Natural Cool Holdings Limited

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

PROPOSED SALE OF THE PROPERTY LOCATED AT 9 KAKI BUKIT ROAD 1 #02-10 EUNOS TECHNOLINK SINGAPORE 415938

1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of Natural Cool Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company's 51%-owned subsidiary, Nam Fang Co Pte Ltd. (the "**Vendor**") has, on 5 February 2025, granted an option to purchase (the "**Option**") to ClosetDesign Holding Pte. Ltd. (the "**Purchaser**"), to sell the property located at 9 Kaki Bukit Road 1 #02-10 Eunos Technolink Singapore 415938 (the "**Property**") for a consideration of S$1,098,888 (the "**Proposed Sale**").

2. RATIONALE FOR THE PROPOSED SALE

The Board believes that the Proposed Sale is in the best interests of the Group and shareholders, as it will enable the Group to realise the value of the Property.

The total net proceeds from the Proposed Sale, amounting to approximately S$1,063,000 (after deducting related transaction costs), will be used for the repayment of the mortgage on the Property and the remaining for the general working capital requirements, thereby reducing the liabilities of the Group and interest accrued thereon, and improving the liquidity.

3. INFORMATION ON THE PROPERTY

The Property located at level 2 of a 6-storey multi-user ramp-up industrial development. It is a property with a leasehold of 60 years with effect from 9 July 1996 with a strata floor area of approximately 246 square metres. The remaining lease tenure of the Property is approximately thirty-one (31) years which will end on 8 July 2056.

Based on the latest unaudited consolidated financial statements of the Group for the financial period ended 30 June 2024 ("**HY2024**"), the net book value of the Property was approximately S$881,000.

Based on the valuation report dated 13 January 2025 (the "**Valuation**") issued by an independent professional valuer, RHT Valuation Pte. Ltd. and commissioned by the Vendor, the market value of the Property was S$1,100,000 as at 31 December 2024 based on the comparable sales method with vacant possession.

4. INFORMATION ON THE PURCHASER

The Purchaser is a private company incorporated in Singapore in September 2012 and is engaged in the business of manufacturing furniture and fixtures of wood at 3 Kaki Bukit Road 1, #B1-02, Singapore 415935.

To the best of the Company's knowledge, the Purchaser is a third party and unrelated to the Directors and controlling shareholders of the Company, and their respective associates.

5. SALIENT TERMS OF THE OPTION

5.1 Consideration

The aggregate consideration for the Proposed Sale of the Property is S$1,098,888 (the "**Consideration**"). The Consideration was arrived at on a "willing-buyer willing-seller" basis, taking into account the Valuation and with the rationale for the Proposed Sale set out in paragraph 2 above.

Under the terms of Option, the Consideration shall be paid/payable by the Purchaser to the Vendor as follows:

(i) 1% of the Consideration was paid when the Purchaser granted the offer to purchase to the Vendor;

(ii) 4% of the Consideration is to be paid upon the Purchaser exercising the Option. The Option may be exercised by the Purchaser from the date of Option to 4.00 p.m. on 19 February 2025 ("**Exercise Period**"); and

(iii) 95% of the Consideration is to be paid upon the completion of the Proposed Sale ("**Completion**").

5.2 Other Conditions

The Proposed Sale is subject to, *inter alia*, the following terms:-

(a) The terms and conditions ("**T&C**") set out in the Option and The Law Society of Singapore's Conditions of Sale 2020 (the "**Conditions**") in so far as the Conditions are not contrary to or conflict with the Conveyancing & Law of Property (Conveyancing) Rules 2011 ("**Conveyancing Rules**") and Singapore Academy of Law (Conveyancing Money) Rules 2011 ("**SAL (Conveyancing Money) Rules**"), (where applicable).

(b) The Proposed Sale is subject to satisfactory replies from the usual government departments and the Land Transport Authority. If any replies are unsatisfactory, the Purchaser may choose to proceed or rescind the Proposed Sale. In the event of rescission, the Vendor will refund the deposit without interest, and neither party will have further claims against the other.

In the event of any conflict between the T&C and the Conditions, the T&C shall prevail. However, in the event of any conflict between the T&C and the Conveyancing Rules and/or the SAL (Conveyancing Money) Rules, the Conveyancing Rules and/or the SAL (Conveyancing Money) Rules shall prevail.

6. COMPLETION

Completion of the Proposed Sale is expected to take place on 17 April 2025 or on such earlier date as the Vendor and Purchaser may agree in written.

7. FINANCIAL EFFECTS OF THE PROPOSED SALE

Assuming that the Completion is on 31 December 2023, the Proposed Sale will result in a net gain on disposal of approximately S$168,000 (including related transaction costs), based on the net proceeds from the Proposed Sale being approximately S$1,063,000.

