



**COSMOSTEEL HOLDINGS LIMITED**  
Co. Reg. No. 200515540Z

**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS**

**1(a)(i) A consolidated statement of comprehensive income together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|  | <b>Group</b>    |                 |                |                  |                  |                |
|--|-----------------|-----------------|----------------|------------------|------------------|----------------|
|  | <b>4QFY2015</b> | <b>4QFY2014</b> | <b>%</b>       | <b>1-Oct-14</b>  | <b>1-Oct-13</b>  | <b>%</b>       |
|  | <b>S\$'000</b>  | <b>S\$'000</b>  | <b>+ / (-)</b> | <b>30-Sep-15</b> | <b>30-Sep-14</b> | <b>+ / (-)</b> |
| <b>Revenue</b>   | 24,218          | 41,501          | (41.6)         | 109,903          | 157,642          | (30.3)         |
| Cost of sales  | (19,862)        | (33,145)        | (40.1)         | (90,339)         | (126,897)        | (28.8)         |
| <b>Gross profit</b>  | 4,356           | 8,356           | (47.9)         | 19,564           | 30,745           | (36.4)         |
| Financial income   | 4               | 6               | (33.3)         | 15               | 39               | (61.5)         |
| Financial expense  | (266)           | (356)           | (25.3)         | (1,359)          | (1,460)          | (6.9)          |
| Distribution costs   | (1,551)         | (2,281)         | (32.0)         | (8,145)          | (9,400)          | (13.4)         |
| Administrative expenses  | (1,883)         | (2,415)         | (22.0)         | (7,606)          | (8,602)          | (11.6)         |
| Depreciation expense   | (1,337)         | (800)           | 67.1           | (4,434)          | (2,615)          | 69.6           |
| Other credits/(charges)  | 1,140           | 23              | NM             | 603              | (1,884)          | (132.0)        |
| <b>Profit/(Loss) before income tax</b>                             | 463             | 2,533           | (81.7)         | (1,362)          | 6,823            | (120.0)        |
| Income tax credit/(expense)  | 560             | (514)           | (208.9)        | 478              | (1,283)          | (137.3)        |
| <b>Profit/(Loss) for the period</b>                                | 1,023           | 2,019           | (49.3)         | (884)            | 5,540            | (116.0)        |
| <b>Other Comprehensive Income:</b>                                 |                 |                 |                |                  |                  |                |
| Gains on property revaluation, net of tax                          | 3,311           | 4,772           | (30.6)         | 3,311            | 4,772            | (30.6)         |
| Exchange differences on translating foreign operations, net of tax | 44              | 49              | (10.2)         | 180              | 48               | 275.0          |
| Other Comprehensive Income for the period, net of tax              | 3,355           | 4,821           | (30.4)         | 3,491            | 4,820            | (27.6)         |
| <b>Total Comprehensive Income for the period, net of tax</b>       | 4,378           | 6,840           | (36.0)         | 2,607            | 10,360           | (74.8)         |

**NM: Not meaningful**

**1(a)(ii) The consolidated statement of comprehensive income is arrived after crediting / (charging) the following:**

|   | <b>Group</b>    |                 |                  |                  |
|---|-----------------|-----------------|------------------|------------------|
|   | <b>4QFY2015</b> | <b>4QFY2014</b> | <b>1-Oct-14</b>  | <b>1-Oct-13</b>  |
|   | <b>S\$'000</b>  | <b>S\$'000</b>  | <b>30-Sep-15</b> | <b>30-Sep-14</b> |
| (Allowance)/Reversal for impairment on trade receivables                              | (4)             | (18)            | 177              | (36)             |
| Reversal/(Allowance) for slow-moving inventories and decline in net realisable values | 993             | (373)           | 654              | (1,800)          |
| Bad debts recovered   | 135             | 273             | 162              | 2                |
| Foreign exchange gain   | 315             | 162             | 317              | 228              |
| Gain on disposal of plant and equipment   | -               | 10              | 4                | 10               |
| Interest on borrowings  | (266)           | (356)           | (1,359)          | (1,460)          |
| Write-off for slow moving inventory   | (304)           | (37)            | (737)            | (233)            |



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1(b)(i) Statements of financial position together with a comparative statement as at the end of the immediately preceding financial year.

