NATURAL COOL®
HOLDINGS LIMITED

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

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

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

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

RECEIPT OF LETTER OF DEMAND

The Board of Directors (the "**Board**") of Natural Cool Holdings Limited (the "**Company**") wishes to announce that the Company had on 3 March 2017 received a letter dated 1 March 2017 (the "**Letter of Demand**"), which was opened on 6 March 2017, from Harry Elias Partnership ("**HEP**") acting on behalf of Mr Ng Quek Peng ("**Mr Ng**"), the Company's former Chief Corporate Officer ("**CCO**"). In the Letter of Demand, HEP states that Mr Ng is seeking damages in the sum of S$2,510,610 against the Company for alleged wrongful termination of his Service Agreement with the Company.

Mr Ng was engaged as the Company's CCO on 24 November 2016. In connection with his engagement, Mr Ng also subscribed to 27,000,000 new ordinary shares in the Company at the discounted price of S$0.065 (the "**Subscription**"). The validity of the Subscription is being challenged by Mr Lim Teck Chuan, a substantial shareholder of the Company, and Mr Tsng Joo Peng, the Executive Director and Chief Executive Officer of the Company, and forms the subject matter of High Court Suit No. 1128/2016, wherein the Company is a Defendant (please refer to the Company's announcement dated 30 October 2016).

After the substantial change in the composition of the Company's Board of Directors following the Extraordinary General Meeting on 8 February 2017, the newly installed Board reviewed Mr Ng's engagement. After due consideration, the Board decided to terminate Mr Ng's services on 15 February 2017.

For the avoidance of doubt, the Board would like to inform Shareholders that no legal proceedings have been commenced against the Company at this stage.

The Company is of the opinion that there are no merits to the claim and is seeking formal legal advice to deny and challenge the demand made by Mr Ng. The Board will make the necessary announcements to update Shareholders and investors of further material developments in connection with the above matter.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Leaw Wei Siang
Company Secretary
9 March 2017

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 airconditioning business.