The tables below illustrate the financial effects of the Proposed Sale (of which 51% is attributable to the Group) on the net tangible assets ("**NTA**") per share and the earnings per share ("**EPS**") of the Group based on the latest audited consolidated financial statements of the Group for the financial year ended 2023 ("**FY2023**") and assuming that the Proposed Sale took place, in respect of the consolidated statement of comprehensive income on 1 January 2023, and in respect of the statement of financial position of the Group on 31 December 2023.

7.1 NTA per share

	Before the Proposed Sale	After the Proposed Sale
NTA (S$'000)	10,967	11,053
Number of issued shares ordinary shares ('000)	250,448	250,448
NTA per share (cents)(1)	4.38	4.41

Note:
(1) NTA per share is calculated based on the total number of issued ordinary shares as at 31 December 2023.

7.2 EPS

	Before the Proposed Sale	After the Proposed Sale
Profit attributable to shareholders (S$'000)	607	682
Weighted average number of shares ('000)	250,448	250,448
EPS (cents)	0.24	0.27

Notes:
(1) EPS is calculated based on the weighted average number of ordinary shares in issue during FY2023.
(2) In arriving at the profit attributable to shareholders assuming the Proposed Sale is effected at the beginning of FY2023, adjustment has been made for loss on rental income, loan interest incurred from the loan on the Property and related transaction costs incurred for the Proposed Sale.

8. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

The relative figures for the Proposed Sale computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited are set out below:-

Rule 1006	Bases	Relative Figures
Rule 1006 (a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.(1)	5.47%
Rule 1006 (b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.(2)	(1.23%)
Rule 1006 (c)	The aggregate value of the consideration given or received, compared with the market capitalisation of the Company based on the total number of issued shares excluding treasury shares.(3)	7.22%
Rule 1006 (d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable, as no equity securities will be issued as consideration for the Proposed Sale.
Rule 1006 (e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable, as the Property is not a mineral, oil or gas asset, and the Vendor is not a mineral, oil or gas company.

Notes:-
(1) The net book value of the Property and the net asset value of the Group as at 30 June 2024 was S$881,000 and S$16,116,000 respectively.

(2) The net loss of the Property and the consolidated profit before tax of the Group as at 30 June 2024 was (S$6,000) and S$486,000 respectively.

(3) Computed based on 51% (being the Group's interest in the Proposed Sale) of the Consideration of S$1,098,888 and compared with the market capitalisation of S$7,763,888 which was determined by multiplying 250,447,985 ordinary shares in issue as at the date of this announcement by the volume-weighted average price of the Company's shares of S$0.031 per share on 27 January 2025, being the last market day whereby the Company's shares transacted preceding the date of grant of the Option.

Having regard to the above, the relative figures computed under Rule1006 (a) and (c) of the Catalist Rules exceed 5% but do not exceed 50%.

The Proposed Sale is expected to generate a gain on disposal and having considered Paragraph 4.4(e) of Practice Note 10A of the Catalist Rules, the Proposed Sale shall be treated as a "discloseable transaction" under Chapter 10 of the Catalist Rules and is not subject to shareholders' approval.

9. DIRECTORS AND CONTROLLING SHAREHOLDERS' INTEREST

Save for their respective interests in the Company, none of the Directors or controlling shareholders have any interest, direct or indirect in the Proposed Sale.

10. DOCUMENTS FOR INSPECTION

A copy of the Option and Valuation are available for inspection during normal business hours at the Company's registered office at 87 Defu Lane 10, #06-01, Singapore 539219 for three (3) months from the date of this announcement.

11. UPDATES

The Company will keep shareholders updated on the Proposed Sale as and when there are material developments.

BY ORDER OF THE BOARD

Choy Bing Choong
Executive Chairman

5 February 2025

About Natural Cool Holdings Limited

Natural Cool's principal businesses are Airconditioning and Engineering, Paints and Coatings, Technology, and Food and Beverages.

Natural Cool's Airconditioning and Engineering Division distributes, supply and installs Air-Conditioning and Mechanical Ventilation systems ("**ACMV**") and provides ACMV services to customers in the retail, commercial and industrial sectors. In addition, the Division is also involved in providing facilities management, mechanical and electrical, fire protection, critical environment, and plumbing and sanitary products and services.

The Group's Paints and Coatings Division manufactures and sells industrial paints and solvents, principally under the 'Cougar' brand. Furthermore, the Division also represents a number of leading overseas brands in Singapore.

Natural Cool's Technology Division specialises in communications engineering and Internet of Things solutions. With its core engineering capabilities located in Singapore, the Division serves the train-borne communications market and the estate management market both domestically and overseas.

In addition, the Group has a Food and Beverages arm which manufactures, distributes and retails cooked snack food and dumplings in Singapore. It also operates a number of restaurant outlets.

---

*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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Ms Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.