Nico Steel Solutions™
Think Innovation

CREATING FUTURE INNOVATION

ANNUAL REPORT 2020

VISION

To be Asia's most innovative metallurgical solutions provider in the mobile communications, high-tech electronics and automotive industries.

MISSION

To meet our customers' demands for innovative and state-of-the-art solutions through unique partnerships with them and their suppliers in the value chain.

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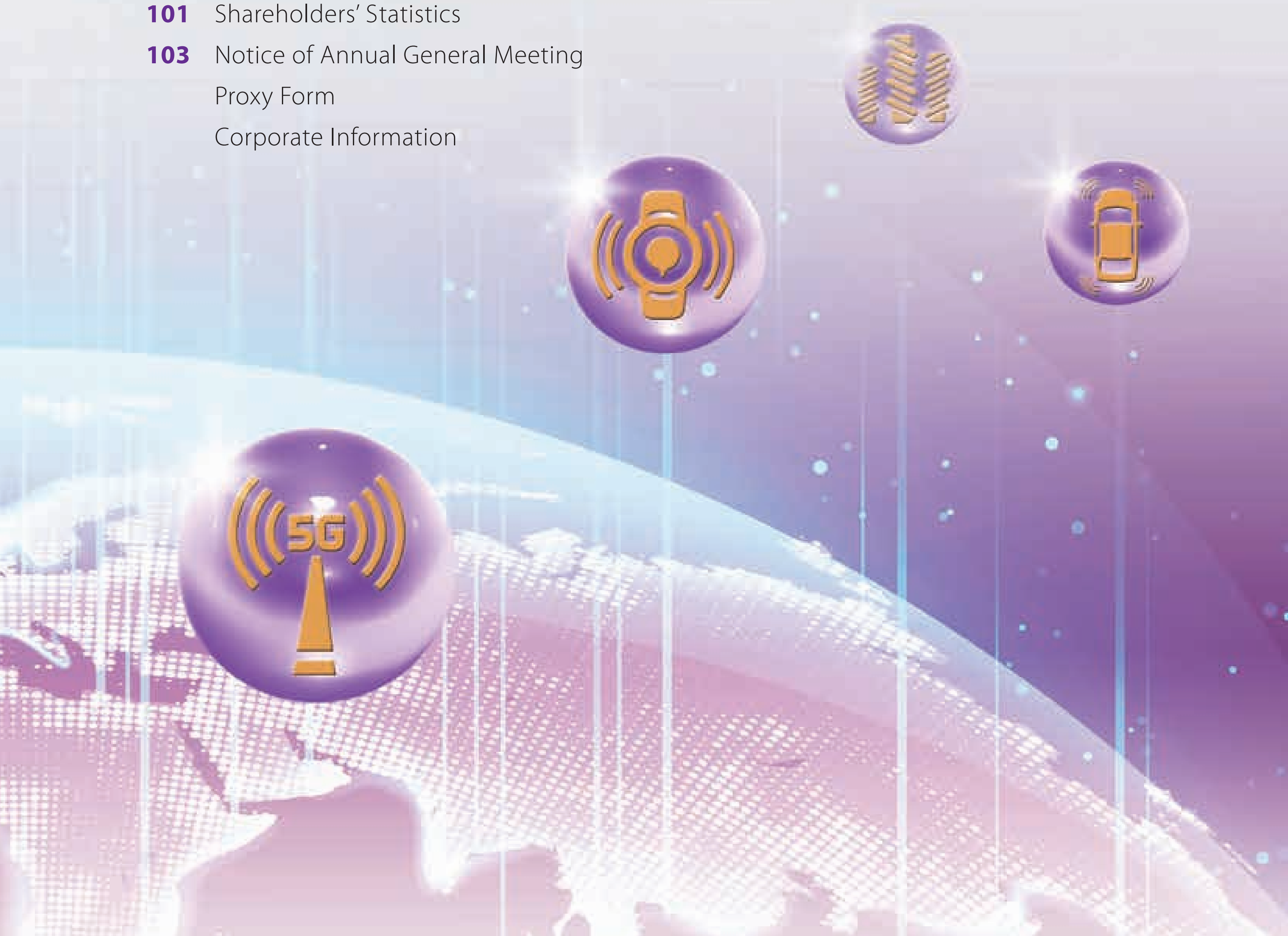

CORPORATE PROFILE

Nico Steel Holdings Limited 尼尔金属控股有限公司 ("**Nico Steel**" and together with its subsidiaries, the "**Group**") is a metallurgical and materials solutions specialist with a focus on customising technologically innovative metal alloys and materials under its proprietary "NICO" brand.

The Group's patented production techniques allow customisation of metallurgical and materials solutions to meet the evolving functionality, performance, and aesthetic requirements of the mobile and electronic device products for the brand owners, particularly those in the mobile communications, consumer electronics, industrial and automotive sectors.

Well-established in the upstream metal materials industry, the Group drives growth through (i) providing customised solutions as value-added services to component and contract manufacturers to meet their metal material fabrication requirements, and (ii) cultivating demand from brand owners and leaders of mobile communications, consumer electronics, industrial and automotive sectors, for its NICO brand of innovative and specialised metal alloys and materials that will meet evolving and stringent performance requirements of new mobile and electronic devices.

Headquartered in Singapore, the Group owns and operates processing and production facilities in China and Thailand, while the production facility in Singapore acts as its R&D centre.

Nico Steel is listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 7 April 2005 and was upgraded to the Mainboard on 5 January 2009 under the stock code 5GF.

CORPORATE VALUES

Nico Steel's DRIVE distinguishes Nico Steel and our employees. At Nico Steel, we embrace and live by these values throughout our organisation and also with our customers and suppliers. We call this 'Inside-Out Branding'

D

DARING CREATIVITY

This involves breaking out of established patterns and problem-solving in order to look at things from a fresh perspective.

R

REGARDS CHANGE AS AN OPPORTUNITY

Nico Steel is always sensitive to the evolving change in the business environment, locally and globally, to seize opportunities.

I

INTENSE PASSION

It is Nico Steel's attitude that we have the capabilities and efforts to deliver to our customers, from concept to reality.

V

VISIONARY PARTNERSHIP

Nico Steel's strategy of collaborating with our customers and suppliers is pivotal in achieving the desired performance of end-user electronic devices.

E

EXCELLENCE

The culture of excellence at Nico Steel has instilled pride and motivation in our employees and is the driving force behind our innovative spirit.

CHAIRMAN'S LETTER TO SHAREHOLDERS

INNOVATION FOR GROWTH

SUSTAINED INNOVATIONS CREATE NEW MARKET INROADS

DEAR FELLOW SHAREHOLDERS,

The uncertainties in the global supply chain and business environment, due to the protracted trade war between the United States and China since July 2018 and the outbreak of the coronavirus disease ("**COVID-19**") in early 2020, undermined our business performance for the financial year ended 29 February 2020 ("**FY2020**").

These unprecedented challenges led to disruptions and delay in the product development process of global brand owners, and resulted in lower demand for our Group's metallurgical and materials solutions, particularly our innovative "NICO" branded metal alloys. Consequently, the Group recorded a negative growth of 7.2% in revenue to US$14.0 million and a net loss of US$1.4 million for FY2020.

COMING OUT STRONGER TOGETHER

Global economic recovery from the COVID-19 pandemic is likely to be slow, and as with any crisis, there are risks as well as opportunities. We will tread carefully and work conscientiously with our business partners and eminent brand owners, to overcome the adversities and emerge stronger together.

We are appreciative of these eminent brand owners who are dominant leaders in their respective sectors, and our business partners who have been working with us on our metallurgical and materials solutions for new mobile and electronic devices including smartphones, laptops, tablets, Internet of Things ("**IoT**"), gaming and electronic-enabled devices. While there have been delays and a general slowdown in product development projects, we believe the impending rollout of 5G (fifth generation of high-speed data and bandwidth) networks and the surge in web traffic, particularly during the lockdowns of cities in this global COVID-19 pandemic, will likely to accelerate the adoption of technology in our lives as individuals and businesses.

CREATING FUTURE INNOVATION

The global COVID-19 pandemic, while exacerbating the challenging global business environment, is also driving us to adopt a new conventional lifestyle – telecommuting and virtual learning. The adjustment to this new conventional lifestyle has seen an increase in demand for and usage of mobile and electronic devices.

In late April 2020, the Infocomm Media Development Authority of Singapore announced that Singtel and the StarHub-M1 joint venture won the rights to build nationwide 5G networks in Singapore, and the nation is on track to roll out the 5G network from January 2021 with country-wide coverage by 2025[1].

With the rollout of 5G networks globally over the next few years, we believe the widespread adoption of IoT will further boost the demand for multi-functional mobile and electronic devices, which will drive demand for lighter and slimmer electronic-enabled devices with better and faster performance. This will result in higher demand for '**single metal with cross or multi-properties**' which can be satisfied with our metallurgical and materials solutions.

At Nico Steel, we are committed to revitalise regularly to stay ahead of the technological advancement and work closely with the eminent brand owners and business partners, to contribute to the revolutionary changes in mobile and electronic devices on the impending 5G trend. We are heartened to have the opportunities to participate in these new product development projects using our proprietary NICO brand alloys and materials solutions. While these projects are expected to take some time to reach the mass production stage, we believe the prospects of our Group remain bright.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board of Directors, I am thankful to our fellow Directors for their invaluable advice and guidance, and the dedicated management and employees for their commitment and support to the Group.

We also extend our sincere gratitude to our shareholders, customers, and business partners for your patience, confidence and continued support for the Group as we continue to give our best efforts to deliver positive values to all our stakeholders.

Danny Tan
Chairman & President

Source:
1 https://www.imda.gov.sg/news-and-events/Media-Room/Media-Releases/2020/Singapore-Forges-Ahead-with-Nationwide-5G-Rollout

BOARD OF DIRECTORS

TAN CHEE KHIONG DANNY

Executive Chairman & President

Mr Danny Tan is the co-Founder and Executive Chairman and President of the Company. He was appointed to the Board on 10 April 2002 and was re-elected on 26 June 2018.

Mr Danny Tan has been instrumental in building the Group to become an established player in the metal materials industry. He is primarily responsible for oversight and management of the Group's business and corporate development, and works together with Mr Steven Tang to formulate the overall business and corporate policies and strategies for the Group.

In October 2004, he received the Special Mention Award during the 2004 ASME – Rotary Entrepreneur of the Year Award.

Mr Danny Tan is the brother of the Executive Directors, Mr Steven Tang and Mr Andrew Tang.

TANG CHEE BIAN STEVEN

Executive Director

Mr Steven Tang is the co-Founder and Executive Director of the Company. He was appointed to the Board on 23 March 2018 and was re-elected on 26 June 2018.

Mr Steven Tang stepped down from the Board on 26 June 2014 to focus on the research and development efforts in both technological processes and metallurgical solutions. He is responsible for the Group's sales, marketing and product innovation division, and focuses on developing the Group's marketing strategies and working closely with the customers' product development teams.

Mr Steven Tang has been with the Group for approximately 20 years and played an important role in the co-development of the proprietary Nico range of innovative metallurgical solutions and services over the years. Prior to joining the Group, he was with various mills in the metallurgical industry in Japan, Korea, China, Taiwan, USA and Europe.

Mr Steven Tang is the brother of Mr Danny Tan and Mr Andrew Tang.

TANG CHEE WEE ANDREW

Executive Director

Mr Andrew Tang is the Executive Director of the Company. He was appointed to the Board on 10 April 2002 and was re-elected on 25 June 2019.

Mr Andrew Tang is responsible for corporate development, corporate branding and employee training of the Group. He joined the Group in 2001 with his knowledge and experience in the areas of corporate development and corporate branding.

Mr Andrew Tang is the brother of Mr Danny Tan and Mr Steven Tang.

TAN POH CHYE ALLAN
Lead Independent Director

Mr Allan Tan is the Lead Independent Director of the Company, and Chairman of the Remuneration Committee and member of the Audit and Nominating Committees. He was appointed to the Board on 16 February 2015 and was re-elected on 26 June 2018.

He is a lawyer and practises in the field of corporate finance, regulatory and compliance laws. He was admitted to the Singapore Bar in 1994. He is also an Independent Director of CNMC Goldmine Holdings Limited listed on the Catalist of the SGX-ST.

He holds a Bachelor of Laws (Honours) degree from the University of Buckingham (United Kingdom) and a Master's degree in Law from the London-Guildhall University (now named as the London Metropolitan University). He is also a Barrister-at-law of Gray's Inn.

GAVIN MARK MCINTYRE
Independent Director

Mr McIntyre is the Independent Director of the Company, and the Chairman of the Audit Committee and member of the Nominating and Remuneration Committees. He was appointed to the Board on 22 August 2016 and was re-elected on 27 June 2017.

From 2013 till 2015, Mr McIntyre worked as a practice director with a boutique valuation services firm with a strong regional presence in Asia. Between 2008 and 2013, he was holding the position of Chief Financial Officer of a listed company in Singapore where he worked closely with the Board to review projects in the fields of mineral extraction, telecommunications and general manufacturing & distribution. He is also an Independent Director of Anchor Resources Limited listed on the Catalist of the SGX-ST.

Mr McIntyre graduated from Curtin University in Australia with a degree in Accounting in 1989 and he holds the status of non-practicing CPA with CPA Australia since 1994.

LEE ENG YEW MICHAEL
Independent Director

Mr Michael Lee is the Independent Director of the Company, and the Chairman of the Nominating Committee and member of the Audit and Remuneration Committees. He was appointed to the Board on 26 June 2014 and was re-elected on 25 June 2019.

Mr Michael Lee was a Senior Director with Manulife Singapore. Previously, he was a District Manager with the American International Assurance. Mr Michael Lee has more than 20 years of experience specializing in the areas of financial, investment and estate planning.

Mr Michael Lee graduated from Nanyang Technological University with a Bachelor of Accountancy in 1993. He also holds a MBA in Strategic Wealth Management from the University of Vienna, Austria. He is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

EXECUTIVE OFFICERS

ONG HOCK SENG

General Manager, Thailand

Mr Ong is the General Manager of the Group's Thailand subsidiary. He joined the Group in 2004.

Mr Ong is responsible for the Group's operations in Thailand. He brought with him more than 12 years of production experience in the metal stamping industry with exposure in various overseas subsidiaries of the local stamping houses.

WANG LU

Group Finance Manager

Ms Wang is the Group Finance Manager of the Company. She joined the Group in 2008 as our Group Accountant and was promoted to her present position in 2011.

She is responsible for the Group's finance, accounting, tax and management information system functions. Prior to joining the Group, Ms Wang was a finance officer of a Group of Companies in the manufacturing industries.

NG CHIN SENG

General Manager, Suzhou Electroplating

Mr Ng is the General Manager of the Group's electroplating subsidiary based in Suzhou, China. He joined the Group in 2007 and was appointed as Executive Officer on 1 April 2011.

Mr Ng has more than 25 years of experience in the electroplating industry. He is responsible for the oversight, as well as the day-to-day operations and sales of the electroplating company in Suzhou.

PERFORMANCE REVIEW

PERFORMANCE REVIEW

The protracted trade dispute between the United States and China, which started in July 2018, and the outbreak of the Coronavirus Disease 2019 ("**COVID-19**") during the financial year under review resulted in disruptions and delays in product development efforts and new product launches of hi-tech electronic-enabled products. While these unprecedented challenges led to lower demand for the Group's metallurgical and materials solutions including our "NICO" branded metal alloys that could potentially address the evolving enhanced performance requirements of mobile and electronic devices, we continued our trajectory in working closely with the eminent brand owners in their new product devices.

Our early involvement at the product development stage for the new products of eminent brand owners allows us to participate in the understanding of the designs and desired performance of these mobile and electronic devices. Therefore, we are able to work on overcoming the limitations and potential concerns of the vital components that sit in these mobile and electronic devices. This participation strengthens our working relationships with our business partners, who are also part of the supply chain of the brand owners, and allows higher possibility of achieving the desired performance for the end products.

At Nico, we seek to resolve design limitations and address potential concerns on functionality and performance of the mobile and electronic devices with our NICO brand of metal alloys and material solutions through:

- √ **Thermal Management:** heat transfer is crucial for all digital devices with increasing bandwidth and speed
- √ **Electromagnetic Interference ("EMI") Management/Shielding:** enable the receiving and sending of dedicated signals to communicate and execute actions/commands concurrently
- √ **Insulation or Surface Conductive Management:** reduction of heat transfer between objects of thermal contact
- √ **Weight Management:** lighter and slimmer digital devices lead to thinner and compact components
- √ **Strength Management:** hardness, toughness and strength of materials to enhance functionality of the mobile devices

PERFORMANCE REVIEW

The product development cycle usually has a gestation period of 6 to 18 months, which also includes risk of delay and termination of the new products. The market acceptance and application of our innovative metallurgical and materials solutions for the components in the new mobile and electronic products will also take time. The Group's early success with some global brand owners demonstrates our first-mover advantage.

It is a necessary step for us to revitalise regularly to stay ahead of the technological advancement as hi-tech mobile and electronic devices are likely to continue to dominate our lifestyle. We will continue our effort in achieving excellence in the functionality, performance, and aesthetic requirements of the mobile and electronic device products through our customised metallurgical and material solutions. Currently, the Group holds 12 patents on the technological processes and 18 registered trademarks for NICO branded range of metal alloys and customised services.

The Group's financial performance for the financial year ended 29 February 2020 ("**FY2020**") was undermined by the uncertainties from the protracted trade dispute and the outbreak of COVID-19, which led to the temporary closure of our operations in China in February 2020, immediately after the Lunar New Year festive break in January 2020. Revenue for FY2020 declined by 7.2% from US$15.1 million in FY2019 to US$14.0 million in FY2020.

Revenue analysis by product segments

	FY2020		FY2019		
	USD'000	% of revenue	USD'000	% of revenue	YoY Change
Customised Solutions	11,626	83.0	10,865	72.0	+7.0%
NICO Brand of Metal Alloys	2,383	17.0	4,229	28.0	–43.7%
	14,009	100.0	**15,094**	100.0	**–7.2%**
Composite Gross Profit	2,810		4,537		–38.1%
Composite Gross Margin	20.1%		30.1%		–10.0%

China remained the key revenue contributor to the Group, increasing its contribution from 83.6% in FY2019 to 85.3% of the Group's revenue in FY2020. Revenue from Thailand increased from 11.8% in FY2019 to 13.2% in FY2020, while revenue from Malaysia reduced to 0.7% of the Group's revenue in FY2020.

In line with the lower revenue contribution from the higher-margin NICO brand of metal alloys in FY2020, gross profit declined by 38.1% from US$4.5 million in FY2019 to US$2.8 million in FY2020. Correspondingly, the gross profit margin decreased from 30.1% in FY2019 to 20.1% in FY2020.

