



COSMOSTEEL HOLDINGS LIMITED

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

USE OF PROCEEDS FROM THE ISSUANCE AND ALLOTMENT OF 26,400,000 ORDINARY SHARES IN THE COMPANY TO HANWA CO., LTD. (“HANWA”)

Unless otherwise defined herein, all capitalized terms and references used in this section shall bear the same meanings ascribed to them in the Company’s announcements made on 1 December 2014, 6 February 2015, 3 March 2015 and 6 March 2015.

The Board refers to the Circular to shareholders dated 16 February 2015 relating to the Proposed Subscription, the Proposed Strategic Alliance and the Proposed Adoption of the IPT Mandate (the “**Circular**”) and wishes to provide Shareholders an update on the use of proceeds raised by the Company from the issuance and allotment of 26,400,000 ordinary shares in the Company to Hanwa as follows:-

Use of Proceeds	Estimated percentage allocation of net proceeds as set out in the Circular	Allocation of net proceeds	Proceeds utilised as at the date of this announcement	Balance of the proceeds as at the date of this announcement
	<u>%</u>	<u>S\$’000</u>	<u>S\$’000</u>	<u>S\$’000</u>
Financing the construction of a new building and acquisition of machinery and equipment at 90 Second Lok Yang Way	24.0%	3,400	-	3,400
Acquisition of machinery and equipment at 36 Tuas Crescent	8.0%	1,100	111	989
Repayment of short term loans	35.0%	5,000	3,500	1,500
General working capital purposes	33.0%	4,700	4,700	-
Total	100.0%	14,200	8,311	5,889

The Company will make further announcements on the use of the balance net proceeds as and when the funds are materially disbursed.

By Order of the Board

Ong Chin Sum

Chief Executive Officer and Executive Director
13 July 2015