

## REVIEW OF TRANSACTIONS IN THE PAINT DIVISION OF THE COMPANY – COMPLETION OF INTERNAL INVESTIGATION

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Unless *otherwise defined*, all terms and references used in the announcement shall bear the same meaning ascribed to them in the Company's announcement dated 28 February 2017 entitled "Review of Transactions in the Paint Division of the Company".

The Board of Directors (the "**Board**") of Natural Cool Holdings Limited (the "**Company**") wishes to announce that it has received the final report of the internal investigation committee ("**Final Report**") from the Audit Committee.

Amongst other things, the Final Report has highlighted undisclosed conflicts of interest between certain former employees and former directors of the Paint Entities and an entity established by some of these persons, to transact business with the Paint Entities; and the possibility of management override of the internal control environment as a result of close family relationship between persons occupying key management and managerial positions in the Paint Entities.

The Board has accepted the Audit Committee's recommendation that the Final Report be accepted, and to seek legal advice as to further actions to be taken. In the interim, the Company's subsidiary Loh & Son Paint Co (S) Pte Ltd has reported the matter to the relevant authorities.

In addition, the Company is already taking steps to rectify any internal control weaknesses identified in the Final Report.

On the basis of the Final Report, the Board is of the view that the findings will not have a material impact on the net tangible assets or earnings per share of the Company for the current financial year.

### BY ORDER OF THE BOARD

Wong Leon Keat  
Managing Director  
11 October 2017

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### 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.

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

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*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 Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.*