Interest income from banks increased from US$1,000 in FY2019 to US$32,000 in FY2020, while other income decreased by 7.7% from US$26,000 in FY2019 to US$24,000 in FY2020 due to lower grant received by one of the Group's subsidiary in China in the year under review.

Total operating expenses including marketing and distribution, and administrative expenses, remained relatively stable at US$3.8 million in FY2020. Marketing and distribution expenses decreased by 18.4% from US$648,000 in FY2019 to US$529,000 in FY2020, while administrative expenses (including of impairment of trade receivable) increased by 3.0% from US$3.2 million in FY2019 to US$3.3 million in FY2020. The increase was mainly due to the recognition of an impairment loss on trade receivables of US$133,000 (approximately RMB0.92 million) in FY2020. This was in accordance with the Group's credit risk management policy following an assessment of the outstanding balance after unsuccessful efforts to recover the amount from the customer.

Other expenses decreased by 46.8% from US$125,000 in FY2019 to US$66,000 in FY2020, due to the decrease in foreign exchange loss as the Renminbi depreciated against the US dollar.

Finance costs increased by 20.2% from US$164,000 in FY2019 to US$197,000 in FY2020. The increase was mainly due to (i) the increase in interest rate on trade facilities in FY2020 for raw material purchases, and (ii) interest expense on lease liabilities with the adoption of SFRS(I) 16 Leases.

Income tax expenses increased by 27.2% from US$140,000 in FY2019 to US$179,000 in FY2020, this was mainly due to the reversal of deferred tax assets of the Group's subsidiary in Thailand in FY2020.

Taking into account the operational expenses, the Group reported a net loss attributable to shareholders of US$1.4 million in FY2020, a reversal from a net profit of US$243,000 in FY2019.

FINANCIAL POSITION

The balance sheet of the Group remained sound as at 29 February 2020. Non-current assets increased by US$442,000 from US$3.4 million as at 28 February 2019 to US$3.8 million as at 29 February 2020. This was mainly due to the recognition of certain operating lease expenses as right-of-use assets arose from the Group's adoption of SFRS(I) 16 Leases.

Current assets decreased by US$2.8 million from US$18.1 million as at 28 February 2019 to US$15.3 million as at 29 February 2020. This was mainly due to:

(i) the decrease in inventories by 16.7% from US$8.1 million as at 28 February 2019 to US$6.7 million as at 29 February 2020, which was in line with the Group's efforts to manage inventories in response to the overall decrease in revenue in FY2020;

(ii) the increase in trade and other receivables, and contract assets by 3.6% from US$4.9 million as at 28 February 2019 to US$5.1 million as at 29 February 2020, which was mainly due to higher sales from some major customers towards the end of FY2020; and

(iii) the decrease in cash and cash equivalents by 32.1% from US$5.0 million as at 28 February 2019 to US$3.4 million as at 29 February 2020, which was mainly due to the repayment of bank borrowings by one of the Group's China subsidiaries in FY2020.

Non-current liabilities increased by US$528,000 from US$10,000 as at 28 February 2019 to US$538,000 as at 29 February 2020. The increase was mainly due to the additions of lease liabilities arose from the Group's adoption of SFRS(I) 16 Leases.

Current liabilities decreased by US$1.2 million from US$4.8 million as at 28 February 2019 to US$3.6 million as at 29 February 2020. This was mainly due to the progressive repayments of bank borrowings to reduce the reliance on banking facilities.

Equity comprises share capital, reserves, accumulated profits, and non-controlling interests. The total equity of the Group decreased by US$1.7 million or 10.1% from US$16.7 million as at 28 February 2019 to US$15.0 million as at 29 February 2020.

REVIEW OF CASH FLOW STATEMENT

Net cash used in operations amounted to US$1.1 million in FY2020, as compared to net cash generated from operations of US$798,000 in FY2019. The negative cash flow was mainly due to the:

(a) Loss before tax of US$1,180,010 in FY2020 compared to profit before tax of US$468,607 in FY2019.

(b) Depreciation of property, plant and equipment of US$635,384 in FY2020 compared to US$235,364 in FY2019 as a result of the application of new accounting standards, SFRS(I) 16 Leases.

(c) Cash generated from inventories in FY2020 was US$1,359,000 while cash used in inventories in FY2019 was US$163,995.

(d) Cash used in secured working capital bank loan of US$1,218,000 in FY2020 largely attribute to repayment made during the financial year as compared to drawdown of US$54,404 in FY2019.

Net cash used in investing activities amounted to US$201,000 in FY2020, as compared to the net cash outflow of US$223,000 in FY2019. This was due to the increase in purchases of property, plant and equipment of US$7,000, which was partially offset by interest and dividend received in FY2020.

Net cash used in financing activities amounted to US$327,000 in FY2020, as compared with the cash inflow of US$2.2 million in FY2019 due to the RCB issue before the termination in September 2018.

Overall, the Group generated net cash outflow of US$1.7 million in FY2020 as compared to net cash inflow of US$2.8 million in FY2019.

As at 29 February 2020, the Group was in a net cash position and had cash at bank of US$3.4 million.

CORPORATE DEVELOPMENTS

The Group's wholly-owned subsidiary, Nico Steel Solutions (S) Pte Ltd has accepted the offer of a further 20-year lease from JTC Corporation for its manufacturing cum office premises located at 51 Loyang Way, Singapore, starting 1 January 2023 (the "**Lease Extension**"). The current premises has a land area of approximately 1,402.5m^2 and a built-up area of 913.0m^2, with an actual gross plot ratio of 0.65, and the lease expires on 31 December 2022. The net book value of the property was approximately S$1.7 million as at 29 February 2020.

Under the terms of the Lease Extension to 31 December 2042, the Group is committed to (i) develop the premises to a minimum gross floor area at the gross plot ratio of not less than 0.65, but not more than 2.50, and (ii) invest at least S$460,000 in additional machinery and equipment within three-and-a-half years starting from early October 2019. The Group believes that the Lease Extension will provide continuity and stability, both financially and operationally.

On 11 May 2020, the Singapore Exchange Regulation ("**SGX RegCo**") announced the abolition of the minimum trading price ("**MTP**") rule for mainboard-listed companies effective from 1 June 2020. As such, the Company will no longer be required to satisfy the exit criteria and apply for removal from the MTP watch-list. Nevertheless, the Company will continue to build on our fundamentals and meet the exit criteria of the financial watch-list.

The Group is committed to doing business in a responsible manner. Being able to adapt and respond to evolving situations allow the Group to stay relevant and competitive amidst economic uncertainties and unprecedented challenges including overcoming the impact from the COVID-19 pandemic.

The lockdowns in China and subsequently in other countries have led to disruptions in supply chains. This inevitably affected the inventory management of raw materials and finished products, particularly in relation to cancellation and/or delays of orders. The Group has been monitoring the situation closely and continues to fulfill contractual obligations with its suppliers and customers, adapting and responding to the present challenges with the objective of coming out stronger from this pandemic.

The Group views its employees as its most valuable asset. During the lockdowns in China and Singapore, the Group continued to operate its business in accordance with the directives of the respective governments and authorities where it has operations. Its utmost priority is to ensure the health and safety of employees, and maintaining their livelihoods.

The Group has put in place precautionary measures to prevent transmission of the COVID-19 virus at all its premises in China, Thailand, and Singapore, to safeguard its employees, business partners, and the community. These measures include ensuring safe entry, taking of temperature, wearing mask, regularly disinfecting work stations, safe-distancing, and alternative meal-time arrangements. In addition, the Group also provides masks, hand sanitisers, and regular reminders and guidance to its employees to ensure and achieve a safer and healthier work environment.

CORPORATE GOVERNANCE REPORT

The Board and management of Nico Steel Holdings Limited (the "**Company**") recognise the importance of corporate governance in maintaining high standards of accountability to its shareholders by complying with the recommendations made by the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore on 6 August 2018 (the "**Code**"). For the financial year ended 29 February 2020, the Company has generally adhered to the principles and guidelines as set out in the Code. Where there are variations from any of the provisions of the Code, an explanation has been provided within this Corporate Governance Report, which includes the reason(s) for the variation.

(A) BOARD MATTERS

BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: Every company is headed by an effective Board which is collectively responsible and works with management for the long-term success of the Company.

Provision 1.1 – Role of the Board and conflict of interests

The primary role of the Board is to protect and enhance long-term shareholder value. It sets the overall strategy for the Company and its subsidiaries (collectively, the "**Group**") and supervises the management. To fulfill this role, the Board is responsible for the overall corporate governance of the Group, including providing leadership, setting its strategic direction, establishing risk policy and goals for the management as well as monitoring the achievement of these goals.

Where a Director is conflicted in a matter, he or she will recuse himself or herself from the deliberations and abstain from voting on the matter.

Provisions 1.4 and 1.5 – Board Committees and Attendance of Meetings of the Board and Board Committees

To assist in the execution of its responsibilities, the Board has established a number of committees, including an Audit Committee ("**AC**"), a Nominating Committee ("**NC**") and a Remuneration Committee ("**RC**"). These committees are chaired by Independent Directors and function within clearly defined terms of reference and operating procedures.

The Board conducts regular scheduled meetings. Ad hoc meetings are also convened when circumstances require. To facilitate the attendance and participation of Directors at Board meetings, the Company's Constitution allow Board meetings to be conducted by means of telephone conference or other methods of simultaneous communication by electronic or telegraphic means.

For the financial year ended 29 February 2020, the Board met on two (2) occasions. The attendance of the Directors at meetings of the Board and Board committees, as well as the frequency of such meetings for the financial year ended 29 February 2020 is disclosed on page 35 of this Annual Report.

The names of the Committee Members are as follows:

Director	Board	Audit Committee	Nominating Committee	Remuneration Committee
Tan Chee Khiong Danny	Chairman & President	–	–	–
Tang Chee Wee Andrew	Executive Director	–	–	–
Tang Chee Bian Steven	Executive Director	–	–	–
Tan Poh Chye Allan	Lead Independent Director	Member	Member	Chairman
Lee Eng Yew Michael	Independent Director	Member	Chairman	Member
Gavin Mark McIntyre	Independent Director	Chairman	Member	Member

Provision 1.3 – Board's approval

The functions of the Board include the following which are also part of the matters reserved for the Board's approval:–

- approval of the Group's strategic objectives;
- approvals of the annual operating and capital expenditure budgets and any material changes to them;
- review of performance in the light of the Group's strategic objectives, business plans;
- changes relating to the Group's capital structure including reduction of capital, share issues, share buy backs;
- major changes to the Group's corporate structure, including, but not limited to acquisitions and disposals;
- changes to the Group's management and control structure;
- approval of the quarterly/half-yearly/full year's results announcements; annual reports and accounts, including the corporate governance report;
- approval of the dividend policy and declaration of the interim dividend and recommendation of the final dividend;
- approval of any significant changes in accounting policies or practices;
- ensuring maintenance of a sound system of internal control and risk management;
- approval of major capital projects;
- contracts regarding acquisitions or disposals of fixed assets (including intangible assets such as intellectual property); substantial bank borrowings etc;
- major investments; and
- consider sustainability issues such as environmental and social issues as part of its strategic formulation.

Provision 1.2 – Directors' Training

The Company recognises the importance of appropriate training for its Directors. Newly appointed Directors will be given briefings and orientation of the business activities of the Group and its strategic directions, as well as their duties and responsibilities as Directors. The directors have been briefed by the auditors on the key audit matters and briefings by the Company's Chairman and President at each Board meeting on business and strategic developments of the Group. News release issued by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and Accounting and Corporate Regulatory Authority which are relevant to the Directors are also circulated to the Board.

Going forward and in accordance with Listing Rules, the NC would ensure that any new director appointed by the Board, who has no prior experience as a director of an issuer listed on the SGX-ST, must undergo mandatory training in his roles and responsibilities as prescribed by the SGX-ST. During FY2020, no new Director was appointed to the Board.

The Company has set aside budget and will be responsible for arranging and supporting the training of Directors.

Provision 1.6 – Access to information

Directors are from time to time furnished with complete, adequate information concerning the Group to enable them to be fully cognizant of the decisions and actions of the management. All Directors have unrestricted access to the Company's records and information. The agenda for Board meetings is prepared in consultation with the Chairman. Detailed Board papers are prepared for each meeting of the Board and are normally circulated three (3) days in advance of each meeting. The Board papers include sufficient information from management on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at Board meetings. All Independent Directors have access to all levels of senior executives in the Group, and are encouraged to speak to other employees to seek additional information if they so require.

The Company Secretary assists the Chairman and the Chairman of each Board Committee in the development of the agendas for the various Board and Board Committees meetings. She administers and attends all Board and Board Committees meetings of the Company and prepares minutes of meetings. She is also responsible for, among other things, ensuring that Board procedures are observed and that the relevant rules and regulations, including requirements of the Companies Act, Securities and Futures Act and SGX-ST Listing Manual (the "**SGX-ST Listing Manual**"), are complied with. Her responsibilities also include advising the Board on all governance matters as well as facilitating orientation and assisting with professional developments as directed by the Chairman.

The appointment and removal of the Company Secretary are subject to the approval of the Board.

Provision 1.7 – Access to Management, company secretary and independent professional advice

The Board has separate and independent access to the Company Secretary. Under the direction of the Chairman, the Company Secretary ensures good information flows within the Board and its Board committees and between management and Independent Directors.

The Board takes independent professional advice as and when necessary to enable it or the Independent Directors to discharge its or their responsibilities effectively. Each Director has the right to seek independent legal and other professional advice, at the Company's expense, to assist them in their duties.

The cost of such professional advice will be borne by the Company.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Board presently comprises the following members:–

1. Tan Chee Khiong Danny – Chairman & President
2. Tang Chee Wee Andrew – Executive Director
3. Tang Chee Bian Steven – Executive Director
4. Tan Poh Chye Allan – Lead Independent Director
5. Lee Eng Yew Michael – Independent Director
6. Gavin Mark McIntyre – Independent Director

Key information regarding the Directors is given in the section entitled "Board of Directors" in this Annual Report.

Provision 2.1 – Board Independence

The independence of each Director is reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an Independent Director in its review. Each Independent Director is required to complete a Director's independent checklist annually to confirm his independence based on the guidelines as set out in the Code. As set out under the 2018 Code, an independent director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

Each of them has confirmed that they are independent despite not having any relationship identified in the Code. The NC has determined that all the three (3) Independent Directors are independent. Through the NC, the Board considers all the three (3) Directors to be independent including independent from the substantial shareholders* of the Company.

** "substantial shareholders" refers to a person who has an interest or interests in one or more voting shares in the Company and the total vote attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company. "Voting shares" exclude treasury shares.*

Based on the confirmation of independence submitted by the Independent Directors, the NC was of the view that each Independent Director is independent on the following basis:

(a) The Independent Directors: (i) are not employed by the Company or any of its related corporations for the current or any of the past three (3) financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three (3) financial years, and whose remuneration is determined by the RC.

(b) None of the Independent Directors has served on the Board beyond nine (9) years from the date of first appointment.

(c) None of the Independent Directors and their immediate family member had in the current or immediate past financial year (i) provided or received payments from the Group aggregated over any financial year in excess of S$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organisation which provided or received payments from the Group aggregated over any financial year in excess of S$200,000 for services rendered.

(d) None of the Independent Directors are directly associated with a substantial shareholder of the company in the current or immediate past financial year.

Provisions 2.2, 2.3 and 2.4 – Board composition and diversity

Currently, there are three (3) Independent Directors, who make up half (1/2) of the Board composition. Although the company has deviated from Provisions 2.2 & 2.3 of the Code, with three (3) Independent Directors and three (3) Executive Directors of a total of six (6) Directors, the Board believes that there is a sufficiently strong independent element on the Board to exercise objective judgement on Board affairs, maintain appropriate checks and balances and avoid undue influence on the Board's decision-making process. The Board is of the opinion that given the scope and nature of the Group's operations, the size of the Board is appropriate in facilitating effective decision making.

The Company believes that the existing Board composition is consistent with the intent of Principle 2 of the Code as the Non-Executive Directors, who are also Independent Directors, chair the Board committees, are independent and are able to provide the appropriate level of independence and diversity of thought and background and to make decisions in the best interests of the Company. Furthermore, leadership of the Board is not concentrated in the Executive Chairman as the Board has a lead independent director.

Nevertheless, the Board will in due course seek to identify suitable candidates to further develop the Board and comply with the requirement of Provision 2.2 of the Code for Independent Directors to make up a majority of the Board. However, the current situation, with the prevalence of Covid19 globally, is presenting some challenges to initiate the process of attracting another Independent Director to the Board.

The Board and the NC recognise the importance of having an effective and diverse Board, and are satisfied that the current composition of the Board possesses the benefits of all aspects of diversity, including diversity of skills, experience, background, gender, age and other relevant factors.

Further, the Board and its committees comprise Directors who as a group provide an appropriate balance and diversity of skills, experience, and knowledge of the Company and the Group with core competencies in accounting and finance, legal & regulatory practices, business and management experience and industry knowledge and customer-based experience required for an effective Board. At Board and committee meetings, key issues and strategies, challenges arising from the changes in the evolving competitive landscape are critically examined, taking into consideration the long-term interests of the Group and its shareholders.

In light of the foregoing, although the Company does not have a written policy on Board Diversity, it is evident that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company. The NC will continue to assess on an annual basis the diversity of the Board and ensure that the diversity would be relevant to the business of the Group. The Board believes that the practices adopted above are consistent with the intent of Provision 2 of the Code.

Provision 2.5 – Non-executive directors and/or independent directors meet without presence of management

All the independent Directors meet at least annually without the presence of the other executive directors to discuss matters of significance which are thereon reported to the Board accordingly. Ad-hoc meetings will be held if there is a need to discuss any other matters without the presence of Management.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions 3.1 & 3.2 – Separation of the role of the Chairman and the CEO and role of non-executive Chairman and CEO

Mr Tan Chee Khiong Danny, is the Chairman and President. Mr Tan Chee Khiong Danny, who is responsible for the Group's business operations, has played an instrumental role in developing the business of the Group and has provided the Group with strong leadership and vision.

The Board has not adopted the recommendation of Provision 3.1 of the Code to have separate Directors appointed as the Chairman and Chief Executive Officer. This is because the Board is of the view that the current composition and culture of the Board have enabled the independent exercise of objective judgement on affairs and operations of the Group by members of the Board taking into account factors such as the contributions made by each member at Board meetings which relate to the affairs and operations of the Group. The Board is satisfied that one (1) person is able to effectively discharge the duties of both positions.

Besides being responsible for the day-to-day running of the Group, Mr Tan Chee Khiong Danny, the Chairman, ensures that each member of the Board and the management work well together with integrity and competency. As the Chairman, he schedules Board meetings as and when required, sets the agenda for Board meetings and ensures that quality, quantity, accuracy and timeliness of information flow between the Board, management and shareholders of the Company. He encourages constructive relations between the Board and management and between the Executive Directors and the Independent Directors. He keeps Board members abreast of key developments affecting the Group as well as material transactions in order that the Board is fully aware of the affairs of the Group. He is also responsible for ensuring compliance with corporate governance guidelines.

