

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 three (3) most recently completed consecutive financial years (based on audited full year consolidated accounts) 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) on 30 September 2020.

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

Despite the challenging operating conditions in the current COVID-19 pandemic, the Group has managed to maintain its profitability in the financial year ended 30 September 2020 (“**FY2020**”), following its return to profitability in the financial year ended 30 September 2019.

As for the financial year ending 30 September 2021, the COVID-19 pandemic and its knock-on economic impact are expected to continue to impair the Group’s ability to secure new projects and revenue generation for the financial year ending 30 September 2021 (“**FY2021**”). The Group expects its ability to maintain revenue for FY2021 to be adversely affected based on its existing products and services.

To address the above, the Company will continue to improve its competitiveness in the market and explore measures to strengthen its revenue generation, including an expansion of our product offerings. Cost management continues to be a priority.

The Company endeavours to keep Shareholders duly informed of any subsequent material developments.

Update on Efforts for Satisfying Exit Criteria

With the Group maintaining profitability in FY2020, 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 shareholders of the Company that the Board is monitoring the situation and actively considering various options to meet the Exit Criteria pursuant to Rule 1314 of the Listing Manual, and the Company will update shareholders of any material developments in this respect in due course.

BY ORDER OF THE BOARD

Ong Tong Hai
Chief Executive Officer and Executive Director
20 November 2020