CIRCULAR DATED 10 APRIL 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your Shares in the issued share capital of Natural Cool Holdings Limited (the "**Company**"), you should immediately forward this circular ("**Circular**") together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Circular 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 Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

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.

Natural Cool
Holdings Limited

NATURAL COOL HOLDINGS LIMITED

(Incorporation in the Republic of Singapore on 19 July 2005)
(Company Registration No.: 200509967G)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

(1) THE PROPOSED ADOPTION OF THE NATURAL COOL EMPLOYEE SHARE OPTION SCHEME 2017; AND

(2) THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT UNDER THE NATURAL COOL EMPLOYEE SHARE OPTION SCHEME 2017

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	23 April 2017 at 11.00 a.m.
Date and time of Extraordinary General Meeting	:	25 April 2017 at 11.00 a.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day)
Place of Extraordinary General Meeting	:	55 Market Street #03-01, Raffles Place, Singapore 048941

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In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:-

"**Act**" or "**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"**Associate**"	:	(a) In relation to any Director, chief executive officer of the Company, a substantial Shareholder or a Controlling Shareholder (being an individual) means: (i) his Immediate Family; (ii) the trustees of any trust of which he or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more. (b) In relation to a substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"**Auditors**"	:	The auditors of the Company for the time being
"**Board of Directors**", "**Board**" or "**Directors**"	:	The board of Directors of the Company
"**Catalist**"	:	The sponsor-supervised listing platform of the SGX-ST
"**Catalist Rules**"	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 10 April 2017
"**CPF**"	:	Central Provident Fund
"**CPF Approved Nominees**"	:	Agent banks included under the CPFIS
"**CPFIS**"	:	Central Provident Fund Investment Scheme
"**Committee**"	:	The Remuneration Committee of the Company, or such other committee comprising Directors of the Company or such persons as may be duly authorised and appointed by the Board to administer the Scheme
"**Company**"	:	Natural Cool Holdings Limited
"**Constitution**"	:	The constitution of the Company, as amended, modified or supplemented from time to time

"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting Shares in the Company (unless the SGX-ST determines that such a person is not a Controlling Shareholder of the Company); or (b) in fact exercises control over the Company
"**Date of Grant**"	:	In relation to an Option, the date on which the Option is granted pursuant to Rule 5 of the Scheme
"**Director**"	:	A person holding office as a director for the time being of the Company
"**Discount Option**"	:	The right to subscribe for Shares granted or to be granted pursuant to the Scheme and for the time being subsisting, and in respect of which the Exercise Price is determined in accordance with Rule 6.1(b) of the Scheme
"**EGM**"	:	The extraordinary general meeting of the Company, notice of which is set out on pages 41 to 42 of this Circular
"**Employee**"	:	A confirmed full-time employee of the Group (including an Executive Director)
"**EPS**"	:	Earnings per Share
"**Executive Director**"	:	A Director who is an Employee of the Group and performs an executive function, excluding Directors who are Controlling Shareholders and Directors who are Associates of Controlling Shareholders
"**Exercise Period**"	:	The period during which an Option is exercisable being:– (a) in the case of a Market Price Option which is granted to a Group Employee, a period commencing after the first (1st) anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee) or such other period which may from time to time be prescribed under any relevant law, regulation or the Catalist Rules, subject as provided in Rules and any other conditions as may be introduced by the Committee from time to time; and (b) in the case of a Discount Option, a period commencing after the second (2nd) anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee) or such other period which may from time to time be prescribed under any relevant law, regulation or Catalist Rules, subject as provided in Rules and any other conditions as may be introduced by the Committee from time to time
"**Exercise Price**"	:	The price at which a Participant shall subscribe for each New Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 6.1(a) of the Scheme in relation to a Market Price Option or Rule 6.1(b) of the Scheme in relation to a Discount Option, as adjusted in accordance with Rule 11 of the Scheme

"**Financial Year**"	:	Each period, at the end of which the accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company. In the case of the Company, the financial year ended or ending 31 December
"**Group**"	:	The group of companies comprised of the Company and its subsidiaries
"**Immediate Family**"	:	In relation to a person, means the person's spouse, child, adopted child, step-child, sibling and parent
"**Independent Director**"	:	An independent Director of the Company
"**Latest Practicable Date"**	:	4 April 2017, being the latest practicable date prior to the printing of this Circular
"**LQN**"	:	The listing and quotation notice to be sought from the SGX-ST in respect of the New Shares
"**Market Day**"	:	A day on which the SGX-ST is open for trading in securities
"**Market Price**"	:	A price equal to the average of the last dealt prices for the Shares on the Catalist over the three (3) consecutive Market Days immediately preceding the Date of Grant of that Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, provided always that in the case of a Market Day on which the Shares are not traded on the Catalist, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the day immediately preceding Market Day on which the Shares were traded, rounded to the nearest whole cent in the event of fractional prices
"**Market Price Option**"	:	The right to subscribe for Shares granted or to be granted pursuant to the Scheme and for the time being subsisting, and in respect of which the Exercise Price is determined in accordance with Rule 6.1(a) of the Scheme
"**New Shares**"	:	For the purpose of the Scheme, means the new Shares which may be allotted and issued from time to time upon the exercise of Options granted under the Scheme
"**Non-Executive Director**"	:	A Director for the time being of the Group, other than an Executive Director and including the Independent Directors
"**NTA**"	:	Net tangible assets
"**Option**"	:	A Market Price Option and/or a Discount Option, as the case may be
"**Participant**"	:	The person(s) who may be selected by the Committee to be granted an Option pursuant to the Scheme
"**Proposals**"	:	Has the meaning ascribed to it in Paragraph 1.1 of this Circular
"**Rules**"	:	Rules of the Scheme, as may be modified or amended from time to time and any reference to a particular Rule shall be construed accordingly
"**Scheme**"	:	The proposed employee share option scheme of the Company, to be known as the "Natural Cool Employee Share Option Scheme 2017", as the same may be modified or altered from time to time

"**Securities Account**"	:	A securities account maintained by a Depositor with CDP
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shares**"	:	Ordinary shares in the capital of the Company
"**Shareholders**"	:	Registered holders of Shares except that where the registered holder of Shares is CDP, the term "**Shareholders**" shall, in relation to the Shares, mean the person to whose direct Securities Accounts maintained with CDP are credited with Shares
"**Sponsor**"	:	PrimePartners Corporate Finance Pte. Ltd.
"**Trading Day**"	:	A day on which the Shares are traded on the Catalist
"**Treasury Share**"	:	(a) a share which was (or is treated as having been) purchased by a company in circumstances described under Section 76H of the Act; and (b) a share of the Company that was or is treated as having been acquired and held continuously by the Company since it was so acquired and has not been cancelled
"**Vesting Schedule**"	:	In relation to an Option, a schedule for the vesting of Shares comprised in the Option during the Exercise Period in relation to that Option to be determined by the Committee on the Date of Grant of that Option
"**S$**" and "**Cents**"	:	Singapore dollars and cents, respectively
"**%**" or "**per cent.**"	:	Percentage or per centum

In this Circular:-

(i) The terms "**Depositor**", "**Depository Register**" and "**Depository Agent**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

(ii) The terms "**subsidiary**", "**related company**" and "**substantial Shareholder**" shall have the meanings ascribed to them respectively in the Companies Act.

(iii) Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

(iv) References to persons shall include corporations.

(v) The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

(vi) Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in this Circular shall, unless otherwise defined in this Circular, have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

(vii) Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.

(viii) Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

NATURAL COOL HOLDINGS LIMITED

(Incorporation in the Republic of Singapore on 19 July 2005)
(Company Registration No.: 200509967G)

Directors:		**Registered Office:**
Mr Goh Teck Sia	Independent Non-Executive Chairman	29 Tai Seng Avenue, #07-01
Mr Tsng Joo Peng	Executive Director and Chief Executive Officer	Natural Cool Lifestyle Hub,
Mr Wong Leon Keat	Executive Director and Chief Corporate Officer	Singapore 534119
Madam Lau Lee Hua	Independent Non-Executive Director	
Mr Ronnie Tan Siew Bin	Independent Non-Executive Director	

10 April 2017

To the Shareholders of Natural Cool Holdings Limited

Dear Sir/Madam,

(1) THE PROPOSED ADOPTION OF THE NATURAL COOL EMPLOYEE SHARE OPTION SCHEME 2017

(2) THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT UNDER NATURAL COOL EMPLOYEE SHARE OPTION SCHEME 2017

1. INTRODUCTION

1.1 EGM

The Directors propose to seek Shareholders' approval in relation to the following matters at the EGM to be held at on 25 April 2017 at 11.00 a.m. (or such time immediately following the conclusion of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same venue) at 55 Market Street #03-01, Raffles Place, Singapore 048941:-

(a) the proposed adoption of the Scheme, the rules of which are set out in the Appendix of this Circular; and

(b) the proposed grant of authority to offer and grant Options at a discount under the Scheme,

(together, the "**Proposals**").

