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

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

**(Stock code: 8491)**

### **ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **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.**

*This announcement, for which the directors (the “**Directors**”) of Cool Link (Holdings) Limited (the “**Company**”) 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 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.*

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	<i>Notes</i>	<b>2023</b> <i>S\$'000</i>	2022 <i>S\$'000</i>
<b>Revenue</b>	3	<b>30,765</b>	34,694
Cost of sales		<u>(22,248)</u>	<u>(24,941)</u>
<b>Gross profit</b>		<b>8,517</b>	9,753
Other income and gains/(losses), net	3	<b>539</b>	647
Impairment losses on goodwill		–	(2,550)
Impairment losses on other intangible assets		–	(4,414)
Impairment losses on interests in associates		<b>(476)</b>	(1,766)
Selling and distribution cost		<b>(2,910)</b>	(2,862)
Administrative and other operating expenses		<b>(6,164)</b>	(7,662)
Finance costs	5	<b>(434)</b>	(346)
Share of results of associates		<u>3</u>	<u>(10)</u>
<b>Loss before tax</b>		<b>(925)</b>	(9,210)
Income tax (expenses)/credit	6	<u>(146)</u>	<u>509</u>
<b>Loss for the year attributable to owners of the Company</b>	7	<b><u>(1,071)</u></b>	<b><u>(8,701)</u></b>
		<i>S cent</i>	<i>S cent</i>
<b>Loss per share</b>			
Basic and diluted	9	<b><u>(1.20)</u></b>	<b><u>(11.68)</u></b>

	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
<b>Loss for the year</b>	<b>(1,071)</b>	<b>(8,701)</b>
<b>Other comprehensive expense for the year:</b>		
Items that will not be reclassified subsequently to profit or loss:		
Change in fair value of financial assets at fair value through other comprehensive income (FVTOCI)	<u>229</u>	<u>—</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of financial statements of foreign operations	15	118
Share of other comprehensive expense of associates	<u>(26)</u>	<u>(33)</u>
Other comprehensive income for the year	<u>218</u>	<u>85</u>
<b>Total comprehensive expense for the year attributable to owners of the Company</b>	<b><u>(853)</u></b>	<b><u>(8,616)</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	<i>Notes</i>	<b>2023</b> <i>S\$'000</i>	2022 <i>S\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>8,252</b>	8,298
Right-of-use assets		<b>1,985</b>	2,135
Investment properties		<b>1,177</b>	1,238
Goodwill		–	–
Other intangible assets		<b>621</b>	721
Interests in associates		<b>1,132</b>	1,631
Financial assets at FVTOCI		<b>3,278</b>	–
Pledged bank deposits		<b>1,500</b>	1,500
		<hr/>	<hr/>
Total non-current assets		<b>17,945</b>	15,523
<b>Current assets</b>			
Inventories		<b>3,642</b>	3,146
Trade receivables	<i>10</i>	<b>7,971</b>	8,261
Deposits, prepayments and other receivables		<b>792</b>	950
Financial assets at fair value through profit or loss ("FVTPL")		<b>13</b>	13
Cash and cash equivalents		<b>1,607</b>	4,006
		<hr/>	<hr/>
Total current assets		<b>14,025</b>	16,376
<b>Current liabilities</b>			
Trade payables	<i>11</i>	<b>4,116</b>	4,381
Accruals, other payables and deposits received		<b>2,894</b>	2,712
Income tax payable		<b>168</b>	490
Bank borrowings		<b>420</b>	419
Lease liabilities		<b>194</b>	218
Promissory notes		<b>3,217</b>	2,696
		<hr/>	<hr/>
Total current liabilities		<b>11,009</b>	10,916
<b>Net current assets</b>		<hr/> <b>3,016</b>	<hr/> 5,460
<b>Total assets less current liabilities</b>		<hr/> <b>20,961</b>	<hr/> 20,983

	<i>Note</i>	<b>2023</b> <i>S\$'000</i>	2022 <i>S\$'000</i>
<b>Non-current liabilities</b>			
Deposits received		–	53
Bank borrowings		<b>5,027</b>	5,438
Lease liabilities		<b>2,008</b>	2,098
Deferred tax liabilities		<b>167</b>	176
		<hr/>	<hr/>
Total non-current liabilities		<b>7,202</b>	7,765
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>13,759</b>	13,218
		<hr/> <hr/>	<hr/> <hr/>
<b>Capital and reserves</b>			
Share capital	<i>12</i>	<b>3,471</b>	2,904
Reserves		<b>10,288</b>	10,314
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>13,759</b>	13,218
		<hr/> <hr/>	<hr/> <hr/>

## 1. GENERAL INFORMATION

Cool Link (Holdings) Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 27 January 2017. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 22 September 2017.

