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PURCHASE OF PROPERTY LOCATED AT 81 DEFU LANE 10 SINGAPORE 539217

1. INTRODUCTION

The Board of Directors of Natural Cool Holdings Limited (the "Company" and together with its subsidiaries, the "Group") wishes to announce that the Company's wholly-owned subsidiary, Natural Cool Airconditioning and Engineering Pte Ltd ("NCAE" or "Purchaser") has on 24 January 2014 entered into an Option to Purchase (the "Option") with RBC Investor Services Trust Singapore Limited, in its capacity as trustee of Cambridge Industrial Trust (the "Vendor") in respect of the Purchaser purchasing from the Vendor of the property located at 81 Defu Lane 10 Singapore 539217 (the "Property") (the "Purchase of Property").

2. CONSIDERATION

The total consideration for the Purchase of Property of S\$7.80 million (the "Consideration") was arrived at after arm's length negotiations and on a willing buyer willing seller basis and based on the valuation of the Property carried out by a professional valuer, GSK Global Pte Ltd commissioned by NCAE on 19 August 2013, the value of the valuation was approximately S\$7.80 million. The valuation was based on "Open Market Value".

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

- (a) 5% of the consideration and 7% GST on 5% of the consideration to be paid by the Company; and
- (b) 5% of the consideration and 7% GST on 5% of the consideration to be paid to the Vendor's solicitor upon exercising of the Option; and
- (c) 90% of the consideration and 7% GST thereon to be paid to the Vendor upon completion of the Purchase of Property.

Approximately 20% of the consideration will be paid in cash, 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 the following terms :-

- (a) The Singapore Law Society's Conditions of Sale 2012 (the "Conditions") in so far as the Conditions and the terms and conditions of the Option are not contrary to or conflict with (a) Conveyancing & Law of Property (Conveyancing) Rules 2011 as promulgated under the Conveyancing & Law of Property Act (Chapter 61 of Singapore) ; and (b) Singapore Academy of Law (Conveyancing Money) Rules 2011 as promulgated under the Singapore Academy of Law Act (Chapter 294A of Singapore), (if applicable).
- (b) The written in-principle approval from the Housing and Development Board ("HDB") for the Vendor to sell and the Purchaser to purchase the Property being obtained by the Vendor and the Purchaser.
- (c) The approval of the board of directors of Cambridge Industrial Trust Management Limited, as the Manager of Cambridge Industrial Trust being obtained by the Vendor.
- (d) The approval of the board of directors of the Company being obtained by the Purchaser.
- (e) The approval of the shareholders of the Company being obtained at an extraordinary general meeting, if required.
- (f) Subject to the terms of the Option, the Purchase of Property shall be completed on the latest of :-
 - (i) 24 March 2014; or
 - (ii) 2 weeks from the date of the Purchaser's receipt of written confirmation from HDB that HDB has no objection to the transfer of the Property; or
 - (iii) 2 weeks from the date of the satisfaction of the items (b) to (e) as above.

4. FINANCIAL EFFECTS OF THE PURCHASE OF PROPERTY

The proforma financial effects of the Purchase of Property on the Group are set out below. The objective of the proforma financial effects is to illustrate what the historical financial information of the Group might have been had the Purchase of Property been completed at an earlier date. 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 consolidated financial statements of the Group for the financial year ended 31 December 2012, the financial effects of the Purchase of Property are set out below:-

	Before the Purchase of Property	After the Purchase of Property
Net tangible asset per share (assuming the purchase was effected as at 31 December 2012)	17.23 cents	17.23 cents
Earnings per share (assuming the purchase was effected on 1 January 2012) – Basic & Diluted	0.53 cents	0.58 cents

5. LISTING MANUAL COMPUTATION

The relative figures computed on the basis set out in Rule 1006 of the SGX-ST Listing Manual Section B: Rules of Catalyst (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 disposed of (A) as compared with the Group's net asset value as at 31 December 2012 (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)	7,800,000	28,762,718	27.11
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

The relative figures set out in 1006 (c) exceed 5% but not 75%, hence the Purchase of Property constitutes a discloseable transaction as defined in Chapter 10 of the Catalyst Rules.

6. RATIONALE FOR THE PURCHASE OF PROPERTY

The Property is currently occupied by NCAE on a lease from 15 November 2007 which will expire on 14 November 2014. As the property is a strategic location for our distribution centre in the Eastern region of Singapore, we want to maintain this location with greater certainty.

7. DIRECTORS AND CONTROLLING SHAREHOLDERS' INTEREST

None of the directors or the controlling shareholders of the Company has any interest, direct or indirect in the above transaction.

8. DOCUMENTS FOR INSPECTION

A copy of the Option 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 be making the appropriate announcements in due course and will continue to keep shareholders updated on the above transaction.

By Order of the Board

Leaw Wei Siang
Company Secretary
24 January 2014

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 include 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 also manufactures and sells switchgears through mechanical and electrical ("M&E") contractors to public and private property developments. Started in 2003, the Group's switchgear division designs and manufactures switchgear products customised to meet specific requirements of its customers.