



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.

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 June 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 managed to maintain its profitability in the third quarter of the financial year ending 30 September 2021 (“**3QFY2021**”). In view of the continued impact of the COVID-19 pandemic, the Company has continued its cost-cutting measures and has successfully managed to reduce, *inter alia*, its finance costs, marketing and distribution costs and administrative expenses. In addition, the Company is focusing on selling aged inventory at a revenue for the Group, and the reversal of previous provision (if any) made for such sold aged inventory.

The COVID-19 pandemic and its knock-on economic impact is expected to continue to impair and adversely affect the Group’s ability to secure new projects and revenue generation for the rest of the financial year ending 30 September 2021 (“**FY2021**”).

The Company continues to actively explore projects to increase revenue and expand or diversify its existing products or services and/or markets, and to meet the market capitalisation requirement under the Exit Criteria.

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.

If the Group is able to maintain its profitability in FY2021, 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 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
18 August 2021