|   | Group           |                 | Company         |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | <u>As at</u>    | <u>As at</u>    | <u>As at</u>    | <u>As at</u>    |
|   | <u>30/09/15</u> | <u>30/09/14</u> | <u>30/09/15</u> | <u>30/09/14</u> |
|   | S\$'000         | S\$'000         | S\$'000         | S\$'000         |
| <b><u>ASSETS</u></b>                                  |                 |                 |                 |                 |
| <b><u>Non-Current Assets</u></b>                      |                 |                 |                 |                 |
| Property, Plant and Equipment                         | 30,863          | 24,063          | -               | -               |
| Investments in Subsidiaries                           | -               | -               | 60,107          | 46,107          |
| Available-For-Sale Financial Assets                   | 130             | 130             | -               | -               |
| Trade and Other Receivables                           | 2,214           | 2,086           | -               | -               |
| <b>Total Non-Current Assets</b>                       | <b>33,207</b>   | <b>26,279</b>   | <b>60,107</b>   | <b>46,107</b>   |
| <b><u>Current Assets</u></b>                          |                 |                 |                 |                 |
| Inventories   | 93,851          | 109,214         | -               | -               |
| Trade and Other Receivables                           | 25,958          | 39,085          | 2,010           | 3,766           |
| Financial Assets at Fair Value Through Profit or Loss | 1,606           | 1,454           | -               | -               |
| Other Assets  | 517             | 1,368           | 34              | 36              |
| Cash and Cash Equivalents                             | 25,021          | 33,177          | 1,211           | 807             |
| <b>Total Current Assets</b>                           | <b>146,953</b>  | <b>184,298</b>  | <b>3,255</b>    | <b>4,609</b>    |
| <b>Total Assets</b>                                   | <b>180,160</b>  | <b>210,577</b>  | <b>63,362</b>   | <b>50,716</b>   |
| <b><u>EQUITY AND LIABILITIES</u></b>                  |                 |                 |                 |                 |
| <b><u>Equity</u></b>                                  |                 |                 |                 |                 |
| Share Capital   | 56,325          | 42,062          | 56,325          | 42,062          |
| Retained Earnings                                     | 50,807          | 50,642          | 6,546           | 7,372           |
| Other Reserves  | 15,502          | 14,380          | -               | -               |
| <b>Total Equity</b>                                   | <b>122,634</b>  | <b>107,084</b>  | <b>62,871</b>   | <b>49,434</b>   |
| <b><u>Non-Current Liabilities</u></b>                 |                 |                 |                 |                 |
| Deferred Tax Liabilities                              | 3,740           | 3,556           | -               | -               |
| Provisions  | 88              | 64              | -               | -               |
| Other Financial Liabilities                           | 4,762           | 4,679           | -               | 2               |
| <b>Total Non-Current Liabilities</b>                  | <b>8,590</b>    | <b>8,299</b>    | <b>-</b>        | <b>2</b>        |
| <b><u>Current Liabilities</u></b>                     |                 |                 |                 |                 |
| Income Tax Payable                                    | 85              | 1,537           | 35              | 58              |
| Trade and Other Payables                              | 11,879          | 25,976          | 456             | 1,220           |
| Other Financial Liabilities                           | 36,852          | 65,491          | -               | 2               |
| Other Liabilities                                     | 120             | 2,190           | -               | -               |
| <b>Total Current Liabilities</b>                      | <b>48,936</b>   | <b>95,194</b>   | <b>491</b>      | <b>1,280</b>    |
| <b>Total Liabilities</b>                              | <b>57,526</b>   | <b>103,493</b>  | <b>491</b>      | <b>1,282</b>    |
| <b>Total Equity and Liabilities</b>                   | <b>180,160</b>  | <b>210,577</b>  | <b>63,362</b>   | <b>50,716</b>   |



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**1(b)(ii) Aggregate amount of the Group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

| As at 30/09/2015 |           | As at 30/09/2014 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| \$'000           | \$'000    | \$'000           | \$'000    |
| 36,852           | -         | 65,396           | -         |

**Amount repayable after one year**

| As at 30/09/2015 |           | As at 30/09/2013 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| \$'000           | \$'000    | \$'000           | \$'000    |
| 4,762            | -         | 4,679            | -         |

**Details of any collateral**

As at 30 September 2015, the Group's borrowings and debt securities consist of bills payable, term loans and loans for the properties at 14 Lok Yang Way Singapore 628633 and 36 Tuas Crescent Singapore 638724.

The borrowings are secured by:

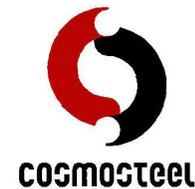
- (a) Legal mortgage on the Group's leasehold property at 14 Lok Yang Way Singapore 628633;
- (b) Legal mortgage on the Group's leasehold property at 36 Tuas Crescent Singapore 638724;

and covered by corporate guarantees issued by the Company.