The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business of the Company is 33 Chin Bee Crescent, Singapore, 619901.

The principal activity of the Company is investment holding.

The functional currencies of the Company and the subsidiaries (hereinafter collectively referred to as the “**Group**”) incorporated in Singapore are Singapore dollars (“**S\$**”) while that of the subsidiaries established in Hong Kong are Hong Kong dollars (“**HK\$**”). For the purpose of presenting the consolidated financial statements, the Group adopted S\$ as its presentation currency which is the same as the functional currency of the Company.

## 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

### Application of new and amendments to HKFRSs

In the current year, the Group has applied, for its first time, the following new and amendments to HKFRSs issued by the HKICPA which are effective for the Group’s financial year beginning on 1 January 2023.

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## Amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current the related amendments to Hong Kong Interpretation 5(2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>1</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>1</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of the new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

### 3. REVENUE AND OTHER INCOME AND GAINS, NET

(a) Revenue from contracts with customers within the scope of HKFRS 15 recognised is as follows:

	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
Sales of goods	<u>30,765</u>	<u>34,694</u>

The following table provides information about disaggregation of revenue from contracts with customers:

	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
<b>Disaggregated by types of customers</b>		
Ship supply customers	30,448	30,243
Other wholesale and retail customers	<u>317</u>	<u>4,451</u>
	<u>30,765</u>	<u>34,694</u>
<b>Timing of revenue recognition</b>		
At a point in time	<u>30,765</u>	<u>34,694</u>

***Transaction price allocated to the remaining performance obligations***

All of the Group's remaining performance obligations for contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

**(b) An analysis of the Group's other income and gains/(losses) is as follows:**

	<b>2023</b>	2022
	<b><i>S\$'000</i></b>	<i>S\$'000</i>
Interest income	<b>30</b>	47
Exchange gain, net	<b>56</b>	72
Fair value loss on financial assets at FVTPL	–	(1)
Government grants ( <i>note a</i> )	<b>60</b>	67
Loss on written-off of property, plant and equipment	–	(2)
Rental income from investment properties	<b>338</b>	453
Others	<b>55</b>	11
	<hr/>	<hr/>
	<b>539</b>	647
	<hr/> <hr/>	<hr/> <hr/>

*Notes:*

- a. Government grants comprised cash subsidies from (1) government for subsidising the Group's operation; and (2) COVID-19 related job support scheme. There are no unfulfilled conditions and other contingencies affected to the receipts of those subsidies.



#### 4. SEGMENT INFORMATION

The Group identifies its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors, being the chief operating decision maker ("CODM") for the purpose of resources allocation to the Group's business components and review of these components' performance. There is only one business component in the internal reporting to the executive directors, which is the food and healthcare supplies business. The Group's assets and capital expenditure are principally attributable to this business component.

##### Geographical segment information

The Group's operations are located in Singapore and Hong Kong.

Information about the Group's revenue from external customers is presented based on location at which the goods are delivered. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
<b>Revenue from external customers</b>		
Singapore	30,448	30,498
Hong Kong	4	3,992
Indonesia	–	130
Malaysia	113	–
Other	200	74
	<u>30,765</u>	<u>34,694</u>
<b>Non-current assets</b>		
	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
Singapore	11,414	11,671
Hong Kong	621	721
	<u>12,035</u>	<u>12,392</u>

*Note:* Non-current assets excluded financial assets at FVTOI, pledged bank deposits and interests in associates.

## Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group are as follows:

	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
Customer A	4,271	5,350
Customer B	<u>2,945</u>	<u>3,899</u>

## 5. FINANCE COSTS

	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
Interest on bank borrowings	242	97
Interest on lease liabilities	122	132
Interest on promissory notes	<u>70</u>	<u>117</u>
	<u>434</u>	<u>346</u>

## 6. INCOME TAX EXPENSES/(CREDIT)

Income tax has been recognised in profit or loss as following:

	2023 <i>S\$'000</i>	2022 <i>S\$'000</i>
Current tax		
– Singapore	86	443
– Hong Kong	<u>71</u>	<u>9</u>
	<u>157</u>	<u>452</u>
Over-provision for prior year		
– Singapore	<u>(2)</u>	<u>–</u>
Deferred tax	<u>(9)</u>	<u>(961)</u>
Income tax expenses/(credit)	<u>146</u>	<u>(509)</u>

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any taxation under the jurisdictions of the Cayman Islands and the BVI.

Singapore income tax has been provided at the rate of 17% on the estimated assessable profits for the year.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

## 7. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging/(crediting):

	2023 S\$'000	2022 S\$'000
Employee benefit expenses (including directors' remuneration)		
– Salaries and welfare	3,994	4,138
– Share-based payments	–	309
– Defined contributions ( <i>note a</i> )	147	356
	<u>4,141</u>	<u>4,803</u>
Auditor's remuneration	103	111
Cost of inventories recognised as expenses		
– Cost of inventories sold	22,178	24,407
– Write-off of inventories	70	512
Amortisation of other intangible assets (included in administrative and other operating expenses)	90	645
Depreciation of property, plant and equipment	756	968
Depreciation of investment properties	61	61
Depreciation of right-of-use assets	327	361
Impairment loss on trade receivables, net	157	138
Net foreign exchange gain	(56)	(72)
Lease charges:		
– Short-term leases (leases with lease term shorter than 12 months)	<u>366</u>	<u>339</u>

*Note (a):* Contributions paid and payable by the Group to the schemes amounting to approximately S\$147,000 (2022: S\$356,000). No contributions payable to the schemes at the year end were included in other payables. There were no unutilised forfeited contributions at the year end 31 December 2023 (2022: S\$43,000).

## 8. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2023, nor has any dividend been proposed since the end of the reporting period (2022: Nil).

## 9. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following:

	<b>2023</b>	2022
	<i>S\$'000</i>	<i>S\$'000</i>
<b>Loss</b>		
Loss attributable to owners of the Company	<u>(1,071)</u>	<u>(8,701)</u>
	<b>2023</b>	2022
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>89,443,781</u>	<u>74,511,419</u>

The diluted loss per share is the same as the basic loss per share as the computation of diluted loss per share does not assume the exercise of the Company's share options since their exercise would result in an anti-dilutive effect on loss per share for the years ended 31 December 2023 and 2022.

## 10. TRADE RECEIVABLES

	<b>2023</b>	2022
	<i>S\$'000</i>	<i>S\$'000</i>
Receivables at amortised cost comprised:		
Trade receivables	<b>8,331</b>	8,464
Less: allowance for impairment of trade receivables	<u>(360)</u>	<u>(203)</u>
	<u><b>7,971</b></u>	<u>8,261</u>

At as 31 December 2023, the gross amount of trade receivables arising from contracts with customers amounted to approximately S\$8,331,000 (2022: S\$8,464,000).

The Group allows credit period ranging from cash on delivery to 60 days to its trade customers. The following is an aging analysis of trade receivables net of allowance for impairment of trade receivables presented based on the invoice date, at the end of the reporting period.

	<b>2023</b>	2022
	<b><i>S\$'000</i></b>	<i>S\$'000</i>
0 to 30 days	<b>2,801</b>	3,170
31 to 90 days	<b>3,752</b>	4,878
91 to 180 days	–	1
Over 180 days	<b>1,418</b>	212
	<u><b>7,971</b></u>	<u>8,261</u>

## 11. TRADE PAYABLES

	<b>2023</b>	2022
	<b><i>S\$'000</i></b>	<i>S\$'000</i>
Trade payables	<b>4,116</b>	4,381
	<u><b>4,116</b></u>	<u>4,381</u>

The credit period is generally ranging from cash on delivery to 60 days. The following is an aging analysis of trade payables presented based on the invoice date at the end of the reporting period.

