

**CIRCULAR DATED 3 MARCH 2016**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

This Circular is issued by **COSMOSTEEL HOLDINGS LIMITED** (the "**Company**"). If you are in any doubt in relation to this Circular or as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular. Approval in-principle by the SGX-ST is not to be taken as an indication of the Share Buyback Mandate, the Shares, the Company and/or its subsidiaries.



**COSMOSTEEL HOLDINGS LIMITED**  
(Company Registration no. 200515540Z)  
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE**

**IMPORTANT DATES AND TIMES**

Last date and time for lodgment of Proxy Form	:	16 March 2016 at 10 a.m.
Date and time of Extraordinary General Meeting	:	18 March 2016 at 10 a.m.
Place of Extraordinary General Meeting	:	Jurong Country Club, 9 Science Centre Road, Singapore 609078

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## DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

<b>"Board"</b>	:	The board of Directors of the Company for the time being
<b>"CDP"</b>	:	The Central Depository (Pte) Limited
<b>"Circular"</b>	:	This circular dated 3 March 2016
<b>"Company"</b>	:	CosmoSteel Holdings Limited
<b>"Companies Act"</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
<b>"Constitution"</b>	:	The memorandum and articles of association of the Company which were in force immediately before the Companies (Amendment) Act 2014 took effect in phases on 1 July 2015 and 3 January 2016, respectively
<b>"Directors"</b>	:	The directors of the Company for the time being
<b>"EGM"</b>	:	The extraordinary general meeting of the Company, notice of which is set out in this Circular
<b>"EPS"</b>	:	Earnings per Share
<b>"FY"</b>	:	Financial year of the Company ending or ended 30 September, as the case may be
<b>"FY2015 Audited Financial Statements"</b>	:	The audited consolidated financial statements of the Group as at and for the financial year ended 30 September 2015
<b>"Group"</b>	:	The Company and its subsidiaries
<b>"Hanwa"</b>	:	Hanwa Co., Ltd, a Substantial Shareholder of the Company
<b>"Hanwa Directors"</b>	:	Mr Hiroshi Ebihara and Mr Seiji Usui, the Directors appointed to the Board as nominees of Hanwa
<b>"Latest Practicable Date"</b>	:	15 February 2016, being the latest practicable date prior to the printing of this Circular
<b>"Listing Manual"</b>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
<b>"Market Day"</b>	:	A day on which the SGX-ST is open for trading in securities
<b>"NTA"</b>	:	Net tangible assets
<b>"Proxy Form"</b>	:	The proxy form in respect of the EGM set out in this Circular
<b>"Register of Members"</b>	:	The register of members of the Company
<b>"Securities Account"</b>	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<b>"SGX-ST"</b>	:	Singapore Exchange Securities Trading Limited

## DEFINITIONS

“Share”	:	An ordinary share in the share capital of the Company and “Shares” shall be construed accordingly
“Share Buyback Mandate”	:	A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Companies Act and the Listing Manual
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with those Shares
“SIC”	:	Securities Industry Council of Singapore
“Substantial Shareholder”	:	Has the meaning ascribed to it under Section 81 of the Companies Act
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers

### Currencies and units of measurements

“S\$”	:	Singapore dollar
“%” or “per cent.”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in the Securities and Futures Act, Chapter 289 of Singapore.

The terms “**subsidiary**” and “**subsidiaries**” shall have the meanings ascribed to them in the Companies Act.

Words importing the singular number shall, where applicable, include the plural and vice versa. Words importing the masculine gender only shall, where applicable, include the feminine and neuter genders. References to person shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

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## LETTER TO SHAREHOLDERS

**COSMOSTEEL HOLDINGS LIMITED**  
(Company Registration No.: 200515540Z)  
(Incorporated in the Republic of Singapore)

### Directors

Mr Low Beng Tin, Chairman of the Board and Independent Non-Executive Director  
Mr Ong Chin Sum, Chief Executive Officer and Executive Director  
Mr Ong Tong Yang, Executive Director  
Mr Ong Tong Hai, Executive Director  
Mr Seiji Usui, Executive Director  
Mr Hiroshi Ebihara, Non-Executive Director  
Mr Jovenal Santiago, Independent Non-Executive Director  
Ms Tan Siok Chin, Independent Non-Executive Director