Provision 3.3 – Lead Independent Director

Mr Tan Poh Chye Allan was appointed as the Lead Independent Director of the Company on 16 February 2015. The role of the Lead Independent Director includes meeting with shareholders where they have concerns which contact through the normal channels of the Chairman or the Group Finance Manager has failed to resolve or for which such contact is inappropriate. In addition, the Lead Independent Director will co-ordinate and lead the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints to the Board. Where necessary, the Lead Independent Director will chair meeting with Independent Directors without Executive Directors being present so as to facilitate well-balanced viewpoints to the Board.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board, taking into account the need for progressive renewal of the Board.

Provisions 4.1 and 4.2 – Composition of the NC

Nominating Committee

The NC comprises three (3) independent Directors including the NC Chairman namely, Mr Lee Eng Yew Michael (Independent Director), Mr Tan Poh Chye Allan (Lead Independent Director), and Mr Gavin Mark McIntyre (Independent Director). The Chairman of the NC is Mr Lee Eng Yew Michael.

The key terms of reference of the NC includes the following functions:–

- evaluate and review nominations for appointment and re-appointment to the Board and the various committees;
- nominate a Director for re-election at the annual general meeting ("**AGM**"), having regard to the Director's contribution and performance;
- determine annually and as and when circumstances require if a Director is independent,
- recommend to the Board the process for the evaluation of the performance of the Board, the Board Committees and individual Directors, and propose objective performance criteria to assess the effectiveness of the Board as a whole and the contribution of each Director;
- annual assessment of the effectiveness of the Board;
- decide whether a Director who has multiple board representations is able to and has been adequately carrying out his duties as Director of the Company;
- review and make recommendations to the Board on relevant matters relating to the succession plans of the Board (in particular, the Chairman/CEO) and senior management personnel; and
- review training and professional development programmes for Board members.

The responsibilities of the NC are to determine the criteria for the appointment of new directors; to set up a process for the selection of such appointment and to review nominations for the appointment of Directors to the Board and also to decide on how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval.

Provision 4.3: Process for selection, appointment and re-appointment of directors

When a vacancy arises under any circumstance, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the NC, in consultation with the Board, determines the selection criteria such as integrity, diversity, ability to commit time and effort to the Board and selects candidates with the appropriate expertise and experience for the position. The NC then nominates the most suitable candidate who is appointed to the Board.

In identifying suitable candidates, the NC may:

(a) advertise or use services of external consultants to facilitate a search;
(b) approach alternative sources such as the Singapore Institute of Director; or
(c) consider candidates from a wide range of backgrounds from internal or external sources.

No new director was appointed in the last financial year.

Provision 4.4 – Continuous Review of Directors' independence

The NC reviews and recommends to the Board the re-nomination of retiring Directors standing for re-election and appointment of new Directors. The review ensures that the Director to be re-nominated or appointed is able to contribute to the ongoing effectiveness of the Board, has the ability to exercise sound business judgement, and has demonstrated leadership experience, high level of professional skills and appropriate personal qualities.

Regulation 107 of the Company's Constitution requires one-third (1/3) of the Directors to retire from office by rotation and subject themselves to re-election by shareholders at the AGM. In line with Rule 720(5) of the Listing Manual, every Director must retire from office and submit themselves for re-nomination and re-election at least once every three (3) years. Pursuant to Regulation 107, Mr Gavin Mark McIntyre and Mr Tan Chee Khiong Danny shall retire at the Company's forthcoming AGM and shall be eligible for re-election.

The NC has recommended to the Board that Mr Gavin Mark McIntyre and Mr Tan Chee Khiong Danny be nominated for re-appointment at the forthcoming AGM.

In recommending the above Directors for re-appointment, the NC has given regard to the results of the Board assessment (please refer to paragraphs under Board Performance regarding assessment of Board performance) in respect of their competencies in fulfilling their responsibilities as Directors to the Board. In respect of the nomination of Mr Tan Chee Khiong Danny for re-appointment as a Director, the NC took note that Mr Tan Chee Khiong Danny, Mr Tang Chee Wee Andrew and Mr Tang Chee Bian Steven are brothers. The NC has also reviewed the independence of Mr Tan Poh Chye Allan, Mr Lee Eng Yew Michael and Mr Gavin Mark McIntyre. In assessing their independence, the NC having considered the guidelines set out in the Code, is of the view that Mr Tan Poh Chye Allan, Mr Lee Eng Yew Michael and Mr Gavin Mark McIntyre are independent and there are no relationships identified in the Code which deem them not to be independent. Each Mr Tan Poh Chye Allan, Mr Lee Eng Yew Michael and Mr Gavin Mark McIntyre have also declared that they are independent.

In its annual review of independence, the NC, having considered the guidelines set out in the Code, is of the view that Mr Tan Poh Chye Allan, Mr Lee Eng Yew Michael and Mr Gavin Mark McIntyre, are independent. The Board, after taking into consideration the views of the NC, is of the view that Mr Tan Poh Chye Allan, Mr Lee Eng Yew Michael and Mr Gavin Mark McIntyre are considered independent.

Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in respect of matters in which he is interested.

There is no alternate Director on the Board.

Provision 4.5 – Commitments of Directors

All Directors are required to declare their board representations. When a Director has multiple board representation, the NC will consider whether the Director is able to adequately carry out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that Mr Tan Poh Chye Allan, Mr Lee Eng Yew Michael and Mr Gavin Mark McIntyre, who sit on multiple boards, have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Director of the Company, notwithstanding their multiple board appointments.

To address the competing time commitments that are faced when Directors serve on multiple boards, the NC has reviewed and made recommendation to the Board accordingly on the maximum number of listed company board appointments which any Director may hold. Based on the recommendation, the Board has currently and set the maximum number of listed company board appointments at not more than five (5) listed companies. None of the Directors hold more than five (5) directorships in listed companies.

Succession Planning

Board succession planning and Management succession planning are both crucial to business continuity and to ensure sustainable future. In view of this, the NC has deliberated with the Executive Directors on board succession planning and a structured succession planning is being put in place. Currently, the Group's business operation is being run by the three Executive Directors, Messrs Tan Chee Khiong Danny, Tang Chee Bian Steven and Tang Chee Wee Andrew who are siblings, while the Board is collectively responsible for the long-term success of the Group. The NC is of the view that the three Executive Directors have in the past years been put under rigorous operational training, leadership training, grooming process that involves portfolio rotation and performance evaluation.

The NC has recommended and the Board has accepted that the title and office of the Executive Chairman and President of the Group be rotated among the three Executive Directors for a period of two years each, and this shall form the core basis of the Group's succession planning.

Key information regarding the Directors, including their present and past three (3) years' directorships in other listed companies and principal commitments are set out below:–

Name of Director	Board Membership	Date of appointment	Date of last re-appointment	Directorships in other listed companies		* Principal Commitments
				Current	Past three (3) years	Current
Tan Chee Khiong Danny	Executive Director	10 April 2002	26 June 2018	None	None	D.S.A.G Trading Pte. Ltd. Nico Steel Solutions (S) Pte. Ltd. D.S.A.G Investment Pte. Ltd. Nikko-Tech Holding Pte. Ltd.

Name of Director	Board Membership	Date of appointment	Date of last re-appointment	Directorships in other listed companies		* Principal Commitments
				Current	Past three (3) years	Current
Tang Chee Wee Andrew	Executive Director	10 April 2002	27 June 2017	None	None	Nico Steel Solutions (S) Pte. Ltd. Nicolabs Biotech (S) Pte. Ltd. D.S.A.G Investment Pte. Ltd. D.S.A.G Trading Pte. Ltd.
Tang Chee Bian Steven	Executive Director	23 March 2018	26 June 2018	None	None	D.S.A.G Trading Pte. Ltd. Nico Steel Solutions (S) Pte. Ltd. D.S.A.G Investment Pte. Ltd.
Gavin Mark McIntyre	Independent Director	22 August 2016	27 June 2017	Anchor Resources Limited	None	#Equitasasia Pte. Ltd. #Equitas Financial Services Pte. Ltd. #Equitasasia Holdings Pte. Ltd. #Aegis Interaktif Asia Pte. Ltd.
Lee Eng Yew Michael	Independent Director	26 June 2014	27 June 2017	None	None	#iCreate wPlanners Pte. Ltd. #Ready Autocare Pte. Ltd. #Allwins Best International Pte. Ltd. Data Zoo Pte. Ltd. #Scash Technologies Pte. Ltd. Scash Technologies Employees Pte. Ltd. Scash Global Pte. Ltd.
Tan Poh Chye Allan	Lead Independent Director	16 February 2015	26 June 2018	CNMC Goldmine Holdings Limited	Xyec Limited Avexa Limited (listed on ASX) Affinity Energy & Health Limited (formerly known as Algae.tec Limited) (listed on ASX)	#JLU Global Ltd (company limited by guarantee) The Verdure Group Private Limited Prima OPS Pte. Ltd. Resort Marketing Corp Pte. Ltd. Allan Tan Law Practice

* Those that marked "#" are principal commitments for the Directors. Those unmarked are the directorships of the Directors for additional disclosure purposes only.

For the financial year ended 29 February 2020, the NC met on one (1) occasion.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of the effectiveness as a whole, and that each of its board committees and the individual directors.

Provisions 5.1 and 5.2 – Board Evaluation Process

The Board through the NC has used its best efforts to ensure that Directors appointed to the Board and Board committees, whether individually or collectively possess the necessary background, experience and knowledge in our industry and relevant geographic areas, and in business and finance and have the appropriate management skills critical to the Company's business. It has also ensured that each Director brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The NC has established a review process to assess the performance and effectiveness of the Board as a whole and the contribution by individual Directors to the effectiveness of the Board. No external facilitator has been engaged to perform the Board assessment process. The NC will, however, review from time to time the scope of the assessment, and may recommend to the Board additional areas or factors to include in the assessment.

During the financial year ended 29 February 2020, all Directors are requested to complete a Board Assessment Checklist designed to seek their view on the various aspects of the Board performance so as to assess the overall effectiveness of the Board. The performance criteria for the Board evaluation covers amongst other criteria, composition structure and processes of the Board, access to information, corporate strategy, internal control and risk management and standard of conduct of the Board.

The completed checklists were submitted to the Company Secretary for compilation and the consolidated responses were presented to the NC for review before submitting to the Board for discussion and determining areas for improvement with a view to enhance Board effectiveness.

Following the review, the Board is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

The factors taken into consideration for the re-nomination of the Directors for the current year are based on the Directors' attendance at meetings held during the year including their preparation and participation made by the Directors at the meetings.

ACCESS TO INFORMATION

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions 6.1 and 6.2 – Composition of the RC

Remuneration Committee

In compliance with Provision 3.1 & 3.2, the Board has established a RC and the RC comprises three (3) board members and they are non-executive directors. The RC members are Mr Tan Poh Chye Allan (Lead Independent Director), Mr Lee Eng Yew Michael (Independent Director) and Mr Gavin Mark McIntyre (Independent Director). The Chairman of the RC is Mr Tan Poh Chye Allan. All the members of the RC are Non-Executive Directors. While none of the members is an expert in the area of executive compensation, the RC, where necessary, has the right to engage independent professional for expert advice.

The key terms of reference of the RC includes the following functions:–

(i) make recommendations to the Board a framework of remuneration for the Board and key management personnel of the Group;
(ii) review the specific remuneration packages for each Director (executive, non-executive and independent) as well as for the key management personnel;
(iii) review the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service, to ensure that such clauses are fair and reasonable and not overly generous;
(iv) consider whether Directors, and key management personnel should be eligible for benefits under share schemes and such other long-term incentive schemes as may from time to time be implemented.

Provision 6.3 – Remuneration framework

The RC is responsible for recommending to the Board, a general framework of remuneration for the Board and key management personnel. The RC reviews and recommends remuneration policies and packages that attract, retain and motivate Directors and key management personnel to run the Company successfully. The review of remuneration packages takes into consideration the longer term interests of the Group and ensures that the interests of the Directors align with those of the shareholders. The review covers all aspects of remuneration, including but not limited to Directors' salaries, fees, allowances, bonuses, options, share-based incentive and award and benefits-in-kind. The management is responsible for recommending a framework of remuneration for the key executives to the RC. In reviewing and recommending remuneration policies for the key executives, the management uses various criteria including the aforesaid guidelines. For the financial year ended 29 February 2020, the RC met on one (1) occasion.

No member of the RC is involved in deliberating in respect of any remuneration, compensation or any form of benefits to be granted to him.

The RC reviews the Company's obligations arising in the event of termination of the executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Each member of the RC abstains from voting on any resolutions and making any recommendation and/or participating in discussion regarding his own remuneration package or on matters in which he is interested.

Provision 6.4 – Remuneration consultant

The RC has access to appropriate expert advice inside and/or outside the Company on remuneration of all the Directors. For the financial year ended 29 February 2020, the RC has not consulted any external remuneration consultant.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the company.

Provisions 7.1 and 7.3 – Remuneration of Executive Directors and key Management

The Group's remuneration policy is to provide compensation packages at market rates which reward successful performance and attract, retain and motivate the Directors. The RC is of the view that the remuneration policy and amounts paid to Directors are adequate and are reflective of present market conditions.

Mr Tan Chee Khiong Danny, Mr Tang Chee Wee Andrew and Mr Tang Chee Bian Steven are the Executive Directors at present and they do not receive any Director's fees.

Service Agreements

The service agreements ("Service Agreements") with the Executive Directors, namely, Mr Tan Chee Khiong Danny, Mr Tang Chee Bian Steven and Mr Tang Chee Wee Andrew have been renewed for a one-year period accordingly. Service Agreements are renewed annually and may be terminated by either the Company or the Executive Directors, each giving not less than six (6) months' notice in writing. The Company may also terminate the respective Service Agreements if any of these Executive Directors is guilty of dishonesty, or serious or persistent misconduct, becomes bankrupt or otherwise acts to the prejudice of the Company. None of these Executive Directors will be entitled to any benefits upon termination of their respective Service Agreements. The Service Agreements cover the term of employment, specifically salaries and bonuses.

All travelling and travel-related expenses, entertainment expenses and other out-of-pocket expenses reasonably incurred by each Executive Director in the process of discharging his duties on behalf of the Group will be borne by the Company.

The Company does not use contractual provisions to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company will avail itself to remedies in law generally and under the Companies Act against the Executive Directors in the event of such breach of fiduciary duties.

Provision 7.2 – Remuneration of Non-Executive Directors

The Independent Directors receive Directors' fees, in accordance with their contribution, taking into account factors such as effort and time spent and responsibilities of the Directors. The Directors' fees are recommended by the entire Board for shareholders' approval at each annual general meeting. No Director is involved in deciding his own remuneration.

The Company currently does not have a formal service contract with the Independent Directors.

DISCLOSURE ON REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationship between remuneration, performance and value creation.

Provision 8.1 – Disclosure of remuneration

While the 2018 Code recommends that companies fully disclose the amount and breakdown of remuneration for each individual director and the CEO on a named basis, for confidentiality reasons and prevention of poaching, the Board has deviated from complying with Provision 8.1(a) of the Code, and provide herein below a breakdown, showing the level and mix of each Director's remuneration in bands of S$250,000 for the financial year ended 29 February 2020:–

Remuneration Band and Name of Director	Salary %	Fees %	Bonus %	Other benefits %	Total %
Less than S$250,000					
Tan Chee Khiong Danny	92.8	–	7.2	–	100.0
Tang Chee Wee Andrew	93.1	–	6.9	–	100.0
Tang Chee Bian Steven	92.5	–	7.5	–	100.0
Tan Poh Chye Allan	–	100.0	–	–	100.0
Lee Eng Yew Michael	–	100.0	–	–	100.0
Gavin Mark McIntyre	–	100.0	–	–	100.0
S$250,000 to S$499,999					
Nil					
S$500,000 to S$749,999					
Nil					

Provision 8.1(b) of the Code provides that companies should name and disclose the remuneration of at least the top five (5) key management personnel (who are not Directors or the CEO) in bands of S$250,000. In addition, the companies should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not Directors or the CEO).

For confidentiality reason and prevention of poaching, the Board has deviated from complying with Provision 8.1(b) of the Code. The Company only partially complies with the above recommendation by providing below a breakdown, showing the level and mix of each of the top five (5) management personnel's remuneration (who are not Directors or the CEO) in bands of S$250,000 for the financial year ended 29 February 2020:–

Remuneration Band and Name of Executive	Salary %	Fees %	Bonus %	Other benefits %	Total %
Less than S$250,000					
Ong Hock Seng	84.1	–	6.5	9.4	100.0
Wang Lu	93.3	–	6.7	–	100.0
Ng Chin Seng	33.2	–	5.8	61.0	100.0
S$250,000 to S$499,999					
Nil	–	–	–	–	–
S$500,000 to S$749,999					
Nil	–	–	–	–	–

The aggregate remuneration paid to the top five (5) key management personnel (who are not directors or the CEO) for the financial year ended 29 February 2020 was S$312,315.

Provision 8.2 – Remuneration of related employees

Except as disclosed below, the Group does not have any employee who is a substantial shareholder of the Company, or who is an immediate family member of a Director or the CEO or substantial shareholder of the Company and whose remuneration exceeds S$100,000 for the year ended 29 February 2020.

Remuneration Band and Name of any employee Who is an immediate Family member of a Director	Salary %	Fees %	Bonus %	Other benefits %	Total %
S$50,000 and S$99,999					
Ang Bee Choo[(1)]	93.4	–	6.6	–	100.0

Note:

(1) Spouse of Mr Tan Chee Khiong Danny, Executive Chairman and President of the Company

The profiles of our key executives are found on page 8 of this Annual Report.

While this practice varies from Provision 8.1 and 8.2 of the Code, the Board is of the view that full disclosure of the specific remuneration of each director and key executive is not in the best interest of the Company as this disclosure may adversely affect the Company's talent retention efforts, given the competition in the industry for key talent. The disclosure of the total remuneration paid to the executive directors, non-executive directors and key management personnel provides further information consistent with the intent of Principle 8 of the Code.

Provision 8.3 – Forms of remuneration and details of employee share schemes

Details pertaining to the form of remuneration and other payments and benefits of Directors and key Management are disclosed under Provisions 8.1 and 8.2 above.

The Group has in place the Nico Employee Performance Share Plan 2017 (the "Scheme") on the basis that it is important to retain staff whose contributions are essential to the well-being, long-term growth and prosperity of the Group and to give recognition to outstanding employees and directors of the Group who have contributed to the growth of the Group. The Scheme is also designed to align the interest of the employees and directors of the Group with those of shareholders.