1.2 Circular

The purpose of this Circular is to provide Shareholders with the relevant information pertaining to the Proposals and to seek Shareholders' approval at the EGM, as set out in the Notice of EGM on pages 41 to 42 of this Circular.

2. THE PROPOSED NATURAL COOL EMPLOYEE SHARE OPTION SCHEME 2017

2.1 Rationale for the Scheme

The Company places strong emphasis on the recruitment and retention of Directors and quality Employees with talent in all areas of the Group's operations, and in particular, the drive, leadership, skills, expertise and experience of such persons, as the Company considers these to be qualities that will assist the Group to realise its strategic and long-term business goals.

The purpose of the Scheme is to provide an opportunity for employees and directors who have contributed significantly to the growth and performance of the Group to participate in the equity of the Company, so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition for past contributions and services.

The Scheme is primarily a share incentive scheme. It recognises the fact that it is important to attract and retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding Directors and Employees. At the same time, it will give Participants an opportunity to obtain a personal equity interest in the Company and will help to achieve the following positive objectives:-

(a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;

(b) to retain key employees and directors of the Group whose contributions are essential to the long-term growth and profitability of the Group;

(c) to instil loyalty to, and reinforce a stronger identification by Participants with the long-term prospects of, the Group;

(d) to give recognition to the contributions made by Participants to the success of the Group;

(e) to attract potential Employees with relevant skills to contribute to the Group and to create value for Shareholders; and

(f) to align the interests of Participants with the interests of Shareholders.

2.2 Approvals

An application will be made to the SGX-ST to obtain the LQN in respect of the New Shares. The New Shares are therefore, *inter alia*, subject to the receipt of the LQN from the SGX-ST and the conditions stated in the LQN. The Company will make the necessary announcement on SGXNET upon receipt of the LQN from the SGX-ST.

3. SUMMARY OF THE SCHEME

3.1 Eligibility

The following persons (as defined in the Scheme) shall, subject to certain conditions, be eligible to participate in the Scheme:-

(a) Employees who are confirmed full-time employees of the Company and/or its subsidiaries who have attained the age of 21 years on or before the Date of Grant;

(b) Directors of the Company and its subsidiaries (including Non-Executive Directors); and

(c) Controlling Shareholders and/or their Associates, who meet the criteria in sections 3.1(a) or 3.1(b) above,

who, in the opinion of the Committee, have contributed or will contribute to the success of the Group.

Pursuant to Rule 852 of the Catalist Rules, persons who are Controlling Shareholders and/or Associates of Controlling Shareholders who meet the criteria in paragraphs 3.1(a) or 3.1(b) above are also eligible to participate in the Scheme provided that the participation of and the actual number of Shares to be issued to them and the terms of any Option to be granted to each Controlling Shareholder or Associate of Controlling Shareholder shall be approved by independent Shareholders in separate resolutions for each such person subject to the following:–

(a) the aggregate number of Shares which may be offered by way of grant of Options to Participants who are Controlling Shareholders or Associates of Controlling Shareholders under the Scheme shall not exceed 25% of the total number of Shares available under the Scheme; and

(b) the number of Shares available to each Controlling Shareholder or Associate of a Controlling Shareholder shall not exceed 10% of the Shares available under the Scheme.

The selection of a Participant and the number of shares comprised in Options to be offered to a Participant shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance, years of service, potential for future development and his contribution to the success and development of the Group.

In determining the eligibility of the Employees and Executive Directors to participate in the Scheme and the number of Shares comprised in Market Price Options or, as the case may be, Discount Options, to be offered in accordance with the Scheme, the Committee will take into account criteria such as the grade level, seniority, level of responsibility, years of service, performance evaluation, the potential for future development and their respective contributions to the growth, success and development of the Group. In certain circumstances, the Committee shall also take into consideration the performance targets met by an eligible Employee or an Executive Director while determining the extent of the participation of that Employee or Executive Director in the Scheme. Examples of performance targets which will be considered by the Committee include targets based on criteria such as total shareholders' return, economic value added, market share, market ranking, profitability, return on sales and successful completion of a project.

And in determining the eligibility of the Non-Executive Directors and Controlling Shareholders to participate in the Scheme and the number of Shares comprised in Market Price Options or, as the case may be, Discount Options, to be offered in accordance with the Scheme, the Committee will take into account criteria such as the services and the contributions made by such Non-Executive Director or Controlling Shareholder to the growth, success and development of the Group.

3.2 Size of the Scheme

Subject to the provisions on variation of the capital, the total number of Shares in respect of Options that may be offered to a Participant in accordance with the Scheme shall be determined at the absolute discretion of the Committee. The Directors believe that such discretion will give the Committee sufficient flexibility in adjusting the number of Shares in respect of Options to be granted, to achieve certain goals of the Company through the customisation of a compensation and incentive package suitable for each Participant.

In compliance with the Catalist Rules:

(a) The total number of Shares over which the Company may grant Options under the Scheme together with the aggregate number of Shares available under all other awards granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company, whether exercise or not, and for the time being in force, shall not exceed 15% of the total number of issued Shares of the Company (excluding Treasury Shares) from time to time.

(b) The aggregate number of Shares over which the Company may grant Options to Controlling Shareholders and their Associates shall not exceed 25% of the total number of Options granted under the Scheme. The number of Shares over which the Company may grant Options to each Controlling Shareholder or each of his Associate(s) shall not exceed 10% of the total number of Options granted under the Scheme.

To enjoy greater flexibility in structuring remuneration and compensation packages, the Company believes that it should have a sufficient number of Shares to accommodate Options issued under the Scheme. Taking into consideration the number of issued Shares of the Company as well as the number of eligible Participants in the Scheme, the Directors believe that a limit of 15% of the number of issued Shares of the Company in respect of the number of Shares (comprised in Options) to be issued pursuant to the Scheme will enable the Company to grant a sufficient number of Options to the Participants to create a meaningful compensation for the Participants' contributions.

3.3 Duration of the Scheme

The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years, commencing on the date the Scheme is adopted by the Company in a general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may be continued for any further period thereafter with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company.

3.4 Exercise Price

Subject to adjustments under the Scheme, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee, in its absolute discretion and on the Date of Grant, to be either:-

(a) a price equal to the Market Price ; or

(b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee at its absolute discretion, provided that:

(i) the maximum discount, which may be given for any Option shall not exceed 20% of the Market Price in respect of that Option (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST and approved by the Shareholders in a separate resolution); and

(ii) the prior approval of the Company in a general meeting shall have been obtained for the making of offers and grants of Options under the Scheme at a discount not exceeding the maximum discount as aforesaid (for the avoidance of doubt, such prior approval shall be required to obtained only once and, once obtained, shall unless revoked, authorise the making of offers and grants of Options under the Scheme at such discount for the duration of the Scheme).

The Company believes that the Scheme should provide the Company with the flexibility to grant Discount Options. The Company would then be able to offer competitive compensation and incentive packages so as to attract and retain talent. Through the Scheme, the Company would also be able to motivate employees while at the same time encourage greater dedication and loyalty to the Company.

The Company plans to exercise this discretion judiciously and the amount of discount may vary from one offer to another from time to time depending on the circumstances and on a case-by-case basis. In determining whether to give a discount and the quantum of any discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, in its absolute discretion, deem appropriate, including but not limited to:-

(a) the performance of the Company and the Group, as the case may be, taking into consideration financial parameters such as net profit after tax, return on equity and earnings growth;

(b) the years of service and individual performance of the Participant;

(c) the contribution of the Participant to the success and development of the Company and/or the Group; and

(d) the prevailing market conditions.

The Company believes that the ability to grant Discount Options will help enable the Group to become more competitive in the recruitment and retention of staff in a competitive environment for able managers and support personnel. The Discount Options will offer the Company additional means to strengthen its relationship with Participants, and motivate Participants to focus their energies on improving their performance and performance of the Group, which will in turn create better value for Shareholders.

With a discretion to grant Market Price Options or Discount Options, the Company will have greater flexibility to structure and plan the Group's rewards and benefits system by combining immediate or short-term cash-based rewards (such as bonuses and annual wage supplements) with longer term cash-linked rewards which do not entail immediate direct cash expenditure for the Company (such as the Scheme).

In circumstances where at the time of granting Options to Participants, the prevailing Market Price on the Shares is considered artificially high and a general discount is desirable or warranted (the rate of which will be determined by the Committee), the Committee will take into consideration factors such as the historical prices of the Shares as compared with the prevailing Market Price of the Shares during the price-fixed period for the Options, the market comparatives and practices of other industry players and the value of the Options as a component of each Participant's compensation package.

