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The contact person for the Sponsor is Mr Pradeep Kumar Singh at 36 Carpenter Street, Singapore 059915, telephone: (65) 6323 8383; email: pksingh@cnplaw.com.

OPTION TO PURCHASE PROPERTY LOCATED AT BLK 682 HOUGANG AVE 4 #01-372, SINGAPORE 530682

1. INTRODUCTION

The Board of Directors of Natural Cool Holdings Limited (**Company or Group**) wishes to announce that its wholly-owned subsidiary, Natural Cool Airconditioning and Engineering Pte Ltd ("NCAE") has entered into an Option with Tam Kooi Moi for the purchase of the property located at Blk 682 Hougang Ave 4 #01-372, Singapore 530682 ("Property").

2. CONSIDERATION

The consideration for the purchase of the Property of S\$1.60million ("Proposed Acquisition") was arrived at after arm's length negotiations and on a willing buyer willing seller basis. Based on the valuation of the Property carried out in October 2010 by GSK Global Group, the Property was valued at approximately S\$1.60 million. The valuation was based on "Open Market Value".

The consideration will be paid by cash.

3. MATERIAL TERMS AND CONDITIONS OF THE ACQUISITION

The Proposed Acquisition is subject to the following terms:-

- a) The written approval granted by the Housing and Development Board ("HDB") and other relevant government authorities granting their respective written approvals, where applicable.
- b) The Law Society of Singapore's Conditions of Sale 1999 (hereinafter called "the General Conditions of Sale") in so far as the same are applicable to a purchase and are not varied by or inconsistent with the terms herein stipulated.

4. FINANCIAL EFFECTS OF THE ACQUISITION

The proforma financial effects of the Proposed Acquisition on the Group are set out below. The objective of the proforma financial effects is to illustrate what the historical financial information of the Group might have been had the Proposed Acquisition been completed at an earlier date. Given that the proforma financial effects set out below are theoretical in nature and only for illustrative purposes, they do not represent the actual financial position and/or results of the Group's operations after the completion of the Proposed Acquisition and are not indicative of the future financial position and earnings of the Group.

For the purpose of illustration and based on the consolidated financial statements of the Group for the financial year ended 31 December 2009, the financial effects of the Proposed Acquisition are set out below:-

	Before the Proposed Acquisition	After the Proposed Acquisition
Net tangible asset per share (assuming the purchase was effected as at 31 December 2009)	20.96	20.96
Earnings per share (assuming the purchase was effected on 1 January 2009)	(0.48)	(0.42)

5. LISTING MANUAL COMPUTATION

The relative figures computed on the basis set out in Rule 1006 of the SGX-ST Listing Manual Section B: Rules of Catalist ("Catalist Rules") for the Proposed Acquisition are as follows:-

		(A) S\$	(B) S\$	Relative Figures (A)/(B) in %
Rule 1006(a)	Net asset value of the Properties to be disposed of (A) as compared with the Group's net asset value as at 30 June 2010 (B).	(NA as this is an acquisition not a disposal)	(NA as this is an acquisition not a disposal)	(NA as this is an acquisition not a disposal)
Rule 1006(b)	Net profit/ (loss) attributable to the Property acquired (A) compared with the Group's net profits (B).	31,600	513,900	6.15
Rule 1006(c)	The aggregate value of the consideration given (A) compared with the market capitalization (B)	1,600,000	28,599,200	5.59
Rule 1006(d)	The basis prescribed under this rule is not applicable to the Acquisition as there is no issue of the Company's shares in connection with the Acquisition.	NA	NA	

As the relative figures set out in 1006 (b) and (c) exceed 5% but not 75%, the purchase of Property constitutes a discloseable transaction as defined in Chapter 10 of Catalist Rules

6. RATIONALE FOR THE ACQUISITION

The Property is purchased for investment purposes and future own use.

7. DIRECTORS' AND CONTROLLING SHAREHOLDER'S INTEREST

None of the directors or the controlling shareholders of the Company has any interest, direct or indirect in the above Acquisition.

8. DOCUMENTS FOR INSPECTION

Copies of the Option and valuation report are 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 for 3 months from the date of this announcement.

9. UPDATES

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

BY ORDER OF THE BOARD

Yun Chee Keen
Company Secretary
18 October 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 Malaysia, 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.