
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 "Catalist Rules"). 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.

- (1) **CORRIGENDUM TO THE CIRCULAR DATED 25 NOVEMBER 2016;**
 - (2) **CLARIFICATIONS OF THE NOTICE OF EXTRAORDINARY GENERAL MEETING DATED 6 DECEMBER 2016 PURSUANT TO SECTION 177 OF THE COMPANIES ACT (CAP. 50) OF SINGAPORE AND LETTER TO SHAREHOLDERS DATED 6 DECEMBER 2016; AND**
 - (3) **CLARIFICATION OF THE STRAITS TIMES ARTICLE PUBLISHED ON 9 DECEMBER 2016.**
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1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of Natural Cool Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to its announcements dated 20 October 2016, 30 October 2016, 24 November 2016, 27 November 2016, 29 November 2016 and 9 December 2016 (the "**Previous Announcements**") and the Company's circular to the shareholders of the Company ("**Shareholders**") dated 25 November 2016 (the "**Circular**") in relation to, amongst others, the Requisition Notice and the Proposed Subscription. Unless otherwise defined, capitalised terms and references used herein shall bear the same meanings ascribed to them in the Previous Announcements.

2. CORRIGENDUM TO THE CIRCULAR DATED 25 NOVEMBER 2016

The Board refers to paragraph 6.8.2 on page 19 of the Circular and wishes to announce that it has been informed by Mr. Joseph Ang Choon Cheng ("**Mr. Joseph Ang**"), the Executive Chairman of the Company, that due to an inadvertent error, the following paragraph should be read as follows (the correction has been underlined for easy reference):

"As at the date hereof, the Company has invested S\$6,018,240 in HMK Energy, which (i) includes the US\$1,680,000 in principal amount of zero coupon optional convertible bonds issued by HMK Energy to the Company on 18 August 2014, and (ii) excludes the basic annual remuneration of Mr. Choy as the Chief Investment Officer of the Company, which in FY2015 was between S\$300,000 to S\$350,000. Mr. Choy's main role and function in the Group was to manage the business of HMK Energy and to safeguard and monitor the Company's investment in HMK Energy. As announced by the Company on 4 November 2016, the Company has terminated Mr. Choy's employment as Chief Investment Officer of the Company."

Save as disclosed above, all the information in the Circular (including the appendices to the Circular) remains unchanged.

3. CLARIFICATION OF THE NOTICE OF EXTRAORDINARY GENERAL MEETING DATED 6 DECEMBER 2016 PURSUANT TO SECTION 177 OF THE COMPANIES ACT (CAP. 50) OF SINGAPORE (THE “COMPANIES ACT”)

The Board refers to its announcement dated 9 December 2016 in respect of the Notice of 2nd EGM issued by and the Letter from the 2nd EGM Requisitioning Members.

The Board now would like to further clarify the following with respect to the Notice of 2nd EGM:

(A) The Company did NOT issue the Notice of 2nd EGM and the Letter

As announced on 9 December 2016, the Board would like to emphasize to Shareholders that the 2nd EGM has been convened by the 2nd EGM Requisitioning Members pursuant to Section 177 of the Companies Act. The Company has not in any way verified or reviewed the contents of the Notice of 2nd EGM and the Letter. The Company assumes no responsibility for the contents of the Notice of 2nd EGM and the Letter, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in the Notice of 2nd EGM and the Letter.

Please refer to the Company's announcement dated 9 December 2016 which clarifies that two (2) separate EGMs of Shareholders will be held on 12 December 2016 and on 22 December 2016.

(B) The Company has NOT appointed or authorised Alternative Advisors Pte Ltd (“Alternative Advisers”) to act as the “Independent Scrutineer” for the 2nd EGM and assumes no responsibility or liability with respect to personal data submitted to Alternative Advisers

It is stated in the Notice of 2nd EGM that any submission of an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 2nd EGM will be collected, used and disclosed by the Company and Alternative Advisers as the “Independent Scrutineer” (or their agents).

The Board would like to clarify that it has not appointed or authorised Alternative Advisers (or any of their agents) to collect, process, administer and/or analyse any completed instruments appointing proxy(ies) and/or representative(s) for any of the purposes stipulated in the paragraph entitled “Personal Data Privacy” in the Notice of 2nd EGM or any other purposes.

The Company therefore disclaims any responsibility and liability under the Personal Data Protection Act 2012 of Singapore in respect of the collection, use and/or disclosure of personal data submitted to Alternative Advisers for the purposes of the 2nd EGM.

4. CLARIFICATION OF LETTER TO SHAREHOLDERS DATED 6 DECEMBER 2016

The Board notes that certain opinions expressed in the Letter have already been addressed by the Company in its announcement dated 27 November 2016 (the “Clarification Announcement”). Shareholders are advised to read the Clarification Announcement in its entirety. A copy of the Clarification Announcement is available on the website of the SGX-ST at www.sgx.com.

Notwithstanding that the opinions contained in the Letter are solely those of the 2nd EGM Requisitioning Members in their private capacities, the Board would like to clarify the following with respect to the Letter:

(A) **The Shareholder with the largest shareholding percentage in the Company is not Mr. Ng Quek Peng (the “Subscriber”) but Mr. Joseph Ang**

It is incorrectly stated in the Letter that “As a result of this Placement, Mr Ng is now the biggest shareholder of Natural Cool, holding 10.8% of the enlarged issued capital...”

