

CIRCULAR DATED 23 OCTOBER 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your shares in the issued share capital of Natural Cool Holdings Limited (the “**Company**”), you should immediately forward this circular (“**Circular**”) together with the Notice of EGM and the accompanying Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Circular 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 Circular.

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

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.

Natural Cool
Holdings Limited
NATURAL COOL HOLDINGS LIMITED
(Incorporated in Singapore on 19 July 2005)
(Company Registration No.: 200509967G)

CIRCULAR TO SHAREHOLDERS

in relation to

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- 1. THE PROPOSED DISPOSAL BY THE COMPANY OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL, COMPRISING 3,780,001 SHARES, OF GATHERGATES GROUP PTE. LTD.; AND**
 - 2. THE PROPOSED ADOPTION OF SHARE BUYBACK MANDATE**
-

Last Date and Time for Lodgement of Proxy Forms	:	7 November 2015 at 2 p.m.
Date and Time of Extraordinary General Meeting	:	9 November 2015 at 2 p.m.
Place of Extraordinary General Meeting	:	29 Tai Seng Avenue #07-01, Natural Cool Lifestyle Hub, Singapore 534119

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“AGM”	:	An annual general meeting of the Company
“Agreement”	:	The sale and purchase agreement dated 16 September 2015 entered into between the Company and the Purchaser in relation to the Proposed Disposal
“Board of Directors” or “Board” or “Directors”	:	The directors of the Company as at the Latest Practicable Date
“Business Day”	:	A day (other than a Saturday, Sunday and public holiday) on which commercial banks are generally open for business in Singapore
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 23 October 2015
“Company”	:	Natural Cool Holdings Limited
“Companies Act” or “Act”	:	Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
“Completion”	:	The completion of the Proposed Disposal in accordance with the terms of the Agreement
“Completion Date”	:	30 November 2015, or such other date as the Purchaser and the Company may agree in writing, on which Completion will take place
“Conditions Precedent”	:	The conditions precedent to Completion as set out in Section 2.4 of this Circular
“Consideration”	:	The aggregate of S\$33,888,888, being the sale consideration of the Proposed Disposal
“Corporate Guarantees”	:	All the corporate guarantees granted by the Company in favour of financial institutions to secure certain credit facilities granted to the Target Group
“EGM”	:	The extraordinary general meeting of the Company, notice of which is set out on page 29 of this Circular
“EPS”	:	Earnings per Share
“FY”	:	Financial year ended or ending 31 December
“FY2014 Results”	:	The audited consolidated financial statements of the Group for the financial year ended 31 December 2014
“Group”	:	The Company and its subsidiaries as at the date of this Circular
“Introducer”	:	Gateway Capital Group Pte Ltd

DEFINITIONS

“Introducer’s Fee”	:	An aggregate of S\$788,000 payable by the Company to the Introducer upon Completion
“Latest Practicable Date”	:	9 October 2015, being the latest practicable date prior to the printing of this Circular
“Market Day(s)”	:	A day or days on which the SGX-ST is open for securities trading
“Market Purchases”	:	On-market purchases transacted on the SGX-ST through the SGX-ST’s trading system, through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose of the Share Buyback
“Net Proceeds”	:	The estimated net proceeds from the Proposed Disposal, after taking into consideration the Introducer’s Fee, professional fees and miscellaneous fees
“NTA”	:	Net tangible assets
“OCBC Charge”	:	An open charge over the assets of Gathergates Switchgear (M) Sdn. Bhd. in favour of OCBC Bank (Malaysia) Berhad
“Off-Market Purchases”	:	Off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an “equal access scheme” as defined in Section 76C of the Act
“Ordinary Resolution(s)”	:	The ordinary resolution(s) as set out in the Notice of EGM on page 29 of this Circular
“Proposed Disposal”	:	The proposed disposal by the Company of the entire issued and paid-up capital of the Target Company
“Purchaser”	:	Nitto Kogyo Corporation
“Sale Shares”	:	An aggregate of 3,780,001 ordinary shares in the Target Company, representing 100% of the entire issued and paid up share capital of the Target Company held by the Company
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buyback”	:	The purchase or acquisition of issued Share(s) by the Company pursuant to the terms of the Share Buyback Mandate
“Share Buyback Mandate”	:	The general and unconditional mandate given by the Shareholders to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire, on behalf of the Company, issued Shares in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Act and the Catalyst Rules
“Shareholders”	:	Persons who are registered as holders of the Shares in the Register of Members of the Company, or where CDP is the registered holder, the term Shareholders shall, in relation to such Shares, mean the Depositors who have Shares entered against their names in the Depository Register

DEFINITIONS

“Shares”	:	Ordinary shares in the issued capital of the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“Target Company”	:	Gathergates Group Pte. Ltd.
“Target Group”	:	Collectively, the Target Company and the companies of which shares are held, directly or indirectly, by the Target Company, the details of which are set out in Section 2.1 of this Circular, and each, a “ Target Group Company ”
“Treasury Shares”	:	Issued Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances which Section 76H of the Act applies and have since purchase been continuously held by the Company
“S\$” and “cents”	:	Singapore dollars and cents, the lawful currency of Singapore
“%” or “per cent.”	:	Percentage or per centum

Unless the context otherwise requires:

- (a) the terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act;
- (b) the terms “**subsidiary**”, “**related company**” and “**substantial shareholder**” shall have the meanings ascribed to them respectively in the Companies Act;
- (c) words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders;
- (d) any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Catalist Rules or the Take-over Code or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the Catalist Rules or the Take-over Code or such modification thereof, as the case may be, unless the context otherwise requires;
- (e) any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated;
- (f) any discrepancies between the figures listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them; and
- (g) the headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

LETTER TO SHAREHOLDERS

NATURAL COOL HOLDINGS LIMITED

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

Directors

Mr Joseph Ang Choon Cheng	(Executive Chairman)
Mr Tsng Joo Peng	(Executive Director and Chief Executive Officer)
Mr Eric Ang Choon Beng	(Executive Director)
Mr Ken Tan Aik Kwong	(Executive Director)
Mr Edward Chia Puay Hwee	(Executive Director)
Mr Lim Siang Kai	(Lead Independent Director)
Dr Wu Chiaw Ching	(Independent Director)
Mr William Da Silva	(Independent Director)

Registered Office

29 Tai Seng Avenue, #07-01
Natural Cool Lifestyle Hub,
Singapore 534119

23 October 2015

To: The Shareholders of Natural Cool Holdings Limited

Dear Sir/Madam

- (1) **THE PROPOSED DISPOSAL BY THE COMPANY OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL, COMPRISING 3,780,001 SHARES, OF GATHERGATES GROUP PTE. LTD.; AND**
- (2) **THE PROPOSED ADOPTION OF SHARE BUYBACK MANDATE**

1 INTRODUCTION

1.1 Background of Proposed Disposal

The Company had on 16 September 2015 announced that it had on the same day entered into the Agreement with the Purchaser, an independent third party, pursuant to which the Company shall sell, and the Purchaser shall purchase, 3,780,001 ordinary shares (“**Sale Shares**”) in Gathergates Group Pte. Ltd. (“**Target Company**”), representing 100% of the issued share capital of the Target Company, free from all encumbrances and with all rights and advantages attaching to them as from Completion.

