

Cool Link (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8491

2018

INTERIM REPORT

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

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

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

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

The board (the “Board”) of directors of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the three months and six months ended 30 June 2018, together with the unaudited comparative figures for the corresponding period in 2017 as set out below:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2018

	Notes	Three months ended 30 June		Six months ended 30 June	
		2018 S\$'000 (unaudited)	2017 S\$'000 (unaudited)	2018 S\$'000 (unaudited)	2017 S\$'000 (unaudited)
Revenue	3	6,271	6,979	12,630	14,514
Cost of sales		(4,670)	(5,249)	(9,366)	(10,772)
Gross profit		1,601	1,730	3,264	3,742
Other income and gains	4	270	119	427	246
Selling and distribution costs		(801)	(585)	(1,551)	(1,187)
Administrative and other operating expenses		(846)	(1,621)	(1,779)	(3,147)
Finance costs	5	(74)	(52)	(125)	(87)
Profit/(loss) before income tax	6	150	(409)	236	(433)
Income tax expense	7	(54)	(111)	(96)	(243)
Profit/(loss) and total comprehensive income for the period		96	(520)	140	(676)
Profit/(loss) and total comprehensive income for the period attributable to:					
Owners of the Company		89	(517)	138	(668)
Non-controlling interests		7	(3)	2	(8)
		96	(520)	140	(676)
Earnings/(loss) per share					
Basic and diluted earnings/(loss) (Singapore cents)	8	0.01	(0.11)	0.02	(0.14)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Notes	30 June 2018 S\$'000 (unaudited)	31 December 2017 S\$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	12,985	2,860
Investment properties		1,696	1,723
Deposit paid for purchase of property, plant and equipment		1,218	1,295
Deposits		25	25
		15,924	5,903
Current assets			
Inventories		2,655	3,429
Trade receivables	11	5,396	6,095
Deposits, prepayments and other receivables		468	650
Due from the holding company		411	411
Cash and cash equivalents		8,404	10,289
		17,334	20,874
Current liabilities			
Trade payables	12	1,974	2,939
Accruals, other payables and deposits received		1,308	1,764
Due to non-controlling interests		10	10
Bank borrowings	13	638	178
Finance lease obligations		12	–
Income tax payable		298	406
		4,240	5,297
Net current assets		13,094	15,577
Total assets less current liabilities		29,018	21,480

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

As at 30 June 2018

	Notes	30 June 2018 S\$'000 (unaudited)	31 December 2017 S\$'000 (audited)
Non-current liabilities			
Deposits received		50	50
Bank borrowings	13	10,748	3,410
Finance lease obligations		60	–
Deferred tax liabilities		17	17
		10,875	3,477
Net assets		18,143	18,003
EQUITY			
Share capital	14	1,038	1,038
Reserves		17,114	16,976
Equity attributable to owners of the			
Company		18,152	18,014
Non-controlling interests		(9)	(11)
Total equity		18,143	18,003

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

	Attributable to the owners of the Company					Non-controlling interests	Total
	Share capital	Share premium	Other reserve	Retained profits	Subtotal		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2017 (audited)	-	-	100	6,800	6,900	(1)	6,899
Arising from group reorganisation	-	-	2,390	-	2,390	-	2,390
Loss and total comprehensive income for the period	-	-	-	(668)	(668)	(8)	(676)
At 30 June 2017 (unaudited)	-	-	2,490	6,132	8,622	(9)	8,613
At 1 January 2018 (audited)	1,038	8,752	2,490	5,734	18,014	(11)	18,003
Profit and total comprehensive income for the period	-	-	-	138	138	2	140
At 30 June 2018 (unaudited)	1,038	8,752	2,490	5,872	18,152	(9)	18,143

