

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

**NOTIFICATION OF INCLUSION ON THE WATCH-LIST DUE TO THE FINANCIAL ENTRY CRITERIA
WITH EFFECT FROM 5 JUNE 2018**

CosmoSteel Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”) wishes to announce that the Singapore Exchange Securities Trading Limited (the “SGX-ST”) has on 4 June 2018 notified the Company that it will be placed on the watch-list pursuant to Rule 1311(1) of the Listing Manual (the “Listing Manual”) with effect from 5 June 2018.

Rule 1311(1) of the Listing Manual provides that an issuer will be placed on the watch-list (Financial Entry Criteria) if it records pre-tax losses for the three (3) most recently completed consecutive financial years (based on audited full year consolidated accounts) and an average daily market capitalisation of less than S\$40 million over the last 6 months (“Financial Entry Criteria”).

The Company will have to take active steps to restore its financial health and meet the requirements of Listing Rule 1314(1) within 36 months from 5 June 2018, failing which the SGX-ST would delist the Company or suspend trading in the Company’s shares with a view to delisting the Company. Listing Rule 1314(1) states that an issuer may apply for its removal from the watch-list if it records consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts) and has an average daily market capitalisation of S\$40 million or more over the last six (6) months (“Exit Criteria”).

The Company will, in the meantime, comply with its obligations under Rule 1313(2) of the Listing Manual, to provide quarterly updates on its financial situation, its future direction, or other material development that may have a significant impact on its financial position and the progress made in meeting the Exit Criteria. The Company will make an immediate announcement of any material development that occurs between the quarterly updates.

The Company wishes to notify all its shareholders and business partners that the Group’s business will continue as usual and that trading in its securities will also continue unless a trading halt or suspension is effected.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Ong Chin Sum
Chief Executive Officer and Executive Director
4 June 2018