### Registered Office

14 Lok Yang Way,  
Singapore 628633

### 3 March 2016

To: The Shareholders of CosmoSteel Holdings Limited

Dear Sir/Madam

### THE PROPOSED SHARE BUYBACK MANDATE

#### 1. INTRODUCTION

The Directors propose to convene the EGM of the Company to be held on 18 March 2016 at 10 a.m. at Jurong Country Club, 9 Science Centre Road, Singapore 609078 to seek Shareholders' approval for the proposed adoption of the Share Buyback Mandate.

The purpose of this Circular is to provide Shareholders with information relating to, and to seek their approval for, the proposed adoption of the Share Buyback Mandate to be tabled at the EGM.

#### 2. THE PROPOSED SHARE BUYBACK MANDATE

##### 2.1 Introduction

The Board is proposing to seek Shareholders' approval at the EGM for the proposed adoption of the Share Buyback Mandate.

Any purchase or acquisition of its Shares by the Company has to be made in accordance with, and in the manner prescribed by the Companies Act, the Listing Manual, the Constitution and such other laws and regulations as may for the time being be applicable.

It is a requirement under the Listing Manual and the Companies Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. Accordingly, approval is being sought from Shareholders at the EGM for the Share Buyback Mandate.

## LETTER TO SHAREHOLDERS

### 2.2 Rationale for the Share Buyback Mandate

The approval of the Share Buyback Mandate will give the Company flexibility to undertake purchases or acquisitions of its own Shares subject to the terms and limits described in section 2.3 of this Circular.

The Directors constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. A share buyback at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

The Share Buyback Mandate would provide the Company with the flexibility to purchase or acquire Shares if and when circumstances permit, during the period when the Share Buyback Mandate is in force. Shares purchased pursuant to the Share Buyback Mandate will either be cancelled or held as treasury shares as may be determined by the Directors. This will provide the Directors with greater flexibility over the Company's share capital structure, *inter alia*, with a view to enhancing the earnings and/or net tangible asset value per Share or to maintain a pool of Shares to be deployed for future purposes as deemed appropriate by the Directors. It is currently contemplated by the Company that the Shares purchased pursuant to the Share Buyback Mandate will be held as treasury shares which may be used as (i) consideration for the acquisition of shares in or assets of another company or assets of a person, (ii) to be sold in the event of future share placements and/or (iii) to be transferred for the purposes of or pursuant to an employee's share scheme. The Directors further believe that share buybacks by the Company will help to mitigate short term share price volatility or trading trends which, in the reasonable opinion of the Company, are not otherwise caused by general market factors or sentiments and/or the fundamentals of the Company and offset the effects of short-term speculation (as and when they may occur), and bolster Shareholder confidence.

If and when circumstances permit, the Directors will decide whether to effect the share buybacks via Market Purchases (as defined in section 2.3.3(a) below) or Off-Market Purchases (as defined in section 2.3.3(b) below), after taking into account, *inter alia*, the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

### 2.3 Terms of the Mandate

The authority and limitations placed on purchases and acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

#### 2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the issued ordinary share capital of the Company as at the date of the approval of the Share Buyback Mandate (the "**Approval Date**"). Any Shares which are held as treasury shares will be disregarded for the purposes of computing the ten per cent. (10%) limit.

For illustrative purposes only, on the basis of 290,399,997 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and disregarding any Shares held by the Company as treasury shares on or prior to the Approval Date, the purchase by the Company of up to the maximum limit of ten per cent. (10%) of its issued Shares will result in the purchase of approximately 29,039,999 Shares.

## LETTER TO SHAREHOLDERS

### 2.3.2 Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earliest of:

- (a) the date on which the next annual general meeting ("**AGM**") is held or required by law to be held, whichever is the earlier;
- (b) the date on which the purchases or acquisition of Shares pursuant to the Share Buyback Mandate are carried out to the full extent authorized under the Share Buyback Mandate; or
- (c) the effective date on which the authority conferred in the Share Buyback Mandate is varied (as to the duration of the Share Buyback Mandate) or revoked by the Shareholders in general meeting.