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018

		Six months ended 30 June	
	Notes	2018 S\$'000 (unaudited)	2017 S\$'000 (unaudited)
Cash flows from operating activities			
Profit/(loss) before income tax		236	(433)
Adjustments for:			
Interest expense	5	125	87
Depreciation of property, plant and equipment	6	269	196
Depreciation of investment properties	6	27	27
Write-off of inventories	6	165	65
Operating profit/(loss) before working capital changes		822	(58)
Decrease/(increase) in inventories		609	(956)
Decrease/(increase) in trade receivables		699	(521)
Decrease/(increase) in deposits, prepayments and other receivables		182	(739)
(Decrease)/increase in trade payables		(965)	265
(Decrease)/increase in accruals, other payables and deposit received		(456)	1,022
Cash generated from/(used in) operations		891	(987)
Income tax paid, net		(204)	(181)
Net cash from/(used in) operating activities		687	(1,168)

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

For the six months ended 30 June 2018

	Notes	Six months ended 30 June	
		2018	2017
		S\$'000 (unaudited)	S\$'000 (unaudited)
Cash flows from investing activities			
Purchases of property, plant and equipment		(9,024)	(149)
Deposit paid for purchase of property, plant and equipment		(1,218)	–
Net cash used in investing activities		(10,242)	(149)
Cash flows from financing activities			
Proceeds from issue of new shares upon group reorganisation		–	1,644
Proceeds from bank borrowings		8,000	–
Repayments of bank borrowings		(202)	(97)
Capital element of finance lease obligations		(3)	(175)
Interest element on finance lease payments	5	(1)	(20)
Decrease in amount due to directors		–	(887)
Interests paid on bank borrowings	5	(124)	(67)
Net cash from financing activities		7,670	398
Net decrease in cash and cash equivalents		(1,885)	(919)
Cash and cash equivalents at beginning of the period		10,289	3,471
Cash and cash equivalents at end of the period		8,404	2,552

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

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 21 Wan Lee Road, Singapore, 627949.

The shares of the Company were listed on the GEM of the Stock Exchange on 22 September 2017 (the "Listing Date") by way of placing and public offer (collectively, the "Share Offer").

The principal activity of the Company is investment holding while the Group is principally engaged in food supplies business.

Pursuant to a group reorganisation completed on 5 September 2017 (the "Reorganisation") to rationalise the group structure in preparation for the listing of the Company's shares on the GEM of the Stock Exchange, the Company became the holding company of the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 12 September 2017 (the "Prospectus").

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2018 have been prepared in accordance with Hong Kong Accounting Standard 34 issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements under the GEM Listing Rules.

The accounting policies and the method of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2017 except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for the annual periods beginning on 1 January 2018.

During the interim period, the Group has adopted all the new and amended Hong Kong Financial Reporting Standards ("HKFRSs") which are first effective for the reporting period and relevant to the Group. The adoption of these new and amended HKFRSs did not result in material changes to the Group's accounting policies and the Directors considered that the changes are not material to the Group's results of operations or 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:

	Three months ended 30 June		Six months ended 30 June	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales of goods	6,271	6,979	12,630	14,514

4. OTHER INCOME AND GAINS

	Three months ended 30 June		Six months ended 30 June	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Rental income from investment properties	45	56	85	108
One-off slotting and marketing fee received	214	56	304	104
Government grants	10	5	35	30
Others	1	2	3	4
	270	119	427	246

5. FINANCE COSTS

	Three months ended 30 June		Six months ended 30 June	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest on bank borrowings	73	37	124	67
Interest on finance leases	1	15	1	20
	74	52	125	87

6. PROFIT/(LOSS) BEFORE INCOME TAX

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

	Three months ended 30 June		Six months ended 30 June	
	2018 S\$'000 (unaudited)	2017 S\$'000 (unaudited)	2018 S\$'000 (unaudited)	2017 S\$'000 (unaudited)
Auditor's remuneration	28	28	57	57
Cost of inventories recognised as expenses				
– Cost of inventories sold	4,475	5,035	8,977	10,364
– Write-off of inventories	77	25	165	65
	4,552	5,060	9,142	10,429
Depreciation of property, plant and equipment	176	96	269	196
Depreciation of investment properties	13	13	27	27
Direct operating expenses arising from investment properties that generated rental income	11	6	33	30
Employee benefit expenses (including directors' remuneration)				
– Salaries and welfare	788	645	1,593	1,499
– Defined contributions	40	40	89	86
	828	685	1,682	1,585
Lease payments under operating leases in respect of motor vehicles, machineries, warehouses and rented premises				
– Minimum lease payments	102	61	164	121
– Contingent rents (note)	28	90	166	178
	130	151	330	299
Listing expenses	–	911	–	1,595
Net foreign exchange loss	3	25	33	29

