

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

**QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL
OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

Background

CosmoSteel Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on the watch-list under the financial entry criteria (“**Watch-list**”) pursuant to Rule 1311 of the Listing Manual on 5 June 2018 as it recorded 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.

The Company remains on the Watch-list as at the date of this announcement as the Company did not meet the exit criteria pursuant to Rule 1314 of the Listing Manual (the “**Exit Criteria**”), (read with Practice Note 13.2 Watch-List) on 30 June 2020.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company (the “**Board**”) wishes to provide an update on its efforts and the progress made in meeting the Exit Criteria.

Update on Future Direction and Other Material Developments

The Group continues to be profitable for the third quarter of the financial year ending 30 September 2020 (“**3QFY2020**”) and as previously announced by the Company on 11 May 2020 in connection with the release of the financial results for the half year ended 31 March 2020, the Company remains cautiously optimistic of maintaining its profitability for the financial year ending 30 September 2020.

However, the Company would like to caution Shareholders that due to the fluidity of the existing situation due to the current COVID-19 global pandemic, the Group may face more challenges in the remainder of the financial year ending 30 September 2020 from what is currently envisaged. The Company endeavours to keep Shareholders duly informed of any subsequent material developments.

Save for the above, as at the date of this announcement, there is no material development or update on the Group’s business or future plans or directions that may have a significant impact on the financial results, financial position of the Company and/or the movement of the Company’s share price that would affect its position on the Watch-list.

The Board will continue to monitor the situation closely, and will make the appropriate announcement(s), if applicable, should there be any material developments or updates to inform Shareholders on.

Update on Efforts for Satisfying Exit Criteria

If the Group is able to maintain profitability in the financial year ending 30 September 2020, the Company will be able to satisfy one of the conditions of the Exit Criteria, the other being to meet the requisite market capitalisation of S\$40 million. The Company would like to reassure shareholders of the Company that the Board is monitoring the situation and actively considering various options to meet the Exit Criteria pursuant to Rule 1314 of the Listing Manual, and the Company will update shareholders of any material developments in this respect in due course.

BY ORDER OF THE BOARD

Ong Tong Hai
Chief Executive Officer and Executive Director
24 August 2020