The Company would also be able to utilise up to the maximum discount allowed for the Options to structure remuneration packages to respond rapidly to its employees' circumstances, the market conditions and practices and the economic situation at the time of granting Options. For example, the Options at a discount may be used to compensate employees and keep them motivated during economic downturns when wages (including cash bonuses and annual wage supplements) are frozen or cut, or they could be used to supplement cash rewards in lieu of larger cash bonuses or annual wage supplements.

The Company believes that the maximum 20% discount to the Market Price of the Shares is sufficient to allow for flexibility in the Scheme while minimising the potential dilutive effect to the Shareholders arising from the Scheme. Market Price Options shall only be exercisable after the first (1st) anniversary of the Date of Grant. Discount Options shall only be exercisable after the second (2nd) anniversary of the Date of Grant. All Options shall be exercised during the Exercise Period failing which the Options shall be deemed to have expired and shall cease to be valid.

3.5 Variation of Capital

If there is a variation in the number of issued Shares of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation or distribution or otherwise howsoever), then:

(a) the Exercise Price in respect of the Shares, class and/or number of Shares comprised in the Options to the extent unexercised and the rights attached thereto; and/or

(b) the class and/or number of Shares in respect of which additional Options may be granted pursuant to the Scheme,

shall be adjusted in such manner as the Committee may determine to be appropriate.

Unless the Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment:–

(a) issue of securities as consideration for an acquisition or a private placement of securities;

(b) cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Catalist during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;

(c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its Employees including Directors or Employees of the Company pursuant to purchase or option scheme approved by Shareholders in general meeting, including the Scheme;

(d) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business; and

(e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing.

No such adjustment shall be made if as a result a Participant receives a benefit that a Shareholder does not receive; and unless the Committee, after considering all relevant circumstances, considers it equitable to do so. Any adjustment (other than on a capitalisation issue) must be confirmed in writing by the Auditors (acting as experts and not as arbitrators) to be fair and reasonable.

3.6 Modifications to the Scheme

Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:–

(a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to Shares representing not less than three-quarters of the total voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares which would be allotted upon exercise in full of all outstanding Options;

(b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of the Shareholders in general meeting, whereby Shareholders who are also holders of Options shall be required to abstain from voting in respect of any resolution relating to such modification or alteration; and

(c) no modification or alteration shall be made without the prior approval of the SGX-ST (if required) or any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

For the purposes of section 3.6(a) above, the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

3.7 Rights of Shares arising from the exercise of Options

Shares arising from the exercise of Options are subject to the provisions of the Act and the Constitution of the Company (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Share, including those rights which rise from a liquidation of the Company). Shares allotted and issued upon the exercise of an Option shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights, allotments or other distributions, the record date for which is prior to the relevant exercise date of the Option. For such purposes, "record date" means the date as at the close of business on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions (as the case may be).

3.8 Grant of Options

Under the rules of the Scheme, there are no fixed periods for the grant of Options.

As such, offers for the grant of Options may be made at any time at the discretion of the Committee. However, no Option shall be granted during the period of one (1) month immediately preceding the date of announcement of the Company's half-year and/or full-year results (whichever the case may be).

In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made on or after the second (2nd) Market Day from the date on which the aforesaid announcement is released.

3.9 Acceptance of Options

Options granted to the Participants shall not be transferred, charged, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever save as provided for in the Rules.

The grant of an Option must be accepted by the Participant within 30 days from the Date of Grant of that Option and, in any event, not later than 5.00 p.m. on the 30th day from such Date of Grant by completing, signing and returning the acceptance form accompanied by payment of S$1.00 as consideration or such other amount and such other documentation that the Company may require.

3.10 Maximum Entitlements

The number of Shares over which Options may be granted to a Participant under the Scheme shall be determined at the absolute discretion of the Committee, which shall take into consideration, where applicable, factors such as rank, job performance, years of service, contribution to the success of the Group, potential for future development of that Participant and the extent of effort and resourcefulness required to achieve the service conditions and/or performance targets within the performance and/or service periods.

3.11 Reporting Requirements

Under the Catalist Rules, an immediate announcement must be made on the Date of Grant and provide details of the grant, including the following:

(a) the Date of Grant;

(b) Exercise Price of the Options granted;

(c) number of Options granted;

(d) market price of the Shares on the Date of Grant;

(e) number of Options granted to each Director and Shareholder (and each of their Associates), if any; and

(f) the validity period of the Options.

The Company shall, for as long as the Scheme continues in operation, make the following disclosure in its annual report:

(a) the names of the members of the Committee administering the Scheme;

(b) the information required in the table below for the following Participants (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular Financial Year):

(i) Directors of the Company;

(ii) Controlling Shareholders and their Associates; and

(iii) Participants, other than those in (b)(i) and (b)(ii) above, who receive 5% or more of the total number of Options available under the Scheme; and

Name of Participant	**Options granted during Financial Year under review (including terms)**	**Aggregate options granted since commencement of the Scheme to end of Financial Year under review**	**Aggregate options exercised since commencement of the Scheme to end of Financial Year under review**	**Aggregate options outstanding as at end of Financial Year under review**

(c) the number and proportion of Options granted at the following discounts to the Market Price in the Financial Year under review:

(i) options granted at up to 10% discount; and

(ii) options granted at between 10% but not more than 20% discount; and

(d) such other information as may be required by the Catalist Rules and all other applicable laws and requirements,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included therein.

3.12 Shareholders' Approval

The Company shall obtain specific approval of the independent Shareholders by a separate resolution for the grant of Options to Controlling Shareholders or their Associates as well as the actual number and terms of such Options.

3.13 Role and Composition of the Committee

The Committee will be responsible for the administration of the Scheme, and will comprise Directors as may be nominated by the Board of Directors to administer the Scheme. A majority of the Committee shall comprise Non-Executive Directors. A member of the Committee who is also a Participant of the Scheme must not be involved in the deliberations in respect of Options granted, or to be granted to him.

4. PARTICIPATION BY NON-EXECUTIVE DIRECTORS IN THE SCHEME

Under the Catalist Rules, the Group has some flexibility in formulating schemes that recognises and benefits not only persons who are in the employment of the Group but also Non-Executive Directors (including Independent Directors) who are not employed by the Group but who nevertheless work closely with the Group and/or are in the position to contribute their experience, knowledge and expertise to the success of the Group.

It is proposed that the Scheme be extended to the Non-Executive Directors (including the Independent Directors). Although the Non-Executive Directors are not involved in the day-to-day running of the Group, they also play an invaluable role in the Group's success by applying their experience, drawing on their knowledge and utilising their expertise for the benefit of the Group. The Non-Executive Directors work closely with the Company and, by reason of their relationships with the Company, are in a position to give input and contribute their experience, knowledge and expertise to the development and prosperity of the Group.

Including the Non-Executive Directors in the Scheme and giving them the opportunity to participate in the equity of the Company will enhance their working relationships with the Company by instilling in them a greater sense of involvement in the Company. The extension of the Scheme to Group Non-Executive Directors will also enable the Company to continue to attract capable individuals to sit on the Board as Non-Executive Directors.

The performance of the Non-Executive Directors and hence the number of Options that will be eventually granted and/or vested will be dependent on (i) considerations such as the extent of involvement and responsibilities shouldered by the Non-Executive Directors within the Board, the scope of advice given and the recommendations of the Non-Executive Directors; (ii) the financial performance of the Group as a whole; (iii) the prevailing market conditions at the time of grant; and (iv) the overall remuneration package of the Non-Executive Directors. The Committee may also decide that no grant of Options to the Non-Executive Directors be made at all.

In order to minimise any possible conflicts of interest, and so as not to compromise the objectivity of independent members of the Board who may, in the future, be selected to participate in the Scheme, the Non-Executive Directors (including Independent Directors) would primarily continue to be remunerated for their services by way of directors' fees. As the Scheme does specify a limit as to the number of Shares to be comprised in Options that may be granted to any Participant in a Financial Year, it is envisaged that the Options and/or Awards granted to Non-Executive Directors (including Independent Directors) will not comprise (whether on an individual or collective basis) a significant portion of the Options available under the Scheme.

As a safeguard against abuse, no member of the Committee shall be involved in any deliberation in respect of Options to be granted to him. Non-Executive Directors (including Independent Directors) will abstain from making any recommendation as a Director and abstain from voting as a member of the Company when the grant of Options to him is being considered.

As at the Latest Practicable Date, the Non-Executive Directors (including Non-Executive Independent Directors) who will currently be eligible under the Scheme are Mr Goh Teck Sia, Madam Lau Lee Hua and Mr Ronnie Tan Siew Bin.

5. PARTICIPATION BY CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN THE SCHEME

5.1 Rationale

The key objective of the Scheme is to motivate employees and directors to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the Company. The Company believes that the Scheme will be effective in motivating employees and directors to put in their best efforts whilst at the same time allowing the Company to offer incentives and remuneration packages comparable with those offered by multinational companies.

