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**PROPOSED SALE OF THE PROPERTIES LOCATED AT  
15 WOODLANDS LOOP #04-15 AND #04-16 SINGAPORE 738322**

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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 80%-owned subsidiary, SFB Holdings Pte. Ltd. (the “**Vendor**”) has, on 25 March 2024, granted an option to purchase (the “**Option**”) to Kim Heng (HK) Roasted Delights Pte. Ltd. (the “**Purchaser**”), to sell the properties located at 15 Woodlands Loop #04-15 (“**#04-15**”) and #04-16 (“**#04-16**”) Singapore 738322 (the “**Properties**”) for an aggregate consideration of S\$540,000 (the “**Proposed Sale**”).

**2. INFORMATION ON THE PROPERTIES**

The Properties are two adjoining food factory units located at level 4 of a 4-storey ramp-up food factory block comprising office and production spaces and used to house the Group’s Food and Beverages (“**F&B**”) Division’s production facilities. It is a property with a leasehold of 30 years granted by the JTC Corporation (“**JTC**”). The remaining lease tenure of the Properties is approximately three (3) years which will end on 31 May 2027 and 30 April 2027 for #04-15 and #04-16 respectively and subletting of the Properties is not permitted.

Since the consolidation of the F&B Division’s entire production facility to Bedok Food City in late 2021, the Vendor had put up the Properties for sale, however, no offers were received while the balance lease tenure of the Properties continued to reduce.

Based on the latest unaudited consolidated financial statements of the Group for the financial year ended 31 December 2023 (“**FY2023**”), the aggregate net book value of the Properties was approximately S\$550,000.

Based on the valuation report dated 11 January 2024 (the “**Valuation**”) issued by an independent professional valuer, RHT Valuation Pte. Ltd. and commissioned by the Vendor, the aggregate market value of the Properties was S\$590,000 based on the direct comparison approach with vacant possession.

**3. INFORMATION ON THE PURCHASER**

The Purchaser is a company incorporated in Singapore on 31 May 2023 with its registered office at 332 Ang Mo Kio Avenue 1, #01-1879, Teck Ghee View, Singapore 560332.

The directors and shareholders of the Purchaser are Soh Toy Wah (“**STW**”) (holding 60% interest in the Purchaser) and Ang Tian Jing (“**ATJ**”) (holding 40% interest in the Purchaser).

To the best of the Company’s knowledge, the Directors and controlling shareholders of the Company, and their respective associates, are not related to the Purchaser and any of its directors.

**4. SALIENT TERMS OF THE OPTION**

**4.1 Purchase Price**

The aggregate consideration for the Proposed Sale of the Properties is S\$540,000 (the “**Consideration**”). The Consideration was arrived at on a “willing-buyer willing-seller” basis and with the rationale for the Proposed Sale set out in paragraph 6 below.

Under the terms of Option, the Consideration shall be payable by the Purchaser to the Vendor as follows:

- (a) 1% of the Consideration to be paid by the Purchaser to the Vendor upon the grant of the Option;
- (b) 9% of the of the Consideration to be paid upon the exercise of the Option; and
- (c) The remaining balance of S\$486,000 shall be adjusted such that any Service Fees received from the period beginning from the exercise of the Option to Completion date be credited towards the Consideration, to be paid by the Purchaser in 36 monthly instalments over 3 years with an interest of 5% per annum.

The 1% of the Consideration has been paid to the Vendor by the Purchaser upon the grant of the Option. The monthly instalments (as detailed in (c) above) shall be secured against a pledge over the title deeds of the Properties and subject to the personal guarantees of STW and ATJ until the full satisfaction of the 36 monthly instalments, in accordance with a loan agreement to be signed between the Purchaser and the Vendor on Completion.

#### **4.2 Exercise Period**

The Option may be exercised by the Purchaser on or before 4.00 p.m. on 27 March 2024 from the date of the grant of the Option ("**Exercise Period**"). Under the terms of the Option, if the Option is not exercised by the Purchaser within the stated Exercise Period, the Option shall expire and be of no further effect whatsoever and the option fee stated in paragraph 4.1(a) shall be forfeited to the Vendor.

#### **4.3 Other Conditions**

The Proposed Sale shall be subject to the customary conditions imposed by the relevant authorities on a transaction of this nature, including the approval of JTC to the sale and purchase of the Properties and (if required), the shareholders of the Company. In addition, the Collaboration Arrangement shall cease on Completion (as defined below) of the Proposed Sale.

### **5. COMPLETION**

Completion of the Proposed Sale is expected to take place whichever is the later of:

- (i) twelve (12) weeks from the date of exercise of this Option (the "**Exercise Date**"); or
- (ii) four (4) weeks from the date of JTC Approval.

(the "**Completion**")

### **6. RATIONALE FOR THE PROPOSED SALE**

The Board believes that the Proposed Sale is in the best interests of the Group and Shareholders. This is because based on its current operational needs and business strategy, and due to the consolidation of the F&B Division's entire food production facility to Bedok Food City, these Properties are surplus to our requirements, with no practical alternative use. Presently, the Group is receiving monthly service fees ("**Service Fees**") under a collaboration arrangement with the Purchaser ("**Collaboration Arrangement**"). However, this Collaboration Arrangement may be terminated by either party with three (3) month notice.

