

COSMOSTEEL HOLDINGS LIMITED
(Incorporated in the Republic of Singapore on 9 November 2005)
(Company Registration No.: 200515540Z)

RESPONSE TO SGX QUERY REGARDING TRADING ACTIVITY

The Board of Directors of CosmoSteel Holdings Limited (the “**Company**”) would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited (the “**SGX**”) on 3 February 2014 as follows:-

SGX Query 1:

Are you aware of any information not previously announced concerning you (the issuer), your subsidiaries or associated companies which, if known, might explain the trading?

- If yes, the information must be announced immediately.

Company’s response:

The Company is currently exploring the possibility of undertaking a corporate action involving the Company and/or its shares including, *inter alia*, a potential subscription for shares in the Company (the “**Corporate Action**”). However, the Company is only at a preliminary stage in the exploration of the Corporate Action, and nothing definitive has been reached at this juncture.

Shareholders and investors are therefore advised to exercise caution when dealing or trading in the shares of the Company in the meantime, as there is no certainty or assurance that the Company will enter into any definitive agreement(s) in relation to the Corporate Action and/or that the Corporate Action will materialise.

The Company will make the appropriate announcement(s) in compliance with the listing rules of the SGX as and when there are any material updates or developments in relation to the foregoing, including without limitation, the execution and delivery of any definitive agreement(s) in relation to the same.

SGX Query 2:

Are you aware of any other possible explanation for the trading?

Company’s response:

Save for the above matter, the Company is not aware of any other possible explanation for the trading.

SGX Query 3:

Can you confirm your compliance with the listing rules and, in particular, listing rule 703?

Company’s response:

The Company confirms compliance with the listing rules and, in particular, listing rule 703.

By Order of the Board

ONG CHIN SUM
CHIEF EXECUTIVE OFFICER

4 February 2014