Note: Contingent rents represent lease payments of warehouses which are charged based on the volume of inventories handled in the warehouses.

7. INCOME TAX EXPENSE

	Three months ended 30 June		Six months ended 30 June	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax – Singapore income tax				
– Tax for the period	54	111	96	240
Deferred tax				
– Current period	–	–	–	3
Income tax expense	54	111	96	243

8. EARNINGS/(LOSS) PER SHARE

	Three months ended 30 June		Six months ended 30 June	
	2018	2017	2018	2017
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit/(loss) for the period attributable to the owners of the Company (S\$'000)	89	(517)	138	(668)
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share ('000)	600,000	480,000	600,000	480,000

The calculation of basic earnings/(loss) per share for the six months ended 30 June 2018 is based on the profit/(loss) attributable to owners of the Company of approximately S\$138,000 (2017: loss of S\$668,000) and on the weighted average number of 600,000,000 (2017: 480,000,000) ordinary shares in issue during the period.

The weighted average number of 480,000,000 ordinary shares derived for calculation of basic earnings/(loss) per share for the six months ended 30 June 2017 represented the number of ordinary shares of the Company are in issue and issuable, in which assuming that 480,000,000 ordinary shares were in issue pursuant to the Reorganisation throughout the six months ended 30 June 2017.

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

9. DIVIDENDS

The Board does not recommend a payment of any dividend for the six months ended 30 June 2018 (2017: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, the Group acquired property, plant and equipment at a total cost of approximately S\$10.4 million (2017: approximately S\$0.1 million). Such additions are mainly comprised of a leasehold property of approximately S\$10.3 million (2017: Nil) and a motor vehicle of approximately S\$0.1 million (2017: approximately S\$0.1 million). No items of property, plant and equipment were disposed of during the six months ended 30 June 2018 and 2017.

11. TRADE RECEIVABLES

	30 June 2018 S\$'000 (unaudited)	31 December 2017 S\$'000 (audited)
Trade receivables	5,396	6,095

The credit period is generally ranging from cash on delivery to 60 days.

Based on invoices date, ageing analysis of the Group's trade receivables is as follows:

	30 June 2018 S\$'000 (unaudited)	31 December 2017 S\$'000 (audited)
0 to 30 days	1,829	2,015
31 to 90 days	2,854	3,739
91 to 180 days	617	288
Over 180 days	96	53
	5,396	6,095

12. TRADE PAYABLES

	30 June 2018 S\$'000 (unaudited)	31 December 2017 S\$'000 (audited)
Trade payables	1,974	2,939

The credit period is generally ranging from cash on delivery to 60 days.

Based on invoices date, ageing analysis of the Group's trade payables is as follows:

	30 June 2018 S\$'000 (unaudited)	31 December 2017 S\$'000 (audited)
0 to 30 days	1,039	1,613
31 to 90 days	885	1,205
91 to 180 days	48	82
Over 180 days	2	39
	<hr/> 1,974	<hr/> 2,939

13. BANK BORROWINGS

	30 June 2018 S\$'000 (unaudited)	31 December 2017 S\$'000 (audited)
Current liabilities		
Secured mortgage loans		
– Amounts repayable within one year	638	178
Non-current liabilities		
Secured mortgage loans		
– Amounts repayable after one year	10,748	3,410
	<hr/> 11,386	<hr/> 3,588
Total bank borrowings	<hr/> 11,386	<hr/> 3,588