The non-executive directors (including independent directors) are eligible to participate in the Scheme to give them due recognition for their services and contributions to the growth and development of the Group, and further motivate them in their contribution towards the future success of the Group.

There was no award granted under the Scheme since its implementation on 12 October 2017.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1 – Nature and extent of risks

The Board is responsible for the governance of risks and oversees the management in the design, implementation and monitoring of internal controls and risk management systems to safeguard Shareholders' interest and the Group's assets. The system of internal controls and risk management systems established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management systems can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

The management is responsible for the design and implementation of internal controls (including financial, operational, compliance and information technology controls) and risk management systems to safeguard shareholders' investment and the Group assets. The internal controls maintained by the management, includes the ISO 9001: 2015 Quality Management System ("**QMS**") was put in place throughout the financial year to provide reasonable assurance against material financial misstatements or loss, include the safeguarding of assets, the maintenance of proper accounting records, compliance with appropriate legislation, regulations and best practices, and the identification and containment of operational and business risks. The QMS process would require all departments to complete the risk assessment forms to review external and internal issues such as sales process, purchasing process, production process, logistic process, inspection, training, information technology and quality management system. In renewing the ISO certification every 3 years, the Group is required to comply with the stringent risk management standards and complete a satisfactory audit of, inter alia, its process controls and records annually.

The review of the adequacy and effectiveness of such internal controls and risk management systems is under the purview of the AC.

The report of the external auditors and the work of internal controls carried out by management, have enabled the identification of key risks which are reported to the AC to facilitate the Board's oversight of the effectiveness of risk management and the adequacy of mitigating measures taken by management to address the underlying risks.

The AC assists the Board in providing risk management oversight while the ownership of day-to-day management and monitoring of existing internal control systems are delegated to management which comprises the President, the Group Finance Manager and Head of each business division.

The Board has, at least annually review the adequacy and effectiveness of the Group's risk management systems as well as the internal control systems including financial, operational, compliance and information technology controls based on procedures established and maintained by the Group and the reviews by the management.

The Group's financial risk management objectives are discussed under Note 25(b) of the Notes to the Financial Statements on pages 85 to 93 of this Annual Report.

The risks the Group's faces can be broadly classified as follows:

Business/Operational Risks

This relates to the day-to-day business operations and the sustainability of the Group's business amid the evolving situations in the macro environment. While the Company endeavours to monitor the evolving situations including the trade dispute between the United States and China, as well as the COVID-19 pandemic, such events could not have been anticipated or reasonably foreseen. Such events could potentially lead to market disruptions and consequently, our sales revenue can be adversely affected and/or experience slowdown. Other business risks could include security threats, occupational health and safety of employees, ability to recruit and retain competent employees, and business competition from similar businesses.

The Head of each business division and the management work closely to monitor the evolving situations and respond retrospectively to maintain business continuity. Management regularly (and as and when requested) updates the Board on the operating business environment. The Group is committed to doing business in a responsible manner.

Compliance Risks

Compliance with local laws and government policies or regulations in various geographical locations where the Group has operations are monitored by the Group Finance Manager and Executive Directors. The Board is also responsible for ensuring compliance with legislative and regulatory requirements, including requirements under the Listing Rules. In line with the Listing Rules of the SGX-ST, the Board provides a negative assurance statement to the shareholders in its half-yearly financial statement announcements, confirming to the best of its knowledge that nothing has come to the attention of the Board which may render the financial statements false or misleading in any material aspect. In addition, the Company also completes and submits compliance checklists to the SGX-ST (if applicable and when required) to ensure that all announcements, circulars or letters to shareholders comply with the requirements set out in the SGX-ST Listing Manual.

Management regularly (and as and when requested) presents the Board with the Group's half-yearly financial results, prospects and annual financial statements to enable the Board to discharge its duties and responsibilities. When there are major developments in the Group's businesses, Board members may arrange to visit the subsidiaries' offices, plants and project sites to obtain updates and also to gain a comprehensive understanding of the Group's latest businesses and operating environments. In this respect, the Management is obliged to provide the Board with a balanced and understandable assessment of the Group's performance, position and prospects on a regular basis.

Financial Risks

Some of the financial risks such as credit risks, foreign exchange risks, and interest rate risks are set out in the notes to the financial statements. Generally, the Group is conservative in its financial dealings and does not engage in speculative instruments or investments that would expose the Group to unnecessary financial risks.

The Board has not established a separate board risk committee as the Board is already assisted by the AC, the internal auditor, the external audit and management in carrying out its respective responsibility of overseeing the Company's internal controls and risks.

Provision 9.2 – Assurance from the CEO and CFO

For the financial year ended 29 February 2020, the Board and the AC have received assurance from the President and the Group Finance Manager that the financial records have been properly maintained and that the financial statements give a true and fair view of the company's operations and finances.

Based on the Group's internal controls put in place and the procedures established and maintained by the Group, as well as work and review performed by the external auditors, the management, various Board Committees and the Board, the Board with the concurrence of the AC is of the view that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place are adequate and effective as at 29 February 2020.

Audit Committee

Principle 10 – The Board has an Audit Committee which discharges its duties objectively.

Provisions 10.1, 10.2 and 10.3 – Composition of the AC

The AC comprises three (3) members namely, Mr Gavin Mark McIntyre (Independent Director), Mr Tan Poh Chye Allan (Lead Independent Director) and Mr Lee Eng Yew Michael (Independent Director). The Chairman of the AC is Mr Gavin Mark McIntyre. The Directors recognise the importance of corporate governance and the offering of high standards of accountability to the shareholders of the Company. Two (2) members of the AC, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience. The AC held two (2) meetings during the financial year ended 29 February 2020. The AC members are kept abreast of any changes to the accounting standards and issues affecting the financials by the external auditors and management at the AC meetings, where appropriate.

The key terms of reference of the AC are:–

(a) to review with the external auditors their audit plan, their evaluation of the system of internal controls, their audit report, their management letter and management's response;

(b) to review the financial statements and statement of financial position and comprehensive income statement before submission to the Board for approval;

(c) to review the internal controls (including financial, operational, compliance and information technology controls) and risk management systems and the procedures and ensure co-ordination between the external/internal auditors and the management; and review the assistance given by management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits any matters which the auditors may wish to discuss (in the absence of management where necessary);

(d) to review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results and/or financial position, and the management's response;

(e) to consider the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the auditors, and approving the remuneration and terms of engagement of the external auditors;

(f) to review interested person transactions (if any) falling within the scope of Chapter 9 of the SGX-ST Listing Manual;

(g) to review potential conflict of interest, if any;

(h) to review the adequacy, effectiveness, independence, scope and results of the external audit and company's internal audit function;

(i) to undertake such other review and projects as may be requested by the Board, and will report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

(j) generally undertake such other functions and duties as may be required by statue or the SGX-ST Listing Manual, or by such amendments as may be made from time to time.

The Company has put in place a whistle blowing policy which has been reviewed, endorsed by the AC and approved by the Board. Under the whistle blowing policy, employees can, in confidence, raise concerns about improper conduct for investigation. The procedures for the whistle blowing policy are made public to the employees of the Group. For the financial year ended 29 February 2020, there were no reported incidents pertaining to whistle blowing.

No former partner or director of the Company's existing auditing firm or audit corporation is a member of the AC (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

Each member of the AC abstains from voting on any resolutions and making any recommendation and/or participating in discussion on matters in which he is interested.

Provision 10.4 – Internal audit function

The AC approves the hiring, removal, evaluation and compensation of the internal auditors. Where appropriate, the internal audit function of the Company will be outsourced to a professional accounting firm, Wensen Consulting Asia (S) Pte. Ltd. and will be performed as and when necessary. The internal auditors report primarily on the Chairman of the AC, and have full access to the documents, records properties and personnel including access to the AC.

Where an internal audit is conducted, the AC will review the internal audit program and function to ensure the adequacy and effectiveness of the Group's internal audit function as well as to align it to the changing needs and risk profile of the Group's activities.

The internal audit team is led by Mr Edward Yap, of Wensen Consulting Asia (S) Pte. Ltd. He is a certified Internal Auditor under the Institute of Internal Auditors ("IIA")/practising member of the Institute of Singapore Chartered Accountants ("ISCA") and has more than 20 years of working experience in internal audit and accounting. Mr Edward Yap is assisted by Ms Sin Siew Mun who directly oversees the engagement team and has over 13 years of experience in providing risk management/internal audit services.

The Company had commenced its internal audit work for the Group's China based operations. Due to the COVID-19 outbreak, the internal audit for the China based operations only covered a desk top review of the supporting documentation, where possible. The full scope of the internal audit will be performed as soon as the situation permits given that travel and movement restrictions are still in place.

The AC is satisfied that the internal audit function is independent and the internal auditors has adequate resources to perform its function effectively and is staffed by suitably qualified and experienced professionals with the relevant experience.

The Board recognises its responsibilities in ensuring a sound system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems to safeguard shareholders' investments and the Company's assets. Rule 719(1) of the SGX-ST Listing Manual requires an issuer to have a robust and effective system of internal controls, addressing financial, operational, compliance and information technology controls and risk management systems. Effective internal controls not only refer to financial controls but include, among others, business risk assessment, operational and compliance controls.

Provision 10.5 – AC activities during the year

The AC meets with the external auditors without the presence of the management, at least annually. Matters to discuss include the reasonableness of the financial reporting process, the internal control process, the adequacy of resources, audit arrangements with particular emphasis on the observations and recommendations of the external auditors, the scope and quality of their audits and the independence and objectivity of the external auditors and any matters that may be raised.

The AC has reviewed the independence of the external auditors annually. The AC has conducted an annual review of the volume of non-audit services provided by the external auditors to satisfy the AC that the nature and extent of such services will not prejudice the independence of the external auditors. The AC is satisfied with the external auditors' confirmation of their independence. Please refer to the table below for the aggregate fees paid to the external auditors and breakdown of fees paid in total to audit and non-audit services respectively.

The AC has recommended to the Board the reappointment of Baker Tilly TFW LLP as the Company's external auditors at the forthcoming AGM.

For the financial year ended 29 February 2020	**S$**
– fees payable to the external auditors in respect of audit services	75,000
– fees payable to the external auditors in respect of non-audit services (Tax advisory services)	4,300
Total	79,300

The Company is in compliance with Rules 712 and 715 of the SGX-ST Listing Manual in relation to its external auditors.

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions 11.1, 11.2, 11.3 and 11.4 – Conduct of general meetings

The Group's corporate governance culture and awareness promote fair and equitable treatment for all shareholders. All shareholders enjoy specific rights under the Companies Act and the Constitution of the Company. All shareholders are treated fairly and equitably. The Group respects the equal information rights of all shareholders and is committed to the practice of fair, transparent and timely disclosure.

it is the aim of the Board to provide the shareholders with a balanced and understandable assessment of the company's performance, position and prospects. The Board reviews and approves the results as well as any announcements before their release to the SGX-ST and the media. Shareholders are provided with the half-yearly and full year results and annual financial reports on a timely manner. In presenting the annual financial statements and half yearly announcements to shareholders. Financial reports and other price-sensitive information are disseminated to shareholders through announcement via SGXNET, press releases and the Company's website. The Company's Annual Report is accessible on the Company's website.

In compliance with the Listing Rules of the SGX-ST, the Board provides a negative assurance statement to the shareholders in its half-yearly financial statements announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

Shareholders are given the opportunity to participate effectively and vote at general meetings of the Company. At general meetings, shareholders will be informed of the rules, voting procedures relating to the general meetings.

Whilst there is no limit imposed on the number of proxy votes for nominee companies, the Constitution of the Company allow each shareholder to appoint up to two (2) proxies to attend AGMs. The Companies Act now allows corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

All shareholders receive reports or circulars of the Company including notice of general meeting by post within the prescribed period. Notice of general meeting is announced through SGXNET and is available on the Company's corporate website at http://www.nicosteel.com.

The Company supports active shareholders' participation. If shareholders are unable to attend the general meeting, the Company's Constitution allow a shareholder (not a relevant intermediary pursuant to Section 181(6) of the Companies Act) to appoint up to two (2) proxies to attend and vote in place of the shareholder. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised and is also subject to legislative amendment to recognise electronic voting. These methods of voting are, therefore, currently not available to shareholders.

Resolutions at general meetings are on each substantially separate issue. All the resolutions at the general meetings are single item resolutions.

To comply with SGX-ST Listing Manual, the Company has conducted poll voting at all its general meetings held after 1 August 2015. Where a poll is conducted at a general meeting, the detailed voting results of each of the resolutions tabled will be announced at the meeting. The results of the poll voting stating total number of votes cast for or against the resolutions will also be announced after the meeting via SGXNET. The Company has employed electronic polling since the Company's Annual General Meeting held in 2016.

At general meetings, all the Directors, chairman of the Board and the respective chairman of the AC, NC and RC as well as the external auditors should be present and available to address shareholders' queries at these meetings. At the Company's last AGM held on 25 June 2019, all the directors and external auditors have attended the AGM. The Chairman of the meeting with the assistance of the Company Secretary and service provider briefed the shareholders on the rules of the meeting including voting procedures.

In view of the current COVID-19 situation, the forthcoming AGM to be held in respect of FY2020 can be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 i.e. this Order provides that the alternative arrangements apply to meetings held during the period commencing from 27 March 2020 to 30 September 2020. Alternative arrangements relate to attendance at the AGM via electronic means i.e. live audio-visual webcast or live audio-only stream, submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM (if any) and appointing the Chairman of the Meeting as the proxy at the AGM, will be put in place.

Provision 11.5 – Minutes of general meetings

The Company with the help of the Company Secretary prepares minutes of general meetings that include substantial and relevant comments relating to the agenda of the meetings and responses from the Board and management and such minutes, where relevant will be made available to shareholders upon their written request.

In view of the regulatory announcement released by SGX-ST on 27 April 2020 providing the issuers on additional guidance on the conduct of general meetings during safe management period, the Company would publish minutes of the AGM within one month after the general meeting on SGXnet. The minutes would record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting and responses from the Board of Directors and management.

Provision 11.6 – Dividend policy

The Group does not have a concrete dividend policy at present and deviated from Provision 11.6 of the Code. In considering the declaration of dividends, the Company will have to take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. No dividend has been declared for the financial year ended 29 February 2020 as the Group intends to conserve cash for future business growth amid the current challenging business environment.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions 12.1, 12.2 and 12.3 – Stakeholder engagement

The Company is committed to maintaining high standards of corporate disclosure and transparency.

The Company values regular, effective and fair communication with its shareholders. In line with the continuing obligations of the Company pursuant to the Listing Manual of the SGX-ST, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Group.

Material information is disclosed in a comprehensive, accurate and timely manner through SGXNET announcements, press releases and on the corporate website http://www.nicosteel.com. To ensure parity of information and to provide confidence to shareholders, unpublished price sensitive information is not selectively disclosed. In the event that unpublished material information is inadvertently disclosed to any selected group in the course of the Company's interactions with the investing community, a media release or announcement will be released to the public via SGXNET as soon as practicable.

The Company's corporate website is the key resource of information for shareholders. In addition to the financial results materials, it contains a wealth of information of investor related information on the Group, including annual reports.

The Company's finance department also acts as an investor relations function to facilitate the communications with all stakeholders – shareholders, analysts and media, to attend to their queries or concerns as well as to keep the investors apprised of the Group's corporate developments and financial performance.

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1, 13.2 and 13.3 – Stakeholder engagement

The Group places great importance to having open and transparent engagement with our key stakeholders. Stakeholders play an important role to ensure the sustainability of our business and products. The Company holds briefings with the investing community and media when announcing half-yearly and year-end results.

The Group has a Sustainability Committee which is responsible for reviewing the company's sustainability performance, material topics, stakeholder concerns, setting targets and goals that will enhance and sustain our performance both economically and socially, and establishing systems to collect, verify, monitor and report information required for our sustainability reporting.

The sustainability report published provides more details about the strategy and key areas of focus in relation to the management of stakeholder relationships which include:

- Established policies to uphold the highest standards of ethical business practices with a strong stance against corruption
- Protecting our environment by using a customized inhouse wastewater treatment and water recycling system, to increase cost savings at production sites in China
- Providing training and education opportunities for our employees and a cohesive and performance driven work environment and is committed to fair employment practices

The Group has identified the environmental, social and governance factors that are important to these stakeholders. These factors form the materiality matrix upon which targets, metrics, programmes and progress are reviewed by and approved by the Board, before they are published annually in our sustainability report. Further details can be found in our sustainability report for the year ended 29 February 2020 which will be released by 14 September 2020.

To enable shareholders to contact the Company easily, the contact details of the company are set out in the Corporate Information page of this Annual Report as well as on the Company's website.

DEALING IN SECURITIES

The Company has adopted an internal compliance code which prohibits the Company, Directors and its officers and their immediate family members from dealing in the Company's shares during the period commencing one month before the announcement of the Company's half year and full year results and ending on the date of the announcement of the results or if they are in possession of unpublished material price-sensitive information of the Group. In addition, Directors and officers are also expected to observe all applicable insider trading laws at all times even when dealing in securities within permitted trading periods. They are also discouraged from dealing in the Company's shares on short-term considerations. Accordingly, the Company has complied with Rule 1207(19) of the SGX-ST Listing Manual.

INTERESTED PERSON TRANSACTIONS ("IPT")

The Company adopts a set of procedures governing all interested person transactions to ensure that they are carried out on arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its shareholders. The Group did not enter into any IPTs during the financial year.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interest of the President, each Director or Controlling Shareholder, which was either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

ATTENDANCE AT BOARD/AUDIT COMMITTEE/REMUNERATION COMMITTEE/NOMINATING COMMITTEE MEETINGS FY2020

	Board	**Audit Committee**	**Remuneration Committee**	**Nominating Committee**
Number of meetings held	2	2	1	1
Number of meetings attended				
Tan Chee Khiong Danny	2	2*	1*	1*
Tang Chee Wee Andrew	2	1*	0*	0*
Tang Chee Bian Steven	1	0*	0*	0*
Tan Poh Chye Allan	2	2	1	1
Lee Eng Yew Michael	1	1	1	1
Gavin Mark McIntyre	2	2	1	1

Note:

* *By invitation*

Although Mr Tan Chee Bian Steven and Mr Lee Eng Yew Michael did not attend a board meeting, they had provided their comments to the board papers put up prior to those meetings.

USE OF PROCEEDS FROM THE REDEEMABLE CONVERTIBLE BONDS ("RCB") WITH AN AGGREGATE PRINCIPAL AMOUNT OF UP TO S$50,000,000 ISSUED ON 15 MARCH 2016, 29 NOVEMBER 2016, 10 JANUARY 2017, 24 JANUARY 2017, 13 JUNE 2017, 28 NOVEMBER 2017, 26 JANUARY 2018, 18 APRIL 2018, 25 JUNE 2018 AND 28 AUGUST 2018

The Group undertook the 2% redeemable convertible bonds ("**RCB**") to support funding requirements for our business operations in March 2016 in our transformation from a relatively lower value-adding metal material supplier to a metallurgical material solutions specialist, strengthening our capabilities to ride on the impending 5G trend.