The Board wishes to clarify that the Shareholder holding the largest shareholding percentage in the Company as at the date of the Letter was Mr. Joseph Ang, holding 11.46% of the Company’s issued and paid-up share capital. Please refer to the announcement dated 27 November 2016 with respect to the shareholding interest of Mr. Joseph Ang after the completion of the Proposed Subscription, which had not changed as at the date of the Letter.

(B) **The focus on the Company’s working capital distracts from the overarching rationale for the Proposed Subscription**

It is inaccurately suggested in the Letter that the rationale for the Proposed Subscription was to raise funds for the Company when the Company was not in need of funds.

The Board had (by way of majority) approved the Proposed Subscription as it believed that the Subscriber will be able to add strategic value to the Group’s business and diversity of skills and expertise as an executive officer of the Company. The Board (by way of majority) also believes that the Company will be able to leverage on the Subscriber’s strong business networks and extensive experience in the corporate finance and securities industry, with the Subscriber spearheading the business development of the Group at the local and regional level.

Accordingly, to focus on the sufficiency of the Company’s working capital distracts from how the Subscriber can add strategic value to the Company and has demonstrated his confidence in the growth and prospects of the Company through the Proposed Subscription.

Please refer to paragraphs 2.4 and 2.5 of the Company’s announcement dated 20 October 2016 for further information on the rationale for the Proposed Subscription.

(C) **The Proposed Subscription is to align the interests of the Subscriber with that of the Company for the purposes of his proposed appointment as Chief Corporate Officer of the Company**

It is inaccurately suggested in the Letter that the Subscription Shares were issued and allotted to the Subscriber as a performance incentive in advance of his appointment as an executive officer of the Company without an actual evaluation of his performance.

The Letter states as follows: “*Alternatively, the Directors seem to be saying that the Placement was done so that Mr Ng will join Natural Cool’s employment, but the Placement itself did not impose any such obligation on Mr Ng. Also, would it not be better if Mr Ng was given share options based on his performance as is more commonly done? It is quite extraordinary that the Directors were prepared to give Mr Ng the benefit of the Placement at such a good price before he is employed and even before his performance can be assessed, and especially when the Placement has now made him the largest shareholder of Natural Cool!*”

The Board wishes to clarify that the Proposed Subscription should not be confused with a performance incentive to the Subscriber as he has paid good and valuable consideration of S\$1,755,000 for the Subscription Shares in accordance with the terms of the Subscription Agreement. A service agreement dated 24 November 2016 has been

executed by the Company and the Subscriber to govern the Subscriber's appointment as the Chief Corporate Officer of the Company ("CCO"). The Subscriber's declaration in respect of such appointment (containing the information required under Appendix 7F of the Catalist Rules) will be announced on the SGXNET in due course. Accordingly, even prior to the Subscriber's commencement of employment as the CCO, his interests are aligned with that of the Company.

The Board would like to reiterate that all procedural requirements prescribed under the relevant regulations, including the Catalist Rules, were followed in respect of the issue and allotment of the Subscription Shares to the Subscriber.

Shareholders should refer to the Clarification Announcement for the Board's clarification on how the Issue Price for each Subscription Share fell within the Share Issue Mandate approved by Shareholders at the 2016 AGM and was in compliance with the Catalist Rules.

(D) Incorrect date references

The Board refers to paragraphs 10 and 14 of the Letter and wishes to clarify that the references to "24 October 2016" and "20 October 2016" respectively are incorrect and should be references to "20 October 2016" and "18 October 2016" respectively. For the avoidance of doubt, the announcement on the Proposed Subscription was released on 20 October 2016 and the Board meeting held to approve (by way of majority) the Proposed Subscription was held on 18 October 2016.

(E) The e-mail address "naturalcool.egm@gmail.com" does not belong to the Company

The Board refers to paragraph 22 of the Letter with respect to the e-mail address "naturalcool.egm@gmail.com" (the "E-mail Address"). The E-Mail Address is not owned, controlled or authorised by the Company or otherwise affiliated with the Group and the Company disclaims any responsibility and liability which may arise in connection with information (which may include personal data) sent to the E-Mail Address and the subsequent use and/or disclosure of such information (which may include personal data).

(F) Enclosure of the news article published by The Straits Times on 26 November 2016 with the headline "Natural Cool tussle: SGX approves share placement" (the "26 November 2016 Article")

The Board would like to clarify that it is unaware whether the 2nd EGM Requisitioning Members have obtained the prior consent of The Straits Times for the reproduction and circulation of the 26 November 2016 Article to the Shareholders. The Company disclaims any responsibility and liability which may arise in connection with the said reproduction and circulation of the 26 November 2016 Article to the Shareholders by the 2nd EGM Requisitioning Members.

Shareholders should refer to the Clarification Announcement for the Company's clarification of a number of material inaccuracies contained in the 26 November 2016 Article.

5. CLARIFICATION OF THE STRAITS TIMES ARTICLE PUBLISHED ON 9 DECEMBER 2016

The Board further refers to the article published in The Straits Times on 9 December 2016 with the headline "Natural Cool board faces more heat" (the "9 December 2016 Article"), which the Board notes is a mere summary of the contents of the Letter .

The Board urges Shareholders to refer to the Clarification Announcement, to be read carefully in conjunction with paragraph 4 of this announcement, for the Company's clarification in respect of points highlighted in the Letter.

6. FURTHER INFORMATION

The Board will provide further updates to Shareholders on the above as and when there are material developments. In the meantime, 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 December 2016

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.