Additionally, having regard to the limited remaining tenure of the lease, a lack of alternative offers, the cost to maintain the Properties, and the estimated reinstatement cost at the end of the lease tenure, the Proposed Sale represents the most economically viable option.

The total net proceeds from the Proposed Sale will be about S\$536,000 (after deducting related transaction costs) and shall be used to satisfy the Group's working capital needs.

## 7. FINANCIAL EFFECTS OF THE PROPOSED SALE

Assuming that Completion is on 31 December 2023, the Proposed Sale will result in a loss on disposal of approximately S\$14,000 (including related transaction costs), based on the net proceeds from the Proposed Sale being approximately S\$536,000.

The tables below illustrate the financial effects of the Proposed Sale on the net tangible assets (“NTA”) per share and the earnings per share (“EPS”) of the Group based on the latest unaudited consolidated financial statements of the Group for FY2023 and assuming that the Proposed Sale took place, in respect of the consolidated statement of comprehensive income on 1 January 2023, and in respect of the statement of financial position of the Group on 31 December 2023.

### 7.1 NTA per share

	Before the Proposed Sale	After the Proposed Sale
NTA (S\$'000)	11,024	11,010
Number of issued shares ordinary shares ('000)	250,448	250,448
NTA per share (cents)	4.40	4.40

Note:

(1) NTA per share is calculated based on the total number of issued ordinary shares as at 31 December 2023.

### 7.2 EPS

	Before the Proposed Sale	After the Proposed Sale
Profit attributable to shareholders (S\$'000)	607	553
Weighted average number of shares ('000)	250,448	250,448
EPS (cents)	0.24	0.22

Notes:

(1) EPS is calculated based on the weighted average number of ordinary shares in issue during FY2023.

(2) In arriving at the profit attributable to shareholders assuming the Proposed Sale is effected at the beginning of FY2023, adjustment has been made for loss on disposal and Service Fees income, interest income generated from the loan agreement and related transaction cost incurred for the Proposed Sale.

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

The relative figures for the Proposed Sale computed on the bases set out in Rule 1006 of the Catalist Rules of the Singapore Exchange Securities Trading Limited are set out below:-

Rule 1006	Bases	Relative Figures
Rule 1006 (a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. <sup>(1)</sup>	3.44%
Rule 1006 (b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	Not applicable.
Rule 1006 (c)	The aggregate value of the consideration given or received, compared with the market capitalisation of the Company based on the total number of issued shares excluding treasury shares. <sup>(2)</sup>	8.55%
Rule 1006 (d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable.
Rule 1006 (e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable.

Notes:-

(1) The net book value of the Properties and the net asset value of the Group as at 31 December 2023 were S\$550,000 and S\$15,987,000 respectively.

(2) Computed based on the Consideration of S\$540,000 and the interest receivable of S\$38,000 over the 36 monthly instalments and compared with the market capitalisation of S\$6,762,096 which was determined by multiplying 250,447,985 ordinary shares in issue as at the date of this announcement by the volume-weighted average price of the Company's shares of approximately S\$0.027 per share on 21 March 2024, being the last market day whereby the Company's shares transacted preceding the date of grant of the Option.

Having regard to the above, as the relative figures in respect of the Proposed Sale exceed 5% but does not exceed 50%, the Proposed Sale constitutes a discloseable transaction as defined in Chapter 10 of the Catalist Rules. Accordingly, approval from shareholders is not required.

## 9. 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 Proposed Sale.

## 10. DOCUMENTS FOR INSPECTION

A copy of the Option, Valuation and loan agreement are available for inspection during normal business hours at the Company's registered office at 87 Defu Lane 10, #06-01, Singapore 539219 for three (3) months from the date of this announcement.

## 11. UPDATES

The Company will keep shareholders updated on the Proposed Sale as and when there are material developments.

## BY ORDER OF THE BOARD

Choy Bing Choong  
Executive Chairman

25 March 2024

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### About Natural Cool Holdings Limited

Natural Cool's principal businesses are Airconditioning and Engineering, Paints and Coatings, Technology, and Food and Beverages.

Natural Cool's Airconditioning and Engineering Division distributes, supply and installs Air-Conditioning and Mechanical Ventilation systems ("**ACMV**") and provides ACMV services to customers in the retail, commercial and industrial sectors. In addition, the Division is also involved in providing facilities management, mechanical and electrical, fire protection, critical environment, and plumbing and sanitary products and services.

The Group's Paints and Coatings Division manufactures and sells industrial paints and solvents, principally under the 'Cougar' brand. Furthermore, the Division also represents a number of leading overseas brands in Singapore.

Natural Cool's Technology Division specialises in communications engineering and Internet of Things solutions. With its core engineering capabilities located in Singapore, the Division serves the train-borne communications market and the estate management market both domestically and overseas.

In addition, the Group has a Food and Beverages arm which manufactures, distributes and retails cooked snack food and dumplings in Singapore. It also operates a number of restaurant outlets.

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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg).*

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