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1(c) **A consolidated statement of cash flows together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|   | <b>Group</b>               |                            |  |  |
|---|----------------------------|----------------------------|--|--|
|   | <u>4QFY2015</u><br>S\$'000 | <u>4QFY2014</u><br>S\$'000 | <u>1-Oct-14</u><br><u>30-Sep-15</u><br>S\$'000 | <u>1-Oct-13</u><br><u>30-Sep-14</u><br>S\$'000 |
| <b>Cash Flows From Operating Activities :</b>                                   |                            |                            |  |  |
| Profit/(Loss) Before Tax  | 463                        | 2,533                      | (1,362)  | 6,823  |
| Adjustments for :   |                            |                            |  |  |
| Interest Income   | (4)                        | (6)                        | (15)   | (39)   |
| Interest Expense  | 266                        | 356                        | 1,359  | 1,460  |
| Depreciation of Property, Plant and Equipment                                   | 1,337                      | 800                        | 4,434  | 2,615  |
| Gain on Disposal of Plant and Equipment   | -                          | (10)                       | (4)  | (10)   |
| Net Effect of Exchange Rate Changes in Consolidating Foreign Operations         | 44                         | 49                         | 180  | 48   |
| Fair Value (Gain)/Loss on Financial Assets at Fair Value through Profit or Loss | (17)                       | 10                         | (152)  | 38   |
| Fair Value Loss/(Gain) on Derivative Financial Instruments                      | 9                          | (28)                       | (95)   | (115)  |
| Operating Cash Flows before Changes in Working Capital Inventories              | 2,098                      | 3,704                      | 4,345  | 10,820   |
| Trade and Other Receivables   | 5,501                      | 5,125                      | 15,363   | 10,605   |
| Trade and Other Receivables   | 2,914                      | 5,320                      | 12,999   | (11,668)                                       |
| Other Assets  | 353                        | (982)                      | 851  | (882)  |
| Bills Payable   | (9,778)                    | (2,005)                    | (25,462)                                       | 2,271  |
| Trade and Other Payables  | 1,947                      | 2,259                      | (14,097)                                       | 2,071  |
| Other Liabilities   | (799)                      | 1,708                      | (2,070)  | 1,835  |
| Provisions, Non-current   | 24                         | 64                         | 24   | 64   |
| Net Cash Flows From/(Used in) Operations Before Tax                             | 2,260                      | 15,193                     | (8,047)  | 15,116   |
| Income Taxes Paid   | (290)                      | (110)                      | (1,469)  | (1,191)  |
| Net Cash Flows From/(Used in) Operating Activities                              | 1,970                      | 15,083                     | (9,516)  | 13,925   |
| <b>Cash Flows From Investing Activities :</b>                                   |                            |                            |  |  |
| Purchase of Property, Plant and Equipment                                       | (111)                      | (157)                      | (7,268)  | (427)  |
| Disposal of Property, Plant and Equipment                                       | -                          | 10                         | 27   | 10   |
| Interest Received   | 4                          | 6                          | 15   | 39   |
| Net Cash Flows Used in Investing Activities                                     | (107)                      | (141)                      | (7,226)  | (378)  |
| <b>Cash Flows From Financing Activities :</b>                                   |                            |                            |  |  |
| Cash Restricted in Use Over 3 Months  | 1                          | (15)                       | 45   | (15)   |
| Proceeds from Issue of Shares   | -                          | -                          | 14,263   | -  |
| Decrease in Other Financial Liabilities   | (1,189)                    | (1,191)                    | (8,438)  | (4,668)  |
| Increase from New Borrowings  | -                          | -                          | 5,440  | 8,000  |
| Decrease in Finance Leases  | -                          | (3)                        | -  | (46)   |
| Dividends Paid  | -                          | -                          | (1,320)  | (2,640)  |
| Interest Paid   | (266)                      | (356)                      | (1,359)  | (1,460)  |
| Net Cash Flows (Used in)/From Financing Activities                              | (1,454)                    | (1,565)                    | 8,631  | (829)  |



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|  | <u>4QFY2015</u> | <u>4QFY2014</u> | <u>1-Oct-14</u>  | <u>1-Oct-13</u>  |
|--|-----------------|-----------------|------------------|------------------|
|  | <u>S\$'000</u>  | <u>S\$'000</u>  | <u>30-Sep-15</u> | <u>30-Sep-14</u> |
|  |                 |                 | <u>S\$'000</u>   | <u>S\$'000</u>   |
| Cash and Cash Equivalents  | 25,021          | 33,177          | 25,021           | 33,177           |
| Cash Restricted in Use Over 3 Months   | (25)            | (70)            | (25)             | (70)             |
| <b>Cash and Cash Equivalents for Statement of Cash Flows purposes at end of the period</b> | <b>24,996</b>   | <b>33,107</b>   | <b>24,996</b>    | <b>33,107</b>    |

