

COSMOSTEEL HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200515540Z)

CHANGE IN AND UPDATE OF USE OF PLACEMENT PROCEEDS

Unless otherwise defined, capitalised terms used herein shall bear the same meaning ascribed to them in the circular to shareholders dated 16 February 2015 (“Circular”) relating to the allotment and issue of 26,400,000 new ordinary shares in the capital of the Company to Hanwa Co., Ltd. (“Hanwa”) (“Placement”).

The Board of Directors (the “Board”) of CosmoSteel Holdings Limited (“Company”) wishes to update shareholders on the reallocation of the use of the proceeds from the Placement (“Net Proceeds”).

The Company wishes to announce that the Net Proceeds of S\$782,000 previously allocated for the acquisition of machinery and equipment at 36 Tuas Crescent will be re-allocated for the intended use of general working capital purposes.

The Company currently expects that the Group would have sufficient machinery and equipment required for its operations following the completion of the construction of the new building and acquisition of machinery at 90 Second Lok Yang Road, and hence have shelved its plans to acquire further machinery and equipment for 36 Tuas Crescent.

As at the date of this announcement, the status and reallocation of the Net Proceeds is as follows:

Use of Net Proceeds	Estimated Percentage Allocation Of Net Proceeds As set out In the Circular	Allocation of Net Proceeds as Set out in The Circular	Proceeds Utilised as at The date of this Announcement	Balance of the Net Proceeds As at the date Of this Announcement	Revised Allocation of The Net Proceeds as at The date of This Announcement
	%	S\$’000	S\$’000	S\$’000	S\$’000
Financing the construction of a new building and acquisition of machinery and equipment at 90 Second Lok Yang Road	24.0	3,400	3,004	396	3,400

Use of Net Proceeds	Estimated Percentage Allocation Of Net Proceeds As set out In the Circular	Allocation of Net Proceeds as Set out in The Circular	Proceeds Utilised as at The date of this Announcement	Balance of the Net Proceeds As at the date Of this Announcement	Revised Allocation of The Net Proceeds as at The date of This Announcement
	%	S\$'000	S\$'000	S\$'000	S\$'000
Acquisition of machinery and equipment at 36 Tuas Crescent	8.0	1,100	318	782	318
Repayment of short term loans	35.0	5,000	5,000	-	5,000
General working capital purposes	33.0	4,800	4,800	-	5,582
Total	100.0	14,300	13,122	1,178	14,300

The Company will continue to make periodic announcements as and when the Net Proceeds are materially disbursed and will provide a status report on the use of the Net Proceeds in its annual report.

BY ORDER OF THE BOARD

Ong Chin Sum
Chief Executive Officer and Executive Director
6 February 2018