The RCB has since been terminated in September 2018, and the Group received S$10 million in gross proceeds.

As at the date of this Annual Report, the net proceeds from the Company's bond issue have been utilised as follows:

Usage of bond issue proceeds	Net proceeds earmarked for working capital of the Company (S$'000)
Total net proceeds from the initial bond[1]	9,530
Less amount utilised:	
– Repayment of loans to Parot Tovot LLC	(260)
– Repayment of loans to Nico Steel Solutions (S) Pte. Ltd.	(300)
– Repayment of loans to affiliated companies	(340)
– Group's general working capital[2]	(7,739)
– Legal and professional fee in relation to the issuance of RCB	(347)
	544

Notes:

(1) *Net proceeds from the initial bond issue of S$9,530,000 was derived after the deduction of transaction costs amounting to S$470,000, including the arranger's fee and the legal fee incurred.*

(2) *Funds used for the Group's general working capital were mainly for staff costs and other operating costs.*

Appended below is a table showing the breakdown of the category entitled "Group's general working capital".

	S$'000
Staff cost	3,905
Repayment of advances from Directors[1]	1,212
Repayment of loan receivable from affiliated company (D.S.A.G Investment Pte. Ltd.)[1]	730
Directors' fee	518
Repayment of loan receivable from subsidiary (Nico Steel Solutions (S) Pte. Ltd.)[1]	475
Audit fees	353
Legal & professional fees	198
Upkeep of office equipment	135
SGX/CDP listing fees	102
Secretarial fees/Share registrar's fees/Tax agent's fees	50
Travelling expenses for business trips	31
Entertainment expenses for business purpose	21
Upkeep of motor vehicle	9
Total:	**7,739**

Note:

(1) *The advances from Directors, D.S.A.G Investment Pte. Ltd., and Nico Steel Solutions (S) Pte. Ltd. were for the Group's working capital purposes.*

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(6) OF THE SGX-ST LISTING MANUAL

Mr Gavin Mark McIntyre and Tan Chee Khiong Danny are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be held 14 August 2020 ("AGM") under Ordinary Resolutions 2 and 3 as set out in the Notice of AGM dated 25 July 2020.

Pursuant to Rule 720(6) of the SGX-ST Listing Manual, the information relating to the Retiring Directors is set out below:

Mr Gavin McIntyre and Mr Danny Tan have confirmed negative on items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Rules.

Name of Director	**Gavin Mark McIntyre ("Mr Gavin McIntyre")**	**Tan Chee Khiong Danny ("Mr Danny Tan")**
Date of Initial Appointment	22 August 2016	10 April 2002
Date of last re-appointment (if applicable)	27 June 2017	26 June 2018
Age	55	55
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Nominating Committee has recommended the appointment of Mr Gavin McIntyre as Independent Director. The Board of Director approved his appointment based on his qualifications and work experiences.	After assessing Mr Danny Tan's experience and contribution, the Nominating Committee has recommended that Mr Danny Tan be re-elected as Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive Oversight and management of the Group's business and corporate development, review and formulate the overall business and corporate policies and strategies for the Group.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director and Chairman of Audit Committee	Executive Chairman and President
Professional qualifications	Certified Practising Accountant with CPA Australia Bachelor of Accountancy from Curtin University in Australia	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(6) OF THE SGX-ST LISTING MANUAL

Working experience and occupation(s) during the past 10 years	2018- Present: Executive Director, Aegis Interaktif Asia Pte. Ltd. 2015 – Present: Executive Director and Consult, Equitasasia Pte. Ltd. 2013 – 2015: Director, Censere Singapore Pte. Ltd. 2008 – 2013: Chief Financial Officer, Adventus Holdings Limited	Mr Danny Tan is responsible for oversight and management of the Group's business and corporate development, and works together with the rest of the Executive Directors to formulate the overall business and corporate policies and strategies for the Group.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Direct Interest – 1,186,977,925 Deemed Interest – 21,042,162 (held in the name of D.S.A.G Investment Pte. Ltd. and Mr Danny Tan's spouse)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Mr Danny Tan is the brother of the Executive Directors, Mr Tang Chee Bian Steven and Mr Tang Chee Wee Andrew. Ms Ang Bee Choo is a spouse of Mr Danny Tan.
Conflict of interest (including any competing business)	Nil	Nil
Other Principal Commitments* Including Directorships# "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	Nil	Nil
Past (for the last 5 years)	• Censere Singapore Pte. Ltd. * * struck off*	Nico Trading Solutions Pte. Ltd.* * struck off
Present	• Nico Steel Holdings Limited • Anchor Resources Limited • Equitasasia Pte. Ltd. • Equitas Financial Services Pte. Ltd. • Equitasasia Holdings Pte. Ltd. (dormant) • Aegis Interaktif Asia Pte. Ltd. Please refer to page 21.	• Nico Steel Holdings Limited • Nico Steel Solutions (S) Pte. Ltd. • D.S.A.G Investment Pte. Ltd. • D.S.A.G Trading Pte. Ltd. • Nikko-Tech Holding Pte. Ltd. Please refer to page 20.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(6) OF THE SGX-ST LISTING MANUAL

Disclosure applicable to the appointment of Director only		
Any prior experience as a director of an issuer listed on the Exchange?	NA	NA
If yes, please provide details of prior experience.	NA	NA
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	NA	NA
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	NA	NA

DIRECTORS' STATEMENT

The directors hereby present their statement to the members together with the audited consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 29 February 2020.

In the opinion of the directors:

(i) the consolidated financial statements of the Group and the statement of financial position of the Company as set out on pages 48 to 100 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 29 February 2020 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are:

Tan Chee Khiong Danny (Chairman)
Tang Chee Bian Steven
Tang Chee Wee Andrew
Tan Poh Chye Allan
Lee Eng Yew Michael
Gavin Mark McIntyre

Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act except as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
The Company		
Ordinary shares		
Tan Chee Khiong Danny		
– interests held	1,186,977,925	1,186,977,925
– deemed interests	21,042,162	21,042,162

Directors' interest in shares or debentures (Continued)

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Tang Chee Wee Andrew		
– interests held	5,503,725	5,503,725
– deemed interests	20,697,700	20,697,700
Tang Chee Bian Steven		
– interests held	5,515,725	5,515,725
– deemed interests	20,697,700	20,697,700

By virtue of Section 7 of the Act, Tan Chee Khiong Danny is deemed to have interests in the other subsidiary corporations of the Company at the end of the financial year.

There were no changes in any of the abovementioned interests in the Company between the end of the financial year and 21 March 2020.

Nico Employee Performance Share Plan 2017 (the "Plan")

The Plan was approved by shareholders at an extraordinary general meeting held on 12 October 2017.

The Remuneration Committee administering the Plan comprises directors, Tan Poh Chye Allan (Chairman of the Remuneration Committee), Gavin Mark McIntyre and Lee Eng Yew Michael.

The Plan was introduced to retain staff whose contributions are essential to the well-being, long-term growth and prosperity of the Group and to give recognition to outstanding employees and directors (including executive, non-executive and independent directors) of the Group who have contributed to the growth of the Group.

Principal Terms of the Plan

(a) Participants

Under the rules of the Plan, executive and non-executive directors (including independent directors) and employees of the Group, including controlling shareholders or their associates, are eligible to participate in the Plan.

(b) Size of the Plan

The aggregate number of shares which may be issued pursuant to the Plan, when added to (i) the number of new shares issued and issuable and/or existing shares transferred and transferable in respect of all share awards granted or to be granted there under; and (ii) all shares, options or share awards granted or to be granted under any other share option schemes or share plans of the Company (if any), shall not exceed 15% of the total number issued shares of the Company (excluding treasury shares) from time to time.

Directors' interest in shares or debentures (Continued)

Nico Employee Performance Share Plan 2017 (the "Plan") (Continued)

Principal Terms of the Plan (Continued)

(c) Duration of the Plan

The Plan shall continue in operation for a maximum duration of 10 years from 12 October 2017 and may be continued for any further period thereafter with the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Shares granted under the Plan

During the financial year, no awards have been granted by the Company, and consequently, no shares have been issued. The shares under the Plan if and when issued under an award would rank *pari passu* with all other issued shares of the Company.

Material contracts

There are no material contracts of the Group and of the Company involving the interests of the Executive Chairman, the Managing Director (both of whom are deemed to be in the position of the Chief Executive Officer), each other director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Share options

No options to take up unissued shares of the Company or its subsidiary corporations was granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

Audit Committee

The Audit Committee comprises three members, all of whom are independent directors. The members of the Audit Committee during the financial year and at the date of this statement are:–

Gavin Mark McIntyre (Chairman, Independent director)
Tan Poh Chye Allan (Lead independent director)
Lee Eng Yew Michael (Independent director)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act. Their functions are detailed in the Corporate Governance Report.

In performing its functions, the Audit Committee evaluated the Company's internal accounting controls and the procedures established and maintained by the Company, and also met with the Company's independent auditors to discuss the scope of their work and the results of their examination.

Audit Committee (Continued)

The Audit Committee also reviewed the following:

(a) reviewed the independence and objectivity of the external auditor;

(b) reviewed the financial statements of the Company and of the Group for the financial year ended 29 February 2020 and the independent external auditor's report thereon;

(c) reviewed the overall scope of the audit work carried out by the independent external auditor and also met with the independent external auditor to discuss the results of their audit and their evaluation of the internal accounting control system and internal control procedures;

(d) reviewed the overall scope and timing of the work to be carried out by the internal auditors and also met with the internal auditors to discuss the results of their internal audit procedures (if any); and

(e) reviewed interested person transactions.

The Audit Committee is satisfied with the independence and objectivity of the independent auditors and has nominated Baker Tilly TFW LLP for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Tan Chee Khiong	Tang Chee Bian
Director	Director

24 July 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NICO STEEL HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Nico Steel Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 48 to 100, which comprise the statements of financial position of the Group and of the Company as at 29 February 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 29 February 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current period. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Write-down of inventories

Description of key audit matter:

As disclosed in Notes 3 and 15 to the financial statements, the carrying value of inventories amounted to US$6,740,501 (2019: US$8,095,578) and represented 35% (2019: 38%) of the Group's total assets as at 29 February 2020. Management estimates the write-down of inventories based on the aging of the inventories, prevailing market conditions and anticipated selling prices of the inventories. Write-down of inventories is considered to be a key audit matter due to the involvement of significant management estimation and assumptions in determining the required level of write-down.

Report on the Audit of the Financial Statements (Continued)

Key Audit Matter (Continued)

Write-down of inventories (Continued)

Our procedures to address the matter:

We inquired and obtained an understanding of management's process for identifying and writing down of slow-moving inventories. We tested accuracy of the inventory aging report used by management. We evaluated the reasonableness of management's input used in calculating the value of the inventories written down, taking into consideration historical information and latest selling prices. We also checked the mathematical accuracy of the write-down and assessed the adequacy of the related disclosures in the notes to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2020, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ong Kian Guan.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

24 July 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020

	Note	2020 US$	2019 US$
Revenue	4	**14,008,750**	15,093,602
Cost of sales		**(11,198,934)**	(10,556,939)
Gross profit		**2,809,816**	4,536,663
Interest income from banks		**31,561**	1,167
Other income	5	**24,669**	26,056
Distribution expenses		**(528,739)**	(647,740)
Administrative expenses		**(3,121,353)**	(3,158,555)
Other expenses		**(66,470)**	(124,938)
Impairment loss on trade receivables		**(132,853)**	(480)
Results from operating activities		**(983,369)**	632,173
Finance costs	6	**(196,641)**	(163,566)
(Loss)/profit before tax	7	**(1,180,010)**	468,607
Tax expense	8	**(178,540)**	(140,340)
(Loss)/profit for the financial year		**(1,358,550)**	328,267
Other comprehensive loss, net of tax			
Items that are or may be reclassified subsequently to profit or loss:			
Currency translation differences arising on consolidation		**(324,944)**	(333,804)
Total comprehensive loss for the financial year		**(1,683,494)**	(5,537)
(Loss)/profit attributable to:			
Equity holders of the Company		**(1,376,897)**	242,875
Non-controlling interests		**18,347**	85,392
(Loss)/profit for the financial year		**(1,358,550)**	328,267
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(1,726,064)**	(125,941)
Non-controlling interests		**42,570**	120,404
Total comprehensive loss for the financial year		**(1,683,494)**	(5,537)
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company (cents per share)			
Basic and diluted	9	**(0.03)**	0.01

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AT 29 FEBRUARY 2020

	Note	Group 2020 US$	Group 2019 US$	Company 2020 US$	Company 2019 US$
Non-current assets					
Property, plant and equipment	10	**3,780,962**	3,210,236	**–**	–
Intangible assets	11	**2,498**	3,004	**–**	–
Subsidiaries	12	**–**	–	**7,596,767**	7,696,767
Other investment	13	**30,397**	39,146	**30,397**	39,146
Deferred tax assets	14	**2,437**	121,298	**–**	–
Total non-current assets		**3,816,294**	3,373,684	**7,627,164**	7,735,913
Current assets					
Inventories	15	**6,740,501**	8,095,578	**–**	–
Trade and other receivables	16	**4,465,293**	4,395,551	**3,386,453**	2,897,352
Contract assets	17	**651,174**	544,022	**–**	–
Cash and cash equivalents	18	**3,427,303**	5,044,392	**753,311**	2,079,447
Tax recoverable		**–**	32,366	**–**	–
Total current assets		**15,284,271**	18,111,909	**4,139,764**	4,976,799
Total assets		**19,100,565**	21,485,593	**11,766,928**	12,712,712
Equity and liabilities					
Share capital	19	**15,851,114**	15,851,114	**15,851,114**	15,851,114
Reserves	20	**(2,262,847)**	(1,953,262)	**–**	–
Accumulated profits/(losses)		**1,882,592**	3,299,071	**(4,298,964)**	(3,380,693)
Equity attributable to equity holders of the Company, total		**15,470,859**	17,196,923	**11,552,150**	12,470,421
Non-controlling interests	12	**(498,004)**	(540,574)	**–**	–
Total equity		**14,972,855**	16,656,349	**11,552,150**	12,470,421
Non-current liabilities					
Deferred tax liabilities	14	**9,928**	9,928	**–**	–
Borrowings	21	**527,618**	–	**–**	–
Total non-current liabilities		**537,546**	9,928	**–**	–
Current liabilities					
Borrowings	21	**1,584,400**	2,541,978	**–**	–
Trade and other payables	22	**1,946,720**	2,160,944	**213,449**	241,027
Contract liabilities	17	**20,172**	114,454	**–**	–
Current tax payable		**38,872**	1,940	**1,329**	1,264
Total current liabilities		**3,590,164**	4,819,316	**214,778**	242,291
Total liabilities		**4,127,710**	4,829,244	**214,778**	242,291
Total equity and liabilities		**19,100,565**	21,485,593	**11,766,928**	12,712,712

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020

	Attributable to equity holders of the Company							
	Share capital US$	Merger reserve US$	Currency translation reserve US$	Statutory surplus reserve US$	Accumulated profits US$	Total US$	Non-controlling interests US$	Total equity US$
Group								
At 1 March 2019	15,851,114	(2,824,780)	279,295	592,223	3,299,071	17,196,923	(540,574)	16,656,349
Profit for the financial year	–	–	–	–	(1,376,897)	(1,376,897)	18,347	(1,358,550)
Other comprehensive (loss)/income, net of tax								
Currency translation differences arising from consolidation	–	–	(349,167)	–	–	(349,167)	24,223	(324,944)
Total comprehensive (loss)/income for the financial year	–	–	(349,167)	–	(1,376,897)	(1,726,064)	42,570	(1,683,494)
Transfer of statutory surplus reserve	–	–	–	39,582	(39,582)	–	–	–
At 29 February 2020	**15,851,114**	**(2,824,780)**	**(69,872)**	**631,805**	**1,882,592**	**15,470,859**	**(498,004)**	**14,972,855**
At 1 March 2018	13,567,929	(2,824,780)	648,111	496,541	3,151,878	15,039,679	(660,978)	14,378,701
Profit for the financial year	–	–	–	–	242,875	242,875	85,392	328,267
Other comprehensive (loss)/income, net of tax								
Currency translation differences arising from consolidation	–	–	(368,816)	–	–	(368,816)	35,012	(333,804)
Total comprehensive (loss)/income for the financial year	–	–	(368,816)	–	242,875	(125,941)	120,404	(5,537)
Transfer of statutory surplus reserve	–	–	–	95,682	(95,682)	–	–	–
Transactions with owners, recognised directly in equity								
Conversion of shares from convertible bonds (Note 19)	2,283,185	–	–	–	–	2,283,185	–	2,283,185
At 28 February 2019	15,851,114	(2,824,780)	279,295	592,223	3,299,071	17,196,923	(540,574)	16,656,349

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020

	Share capital $	Accumulated losses $	Total equity $
Company			
At 1 March 2018	13,567,929	(2,465,378)	11,102,551
Conversion of shares from convertible bonds (Note 19)	2,283,185	–	2,283,185
Loss and total comprehensive loss for the financial year	–	(915,315)	(915,315)
At 28 February 2019	15,851,114	(3,380,693)	12,470,421
Loss and total comprehensive loss for the financial year	–	(918,271)	(918,271)
At 29 February 2020	**15,851,114**	**(4,298,964)**	**11,552,150**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020

	2020 US$	2019 US$
Cash flows from operating activities		
(Loss)/profit before tax	**(1,180,010)**	468,607
Adjustments for:		
Amortisation of intangible assets	**991**	873
Depreciation of property, plant and equipment	**635,384**	235,364
Interest expense	**196,641**	163,566
Impairment loss on trade receivables	**132,853**	480
Loss on disposal of property, plant and equipment	**–**	1,962
Net fair value loss on financial assets at fair value through profit or loss	**8,749**	38,186
Write-down of inventories	**134,185**	–
Interest income from banks	**(31,561)**	(1,167)
Bad debts recovered	**(443)**	–
Dividend income	**(1,411)**	(1,500)
Gain on strike-off of a subsidiary	**–**	(4,294)
Reversal of inventories write-down	**(78,158)**	–
Write-back of impairment loss on trade receivables	**(11,188)**	–
	(193,968)	902,077
Changes in working capital:		
Inventories	**1,359,098**	(163,995)
Trade and other receivables	**(188,411)**	659,964
Contract assets	**(107,152)**	(7,665)
Contract liabilities	**(94,282)**	(15,489)
Trade and other payables	**(180,070)**	(14,473)
Secured working capital bank loan	**(1,218,162)**	54,404
Currency translation adjustments	**(371,184)**	(257,783)
Cash (used in)/generated from operations	**(994,131)**	1,157,040
Income tax received/(paid), net	**9,620**	(195,530)
Interest paid	**(148,328)**	(163,566)
Net cash (used in)/generated from operating activities	**(1,132,839)**	797,944
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	**–**	592
Purchase of property, plant and equipment	**(233,398)**	(225,979)
Purchase of intangible assets	**(485)**	(489)
Interest received	**31,561**	1,167
Dividend received	**1,411**	1,500
Net cash used in investing activities	**(200,911)**	(223,209)
Cash flows from financing activities		
Proceeds from issue of redeemable convertible bonds	**–**	2,244,724
Repayment of lease liabilities	**(244,912)**	(599)
Repayment of loan from directors	**(34,155)**	–
Interest paid on lease liabilities	**(48,313)**	–
Net cash (used in)/generated from financing activities	**(327,380)**	2,244,125
Net (decrease)/increase in cash and cash equivalents	**(1,661,130)**	2,818,860
Cash and cash equivalents at 1 March	**5,044,392**	2,203,790
Effect of exchange rate fluctuations on cash held	**44,041**	21,742
Cash and cash equivalents at 29 February/28 February	**3,427,303**	5,044,392

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Corporate information

Nico Steel Holdings Limited (the "Company") is a company incorporated in Singapore. The registered office and principal place of business of the Company is located at 51 Loyang Way, Singapore 508744.