1(d)(i) A statement (for the issuer) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| <u>Group</u>   | <u>Share Capital</u> | <u>Currency Translation Reserve</u> | <u>Revaluation Reserve</u> | <u>Retained Earnings</u> | <u>Total Equity</u> |
|--|----------------------|-------------------------------------|----------------------------|--------------------------|---------------------|
|  | <u>S\$'000</u>       | <u>S\$'000</u>                      | <u>S\$'000</u>             | <u>S\$'000</u>           | <u>S\$'000</u>      |
| <b>Balance at 1 October 2013</b>   | 42,062               | 53                                  | 10,249                     | 47,000                   | 99,364              |
| Total Comprehensive Income for FY2014  | -                    | 48                                  | 4,772                      | 5,540                    | 10,360              |
| Dividends Paid   | -                    | -                                   | -                          | (2,640)                  | (2,640)             |
| Transfer to Retained Earnings of Difference Between Depreciation on Carrying Revalued Amount and Depreciation Based on Original Cost | -                    | -                                   | (742)                      | 742                      | -                   |
| <b>Balance at 30 September 2014</b>  | <b>42,062</b>        | <b>101</b>                          | <b>14,279</b>              | <b>50,642</b>            | <b>107,084</b>      |
| <b>Balance at 1 October 2014</b>   | 42,062               | 101                                 | 14,279                     | 50,642                   | 107,084             |
| Total Comprehensive Income for FY2015  | -                    | 180                                 | 3,311                      | (884)                    | 2,607               |
| Dividends Paid   | -                    | -                                   | -                          | (1,320)                  | (1,320)             |
| Transfer to Retained Earnings of Difference Between Depreciation on Carrying Revalued Amount and Depreciation Based on Original Cost | -                    | -                                   | (2,369)                    | 2,369                    | -                   |
| Issue of New Shares Pursant to Private Placement   | 15,312               | -                                   | -                          | -                        | 15,312              |
| Placement Expense  | (1,049)              | -                                   | -                          | -                        | (1,049)             |
| <b>Balance at 30 September 2015</b>  | <b>56,325</b>        | <b>281</b>                          | <b>15,221</b>              | <b>50,807</b>            | <b>122,634</b>      |

| <u>Company</u>                                   | <u>Share Capital</u> | <u>Retained Earnings</u> | <u>Total Equity</u> |
|--|----------------------|--------------------------|---------------------|
|  | <u>S\$'000</u>       | <u>S\$'000</u>           | <u>S\$'000</u>      |
| <b>Balance at 1 October 2013</b>                 | 42,062               | 8,063                    | 50,125              |
| Total Comprehensive Income for FY2014            | -                    | 1,949                    | 1,949               |
| Dividends Paid                                   | -                    | (2,640)                  | (2,640)             |
| <b>Balance at 30 September 2014</b>              | <b>42,062</b>        | <b>7,372</b>             | <b>49,434</b>       |
| <b>Balance at 1 October 2014</b>                 | 42,062               | 7,372                    | 49,434              |
| Total Comprehensive Income for FY2015            | -                    | 494                      | 494                 |
| Dividends Paid                                   | -                    | (1,320)                  | (1,320)             |
| Issue of New Shares Pursant to Private Placement | 15,312               | -                        | 15,312              |
| Placement Expense                                | (1,049)              | -                        | (1,049)             |
| <b>Balance at 30 September 2015</b>              | <b>56,325</b>        | <b>6,546</b>             | <b>62,871</b>       |



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- 1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no outstanding convertibles and treasury shares as at 30 September 2014 and 30 September 2015.

- 1(d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

| <b>As at 30/09/15</b> | <b>As at 30/09/14</b> |
|-----------------------|-----------------------|
| 290,399,997           | 263,999,997           |

The Company did not have any treasury shares at the end of the current financial year and as at the end of the immediately preceding year.

- 1(d)(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

2. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial year as in the most recently audited financial statements for the financial year ended 30 September 2014.