1.2 Proposed Disposal as Major Transaction

The Proposed Disposal is governed by Chapter 10 of the Catalist Rules. Based on the latest announced unaudited consolidated financial statements of the Group for the six (6) months ended 30 June 2015, the relative figures in respect of the Proposed Disposal, as computed on the bases set out in Rule 1006 of the Catalist Rules, are as follows:

	Target Company (S\$'000)	Group (S\$'000)	Relative Figures (%)
Rule 1006 (a) The net asset value of the assets to be disposed of, compared with the Group's net asset value as at 30 June 2015.	18,795	43,214	43.49
Rule 1006 (b) The unaudited profit before income tax attributable to the assets disposed of, compared with the Group's unaudited profit before income tax as at 30 June 2015.	427	288	148.26

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	Target Company (S\$'000)	Group (S\$'000)	Relative Figures (%)
Rule 1006 (c) Aggregate value of consideration received, compared with the market capitalisation of the Company as at 15 September 2015, being the last full market day immediately preceding the execution of the Agreement	33,889	26,503	127.87
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	Not applicable	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. This basis is applicable to a disposal of mineral, oil or gas asset by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable	Not applicable	Not applicable

Note:-

- (1) The market capitalisation of the Company of approximately S\$26.5 million is determined by multiplying 205,447,985 Shares in issue by the volume weighted average price of S\$0.129 of such Shares transacted as at 15 September 2015, being the market day immediately preceding the date of the Agreement.

As the relative figures calculated pursuant to Rule 1006(b) and Rule 1006(c) exceed 50%, the Proposed Disposal will be classified as a "major transaction" within the meaning of Rule 1014 of the Catalist Rules, and will be subject to the approval of the Shareholders of the Company. As such, the Directors are convening the EGM to seek Shareholders' approval for the Proposed Disposal.

1.3 Proposed Adoption of Share Buyback Mandate

It is a requirement under the Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders at a general meeting of its shareholders. It is also a requirement under the Catalist Rules that an issuer which wishes to purchase its own shares should obtain prior approval of its shareholders at a general meeting. In this regard, approval is now being sought from Shareholders at the EGM for the adoption of the Share Buyback Mandate.

An Ordinary Resolution will be proposed at the EGM pursuant to which the Share Buyback Mandate will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of the Share Buyback Mandate.

If approved by Shareholders at the EGM, the authority conferred by the Share Buyback Mandate will continue to be in force until the conclusion of the next AGM of the Company or the date by which such AGM is required to be held (whereupon it will lapse, unless renewed at such meeting) or the date on which the purchases or acquisitions of Shares have been carried out to the full extent mandated or until it is varied or revoked by the Company in a general meeting (if so varied or revoked prior to the next AGM of the Company), whichever is the earliest.

1.4 Purpose of Circular

The purpose of this Circular is to explain the reasons for, and to provide Shareholders with relevant information relating to (a) the Proposed Disposal and (b) the proposed adoption of the Share Buyback Mandate as well as to seek Shareholders' approval for Ordinary Resolutions to be tabled at the forthcoming EGM.

This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholder to whom this Circular is despatched to by the Company) or for any other purpose.

LETTER TO SHAREHOLDERS

2 THE PROPOSED DISPOSAL

2.1 Information on the Target Company

The Target Company is a company with limited liability, incorporated in Singapore on 25 November 2008. The Target Company has an issued share capital of S\$3,780,001 comprising 3,780,001 fully paid ordinary shares, which is wholly-owned by the Company. The Target Company is an investment holding company, which holds shares, either directly or indirectly (through Gathergates Switchgear Pte. Ltd.), in the following companies:

Held directly by Target Company	Place of Incorporation	Shareholding (%)
Gathergates Switchgear Pte. Ltd.	Singapore	100
Titans Power System Pte. Ltd.	Singapore	100
Gathergates Industries (M) Sdn. Bhd.	Malaysia	100
Lorentz Asia Pte. Ltd.	Singapore	65
Held indirectly through Gathergates Switchgear Pte. Ltd.		
Gathergates Switchgear (M) Sdn. Bhd.	Malaysia	100
Gathergates Elektrik Sdn. Bhd.	Malaysia	100
VNS Manufacturing Pte. Ltd.	Singapore	81
VNS Switchgear (India) Pvt. Ltd.	India	19

(collectively with the Target Company, the “**Target Group**”, and each, a “**Target Group Company**”).

The Target Group is in the business of switchgear design and manufacturing, with its switchgear and controlgear products being marketed and sold under the brand “Gathergates”.

2.2 Information on the Purchaser

The Purchaser is a public company limited by shares, incorporated in 1948 in Japan, and is currently listed on the First Section of the Tokyo Stock Exchange and Nagoya Stock Exchange. The Purchaser is mainly engaged in the designing, manufacturing and distribution of switchboard and controlling boards related products, and has been supporting the electrical and information infrastructure in various forms through the development of electrical equipment, machines and proposals since its incorporation.

2.3 Consideration

The Consideration payable by the Purchaser for the Sale Shares is an aggregate of S\$33,888,888, payable in cash by way of wire transfer in immediately available funds to the bank account nominated by the Company, on the Completion Date. The Consideration was arrived at on a willing buyer willing seller basis after arm’s length negotiations, taking into account the unaudited net asset value and profit after tax of the Target Group of approximately S\$18.8 million and S\$0.6 million respectively for the six (6) months financial period ended 30 June 2015, together with the Target Company’s unaudited consolidated profit after tax of approximately S\$0.6 million for FY2014.