To this end, employees and directors who are Controlling Shareholders or their Associates shall be treated equally, as these Controlling Shareholders and their Associates are important to the development and success of the Group. As such, regardless of whether they are Controlling Shareholders or their Associates, the Company's view is that all deserving and eligible employees and directors should be similarly entitled to take part in and benefit from the Company's fair and equitable system of remuneration.

Although these Controlling Shareholders or their Associates may already have shareholding interests in the Company, the extension of the Scheme to include them ensures that they are similarly entitled, with the other eligible employees of the Group who are not Controlling Shareholders or their Associates, to take part in and benefit from this system of remuneration. The Directors are of the view that the Company should have a fair and equitable system to reward the eligible persons who have made and continue to make important contributions to the long-term growth of the Group, notwithstanding that they are Controlling Shareholders or Associates of Controlling Shareholders.

The terms of the Scheme do not differentiate between the Controlling Shareholders or their Associates and other employees and directors in determining the eligibility of such persons to be granted Option(s). While the terms of the Scheme should not unduly favour Controlling Shareholders and their Associates, Controlling Shareholders and their Associates should likewise not be excluded from participating in the Scheme solely for the reason that they are Controlling Shareholders or their Associates. In addition, denying participation by Controlling Shareholders or their Associates may serve to de-motivate them and thereby undermine the objectives of the Scheme.

5.2 Safeguards

Specific approval of independent Shareholders is required for the participation of Controlling Shareholder(s) and their Associates in the Scheme. When it is proposed that Options be granted under the Scheme to eligible Participants who are Controlling Shareholders or Associates of Controlling Shareholder(s), in accordance with the requirements of the Catalist Rules, the actual number and terms of the Options to be granted to each such person are subject to the approval of independent Shareholders in a separate resolution. Controlling Shareholders and their Associates shall abstain from voting on any resolution in relation to their participation in the Scheme and grant of Options to them.

In seeking such independent Shareholders' approval, clear justification as to their participation and the number and terms (including the Exercise Price) of Options to be granted to the Controlling Shareholder or Associate of Controlling Shareholder shall be provided.

Accordingly, the Company is of the view that there are sufficient safeguards against any abuse of the Scheme resulting from the participation of Controlling Shareholder(s) or their Associates.

As at the Latest Practicable Date, there were no employees of the Group or Directors who are Controlling Shareholders or Associates of Controlling Shareholders.

6. FINANCIAL EFFECTS OF THE SCHEME

The Group's financial statements are prepared in accordance with the Singapore Financial Reporting Standards ("**FRS**"). Based on the FRS as currently applied, the financial effects of the Scheme on the Company are as follows:

6.1 Share Capital

The Scheme will result in an increase in the number of issued Shares of the Company to the extent that New Shares are allotted and issued upon the exercise of the Options. This number of New Shares issued will in turn depend on, *inter alia*, the number of Shares comprised in the Options granted, the number of Options that are vested, the prevailing Market Price of the Shares on the Catalist, and whether the Company chooses to deliver Treasury Shares to holders of Options in lieu of New Shares. As such, there would be no impact on the number of issued Shares of the Company if the relevant Options are not exercised or if Treasury Shares are delivered to holders of Options in lieu of New Shares.

6.2 EPS

The Scheme will have a dilutive impact on the Company's consolidated EPS following the increase in the number of issued Shares of the Company to the extent that New Shares are allotted and issued pursuant thereto. However, the impact arising from the Scheme on the Company's consolidated EPS is not expected to be material in any given Financial Year.

6.3 NTA

The issue of New Shares upon the exercise of the Options will increase the Company's consolidated NTA by the aggregate Exercise Price of the New Shares issued. On a per Share basis, the effect on the NTA of the Company is accretive if the Exercise Price is above the NTA per Share but dilutive otherwise.

6.4 Potential Cost of Options

Any Options granted under the Scheme would have a fair value. In the event that such Options are granted at prices below the fair value of the Options, there will be a cost to the Company. The amounts of such costs may be more significant in the case of Options granted with Exercise Prices set at a discount to the Market Price of the Shares. In addition to the impact on the Company's consolidated EPS and consolidated NTA as described above, the cost to the Company of granting Options under the Scheme would be as follows:–

(a) the exercise of an Option at the Exercise Price would translate into a reduction of the proceeds from the exercise of such Option, as compared to the proceeds that the Company would have received from such exercise had the exercise been made at the prevailing Market Price of the Shares. Such reduction of the exercise proceeds would represent the monetary cost to the Company; and

(b) the grant of Options under the Scheme will have an impact on the Company's reported profit under FRS as share-based payment requires the recognition of an expense in respect of Options granted under the Scheme. The expense will be based on the fair value of the Options at the Date of Grant (as determined by an option pricing model) and will be recognised over the vesting period provided that the only condition to vest the Options is service period.

It should be noted that the financial effects discussed in section 6.4(a) above will materialise only upon the exercise of the relevant Options. The cost of granting Options discussed in section 6.4(b) above will be recognised in the financial statements even if the Options are not exercised in 6.4(b). Measured against the cost of granting the Options as described above, the desirable effect of the Scheme in attracting, recruiting and motivating the Directors and the Employees could in the long term yield greater returns for the Company and Shareholders.

7. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

Based on the Company's register of interest of Directors and register of substantial Shareholders respectively, as at the Latest Practicable Date, the interests of the Directors and substantial Shareholders in the Company in the Shares are as follows:

	Direct Interest		Deemed Interest		Total	
Directors and/or substantial Shareholders	**(No. of Shares)**	**(%)[1]**	**(No. of Shares)**	**(%)[1]**	**(No. of Shares)**	**(%)[1]**
Directors						
Goh Teck Sia	–	–	–	–	–	–
Wong Leon Keat[2]	12,000,000	4.79	11,200,000	4.47	23,200,000	9.26
Tsng Joo Peng [3]	16,300,000	6.51	1,048,426	0.42	17,348,426	6.93
Lau Lee Hua	–	–	–	–	–	–
Ronnie Tan Siew Bin	–	–	–	–	–	–
Substantial Shareholders (other than Directors)						
Lim Teck Chuan	28,432,561	11.35	–	–	28,432,561	11.35
Ng Quek Peng	27,000,000	10.78	–	–	27,000,000	10.78
Ong Mun Wah	27,523,000	10.99	–	–	27,523,000	10.99

Notes:

(1) Based on 250,447,985 Shares as at the Latest Practicable Date.

(2) Mr Wong Leon Keat is deemed to be interested in the 11,200,000 Shares held by his spouse, Ms Edi Ng.

(3) Mr Tsng Joo Peng is deemed to be interested in the 1,048,426 Shares pledged to Citibank Nominees Singapore Pte. Ltd.

8. DIRECTORS' RECOMMENDATIONS

All of the Directors are eligible to participate in, and are therefore interested in the Scheme.

Accordingly, the Directors have abstained from making any recommendation as to how Shareholders should vote in respect of the ordinary resolutions in relation to the Scheme to be proposed at the EGM and as set out in the Notice of EGM.

The Directors shall also decline to accept nominations as proxy or otherwise from any Shareholder to vote at the EGM in respect of the said ordinary resolutions unless given specific instructions by the Shareholder in the relevant proxy form as to how his votes are to be cast.

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 41 to 42 of this Circular, will be held at 55 Market Street #03-01, Raffles Place, Singapore 048941 on 25 April 2017 at 11.00 a.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day) for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolutions set out in the Notice of EGM on pages 41 to 42 of this Circular.

10. ABSTENTION FROM VOTING

All Shareholders who are eligible to participate in the Scheme must abstain, and the Company shall ensure that such persons abstain, from voting on any Shareholders' resolutions relating to the Scheme. In addition, such Shareholders should not accept nominations as proxies unless specific instructions have been given in the proxy form by the Shareholders appointing them on how they wish their votes to be cast for each of the resolutions contemplated.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon. The completed and signed proxy form should be returned as soon as possible and in any event so as to arrive at the Company's registered office at 29 Tai Seng Avenue, #07-01, Natural Cool Lifestyle Hub, Singapore 534119, not later than 48 hours before the time fixed for the EGM. Shareholders who have completed and returned the proxy form may still attend and vote in person at the EGM, if they so wish, in place of their proxy.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to attend, speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the EGM.

CPFIS investors may wish to check with their CPF Approved Nominees on the procedure and deadline for the submission of their written instructions to their CPF Approved Nominees to vote on their behalf.

Shareholders who are eligible to participate in the Scheme are to abstain from voting on any Shareholders' resolution relating to the Scheme and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

12. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the Company's registered office at 29 Tai Seng Avenue, #07-01, Natural Cool Lifestyle Hub, Singapore 534119 on any weekday (public holidays excepted) from the date of this Circular up to the date of the EGM:

(a) the Constitution of the Company; and

(b) the Rules of the Scheme.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposals, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully

For and on behalf of the board of Directors of
NATURAL COOL HOLDINGS LIMITED

Mr Goh Teck Sia
Independent Non-Executive Chairman

APPEDNIX - RULES OF THE NATURAL COOL EMPLOYEE SHARE OPTION SCHEME 2017

1. NAME OF SCHEME

The Scheme shall be called the "**Natural Cool Employee Share Option Scheme 2017**".