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5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There were no changes in the accounting policies and methods of computation.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

|  | Group       |             |                |                |
|--|-------------|-------------|----------------|----------------|
| Earnings per ordinary share of the Company (in cents):           | 4QFY2015    | 4QFY2014    | As at 30/09/15 | As at 30/09/14 |
| (a) Based on weighted average number of ordinary shares in issue | 0.37        | 0.76        | (0.32)         | 2.10           |
| (b) On a fully diluted basis                                     | 0.37        | 0.76        | (0.32)         | 2.10           |
| Weighted average number of ordinary shares in issue              | 279,116,709 | 263,999,997 | 279,116,709    | 263,999,997    |

The fully diluted earnings per ordinary share is the same as the basic earnings per ordinary share as there were no options granted or outstanding during the financial year.

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:  
 (a) current financial period reported on; and  
 (b) immediately preceding financial year.

|   | Group            |                  | Company          |                  |
|---|------------------|------------------|------------------|------------------|
|   | As at 30/09/2015 | As at 30/09/2014 | As at 30/09/2015 | As at 30/09/2014 |
| Net asset value per ordinary share based on issued share capital at the end of the financial year (in cents): | 42.23            | 40.56            | 21.65            | 18.73            |
| Number of ordinary shares in issue  | 290,399,997      | 263,999,997      | 290,399,997      | 263,999,997      |



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8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

**Statement of Comprehensive Income Review**

Revenue

Revenue had decreased by \$17.3 million or 41.6% from \$41.5 million in 4QFY2014 to \$24.2 million in 4QFY2015. The decrease was mainly due to a decrease in revenue from customers in the Energy Sector. Revenue from such customers had decreased by \$18.9 million or 53.9% from \$35.1 million in 4QFY2014 to \$16.2 million in 4QFY2015.

Year on year, revenue had decreased by \$47.7 million or 30.3% from \$157.6 million in FY2014 to \$109.9 million in FY2015 from a decrease in revenue from both customers in the Energy and Marine Sector, which resulted from a lacklustre global economy that has affected the demands of our customers. Revenue from customers in the Energy Sector had decreased by \$44.6 million or 34.8% from \$128.0 million in FY2014 to \$83.4 million in FY2015 whilst revenue from the Marine Sector had decreased by \$5.4 million or 24.8% from \$21.9 million in FY2014 to \$16.5 million in FY2015. Despite the decrease, the Energy and the Marine Sectors collectively accounted for \$99.9 million or 90.9% of the total revenue generated in FY2015.

Geographically, higher sales revenue were derived from the Brunei and Japan market in FY2015, which collectively accounted for \$29.0 million or 26.4% of total revenue, as compared to \$13.4 million or 8.5% in FY2014 from increased marketing efforts. Despite being the main contributor to the revenue generated in FY2015, the Singapore market saw the largest decline in revenue from \$95.1 million or 60.3% in FY2014 to \$56.7 million or 51.6% in FY2015.

Gross Profit and Gross Profit Margin

Following the decrease in revenue, gross profit had decreased by \$4.0 million or 47.9% from \$8.4 million in 4QFY2014 to \$4.4 million in 4QFY2015. Gross profit margin had decreased by 2.1 percentage points from 20.1% in 4QFY2014 to 18.0% in 4QFY2015 from an increase in cost of sales due to additional services such as logistics handling, provided to customers.

Year on year, gross profit had decreased by \$11.1 million or 36.4% from \$30.7 million in FY2014 to \$19.6 million in FY2015. Gross profit margin had decreased by 1.7 percentage points from 19.5% in FY2014 to 17.8% in FY2015 as per the reason contributing to the quarter on quarter decline.

Financial Income and Expense

Financial income in 4QFY2015 had decreased slightly by \$2 thousand from lesser interest earned. Similarly, year on year, financial income had decreased by \$24 thousand from \$39 thousand in FY2014 to \$15 thousand in FY2015.

Financial expense had decreased by \$90 thousand or 25.3% from \$356 thousand in 4QFY2014 to \$266 thousand in 4QFY2015 mainly from lower interest paid on reduced borrowings. The same reason accounted for the year on year decrease of \$0.1 million or 6.9% from \$1.5 million in FY2014 to \$1.4 million in FY2015.



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Operating Expenses

Distribution costs had decreased by \$0.7 million or 32.0% from \$2.3 million in 4QFY2014 to \$1.6 million in 4QFY2015 in tandem with the decrease in revenue and from stringent control of overheads. Year on year, distribution costs had decreased by \$1.3 million or 13.4% from \$9.4 million in FY2014 to \$8.1 million in FY2015 as a result of the reasons as aforesaid.

Administrative expenses had decreased by \$0.5 million or 22.0% from \$2.4 million in 4QFY2014 to \$1.9 million in 4QFY2015 through implementation of cost-cutting measures which also accounted for the year on year decrease of \$1.0 million or 11.6% from \$8.6 million in FY2014 to \$7.6 million in FY2015.