2.4 Conditions Precedent

Completion of the Proposed Disposal is subject to the following Conditions Precedent, including but not limited to:

- (a) the passing of a resolution by the Shareholders (in terms reasonably satisfactory to the Purchaser) approving the Proposed Disposal and the transactions contemplated by the Agreement;

LETTER TO SHAREHOLDERS

- (b) the delivery to the Purchaser of written consents (in terms satisfactory to the Purchaser) from certain persons to the effect that they consent to the sale and purchase of the Sale Shares and agree not to exercise any right (whether of termination or otherwise) arising by reasons of the Proposed Disposal, together with any other consents, approvals, notifications or clearances which are necessary or which the Purchaser has been advised that it is desirable to obtain (including from governmental or official authorities in Singapore, Malaysia, India or elsewhere for and in connection with the transactions contemplated by the Agreement);
- (c) there being no applicable laws that have the effect of prohibiting, delaying, making illegal or otherwise restraining Completion and none of the Company or any of the Target Group Company having received notice of any injunction or other order, directive, or notice restraining or prohibiting the consummation of the transactions hereby contemplated, there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened;
- (d) there being no fact, matter or event which affects or is likely to affect in a materially adverse manner the business/operations, financial position or prospects of the Target Group;
- (e) each of Edward Chia Puay Hwee and Ken Tan Aik Kwong having entered into management or service agreements with Gathergates Switchgear Pte. Ltd. with effect from Completion;
- (f) certain key employees of the Target Group remaining in the employment with the relevant Target Group Company, and not having given any notice terminating his or her employment agreements; and
- (g) the Company having submitted to the relevant authorities, the documents required for the release and discharge of the OCBC Charge on or before 30 September 2015.

2.5 Corporate Guarantees

As at the date of the Agreement, the Company has had provided certain Corporate Guarantees to secure certain credit facilities granted to the Target Group.

The Purchaser has, in the Agreement, undertaken to the Company as follows:

- (a) to use its best endeavours to, within a reasonable time after the date of the Agreement and in any event within 60 days from Completion, procure and ensure the replacement or release of the Company from the Corporate Guarantees so as to discharge in full the obligations of the Company under such Corporate Guarantees;
- (b) subject to sub-paragraph (a) above, in respect of any Corporate Guarantees that are not released or discharged at Completion, the Purchaser shall, commencing from the Completion Date, ensure that the aggregate borrowings or drawings made by the Target Group Companies under the trade financing facilities secured by such Corporate Guarantees does not at any time exceed S\$12,000,000;
- (c) subject to sub-paragraph (a) above, in respect of any other Corporate Guarantees not covered by sub-paragraph (b) and that are not released or discharged at Completion, to cease as from Completion drawing down on or incurring any additional borrowings (including any additional borrowings on facilities that have been paid down) under the financing facilities secured by the Corporate Guarantees immediately upon Completion; and

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- (d) for as long as the Company is not discharged from liabilities under the Corporate Guarantees, to, from the Completion Date:
 - (i) ensure that each of the Target Group Companies complies with all covenants and obligations under the loan or financing documents pursuant to which the respective Corporate Guarantees were granted under and not do anything that may prejudice the obligations of the Company under the Corporate Guarantees or result in a claim against the Company pursuant to such Corporate Guarantees, including but not limited to ensuring the proper conduct and maintenance of the bank accounts maintained with such financial institutions required under the relevant loan or financing documents; and
 - (ii) indemnify the Company against (1) all amounts paid by the Company pursuant to any such Corporate Guarantees and (2) all demands, claims, actions, proceedings, payments, fines, penalties, costs, expenses, losses, damages or other liabilities suffered or incurred by the Company arising from any premature termination, acceleration of payment or suspension of, or other loss of use of the accommodations afforded to the Target Group under, the financing facilities pursuant to which the relevant Corporate Guarantees were granted under, and in the event the Company becomes liable to pay a lender of the Target Group under any of the Corporate Guarantees, pay or cause the relevant Target Group Company to pay within 30 days of demand the amount(s) that the Company is liable for under such Corporate Guarantee.

The Company has, in the Agreement, undertaken to provide all necessary assistance as the Purchaser may reasonably require (such assistance not including the repayment of the facilities and loans secured by the Corporate Guarantees or the provision of substitute security by the Company), to ensure the replacement or release of the Company from the Corporate Guarantees so as to discharge in full the obligations of the Company under such Corporate Guarantees.

2.6 Completion

Pursuant to the Agreement, Completion shall take place on the Completion Date, being 30 November 2015 or such other date as the Company and the Purchaser may agree in writing.

In the event that any of the Conditions Precedent are not fulfilled or waived by the Completion Date, the Company and the Purchaser shall mutually agree to defer Completion by a period of not more than 30 days, and if any of the Conditions Precedent are still not fulfilled by the end of the 30 days period from the Completion Date, the Company and the Purchaser shall not be bound to proceed with the Proposed Disposal and the Agreement shall cease to be of any effect, save for certain surviving clauses and save in respect of claims arising out of any antecedent breach of the Agreement.

In the event that any of the completion deliverables by the Company are not delivered on the Completion Date, the Company and the Purchaser shall mutually agree to defer Completion by a period of not more than 30 days, and if any of the completion deliverables are still not delivered by the Company at the end of the 30 days period from the Completion Date, the Purchaser shall not be obliged to complete the purchase of the Sale Shares or pay any of the Consideration, and may in its absolute discretion (in addition and without prejudice to any other right or remedy available to it) by written notice to the Company:

- (a) waive all or any of the completion deliverables at its discretion (and without prejudice to its rights under the Agreement) and proceed to Completion so far as practicable; or
- (b) terminate the Agreement without liability on its part.

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2.7 Obligations post-Completion

Following Completion, the Company shall:

- (a) within 180 days from the Completion Date, release the and discharge the OCBC Charge;
- (b) in respect of Gathergates Industries (M) Sdn. Bhd., procure the issue of the manufacturing licence required pursuant to the Industrial Co-ordination Act 1975 of Malaysia, or demonstrate that such licence is not required, within 180 days from the Completion Date; and
- (c) provide satisfactory evidence that each of Edward Chia Puay Hwee and Ken Tan Aik Kwong has terminated his existing service agreement with the Company as at 31 December 2015.

Within 30 days from Completion, the Purchaser shall, *inter alia*, pay to the Company the non-trade balances owing and due from the Target Group Companies to the Company (including inter-group management charges).

3 INTRODUCER'S FEE

The Purchaser was introduced to the Company by the Introducer. In consideration of the Introducer introducing the Purchaser to the Company, the Company will be paying the Introducer the Introducer's Fee in cash, upon Completion. The Introducer is an independent third party and its shareholders are not related to any of the Directors or controlling Shareholders of the Company, and their respective associates.

4 RATIONALE OF THE PROPOSED DISPOSAL

The Proposed Disposal, being at a premium of approximately S\$15.1 million over the unaudited net asset value of the Target Group as at 30 June 2015, represents a good opportunity for the Company to unlock the value of the assets in the Target Group in cash and strengthen its financial and capital resources.

