

## NATURAL COOL HOLDINGS LIMITED

Company Registration No.: 200509967G  
(Incorporated in the Republic of Singapore)

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.*

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### PURCHASE OF PROPERTY LOCATED AT 87 DEFU LANE 10 SINGAPORE 539219

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#### 1. INTRODUCTION

The Board of Directors (the "**Board**") of Natural Cool Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that the Company's indirect wholly-owned subsidiary, NC Precision Pte Ltd ("**NCP**" or "**Purchaser**") has on 6 July 2017 exercised an Option to Purchase (the "**Option**") granted by RBC Investor Services Trust Singapore Limited (the "**Vendor**") in its capacity as trustee of **ESR-REIT** (the "**Option Agreement**"), to purchase the property located at 87 Defu Lane 10 Singapore 539219 (the "**Property**") (the "**Purchase of Property**") upon payment of a sum of S\$175,000 ("**Option Fee**").

#### 2. CONSIDERATION

The total consideration for the Purchase of Property of S\$17.5 million (the "**Consideration**") was arrived at after arm's length negotiations and on a willing buyer willing seller basis and based on the valuation report for the valuation of the Property carried out by a professional valuer, Vantage Valuers & Property Consultants Pte Ltd dated 3 April 2017, the value of the Property was S\$17.6 million. The valuation was based on the "Direct Comparison Method / Investment Method". The valuer is an independent third party property valuer commissioned by NCP.

The payment terms for the Purchase of Property will be as follows:

- (a) 10% of the Consideration be paid by the Purchaser upon the exercise of the Option (less Option Fee already paid); and
- (b) the balance 90% of the Consideration to be paid to the Vendor upon completion of the Purchase of Property.

Approximately 20% of the Consideration will be paid in cash using the Group's internal resources, while the balance will be financed by bank borrowings.

### 3. MATERIAL TERMS AND CONDITIONS OF THE PURCHASE OF PROPERTY

The Purchase of Property is subject to, *inter alia*, the following terms:-

- (a) The terms and conditions (“**T&C**”) set out in the Option and “The Law Society of Singapore’s Conditions of Sale 2012” (the “**Conditions**”) in so far as the Conditions:
  - (i) are applicable to a sale by private treaty and are not varied by or inconsistent with the T&C; and
  - (ii) are not contrary to or conflict with the Conveyancing & Law of Property (Conveyancing) Rules 2011 and Singapore Academy of Law (Conveyancing Money) Rules 2011, (if applicable).
- (b) The existing tenancy agreements which may be subsisting as Completion (as defined herein).
- (c) The written in-principle approval from the Housing and Development Board (“**HDB Approval**”) for the assignment/transfer of the Property by the Vendor to the Purchaser and the compliance by the Vendor and the Purchaser of the terms and conditions imposed by HDB in the said approval.
- (d) The approval of the shareholders of the Company for the purchase of the Property being obtained at an extraordinary general meeting, if required.
- (e) Completion of the Purchase of Property (“**Completion**”) shall take place on the latest of:-
  - (i) 31 August 2017; or
  - (ii) 6 weeks from the date of HDB Approval

### 4. FINANCIAL EFFECTS OF THE PURCHASE OF PROPERTY

The proforma financial effects of the Purchase of Property on the Group are set out below. Given that the proforma financial effects set out below are theoretical in nature and only for illustrative purposes, they do not represent the actual financial position and/or results of the Group’s operations after the completion of the Purchase of Property and are not indicative of the future financial position and earnings of the Group.