Depreciation expense had increased by \$0.5 million or 67.1% from \$0.8 million in 4QFY2014 to \$1.3 million in 4QFY2015 mainly from higher depreciation on properties. Similarly, the higher depreciation on properties which resulted from acquisition of the new property at 36 Tuas Crescent in Dec 2014 and upward revaluations of certain leasehold properties of the Group, had resulted in the year on year increase in depreciation expense by \$1.8 million or 69.6% from \$2.6 million in FY2014 to \$4.4 million in FY2015.

Other Credits/(Charges)

Other credits has increased by \$1.1 million from \$23 thousand in 4QFY2014 to \$1.1 million in 4QFY2015 mainly due to foreign currency gains and reversal of allowance for slow-moving inventories. Year on year, a credit of \$0.6 million was made in FY2015 due to foreign currency gains, recovery of bad debts and reversal of impairment on trade receivables, as compared to a charge of \$1.9 million in FY2014, brought about by an increase in allowance for slow-moving inventories.

Profit/Loss Before Income Tax

Profit before income tax had decreased by \$2.0 million or 81.7% from a profit of \$2.5 million in 4QFY014 to \$0.5 million in 4QFY2015. Year on year, the resulting loss due to the aforementioned reasons was \$1.4 million in FY2015 as compared to a profit before income tax of \$6.8 million in FY2014.

Other Comprehensive Income

Other comprehensive income had decreased by \$1.4 million or 30.4% quarter on quarter, from \$4.8 million in 4QFY2014 to \$3.4 million in 4QFY2015, mainly due to lower upward revaluations of the leasehold properties of the Group in FY2015. The same reason accounted for the year on year decrease of \$1.3 million or 27.6% from \$4.8 million in FY2014 to \$3.5 million in FY2015.

**Statement of Financial Position Review**

Non-Current Assets

Non-current assets had increased by \$6.9 million or 26.4% from \$26.3 million in FY2014 to \$33.2 million in FY2015 mainly from the purchase of the warehouse at 36 Tuas Crescent Singapore 628724 and upward revaluations of the leasehold properties of the Group less depreciation charges.



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Current Assets

Current assets had decreased by \$37.3 million or 20.3% from \$184.3 million as at 30 September 2014 to \$147.0 million as at 30 September 2015. The decrease was mainly due to a decrease in both trade and other receivables and inventories. Trade and other receivables decreased by \$13.1

million or 33.6% from \$39.1 million as at 30 September 2014 to \$26.0 million as at 30 September 2015, following the decrease in revenue generated. Inventories had decreased by \$15.3 million or 14.1% from \$109.2 million as at 30 September 2014 to \$93.9 million as at 30 September 2015 from stricter inventory management controls. Notwithstanding the decrease in current assets, the Group's current ratio has improved from 1.94 as at 30 September 2014 to 3.00 as at 30 September 2015.

Non-Current Liabilities

Non-current liabilities had increased by \$0.3 million or 3.5% from \$8.3 million as at 30 September 2014 to \$8.6 million as at 30 September 2015 from an increase in deferred tax which arose from upward revaluations of the leasehold properties of the Group in FY2015 and increase in long-term borrowings.

Current Liabilities

Conversely, current liabilities had decreased by \$46.3 million or 48.6% from \$95.2 million as at 30 September 2014 to \$48.9 million as at 30 September 2015, primarily from a decrease in trade and other payables and other financial liabilities. Trade and other payables had decreased by \$14.1 million or 54.3% from \$26.0 million as at 30 September 2014 to \$11.9 million as at 30 September 2015 from repayments. Other financial liabilities, which includes short-term borrowings and current portion of long-term borrowings, had also decreased substantially by \$28.6 million or 43.7% from \$65.5 million as at 30 September 2014 to \$36.9 million as at 30 September 2015. With the decrease, coupled with the equity raised from the placement of shares in March 2015, the Group's gearing ratio (defined as total liabilities to equity) has improved from 0.97 as at 30 September 2014 to 0.47 as at 30 September 2015.

Equity

Total equity increased by \$15.5 million or 14.5% from \$107.1 million as at 30 September 2014 to \$122.6 million as at 30 September 2015 mainly from the increase in share capital of \$14.3 million from a private placement of 26,400,000 new ordinary shares on 6 March 2015.

**Statement of Cash Flows Review**

Cash Flows used in/from Operating Activities

Cash generated from operating activities had decreased by \$13.1 million from \$15.1 million in 4QFY2014 to \$2.0 million in 4QFY2015 mainly due to repayments of borrowings. The same reason had resulted in cash used in operating activities, year on year, to increase by \$23.4 million from an inflow of \$13.9 million in FY2014 to an outflow of \$9.5 million in FY2015.