	<b>2023</b>	2022
	<b><i>S\$'000</i></b>	<i>S\$'000</i>
0 to 30 days	<b>1,872</b>	1,874
31 to 90 days	<b>239</b>	2,313
91 to 180 days	–	28
Over 180 days	<b>2,005</b>	166
	<u><b>4,116</b></u>	<u>4,381</u>

## 12. SHARE CAPITAL

	2023		2022	
	<i>Number of shares</i>	<i>S\$'000</i>	<i>Number of shares</i>	<i>S\$'000</i>
Authorised:				
At beginning and end of the year	<u>500,000,000</u>	<u>17,337</u>	<u>500,000,000</u>	<u>17,337</u>
Issued and fully paid:				
At beginning of the year	83,092,000	2,904	58,320,000	2,021
Issue of shares upon share placing (Note (a))	16,560,000	567	20,822,000	739
Exercise of share options (Note (b))	<u>–</u>	<u>–</u>	<u>3,950,000</u>	<u>144</u>
At end of the year	<u><u>99,652,000</u></u>	<u><u>3,471</u></u>	<u><u>83,092,000</u></u>	<u><u>2,904</u></u>

### Notes:

- (a) On 27 January 2022 and 17 June 2022, the Company issued and allotted 7,632,000 and 13,190,000 new shares to not fewer than six independent third parties, at a price of HK\$0.75 and HK\$0.52 per share in cash respectively. The premium on the issue of shares, amounting to approximately HK\$4,056,000 (equivalent to approximately S\$719,000) and HK\$4,125,000 (equivalent to approximately S\$732,000) respectively, net of share issue expenses, was credited to the Company's share premium account.

On 25 July 2023, the Company issued and allotted 16,560,000 new shares to not less than six independent third parties, at a price of HK\$0.50 per share. The premium on the issue of shares, amounting to approximately HK\$4,825,000 (equivalent to approximately S\$826,000) net of share issue expenses, was credited to the Company's share premium account.

- (b) During the year ended 31 December 2022, 3,950,000 ordinary shares were issued in relation to share options exercised under the share option scheme of the Company for total cash consideration of approximately HK\$2,805,000 (equivalent to approximately S\$503,000). The excess of the subscription consideration received over the nominal values issued, amounted to approximately HK\$2,015,000 (equivalent to approximately S\$359,000), was credited to the share premium account.
- (c) On 20 November 2023, the Company announced a proposed rights issue on the basis of three rights shares for every one existing shares in issue at a subscription price of HK\$0.335 per rights share to raise up to HK\$100.2 million before expenses by issuing 298,956,000 rights shares to the qualifying shareholders, the rights issue will be completed in April 2024 and the number of shares in issue of the Company will be increased by 99,652,000.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is principally engaged in food and healthcare supplies business in Singapore and Hong Kong. During the year ended 31 December 2023, the Group continued to supply products to ship chandlers, retailers and customers who are in the related service industry.

The Group's suppliers mainly comprise manufacturers and trading companies around the globe, including but not limited to Asia, Europe and Middle East. The process of procuring products from our overseas suppliers requires coordination between our suppliers (who are either original manufacturers, or trading companies), overseas freight forwarders, local freight forwarders and us. Our local suppliers deliver their products to our warehouse directly at their own cost. On occasion, where the need is urgent, we may collect the products from these local suppliers ourselves.

As regards our typical sales process, we maintain an orderly system established for customers to enquire and obtain quotations for products. We coordinate and communicate with customers on their orders. Once such requests for quotations are received, we prepare quotations based on our product offering, stock level and price. Once our response is received and accepted by the customer, the customer then submits a purchase order to us. We receive the purchase order, then issue invoices for the accepted orders and arrange for packing and delivery.

We supply various types of food products mainly including canned food and packaged beverages in the dry category, various dairy products in the chilled category and ice cream and frozen cakes and pies in the frozen category to our customers, who consist mainly of ship chandlers based in Singapore. Our major products being sold include cheeses, juices, milk, ice-cream and bread etc. We also provide certain value-added food processing services. For example, we import different types of food products and repackage them according to the recipes and instructions from customer.

