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**PROPOSED DISPOSAL OF PROPERTY AT 20 BENOI CRESCENT, SINGAPORE
- DEED OF VARIATION**

Unless otherwise defined all capitalised terms shall bear the same meaning as in the Company's announcements dated 12 October 2009, 27 October 2009 and 27 January 2010 in relation to the Disposal of Property.

The Board of Directors of the Company refers to the announcements made on 12 October 2009, 27 October 2009 and 27 January 2010 regarding the grant of Option to the Purchaser, Toyochem Marketing Pte Ltd, the exercise of the Option by the Purchaser on 26 October 2009 and the extension of completion date of the Disposal of Property. The Board wishes to announce that the Vendor, Natural Cool Investment Pte. Ltd., the Company's wholly-owned subsidiary and the Purchaser have entered into a Deed of Variation to undertake to vary the terms and conditions of the Option as the Property is subject to Jurong Town Corporation ("JTC") prohibition period whereby JTC shall not approve any proposed sale or assignment of the Property until after 31 August 2011 ("Prohibition Period").

The material terms and conditions of the Deed of Variation are as follows:-

- a) the Disposal of Property shall be subject to there being no breach of the Tenancy Agreement (entered or to be entered) between Vendor and Purchaser in respect of the said Property;
- b) the Disposal of Property shall be completed within eight (8) weeks from the date of JTC's final written approval;
- c) either party shall be entitled to rescind the contract in the event the JTC's written approval for the Disposal of Property is not forthcoming by the end of six (6) weeks from expiry of the Prohibition Period; and
- d) both parties should file and submit their respective application to JTC within two (2) weeks from date of expiry of the Prohibition Period.

The Company will be making the appropriate announcements in due course and will continue to keep shareholders updated on the above transaction.

BY ORDER OF THE BOARD

Yun Chee Keen
Company Secretary
17 February 2010

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.