2. DEFINITIONS

2.1 In the Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:-

"Act" or "Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"Adoption Date"	:	The date on which the Scheme is adopted by the Company in the general meeting
"Associate"	:	(a) In relation to any Director, chief executive officer of the Company, a substantial Shareholder or a Controlling Shareholder (being an individual) means: (i) his Immediate Family; (ii) the trustees of any trust of which he or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more. (b) In relation to a substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Auditors"	:	The auditors of the Company for the time being
"Board of Directors", "Board" or "Directors"	:	The board of Directors of the Company
"Catalist"	:	The sponsor-supervised listing platform of the SGX-ST
"Catalist Rules"	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	The circular dated 10 April 2017

"Committee"	:	The Remuneration Committee of the Company, or such other committee comprising Directors of the Company or such persons as may be duly authorised and appointed by the Board to administer the Scheme
"Company"	:	Natural Cool Holdings Limited
"Constitution"	:	The constitution of the Company, as amended, modified or supplemented from time to time
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting Shares in the Company (unless the SGX-ST determines that such a person is not a Controlling Shareholder of the Company); or (b) in fact exercises control over the Company
"CPF"	:	Central Provident Fund
"Date of Grant"	:	In relation to an Option, the date on which the Option is granted to a Participant pursuant to Rule 5 of the Scheme
"Director"	:	A person holding office as a director for the time being of the Company
"Discount Option"	:	The right to subscribe for Shares granted or to be granted pursuant to the Scheme and for the time being subsisting, and in respect of which the Exercise Price is determined in accordance with Rule 6.1(b) of the Scheme
"Executive Director"	:	A Director who is an Employee of the Group and performs an executive function, excluding Directors who are Controlling Shareholders and Directors who are Associates of Controlling Shareholders
"Exercise Period"	:	The period during which an Option is exercisable being:– (a) in the case of a Market Price Option which is granted to a Group Employee, a period commencing after the first (1st) anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee) or such other period which may from time to time be prescribed under any relevant law, regulation or the Catalist Rules, subject as provided in Rules and any other conditions as may be introduced by the Committee from time to time; and (b) in the case of a Discount Option, a period commencing after the second (2nd) anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee) or such other period which may from time to time be prescribed under any relevant law, regulation or Catalist Rules, subject as provided in Rules and any other conditions as may be introduced by the Committee from time to time

"Exercise Price"	:	The price at which a Participant shall subscribe for each New Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 6.1(a) of the Scheme in relation to a Market Price Option or Rule 6.1(b) of the Scheme in relation to a Discount Option, as adjusted in accordance with Rule 11 of the Scheme
"Financial Year"	:	Each period, at the end of which the accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company. In the case of the Company, the financial year ended or ending 31 December
"Group"	:	The group of companies comprised of the Company and its subsidiaries
"Immediate Family"	:	In relation to a person, means the person's spouse, child, adopted child, step-child, sibling and parent
"Independent Director"	:	An independent Director of the Company
"Market Day"	:	A day on which the SGX-ST is open for trading in securities.
"Market Price"	:	A price equal to the average of the last dealt prices for the Shares on the Catalist over the three (3) consecutive Market Days immediately preceding the Date of Grant of that Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, provided always that in the case of a Market Day on which the Shares are not traded on the Catalist, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the day immediately preceding Market Day on which the Shares were traded, rounded to the nearest whole cent in the event of fractional prices
"Market Price Option"	:	The right to subscribe for Shares granted or to be granted pursuant to the Scheme and for the time being subsisting, and in respect of which the Exercise Price is determined in accordance with Rule 6.1(a) of the Scheme
"New Shares"	:	The new Shares which may be allotted and issued from time to time upon the exercise of Options granted pursuant to the Scheme
"Non-Executive Director"	:	A Director for the time being of the Company, other than an Executive Director and including the Independent Directors
"Option"	:	The right to subscribe for Shares granted or to be granted pursuant to the Scheme and for the time being subsisting
"Participant"	:	The person(s) who may be selected by the Committee to be granted an Option pursuant to the Scheme
"Record Date"	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions or rights of holders of Shares
"Rules"	:	Rules of the Scheme, as may be modified or amended from time to time and any reference to a particular Rule shall be construed accordingly

"Securities Account"	:	The securities account maintained by a Depositor with CDP
"Scheme"	:	The proposed employee share option scheme of the Company, to be known as the "Natural Cool Employee Share Option Scheme 2017", as the same may be modified or altered from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shares"	:	Ordinary shares in the capital of the Company
"Shareholders"	:	Registered holders of Shares except that where the registered holder of Shares is CDP, the term "Shareholders" shall, in relation to the Shares, mean the person to whose direct Securities Accounts maintained with CDP are credited with Shares
"Trading Day"	:	A day on which the Shares are traded on the Catalist
"Treasury Share"	:	(a) a share which was (or is treated as having been) purchased by a company in circumstances described under Section 76H of the Act; and (b) a share of the Company that was or is treated as having been acquired and held continuously by the Company since it was so acquired and has not been cancelled
"Vesting Schedule"	:	In relation to an Option, a schedule for the vesting of Shares comprised in the Option during the Exercise Period in relation to that Option to be determined by the Committee on the Date of Grant of that Option
"S$" and "Cents"	:	Singapore dollars and cents, respectively
"%" or "per cent."	:	Percentage or per centum

2.2 For purposes of the Scheme, the Company shall be deemed to have control over another company if it has the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company.

2.3 The terms "Depositor", "Depository Register" and "Depository Agent" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

2.4 The terms "subsidiary", "related company" and "substantial Shareholder" shall have the meanings ascribed to them respectively in the Act.

2.5 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.

2.6 Any reference to a time of a day in the Scheme is a reference to Singapore time.

2.7 Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in the Scheme shall have the meaning assigned to it under the Act.

3. OBJECTIVES OF THE SCHEME

The Company places strong emphasis on the recruitment and retention of Directors and quality Employees with talent in all areas of the Group's operations, and in particular, the drive, leadership, skills, expertise and experience of such persons, as the Company considers these to be qualities that will assist the Group to realise its strategic and long-term business goals.

The purpose of the Scheme is to provide an opportunity for employees and directors who have contributed significantly to the growth and performance of the Group to participate in the equity of the Company, so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to past contributions and services.

The Scheme is primarily a share incentive scheme. It recognises the fact that it is important to attract and retain staff whose contributions are essential to the wellbeing and prosperity of the Group and to give recognition to outstanding Directors and Employees. At the same time, it will give Participants an opportunity to obtain a personal equity interest in the Company and will help to achieve the following positive objectives:-

(a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;

(b) to retain key employees and directors of the Group whose contributions are essential to the long-term growth and profitability of the Group;

(c) to instil loyalty to, and reinforce a stronger identification by Participants with the long-term prospects of, the Group;

(d) to give recognition to the contributions made by Participants to the success of the Group;

(e) to attract potential Employees with relevant skills to contribute to the Group and to create value for Shareholders; and

(f) to align the interests of Participants with the interests of Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

4.1 The following persons shall be eligible to participate in the Scheme at the absolute discretion of the Committee:-

(a) Employees who are confirmed full-time employees of the Company and/or its subsidiaries who have attained the age of 21 years on or before the Date of Grant;

(b) Directors of the Company and its subsidiaries (including Non-Executive Directors); and

(c) Controlling Shareholders and/or their Associates, who meet the criteria in Rules 4.1(a) or 4.1(b) above,

who, in the opinion of the Committee, have contributed or will contribute to the success of the Group.

4.2 Persons who are Controlling Shareholders and/or Associates of Controlling Shareholders who meet the criteria in Rules 4.1(a) or 4.1(b) above are also eligible to participate in the Scheme provided that the participation of and the actual number of Shares to be issued to them and the terms of any Option to be granted to each Controlling Shareholder or Associate of Controlling Shareholder shall be approved by independent Shareholders in separate resolutions for each such person subject to the following:–

(a) the aggregate number of Shares which may be offered by way of grant of Options to Participants who are Controlling Shareholders or Associates of Controlling Shareholders under the Scheme shall not exceed 25% of the total number of Shares available under the Scheme; and

(b) the number of Shares available to each Controlling Shareholder or Associate of a Controlling Shareholder shall not exceed 10% of the Shares available under the Scheme.

4.3 The number of Shares comprised in Options to be offered to a Participant in accordance with the Scheme shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance, years of service, potential for future development and his contribution to the success and development of the Group and the Group's performance.