The Company is expected to recognise a gain on disposal of approximately S\$14.9 million, being a net gain on the Proposed Disposal after deducting the net asset value, professional fees, Introducer's Fee and miscellaneous fees such as printing costs and other costs related to the holding of the EGM.

5 CORPORATE STRUCTURE OF THE GROUP FOLLOWING THE PROPOSED DISPOSAL

Following the Proposed Disposal, the Group's remaining business will include its air-conditioning business division and the newly acquired paint manufacturing business. Please refer to Appendix 1 of this Circular for the post-Completion Group corporate structure.

6 USE OF PROCEEDS

The Company expects to receive Net Proceeds of approximately S\$32.9 million from the Proposed Disposal, after taking into consideration the Introducer's Fee, professional fees and miscellaneous fees. The Company intends to utilise the Net Proceeds for general working capital purposes as well as other business and/or other investment opportunities as and when they arise. The Company will also evaluate the feasibility, subject to compliance with any applicable requirements under the Companies Act and Catalist Rules, of distributing part of the Net Proceeds to its Shareholders by way of dividends or other form of distributions.

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may be used for investment in short-term deposits, money market instruments and/or debt instruments, or used for any other purposes, as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

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7 FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects have been prepared on a proforma basis based on the FY2014 Results. The financial effects of the Proposed Disposal on the Group set out below are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after the completion of the Proposed Disposal.

7.1 Effect of Proposed Disposal on NTA per Share

Assuming that the Proposed Disposal had been completed on 31 December 2014 and based on the FY2014 Results, the effect of the Proposed Disposal on the NTA per Share are as follows:

	Before Completion of the Proposed Disposal	After Completion of the Proposed Disposal
NTA (S\$'000)	34,929	50,471
Number of issued Shares	205,447,985	205,447,985
NTA per share (Singapore cents)	17.00	24.57

7.2 Effect of Proposed Disposal on EPS

Assuming that the Proposed Disposal has taken place on 1 January 2014 and based on the FY2014 Results, the Proposed Disposal would have the following effects on the Group's EPS as presented in the following table:

	Before Completion of the Proposed Disposal	After Completion of the Proposed Disposal
Consolidated net profit attributable to Shareholders (S\$'000)	3,099	17,291
Weighted average number of Shares	205,447,985	205,447,985
EPS (Singapore cents)	1.51	8.42

8 DIRECTORS' SERVICE CONTRACTS

Pursuant to the Agreement, Edward Chia Puay Hwee and Ken Tan Aik Kwong shall:

- (a) enter into management or service agreements with Gathergates Switchgear Pte. Ltd. with effect from Completion; and
- (b) terminate their existing service agreements with the Company as at 31 December 2015.

To this respect, each of Edward Chia Puay Hwee and Ken Tan Aik Kwong will be entering into a side letter with the Company, recording:

- (a) that each of Edward Chia Puay Hwee, Ken Tan Aik Kwong and the Company agrees that the employment of Edward Chia Puay Hwee and Ken Tan Aik Kwong with the Company will terminate with effect from 31 December 2015;
- (b) that the Company consents to each of Edward Chia Puay Hwee and Ken Tan Aik Kwong being concurrently employed by the Target Group after Completion; and
- (c) the arrangements on the remuneration and benefits of Edward Chia Puay Hwee and Ken Tan Aik Kwong, in respect of their existing remuneration terms with the Company, and termination benefits, if any.

LETTER TO SHAREHOLDERS

Notwithstanding the above, no person is proposed to be appointed as a Director of the Company or any of its subsidiaries in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person. The board committee composition shall remain unchanged whilst the independent directors will make up half of the board of the Company.

9 THE PROPOSED ADOPTION OF SHARE BUYBACK MANDATE

9.1 Rationale for the Share Buyback Mandate

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:-

- (a) Directors and management are constantly seeking to increase Shareholders' value and to improve, *inter-alia*, the return on equity of the Group. The purchase by the Company of its issued Shares at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced;
- (b) The Share Buyback Mandate will give the Directors the flexibility to purchase or acquire Shares as and when circumstances permit. The Directors believe that the Share Buyback Mandate provides the Company and its Directors with a mechanism to facilitate the use of surplus cash over and above the Company's ordinary working capital requirements, in an expedient and cost-efficient manner;
- (c) The Share Buyback Mandate will also allow the Directors to exercise greater control over the Company's share capital structure, dividend policy and cash reserves and may lead to an enhancement of EPS and/or NTA per Share of the Company and the Group; and
- (d) The Directors further believe that a Share Buyback by the Company may help mitigate short-term market or price volatility, offset the effects of short-term share speculation or demand and bolster Shareholders' confidence.

Shareholders should note that purchases of Shares pursuant to the proposed Share Buyback Mandate may not necessarily be carried out to the full limit as authorised.

Whilst the Share Buyback Mandate would authorise Share Buybacks up to the said ten per cent. (10%) limit during the duration referred to in Section 9.2.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full ten per cent. (10%) limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate would be made only as and when the Directors consider it to be in the best interest of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a Share Buyback pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

9.2 Authority and Limits of the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

9.2.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the total number of issued Shares of the Company as at the date of the EGM at which the Share Buyback Mandate is approved, unless the Company has, at any time

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during the Relevant Period (as defined in Section 9.2.2), effected a reduction of its share capital in accordance with the applicable provisions of the Act, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered. Any Shares which are held as Treasury Shares will be disregarded for purposes of computing the ten per cent. (10%) limit.

Purely for illustrative purposes only, on the basis of 205,447,985 Shares in issue as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the EGM, not more than 20,544,798 Shares (representing 10% of the total number of issued Shares as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

9.2.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, by the Company on and from the date of the EGM at which the Share Buyback Mandate is approved up to the earlier of:

- (a) the conclusion of the next AGM or the date by which such AGM of the Company is held or required by law to be held;
- (b) the date on which the Share Buybacks are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Company in general meeting.

(the “**Relevant Period**”)

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by the Shareholders in a general meeting of the Company, such as at the next AGM of the Company or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM.

9.2.3 Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares can be effected by the Company by way of:-

- (a) on-market purchases transacted on the SGX-ST through the SGX-ST’s trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose of the Share Buyback (“**Market Purchases**”); and/or
- (b) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an “**equal access scheme**” as defined in Section 76C of the Act (“**Off-Market Purchases**”).