For the year ended 31 December 2023, the Group recorded total revenue of approximately S\$30.7 million, attaining an decrease when compared with the pervious financial year. The Group recorded a loss of approximately S\$1.1 million for the year ended 31 December 2023 as compared to a loss of approximately S\$8.7 million for the year ended 31 December 2022. The decrease in loss was mainly attributable to the i) absence of impairment loss on goodwill and intangible assets; and ii) decrease in administrative expenses.

## **OUTLOOK**

The future prospect of the Group is full of challenges with the global economy being affected by 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. 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. 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, a key management personnel of a subsidiary of the Group which principally engaged in distribution of disinfectant and antiseptic products passed away during the year. 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\$3.9 million or approximately 11.2% from approximately S\$34.7 million for the year ended 31 December 2022 to approximately S\$30.8 million for the year ended 31 December 2023. Such decrease was mainly due to the decrease in order of frozen products.

### **Cost of Sales**

The Group's cost of sales decreased by approximately S\$2.7 million or approximately 10.8% from approximately S\$24.9 million for the year ended 31 December 2022 to approximately S\$22.2 million for the year ended 31 December 2023. The decrease in cost of sales is in line with the decrease in sales.

### **Gross Profit and Gross Profit Margin**

The Group's overall gross profit decreased by approximately S\$1.2 million or approximately 12.2% from approximately S\$9.8 million for the year ended 31 December 2022 to approximately S\$8.6 million for the year ended 31 December 2023. The Group's overall gross profit margin remain constant at around 28% for the year ended 31 December 2022 and 2023.



## **Selling and Distribution Costs**

The Group's selling and distribution costs remain constant at around S\$2.9 million for the year ended 31 December 2022 and 2023.

## **Administrative and Other Operating Expenses**

The Group's administrative and other operating expenses decrease by approximately S\$1.5 million or approximately 19.5% from approximately S\$7.7 million for the year ended 31 December 2022 to approximately S\$6.2 million for the year ended 31 December 2023. The decrease was primarily due to the decrease in staff costs.

## **Finance Costs**

The Group's finance costs increased by approximately S\$88,000 or approximately 25.4% from approximately S\$346,000 for the year ended 31 December 2022 to approximately S\$434,000 for the year ended 31 December 2023. The increase was mainly due to the increases in interest expenses on bank borrowings.

## **Income Tax credit**

The Group recorded an income tax expenses of approximately S\$146,000 for the year ended 31 December 2023 as compared to income tax credit of approximately S\$509,000 for the year ended 31 December 2022. It was attributable to the temporary difference of intangible assets.

## **Loss for the Year**

As a result of the foregoing, the Group's loss for the year which was decreased by approximately S\$7.6 million from approximately S\$8.7 million for the year ended 31 December 2022 to approximately S\$1.1 million for the year ended 31 December 2023. The decrease in loss for the year ended 31 December 2023 was mainly attributable to the i) absence of impairment losses on goodwill and intangible assets; and ii) decrease in administrative expenses.

## CAPITAL STRUCTURE

The change of capital structure of the Group during the year ended 31 December 2023 are summarized as below:

### Issue of Placing Shares

On 14 August 2023, an aggregate of 16,560,000 new shares of the Company (the “**Shares**”) were successfully placed to not less than six placees at price of HK\$0.5 each (the “**Placing**”) under a general mandate granted by the Shareholders at its annual general meeting held on 30 May 2022. The net proceeds from the Placing (after deducting related placing commissions and related expenses) were approximately HK\$8.13 million and the Company intended to utilize for general working capital for operation. Details of the Placing were disclosed in the Company’s announcements dated 25 July 2023 and 14 August 2023.

The Group regularly reviews and manages its capital structure to ensure that the Group will be able to continue as a going concern while maximising the return to its shareholders through optimisation of the debt and equity balance.

As at 31 December 2023, the capital structure of the Group consisted of bank borrowings, lease liabilities, promissory notes, cash and cash equivalents and total equity of the Group, comprising share capital, share premium, other reserve and retained profits.

Details of the Company’s share capital are set out in note 32 to the consolidated financial statements in this report.

