



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 then three (3) most recently completed consecutive financial years (based on the audited full year consolidated accounts of the Company) and an average daily market capitalisation of less than S\$40 million over the last 6 months prior to 1 June 2018.

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) as at 31 March 2023.

As at the date of this announcement, the Company has until 4 June 2023 to meet the Exit Criteria, subject to a possible extension of time to meet the Exit Criteria pursuant to the application made by the Company on 27 April 2023, as further elaborated below.

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 has continued to be profitable for the first half of the financial year ending 30 September 2023 (“**FY2023**”). Barring unforeseen circumstances, the Company is expected to be profitable for FY2023.

As announced by the Company on SGXNet on 9 May 2023, the Group has on 9 May 2023 entered into a Sale and Purchase Agreement to purchase a warehouse in Mukim Senai, District of Kulai, State of Johor, Malaysia, which the Group intends to use as warehouse facilities and for the purposes of the proposed expansion of the Group’s operations in Malaysia.

The Company expects that with the move to locate the Group’s warehouse facilities to Malaysia, this will put the Group in closer proximity with existing and potential new customers in Malaysia, and increase the Group’s contacts and network, with corresponding increased opportunities for sales and marketing and securing of new orders and projects or other business collaborations or ventures from or in such markets.

Save for the above, as at 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.

Update on Efforts for Satisfying Exit Criteria

For purposes of meeting the Exit Criteria, apart from profitability, which the Company has met for the immediate preceding financial year ended 30 September 2022, the other condition to be met is the requisite market capitalisation of S\$40 million, which is calculated based on the average daily market capitalisation for the period of 6 months prior to applicable date for review of the Company's satisfaction of the conditions for the Exit Criteria.

As at 11 May 2023, the Company's average market capitalisation over the past 6 months (excluding the treasury shares held by the Company) is approximately S\$32,700,000.

As announced by the Company on SGXNet on 27 April 2023, the Company has on 27 April 2023 submitted an application to the Exchange for a further extension of the deadline to meet the Exit Criteria (the "**Application**"). The Company will keep Shareholders duly informed of any subsequent material developments in relation to the Application.

The Company would like to reassure the Shareholders that it is continuing to actively explore and consider various options to meet the Exit Criteria pursuant to Rule 1314 of the Listing Manual and will keep the Shareholders duly informed of any subsequent material developments in relation to the foregoing, and/or affecting the Company and/or its business.

BY ORDER OF THE BOARD

Ong Tong Hai
Chief Executive Officer and Executive Director
11 May 2023