The authority conferred on the Directors by the Share Buyback Mandate to purchase Shares may be renewed by Shareholders in the next AGM or at an EGM to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

### 2.3.3 Manner of purchase or acquisition

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchase**"), otherwise than on a securities exchange, in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual.

Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

- (a) offers for the purchase or acquisition of issued Shares shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers are the same, except that there shall be disregarded:
  - (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
  - (ii) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
  - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

## LETTER TO SHAREHOLDERS

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed share buyback;
- (d) the consequences, if any, of share buybacks by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the share buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any share buyback made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

### 2.3.4 Maximum purchase price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined herein) of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 105% of the Average Closing Price of the Shares,

(the "**Maximum Price**") in each case, excluding related expenses of the purchase or acquisition.

For the above purposes:

**"Average Closing Price"** means the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded, before the day on which Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five day period; and

**"date of the making of the offer"** means the date on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.



## LETTER TO SHAREHOLDERS

### 2.4 Source of Funds for Share Buyback

In purchasing Shares pursuant to the Share Buyback Mandate, the Company may only apply funds legally available for such purchases as is provided in the Constitution and in accordance with the applicable laws in Singapore.

The Companies Act permits the Company to purchase or acquire its Shares out of capital, as well as from its distributable profits, so long as the Company is solvent (as defined in Section 76F(4) of the Companies Act). In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements and other relevant circumstances, and may rely on valuations of assets or estimates of liabilities. In determining the value of the contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any claims the Company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

The Company intends to use internal sources of funds to finance its purchase or acquisition of the Shares. To effect the purchase of Shares pursuant to the Share Buyback Mandate, the Directors will consider, *inter alia*, the availability of internal resources and the rationale for the purchase or acquisition of Shares.

The Directors do not propose to exercise the Share Buyback Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Company.

The purchase or acquisition of Shares pursuant to the Share Buyback Mandate will only be undertaken if, in the reasonable opinion of the Directors, it can benefit the Company, the Group and Shareholders.

### 2.5 Status of purchased Shares under the Share Buyback Mandate

A Share purchased or acquired by the Company pursuant to the Share Buyback Mandate is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

### 2.6 Treasury shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

#### 2.6.1 Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled within six (6) months.

#### 2.6.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus Shares in respect of treasury shares is allowed. Also, a subdivision of any treasury share into treasury shares of a larger amount or consolidation of treasury shares into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

## LETTER TO SHAREHOLDERS

### 2.6.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time, but subject always to the Take-Over Code:

- (a) sell the treasury shares (or any of them) for cash;
- (b) transfer the treasury shares (or any of them) for the purposes of or pursuant to an employee's share scheme;
- (c) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares (or any of them); or
- (e) sell, transfer or otherwise use the treasury shares (or any of them) for such other purposes as may be prescribed by the Minister for Finance.

### 2.7 Financial Effects of the Share Buyback Mandate

The financial effects on the Company and the Group arising from purchases or acquisition of Shares which may be made pursuant to the Share Buyback Mandate, based on the FY2015 Audited Financial Statements, are based on the assumptions set out below. Such financial effects will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled.

#### 2.7.1 Purchase or acquisition out of capital or profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital and/or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will not affect the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

#### 2.7.2 Number of Shares acquired or purchased

The financial effects set out below are based on the FY2015 Audited Financial Statements and, accordingly, are based on a purchase or acquisition of Shares by the Company of up to a maximum limit of ten per cent. (10%) of the 290,399,997 Shares in issue as at the Latest Practicable Date.

Purely for illustrative purposes, on the basis of the 290,399,997 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and disregarding any Shares held by the Company as treasury shares on or prior to the EGM, the purchase by the Company of up to the maximum limit of ten per cent. (10%) of its issued Shares will result in the purchase of approximately 29,039,999 Shares (the "**Maximum Number of Shares**").

