



COSMOSTEEL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200515540Z)

ADOPTION OF DIVIDEND POLICY

The Board of Directors of CosmoSteel Holdings Limited (the “**Company**”) wishes to announce that the Company has adopted a dividend policy with a target annual dividend payout of at least 10% of the net profit attributable to Shareholders of the Company in any financial year, whether as interim and/or final dividends, provided always that such dividend payout for any financial year is subject to and conditional upon (a) the net profit attributable to Shareholders of the Company for such financial year being equal to at least S\$3 million, and (b) if the net profit referred to in (a) is less than S\$3 million, the declaration and payment of dividends being determined at the sole discretion of the Board of Directors of the Company (the “**Board**”).

The total dividends recommended, declared or paid in any financial year shall not exceed 50% of the net profit attributable to Shareholders of the Company, unless otherwise approved by the Board.

In proposing any dividend payout and/or determining the form, frequency and/or the amount of such dividend payout, the Board will also take into account, *inter alia*, the following factors:

- (a) the Group’s financial position, retained earnings, results of operations and cash flow;
- (b) the ability of the Company’s subsidiaries to make dividend payments to the Company;
- (c) the Group’s expected working capital requirements;
- (d) the Group’s expected capital expenditure and future expansion and investment plans and other funding requirements;
- (e) the Group’s actual and projected financial performance and position;
- (f) restrictions on payment of dividend that may be imposed by financing arrangements (if any);
- (g) general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
- (h) such other factors that the Board considers relevant.

This dividend policy and the declaration/payment of future dividends under this policy are subject to the Board’s continuing determination that this dividend policy and the declaration/payment of dividends would be in the best interests of the Company and its shareholders and are in compliance with all applicable laws and regulations. The Board will continually review this dividend policy and reserve the right in its sole and absolute discretion to update, amend, modify and/or cancel this dividend policy at any time and this dividend policy shall in no way constitute a legally binding commitment by the



Company in respect of its future dividends and/or obligate the Company to declare a dividend at any time or from time to time. No inference shall be made from any of the foregoing as to the Group's actual future profitability or ability to declare/pay dividends in the future.

By Order of the Board

Ong Chin Sum

Chief Executive Officer and Executive Director

8 May 2013