The principal activities of the Company are those relating to an investment holding company and a service company providing support services as required by its subsidiaries. The principal activities of the subsidiaries are set out in Note 12.

2 Summary of significant accounting policies

(a) Basis of preparation

The financial statements are presented in United States dollar (US$), which is the Company's functional currency. The financial statements have been prepared in accordance with the provisions of the Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

New and revised standards (Continued)

The adoption of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial performance or position of the Group except as disclosed below:

SFRS(I) 16 Leases

When the Group is the lessee

SFRS(I) 16 replaces the existing SFRS(I) 1-17 *Leases* for financial periods beginning 1 March 2019. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their statements of financial position to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, the nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability.

On adoption of SFRS(I) 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "Operating Leases" under SFRS(I) 1-17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates as at 1 March 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 March 2019 was 5.6%.

	Group
	2020 US$
Operating lease commitments disclosed as at 28 February 2019 (Note 24(b))	299,967
Add: Adjustments as a result of different treatment of extension	558,781
Add: Adjustments as a result of foreign currency translation	(87)
	858,661
Discounted using the lessee's incremental borrowing rate	(64,099)
Lease liabilities recognised as at 1 March 2019	794,562

The associated right-of-use assets were measured as below:

	Group
	2020 US$
Lease liabilities recognised as at 1 March 2019	794,562
Add: Carrying value of leasehold buildings have been reclassified to right-of-use assets	1,589,531
Right-of-use assets recognised as at 1 March 2019	2,384,093

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

New and revised standards (Continued)

SFRS(I) 16 Leases (Continued)

When the Group is the lessee (Continued)

Arising from the adoption of SFRS(I) 16, the Group's right-of-use assets and lease liabilities of US$2,384,093 and US$794,562 respectively were recognised on the statements of financial position on 1 March 2019. The cost and accumulated depreciation of leasehold buildings included in property, plant and equipment amounting to US$1,860,568 and US$271,037 respectively on 1 March 2019 have been reclassified to right-of-use assets.

In applying SFRS(I) 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- exclude initial direct costs for the measurement of the right-of-use asset at the date of initial application; and

- use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 29 February 2020 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

(b) Revenue recognition

Sales of goods

The Group transfers control and recognises a sale when they deliver goods to their customers. Revenue from these sales is recognised based on the price specified in the contract. No element of financing is deemed present as the sales are made with a credit term of 30 to 90 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. A contract asset is recognised when the Group has delivered the goods to the customer based on the contract but has not yet billed the customer. Where there is advance billing to customer, a contract liability is recognised for billing in excess of revenue recognised.

Interest income

Interest income is recognised using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the Company and the amount of dividend can be reliably measured.

2 Summary of significant accounting policies (Continued)

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statements of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

2 Summary of significant accounting policies (Continued)

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investment in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(e) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation

Depreciation is calculated on a straight-line basis to write off the cost of property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

Leasehold improvements	5 years
Plant and machinery	10 years
Furniture, fittings and office equipment	5 years
Computers	3 years
Motor vehicles	5 years

Leasehold land and buildings are depreciated based on the lease period.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of the reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2 Summary of significant accounting policies (Continued)

(e) Property, plant and equipment (Continued)

Construction work-in-progress represents assets in the course of construction for production, or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss until construction or development is completed. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policies (Note 2(q)). Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

(f) Intangible assets

Trademarks and licenses

Acquired trademarks and licences are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licenses over 10 years, which is the shorter of their estimated useful lives and periods of contractual rights.

(g) Impairment of non-financial assets excluding goodwill

At each reporting date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is recognised in other comprehensive income up to the amount of any previous revaluation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss unless the revalued amount is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2 Summary of significant accounting policies (Continued)

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Leases – When the Group entity is the lessee

The accounting policy for leases before 1 March 2019 are as follows:

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between reduction of the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is taken to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The asset acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Operating leases

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

The accounting policies for leases from 1 March 2019 onwards are as follows:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2 Summary of significant accounting policies (Continued)

(i) Leases – When the Group entity is the lessee (Continued)

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liabilities are presented within "borrowings" in the statements of financial position.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provision, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within "property, plant and equipment" in the statements of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Asset* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(g).

2 Summary of significant accounting policies (Continued)

(j) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided using the liability method, on all temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investment in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

Deferred income tax is measured based on the tax consequence that will follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

(k) Financial assets

(i) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

2 Summary of significant accounting policies (Continued)

(k) Financial assets (Continued)

(ii) Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss ("FVTPL").

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

(iii) Subsequent measurement

Debt instruments

Debt instruments include cash and cash equivalents, trade receivables and other receivables (excluding prepayments). These are subsequently measured at amortised cost based on the Group's business model for managing the asset and cash flow characteristic of the asset.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "Other income or Other expenses". On disposal of an equity investment classified as FVTPL, the difference between the carrying amount and sales proceed amount would be recognised in profit or loss. Dividends from equity investments are recognised in profit or loss and presented in "Other income".

2 Summary of significant accounting policies (Continued)

(k) Financial assets (Continued)

(iv) Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

(v) Offset

Financial assets and liabilities are offset and the net amount presented on the balance sheet when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(l) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, bank overdrafts that form an integral part of the Group's cash management, other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and excludes pledged deposits. Bank overdrafts are presented as current borrowings on the statements of financial position.

2 Summary of significant accounting policies (Continued)

(m) Financial liabilities

Financial liabilities include trade and other payables and borrowings. Financial liabilities are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

(n) Financial guarantee contracts

Financial guarantee contracts are accounted for as insurance contracts. A provision is recognised based on the current estimates of future cash flows under its guarantee contracts at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contracts.

(o) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(p) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

(q) Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in the profit or loss using the effective interest method.

2 Summary of significant accounting policies (Continued)

(r) Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(s) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates ('the functional currency'). The financial statements of the Group and the Company are presented in United States dollar, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the currency translation reserve within equity in the consolidated financial statements. The currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2 Summary of significant accounting policies (Continued)

(s) Foreign currencies (Continued)

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the date of the statements of financial position;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

(t) Government grants

Government grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

(u) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Chairman for making decisions about allocating resources and assessing performance of the operating segments.

(v) Earnings per share ("EPS")

The Group presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the financial year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations):

(i) Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of leasehold land and buildings, the following factors are considered to be most relevant:

- If any leasehold land and buildings are expected to have a significant remaining value, the Group typically includes the extension option in lease liabilities; and

- Otherwise, the Group considers other factors including its historical lease periods and the costs and business disruption required to replace the leased asset.

The assessment of reasonable certainty to exercise extension options is only revised if a significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee. On 1 March 2019, the financial effect of revising lease terms to reflect the effect of exercising extension options was an increase in recognised lease liabilities and right-of-use assets of US$516,206.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Impairment of non-financial assets

At each reporting date, the Group and Company assess whether there are any indications of impairment for all non-financial assets. If any such indication exists, the Group and Company estimate the recoverable amount of that asset or the cash-generating unit ("CGU") to which the asset belongs. The identification of CGU, assessment of indicators of impairment and where such indicators exist, the determination of the recoverable amount of the CGU require judgement. An impairment loss exists when the carrying value of an asset (or CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

3 Critical accounting judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty (Continued)

(i) Impairment of non-financial assets (Continued)

Where value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset (or CGU) and a suitable discount rate in order to determine the present value of the cash flows. Where fair value less cost of disposal are undertaken, management has evaluated and is satisfied that the valuer has appropriate recognised professional qualifications, are competent, used appropriate valuation methodology and has provided estimates which are reflective of current market conditions at the end of each reporting period.

The carrying amount of the property, plant and equipment is disclosed in Note 10.

(ii) Inventories

Where necessary, write down of inventories to net realisable value is set up for estimated losses where the cost of inventories may not be recoverable. The Group estimates the write down based on the ageing of the inventories, prevailing market conditions and anticipated selling prices of the inventories. The required level of write down could change significantly as a result of changes in market conditions. Adjustments to the carrying amount of inventories may be made in future periods in the event that their carrying amounts may not be recoverable resulting from future loss events.

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 15.

(iii) Calculation of loss allowance for financial assets at amortised cost

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculation of loss allowance on receivables and loans is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of receivables. Details of ECL measurement and carrying values of trade receivables and other receivables at reporting date are disclosed in Notes 25 and 16 respectively.

3 Critical accounting judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty (Continued)

(iv) Estimating the incremental borrowing rate for leases

The Group uses the incremental borrowing rate to measure the lease liabilities because the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrower over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. The incremental borrowing rate therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiary companies that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs such as market interest rates, when available and is required to make certain entity-specific estimates, such as the subsidiary's stand-alone credit rating. Any change in estimation of incremental borrowing rate may have a significant impact to the determination of lease liabilities and right-of-use assets at the date of initial application of SFRS(I) 16. The carrying amount of lease liabilities and right-of-use assets are disclosed in Notes 21 and 10 respectively.

4 Revenue

Revenue represents consideration to which the Group expects to be entitled in transferring the promised goods to the customer. Revenue is predominantly attributable from the People's Republic of China.

5 Other income

	Group	
	2020	**2019**
	US$	**US$**
Bad debts recovered	**443**	–
Dividend income	**1,411**	1,500
Government grants	**2,297**	5,666
Write-back of impairment loss on trade receivables	**11,188**	–
Gain on strike-off of a subsidiary	**–**	4,294
Others	**9,330**	14,596
	24,669	26,056

6 Finance costs

	Group	
	2020	**2019**
	US$	**US$**
Interest expenses:		
– finance lease liabilities	**–**	42
– bills payable, bank overdraft and bank loans	**148,328**	163,524
– lease liabilities	**48,313**	–
	196,641	163,566

7 (Loss)/profit before tax

The following items have been included in arriving at (loss)/profit before tax:

	Group	
	2020	**2019**
	US$	**US$**
Staff costs		
Wages and salaries	**1,284,633**	1,319,344
Contributions to defined contribution plans	**74,424**	79,327
Other staff costs	**226,722**	228,323
	1,585,779	1,626,994
Cost of sales		
Cost of inventories included in cost of sales	**11,012,347**	10,345,525
Depreciation of property, plant and equipment	**151,791**	124,991
Other expenses		
Depreciation of property, plant and equipment	**483,593**	110,373
Amortisation of intangible assets	**991**	873
Loss on disposal of property, plant and equipment	**–**	1,962
Directors' fees	**88,512**	85,110
Operating lease expense	**–**	274,824
Lease expense – short-term lease	**744**	–
Audit services		
– auditor of the Company	**54,987**	55,506
– other auditors	**15,173**	15,128
Non-audit services		
– auditor of the Company	**3,529**	3,117
– other auditors	**1,445**	1,391
Exchange loss	**66,470**	124,938
Net fair value loss with respect to financial assets at FVTPL	**8,749**	38,186
Write-down of inventories	**134,185**	–
Reversal of inventories write-down	**(78,158)**	–

8 Tax expense

	Group	
	2020	**2019**
	US$	**US$**
Tax recognised in profit or loss		
Current tax expense		
Current year	**54,812**	136,920
Under/(over) provision for prior years	**2,995**	3,420
	57,807	140,340
Deferred tax expense		
Origination and reversal of temporary difference (Note 14)	**120,733**	–
Tax expense	**178,540**	140,340

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the domestic rates applicable to (loss)/profit in the countries where the Group operates due to the following factors:

	Group	
	2020	**2019**
	US$	**US$**
(Loss)/profit before tax	**(1,180,010)**	468,607
Tax calculated using Singapore tax rate of 17% (2019: 17%)	**(200,603)**	79,663
Effect of different tax rates in other countries	**24,073**	128,947
Expenses not deductible for tax purposes	**257,610**	181,352
Under provision for prior years	**2,995**	3,420
Deferred tax assets not recognised	**179,276**	32,627
Utilisation of previously unrecognised tax losses	**(80,170)**	(276,643)
Tax incentives	**(3,965)**	(3,665)
Others	**(676)**	(5,361)
	178,540	140,340

9 (Loss)/earnings per share

Basic and diluted (loss)/earnings per share are calculated by dividing the net (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2020	**2019**
	US$	**US$**
Net (loss)/profit attributable to equity holders of the Company	**(1,376,897)**	242,875
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share	**4,962,166,175**	3,754,768,915
Basic and diluted (loss)/earnings per share (cents per share)	**(0.03)**	0.01

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit for the financial year attributable to equity holders of the Company by the weighted average number of ordinary shares of the Company outstanding during the financial year. As at the end of the respective financial year, diluted (loss)/earnings per share is same as basic (loss)/earnings per share as there is no dilutive potential ordinary shares.

10 Property, plant and equipment

	Leasehold land and buildings US$	Leasehold improvements US$	Plant and machinery US$	Furniture, fittings and office equipment US$	Computers US$	Motor vehicles US$	Construction work-in-progress US$	Total US$
Group								
Cost								
At 1 March 2018	3,579,192	219,264	2,357,888	123,601	251,030	410,360	51,992	6,993,327
Additions	–	3,335	34,591	1,546	3,687	53,941	128,879	225,979
Disposal	–	–	(25,428)	–	–	(33,445)	–	(58,873)
Effect of movements in exchange rates	(105,527)	(4,917)	(99,060)	(4,302)	(3,130)	(10,018)	(2,797)	(229,751)
At 28 February 2019	3,473,665	217,682	2,267,991	120,845	251,587	420,838	178,074	6,930,682
Recognition of right-of-use assets at initial application of SFRS(I) 16	794,562	–	–	–	–	–	–	794,562
Additions	265,480	847	115,649	1,274	42,186	73,442	–	498,878
Reclassification	–	–	169,973	–	–	–	(169,973)	–
Effect of movements in exchange rates	(104,011)	(4,115)	(80,251)	(3,505)	(2,615)	(8,415)	(8,101)	(211,013)
At 29 February 2020	**4,429,696**	**214,414**	**2,473,362**	**118,614**	**291,158**	**485,865**	**–**	**8,013,109**
Accumulated depreciation								
At 1 March 2018	932,454	214,573	1,804,952	111,449	241,428	372,347	–	3,677,203
Depreciation for the financial year	104,771	4,125	101,326	2,160	1,960	21,022	–	235,364
Disposal	–	–	(22,874)	–	–	(33,445)	–	(56,319)
Effect of movements in exchange rates	(41,099)	(4,856)	(75,192)	(3,844)	(2,669)	(8,142)	–	(135,802)
At 28 February 2019	996,126	213,842	1,808,212	109,765	240,719	351,782	–	3,720,446
Depreciation for the financial year	492,575	1,788	98,231	1,793	8,775	32,222	–	635,384
Effect of movements in exchange rates	(42,745)	(4,127)	(64,014)	(3,197)	(2,251)	(7,349)	–	(123,683)
At 29 February 2020	**1,445,956**	**211,503**	**1,842,429**	**108,361**	**247,243**	**376,655**	**–**	**4,232,147**
Carrying amount								
At 28 February 2019	2,477,539	3,840	459,779	11,080	10,868	69,056	178,074	3,210,236
At 29 February 2020	**2,983,740**	**2,911**	**630,933**	**10,253**	**43,915**	**109,210**	**–**	**3,780,962**

10 Property, plant and equipment (Continued)

	Computers US$	Motor vehicles US$	Total US$
Company			
Cost			
At 1 March 2018	1,112	233,986	235,098
Disposal	–	(233,986)	(233,986)
At 28 February 2019 and 29 February 2020	**1,112**	**–**	**1,112**
Accumulated depreciation			
At 1 March 2018	1,112	233,986	235,098
Disposal	–	(233,986)	(233,986)
At 28 February 2019 and 29 February 2020	**1,112**	**–**	**1,112**
Carrying amount			
At 28 February 2019 and 29 February 2020	–	–	–

As at 29 February 2020, the net carrying amount of the Group's property, plant and equipment under right-of-use assets were US$2,205,409 (1 March 2019: US$2,384,093) (Note 28).

Non-cash transactions

	Group	
	2020 US$	**2019 US$**
Aggregate cost of property, plant and equipment	**498,878**	225,979
Less: Additions to right-of-use assets (Note 28)	**(265,480)**	–
Net cash outflow for purchase of property, plant and equipment	**233,398**	225,979

11 Intangible assets

	Patents US$	Trademarks US$	Total US$
Cost			
At 1 March 2018	28,837	18,846	47,683
Additions	489	–	489
At 28 February 2019	29,326	18,846	48,172
Additions	485	–	485
At 29 February 2020	**29,811**	**18,846**	**48,657**
Accumulated amortisation			
At 1 March 2018	26,287	18,008	44,295
Amortisation for the financial year	734	139	873
At 28 February 2019	27,021	18,147	45,168
Amortisation for the financial year	851	140	991
At 29 February 2020	**27,872**	**18,287**	**46,159**
Carrying amount			
At 28 February 2019	2,305	699	3,004
At 29 February 2020	**1,939**	**559**	**2,498**

12 Subsidiaries

	2020 US$	2019 US$
Unquoted equity shares, at cost		
At 1 March	**7,762,767**	7,828,649
Written off during the financial year	**–**	(65,882)
	7,762,767	7,762,767
Allowance for impairment loss	**(166,000)**	(66,000)
At 29 February/28 February	**7,596,767**	7,696,767
Movement of allowance for impairment loss:		
At 1 March	**66,000**	131,882
Addition during the financial year	**100,000**	–
Written off during the financial year	**–**	(65,882)
At 29 February/28 February	**166,000**	66,000

12 Subsidiaries (Continued)

(a) Details of subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation/ Place of business	Effective equity held by the Group 2020 %	2019 %
[(1)] Nico Steel Solutions (S) Pte Ltd	Provision of metal slitting services and import and export trading	Singapore	**100**	100
[(2)] Nico Steel Centre (Thailand) Co., Ltd	Provision of ferrous and non-ferrous raw materials in strip-in coils for the stamping and metal fabricating industries	Thailand	**100**	100
[(3)] Nico Steel Solutions (Suzhou) Pte Ltd	Provision of metallurgical solutions and metal slitting services for local market in China	People's Republic of China	**100**	100
[(3)] Nico Steel Centre (Suzhou) Co., Ltd	Provision of metallurgical solutions and metal slitting services for export oriented customers in China	People's Republic of China	**100**	100
[(3)] Nico Steel Technology (Suzhou) Co., Ltd	Provision of electro-plating process, material surface treatment and chemistry blending for electronic products	People's Republic of China	**80**	80
[(4)] Nico SIP Trading Company Limited	Provision of ferrous and non-ferrous raw materials for metal and plastic fabricating industries including import and export trading and distribution	People's Republic of China	**100**	100

(1) Audited by Baker Tilly TFW LLP, Singapore.