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## LETTER TO SHAREHOLDERS

### 2.7.3 Maximum price for Shares acquired or purchased

In the case of Market Purchases by the Company and assuming that the Company purchases the Maximum Number of Shares at the Maximum Price of S\$0.124 per Share (being the price equivalent to 105% of the Average Closing Price of the Shares traded on the SGX-ST for the five (5) consecutive Market Days immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase is S\$3.601 million (excluding ancillary expenses such as related brokerage, goods and services tax, stamp duties and clearance fees).

In the case of Off-Market Purchases by the Company and assuming that the Company purchases the Maximum Number of Shares at the Maximum Price of S\$0.124 per Share (being the price equivalent to 105% of the Average Closing Price of the Shares traded on the SGX-ST for the five (5) consecutive Market Days immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase is S\$3.601 million (excluding ancillary expenses such as related brokerage, goods and services tax, stamp duties and clearance fees).

### 2.7.4 Illustrative financial effects

**For illustrative purposes only**, on the basis of the assumptions set out in sections 2.7.2 and 2.7.3 above, and assuming that the Company had on the Latest Practicable Date purchased the Maximum Number of Shares pursuant to the Share Buyback Mandate, the financial effects of:

- (a) the purchase of the Maximum Number of Shares by the Company at the Maximum Price pursuant to the Share Buyback Mandate by way of purchases made out of capital and profits and held as treasury shares; and
- (b) the purchase of the Maximum Number of Shares by the Company at the Maximum Price pursuant to the Share Buyback Mandate by way of purchases made out of capital and profits and cancelled,

on the FY2015 Audited Financial Statements are set out below.

**The illustrations set out below are based on audited historical figures for the financial year ended 30 September 2015 and are purely for illustrative purposes only. Accordingly, such illustrations are not representative or otherwise indicative of future financial performance of the Company and/or the Group.**

Prior to any purchase or acquisition of Shares, the Company will consider financial factors (for instance, cash surplus, debt position and working capital requirements of the Company) and non-financial factors (for instance, market conditions and trading performance of the Shares) in assessing the impact on the Company and the Group of such purchase or acquisition.

## LETTER TO SHAREHOLDERS

(A) Purchases made out of capital/profits and held as treasury sharesMarket / Off-Market Purchases

	GROUP			COMPANY		
	Before Share Buyback (\$S'000)	After Share Buyback assuming Market Purchase (\$S'000)	After Share Buyback assuming Off-Market Purchase (\$S'000)	Before Share Buyback (\$S'000)	After Share Buyback assuming Market Purchase (\$S'000)	After Share Buyback assuming Off-Market Purchase (\$S'000)
Share capital	56,325	52,724	52,724	56,325	52,724	52,724
Reserves	15,502	15,502	15,502	–	–	–
Shareholders' funds	50,807	50,807	50,807	6,546	6,546	6,546
Net tangible assets	122,634	119,033	119,033	62,871	59,270	59,270
Current assets	146,953	143,352	143,352	3,255	(346)	(346)
Current liabilities	48,936	48,936	48,936	491	491	491
Working capital	98,017	94,416	94,416	2,764	(837)	(837)
Total borrowings <sup>(1)</sup>	41,614	41,614	41,614	–	–	–
Cash and cash equivalents	25,021	21,420	21,420	1,211	(2,390)	(2,390)
(Loss)/ Profit after tax and minority interest	(884)	(884)	(884)	494	494	494
Number of Shares	290,399,997	261,359,998	261,359,998	290,399,997	261,359,998	261,359,998
Treasury shares	–	29,039,999	29,039,999	–	29,039,999	29,039,999

**Financial Ratios**

NTA per share (cents)	42.23	45.54	45.54	21.65	22.68	22.68
Basic (loss)/ earnings per share (cents) <sup>(2)</sup>	(0.32)	(0.34)	(0.34)	0.17	0.19	0.19
Gearing ratio (times) <sup>(3)</sup>	0.34	0.35	0.35	0.00	0.00	0.00
Current ratio (times) <sup>(4)</sup>	3.00	2.93	2.93	6.63	(0.70)	(0.70)

Notes:

(1) Total borrowings refer to borrowings from financial institutions.