4.4 For avoidance of doubt, Controlling Shareholders and their Associates who are Employees, shall be eligible to participate in the Scheme in accordance with these rules provided that:

(a) written justification has been provided to Shareholders for their participation at the introduction of the Scheme or prior to the first grant of Options to them;

(b) the actual number and terms of any Options to be granted to them have been specifically approved by independent Shareholders in a general meeting in separate resolutions for each such Controlling Shareholder or his Associates; and

(c) all conditions for their participation in the Scheme as may be required by the Catalist Rules from time to time are satisfied.

4.5 There shall be no restriction on the eligibility of any Participant to participate in any other Share option schemes or Share award schemes implemented or to be implemented by the Company or any other company within the Group.

4.6 Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

5. GRANT AND ACCEPTANCE OF OPTIONS

5.1 Subject as provided in Rule 10 and the Catalist Rules, the Committee may grant Options at any time and from time to time, as the Committee may decide in its absolute discretion, at any time during the period when the Scheme is in force except that no Option shall be granted during the period of 30 days immediately preceding the date of announcement of the Company's half year and/or full year results (whichever the case may be). In addition, in the event that an announcement on any matter or an exceptional nature involving unpublished price sensitive information is made, an offer to grant Options may only be made on or after the second (2nd) Market Day on which such announcement is released.

5.2 The Letter of Offer to grant an Option shall be in, or substantially in, the form set out in **Schedule A**, subject to such modification including, but not limited to, imposing restrictions on the number of Options that may be exercised within particular sections of the relevant Exercise Period, as the Committee may from time to time determine.

5.3 An Option shall be personal to the person to whom it is granted and shall not be transferred (other than to a Participant's duly appointed personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of or encumbered, in whole or in part, except with the prior approval of the Committee.

5.4 The grant of an Option under this Rule 5 shall be accepted by the Participant within 30 days from the Date of Grant of that Option and, in any event, not later than 5.00 p.m. on the 30th day from such Date of Grant by completing, signing and returning the Acceptance Form in or substantially in the form set out in **Schedule B**, accompanied by payment of S$1.00 as consideration or such other amount and such other documentation that the Company may require.

5.5 If a grant of an Option is not accepted in the manner as provided in Rule 5.4, such offer shall, upon the expiry of the 30 day period, automatically lapse and become null, void and of no effect.

5.6 Any grant of Options to a Controlling Shareholder or his Associate must be approved by independent Shareholders. A separate resolution must be passed for each such person and to approve the actual number and terms of Options to be granted to that Participant.

5.7 The Participant may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Participant shall accept the offer in multiples of 1,000 Shares.

5.8 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.

6. EXERCISE PRICE

6.1 Subject to any adjustment pursuant to Rule 11, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee in its absolute discretion, on the Date of Grant, to be either:-

(a) a price equal to the Market Price; or

(b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee at its absolute discretion, provided that:

(i) the maximum discount, which may be given for any Option shall not exceed 20% of the Market Price in respect of that Option (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST and approved by the Shareholders in a separate resolution); and

(ii) the prior approval of the Company in a general meeting shall have been obtained for the making of offers and grants of Options under the Scheme at a discount not exceeding the maximum discount as aforesaid (for the avoidance of doubt, such prior approval shall be required to obtained only once and, once obtained, shall unless revoked, authorise the making of offers and grants of Options under the Scheme at such discount for the duration of the Scheme).

6.2 In making any determination under Rule 6.1(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, in its absolute discretion, deem appropriate, including but not limited to:-

(a) the performance of the Company and the Group, as the case may be, taking into consideration financial parameters such as net profit after tax, return on equity and earnings growth;

(b) the years of service and individual performance of the Participant;

(c) the contribution of the Participant to the success and development of the Company and/or the Group; and

(d) the prevailing market conditions.

7. RIGHTS TO EXERCISE OPTIONS

7.1 Subject as provided in Rules 7 and 8, an Option shall be exercisable, in whole or (subject to Rule 9.1) in part, during the Exercise Period applicable to that Option and in accordance with the Vesting Schedule (if any) and the conditions (if any) applicable to that Option.

7.2 An Option shall, to the extent unexercised, immediately lapse without any claim whatsoever against the Company:-

(a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;

(b) the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of an Option; or

(c) subject to Rule 7.3, where the Participant ceases at any time to be in the employment of any of the Group Companies for any reason whatsoever.

For the purpose of Rule 7.2(c), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

For the avoidance of doubt, no Option shall lapse pursuant to Rule 7.2(c) in the event of the transfer of employment of a Participant within the Group.

7.3 In any of the following events, namely:-

(a) where the Participant ceases at any time to be in the employment of the Group by reason of:-

(i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);

(ii) redundancy;

(iii) retirement at or after the legal retirement age;

(iv) retirement before the legal retirement age with the consent of the Committee; or

(v) the company by which he is employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group;

(b) the death of the Participant; or

(c) any other reason approved by the Committee,

an Option then held by that Participant shall, to the extent unexercised, lapse without any claim whatsoever against the Company, unless otherwise determined by the Committee in its absolute discretion. In exercising such discretion, the Committee may:-

(aa) determine the number of Shares comprised in that Option which may be exercised and the period during which such Option shall be exercisable, being a period not later than the expiry of the Exercise Period in respect of that Option. Such Option may be exercised at any time notwithstanding that the date of exercise of such Option falls on a date prior to the first (1st) day of the Exercise Period in respect of such Option. Upon the expiry of such period as determined by the Committee, the Option, to the extent unexercised, shall lapse; or

(bb) allow that Participant to exercise any unexercised Option(s) in the manner and at the times provided in Rule 7.1.

7.4 Notwithstanding any provision to the contrary, the Committee may, in its absolute discretion, by notice to the Participants, suspend the exercise of any Option for such period or periods as the Committee may determine, provided that the period(s) of suspension shall not exceed in aggregate sixty (60) days in any one (1) calendar year.

8. TAKE-OVER AND WINDING UP OF THE COMPANY

8.1 Notwithstanding Rule 7 but subject to Rule 8.5, in the event of a take-over being made for the Shares, a Participant shall be entitled to exercise any Option held by him, and as yet unexercised, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion, in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:-

(a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Committee, the SGX-ST and/or such other relevant regulatory authority, such expiry date is extended to a later date (in either case, being a date falling not later than the expiry of the Exercise Period relating thereto); or

(b) the date of expiry of the Exercise Period relating thereto,

whereupon the Option then remaining unexercised shall lapse.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participant until the expiry of such specified date or the expiry of the Exercise Period relating thereto, whichever is earlier. Any Option not so exercised shall lapse, provided that the rights of acquisition or obligations to acquire shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option shall, notwithstanding Rule 7, remain exercisable until the expiry of the Exercise Period relating thereto.

8.2 If under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant shall be entitled, notwithstanding Rule 7 but subject to Rule 8.5, to exercise any Option then held by him, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion, during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Exercise Period relating thereto), whereupon the Option shall lapse and become null and void.

8.3 If an order is made for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void on the date of such order.

8.4 In the event of a members' solvent voluntary winding-up (other than for the purpose of amalgamation or reconstruction), the Participant shall be entitled, within thirty (30) days of the passing of the resolution of such winding-up (but not after the expiry of the Exercise Period relating thereto), to exercise any unexercised Option in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion, after which such unexercised Option shall lapse and become null and void.

8.5 If, in connection with the making of a general offer referred to in Rule 8.1 or the scheme referred to in Rule 8.2 or the winding-up referred to in Rule 8.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other Options or otherwise, a Participant holding an Option, as yet not exercised, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 8.

8.6 To the extent that an Option is not exercised within the periods referred to in this Rule 8, it shall lapse and become null and void.

9. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

9.1 Subject to Rule 7.1, an Option may be exercised, in whole or in part, provided that, unless the Committee otherwise agrees, an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof.

9.2 An Option may be exercised by a Participant giving notice in writing to the Company in or substantially in the form set out in **Schedule C**, subject to such modification as the Committee may from time to time determine. Such notice must be accompanied by remittance for the full amount of the aggregate Exercise Price in respect of the Shares for which have been exercised under the Option, the relevant CDP charges (if any), and other applicable administrative or handling fees or charges by the SGX-ST, CDP or agent, and any other documentation the Committee may require. All payments made shall be made by cheque, cashier's order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company. An Option shall be deemed to be exercised upon receipt by the Company of the said notice, duly completed, and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

9.3 Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to the compliance with the terms of the Scheme, and the Constitution of the Company, the Company shall, within 10 Market Days after the exercise of an Option, do any one or more of the following in relation to the exercise of such Option as it deems fit in its sole and absolute discretion:

(a) allot and issue the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit, and, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares; or

(b) apply in such form as may be required by CDP for the relevant number of Treasury Shares held in the Company's account with the CDP to be transferred to the relevant Participant's account with the CDP.

9.4 Treasury Shares transferred or Shares which are issued and allotted to a Participant on the exercise of an Option by a Participant shall be issued in the name of CDP to the credit of the Securities Account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by the Participant.

