Natural Cool Holdings Limited
(Incorporated in the Republic of Singapore)
Company Registration No. 200509967G

BUSINESS UPDATE – COVID-19 OUTBREAK

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Company's announcement dated 10 April 2020 (the "Announcement").

The board of directors ("**Board**" or "**Directors**") of Natural Cool Holdings Limited ("**Company**", and together with its subsidiaries, "**Group**") refers to the Announcement and wishes to provide further updates in respect of its business and operations amid the global COVID-19 outbreak.

On Saturday, 18 April 2020, the Ministry of Manpower ("**MOM**") and the Building and Construction Authority ("**BCA**") announced that all foreign employees that are construction sector work permit and S pass holders and their dependents, must be served with a Stay-Home-Notice ("**SHN**"), to be effective from Monday, 20 April 2020.

In respect of this directive, two of the Company's subsidiaries, Natural Cool Airconditioning and Engineering Pte Ltd ('**NCAE**") and JAD Solutions Pte Ltd ("**JAD**") submitted an application to BCA for certain of its foreign employees to be allowed to continue to provide essential services on 19 April 2020. Since then, BCA has informed both companies that their applications were not approved. Both companies have submitted further appeals to BCA that are pending.

Meanwhile, the Company wishes to state that the Air Con Division's trading business remain operational as they do not involve the deployment of any foreign employees holding construction sector work passes. The Air Con Division's trading business is principally engaged in:-

(i) Sale and supply of air conditioning and mechanical ventilation equipment, chemicals, parts and materials to contractors and customers engaged in essential services on a wholesale basis;

(ii) Sale and supply of building and maintenance related hardware equipment and materials (including chemicals) to contractors and customers engaged in essential services on a wholesale basis, and for distribution to retail hardware stores; and

(iii) Fabrication and production of material and parts to support the activities in (i) and (ii) above.

Notwithstanding this continuation, the Air Con Division's trading business volume has been adversely affected since the implementation of the Circuit Breaker measures as demand has declined substantially.

The Company also wishes to state that the approvals previously granted to its Food Division, Investment Division and its Paint Division are unaffected, and these divisions remain operational.

The Company also wishes to inform that one of the Group's foreign employees has tested positive for COVID-19 on 18 April 2020 while in hospital.

In response, the Company took immediate steps to (i) conduct deep cleaning and disinfecting of the accommodation that the affected employee occupied (including all common areas, bathrooms, staircases and offices); (ii) quarantined all of the Group's employees who have had close contact with the affected employee; (iii) effected deep cleaning and disinfecting of all the vehicles in the affected department. The Company is working closely with the Ministry of Health to provide any further information that they may require in the conduct of their duties.

On 21 April 2020, the Singapore Government announced a four-week extension of the Circuit Breaker Period up to 1 June 2020.

Given these new developments to the ongoing COVID-19 outbreak, the Company reiterates its previous Announcement that its revenue and financial performance to be adversely impacted to the extent where its relevant operations have ceased due to the Circuit Breaker Period.

Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

BY ORDER OF THE BOARD

Tsng Joo Peng
Chief Executive Officer

23 April 2020

About Natural Cool Holdings Limited

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

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

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") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

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

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