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INCORPORATION OF A SUBSIDIARY - LORENTZ ASIA PTE. LTD.

The Board of Directors (the "Board") of Natural Cool Holdings Limited (the "Company" and together with its subsidiaries, the "Group") wishes to announce that its 100% indirectly owned subsidiary, Gathergates Group Pte. Ltd., 100% owned by Gathergates Group Limited which is in turn 100% owned by Gathergates Holding Limited, has incorporated a subsidiary known as Lorentz Asia Pte. Ltd. ("Lorentz Asia"). Gathergates Group Pte. Ltd., Messrs Leong Seak Yin and Ang King Wee Samuel will be the shareholders of Lorentz Asia in the proportion 65%, 25% and 10% respectively. As at the date of this announcement, the issued share capital of Lorentz Asia is S\$100.00, divided into 100 ordinary shares.

Mr Leong Seak Yin is a veteran in the switchgear industry, having 20 years of experience especially in the area of sales and project management. He joined Titans Power System Pte Ltd ("Titans Power") in 2008 as a senior sales and marketing manager for Singapore operations, and was later promoted to head the Business Development unit for overseas market. Mr Leong has resigned from Titans Power and will head Lorentz Asia as its Director.

Mr Ang King Wee Samuel, is the Managing Partner of North Bridge Ventures Pte Ltd ("North Bridge Ventures"), a venture capital firm focusing on high-tech ventures. An electrical engineer by training, Samuel has more than 20 years of track record in business and senior level experience in technology MNCs and a major international bank. To date, he has successfully managed more than \$200 million in M&A and syndicated finance. Samuel also has a Masters in Business Administration and is a member of the Singapore Institute of Directors. Mr Ang will be a non-executive Director of Lorentz Asia.

The principal activities of Lorentz Asia include those of manufacturing and repairing of switchgear and switchboard apparatus and trading of energy saving equipment. The incorporation of Lorentz Asia is a strategic response to the impending Energy Conservation Act that is expected to be enacted in or around 2013. The Act requires companies that consume more than 15 GWh of energy annually to adopt mandatory energy management practices such reporting of energy use and submission of energy efficiency improvement plans. The Group intends to offer through Lorentz Asia energy management and conservation technology services to assist and advised organisations implement energy management system to reduce energy wastage, improve energy performance and achieve cost savings. The establishment of Lorentz Asia is in line with the Group's strategic growth plan and will enhance the Group's position as a leading Company in air-conditioning and power distribution.

The incorporation of Lorentz Asia is not expected to have any material impact on the earnings per share or the net tangible assets per share of the Company for the current financial year FY2012.

None of the Directors or substantial shareholders of the Company have any direct or indirect interest in the abovesaid transaction.

By Order of the Board

Leaw Wei Siang
Company Secretary
14 March 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 and 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.