14. SHARE CAPITAL

	Notes	Number of shares	Amount S\$'000
Authorised:			
Ordinary shares			
At 27 January 2017	(a)	38,000,000	71
Increase in authorised share capital upon Reorganisation	(b)	9,962,000,000	17,266
At 31 December 2017 and 30 June 2018		10,000,000,000	17,337
Issued and fully paid:			
At 27 January 2017	(a)	1	–
Issue of shares upon Reorganisation	(c)	99	–
Share capitalisation	(d)	479,999,900	832
Issue of shares by placing and public offer	(e)	120,000,000	206
At 31 December 2017 and 30 June 2018		600,000,000	1,038

Notes:

- (a) The Company was incorporated in the Cayman Islands on 27 January 2017 with an authorised share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each. On the same day, 1 nil-paid share in the share capital of the Company was allotted and issued to Sharon Pierson, the initial subscriber, and transferred to Packman Global Holdings Limited ("Packman Global"), which is owned by Mr. Tan Seow Gee ("Mr. D Tan"), Mr. Tan Chih keong ("Mr. M Tan") and Mr. Gay Teo Siong ("Mr. R Gay") as to one third each.
- (b) Pursuant to the written resolutions of the Company's shareholders passed on 30 August 2017, the authorized share capital of the Company was increased from HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each by the creation of additional 9,962,000,000 shares.
- (c) A sale and purchase agreement between Packman Global, the Company and Absolute Elite Limited (the "Pre-IPO Investor") dated 30 August 2017 pursuant to which Packman Global and the Pre-IPO Investor transferred their respective equity interests in Open Treasure Enterprises Limited to the Company in consideration of (i) the initial share held by Packman Global being credited as fully-paid and the Company allotting and issuing 84 shares to Packman Global credited as fully-paid; and (ii) the Company allotting and issuing 15 shares to the Pre-IPO Investor credited as fully-paid.
- (d) Pursuant to the written resolutions of the Company's shareholders passed on 30 August 2017, 479,999,900 ordinary shares of HK\$0.01 each were issued at par value by way of capitalisation of HK\$4,799,999 (equivalent to approximately S\$832,000) from the Company's share premium account.
- (e) The shares of the Company were listed on the Stock Exchange on 22 September 2017, as a result of which 120,000,000 shares were issued at HK\$0.55 per share on the same day. Net proceeds of approximately S\$9,790,000 were raised, comprising share capital of HK\$1,200,000 (equivalent to approximately S\$206,000) and share premium of HK\$64,800,000 (equivalent to approximately S\$11,150,000), net of share issue expenses of approximately S\$1,566,000.

15. CAPITAL COMMITMENT

As at 30 June 2018, the Group has the following capital commitments in respect of:

	30 June	31 December
	2018	2017
	S\$'000	S\$'000
	(unaudited)	(audited)
Commitments for acquisition of:		
Property, plant and equipment	1,377	9,000

16. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of directors and other members of key management during the period were as follows:

	Six months ended 30 June	
	2018	2017
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Short-term employee benefits	610	542
Defined contributions	27	24
	637	566

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in food supplies business in Singapore. During the six months ended 30 June 2018, the Group continued to supply food products to ship chandlers, retailers and customers who are in the food service industry.

For the six months ended 30 June 2018, the Group recorded a net profit of approximately S\$140,000 as compared to net loss of approximately S\$676,000 for the same period in 2017. The Directors are of the view that the increase of net profit during the six months ended 30 June 2018 was mainly attributable to the non-recurring listing expenses of approximately S\$1.6 million for the six months ended 30 June 2017. Set aside the listing expenses, the Group's net profit for the six months ended 30 June 2017 would be approximately S\$0.9 million. Despite the decrease in revenue for the six months ended 30 June 2018 as compared to the same period in 2017, in view of the latest negotiations with existing and potential new customers, the Directors are of the opinion that there has been no fundamental deterioration in the commercial and operational viability in the Group's business.

