

**FOR IMMEDIATE RELEASE**

**CosmoSteel’s revenue rises 15.3% to  
 S\$45.3 million in 1QFY13**

- *Expanding target market to include upstream players in the oil and gas value chain*

**Summary of Financial Results for the period ended 31 December:**

<b>S\$' million</b>	<b>1QFY2013</b>	<b>1QFY2012</b>	<b>+ / (-) %</b>	<b>FY2012</b>
<b>Revenue</b>	45.3	39.3	15.3	155.0
<b>Gross Profit</b>	7.4	9.5	(21.9)	33.2
<b>GP Margin (%)</b>	16.3	24.1	7.8 % points	21.4
<b>Profit before income tax</b>	2.2	4.4	(51.1)	13.4
<b>Net Profit</b>	1.8	3.7	(51.7)	11.1
<b>EPS (cents)</b>	0.68	1.40	(51.4)	4.19

**SINGAPORE – 6 February 2013 – CosmoSteel Holdings Limited (“CosmoSteel” or the “Group”),** a leading supplier and distributor of piping system components to the Energy and Marine industries in Southeast Asia and other regions, today reported a net profit of S\$1.8 million for the three months ended 31 December 2012 (“1QFY2013”). This was achieved on the back of a 15.3% rise in its revenue to S\$45.3 million, which was underpinned by a new line-pipe project from an existing Energy-sector customer.

In spite of the higher revenue, the Group’s net profit for the period was lower primarily because of the new line-pipe project. For 1QFY2013, the Group’s gross profit margin was trimmed to 16.3% compared to 24.1% for the first quarter of last year (“1QFY2012”).

The Energy sector continued to be the main growth engine and generated S\$39.8 million in revenue for the Group in 1QFY2013, a year-on-year increase of 18.6% over S\$33.6 million in 1QFY2012.



**CosmoSteel Holdings Limited**  
(Co. Reg. No. 200515540Z)  
14 Lok Yang Way, Singapore 628633  
T: +65 6863 1828 • F: +65 6861 2191

### **Financial Position and Per Share Data**

The Group had S\$21.5 million in cash resources as at 1QFY2013, compared to S\$14.7 million a year ago, underscoring its continued healthy financial position.

Based on 263,999,997 ordinary shares in issue, the Group's earnings per share ("EPS") and net asset value per share ("NAV") for 1QFY2013 was 0.68 Singapore cents and 36.08 Singapore cents respectively. This compared to EPS of 1.40 Singapore cents and NAV of 35.40 Singapore cents for 1QFY2012.

### **Outlook**

As part of its growth plans, the Group is expanding its target customers to include upstream Oil and Gas players.

Mr Ong Chin Sum (翁青山), Chief Executive Officer of CosmoSteel elaborated, "With our current size of operations, we are ready to cast our net wide to include upstream Oil and Gas players in the Southeast Asia region. We will closely assess and balance the volume and returns from future orders with the aim of maintaining our overall profitability."

Mr Ong continued, "Even as we intensify our marketing efforts to upstream players, we will not neglect our existing downstream customers, who have been our backbone of growth over the years. We will continue to keep up our marketing efforts and service focus to them in order to grow organically."

Looking forward, the Management expects market conditions to be challenging and will remain cautious and prudent in the business activities of the Group. Barring unforeseen circumstances, the Group expects to continue to be profitable for FY2013.



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***About CosmoSteel Holdings Limited***

Backed by almost 30 years of stellar track record, CosmoSteel Holdings Limited, the holding company of Kim Seng Huat Hardware Pte Ltd, has a strong reputation as a supplier and distributor of piping system components to the Energy, Marine and other industries in Southeast Asia and other regions. It has built a strong customer base which includes blue-chip companies such as Shell, Exxon-Mobil and Alstom.

CosmoSteel carries an extensive inventory of approximately 20,000 line items across its three main product categories of pipes, fittings and flanges, comprising mainly of carbon steel or stainless steel products. It also provides value-added services to customise its products according to customers' specific requirements. CosmoSteel sources its products from a wide network of manufacturers and suppliers from Europe, US and Asia including Japan and the PRC, who have a proven track record in product quality and delivery capabilities. Product quality, timeliness and reliable customer deliveries are the foundation to the success of its business. The Group has received the following certifications: ISO 9002:1994 in 2000; ISO 9001:2000 in 2003; and in 2009, ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007, and bizSAFE STAR certification in 2012.

CosmoSteel was listed on the Mainboard of the SGX-ST in 2007 (Stock code: B9S) and was ranked Number 55 (out of 674 listed companies assessed) in the Governance and Transparency Index 2012. For more information about the Group, please visit <http://www.cosmosteel.com>.

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**For more information, please contact:**

August Consulting

Tel: 65 6733 8873

Silvia Heng, [silvia@august.com.sg](mailto:silvia@august.com.sg)

Janice Ong, [janice@august.com.sg](mailto:janice@august.com.sg)

Ho Lily, [lily@august.com.sg](mailto:lily@august.com.sg)