



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

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, CNP Compliance Pte Ltd, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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Announcement of Signing of Subscription Deed in connection with the Loan from Frankland Investments Ltd

The Company refers to its announcements dated 4 February 2009, 12 February 2009 and 1 September 2009.

All capitalized terms used in this announcement, unless otherwise defined herein, shall have the same meaning as defined in the Company's aforementioned previous announcements.

The Company has today signed a subscription deed (the "Subscription Deed") with FIL whereby subject to conditions precedent set out in the Subscription Deed, the Company shall issue and FIL shall subscribe to, for no further payment, 20,000,000 Warrants.

The Subscription Deed sets out in greater detail the terms of the Proposed Warrant Issue, previously announced by the Company on 4 February 2009, 12 February 2009 and 1 September 2009. With the execution of the Subscription Deed today, the definitive terms for the Warrants to be issued in the proposed Warrants Issue are contained in the Subscription Deed.

Terms and Purpose of the Proposed Warrants Issue

While most of the terms of the Warrants set out in the Subscription Deed are consistent with what have been previously announced by the Company in respect of the Warrants, there have been some material changes to the terms of the Proposed Warrants Issue in the Subscription Deed.

In particular, the exercise price of the Warrants, previously agreed between the parties to be \$0.22 per Warrant, is now set as \$0.20 in the Subscription Deed ("Exercise Price"). This new Exercise Price was agreed on a willing buyer-willing seller basis and represents a discount of 2.44% to the volume weighted average price of \$0.205 for trades done on the Shares on the SGX-ST on 17 November 2009 (being the preceding market day up to the time the Subscription Deed was signed). There was no trade on 18 November 2009, 19 November 2009 and 20 November 2009.

The Proposed Warrants Issue is part of the terms agreed with FIL for the extension of the Loan amount of \$4,000,000 pursuant to the Loan Agreement and FIL will not be paying any further sums to the Company for such subscription to the Warrants. As such, the Proposed Issue of Warrants will not raise any proceeds for the Company.

Where the Warrants are exercised by FIL, FIL will be entitled to offset the Loan towards the exercise price payable for the exercise of the Warrants. In such circumstances, no new proceeds will be raised. Where the Warrants are transferred by FIL to third parties, and where the Warrants are exercised by third parties, gross proceeds of S\$0.20 per exercised Warrants will be raised. On the basis that FIL transfers all 20,000,000 Warrants to third parties and on the basis that such Warrants are fully exercised, gross proceeds of S\$4,000,000 may be raised. The proceeds will be applied towards working capital and/or repayment of the Loan. Expenses estimated at around \$100,000 will be incurred by the Group in connection with the issuance and exercise of the Warrants, whether such Warrants are exercised by FIL or transferred by FIL to third parties and exercised by third parties.

The directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements.

The Company has not obtained a listing and quotation notice from the SGX-ST for any new Shares to be issued from any exercise of the Warrants. The Company will be making an application for such listing and quotation notice from the SGX-ST.

A circular containing further details of the Proposed Warrants Issue will be dispatched to shareholders for the purpose of convening an Extraordinary General Meeting to approve the Proposed Warrants Issue.

By Order of the Board

Yun Chee Keen
Company Secretary

20 November 2009

About Natural Cool Holdings Limited

Established in 1989 and listed on Catalist (formerly known as SESDAQ) in May 2006, Natural Cool provides installation, maintenance, repair and replacement services for air-conditioning systems to the residential segment, both public and private; and commercial sectors, which include factories, offices, condominiums, schools and hospitals, in Singapore. In addition, the Group sells air-conditioning components and tools used for the installation and servicing of air-conditioning business.

The Group also manufactures and sells switchgears through mechanical and electrical ("M&E") contractors to public and private property developments. Started in 2003, the Group's switchgear division designs and manufactures switchgear products customised to meet specific requirements of its customers.

The Group has extended its geographical reach into the region since 2005 and now has a presence in China, India. Its subsidiary, VNS Manufacturing (S) Pte Ltd, the Group's switchgear division that specialises in the design, manufacture and sale of switchgear products, was awarded an exclusive distributorship by Indian-based, Larsen & Toubro Limited ("L & T") for the exclusive marketing of L & T's electrical standard products in Singapore. Founded in 1938, L & T is India's largest engineering and construction conglomerate with interests in electrical, electronics and information technology.