In an Off-Market Purchase, the Directors may impose such terms and conditions which are consistent with the Share Buyback Mandate, the Catalist Rules, the Act, the Articles of Association of the Company and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

Under the Act, an equal access scheme must satisfy all the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and

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- (c) the terms of all the offers shall be the same, except that there shall be disregarded, where applicable:
 - (i) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividends entitlements;
 - (ii) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to Rule 870 of the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it must issue an offer document to all Shareholders containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed purchase or acquisition of Shares;
- (d) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any purchases or acquisitions of Shares made by the Company in the previous twelve (12) months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

9.2.4 Maximum Purchase Price

The purchase price per Share (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares purchased or acquired pursuant to the Share Buyback Mandate will be determined by the Directors, provided that such purchase price must not exceed:-

- (a) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent. (120%) of the Average Closing Price (as defined hereinafter),

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase or acquisition.

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For the above purposes of determining the Maximum Price:

“Average Closing Price” means the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Day period.

“date of making of the offer” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

9.3 Status of purchased or acquired Shares

Any Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share will expire on such cancellation) unless such Share is held by the Company as Treasury Share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Share.

All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Act) will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

The Company may decide to cancel Shares which have been purchased by the Company or hold such Shares as Treasury Shares, depending on whether it is in the interests of the Company to do so.

9.4 Treasury Shares

Under the Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Certain of the provisions on treasury shares under the Act are summarised below:

9.4.1 Maximum holding:

The aggregate number of Shares held by the Company as Treasury Shares shall not at any time exceed ten per cent. (10%) of the total number of Shares in issue at that time. In the event that the aggregate number of Treasury Shares held by the Company exceeds the aforesaid limit, the Company shall dispose of or cancel the excess Treasury Shares within six (6) months from the day the aforesaid limit is first exceeded or such further periods as ACRA may allow.

9.4.2 Voting and other rights:

The Company cannot exercise any right in respect of the Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members of the Company on a winding up) may be made, to the Company in respect of Treasury Shares. However, the allotment of shares as fully paid bonus shares in respect of the Treasury Shares is allowed.

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The Treasury Shares may be sub-divided or consolidated, so long as the total value of the Treasury Shares after such sub-division or consolidation is the same as the total value of the Treasury Shares before the sub-division or consolidation, as the case may be.

9.4.3 Disposal or cancellation:

Where Shares are held as Treasury Shares, the Company may at any time:

- (a) sell the Treasury Shares (or any of them) for cash;
- (b) transfer the Treasury Shares (or any of them) for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the Treasury Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the Treasury Shares (or any of them); or
- (e) sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister for Finance may by order prescribe.

Under the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares (in each case, the “usage”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of Treasury Shares comprised in the usage, the number of Treasury Shares before and after the usage, the percentage of the number of Treasury Shares comprised in the usage against the total number of issued shares (of the same class as the Treasury Shares) which are listed on the SGX-ST before and after the usage and the value of the Treasury Shares comprised in the usage.

9.5 Reporting Requirement

Within 30 days of the passing of the Shareholders' resolution to approve the proposed adoption of the Share Buyback Mandate, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA in the prescribed form within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include, *inter alia*, details of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued share capital before and after the purchase or acquisition of Shares and the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of profits or the capital of the Company and such other particulars as may be required by ACRA.

The Catalist Rules specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; or
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

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9.6 Source of funds

In purchasing or acquiring its Shares, the Company may only apply funds legally available for such purchase or acquisition as provided in the Articles of Association of the Company, Catalist Rules and in accordance with applicable laws in Singapore.

The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Pursuant to the Act, any payment made by the Company in consideration of the purchase or acquisition of Shares by the Company may be made out of the Company's capital or profits, so long as the Company is solvent. It is an offence for a Director or an officer of the Company to approve or authorise the purchase or acquisition of Shares, knowing that the Company is not solvent. For this purpose, pursuant to the Section 76F(4) of the Act, a company is solvent if:

- (a) the company is able to pay its debts in full at the time of the payment of the purchase or acquisition of its shares and will be able to pay its debts as they fall due in the normal course of business during the period of twelve (12) months immediately following the date of payment of the purchase or acquisition of its shares; and
- (b) the value of the company's assets exceeds its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition of shares, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance purchases or acquisitions of its Shares pursuant to the Share Buyback Mandate. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. However in considering the option of external financing, the Board will consider particularly the prevailing gearing level of the Group. The Board will only make purchases or acquisitions of Shares pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

9.7 Financial effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, the number of Shares purchased or acquired, the price paid for such Shares, whether the Shares are purchased or acquired out of profits and/or capital of the Company and whether the Shares purchased or acquired are held by the Company as Treasury Shares or cancelled.

Under the Act, the Company may purchase or acquire its Shares out of its profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, this will not reduce the amount available for the distribution of cash dividends by the Company.

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It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the Group's NTA and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or otherwise acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and the amount (if any) borrowed by the Company to fund the purchase or acquisition and whether the Shares purchased or otherwise acquired are cancelled or held as Treasury Shares.

For illustrative purposes only, the financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2014, are based on the assumptions set out below.

9.7.1 Share Buyback Mandate

It has been assumed that the Share Buyback Mandate was effective as at the Latest Practicable Date.

9.7.2 Number of Shares purchased or acquired

Purely for illustrative purposes, on the basis of 205,447,985 Shares in issue at the Latest Practicable Date and assuming no further Shares are issued on or prior to the EGM, the purchase by the Company of 10% of its issued Shares will result in the purchase or acquisition of 20,544,798 Shares.

9.7.3 Maximum Price paid for Shares purchased or acquired

In the case of Market Purchases by the Company, assuming that the Company purchases or acquires 10% of its issued Shares at the Maximum Price of S\$0.1491 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares over the last five (5) Market Days on the SGX-ST preceding the Latest Practicable Date on which transactions in the Shares were recorded), the maximum amount of funds required for the purchase or acquisition of 20,544,798 Shares is S\$3.06 million.

In the case of an Off-Market Purchase by the Company, assuming that the Company purchases or acquires 10% of its issued Shares at the Maximum Price of S\$0.1704 for one Share (being the price equivalent to 20% above the Average Closing Price of the Shares over the last five (5) Market Days on the SGX-ST preceding the Latest Practicable Date on which transactions in the Shares were recorded), the maximum amount of funds required for the purchase or acquisition of 20,544,798 Shares is S\$3.50 million.

