

## **RESPONSE TO SGX-ST QUERIES**

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The Board of Directors (the “**Board**”) of Natural Cool Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refer to the queries received from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 13 July 2022 in relation to the Company’s announcement dated 8 July 2022 and 16 June 2022 regarding the receipt of Notice of Termination (“**Notice**”) from Mapletree Logistic Trust (“**MLT**”) by Natural Cool Investments Pte. Ltd. (“**NCI**”) and wishes to respond to the queries as follows. Unless otherwise defined herein, all capitalised terms used in this announcement shall have the meaning ascribed to them in the Company’s previous announcements.

### **1      SGX-ST’s Query 1:**

What is the deadline provided by MLT to NCI to pay the remaining sum of rental arrears of S\$154,577.63? Is the Company disputing on this outstanding sum?

#### **Company’s Response:**

There was no deadline mentioned in the Notice for the payment of the remaining sum of arrears of S\$154,577.63. NCI has written to MLT to deny being liable for the amounts claimed.

### **2      SGX-ST’s Query 2:**

Are the premises at 29 Tai Seng Avenue, Singapore 534119 currently occupied by sub-tenants? If so, what is the impact of the Notice of Termination on NCI’s tenancy contracts with its sub-tenants?

#### **Company’s Response:**

There are currently two subtenants occupying units at 29 Tai Seng Avenue, Singapore 534119. These sub-tenants have indicated they will move out of the building by the end of August 2022. With the Notice of Termination, and for the reasons set out in the Company’s previous announcements, NCI has no further source of revenue.

### **3      SGX-ST’s Query 3:**

Please provide more information on the “alleged unauthorised use of space and/or unauthorised sub-letting of the Premises”.

#### **Company’s Response:**

Apart from the Notice which alleges that there were unauthorized use of space and/or unauthorized sub-letting of the Premises pursuant to the lease agreement dated 2 July 2019, no further details have been provided to NCI. NCI has also written to both MLT and JTC asking for details of the alleged breaches and as of the date of this announcement, it has not received any response.

**4**      **SGX-ST's Query 4:**

Did NCI seek MLT's approval before sub-letting the Premises?

**Company's Response:**

NCI's general practice was to seek approval to MLT for sub-letting of the Premises and concurrently allow the subtenants to commence fitting out works to save time based on past practice. Approvals are typically granted by MLT within one week of application. There have been no instances of any specific non approval by MLT in the past. Should approval not be granted, the subtenants would simply return their units.

There were a small portion of subtenancies (less than 5% of the total net lettable area) where NCI had not obtained approval before subletting but was in the process of obtaining MLT/JTC approval of the same. MLT had informed NCI that the applications were pending JTC approval.

**5**      **SGX-ST's Query 5:**

MLT has given NCI a deadline till 13 July 2022 to pay the S\$5.45 million. Did NCI manage to get more details on the alleged breaches from MLT and JTC? What is MLT's basis for seeking the S\$5.45 million fine from NCI?

**Company's Response:**

NCI has written to both MLT and JTC asking for details of the alleged breaches and as of the date of this announcement, it has not received any response. NCI is therefore still unable to assess the basis for MLT's claim of S\$5.45 million.

**6**      **SGX-ST's Query 6:**

In the event of a worst case scenario that NCI is required to pay the S\$5.45 million, will there be any material impact on the Group's financials and ability to operate as a going concern? Please provide the Board's and Sponsor's re-assessment on the Group's ability to continue operating as a going concern and the bases for the said assessment.

**Company's Response:**

As disclosed in our announcement dated 8 July 2022 that the Board believes the claim is made without legitimate basis, and notes that no legal proceedings have commenced at this stage.

Furthermore, since the receipt of the Notice, NCI has written to both MLT and JTC to ask for details of the S\$5.45 million claim. As of the date of this announcement, we have not heard from either party.

Accordingly, the Board is of the view that it would be inappropriate to make an assumption of the worst-case scenario of a S\$5.45 million payment and re-assess its impact on the Group's financials and ability to operate as a going concern at this point in time.

The Board will make further announcements when it assesses that additional relevant information material to the ability of the Group to operate as a going concern, and/or have a material impact on its financial performance or financial position is known.

## BY ORDER OF THE BOARD

Tsng Joo Peng  
Group Chief Executive Officer  
15 July 2022

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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 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.

In addition, the Group has a food and beverages Division which manufactures, distributes and retails cooked dim sum and dumpling in Singapore.

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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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