(2) Basic (loss)/earnings per share equals (loss)/profit after tax and minority interest divided by the weighted average number of shares.

(3) Gearing ratio represents the ratio of total borrowings to net tangible assets.

(4) Current ratio represents the ratio of current assets to current liabilities.

## LETTER TO SHAREHOLDERS

**(B) Purchases made out of capital/profits and cancelled****Market / Off-Market Purchases**

	Before Share Buyback (S\$'000)	GROUP After Share Buyback assuming Market Purchase (S\$'000)	After Share Buyback assuming Off-Market Purchase (S\$'000)	Before Share Buyback (S\$'000)	COMPANY After Share Buyback assuming Market Purchase (S\$'000)	After Share Buyback assuming Off-Market Purchase (S\$'000)
Share capital	56,325	52,724	52,724	56,325	52,724	52,724
Reserves	15,502	15,502	15,502	-	-	-
Shareholders' funds	50,807	50,807	50,807	6,546	6,546	6,546
Net tangible assets	122,634	119,033	119,033	62,871	59,270	59,270
Current assets	146,953	143,352	143,352	3,255	(346)	(346)
Current liabilities	48,936	48,936	48,936	491	491	491
Working capital	98,017	94,416	94,416	2,764	(837)	(837)
Total borrowings <sup>(1)</sup>	41,614	41,614	41,614	-	-	-
Cash and cash equivalents	25,021	21,420	21,420	1,211	(2,390)	(2,390)
(Loss)/Profit after tax and minority interest	(884)	(884)	(884)	494	494	494
Number of Shares	290,399,997	261,359,998	261,359,998	290,399,997	261,359,998	261,359,998
Treasury shares	-	-	-	-	-	-
<b>Financial Ratios</b>						
NTA per share (cents)	42.23	45.54	45.54	21.65	22.68	22.68
Basic (loss)/ earnings per share (cents) <sup>(2)</sup>	(0.32)	(0.34)	(0.34)	0.17	0.19	0.19
Gearing ratio (times) <sup>(3)</sup>	0.34	0.35	0.35	0.00	0.00	0.00
Current ratio (times) <sup>(4)</sup>	3.00	2.93	2.93	6.63	(0.70)	(0.70)

Notes:

(1) Total borrowings refer to borrowings from financial institutions.

(2) Basic (loss)/earnings per share equals (loss)/profit after tax and minority interest divided by the weighted average number of shares.

(3) Gearing ratio represents the ratio of total borrowings to net tangible assets.

(4) Current ratio represents the ratio of current assets to current liabilities.

Shareholders should note that the financial effects set out above are for illustrative purposes only. Although the Share Buyback Mandate will authorise the Company to purchase or acquire up to ten per cent. (10%) of the issued Shares (excluding any Shares held in treasury) as at the Approval Date, the Company may not necessarily purchase or be able to purchase the entire ten per cent. (10%) of the issued Shares (excluding any Shares held in treasury). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

## LETTER TO SHAREHOLDERS

### 2.8 Listing Rules

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m., (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8.3.1 of the Listing Manual) must include the details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by the SGX-ST, the Company would not purchase or acquire any Shares through Market Purchases during the period of two (2) weeks and one (1) month immediately preceding the announcement of the Company’s interim results and the annual (full-year) results respectively.

The Listing Manual requires a listed company to ensure that at least ten per cent. (10%) of any class of its listed securities must be held by public shareholders. As at the Latest Practicable Date, approximately 55% of the issued Shares are held by public Shareholders.

The Company will not carry out any share buyback unless at least ten per cent. (10%) of its listed securities can be maintained in the hands of public Shareholders and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

### 2.9 Take-over Obligations

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

#### 2.9.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder’s proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

## LETTER TO SHAREHOLDERS

### 2.9.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert:

- (a) the following companies:
  - (i) a company;
  - (ii) the parent company of (i);
  - (iii) the subsidiaries of (i);
  - (iv) the fellow subsidiaries of (i);
  - (v) the associated companies of any of (i), (ii), (iii) or (iv);
  - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
  - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

The circumstances under which shareholders of a company (including directors of the company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of shares by the company are set out in Appendix 2 of the Take-over Code.