9.7.4 Illustrative financial effects

For illustrative purposes only and based on the assumptions set out in Clauses 9.7.1 to 9.7.3 of this Circular and further assuming that the Share Buyback Mandate will be funded by the Company solely from internal funds and had been effective and the purchase of the Shares took place at the beginning of FY2014 on 1 January 2014, the financial effects of:

- (a) the purchase or acquisition of 20,544,798 Shares by way of Market Purchases pursuant to the Share Buyback Mandate made entirely out of capital and cancelled; and
- (b) the purchase or acquisition of 20,544,798 Shares by way of Off-Market Purchases pursuant to the Share Buyback Mandate made entirely out of capital and held as Treasury Shares (20,544,798 Shares being the maximum number of Shares which may be held as Treasury Shares under the Act after taking into consideration that no Shares are held by the Company as Treasury Shares as at the Latest Practicable Date),

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on the audited financial statements of the Company and the Group for FY2014 are set out below.

(a) Market Purchases of 10% of issued Shares made entirely out of capital and cancelled

	Group		Company	
	Before Share Buy-Back	After Share Buy-Back	Before Share Buy-Back	After Share Buy-Back
<u>As at 31 December 2014</u>	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	31,957	28,894	31,957	28,894
Reserves	11,050	11,050	(9,132)	(5,832)
Treasury Shares	–	–	–	–
Shareholders' equity	43,007	39,944	22,825	23,062
NTA	34,929	31,866	22,825	23,062
Current assets	79,668	76,605	8,109	8,346
Current liabilities	62,314	62,314	6,194	6,194
Working capital	17,354	14,291	1,915	2,152
Total borrowings	34,889	34,889	3,450	3,450
Profit attributable to Shareholders	3,099	3,099	(2,247)	1,053
Cash and cash equivalents	14,240	11,177	643	880
Total number of issued Shares ('000)	205,448	184,903	205,448	184,903
Weighted average number of Shares ('000)	205,448	184,903	205,448	184,903
<u>Financial Ratios</u>				
NTA per Share ⁽¹⁾ (cents)	17.00	17.23	11.11	12.47
Gearing ratio ⁽²⁾ (times)	0.81	0.87	0.15	0.15
Current ratio (times)	1.28	1.23	1.31	1.35
EPS ⁽³⁾ (cents)	1.51	1.68	(1.09)	0.57

Notes:

- (1) NTA per Share equals to NTA (excludes minority interests) divided by the number of Shares outstanding as at 31 December 2014.
- (2) Gearing ratio represents total borrowings divided by Shareholders' equity.
- (3) EPS is calculated based on profit attributable to Shareholders and aggregated weighted average number of issued and paid-up Shares (excluding Treasury Shares) based on the FY2014 Results.

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(b) Off-Market Purchases of 10% of issued Shares made entirely out of capital and held as Treasury Shares

	Group		Company	
	Before Share Buy-Back	After Share Buy-Back	Before Share Buy-Back	After Share Buy-Back
As at 31 December 2014	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	31,957	31,957	31,957	31,957
Reserves	11,050	11,050	(9,132)	(5,832)
Treasury Shares	–	(3,501)	–	(3,501)
Shareholders' equity	43,007	39,506	22,825	22,624
NTA	34,929	31,428	22,825	22,624
Current assets	79,668	76,167	8,109	7,908
Current liabilities	62,314	62,314	6,194	6,194
Working capital	17,354	13,853	1,915	1,714
Total borrowings	34,889	34,889	3,450	3,450
Profit attributable to Shareholders	3,099	3,099	(2,247)	1,053
Cash and cash equivalents	14,240	10,739	643	442
Total number of issued Shares ('000)	205,448	184,903	205,448	184,903
Weighted average number of Shares ('000)	205,448	184,903	205,448	184,903
Financial Ratios				
NTA per Share ⁽¹⁾ (cents)	17.00	17.00	11.11	12.24
Gearing ratio ⁽²⁾ (times)	0.81	0.88	0.15	0.15
Current ratio (times)	1.28	1.22	1.31	1.28
EPS ⁽³⁾ (cents)	1.51	1.68	(1.09)	0.57

Notes:

- (1) NTA per Share equals to NTA (excludes minority interests) divided by the number of Shares outstanding as at 31 December 2014.
- (2) Gearing ratio represents total borrowings divided by Shareholders' equity.
- (3) EPS is calculated based on profit attributable to Shareholders and aggregated weighted average number of issued and paid-up Shares (excluding Treasury Shares) based on the FY2014 Results.

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The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of Shares will only be effected after assessing the relative impact of a Share Buyback taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of the Shares).

Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for FY2014, and is not necessarily representative of the future financial performance of the Company and the Group.

It should be noted that although the Share Buyback Mandate would authorise the Company to purchase or otherwise acquire up to ten per cent. (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire ten per cent. (10%) of the issued Shares. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution.

9.8 Interested persons

The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is, a Director, the chief executive officer of the Company or controlling Shareholder of the Company or any of their associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

9.9 Take-over implications arising from Share Buybacks

Appendix 2 of the Take-over Code ("**Appendix 2**") contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

9.9.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**"). Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14.

9.9.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter-alia*, the following individuals and companies to be acting in concert with each other:-

- (a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;

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- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2.

9.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, Treasury Shares shall be excluded.

Under Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

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9.9.4 Application of the Take-over Code

As at the Latest Practicable Date, based on the interest of the substantial Shareholders recorded in the Register of Substantial Shareholders and the interests of the Directors recorded in the Register of Directors' Shareholdings, the Directors are not aware of any Shareholder and persons acting in concert with him who may become obligated to make a mandatory take-over offer for all the Shares in the event that the Directors exercise the power to repurchase the maximum limit of ten per cent. (10%) of its issued share capital pursuant to the Share Buyback Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

9.10 Listing Status of Shares on the SGX-ST

Rule 723 of the Catalist Rules requires a listed company to ensure that at least 10% of the total number of issued shares (excluding Treasury Shares, preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders.

The expression “**public**” is defined under the Catalist Rules as persons other than (a) the directors, chief executive officer, substantial shareholders or controlling shareholders of a company and its subsidiaries and (b) the associates (as defined in the Catalist Rules) of the persons described in paragraph (a).

As at the Latest Practicable Date, there are 112,562,121 Shares in the hands of the public, representing 54.79% of the issued Shares of the Company (there being no Treasury Shares held by the Company as at the Latest Practicable Date). Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buyback Mandate from the public on the Latest Practicable Date, the number of Shares in the hands of the public would be reduced to 92,017,323 Shares, representing 49.77% of the issued Shares of the Company (there being no Treasury Shares held by the Company as at the Latest Practicable Date).

Accordingly, the Company is of the view that there is a sufficient number of Shares held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the proposed Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

9.11 No Share Buybacks in the previous twelve (12) months

The Company has not purchased or acquired any Shares during the 12-month period immediately preceding the Latest Practicable Date.

