



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 30 September 2021.

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 financial year ended 30 September 2021 (“**FY2021**”) although revenue was significantly lower compared to the previous financial year, in view of the COVID-19 pandemic and its far-reaching economic impact. The Group expects its ability to generate revenue, along with operating profits, from its existing products and services for FY2022 to continue to be adversely affected for the same reasons.

The Group has been actively working on securing new projects, diversifying its existing products and services and finding other means to generate revenue. The Company has made some headway in venturing into the supply of structural products, and will continue to make efforts in developing such new product line. Cost management also continues to be a priority. The Company has been working on its cost-cutting measures and has managed to successfully reduce, inter alia, its finance costs, administrative expenses, and marketing and distribution costs for FY2021 as compared to the previous financial year.

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

As announced by the Company on 14 May 2021, the Company has obtained an extension of time up to 5 June 2022 to meet the Exit Criteria.

With the Group maintaining profitability in FY2021, the Company has satisfied 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 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
26 November 2021