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COOL LINK (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8491)

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF THE PROPERTY

INTRODUCTION

On 11 December 2020, the Purchaser exercised the Option, which was granted by the Vendor (being an indirect wholly-owned subsidiary of the Company) to the Purchaser, pursuant to which the Vendor offered to sell to the Purchaser the Property at the consideration of S\$3.05 million (equivalent to approximately HK\$17.69 million).

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Chapter 19 of the GEM Listing Rules) in respect of the Disposal are more than 5% but all are below 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

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Upon the Option being exercised by the Purchaser pursuant to the terms of the Option-to-purchase Agreement, the Option-to-purchase Agreement and the transaction contemplated thereunder constitute a binding contract for the sale and purchase of the Property.

THE OPTION

A summary of the principal terms of the Option are set out below:

Date:	11 December 2020
Parties:	(1) the Vendor (an indirect wholly-owned subsidiary of the Company), as vendor and grantor (2) the Purchaser, as purchaser and grantee
Property:	21 Wan Lee Road, Singapore 627949

The Property was granted by JTC, a statutory body in Singapore, which is involved in the development and management of industrial estates and their related facilities in Singapore and the lease would be expired by 2029.

Consideration: The consideration of the Disposal is S\$3.05 million (equivalent to approximately HK\$17.69 million) plus GST, which shall be payable by the Purchaser in the following manner:

- (i) an amount of S\$30,500 (equivalent to approximately HK\$0.18 million), representing an option money, shall be payable and was paid by the Purchaser before the date of the Option as deposit;
- (ii) an amount of S\$132,675 (equivalent to approximately HK\$0.77 million), representing the balance of 5% of the total consideration for the Disposal plus GST less the option money, shall be payable and was paid by the Purchaser upon the exercise of the Option by the Purchaser as deposit; and
- (iii) the remaining balance of the total consideration for the Disposal plus GST, shall be payable by the Purchaser upon the completion of the sale and purchase of the Property.

In the event that JTC's approval is not obtained or refused by JTC, and the failure to obtain the JTC's approval is not due to the Purchaser's default, then the Disposal shall be treated as cancelled and the Vendor shall refund the deposit (without interest) to the Purchaser.

The consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms and with reference to the prevailing property market prices in Singapore.

Conditions precedent to the Disposal:

The Disposal is subject to the following conditions:

- (i) the written consent of JTC being obtained by the Purchaser for the assignment/transfer of the remainder of the lease by the Vendor to the Purchaser and to the Purchaser's use of the Property for manufacturing of bread and flour confectionary;
- (ii) the written consent/approval of all other relevant authorities including Central Building Plan Unit of the National Environment Agency and Public Utilities Board being obtained by the Purchaser for the change of use of the Property as manufacturing of bread and flour confectionary; and
- (iii) the title to the Property shall be in order and be properly deduced and free from encumbrances.

Completion Date:

Completion of the Disposal shall take place on the date falling:

- (i) Twenty (20) weeks from the Purchaser's exercise of the Option; or
- (ii) Four (4) weeks from the date of the JTC's final approval of the Disposal and the JTC's written confirmation that the transfer documents in respect of the Disposal may be executed, whichever is the later.

As at the date of this announcement, JTC approval has not yet been received.

POSSIBLE FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

The Property was occupied for self-use by the Group and partially leased out and generated rental income of S\$90,000 (equivalent to approximately HK\$0.52 million) for the year ended 31 December 2020).

The Group is expected to record an unaudited estimate gain of approximately S\$1.20 million (equivalent to approximately HK\$6.96 million) from the Disposal, being the difference between the Consideration and the aggregate carrying value of the Property as at 30 November 2020 of approximately S\$1.85 million (equivalent to approximately HK\$10.73 million) upon the completion of the Disposal.

It is expected that the net proceeds from the disposal of the Property will be used by the Group for repayment of mortgage loan in respect of the Property, being approximately S\$2.0 million (equivalent to approximately HK\$11.60 million) and general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Since the Group had acquired a 9,316.2 sqm premises at No. 33 Chin Bee Crescent, Singapore 619901 for the purposes of warehouse and production during the year ended 31 December 2018 (the “**Acquisition**”), the Company had been informed by JTC that the Group should dispose of the Property (which it had been using as a warehouse and food processing facility) on the basis that the JTC had made a qualitative and quantitative analysis in order to optimize the productive use of scarce land in Singapore. It was contemplated at the time of the Acquisition that the Property would be disposed of once the renovation of the new property has been completed. The Group had tried to find purchasers for the Property subsequently and, especially in light of the COVID-19 pandemic, found it difficult to find purchasers who were willing to pay a price close to what the Group had requested. Therefore, when the Group found the Purchaser who was willing to pay a reasonable price for the Property in the current economic and COVID-19 climate, it was determined that it would be in the best interest of the Group and the Shareholders that the Property be disposed of to the Purchaser.

In view of the above, the Directors consider that the Disposal represents a good opportunity for the Group to realise the value of the Property and the terms of the Option and the transaction contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE GROUP AND THE VENDOR

The principal activity of the Company is investment holding. The Group and the Vendor, an indirect wholly-owned subsidiary of the Company, are principally engaged in food supplies business.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Singapore with limited liability and is principally engaged in cafes and coffee house business and manufacture of bakery products. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Purchaser is owned as to 60% by Heng Siew Eng, 15% by Han Yiguang and 25% by Han Junguang, who are Independent Third Parties and not connected with the Company.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Chapter 19 of the GEM Listing Rules) in respect of the Disposal are more than 5% but all are below 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

Due to an inadvertent managerial oversight, it was mistakenly believed that the relevant GEM Listing Rules would only be triggered as and when a further formal sale and purchase agreement in relation to the Disposal is being entered into by the parties to the Option. As at the date of this announcement, the parties to the Option have not entered into any formal sale and purchase agreement in relation to the Disposal although the Option has been exercised by the Purchaser.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Board”	the board of Directors
“Company”	Cool Link (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM
“Directors”	the directors of the Company
“Disposal”	the sale and purchaser of the Property by the Vendor to the Purchaser pursuant to the terms and conditions under the Option-to-purchase Agreement
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM on the Stock Exchange
“Group”	the Company and its subsidiaries

“GST”	Goods and services tax in Singapore
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party”	a party independent of and not connected with (within the meaning of the GEM Listing Rules) the Company and its connected persons
“JTC”	Jurong Town Corporation, a statutory body in Singapore, which is involved in the development and management of industrial estates and their related facilities in Singapore
“Option”	the option granted by the Vendor to the Purchaser for the sale and purchase of the Property
“Option-to-purchase Agreement”	the agreement entered into between the Vendor and the Purchaser on 11 December 2020 pursuant to which the Purchaser accepted and exercised the Option to the Vendor
“Property”	21 Wan Lee Road, Singapore 627949
“Purchaser”	Hansfort Pte. Ltd., a company incorporated in Singapore with limited liability, an Independent Third Party
“S\$”	Singapore dollars, the lawful currency of the Republic of Singapore
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Cool Link & Marketing Pte. Ltd., a company incorporated in Singapore with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 25 March 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. Chin Ying Ying and Ms. Luk Huen Ling Claire.

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 <http://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>