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Cash Flows used in Investing Activities

Cash used in investing activities had decreased marginally by \$34 thousand from \$141 thousand in 4QFY2014 to \$107 thousand in 4QFY2015 due to minimal capital expenditure for the period. Year on year, cash used in investing activities had increased by \$6.8 million from \$0.4 million in FY2014 to \$7.2 million in FY2015 due to the purchase of the warehouse at 36 Tuas Crescent Singapore 628724 and other capital expenditure.

Cash Flows used in/from Financing Activities

Cash used in financing activities had decreased marginally by \$0.1 million from \$1.6 million in 4QFY2014 to \$1.5 million in 4QFY2015 from lower interest paid. Year on year, cash from financing activities had increased by \$9.4 million from an outflow of \$0.8 million in FY2014 to an inflow of \$8.6 million in FY2015 from the proceeds raised from the private placement of new shares which was completed on 6 March 2015.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement was previously disclosed.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

We expect generation of revenue to continue to remain challenging with the volatility of the oil market resulting in fewer projects available in the market. Cost management will continue to be a major focus in the management of our operations. Notwithstanding, profit margin is expected to continue to come under pressure from the intensifying competitive conditions amid the sluggish market.

As a consequence, we expect the Group's performance to continue to be challenged by the intense competition within the industry, both locally and globally.

The Management will remain prudent and cautious in the business activities of the Group and at the same time, staying vigilant to identify new potential markets or suitable opportunities for growth.

**11. Dividend**

**(a) Current Financial Period Reported On**

The Board of Directors has proposed a final dividend which is tax exempt in respect of the financial year ended 30 September 2015 as stated below:

|                           |         |
|---------------------------|---------|
| Name of Dividend          | Final   |
| Dividend Type             | Cash    |
| Dividend Amount per Share | \$0.005 |



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The dividend amount per share is computed based on 290,399,997 ordinary shares in issue and the dividends are not taxable in the hands of shareholders.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

A dividend of \$0.005 per share was declared by the Company for the corresponding period of the immediately preceding financial year.

**(c) Date payable**

To be advised.

**(d) Books closure date**

To be advised.

**12. If no dividend has been declared/recommended, a statement to that effect.**

See paragraph above.

**13. If the Group has obtained a general mandate from shareholders for IPTS, the aggregate value of such transactions as required under Rule 920(1)(a)(ii), if no IPT mandate has been obtained, a statement to that effect.**

| Name of interested person | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the IPT Mandate) | Aggregate value of all interested person transactions conducted under the IPT Mandate (excluding transactions less than S\$100,000) |
|---------------------------|---|---|
|                           | S\$'000   | S\$'000   |
| Hanwa Group *             | -   | 3,928   |

\* Hanwa Co., Ltd and its subsidiaries, and (where applicable) its associated companies.



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**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

15. **Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer’s most recently audited annual financial statement, with comparative information for the immediately preceding year.**

**By Customer Types**

**Financial year ended 30 September 2015**

|                                   | <u>Energy</u><br>S\$'000 | <u>Marine</u><br>S\$'000 | <u>Trading</u><br>S\$'000 | <u>Others</u><br>S\$'000 | <u>Consolidated</u><br>S\$'000 |
|-----------------------------------|--------------------------|--------------------------|---------------------------|--------------------------|--------------------------------|
| <b>REVENUE</b>                    |                          |                          |                           |                          |                                |
| Total Revenue                     | 83,413                   | 16,502                   | 8,742                     | 1,246                    | 109,903                        |
| Segment Results                   | 15,279                   | 3,051                    | 1,156                     | 78                       | 19,564                         |
| Unallocated corporate expenses    |                          |                          |                           |                          | (20,185)                       |
| Financial income                  |                          |                          |                           |                          | 15                             |
| Financial expense                 |                          |                          |                           |                          | (1,359)                        |
| Other credits                     |                          |                          |                           |                          | 603                            |
| Loss before income tax            |                          |                          |                           |                          | (1,362)                        |
| Income tax credit                 |                          |                          |                           |                          | 478                            |
| Loss for the year                 |                          |                          |                           |                          | (884)                          |
| <b>Balance Sheet</b>              |                          |                          |                           |                          |                                |
| As at 30 September 2015           |                          |                          |                           |                          |                                |
| <b>ASSETS</b>                     |                          |                          |                           |                          |                                |
| Unallocated corporate assets      |                          |                          |                           |                          | 180,160                        |
| <b>LIABILITIES</b>                |                          |                          |                           |                          |                                |
| Unallocated corporate liabilities |                          |                          |                           |                          | 57,526                         |



