maximum number of Shares which may be issued upon exercise of share options granted under the Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time. Accordingly, the total number of shares available for issue under the Scheme is 1,580,000 shares as at 31 March 2023, which represents 1.9% of the total shares in issue as at the date of the reporting period.

The subscription price in respect of any option shall, subject to any adjustments made pursuant to the terms of the Scheme, be a price determined by the Board and notified to each grantee and shall be at least the highest of: (i) the closing price per Share as stated in the Stock Exchange's daily quotation sheet on the offer date; (ii) the average of the closing prices per Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; or (iii) the nominal value of the Share.

## 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 excluding 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. As at the date of this report, the remaining life of the Plan is less than 9 years.

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. The shares under the Plan will be granted to selected Eligible Participants at no consideration.

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 which is available for grant as at 31 March 2023, representing 7.0% of issued shares at the date of reporting period. As at 31 March 2023, no shares have been granted under the Plan.

The number of share award available for grant under mandate limit of the Plan at 1 January 2023 and 31 March 2023 were 2,514,200 Shares.

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

For the three months ended 31 March 2023, the number of shares that may be issued in respect of options and awards granted under the Scheme and the Plan are 7,375,000 during the three months ended 31 March 2023 divided by the weighted average number of shares of the relevant class in issue of 83,092,000 shares for the period is 8.9%.

## **COMPETITION AND CONFLICT OF INTERESTS**

To the best of the Directors' knowledge, none of the Directors or substantial shareholders of the Company or any of their respective associates had 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 period.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its Shareholders and to enhance corporate value. The Company's corporate governance practices are based on the principles and code provision as set out in the Corporate Governance Code ("CG Code") in Appendix 15 to the GEM Listing Rules. The Company had complied with the code provisions in the CG Code during the three months ended 31 March 2023.

## **CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company. Based on specific enquiry made with the Directors, all Directors confirmed that they had fully complied with the required standard of dealings and there was no event of non-compliance during the three months ended 31 March 2023.



## AUDIT COMMITTEE

The members of the audit committee of the Company (the “Audit Committee”) include one non-executive Director, namely Mr. Tang Tsz Kin, 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 first quarterly report and the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2023, 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, 15 May 2023

*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. Tang Tsz Kin; 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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