## LIQUIDITY AND FINANCIAL RESOURCES

During the year ended 31 December 2023, the Group’s working capital was mainly financed by internal resources, share placing, as well as bank and other borrowings. As at 31 December 2023, the quick ratio of the Group was approximately 0.94 times (2022: 1.21 times). The decrease was mainly due to the decrease of cash and cash equivalent by S\$2.4 million.

## GEARING RATIO

The total borrowings, comprising bank borrowings, lease liabilities and promissory notes, of the Group as at 31 December 2023 were approximately S\$10.9 million (2022: S\$10.9 million). The Group’s gearing ratio as at 31 December 2023 was approximately 79.0% (2022: 82.2%), which is calculated as the Group’s total borrowings over the Group’s total equity. The decrease in gearing ratio was mainly due to the increase in total equity by approximately S\$0.6 million.

## **FOREIGN EXCHANGE RISK**

The Group's business is principally denominated in Singapore dollars and Hong Kong Dollars. As certain trade payables are denominated in other currencies, such as Euro, Malaysia Ringgit and United States dollars, therefore, the Group is exposed to foreign currency exchange risk. No currency hedging arrangement had been made by the Group during the year ended 31 December 2023. The Directors have positive attitude to regular monitor the exposure to foreign exchange so as to reduce the foreign rate risk to minimal.

## **CAPITAL EXPENDITURE**

During the year ended 31 December 2023, the Group invested approximately S\$710,000 for capital expenditure which was primarily related to the Group's purchases of property, plant and equipment.

## **CAPITAL COMMITMENTS**

As at 31 December 2023, the Group did not have material capital commitments.

## **CHARGES ON THE GROUP'S ASSETS**

As at 31 December 2023, the Group has pledged its bank deposits, land and buildings and investment properties with net book value amounted to approximately S\$1.5 million (2022: 1.5 million), approximately S\$7.6 million (2022: S\$8.1 million) and approximately S\$0.7 million (2022: S\$0.7 million) respectively, for certain banking facilities granted to the Group.

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

Save as disclosed in this annual report, during the year ended 31 December 2023, the Group did not have any significant investment, material acquisition nor disposal of subsidiaries and affiliated companies.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in the prospectus of the Company dated 12 September 2017 (the "**Prospectus**"), the Group did not have other future plans for material investments or capital assets as at 31 December 2023.

## **CONTINGENT LIABILITIES**

As at 31 December 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\$842,000 (2022: S\$938,000). The guarantees in respect of performance bonds issued by bank are secured by bank deposits, land and buildings and investment properties of the Group and corporate guarantee of the Company.

## INFORMATION ON EMPLOYEES

As at 31 December 2023, the Group employed 63 employees (2022: 62 employees) with total staff cost (including directors' emoluments) of approximately S\$4.1 million incurred for the year ended 31 December 2023 (2022: S\$4.8 million). The Group's remuneration packages are generally structured with reference to market terms and individual merits. 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:

	From 22 September Revised use of net Proceeds <i>HK\$'000</i>	2017 to 31 December 2017 <i>HK\$'000</i>	For the six months ended 30 June 2018 <i>HK\$'000</i>	For the six months ended 31 December 2018 <i>HK\$'000</i>	For the six months ended 30 June 2019 <i>HK\$'000</i>	For the six months ended 31 December 2019 <i>HK\$'000</i>
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
	<u>35,600</u>	<u>400</u>	<u>19,770</u>	<u>6,370</u>	<u>5,230</u>	<u>3,830</u>

Up to 31 December 2023, the net proceeds from the Share Offer had been applied as follows:

	<b>Original use of net proceeds <i>HK\$'000</i></b>	<b>Revised use of net proceeds <i>HK\$'000</i></b>	<b>Planned use of revised net proceeds up to 31 December 2023 <i>HK\$'000</i></b>	<b>Actual use of net proceeds as at 31 December 2023 <i>HK\$'000</i></b>	<b>Unutilised net proceeds as at 31 December 2023 <i>HK\$'000</i></b>
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	5,900	–
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	–
	<u>35,600</u>	<u>35,600</u>	<u>35,600</u>	<u>35,600</u>	<u>–</u>

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.

