

## RECONSTITUTION OF BOARD AND BOARD COMMITTEES

The Board of Directors of Natural Cool Holdings Limited ("Company" or "Group") wishes to announce the following changes to the constitution of its Board and Board Committees with effect from 25 September 2009:

1. Dr Wu Chiaw Ching, Independent Director, has stepped down as Chairman of the Board of Directors. Dr Wu Chiaw Ching will remain as a member of the Company's Audit, Nominating and Remuneration Committees and continue to be the Chairman of the Nominating Committee.
2. Mr Steven Chen Choon Khee, the current CEO, has been appointed as Executive Chairman of the Board.
3. Mr Joseph Ang Choon Cheng, the current COO, has been appointed CEO to replace Mr Steven Chen Choon Khee.
4. Mr Lim Siang Kai has been appointed as the Lead Independent Director of the Company.
5. Consequent to the above changes, the Company's Board and Board Committees are re-constituted as follows:

### Board of Directors

Mr Chen Choon Khee Steven	- Executive Chairman
Mr Joseph Ang Choon Cheng	- CEO
Mr Tsng Joo Peng	- Executive Director
Mr Eric Ang Choon Beng	- Executive Director
Mr Lim Siang Kai	- Lead Independent Director
Dr Wu Chiaw Ching	- Independent Director
Mr William Da Silva	- Independent Director

### Audit Committee

Mr Lim Siang Kai (Chairman/Lead Independent Director)  
Dr Wu Chiaw Ching (Member/Independent Director)  
Mr William Da Silva (Member/Independent Director)

### Remuneration Committee

Mr William Da Silva (Chairman/Independent Director)  
Mr Lim Siang Kai (Member/Lead Independent Director)  
Dr Wu Chiaw Ching (Member/Independent Director)

### Nominating Committee

Dr Wu Chiaw Ching (Chairman/Independent Director)  
Mr Lim Siang Kai (Member/Lead Independent Director)  
Mr William Da Silva (Member/Independent Director)

Dr Wu Chiaw Ching who has been Chairman of the Board since the Company was listed on Catalist (formerly known as SESDAQ) in May 2006, has indicated that he would like to relinquish his chairmanship on the Board due to his other work commitment. In considering the replacement Chairman and CEO, the NC has given its due consideration and taking the opportunity that management is in the process of considering a rotation of its leadership due to an informal agreement among the current management team, the NC is of the view that the recommendation to the Board for consideration the appointment of Mr Steven Chen Choon Khee as Chairman to replace Dr Wu Chiaw Ching and the appointment of Mr Joseph Ang Choon Cheng as CEO to replace Mr Steven Chen Chon Khee are reasonable proposals based on the rationale below.

Mr Steven Chen Choon Khee and Mr Joseph Ang Choon Cheng, the current CEO and COO respectively, are substantial shareholders of the Company. Each of them plays an instrumental role on developing the business of the Group and has provided the Group with strong leadership and vision. In consideration, the NC also takes into account that more than one third of the Board is made up of independent directors as well as contributions made by each member at board meetings which relate to the affairs and operations of the Group. Further, as Lead Independent Director, Mr Lim Siang Kai will co-ordinate and lead the Independent Directors to provide a non-executive and independent perspective contributing to a healthy balance of viewpoints. Hence, with the appointment of Mr Steven Chen Choon Khee as Executive Chairman of the Board, the NC believes that the sufficiently strong independence element on the Board would enable the Board to exercise objective judgment on affairs and operation of the Group.

As for the appointment of Mr Joseph Ang Choon Cheng as the CEO of the Company, his current COO portfolio will be merged with part of the CEO portfolio while Mr Steven Chen Choon Khee will retain part of his current CEO portfolio and continues to provide overall guidance in terms of the Group's direction and to the Board of Directors in respect of operational and board matters.

The Board having considered the NC's recommendation has accepted and approved the aforesaid changes to the Board constitution.

By Order of the Board

Yun Chee Keen  
Company Secretary  
25 September 2009

#### **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.