9.5 Treasury Shares transferred or Shares issued and allotted to a Participant on exercise of an Option shall:-

(a) be subject to all the provisions of the Act and the Constitution of the Company (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Share, including those rights which rise from a liquidation of the Company); and

(b) rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights, allotments or other distributions, the Record Date for which is prior to the relevant exercise date of the Option.

9.6 Notwithstanding any other Rule of this Scheme to the contrary, and notwithstanding references to subscription, issue and allotment of Shares or New Shares, the Company reserves to itself the right to deliver Treasury Shares in lieu of New Shares to Participant upon their exercise of Options.

10. LIMITATION ON THE SIZE OF THE SCHEME

10.1 The total number of Shares over which the Company may grant Options under the Scheme together with the aggregate number of Shares available under all other awards granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company, whether exercise or not, and for the time being in force, shall not exceed 15% of the total number of issued Shares of the Company (excluding Treasury Shares) from time to time.

10.2 The aggregate number of Shares over which the Company may grant Options to Controlling Shareholders and their Associates shall not exceed 25% of the total number of Options granted under the Scheme. The number of Shares over which the Company may grant Options to each Controlling Shareholder or each of his Associate(s) shall not exceed 10% of the total number of Options granted under the Scheme.

11. VARIATION OF CAPITAL

11.1 If there is a variation in the number of issued Shares of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation or distribution or otherwise howsoever), then:

(a) the Exercise Price in respect of the Shares, class and/or number of Shares comprised in the Options to the extent unexercised and the rights attached thereto; and/or

(b) the class and/or number of Shares in respect of which additional Options may be granted pursuant to the Scheme;

shall be adjusted in such manner as the Committee may determine to be appropriate. Adjustments other than on a capitalisation issue must be confirmed in writing by the Auditors (acting as experts and not as arbitrators) to be fair and reasonable.

11.2 Unless the Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment:–

(a) issue of securities as consideration for an acquisition or a private placement of securities;

(b) cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Catalist during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;

(c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its Employees including Directors or Employees of the Company pursuant to purchase or option scheme approved by Shareholders in general meeting, including the Scheme;

(d) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business; and

(e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

11.3 Notwithstanding the provisions of Rule 11.1, no such adjustment shall be made if as a result a Participant receives a benefit that a Shareholder does not receive; and unless the Committee, after considering all relevant circumstances, considers it equitable to do so. Any adjustment (other than on a capitalisation issue) must be confirmed in writing by the Auditors (acting as experts and not as arbitrators) to be fair and reasonable.

11.4 Upon any adjustment required to be made pursuant to this Rule 11, the Company shall notify the Participant (or his duly appointed personal representatives, where applicable) in writing and deliver to him (or his duly appointed personal representatives, where applicable) a statement setting forth the Exercise Price thereafter in effect and the class and/or number of Shares thereafter to be issued on the exercise of the Option. Any adjustment shall take effect upon such written notification being given.

12. ADMINISTRATION OF THE SCHEME

12.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board of Directors of the Company, provided that no member of the Committee shall participate in any deliberation or decision in respect of Options to be granted to him or held by him.

12.2 The Committee shall have the power, from time to time, to make and vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as they think fit. Any matter pertaining or pursuant to the Scheme and any dispute and uncertainty as to the interpretation of the Scheme, any rule, regulation or procedure thereunder or any rights under the Scheme shall be determined by the Committee.

12.3 Neither the Scheme nor the grant of Options under the Scheme shall impose on the Company or the Committee any liability whatsoever in connection with:-

(a) the lapsing or early expiry of any Option pursuant to any provision of the Scheme;

(b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Scheme; and/or

(c) any decision or determination of the Committee made pursuant to any provision of the Scheme.

12.4 Any decision or determination of the Committee made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors) shall be final, binding and conclusive.

13. NOTICES

13.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.

13.2 Any notice or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, place of work, electronic mail address or facsimile number according to the records of the Company or the last known address, place of work, electronic mail address or facsimile number of the Participant.

13.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 13.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

14. MODIFICATIONS TO THE SCHEME

14.1 Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:-

Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:–

(a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to Shares representing not less than three-quarters of the total voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares which would be allotted upon exercise in full of all outstanding Options;

(b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of the Shareholders in general meeting, whereby Shareholders who are also holders of Options shall be required to abstain from voting in respect of any resolution relating to such modification or alteration; and

(c) no modification or alteration shall be made without the prior approval of the SGX-ST (if required) or any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 14.1(a) above, the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

14.2 Notwithstanding anything to the contrary contained in Rule 14.1, the Committee may at any time by resolution (and without other formality, save for the prior in-principle approval of the SGX-ST for the listing of, and quotation for the Shares that may be issued pursuant to the Scheme as altered) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

14.3 Written notice of any modification or alteration made in accordance with this Rule 14 shall be given to all Participants.

15. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant (being an Employee) shall not be affected by his participation in the Scheme, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

16. DURATION OF THE SCHEME

16.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the Adoption Date, provided always that the Scheme may continue beyond the above stipulated period with the approval of the Company's Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

16.2 The Scheme may be terminated at any time by the Committee by resolution of the Company in general meeting, subject to all relevant approvals which may be required, and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.

16.3 The termination of the Scheme shall not affect Options which have been granted and accepted as provided in Rule 5.4, whether such Options have been exercised (whether fully or partially) or not.

17. TAXES

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Scheme shall be borne by that Participant.

18. COSTS AND EXPENSES OF THE SCHEME

18.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the transfer of treasury shares or issue and/or allotment of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's Securities Account with CDP or the Participant's securities sub-account with a CDP Depository Agent or CPF investment account with a CDP agent bank.

18.2 Save for the taxes referred to in Rule 17 and such other costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses as to the transfer of treasury shares or allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

19. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in transferring treasury shares, issuing the Shares or applying for or procuring the listing of the Shares on the Catalist in accordance with Rule 9.3.

20. DISCLOSURES IN ANNUAL REPORTS

The following disclosures will be made by the Company in its annual report for so long as the Scheme continues in operation:-

(a) the names of the members of the Committee administering the Scheme;

(b) the information required in the table below for the following Participants (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular Financial Year):

(i) Directors of the Company;

(ii) Controlling Shareholders and their Associates; and

(iii) Participants, other than those in (b)(i) and (b)(ii) above, who receive 5% or more of the total number of Options available under the Scheme; and

Name of Participant	Options granted during Financial Year under review (including terms)	Aggregate options granted since commencement of the Scheme to end of Financial Year under review	Aggregate options exercised since commencement of the Scheme to end of Financial Year under review	Aggregate options outstanding as at end of Financial Year under review

(c) the number and proportion of Options granted at the following discounts to the Market Price in the Financial Year under review:

(i) options granted at up to 10% discount; and

(ii) options granted at between 10% but not more than 20% discount; and

(d) such other information as may be required by the Catalist Rules and all other applicable laws and requirements,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included therein.

21. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

22. GOVERNING LAW

The Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Options in accordance with the Scheme, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

SCHEDULE A

LETTER OF OFFER

Serial No: _____

Date: _____

To: [Name]
[Designation]
[Address]

Dear Sir/Madam,

We have the pleasure of informing you that, pursuant to the Natural Cool Employee Share Option Scheme 2017 (the "**Scheme**"), you have been nominated to participate in the Scheme by the Committee (the "**Committee**") appointed by the Board of Directors of Natural Cool Holdings Limited (the "**Company**") to administer the Scheme. Terms as defined in the Scheme shall have the same meaning when used in this letter.

Accordingly, in consideration of the payment of a sum of S$1.00, an offer is hereby made to grant you an option (the "**Option**"), to subscribe for and be allotted _____ Shares at the price of S$_____ for each Share (the "**Exercise Price**"). (1)The Exercise Price represents a [discount/ premium](2) of _____% to the Market Price.

(3)The Option shall be exercisable at the relevant times, and in respect of that number of Shares specified, as set out in the Vesting Schedule attached to this letter, *[include additional conditions to be attached to the Option (if any).]*

The last date for the exercise of the Option is _____.

The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of or encumbered by you, in whole or in part, except with the prior approval of the Committee.

The Option shall be subject to the terms of the Scheme, a copy of which is available for inspection at the registered address of the Company.

If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with the sum of S$1.00 not later than 5.00 p.m. on _____, failing which this offer will lapse.

Yours faithfully,
For and on behalf of

_____
Name:
Designation:

Notes:

(1) To be inserted only if Exercise Price is discounted from, or is higher than, the Market Price on the Date of Grant.

(2) Delete accordingly.

(3) To be inserted only if there is a Vesting Schedule applicable to the Options.