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**By Customer Types**

Financial year ended 30 September 2014

|                                   | <u>Energy</u><br>S\$'000 | <u>Marine</u><br>S\$'000 | <u>Trading</u><br>S\$'000 | <u>Others</u><br>S\$'000 | <u>Consolidated</u><br>S\$'000 |
|-----------------------------------|--------------------------|--------------------------|---------------------------|--------------------------|--------------------------------|
| <b>REVENUE</b>                    |                          |                          |                           |                          |                                |
| Total Revenue                     | 128,023                  | 21,948                   | 6,689                     | 982                      | 157,642                        |
| Segment Results                   | 23,774                   | 5,532                    | 1,249                     | 190                      | 30,745                         |
| Unallocated corporate expenses    |                          |                          |                           |                          | (20,617)                       |
| Financial income                  |                          |                          |                           |                          | 39                             |
| Financial expense                 |                          |                          |                           |                          | (1,460)                        |
| Other charges                     |                          |                          |                           |                          | (1,884)                        |
| Profit before income tax          |                          |                          |                           |                          | 6,823                          |
| Income tax expense                |                          |                          |                           |                          | (1,283)                        |
| Profit for the year               |                          |                          |                           |                          | 5,540                          |
| <b>Balance Sheet</b>              |                          |                          |                           |                          |                                |
| As at 30 September 2014           |                          |                          |                           |                          |                                |
| <b>ASSETS</b>                     |                          |                          |                           |                          |                                |
| Unallocated corporate assets      |                          |                          |                           |                          | 210,577                        |
| <b>LIABILITIES</b>                |                          |                          |                           |                          |                                |
| Unallocated corporate liabilities |                          |                          |                           |                          | 103,493                        |

Others include customers in other industries such as manufacturing sector.



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**By Geographical Segments**

**Sales revenue by geographical market**  
**Financial year ended 30 September**

|                    | <b>FY2015</b>  | <b>FY2014</b>  |
|--------------------|----------------|----------------|
|                    | <b>S\$'000</b> | <b>S\$'000</b> |
| <b>Brunei</b>      | 12,684         | 8,635          |
| <b>Europe</b>      | 713            | 874            |
| <b>Indonesia</b>   | 813            | 1,662          |
| <b>Japan</b>       | 16,314         | 4,725          |
| <b>Malaysia</b>    | 1,702          | 750            |
| <b>Middle East</b> | 325            | 84             |
| <b>Others</b>      | 7,811          | 23,205         |
| <b>Singapore</b>   | 56,665         | 95,118         |
| <b>Thailand</b>    | 152            | 123            |
| <b>Vietnam</b>     | 12,724         | 22,466         |
|                    | <b>109,903</b> | <b>157,642</b> |

Others include customers in Australia, China, Korea, New Zealand and the Philippines.

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8.

**17. A breakdown of sales.**

|  | <b>FY2015</b>  | <b>FY2014</b>  | <b>Increase/<br/>(Decrease)</b> |
|--|----------------|----------------|---------------------------------|
|  | <b>S\$'000</b> | <b>S\$'000</b> | <b>%</b>                        |
| (a) Sales reported for first half year   | 59,679         | 77,356         | (22.9)                          |
| (b) Operating profit after tax before deducting minority interest reported for first half year         | 578            | 2,640          | (78.1)                          |
| (c) Sales reported for second half year  | 50,224         | 80,286         | (37.4)                          |
| (d) Operating (loss)/profit after tax before deducting minority interest reported for second half year | (1,462)        | 2,900          | (150.4)                         |



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18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous year.

|          | FY2015<br>\$'000 | FY2014<br>\$'000 |
|----------|------------------|------------------|
| Ordinary | 1,452            | 1,320            |

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive office or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company wishes to confirm that the persons occupying managerial positions of the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company as at 30 September 2015 are as follows: -

| Name          | Age | Family relationship with any director, CEO and/or substantial shareholder  | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any during the year |
|---------------|-----|--|---|--|
| Teoh Bee Choo | 64  | Spouse of Mr Ong Chin Sum, Chief Executive Officer and Executive Director<br><br>Mother of Mr Ong Tong Hai and Mr Ong Tong Yang, Executive Directors | Human Resource Manager, position first held in 2005                   | Nil  |

By order of the Board

Ong Chin Sum  
Chief Executive Officer

Ong Tong Hai  
Director

18 November 2015