(2) Audited by Sukhum International Audit Co., Ltd., a member of the Institute of Certified Accountants and Auditors of Thailand.

(3) Audited by Suzhou Fangben Certified Public Accountants, a member of the Chinese Institute of Certified Public Accountants for statutory audit purposes and by Baker Tilly China Certified Public Accountants for consolidation purposes.

(4) Not required to be audited under the law of country of incorporation.

(b) Significant restrictions

Cash and cash equivalents of US$1,027,124 (2019: US$2,300,141) are held in the People's Republic of China and are subject to local exchange control regulations. These regulations place restrictions on the amount of currency being exported from the country, other than through dividends.

12 Subsidiaries (Continued)

(c) Summarised financial information of subsidiary with material non-controlling interest ("NCI")

The following summarises the financial information of the Group's subsidiary with material non-controlling interests, based on its financial statements prepared in accordance with SFRS(I), adjusted for differences in the Group's accounting policies.

	Nico Steel Technology (Suzhou) Co., Ltd	
	2020 US$	**2019 US$**
NCI percentage	**20%**	20%
Revenue	**1,302,067**	1,719,034
Profit for the financial year	**91,735**	426,961
Other comprehensive income	**121,113**	175,059
Total comprehensive income	**212,848**	602,020
Attributable to NCI:		
Profit for the year	**18,347**	85,392
Other comprehensive income	**24,223**	35,012
Total comprehensive income	**42,570**	120,404
Non-current assets	**571,113**	243,219
Current assets	**284,173**	205,497
Non-current liabilities	**(121,334)**	–
Current liabilities	**(3,223,972)**	(3,151,588)
Net liabilities	**(2,490,020)**	(2,702,872)
Net liabilities attributable to NCI	**(498,004)**	(540,574)
Cash flows (used in)/generated from operating activities	**(87,066)**	222,965
Cash flows used in investing activities	**(102,603)**	(130,053)
Cash flows generated from/(used in) financing activities	**198,629**	(98,006)
Net increase/(decrease) in cash and cash equivalents	**8,960**	(5,094)

13 Other investment

	Group and Company	
	2020 US$	**2019 US$**
Financial assets measured at FVTPL		
– quoted equity securities	**30,397**	39,146

The above equity securities are measured at fair value categorised as Level 1 in the fair value hierarchy, with quoted prices in active markets for identical assets.

14 Deferred tax assets/(liabilities)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2020 US$	**2019 US$**	**2020 US$**	**2019 US$**
Group				
Property, plant and equipment	**–**	–	**(9,928)**	(9,928)
Inventories	**–**	120,080	**–**	–
Trade and other payables	**2,437**	1,218	**–**	–
Deferred tax assets/(liabilities)	**2,437**	121,298	**(9,928)**	(9,928)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Movement in temporary differences during the year:

	Balance as at 1 March 2018 and 28 February 2019 US$	Recognised in profit or loss (Note 8) US$	Exchange differences US$	Balance as at 29 February 2020 US$
Group				
Deferred tax assets				
Inventories	120,080	(121,952)	1,872	**–**
Trade and other payables	1,218	1,219	–	**2,437**
	121,298	120,733	1,872	**2,437**
Deferred tax liabilities				
Property, plant and equipment	(9,928)	–	–	**(9,928)**
	111,370	–	–	**(7,491)**

14 Deferred tax assets/(liabilities) (Continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2020 US$	2019 US$
Tax losses	**3,331,000**	3,433,000
Write-down of inventories	**2,229,000**	1,563,000

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate. Tax losses of US$931,000 (2019: US$1,196,000) arising in certain foreign tax jurisdictions have an expiry period of 5 years.

Unrecognised temporary differences relating to investment in subsidiaries

At 29 February 2020, temporary differences of US$5,684,000 (2019: US$6,139,000) related to undistributed earnings of certain investment in subsidiaries were not recognised because the Company is able to control the timing of the reversal of the temporary differences and is satisfied that the temporary differences will not reverse in the foreseeable future.

15 Inventories

	Group	
	2020 US$	**2019 US$**
Raw materials	**2,199,231**	2,163,404
Finished goods	**4,541,270**	5,932,174
	6,740,501	8,095,578
The following amounts are recognised in profit or loss:		
Inventories recognised as an expense in cost of sales	**11,012,347**	10,345,525
Write-down of inventories (Note 7)	**134,185**	–
Reversal of inventories write-down (Note 7)	**(78,158)**	–

As at reporting date, the inventories are stated after write-down of inventories to net realisable value of US$2,199,975 (2019: US$2,203,996).

During the year, the Group recognised a reversal of US$78,158, being part of an inventory write-down made in the previous financial years, as the inventories were sold above the carrying amounts in 2020.

16 Trade and other receivables

	Group		Company	
	2020 US$	2019 US$	2020 US$	2019 US$
Trade receivables	**4,135,137**	3,782,958	**–**	–
Non-trade amounts due from subsidiaries	**–**	–	**3,370,347**	2,881,189
Deposits	**83,375**	84,815	**–**	–
Other receivables	**24,181**	34,796	**–**	–
	4,242,693	3,902,569	**3,370,347**	2,881,189
Impairment losses	**(181,249)**	(194,992)	**–**	–
	4,061,444	3,707,577	**3,370,347**	2,881,189
Prepayments	**403,849**	687,974	**16,106**	16,163
	4,465,293	4,395,551	**3,386,453**	2,897,352

Non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand. There is no credit loss allowance recognised on these outstanding balances.

The Group and the Company's exposures to credit and currency risks, and impairment losses related to trade receivables are disclosed in Note 25.

17 Contract assets and liabilities

Contract assets relate to the Group's rights to consideration for goods delivered but not billed at the reporting date. Contract liabilities relate to advance consideration received from customers and billings in excess of revenue recognised to-date. Contract liabilities are recognised as revenue as and when the Group satisfies the performance obligations under its contracts.

The following table provides information about contract assets and contract liabilities from contract with customers.

	Group		
	2020 US$	2019 US$	1.3.2018 US$
Trade receivables from contracts with customers	**3,953,888**	3,587,966	4,532,793
Contract assets	**651,174**	544,022	536,357
Contract liabilities	**20,172**	114,454	129,943

There were no significant movements in contract assets and liabilities for the financial years ended 29 February 2020 and 28 February 2019.

18 Cash and cash equivalents

	Group		Company	
	2020	**2019**	**2020**	**2019**
	US$	**US$**	**US$**	**US$**
Cash at banks	**1,570,586**	5,019,018	**11,319**	2,079,447
Cash in hand	**14,725**	25,374	**–**	–
Fixed deposits	**1,841,992**	–	**741,992**	–
	3,427,303	5,044,392	**753,311**	2,079,447

The fixed deposits are placed with a bank and mature within 1 to 3 months (2019: Nil) from year-end and bear interest ranging from 1.06% to 1.54% (2019: Nil) per annum.

19 Share capital

	2020		2019	
	Number of issued shares	**Issued share capital US$**	**Number of issued shares**	**Issued share capital US$**
Balance at beginning of financial year	**4,962,166,175**	**15,851,114**	1,912,166,175	13,567,929
Conversion of shares from convertible bonds	**–**	**–**	3,050,000,000	2,283,185
Balance at end of financial year	**4,962,166,175**	**15,851,114**	4,962,166,175	15,851,114

In the previous financial year, the Company issued three sub-tranches of the Tranche 1 Bonds for a total of SGD3,000,000 to the subscriber. The bondholders had opted to exercise their right to convert the Tranche 1 Bonds in the principal amount of SGD3,050,000 (including SGD50,000 from FY2018), in accordance with the terms and subject to the conditions of the Subscription Agreement. Pursuant to the said conversions, 3,050,000,000 conversion shares were issued to the bondholders. All bonds have been converted into shares. On 11 September 2019, the Company and the Subscriber have agreed to terminate the Subscription Agreement.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

20 Reserves

	Group	
	2020	**2019**
	US$	**US$**
Merger reserve	**(2,824,780)**	(2,824,780)
Currency translation reserve	**(69,872)**	279,295
Statutory surplus reserve	**631,805**	592,223
	(2,262,847)	(1,953,262)

Merger reserve

The merger reserve represents the difference between the nominal value of shares issued by the Company in exchange for the nominal value of shares acquired in respect of the acquisition of subsidiaries accounted for under the "pooling of interests" method of accounting.

Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group.

Statutory surplus reserve

According to the relevant People's Republic of China ("PRC") regulations, certain subsidiaries are required to transfer 10% of profit after taxation, as determined under PRC GAAP, to the statutory surplus reserve until the reserve balance reaches 50% of the subsidiaries registered capital. The transfer to this reserve must be made before the distribution of dividends to equity owners. Statutory surplus reserve can be used to make good previous years' losses, if any, and may be converted into paid-in capital in proportion to the existing interests of equity owners.

21 Borrowings

	Group	
	2020	**2019**
	US$	**US$**
Non-current		
Lease liabilities (unsecured)	**527,618**	–
Current		
Working capital bank loan A (secured)	**805,023**	901,001
Working capital bank loan B (secured)	**518,791**	1,640,977
Lease liabilities (unsecured)	**260,586**	–
	1,584,400	2,541,978
	2,112,018	2,541,978

21 Borrowings (Continued)

Secured working capital bank loans

(i) Secured working capital bank loan A is guaranteed by the Company and its subsidiaries.

(ii) Secured working capital bank loan B is secured against trade receivables in the People's Republic of China amounting to US$2,700,105 (2019: US$3,483,309), legal mortgages over a personal property of a director of the Group and is guaranteed by the Company and its subsidiaries.

(iii) Secured working capital bank loans A and B are obtained to purchase inventories where the loan amounts are disbursed to the supplier subject to the bank's approval of the supplier's invoices and purchase orders submitted by the subsidiary. The repayment term of loan A and loan B are 180 days and 150 days respectively which approximates the general credit term given by suppliers that the subsidiary trades with.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Loan from directors* US$	Bond payables* US$	Lease liabilities US$	Total US$
Balance at 1 March 2018	34,635	38,461	599	73,695
Changes from financing cash flows:				
– Repayments	–	–	(599)	(599)
– Proceeds from issue of redeemable convertible bonds	–	2,244,724	–	2,244,724
Non-cash changes:				
– Conversion of shares from convertible bonds	–	(2,283,185)	–	(2,283,185)
Foreign exchange gain	(480)	–	–	(480)
Balance at 28 February 2019	34,155	–	–	34,155
Adoption of SFRS(I)16	–	–	794,562	794,562
Changes from financing cash flows:				
– Repayments	(34,155)	–	(244,912)	(279,067)
– Interest paid	–	–	(48,313)	(48,313)
Non-cash changes:				
– Interest expenses	–	–	48,313	48,313
– New leases	–	–	265,480	265,480
Foreign exchange gain	–	–	(26,926)	(26,926)
Balance at 29 February 2020	**–**	**–**	**788,204**	**788,204**

* Included in Note 22 Trade and other payables in previous financial year.

21 Borrowings (Continued)

Terms and conditions of outstanding bank loans are as follows:

	Nominal interest rate %	Financial year of maturity	2020 Fair value US$	2020 Carrying amount US$	2019 Fair value US$	2019 Carrying amount US$
Group						
RMB floating rate loan A	120% of bank's board rate	2021	**805,023**	**805,023**	901,001	901,001
RMB floating rate loan B	SIBOR + 1.50% per annum	2021	**518,791**	**518,791**	1,640,977	1,640,977
			1,323,814	**1,323,814**	2,541,978	2,541,978

22 Trade and other payables

	Group 2020 US$	Group 2019 US$	Company 2020 US$	Company 2019 US$
Trade payables	**568,021**	676,136	**–**	–
Non-trade amounts due to subsidiaries	**–**	–	**47,817**	47,817
Loan from directors	**–**	34,155	**–**	20,968
Bills payable	**705,733**	484,714	**–**	–
Accrued operating expenses	**263,095**	376,753	**151,701**	150,286
Other payables	**409,871**	589,186	**13,931**	21,956
	1,946,720	2,160,944	**213,449**	241,027

Non-trade amounts due to subsidiaries is unsecured, interest-free and repayable on demand. Loan from directors was unsecured, interest-free and fully repaid during the financial year.

The weighted average effective interest rate of bills payable of the Group at the end of the reporting period is 2.78% (2019: 3.82%) per annum. Bills payable are guaranteed by the Company.

The Group and the Company's exposures to currency and liquidity risks related to trade and other payables are disclosed in Note 25.

23 Contingent liabilities

Intra-group financial guarantees comprise corporate guarantees granted by the Company and its subsidiaries to banks in respect of bank loans and bills payable amounting to US$2,029,547 (2019: US$3,026,692) to secure funding provided to subsidiaries. The financial guarantees will expire when the borrowings have been paid and discharged and/or when the banking facilities are no longer available to the subsidiaries. These financial guarantees are accounted for as insurance contracts.

There are no terms and conditions attached to the financial guarantees that would have a material effect on the amount, timing and uncertainty of the Company's future cash flows. At reporting date, the Company does not consider that it is probable that a claim will be made against the Company under these financial guarantees. Accordingly, the Company does not expect any net cash outflows resulting from these financial guarantees and there is no provision made in respect of these obligations.

24 Commitments

(a) Capital commitment

Capital commitment not provided for in the financial statements:

	Group	
	2020 US$	**2019 US$**
Capital commitment in respect of property, plant and equipment	–	29,153

(b) Operating lease commitments

Leases as lessee

The Group leases various factory and warehouses from non-related parties under non-cancellable operating lease agreements. The leases have an average tenure of between 1 to 4 years, varying terms and renewal options. No restrictions are imposed on dividends or further leasing.

Commitments in relation to non-cancellable operating leases contracted for at 28 February 2019, but not recognised as liabilities, are as follows:

	Group 2019 US$
Within one year	121,449
Between one and five years	178,518
	299,967

As disclosed in Note 2(a), the Group has adopted SFRS(I) 16 on 1 March 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statements of financial position as at 1 March 2019, except for short term and low value assets leases.

25 Financial instruments

(a) Categories of financial instruments

Financial instruments at their carrying amounts at the end of the reporting period are as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	US$	**US$**	**US$**	**US$**
Financial assets				
Financial assets at amortised cost	**7,488,747**	8,751,969	**4,123,658**	4,960,636
Financial assets at fair value through profit or loss	**30,397**	39,146	**30,397**	39,146
	7,519,144	8,791,115	**4,154,055**	4,999,782
Financial liabilities				
Financial liabilities at amortised cost	**3,960,388**	4,702,922	**213,449**	241,027

(b) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

– credit risk
– liquidity risk
– market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

25 Financial instruments (Continued)

(b) Financial risk management (Continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopt the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. For customers who wish to trade on credit terms, the Group will take into account the quantity of the customer order, background and creditworthiness of the customer, level of risk involved, payment history of the customer and relationship with the customer.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses (ECL):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been significant increase in credit risk since initial recognition	Lifetime ECL- not-credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL-credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

25 Financial instruments (Continued)

(b) Financial risk management (Continued)

Credit risk *(Continued)*

Significant increase in credit risk (Continued)

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

25 Financial instruments (Continued)

(b) Financial risk management (Continued)

Credit risk *(Continued)*

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

The Group's trade receivables comprise 5 debtors (2019: 5 debtors) that individually represented 5% – 9% (2019: 6% – 11%) of the trade receivables.

The Company has significant credit risk exposures arising on amounts due from subsidiaries of US$3,370,347 (2019: US$2,881,189) which represented 99% (2019: 99%) of total trade and other receivables.

The carrying amount of financial assets in the statements of financial position and corporate guarantees provided to banks for the subsidiaries' bank borrowings represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held and guarantees issued by third party insurance companies. The Group and the Company do not hold any collateral in respect of its financial assets. At the end of the reporting period, US$1,125,992 (2019: US$1,209,672) of trade receivables are insured by these third-party insurance companies.

Trade receivables and contract assets

The Group has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

The contract assets relate to unbilled sales of goods, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. Trade receivables and contract assets that shared the same credit risk characteristics and days past due are grouped together in measuring the expected credit losses.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions.

25 Financial instruments (Continued)

(b) Financial risk management (Continued)

Credit risk *(Continued)*

Trade receivables and contract assets (Continued)

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor such as when the debtor has been placed under liquidation, has entered into bankruptcy proceedings, cannot be located or are not recoverable despite legal recourse made to recover the debt, including reminders and warning letters issued for debts due for more than 12 months.

Based on a simplified approach for determining credit loss allowance for trade receivables as at 29 February 2020, an allowance for impairment amounting to US$181,249 (2019: US$194,992) was recognised by the Group as at 29 February 2020 for specific debtors as a result of occurrence of credit impairment events.

Non-trade amounts due from subsidiaries

For the non-trade amounts due from subsidiaries where impairment loss allowance is measured using 12 months ECL, the Company assessed the latest performance and financial position of the respective counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Other financial assets at amortised cost

The credit loss exposure in relation to cash and cash equivalents and other receivables are immaterial and accordingly, no credit loss allowance is recognised at 29 February 2020 and 28 February 2019.