VESTING SCHEDULE

(to be inserted if applicable)

Subject to the Scheme and to the terms of the letter of offer dated _____ the Option may normally be exercised, during the Exercise Period, at the following times and in the following manner:-

Vesting Schedule	**Percentage of Shares over which an Option is exercisable**
On or before the [(1)][first/second] anniversary of the Date of Grant	Nil
[To set out vesting period]	*[To set out percentage]*
[To set out vesting period]	*[To set out percentage]*
[To set out vesting period]	*[To set out percentage]*

In relation to the Option, if the Participant, during any of the periods specified above, exercises that Option for such number of Shares which, in aggregate, represents less than the number of Shares for which the Participant may exercise in respect of such period, the balance of the Shares comprised in that Option for which the Participant could have exercised (but did not exercise) in that period shall be carried forward and added to the number of Shares (but shall not be taken into account in determining the number of Shares) which the Participant may exercise in the next succeeding period or periods.

Note:

(1) The Exercise Period will commence after the first (1st) anniversary of the Date of Grant if the Exercise Price is equal to the Market Price on the Date of Grant.

The Exercise Period will commence after the second (2nd) anniversary of the Date of Grant if the Exercise Price is discounted from the Market Price on the Date of Grant.

SCHEDULE B

NATURAL COOL EMPLOYEE SHARE OPTION SCHEME 2017

ACCEPTANCE FORM

Serial No: _____

Date: _____

To: The Committee,
Natural Cool Employee Share Option Scheme 2017,
29 Tai Seng Avenue, #07-01,
Natural Cool Lifestyle Hub,
Singapore 534119

Eligibility of Participant under the Scheme : _____

Closing Date for Acceptance of Offer : _____

Number of Shares Offered : _____

1. I have read your Letter of Offer dated _____ and agree to be bound by the terms of the Letter of Offer and the Scheme referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.

2. I hereby accept the Option to subscribe for _____ Shares at S$_____ for each Share (the "**Exercise Price**"). I enclose *cash/cheque/cashier's order/banker's draft/postal order no. for S$1.00 in payment for the purchase of the Option.

3. [(1)]I acknowledge that the Option shall be exercisable at the relevant times and in respect of that number of Shares specified, as set out in the Vesting Schedule attached to the Letter of Offer (if any) and on such conditions (if any) applicable to the Option.

4. I understand that I am not obliged to exercise the Option.

5. I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or Options to subscribe for such shares.

6. I also understand that I shall be responsible for all the fees of The Central Depository (Pte) Limited ("**CDP**"), the Depository Agent or, if applicable, the CDP agent bank relating to or in connection with the allotment and issue or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, my Securities Account with CDP or my securities sub-account with a Depository Agent, or, if applicable, my CPF investment account with a CDP agent bank (collectively, the "**CDP charges**").

7. I agree to keep all information pertaining to the grant of the Option to me confidential.

8. I further acknowledge that you have not made any representation to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

APPENDIX

Please print in block letters

Name in full	:	_____
Designation	:	_____
Address	:	_____
Nationality	:	_____
(*)NRIC/Passport No.	:	_____
Signature	:	_____
Date	:	_____

* Delete as appropriate

Note:-

(1) To be inserted only if there is a Vesting Schedule applicable to the Options.

SCHEDULE C

NATURAL COOL EMPLOYEE SHARE OPTION SCHEME 2017

FORM OF EXERCISE OF OPTION

Total number of ordinary shares (the "Shares") offered at S$ _____ for each Share (the "Exercise Price") under the Scheme on (Date of Grant)	:	_____
Number of Shares previously allotted thereunder	:	_____
Outstanding balance of Shares to be allotted thereunder	:	_____
Number of Shares now to be subscribed	:	_____

To: The Committee,
Natural Cool Employee Share Option Scheme 2017,
29 Tai Seng Avenue, #07-01,
Natural Cool Lifestyle Hub,
Singapore 534119

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for Shares in Natural Cool Holdings Limited (the "**Company**") at S$_____ for each Share.

2. I enclose a cheque/cashier's order/banker's draft/postal order no.(1) _____ for S$_____ by way of subscription for the total number of the said Shares.

3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Natural Cool Employee Share Option Scheme 2017 and the Constitution of the Company.

4. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.

5. I request the Company to allot and issue the Shares in the name of The Central Depository (Pte) Limited ("**CDP**") for credit of my Direct Securities Account with CDP/Sub-Account(1) with the Depository Agent specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

APPENDIX

Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

(1)NRIC/Passport No. : _____

Direct Securities Account No. : _____

OR

Sub-Account No. : _____

Name of Depository Agent : _____

Signature : _____

Date : _____

Note:-

(1) Delete accordingly.

NATURAL COOL HOLDINGS LIMITED

(Incorporation in the Republic of Singapore on 19 July 2005)
(Company Registration No.: 200509967G)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of the members of Natural Cool Holdings Limited (the "**Company**") will be held at 55 Market Street #03-01, Raffles Place, Singapore 048941 on 25 April 2017 at 11.00 a.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day), for the purpose of considering and, if thought fit, passing with or without amendment, the ordinary resolutions as set out below.

*All capitalised terms used in this notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 10 April 2017 (the "**Circular**") in relation to the Scheme (as defined below).*

ORDINARY RESOLUTIONS:-

ORDINARY RESOLUTION 1 – THE PROPOSED ADOPTION OF THE NATURAL COOL EMPLOYEE SHARE OPTION SCHEME 2017

That the employee share option scheme to be known as the Natural Cool Employee Share Option Scheme 2017(the "**Scheme**"), the rules of which have been set out in the Circular, be and is hereby approved and adopted substantially in the form set out in the rules of the Scheme, and the Directors of the Company be and are hereby authorised:

(a) to establish and administer the Scheme;

(b) to modify and/or amend the Scheme from time to time, provided that such modifications and/or amendments are effected in accordance with the provisions of the Scheme, and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Scheme;

(c) pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, to offer and grant Option(s) in accordance with the rules of the Scheme, and to allot and issue from time to time such number of shares in the capital of the Company ("**Shares**") as may be required to be issued pursuant to the exercise of the Option(s) under the Scheme provided that the aggregate number of Shares available pursuant to the Scheme and any other share-based schemes of the Company, shall not exceed 15% of the total issued Shares of the Company (excluding any shares held in treasury) from time to time; and

(d) to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this resolution.

ORDINARY RESOLUTION 2 – THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT UNDER THE NATURAL COOL EMPLOYEE SHARE OPTION SCHEME 2017

That subject to and contingent upon the passing of Ordinary Resolution 1, the Directors of the Company be and are hereby authorised to offer and grant Option(s) in accordance with the rules of the Scheme, with exercise prices set at a discount not exceeding 20% to the Market Price, as determined by the committee authorised and appointed to administer the Scheme, provided that such discount does not exceed the relevant limits as may be set by the SGX-ST from time to time.

For and on behalf of the board of Directors of
NATURAL COOL HOLDINGS LIMITED

Mr Goh Teck Sia
Independent Non-Executive Chairman

10 April 2017

Notes:

(1) A Shareholder entitled to attend and vote at the EGM may appoint not more than two proxies to attend and vote in his/her stead. A Shareholder which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a Shareholder of the Company.

(2) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at 29 Tai Seng Avenue, #07- 01, Natural Cool Lifestyle Hub, Singapore 534119 not later than 48 hours before the time appointed for the holding of the EGM.

(3) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

(4) **PERSONAL DATA PRIVACY:** By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Natural Cool Holdings Limited

(Incorporated in Singapore)
(Company Registration No. 200509967G)

Important:

1. For investors who have used their CPF monies to buy Natural Cool Holdings Limited's Shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Extraordinary General Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We* _____ NRIC/Passport No.* _____

of _____ (Address)

being a Shareholder/Shareholders* of Natural Cool Holdings Limited (the "**Company**") hereby appoint:-

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

and/or*

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

or failing him/her/them, the Chairman of the Extraordinary General Meeting (the "**EGM**") of the Company as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the EGM to be held at 55 Market Street #03-01, Raffles Place, Singapore 048941 on 25 April 2017 at 11.00 a.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day) and at any adjournment thereof.

Note: Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of EGM. In the absence of specific directions, the proxy/proxies may vote or abstain as he/they may think fit, as he/they will on any other matter arising at the EGM).

	For	**Against**
Resolution 1 THE PROPOSED ADOPTION OF THE NATURAL COOL EMPLOYEE SHARE OPTION SCHEME 2017		
Resolution 2 THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT UNDER THE NATURAL COOL EMPLOYEE SHARE OPTION SCHEME 2017		

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of Extraordinary General Meeting for the full purpose and intent of the Resolutions to be passed.

Dated this _____ day of _____ 2017

_____

Signature(s) of Shareholder(s)/Common Seal
of Corporate Shareholder

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or Shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 29 Tai Seng Avenue #07-01 Natural Cool Lifestyle Hub Singapore 534119 not less than 48 hours before the time appointed for the EGM.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing.

6. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of the proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member of the Company may authorise by resolution of its Directors or other governing body such person as it thinks fit to act as its representative at the EGM in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

9. **PERSONAL DATA PRIVACY:** By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.