### 2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

**Shareholders who are in doubt are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company pursuant to the Share Buyback Mandate.**

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## LETTER TO SHAREHOLDERS

### 2.9.4 Exemption under Appendix 2 of the Take-over Code

Section 3(a) of Appendix 2 of the Take-over Code provides, *inter alia*, that for a market acquisition under Section 76E of the Companies Act or an off-market acquisition on an equal access scheme under Section 76C of the Companies Act by a listed company, directors and persons acting in concert with them will be exempted from the requirement to make a general offer for the Company under Rule 14.1 of the Take-over Code, subject to the following conditions:

- (a) the circular to shareholders on the resolution to authorise a buyback to contain advice to the effect that by voting for the buyback resolution, shareholders are waiving their right to a general offer at the Required Price (as defined hereinafter) from directors and parties acting in concert with them who, as a result of the Company buying back its Shares, would increase their voting rights to 30% or more, or, if they together hold between 30% and 50% of the Company's voting rights, would increase their voting rights by more than one per cent. (1%) in any period of six (6) months; and the names of such directors and persons acting in concert with them, their voting rights at the time of the resolution and after the proposed buyback to be disclosed in the same circular;
- (b) the resolution to authorise a share buyback to be approved by a majority of those shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the share buyback;
- (c) the directors and/or persons acting in concert with them to abstain from voting for and/or recommending shareholders to vote in favour of the resolution to authorise the share buyback;
- (d) within seven (7) days after the passing of the resolution to authorise a buyback, each of the directors to submit to the SIC a duly signed form as prescribed by the SIC;
- (e) directors and/or persons acting in concert with them not to have acquired and not to acquire any shares between the date on which they know that the announcement of the share buyback proposal is imminent and the earlier of:
  - (i) the date on which the authority of the share buyback expires; and
  - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by shareholders at the latest general meeting or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the buyback, would cause their aggregate voting rights to increase to 30% or more;



## LETTER TO SHAREHOLDERS

- (f) directors and/or persons acting in concert with them, together holding between 30% and 50% of the company's voting rights, not to have acquired and not to acquire any shares between the date on which they know that the announcement of the share buyback proposal is imminent and the earlier of:
- (i) the date on which the authority of the share buyback expires; and
  - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by shareholders at the latest general meeting or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the buyback, would cause their aggregate voting rights to increase by more than one per cent. (1%) in the preceding six (6) months. It follows that where aggregate voting rights held by a director and persons acting in concert with him increase by more than one per cent. (1%) solely as a result of the share purchase and none of them has acquired any shares during the relevant period defined above, then such director and/or persons acting in concert with him would be eligible for SIC's exemption from the requirement to make a general offer under Rule 14, or where such exemption had been granted, would continue to enjoy the exemption.

### 2.9.5 Exemption for Hanwa and Hanwa Directors

Mr Hiroshi Ebihara, our Non-Executive Director, and Mr. Seiji Usui, our Executive Director, were appointed to the Board as nominees of Hanwa ("**Hanwa Directors**") following the entry of the Strategic Alliance Agreement dated 1 December 2014 between Hanwa and the Company in conjunction with a placement of new Shares by the Company to Hanwa.

As at the Latest Practicable Date, Hanwa holds 82,617,982 Shares, representing approximately 28.45% of the total issued share capital of the Company. None of the Hanwa Directors holds any Shares as at the Latest Practicable Date.

Under the Take-over Code, Hanwa and the Hanwa Directors would, unless exempted, become obliged to make a general offer under the Take-over Code for the Shares not owned by them, if as a result of the exercise of the Share Buyback Mandate, their interests in the voting rights of the Company increases to 30% or more.

