



## **COSMOSTEEL HOLDINGS LIMITED**

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

---

### **CLARIFICATION ANNOUNCEMENT**

---

The board of directors (the "**Board**") of CosmoSteel Holdings Limited (the "**Company**") refers to the announcement dated 4 September 2014 relating to the classification of Mr Low Beng Tin ("**Mr. Low**") from Non-Executive director to Independent Non-executive Director (the "**Announcement**").

Unless otherwise defined, all capitalized terms used in this announcement shall bear the same meanings as in the Company's Announcement dated 4 September 2014.

The Board would like to inform Shareholders of the rationale for the reclassification of Mr Low.

At the time of the initial public offering of the Company in 2007 ("**IPO**"), Mr. Low was appointed as a non-executive director of the Company but was not classified as an independent non-executive director as the following factors were taken into consideration in conjunction with such appointment:-

- (a) At the time of the IPO, Mr Low held 2,632,000 shares representing 1.5% of the entire issued and paid-up share capital of the Company at that time.
- (b) It was contemplated at the time of the IPO that there may be, from time to time, trade-related transactions between (i) the Company and/or its subsidiaries (the "**Group**") and (ii) OEL (Holdings) Limited (formerly known as Oakwell Engineering Limited) and/or its subsidiaries and/or its associated companies ("**Oakwell Group**") (where Mr. Low was then and is currently still the executive chairman and managing director and substantial shareholder of OEL (Holdings) Limited (formerly known as Oakwell Engineering Limited)) ("**Oakwell Transactions**") for which the Company had implemented various policies and measures to mitigate the possibility of conflicts of interest.

Since the IPO, there have been the following developments in relation to the foregoing considerations:-

- (a) Mr Low has since sold all of the shares of the Company which he previously held, and he currently no longer has any interest (whether direct or deemed) in the shares of the Company;
- (b) since 2013, there has not been any significant Oakwell Transactions and the aggregate value of Oakwell Transactions for the financial year ended 30 September 2013 was approximately \$78,000; and
- (c) it is not currently contemplated that there will be any significant Oakwell Transaction taking place in the current financial year ending 30 September 2014;

Further, Mr Low has confirmed to the Nominating Committee the following regarding his independence:-

- (a) that he is not, and was not employed by the Company or any of its related corporations (as defined in the Companies Act (Cap. 50) of Singapore (the "**CA**") for the current or any of the past 3 financial years;
- (b) none of his immediate family members (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited) is, or was in any of the last three (3) financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the Remuneration Committee of the Company;
- (c) neither his immediate family members nor he has or have accepted any significant compensation from the Company or any of its related corporations for the provision of services, for the current or immediate past financial year, other than compensation for board service;
- (d) neither his immediate family members nor he, in the current or immediate past financial year, is or was a 10% shareholder of, or a partner in (with 10% or more stake), or an executive officer of, or a director of, any organization to which the Company or any of its subsidiaries (as defined in the CA) made, or from which the Company or any of its subsidiaries received, significant payments (pursuant to the Code of Corporate Governance 2012, as a guide, payments aggregated over any financial year is in excess of S\$200,000 is generally deemed to be significant) or material services (which may include auditing, banking, consulting and legal services) in the current or immediate past financial year;
- (e) he does not hold any shares of the Company, and accordingly he is not a 10% shareholder of the Company; and none of his immediate family members is a 10% shareholder of the Company; and
- (f) he is not and has not been directly associated with a 10% shareholder of the Company, in the current or the immediate past financial year.

Accordingly, the Board has approved the reclassification of Mr Low from a non-executive director to an independent non-executive director.

By Order of the Board

**Ong Chin Sum**

Chief Executive Officer and Executive Director

17 September 2014