9.12 Timing of purchases

While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Catalist Rules on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company's half-year and full-year results, as the case may be, and ending on the date of announcement of the relevant results.

LETTER TO SHAREHOLDERS

9.12 Tax implications

Shareholders who are in doubt as to their respective tax positions or the tax implications arising from the purchase or acquisition of Shares by the Company, or who may be subject to tax in a jurisdiction, should consult their own professional advisers.

10 INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

10.1 Interests in the Company

Based on the Company's registrar of interest of Directors and register of substantial Shareholders respectively, as at the Latest Practicable Date, the interests of the Directors and substantial Shareholders in the Company in the Shares before and after the purchase or acquisition of Shares pursuant to the Share Buyback Mandate, assuming (a) the Company purchases or acquires the maximum amount of ten per cent (10%) of the total number of issued Shares, and (b) there is no change in the number of Shares held by the Directors and substantial Shareholders or in which they are deemed interested, are as follows:

Directors and/or substantial shareholders	Before the Share Buyback				After the Share Buyback	
	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest (No. of Shares)	Total Interest (%)	Total Interest (No. of Shares)	Total Interest (%)
Joseph Ang Choon Cheng ⁽¹⁾	25,549,385	3,150,001	28,699,386	13.97	28,699,386	15.52
Tsng Joo Peng ⁽²⁾	5,000,000	12,348,426	17,348,426	8.44	17,348,426	9.38
Edward Chia Puay Hwee ⁽³⁾	10,214,000	1,000	10,215,000	4.97	10,215,000	5.52
Ken Tan Aik Kwong ⁽⁴⁾	0	8,790,700	8,790,700	4.28	8,790,700	4.75
Eric Ang Choon Beng ⁽⁵⁾	352	7,832,000	7,832,352	3.81	7,832,352	4.24

Notes:

- (1) Joseph Ang Choon Cheng is deemed to be interested in the 3,150,001 Shares held by his spouse, Mdm Yap Geok Khim.
- (2) Tsng Joo Peng is deemed to be interested in the 12,348,426 Shares held in the names of CIMB Securities (Singapore) Pte Ltd, Maybank Nominees (Singapore) Private Limited and Bank of Singapore Nominees Pte Ltd respectively.
- (3) Edward Chia Puay Hwee is deemed to be interested in the 1,000 Shares held by his spouse, Mdm Ang Siew Khim.
- (4) Ken Tan Aik Kwong is deemed to be interested in the 8,790,700 Shares held in the names of Maybank Nominees (Singapore) Private Limited, Bank of Singapore Nominees Pte Ltd and SBS Nominees Pte Ltd.
- (5) Eric Ang Choon Beng is deemed to be interested in the 7,832,000 Shares held in the names of SBS Nominees Pte Ltd and Maybank Nominees (Singapore) Private Limited.

10.2 Interests in the Proposed Disposal

None of the Directors or controlling Shareholders of the Company have any direct or indirect interest in the Proposed Disposal, other than through their respective shareholdings in the Company.

LETTER TO SHAREHOLDERS

11 EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 29 of this Circular, will be held on 9 November 2015, at 2 p.m. at 29 Tai Seng Avenue, #07-01 Natural Cool Lifestyle Hub, Singapore 534119, for the purpose of considering, and if thought fit, passing with or without any modifications, the Ordinary Resolutions set out in the notice of EGM.

12 ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon. The completed and signed proxy form should then be returned as soon as possible and in any event so as to arrive at the Company's registered office at 29 Tai Seng Avenue, #07-01 Natural Cool Lifestyle Hub, Singapore 534119, not later than 48 hours before the time fixed for the EGM. Shareholders who have completed and returned the proxy form may still attend and vote in person at the EGM, if they so wish, in place of their proxy.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the EGM.

13 RECOMMENDATION OF DIRECTORS

13.1 The Proposed Disposal

The Directors, having considered, *inter alia*, the rationale for the Proposed Disposal as set out in Section 4 of this Circular, are of the opinion that the Proposed Disposal is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Proposed Disposal at the EGM.

13.2 The Proposed Adoption of the Share Buyback Mandate

The Directors are of the opinion that the proposed adoption of the Share Buyback Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the proposed adoption of the Share Buyback Mandate at the EGM.

14 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the proposed adoption of the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

LETTER TO SHAREHOLDERS

15 DOCUMENTS FOR INSPECTION

Shareholders should note that copies of the following documents will be 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 from the date of this Circular up to 15 December 2015:

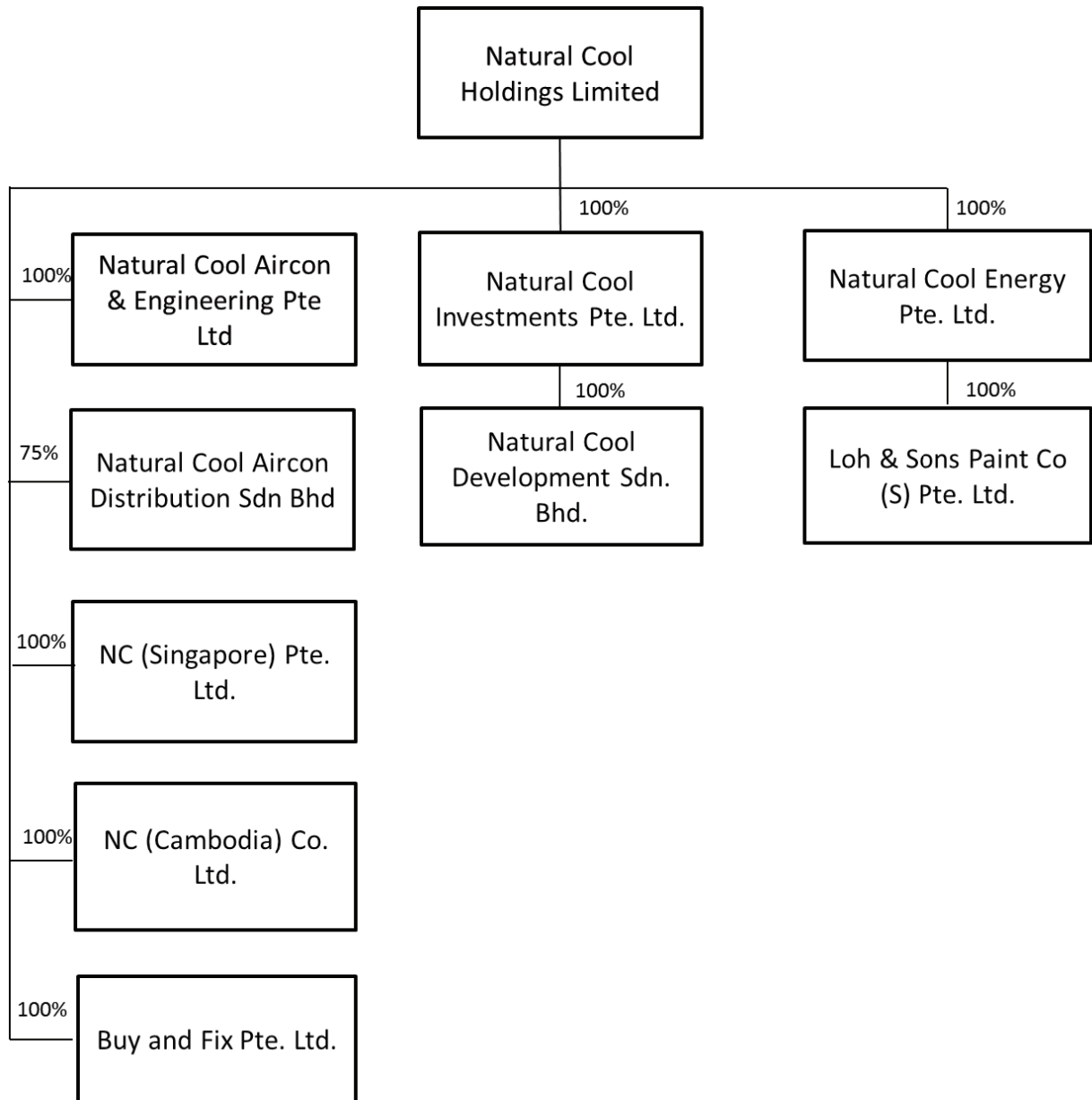
- (a) the Agreement;
- (b) the Memorandum and Articles of Association of the Company; and
- (c) the annual report of the Company for FY2014.