For the purpose of illustration and based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2016, the financial effects of the Purchase of Property are set out below:-

	<b>Before the Purchase of Property</b>	<b>After the Purchase of Property</b>
Net tangible assets (S\$’000)	25,269	25,269
Net tangible asset per share (assuming the purchase was effected as at 31 December 2016)	10.09 cents	10.09 cents
Loss after tax and non-controlling interests (S\$’000)	11,194	11,660
Earnings/(loss) per share (assuming the purchase was effected on 1 January 2016) – Basic & Diluted	(5.11 cents)	(5.32 cents)

## 5. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

The relative figures computed on the basis set out in Rule 1006 of the SGX-ST Listing Manual Section B: Rules of Catalist (the “Catalist Rules”) for the Purchase of Property are as follows:-

		(A) S\$	(B) S\$	Relative Figures (A)/(B) in %
Rule 1006(a)	Net asset value of the Property to be displayed of (A) as compared with the Group’s net asset value as at 31 December 2016 (B).	(NA as this is an acquisition not a disposal)	(NA as this is an acquisition not a disposal)	(NA as this is an acquisition not a disposal)
Rule 1006(b)	Net profit / (loss) attributable to the property acquired (A) compared with the Group’s net profits (B)	(NA as the acquisition is for internal use )	(NA as the acquisition is for internal use )	(NA as the acquisition is for internal use )
Rule 1006(c)	The aggregate value of the consideration given (A) compared with the market capitalization (B) <sup>(1)</sup>	17,500,000	25,044,799	69.87
Rule 1006(d)	The number of equity securities issued as consideration for an acquisition.	NA	NA	NA
Rule 1006(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the group’s proven and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	NA	NA	NA

Note:-

(1) The market capitalisation of S\$25.0 million is calculated by multiplying 250,447,985 ordinary shares in issue as at the date of this announcement by the volume-weighted average price per share of S\$0.10 per share on 5 July 2017 (being the market day preceding the date of exercise of the Option).

As the relative figures set out in 1006(c) exceed 5% but less than 75%, the Purchase of Property constitutes a discloseable transaction as defined in Chapter 10 of the Catalist Rules. Accordingly, approval from shareholders is not required.

## 6. DESCRIPTION OF THE PROPERTY AND RATIONALE FOR THE PURCHASE OF PROPERTY

The Property sits on land that is under a Housing Development Board lease for 30 years with effect from 1 November 1990 with an option for a further term of 30 years. The yearly rent for the further term commencing on the 1st day of November 2020 shall be at the rate based on the market rent at the commencement of the further term. The Property is a 6-storey purpose-built light industrial building with gross floor area of 10,211.90 square meters.

The Property is close to one of the Group's existing office and warehouse at 81 Defu Lane 10, Singapore 593217 and the Group's Aircon Business is currently leasing space at the Property from the current owner. As part of its future business expansion plans, the Group envisage it will require additional office and warehouse space and the Purchase of Property represents a good opportunity for the Group to acquire an industrial property that is in close proximity to the existing operations of its Aircon Business. The property is also a strategically located and proximate to our Group head office.

**7. DIRECTORS AND CONTROLLING SHAREHOLDERS' INTEREST**

Save for their respective interests in the Company, none of the directors or controlling shareholders have any interest, direct or indirect in the Purchase of Property.

**8. DOCUMENTS FOR INSPECTION**

A copy of the Option Agreement and valuation report are available for inspection during normal business hours at the Company's registered office at 29 Tai Seng Avenue, #07-01 Natural Cool Lifestyle Hub, Singapore 534119 for 3 months from the date of this announcement.

**9. UPDATES**

The Company will keep shareholders updated on the Purchase of Property as and when there are material developments.

**BY ORDER OF THE BOARD**

Wong Leon Keat  
Managing Director

6 July 2017

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**About Natural Cool Holdings Limited**

Established in 1989 and listed on Catalist (formerly known as SESDAQ) in May 2006, Natural Cool provides installation, maintenance, repair and replacement services for air-conditioning systems to the residential segment, both public and private; and commercial sectors, which includes factories, offices, condominiums, schools and hospitals, in Singapore. In addition, the Group sells air-conditioning components and tools used for the installation and servicing of air-conditioning business.

The Group is also engaged in manufacturing and sale of industrial paints and solvents, principally under the 'Cougar' brand.