During the six months ended 30 June 2018, the Group acquired a new property in Singapore amounted to approximately S\$10.3 million (the "Acquisition") and utilised part of the net proceeds from the Share Offer for partial settlement of the Acquisition. For more details of the Acquisition and the change in use of proceeds, please refer to the circular of the Company dated 26 March 2018.

OUTLOOK

The shares were listed on GEM on the Listing Date by way of Share Offer. The Directors believe that the listing is strategic to our entrance into the Hong Kong ship supply industry, and will raise the profile and visibility of the Group and strengthen our competitiveness among our competitors, in the hope of leading to an increase in market share. In addition, the Directors also believe that customers and suppliers may prefer to work with listed companies given their reputation, listing status, public financial disclosures and general regulatory supervision by the relevant regulatory bodies. The net proceeds from the Share Offer will provide financial resources to the Group to meet and achieve its business opportunities and strategies which will further strengthen the Group's market position in the food supply industry.

The Group is in the course of negotiations with existing customers and potential new customers, including groups with scalable size of operations, expressing intentions for inviting us to expand the existing supply scope.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately S\$1.9 million or approximately 13.0% from approximately S\$14.5 million for the six months ended 30 June 2017 to approximately S\$12.6 million for the six months ended 30 June 2018. Such decrease was mainly driven by the decrease of revenue from the ship chandlers due to the slowdown of market demand.

Cost of sales

The Group's cost of sales decreased by approximately S\$1.4 million or approximately 13.1% from approximately S\$10.8 million for the six months ended 30 June 2017 to approximately S\$9.4 million for the six months ended 30 June 2018. Such decrease was primarily due to the decrease in the cost of inventories recognised as expenses for the six months ended 30 June 2018 as compared to the same period in 2017 and was in line with the decrease in revenue.

Gross profit and gross profit margin

The Group's overall gross profit decreased by approximately S\$0.5 million or approximately 12.8% from approximately S\$3.7 million for the six months ended 30 June 2017 to approximately S\$3.3 million for the six months ended 30 June 2018. The Group's overall gross profit margin remained stable at 25.8% and 25.8% for the six months ended 30 June 2017 and 2018 respectively.

Selling and distribution costs

The Group's selling and distribution costs increased by approximately S\$0.4 million or approximately 30.7% from approximately S\$1.2 million for the six months ended 30 June 2017 to approximately S\$1.6 million for the six months ended 30 June 2018. The increase was primarily due to increase of employee benefit expenses relating to sales and distribution of goods.

Administrative and other operating expenses

The Group's administrative and other operating expenses decreased by approximately S\$1.4 million or approximately 43.5% from approximately S\$3.1 million for the six months ended 30 June 2017 to approximately S\$1.8 million for the six months ended 30 June 2018. The decrease was primarily due to the recognition of non-recurring listing expenses for the six months ended 30 June 2017 amounted to approximately S\$1.6 million.

CAPITAL STRUCTURE

As at 30 June 2018, the capital structure of the Group consisted of bank borrowings, finance lease obligations and equity of the Group, comprising share capital, share premium, other reserve and retained profits.

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2018, the Group's working capital was financed by internal resources, bank borrowings, finance lease obligations and net proceeds from the Share Offer. As at 30 June 2018, the quick ratio of the Group was approximately 3.5 times (31 December 2017: 3.3 times). The improvement was mainly due to the decrease of current liabilities by approximately 20.0% which was offset by the decrease of current assets (excluding inventories) by approximately 15.9%.

GEARING RATIO

The total borrowings, comprising bank borrowings and finance lease obligations, of the Group as at 30 June 2018 were approximately S\$11.5 million (31 December 2017: S\$3.6 million). The Group's gearing ratio as at 30 June 2018 was approximately 63.2% (31 December 2017: 19.9%), which is calculated as the Group's total borrowings over the Group's total equity. The increase in gearing ratio was mainly due to the increase of bank borrowings of approximately S\$8.0 million as a result of the Acquisition.