Yours faithfully

For and on behalf of the Board of Directors of
NATURAL COOL HOLDINGS LIMITED

Joseph Ang Choon Cheng
Executive Chairman
23 October 2015

APPENDIX 1 – CORPORATE STRUCTURE OF THE GROUP POST-COMPLETION OF THE PROPOSED DISPOSAL



NOTICE OF EXTRAORDINARY GENERAL MEETING

NATURAL COOL HOLDINGS LIMITED

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

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (the “**EGM**”) of Natural Cool Holdings Limited (“**Company**”) will be held at 29 Tai Seng Avenue #07-01, Natural Cool Lifestyle Hub, Singapore 534119 on 9 November 2015, at 2 p.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

RESOLUTION 1: ORDINARY RESOLUTION

THE PROPOSED DISPOSAL

That:

- (a) approval be and is hereby given for the proposed disposal by the Company of the entire issued share capital of Gathergates Group Pte. Ltd. to Nitto Kogyo Corporation (the “**Purchaser**”) on the terms and subject to the conditions of the sale and purchase agreement entered into between the Company and the Purchaser on 16 September 2015 (the “**Agreement**”), as well as any other transactions contemplated under the Agreement; and
- (b) the Directors of the Company and/or any of them be and are hereby authorized to complete and do all such acts and things (including without limitation, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

RESOLUTION 2: ORDINARY RESOLUTION

THE PROPOSED ADOPTION OF SHARE BUYBACK MANDATE

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (“**Companies Act**”) the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company (“**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may from time to time being applicable, be and is hereby authorized and approved generally and unconditionally (the “**Share Buyback Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the conclusion of the next annual general meeting (“**AGM**”) or the date by which such AGM of the Company is held or required by law to be held;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (ii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting; or
 - (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

“Average Closing Price” means the average of the closing market prices of the Shares for the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action that occurs after the relevant five (5) Market Day period;

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price for an off-market purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

“Maximum Limit” means that number of issued Shares representing ten per cent. (10%) of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as Treasury Shares as at that date); and

“Maximum Price”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, pursuant to a market purchase, 105% of the Average Closing Price of the Shares and pursuant to an off-market purchase, 120% of the Average Closing Price of the Shares; and

- (d) the Directors of the Company and/or any of them be and are hereby authorized to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

All capitalised terms used in this Notice which are not defined herein shall have the same meanings ascribed to them in the circular to the Shareholders of the Company issued by the Company dated 23 October 2015.

BY ORDER OF THE BOARD

Joseph Ang Choon Cheng
Executive Chairman
23 October 2015

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (i) A member entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote in his stead.
- (ii) A member of the Company, which is a corporation, is entitled to appoint its authorized representative or proxy to vote on its behalf. A proxy need not be a member of the Company.
- (iii) The instrument appointing a proxy must be deposited at the Company's registered office at 29 Tai Seng Avenue #07-01 Natural Cool Lifestyle Hub Singapore 534119, at least 48 hours before the time of the EGM.
- (iv) Where a member appoints two (2) proxies, he shall specify the percentage of his shares to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. (100%) of his shareholding and the second named proxy shall be deemed to be an alternate to the first named.
- (v) **PERSONAL DATA PRIVACY** By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative of such proxy(ies) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Natural Cool Holdings Limited

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

IMPORTANT:

1. For investors who have used their CPF monies to buy Natural Cool Holdings Limited's shares, this Proxy Form is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Extraordinary General Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____ (Name)

of _____ (Address)

being a member/members of Natural Cool Holdings Limited (**Company**), hereby appoint:

Name	*NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or (delete as applicable)

Name	*NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her/them, the Chairman of the Extraordinary General Meeting of the Company (the "EGM") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the EGM to be held at 29 Tai Seng Avenue #07-01, Natural Cool Lifestyle Hub, Singapore 534119 on 9 November 2015 at 2 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed as the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. All resolutions put to the vote at the EGM shall be decided by way of poll.

(Please indicate your vote "For" or "Against" with a "X" within the box provided. Otherwise please indicate the number of votes)

No.	Resolutions relating to:	For	Against
1.	The Proposed Disposal		
2.	The Proposed Adoption of Share Buyback Mandate		

Dated this _____ day of _____ 2015

Total number of Shares in:	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
Or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

*DELETE WHERE INAPPLICABLE



Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Where a member appoints two (2) proxies, he shall specify the proportion of his shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.
3. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the EGM, provided that if a member shall nominate two (2) proxies, then the member shall specify the proportion of his/her shares to be represented by each such proxy, failing which the second nomination shall be deemed to be alternative.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 29 Tai Seng Avenue #07-01 Natural Cool Lifestyle Hub Singapore 534119 not less than 48 hours before the time appointed for the EGM.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of the proxy, failing which the instrument may be treated as invalid.
6. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company
8. **PERSONAL DATA PRIVACY** By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.