

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 31 December 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

The Group has managed to maintain its profitability in the first quarter of the financial year ending 30 September 2021 (“**1QFY2021**”) although its revenue for 1QFY2021 has dropped as compared to the previous quarter, *inter alia*, in view of reduced demand from customers amidst the challenging operating conditions faced due to the ongoing COVID-19 pandemic situation.

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**”).

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

Update on Efforts for Satisfying Exit Criteria

The Company continues to actively explore and consider various options to meet the Exit Criteria pursuant to Rule 1314 of the Listing Manual and will, if necessary, seek an extension of time to meet the Exit Criteria.

The Company will keep 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
23 February 2021