

NATURAL COOL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 200509967G

**INCREASE OF INVESTMENT IN SUBSIDIARY
- S-TEAM SWITCHGEAR (MALAYSIA) SDN. BHD.**

The Board of Directors of Natural Cool Holdings Limited (“Company”) wishes to announce that the Company had increased its investment in S-Team Switchgear (Malaysia) Sdn. Bhd., a subsidiary incorporated in Malaysia from RM 100.00 to RM 1,000,000.00 via its wholly-owned subsidiary, S-Team Switchgear Private Limited subscribing for an additional 999,900 ordinary shares of RM 1.00 each fully paid.

The increase of the investment which was for working capital purpose was funded by proceeds from warrants issue.

The above transaction is not expected to have a material impact on the Group’s net tangible assets per share and earnings per share for the current financial year ending 31 December 2008.

None of the Directors or substantial shareholders of the Company has any interest in the above transaction.

By Order of the Board

Yun Chee Keen
Company Secretary

Submitted by Yun Chee Keen, Company Secretary on 15 October 2008 to the SGX-ST

About Natural Cool

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, Cambodia and Vietnam. Its subsidiary, VNS Manufacturing Pte Ltd, the Group’s switchgear division that specialises in the design, manufacture and sale of switchgear products, was recently 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.