Based on 290,399,997 Shares in issue as at the Latest Practicable Date and assuming the exercise in full of the Share Buyback Mandate which would result in the purchase or acquisition of 29,039,999 Shares, the shareholding and voting rights of Hanwa may be increased from approximately 28.45% to approximately 31.61%, which exceeds the 30% threshold provided for under the Take-over Code.

Neither Hanwa nor the Hanwa Directors have acquired and will not be acquiring any Shares between the announcement date (3 March 2016) and the earlier of:-

- (i) the date on which the Share Buyback Mandate expires; and
- (ii) the date on which the Company announces it has bought back such number of Shares as authorised by Shareholders under the Share Buyback Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the buyback, would cause their aggregate voting rights to increase to 30% or more.

**Shareholders should therefore note that by voting in favour of Ordinary Resolution 1 to approve the Share Buyback Mandate, they will be waiving their rights to a general offer at the Required Price by Hanwa and the Hanwa Directors in the circumstances set out above.**

## LETTER TO SHAREHOLDERS

“**Required Price**” means in relation to the offer required to be made under the provisions of Rule 14.1 of the Take-over Code, the highest of the highest price paid by the offerors and/or person(s) acting in concert with them for the Company’s Shares (i) during the offer period and within the preceding six (6) months, (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within six (6) months of the offer and during the offer period, or (iii) acquired through the exercise of rights to subscribe for, and options in respect of, securities which carry voting rights within six (6) months of the offer or during the offer period; or at such price as determined by SIC under Rule 14.3 of the Take-over Code.

Save as disclosed herein, based on the Register of Directors’ Shareholdings and the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any other Director and/or Shareholder who may become obligated to make a mandatory offer in the event that share buybacks are undertaken by the Company pursuant to the Share Buyback Mandate. Further details of the interests of the Directors and Substantial Shareholders of the Company in the Shares as at the Latest Practicable Date are set out in section 3 of this Circular.

**The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate are advised to consult their professional advisers and/or the SIC at the earliest opportunity.**

### 2.10 Shares purchased by the Company

The Company has not made any share buyback on or in the 12 months preceding the Latest Practicable Date.

### 3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and the Substantial Shareholders of the Company as at the Latest Practicable Date, as recorded in the Register of Directors’ Shareholdings and the Register of Substantial Shareholders maintained under the provisions of the Companies Act, are as follows:

Director	Direct Interest		Deemed Interest	
	Shares	%	Shares	%
Low Beng Tin	–	–	–	–
Ong Chin Sum	–	–	–	–
Ong Tong Hai	28,411,996	9.78	–	–
Ong Tong Yang	19,954,396	6.87	–	–
Seiji Usui	–	–	–	–
Jovenal Santiago	–	–	–	–
Tan Siok Chin	125,000	0.04	–	–
Hiroshi Ebihara	–	–	–	–

Substantial Shareholder	Direct Interest		Deemed Interest	
	Shares	%	Shares	%
Hanwa Co., Ltd	82,617,982	28.45	–	–
Ong Tong Hai	28,411,996	9.78	–	–
Ong Tong Yang	19,954,396	6.87	–	–

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## LETTER TO SHAREHOLDERS

### 4. DIRECTORS' RECOMMENDATION

The Directors (save for Mr Seiji Usui and Mr Hiroshi Ebihara) are of the opinion that the proposed adoption of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the resolution set out in the notice of EGM relating to the proposed adoption of the Share Buyback Mandate.

As further elaborated in section 2.9.5 above, Mr Seiji Usui and Mr Hiroshi Ebihara (being the Hanwa Directors) have abstained from making any recommendation to Shareholders on Ordinary Resolution 1, being the Ordinary Resolution relating to the proposed adoption of the Share Buyback Mandate.

### 5. ABSTENTION FROM VOTING

Hanwa shall abstain from voting at the EGM in respect of Ordinary Resolution 1 relating to the proposed adoption of the Share Buyback Mandate, for reasons as further elaborated in section 2.9.5 above and will not accept nominations as proxies or otherwise for voting in respect of the said Ordinary Resolution at the EGM unless specific instruction has been given in the proxy form as to the manner in which votes are to be cast in respect of the Ordinary Resolution 1.