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

Save as disclosed in this report, during the year ended 31 December 2023, 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 31 December 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 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	11,760,000		11.8%
Mr. Gay Teo Siong (“Mr. Gay”)	Beneficial owner/Personal interest/Interest of spouse	13,107,000		13.15%
Ms. Yeo Poh Choo (“Ms. Yeo”)	Interest of spouse	13,107,000 (Note 3)		13.15%
Mr. Choi Wai Tong Winton	Beneficial owner/Personal interest	—	790,000 (Note 2)	0.79%

*Notes:*

1. The percentage is calculated on the basis of the total number of issued Shares as at 31 December 2023 (i.e. 99,652,000 Shares).
2. 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.
3. 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.

Save as disclosed above, as at 31 December 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, UNDERLYING SHARES AND DEBENTURES**

So far is known to the Directors, as at 31 December 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 positions in Shares and underlying Shares**

<b>Name</b>	<b>Capacity/ Nature of interest</b>	<b>Number of shares held/interested</b>	<b>Approximate percentage of shareholding</b>
Yuen Meta (International) Securities Limited	Trustee of Plan/Others	5,795,000 shares (Note 1)	5.82%

*Note 1:* These 5,795,000 shares were held by Yuen Meta (International) Securities Limited, which was the trustee of the Plan adopted with effect from 14 September 2021.

Save as disclosed above, as at 31 December 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 year ended 31 December 2023.

### 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 year ended 31 December 2023 under the Scheme are as follows:

Grantee	Date of grant of share options	Lapsed During the year	Outstanding as at 31.12.2023	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\$
<b>Directors</b>							
Mr. Tan Seow Gee (Note 1)	27.6.2022	–	–	27.6.2022 to 26.12.2023	0.63	0.71	0.71
Mr. Gay Teo Siong (Note 2)	27.6.2022	–	–	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	–	27.6.2022 to 26.12.2023	0.63	–	0.71
Ms. Luk Huen Ling Claire (Note 4)	27.6.2022	–	–	27.6.2022 to 26.12.2023	0.63	0.71	0.71
<b>Subtotal</b>		–	–				
<b>Employees</b>	27.6.2022	790,000	–	27.6.2022 to 26.12.2023	0.63	–	0.71
<b>Total</b>		<u>1,580,000</u>	<u>–</u>				



As at 31 December 2023, no 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 year ended 31 December 2023.

## 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 8 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. No amount is payable on application or acceptance of the award and the period within which payments or calls must or may be made or loans for such purposes must be repaid.

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 30 June 2023, representing 7.0% of issued shares at the date of reporting period. As at 31 December 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 December 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 year ended 31 December 2023, the number of shares that may be issued in respect of options and awards granted under the Scheme and the Plan are 7,353,356 during the year ended 31 December 2023 divided by the weighted average number of shares of the relevant class in issue of 89,443,781 shares for the period is 8.2%.

The number of shares that may be issued in respect of options and awards granted under the Scheme and the Plan are 6,066,430 during the year ended 31 December 2023 divided by the weighted average number of shares of the relevant class in issue of 89,443,781 shares for the period is 6.8%.

## **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 year ended 31 December 2023.

## **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 year ended 31 December 2023.

## **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 year ended 31 December 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. Peng Xiukai, Ms. Chan Oi Chong and Ms. Luk Huen Ling Claire. Mr. Peng Xiukai is the chairman of the Audit Committee. The Audit Committee of the Company has discussed and reviewed audited financial results of the Group for the year ended 31 December 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.

## PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.coollink.com.sg](http://www.coollink.com.sg)). The annual report of the Company for the year ended 31 December 2023 containing all the information required by the GEM Listing Rules shall be despatched to the shareholders of the Company and made available on the aforesaid websites in due course.

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

Hong Kong, 28 March 2024

*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. Tang Tsz Kin; and the independent non-executive Directors are Ms. Chan Oi Chong, Ms. Luk Huen Ling Claire and Mr. Peng Xiukai.*

*This announcement, for which the Directors 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 of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on The Stock Exchange of Hong Kong Limited’s website at <http://www.hkexnews.hk> and, in any case of this announcement, on the “Latest Listed Company Announcements” page for a minimum period of seven days from the date of its publication. This announcement will also be published on the Company’s website at <http://www.coollink.com.sg>.*