



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

**APPLICATION FOR FURTHER EXTENSION OF TIME TO SATISFY THE REQUIREMENTS FOR
REMOVAL FROM THE SGX-ST WATCH-LIST**

Background

The Board of Directors (the “**Board**”) of CosmoSteel Holdings Limited (the “**Company**” and together with its subsidiaries the “**Group**”) refers to its announcements of 4 June 2018, 5 March 2021 and 14 May 2021 in relation to the Company being placed on the watch-list pursuant to Rule 1311 of the Listing Manual (the “**Listing Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) with effect from 5 June 2018, for which the Company had previously applied for and obtained an extension of time to meet the Exit Criteria (as defined below) from 5 June 2021 to 4 June 2022 (“**Earlier Extension Application**”).

Pursuant to Rule 1314 of the Listing Rules, the Company may be removed from the Watch-List if the Company records a consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts); and the Company has an average daily market capitalisation of S\$40 million or more for the 6 months period prior to the review date immediately preceding 4 June 2022 (“**Exit Criteria**”), failing which the SGX-ST may either remove the Company from the Official List or suspend trading of the listed shares of the Company (without the agreement of the Company) with a view to removing the Company from the Official List.

Since the Earlier Extension Application, the Company has maintained its profitability, with an audited consolidated pre-tax profit of S\$2,262,000 for the most recently completed financial year of the financial year ended 30 September 2021.

The net asset value (NAV) of the Group as at 30 September 2021 was approximately S\$82,374,000 and the NAV per share was approximately S\$0.28. The Group has also built up a very healthy cash and cash-equivalent position, with a cash and cash-equivalent balance of approximately S\$32,549,000 as at 30 September 2021

Notwithstanding the Company’s and the Group’s financial position as stated above, the Company’s share price has remained static, and trading in the Company’s shares has also been relatively illiquid.

The range of traded share prices (based on the closing market price traded on the SGX-ST) for the past 6 months from 25 August 2021 to 24 February 2022 was between approximately S\$0.088 to approximately S\$0.100, so the shares are trading significantly below the NAV per share.

In view of the foregoing and after further deliberations, the Board is of the view that it may be beneficial for the Company to have more time to explore options to satisfy the Exit Criteria. Accordingly, the Company has on 25 February 2022 submitted an application to the SGX-ST (the “**Application**”) seeking

a further extension of time of up to 4 June 2023 (being an extension of a further 12 months from the current deadline of 4 June 2022) for the Company to satisfy the Exit Criteria

The Company will update shareholders of the outcome of the Application (including any other relevant material developments in relation thereto) via further announcements as and when appropriate.

The Company would like to remind all shareholders that there is no assurance that the SGX-ST will grant the abovementioned extension. As such, shareholders of the Company are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in relation to their shares which may be prejudicial to their interests. Persons who are in doubt, as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

BY ORDER OF THE BOARD

Ong Tong Hai
Chief Executive Officer and Executive Director
25 February 2022