

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

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

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**Background**

CosmoSteel Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on:

1. the watch-list under the minimum trading price entry criteria (“**MTP Criteria Watch-list**”) pursuant to Rule 1311(2) of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 5 June 2017 as it recorded a volume-weighted average price of less than S\$0.20 and an average daily market capitalisation of less than S\$40 million over the last 6 months; and
2. the watch-list under the financial entry criteria (“**Financial Criteria Watch-list**”) pursuant to Rule 1311(1) 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 MTP Criteria Watch-list and Financial Criteria Watch-list (collectively referred to as the “**Watch-lists**”) as at the date of this announcement as the Company did not meet (i) the MTP exit criteria pursuant to Rule 1314(2) of the Listing Manual (the “**MTP Exit Criteria**”) and (ii) the Financial exit criteria pursuant to Rule 1314(1) of the Listing Manual (the “**Financial Exit Criteria**”), (read with Practice Note 13.2 Watch-List) on 31 December 2019.

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 MTP Exit Criteria and the Financial Exit Criteria.

**Update on Future Direction and Other Material Developments**

The Group continues to be profitable for 1QFY2020 following its return to profitability for the financial year ended 30 September 2019, following the Company’s increased focus on its marketing and cost management efforts and the sales of its existing inventories, and the Board is cautiously optimistic of maintaining such profitability going forward.

The Group is mindful that operating conditions in the oil, gas and energy sectors remain challenging and will continue to improve our competitiveness in the market and look to strengthen our revenue generation.

Save for the above, as at the date of this announcement, there is no material development or update on the Group’s future direction that may have a significant impact on the financial position of the

Company or the movement of the Company's share price that would affect its position on the Watch-lists.

**Update on Efforts for Satisfying MTP Exit Criteria and Financial 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 Financial Exit Criteria, the other being to meet the requisite market capitalisation of S\$40 million, which is also one of the conditions under the present MTP Exit Criteria.

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 MTP Exit Criteria and Financial 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  
5 March 2020