

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

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## **INCREASE OF SHARE CAPITAL IN SUBSIDIARY**

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The Board of Directors of Cosmosteel Holdings Limited (the “**Company**”) wishes to announce that the Company has subscribed for an additional 14,000,000 new ordinary shares in its wholly-owned subsidiary, Kim Seng Huat Hardware Pte Ltd (“**Kim Seng Huat**”), for a total cash consideration of \$14,000,000 (the “**Subscription Amount**”).

As a result, the paid up share capital of Kim Seng Huat has now increased from 28,000,000 to 42,000,000 and comprises 42,000,000 ordinary shares, fully paid up. The additional capital injected into Kim Seng Huat will be used for such purposes as set out in the Circular dated 16 February 2015 that was issued in connection with the Placement (as defined below).

The Subscription Amount was funded from the proceeds of the issuance of 26,400,000 ordinary shares in the capital of the Company to Hanwa Co., Ltd at an issue price of \$0.58 per share, as announced by the Company on 6 March 2015 (the “**Placement**”).

## **USE OF PROCEEDS FROM PLACEMENT**

Pursuant to Rule 704(30) of the Listing Manual of the SGX-ST, the Company wishes to update that part of the proceeds of the Placement has been utilised for payment of the Subscription Amount as stated above.

The Subscription is not expected to have any material impact on the net tangible assets per share or earnings per share of the Company for the current financial year ending on 30 September 2015.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect in the Subscription, other than through their respective shareholdings in the Company (if any).

## **By Order of the Board**

Ong Chin Sum  
Chief Executive Officer and Executive Director  
27 April 2015