### 6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in this Circular, will be held at the time and place as stipulated in the notice of EGM for the purpose of considering and, if thought fit, passing with or without any modifications, the resolutions set out in the notice of EGM.

### 7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the notice of EGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the registered office of the Company, not later than 48 hours before the time fixed for the EGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes in place of the proxy.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP at least 72 hours before the EGM.

### 8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed adoption of the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

## LETTER TO SHAREHOLDERS

### 9. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 14 Lok Yang Way, Singapore 628633 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the current Constitution of the Company; and
- (b) the Annual Report for FY2015.

Yours faithfully  
For and on behalf of the Board

Ong Chin Sum  
Chief Executive Officer and Executive Director  
**COSMOSTEEL HOLDINGS LIMITED**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

### COSMOSTEEL HOLDINGS LIMITED (Company Registration No. 200515540Z)

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of CosmoSteel Holdings Limited (the "**Company**") will be held at Jurong Country Club, 9 Science Centre Road, Singapore 609078 on 18 March 2016 at 10 a.m. for the purpose of considering and, if thought fit, passing (with or without any modifications) the following resolutions set out below.

All capitalised terms in this Notice which are not defined herein shall have the same meanings ascribed to them in the circular to shareholders of the Company dated 3 March 2016 (the "**Circular**").

#### **ORDINARY RESOLUTION 1: THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE**

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) market purchase(s) on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") transacted through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
  - (ii) off-market purchase(s) otherwise than on a securities exchange, in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual,

on the terms set out in the Circular, be and is hereby authorized and approved generally and unconditionally (the "**Share Buyback Mandate**");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
- (i) the date on which the next AGM is held or required by law to be held; and
  - (ii) the date on which the share buybacks are carried out to the full extent mandated;
- (c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) market days on which Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the market purchase or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five day period;

"**date of the making of the offer**" means the date on which the Company makes an offer for the purchase or acquisition of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

“**Maximum Percentage**” means that number of issued Shares representing ten per cent. (10%) of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and
  - (ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, 105% of the Average Closing Price of the Shares; and
- (d) the Directors of the Company and each of them be and is hereby authorised to do such acts and things (including without limitation, to execute all such documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient to give effect to the transactions contemplated and/or authorised by this Resolution.

By Order of the Board

Ong Chin Sum  
Chief Executive Officer and Executive Director  
**CosmoSteel Holdings Limited**  
**3 March 2016**

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

**Notes:-**

1. A proxy need not be a member of the Company.
2. The instrument appointing the proxy or proxies must be deposited at the Company's registered office at 14 Lok Yang Way, Singapore 628633, not less than 48 hours before the time appointed for the meeting.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its Common Seal or under the hand of its attorney or a duly authorized officer.

**Personal Data Privacy**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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**COSMOSTEEL HOLDINGS LIMITED**  
(Company Registration No. 200515540Z)

**IMPORTANT:**

1. For investors who have used their CPF monies to buy shares in the capital of CosmoSteel Holdings Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominee.

**EXTRAORDINARY GENERAL MEETING**

**PROXY FORM**

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_

of \_\_\_\_\_ (Address)

being a member/members of COSMOSTEEL HOLDINGS LIMITED (the "Company") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting (the "Meeting") of the Company to be held at Jurong Country Club, 9 Science Centre Road, Singapore 609078 on 18 March 2016 at 10 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	Ordinary Resolution	For	Against
1	To approve the proposed adoption of the Share Buyback Mandate		

\* If you wish to exercise all your votes 'For' or 'Against', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Total number of Shares in	Number of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of Member(s) /  
Common Seal of Corporate shareholder

\*Delete where inapplicable



**Notes:-**

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.  
  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).  
  
"Relevant intermediary" means:
  - (i) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
  - (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A proxy need not be a member of the Company.
4. The instrument appointing the proxy or proxies must be deposited at the Company's registered office at 14 Lok Yang Way, Singapore 628633, not less than 48 hours before the time appointed for the meeting.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its Common Seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have Shares entered against his name in the Depository Register 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

## **Personal Data Privacy**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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