CAPITAL EXPENDITURE

During the year ended 30 June 2018, the Group invested approximately S\$10.4 million for capital expenditure which was primarily related to our purchases of property, plant and equipment.

CAPITAL COMMITMENTS

Save as disclosed in note 15 to the unaudited condensed consolidated financial statements of this interim report, as at 30 June 2018, the Group had no significant capital commitments.

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2018, the Group has pledged its leasehold properties and investment properties with net book value amounted to approximately S\$12.6 million (31 December 2017: S\$2.5 million) and approximately S\$1.7 million (31 December 2017: S\$1.7 million), respectively, for certain banking facilities granted to the Group.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the six months ended 30 June 2018, 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 and note 15 to the unaudited condensed consolidated financial statements of this interim report, the Group did not have other future plans for material investments or capital assets.

CONTINGENT LIABILITIES

As at 30 June 2018, 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\$500,000 (31 December 2017: \$400,000). The guarantees in respect of performance bonds issued by bank are secured by leasehold properties and investment properties of the Group and corporate guarantee of the Company as at 30 June 2018 and 31 December 2017.

INFORMATION ON EMPLOYEES

As at 30 June 2018, the Group employed 77 employees (31 December 2017: 86) with total staff cost (including directors' emoluments) of approximately S\$1.7 million incurred for the six months ended 30 June 2018 (six months ended 30 June 2017: S\$1.6 million). The Group's remuneration packages are generally structured with reference to market terms and individual merits.

USE OF PROCEEDS

Up to 30 June 2018, the net proceeds from the Share Offer had been applied as follows:

	Planned use of proceeds up to 30 June 2018	Amount utilised up to 30 June 2018
	HK\$'000	HK\$'000
Expand Hong Kong operations	1,950	–
Expand new product lines	–	–
Acquisition of new property	17,400	17,400
Working capital	800	800
	<hr/>	<hr/>
	20,150	18,200

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.

OTHER INFORMATION

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

As at 30 June 2018, 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 of the Company

Name	Capacity/ Nature of interest	Number of shares held/interested	Percentage of shareholding
Mr. Tan Seow Gee ("Mr. D Tan")	Interest in controlled corporation/ Interest held jointly with another persons (Note 1)	308,000,000 shares	51.33%
Mr. Gay Teo Siong ("Mr. R Gay")	Interest in controlled corporation/ Interest held jointly with another persons (Note 1)	308,000,000 shares	51.33%

Note:

1. The entire issued share capital of Packman Global Holdings Limited ("Packman Global") is legally and beneficially owned as to approximately 33.3% by Mr. D Tan, Mr. R Gay and Mr. Tan Chih Keong ("Mr. M Tan") respectively. Accordingly, Mr. D Tan, Mr. R Gay and Mr. M Tan are deemed to be interested in 308,000,000 Shares held by Packman Global by virtue of the SFO. Mr. D Tan and Mr. R Gay are executive Directors while Mr. M Tan is one of the senior management. Mr. D Tan, Mr. R Gay and Mr. M Tan are persons acting in concert and accordingly each of them is deemed to be interested in the shares held by the others.

Save as disclosed above, as at 30 June 2018, 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 as is known to the Directors, as at 30 June 2018, 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 of the Company

Name	Capacity/ Nature of interest	Number of shares held/interested	Percentage of shareholding
Packman Global	Beneficial owner	308,000,000 shares	51.33%
Mr. M Tan	Interest in controlled corporation/ Interest held jointly with another persons (Note 1)	308,000,000 shares	51.33%
Ms. Fang Yunru Wanda	Interest of spouse (Note 2)	308,000,000 shares	51.33%
Ms. Yeo Poh Choo	Interest of spouse (Note 3)	308,000,000 shares	51.33%
Ms. Chen Feiping	Interest of spouse (Note 4)	308,000,000 shares	51.33%

