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UPDATE ON THE FIRE AT THE COMPANY'S PROPERTY AT 20 BENOI CRESCENT SINGAPORE 629983 (the "PROPERTY")

The Board of Directors of Natural Cool Holdings Limited (the "Company") refers to the earlier announcements released on 5 September 2011 and 17 November 2011 entitled "Fire at the Company's Property at 20 Benoi Crescent Singapore 629983" and "Update on the Fire at the Company's Property at 20 Benoi Crescent Singapore 629983" respectively.

The Company has received a letter from the solicitors of the insurers ("Insurers") for the insurance policy (the "Policy") for the Property taken by the Company. The Insurers have alleged that the Company has breached the terms of the Policy and that as such, the Insurers are unable to accept liability under the Policy in respect of the Company's claim arising from the fire at the Property.

The Company is consulting its professional and legal advisers and will take all necessary action to defend the Company's interest.

The Company is continuing to assess the financial impact of the fire and has not completed its assessment. The Company will, in due course, announce any material developments on the matter.

BY ORDER OF THE BOARD

Leaw Wei Siang
Company Secretary
8 February 2012

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.