Name	Capacity/ Nature of interest	Number of shares held/interested	Percentage of shareholding
Absolute Elite Limited ("Absolute Elite")	Beneficial owner	72,000,000 shares	12.00%
Mr. Tan Chu En lan	Interest in controlled corporation (Note 5)	72,000,000 shares	12.00%
Ms. Sinta Muchtar	Interest of spouse (Note 6)	72,000,000 shares	12.00%

Notes:

1. The entire issued share capital of Packman Global is legally and beneficially owned as to approximately 33.3% by Mr. D Tan, Mr. R Gay and Mr. M Tan respectively. Accordingly, Mr. D Tan, Mr. R Gay and Mr. M Tan are deemed to be interested in 308,000,000 Shares held by Packman Global by virtue of the SFO. Mr. D Tan and Mr. R Gay are executive Directors while Mr. M Tan is one of the senior management. Mr. D Tan, Mr. R Gay and Mr. M Tan are persons acting in concert and accordingly each of them is deemed to be interested in the shares held by the others.
2. Ms. Fang Yunru Wanda is the spouse of Mr. D Tan and is therefore deemed to be interested in all the shares that Mr. D Tan is interested in by virtue of SFO.
3. Ms. Yeo Poh Choo is the spouse of Mr. R Gay and is therefore deemed to be interested in all the shares that Mr. R Gay is interested in by virtue of SFO.
4. Ms. Chen Feiping is the spouse of Mr. M Tan and is therefore deemed to be interested in all the shares that Mr. M Tan is interested in by virtue of SFO.
5. The entire issued share capital of Absolute Elite is legally and beneficially owned as to 100% by Mr. Tan Chu En lan. Accordingly, Mr. Tan Chu En lan is deemed to be interested in all the shares held by Absolute Elite by virtue of the SFO.
6. Ms. Sinta Muchtar is the spouse of Mr. Tan Chu En lan and is therefore deemed to be interested in all the shares that Mr. Tan Chu En lan is interested in via Absolute Elite by virtue of SFO.

Save as disclosed above, as at 30 June 2018, 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 six months ended 30 June 2018.

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.

As at 30 June 2018, no share option was outstanding under the Scheme. No share option has been granted, exercised, cancelled or lapsed under the Scheme since its adoption.

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 six months ended 30 June 2018.

COMPLIANCE ADVISER'S INTERESTS

As at 30 June 2018, except for the compliance adviser's agreement entered into between the Company and Vinco Capital Limited, the Company's compliance adviser, on 11 September 2017, neither the Company's compliance adviser nor its directors, employees or associates had any interest in relation to the Company which is required to be notified to the Company pursuant to Rules 6A.32 of the GEM Listing Rules.

EVENT AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event which had material effect on the Group subsequent to 30 June 2018 and up to the date of this interim report.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value. The Company's corporate governance practices are based on the principles and code provision as set out in the Corporate Governance Code ("CG Code") in Appendix 15 to the GEM Listing Rules. The Company had complied with the code provisions in the CG Code during the six months ended 30 June 2018 to the date of this report.

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 six months ended 30 June 2018.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with rules 5.28 of the GEM Listing Rules and the CG Code. The audit committee consists of all the three independent non-executive Directors being Mr. Tam Wai Tak Victor, Ms. Chan Oi Chong and Mr. Choy Wing Hang William. Mr. Tam Wai Tak Victor was appointed to serve as the Chairman of the audit committee. The primary duties of our audit committee are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the internal control procedures of the Company.

The audit committee has discussed and reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2018.

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

Hong Kong, Friday, 10 August 2018

As at the date of this report, the executive Directors are Mr. Tan Seow Gee and Mr. Gay Teo Siong; and the independent non-executive Directors are Mr. Tam Wai Tak Victor, Ms. Chan Oi Chong and Mr. Choy Wing Hang William.

This report will remain on the Stock Exchange's website at <http://www.hkexnews.hk> and, in any case of this report, on the "Latest Company Announcements" page for a minimum period of seven days from the date of its posting. This report will also be published on the Company's website at <http://www.coollink.com.sg>.