Movement in credit loss allowance are as follows:

	Trade receivables	
	2020	**2019**
	US$	**US$**
Balance at 1 March	**194,992**	198,276
Allowance written back as collectable	**(11,188)**	–
Currency translation difference	**(2,555)**	(3,284)
Balance at 29 February/28 February	**181,249**	194,992

25 Financial instruments (Continued)

(b) Financial risk management (Continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments:

		Contractual undiscounted cash flows			
	Carrying amount US$	Total US$	Within 1 year US$	Within 2 to 5 years US$	Over 5 years US$
Group					
2020					
Non-derivative financial liabilities					
Bank loans	1,323,814	1,399,203	1,399,203	–	–
Lease liabilities	788,204	1,005,037	293,600	302,261	409,176
Trade and other payables	1,848,370	1,868,430	1,868,430	–	–
	3,960,388	**4,272,670**	**3,561,233**	**302,261**	**409,176**
2019					
Non-derivative financial liabilities					
Bank loans	2,541,978	2,686,118	2,686,118	–	–
Trade and other payables	2,160,944	2,179,446	2,179,446	–	–
	4,702,922	4,865,564	4,865,564	–	–
Company					
2020					
Non-derivative financial liabilities					
Trade and other payables	**213,449**	**213,449**	**213,449**	**–**	**–**
2019					
Non-derivative financial liabilities					
Trade and other payables	241,027	241,027	241,027	–	–

25 Financial instruments (Continued)

(b) Financial risk management (Continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk on sales, purchases, staff cost and other administrative expenses that are denominated in a currency other than the respective functional currencies of Group entities, which are United States (US) dollar, Thai Baht and Chinese Yuan. The currencies in which these transactions are primarily denominated in Singapore dollar and US dollar.

Exposure to currency risk

The Group and Company's exposures to various foreign currencies are as follows:

	2020		2019	
	Singapore dollar US$	US dollar US$	Singapore dollar US$	US dollar US$
Group				
Trade and other receivables	**39,220**	**1,118,339**	36,288	1,938,666
Cash and cash equivalents	**800,670**	**533,992**	2,129,607	1,895,027
Trade and other payables	**(174,027)**	**–**	(181,323)	(417)
Lease liabilities	**(329,819)**	**–**	–	–
Net exposure	**336,044**	**1,652,331**	1,984,572	3,833,276

	2020	2019
	Singapore dollar US$	Singapore dollar US$
Company		
Trade and other receivables	**2,211,851**	1,719,429
Cash and cash equivalents	**752,976**	2,079,112
Trade and other payables	**(146,678)**	(151,481)
Net exposure	**2,818,149**	3,647,060

25 Financial instruments (Continued)

(b) Financial risk management (Continued)

Currency risk *(Continued)*

Sensitivity analysis

A 10% strengthening of the Singapore dollar and US dollar, against the respective functional currencies of the Group entities at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2019.

	Group Increase in (loss)/profit US$	Company Increase/(decrease) in loss US$
2020		
Singapore dollar	(33,604)	(281,815)
US dollar	(165,233)	–
	(198,837)	**(281,815)**
2019		
Singapore dollar	198,457	(364,706)
US dollar	383,328	–
	581,785	(364,706)

A 10% weakening of the Singapore dollar and US dollar against the respective functional currencies of the Group entities at the end of the reporting period would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	Group Nominal amount 2020 US$	 2019 US$
Fixed rate instruments		
Lease liabilities	**788,204**	–
Bills payable	**705,733**	484,714
	1,493,937	484,714
Variable rate instruments		
Variable interest rate bank loans	**1,323,814**	2,541,978

25 Financial instruments (Continued)

(b) Financial risk management (Continued)

Interest rate risk *(Continued)*

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates would have increased/(decreased) profit or loss by the amounts shown below. The sensitivity analysis below have been determined based on the exposure to interest rates for borrowings at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of borrowings that have floating rates. The analysis is performed on the same basis for 2019.

	Profit or loss	
	100 bp increase US$	**100 bp decrease US$**
Group		
2020		
Variable rate instruments	**(13,238)**	**13,238**
2019		
Variable rate instruments	(25,420)	25,420

(c) Fair values

The carrying amounts of non-derivative financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

26 Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel compensation

Key management personnel of the Group and the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors and senior management staff of the Group and the Company are considered as key management personnel.

26 Related party transaction (Continued)

Key management personnel compensation *(Continued)*

Key management personnel compensation, is analysed as follows:

	Group	
	2020	**2019**
	US$	**US$**
Short-term employee benefits	**604,228**	646,392
Post-employment benefits	**49,934**	56,377
Directors' fee	**88,512**	85,110
	742,674	787,879

Other related party transactions

Other than disclosed elsewhere in the financial statements, the transactions with related parties are as follows:

	Group	
	2020	**2019**
	US$	**US$**
Remuneration including contribution to defined contribution plans paid to close member of the family of an executive director	**78,645**	87,584

27 Operating segments

The Group has the following two strategic business units, which are its reportable segments. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. The Group's Chairman (the chief operating decision maker) reviews internal management reports of each business unit at least on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

– Coil Centre: provision of metallurgical solutions, metal slitting services, and import and export trading

– Plating: provision of electro-plating process, metal surface treatment and chemistry blending for electronic products

– Other operations comprise mainly investment holding

There is integration between the Coil Centre and Plating reportable segments. This integration includes plating services provided to the inventories of Coil Centre. Inter-segment pricing is conducted based on terms agreed between the segments.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit or loss before tax, as included in the internal management reports that are reviewed by the Group's Chairman. Segment profit or loss before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

27 Operating segments (Continued)

Information about reportable segments

	Coil Centre US$	Plating US$	Others US$	Total US$
2020				
Revenue and expenses				
External revenue	14,008,750	–	–	14,008,750
Inter-segment revenue	–	1,301,821	–	1,301,821
Total revenue of reportable segments	**14,008,750**	**1,301,821**	**–**	**15,310,571**
Interest income	201,785	74	13,658	215,517
Finance costs	(268,660)	(111,937)	–	(380,597)
Depreciation and amortisation	(480,932)	(155,443)	–	(636,375)
Impairment loss on trade receivables	(132,853)	–	–	(132,853)
Write down of inventories	(111,896)	(22,289)	–	(134,185)
Reversal of inventories write down	78,158	–	–	78,158
Reportable segment (loss)/profit before tax	(356,660)	91,735	(915,085)	(1,180,010)
Tax expense	(175,354)	–	(3,186)	(178,540)
Reportable segment (loss)/profit after tax	**(532,014)**	**91,735**	**(918,271)**	**(1,358,550)**
Other segment assets	14,070,183	855,286	4,139,764	19,065,233
Other investment	–	–	30,397	30,397
Intangible assets	2,498	–	–	2,498
Deferred tax assets	2,437	–	–	2,437
Total assets	**14,075,118**	**855,286**	**4,170,161**	**19,100,565**
Capital expenditure	**132,144**	**101,254**	**–**	**233,398**
Other segment liabilities	3,523,646	389,632	165,632	4,078,910
Current tax payable	37,296	247	1,329	38,872
Deferred tax liabilities	9,928	–	–	9,928
Total liabilities	**3,570,870**	**389,879**	**166,961**	**4,127,710**

Other segment included unallocated Group-level corporate costs and income from investment holding.

27 Operating segments (Continued)

Information about reportable segments (Continued)

	Coil Centre US$	Plating US$	Others US$	Total US$
2019				
Revenue and expenses				
External revenue	15,093,602	–	–	15,093,602
Inter-segment revenue	–	1,719,034	–	1,719,034
Total revenue of reportable segments	15,093,602	1,719,034	–	16,812,636
Interest income	207,189	78	–	207,267
Finance costs	(257,350)	(113,026)	710	(369,666)
Depreciation and amortisation	(220,034)	(16,203)	–	(236,237)
Impairment loss on trade receivables	(480)	–	–	(480)
Reportable segment profit/(loss) before tax	955,441	426,961	(913,795)	468,607
Tax expense	(138,821)	–	(1,519)	(140,340)
Reportable segment profit/(loss) after tax	816,620	426,961	(915,314)	328,267
Other segment assets	15,896,631	448,715	4,976,799	21,322,145
Other investment	–	–	39,146	39,146
Intangible assets	3,004	–	–	3,004
Deferred tax assets	121,298	–	–	121,298
Total assets	16,020,933	448,715	5,015,945	21,485,593
Capital expenditure	96,532	129,447	–	225,979
Other segment liabilities	4,168,068	456,099	193,209	4,817,376
Current tax payable	34	642	1,264	1,940
Deferred tax liabilities	9,928	–	–	9,928
Total liabilities	4,178,030	456,741	194,473	4,829,244

Reconciliations of reportable segment revenues, profit or loss and other material items

	Group	
	2020 US$	2019 US$
Revenue		
Total revenue for reportable segments	**15,310,571**	16,812,636
Elimination of inter-segment revenue	**(1,301,821)**	(1,719,034)
Consolidated revenue	**14,008,750**	15,093,602

27 Operating segments (Continued)

Reconciliations of reportable segment revenues, profit or loss and other material items (Continued)

	Reportable segment total US$	Adjustments US$	Consolidated totals US$
Other material items			
2020			
Interest income*	**215,517**	**(183,956)**	**31,561**
Finance costs*	**(380,597)**	**183,956**	**(196,641)**
Depreciation and amortisation	**(636,375)**	**–**	**(636,375)**
2019			
Interest income*	207,267	(206,100)	1,167
Finance costs*	(369,666)	206,100	(163,566)
Depreciation and amortisation	(236,237)	–	(236,237)

* Exclude intercompany items

Geographical segment

The principal activity of the Company is that of an investment holding company. Subsidiaries of the Company are located in Singapore, People's Republic of China ("PRC"), Malaysia and Thailand.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Singapore US$	PRC US$	Malaysia US$	Thailand US$	Others US$	Total US$
2020						
Revenue from external customers	102,629	11,943,237	93,478	1,851,390	18,016	14,008,750
Non-current assets	1,869,431	1,806,957	–	107,072	–	3,783,460
2019						
Revenue from external customers	145,993	12,618,245	549,487	1,775,622	4,255	15,093,602
Non-current assets	1,543,518	1,661,320	–	8,402	–	3,213,240

27 Operating segments (Continued)

Geographical segment (Continued)

Non-current assets information presented above are non-current assets as presented on the statements of financial position excluding financial instruments and deferred tax assets.

Major customers

Revenue of US$1,623,924 (2019: US$1,265,029) are derived from one external customer (2019: one external customer) who individually contributed 12% (2019: 8%) or more of the Group's revenue and are attributable to the Group's Coil Centre segment.

28 Lease – When the Group as a lessee

Nature of the Group's leasing activities

The Group's leasing activities comprise the following:

(a) The Group leases leasehold land from a non-related party. The land lease is 30 years starting from 1 January 1993. On 29 October 2019, the Group has extended a further lease term of 20 years starting from 1 January 2023. As at 29 February 2020, the remaining land lease tenure is approximately 22.83 years.

(b) The Group leases factory buildings and store from non-related parties with contractual terms of an average of approximately 2 years.

(c) In addition, the Group leases car park space with lease terms of 12 months or less. The Group has elected not to recognise right-of-use assets and lease liabilities for this lease.

The maturity analysis of the lease liabilities is disclosed in Note 25(b).

Information about leases for which the Group is a lessee is presented below:

Carrying amount of right-of-use assets

The carrying amount of right-of-use assets are as follows:

	Group	
	29.2.2020 US$	**1.3.2019 US$**
Classified within property, plant and equipment (Note 10)		
Leasehold land and buildings	**2,205,409**	2,384,093

Additions to right-of-use assets during the financial year were US$265,480.

28 Lease – When the Group as a lessee (Continued)

Amount recognised in profit or loss

	Group
	2020
	US$
Depreciation charge for the financial year on right-of-use asset (Note 10)	**422,366**
Interest expenses on lease liabilities (Note 6)	**48,313**
Leases – short-term lease	**744**

Total cash flow for the leases amounted to US$293,969.

29 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital and accumulated profits of the Group. The Board of Directors monitors the return on capital, which the Group defines as net operating (loss)/income divided by total shareholders' equity excluding non-controlling interests' share and statutory surplus reserve. There were no changes in the Group's approach to capital management during the year.

As disclosed in Note 20, the Group's subsidiaries in the People's Republic of China are required to contribute to and maintain a non-distributable statutory surplus reserve.

	Group	
	2020	**2019**
	US$	**US$**
Net operating (loss)/income	**(983,369)**	632,173
Equity attributable to the equity holders of the Company	**15,470,859**	17,196,923
Less: Statutory surplus reserve (Note 20)	**(631,805)**	(592,223)
Total net equity	**14,839,054**	16,604,700
Return on capital ratio	**N.M**	0.04

N.M.: not meaningful

30 Effect of COVID-19

Since early 2020, the epidemic of Coronavirus Disease 2019 (the "COVID-19 outbreak") has spread across China and other countries. The Group is cognizant of the challenges posed by these developing events and will continuously assess the situation and put in place measures to minimise impact to the Group's businesses.

The Group assessed that the impact of COVID-19 outbreak on its operations, assets and liabilities and financial results for the financial year ended 29 February 2020 is limited. The manufacturing facilities based in Suzhou, China was temporarily closed from 3 to 9 February 2020 and resumed its operations remotely on 10 February 2020 in accordance with the precautionary measures taken by the Jiangsu Provincial People's Government.

As the situation is still evolving including the duration and spread of the outbreak and related advisories and restrictions subsequent to year end, the full effect of the outbreak is highly uncertain and cannot be predicted. It is currently not possible to ascertain the full financial impact it may have on the financial performance of the Group in the financial year 28 February 2021.

31 Authorisation of financial statements

The financial statements of the Group for the financial year ended 29 February 2020 were authorised for issue in accordance with a resolution of the directors dated 24 July 2020.

SHAREHOLDERS' STATISTICS

AS AT 13 JULY 2020

SHARE CAPITAL

Class of shares	:	Ordinary shares
Number of Shares	:	4,962,166,175
Voting Rights	:	One (1) vote per share
Treasury Shares	:	Nil

Based on the information available to the Company as at 13 July 2020, the percentage of shareholding held in the hands of the public is approximately 36.36% which is more than 10% of the issued share capital of the Company. Therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

Analysis of Shareholders

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	2	0.14	100	0.00
100 – 1,000	39	2.72	19,098	0.00
1,001 – 10,000	211	14.74	1,207,200	0.02
10,001 – 1,000,000	933	65.15	283,081,749	5.71
1,000,001 AND ABOVE	247	17.25	4,677,858,028	94.27
	1,432	100.00	4,962,166,175	100.00

Substantial Shareholders

Name of Substantial Shareholders	Shareholdings registered in the name of substantial shareholder		Shareholdings in which the substantial shareholders are deemed to be interested	
	No. of Shares	%	No. of Shares	%
Tan Chee Khiong[(1)(2)]	1,186,977,925	23.92	21,042,162	0.42
Xu Lei[(3)]	458,000,000	9.23	–	–
Zhang Rong[(4)]	250,000,000	5.04		
Value Capital Asset Management Private Limited[(5)]	1,225,000,028	24.69	–	–
Premier Equity Fund Sub Fund H[(5)]	–	–	1,225,000,028	24.69

Note:

(1) Tan Chee Khiong is deemed interested in 20,697,700 shares of the Company held by D.S.A.G Investment Pte. Ltd. by virtue of interest in D.S.A.G Investment Pte. Ltd.

(2) Tan Chee Khiong is deemed interested in 344,462 shares held by spouse, Ang Bee Choo.

(3) Xu Lei's direct interest is derived from the shares held in the name of nominee account.

(4) Zhang Rong's direct interest is derived from the shares held in the name of nominee account.

(5) Value Capital Asset Management Private Limited is the Investment Manager for Premier Equity Fund Sub Fund H. Premier Equity Sub Fund H's aggregate interest in 1,225,000,028 shares are held by Value Capital Asset Management Private Limited. As such, Premier Equity Fund Sub Fund H is deemed to be interested in all the shares in the Company.

SHAREHOLDERS' STATISTICS
AS AT 13 JULY 2020

MAJOR SHAREHOLDERS LIST – TOP 20 AS AT 13 JULY 2020

NO.	NAME	NO. OF SHARES	%
1	TAN CHEE KHIONG	1,186,977,925	23.92
2	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	895,086,528	18.04
3	CITIBANK NOMINEES SINGAPORE PTE LTD	733,350,000	14.78
4	OCBC SECURITIES PRIVATE LTD	367,040,250	7.40
5	HO BENG SIANG	163,500,000	3.29
6	PHILLIP SECURITIES PTE LTD	82,974,000	1.67
7	ABN AMRO CLEARING BANK N.V.	69,307,100	1.40
8	IFAST FINANCIAL PTE LTD	68,076,750	1.37
9	UTPAL RAY A/L ARUNANANDA RAY	53,900,000	1.09
10	ZHOU YI	46,869,800	0.94
11	DBS NOMINEES PTE LTD	39,353,000	0.79
12	PLATINUM PARTNERS VALUE ARBITRAGE FUND L.P.	36,000,000	0.73
13	DB NOMINEES (SINGAPORE) PTE LTD	30,400,000	0.61
14	KANG KOK HOCK	23,264,000	0.47
15	RAFFLES NOMINEES (PTE) LIMITED	22,019,500	0.44
16	D.S.A.G INVESTMENT PTE. LTD.	20,697,700	0.42
17	CHAN HORNG DER	20,127,600	0.41
18	TAY WUU YEAN	18,000,000	0.36
19	TOH KAI SENG	17,255,400	0.35
20	TAN YOK SENG	16,921,300	0.34
		3,911,120,853	78.82

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth annual general meeting ("**AGM**") of **NICO STEEL HOLDINGS LIMITED** (the "Company") will be held by way of electronic means (via live webcast and audio only means) on Friday, 14 August 2020 at 2.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 29 February 2020 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors retiring pursuant to regulation 107 of the Company's Constitution:

   Mr Gavin Mark McIntyre **(Resolution 2)**

   Mr Tan Chee Khiong Danny **(Resolution 3)**

   [See explanatory Note (i)]

3. To approve the payment of Directors' fees of S$115,000 for the financial year ended 29 February 2020 (2019: S$115,000). **(Resolution 4)**

4. To re-appoint Messrs Baker Tilly TFW LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

5. To transact any other ordinary business which may be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as ordinary resolution:

6. **Authority to issue new shares**

   That pursuant to Section 161 of the Companies Act, Chapter 50, and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this resolution was in force,

   provided that:

   (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) to be issued pursuant to this resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier. **(Resolution 6)**
[See explanatory Note (ii)]

7. Authority to allot and issue shares under the Nico Employee Performance Share Plan 2017

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to allot and issue from time to time such number of shares as may be required to be issued pursuant to the vesting of awards granted under the Nico Employee Performance Share Plan 2017 (the "**Nico PSP**") provided always that the aggregate number of shares to be issued or transferred pursuant to the awards granted under the Nico PSP, when aggregated with the aggregate number of shares over which options or awards are granted under any other share option schemes or share schemes, shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier. **(Resolution 7)**
[See explanatory Note (iii)]

By Order of the Board

Sharon Yeoh
Company Secretary

Singapore, 25 July 2020

Explanatory Notes:

(i) Mr Gavin Mark McIntyre will, upon re-election as a Director of the Company, remain as Independent Director, Chairman of the Audit Committee, and as a member of the Nominating and Remuneration Committees respectively. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

(ii) The ordinary resolution 6 proposed in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this ordinary resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this ordinary resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

(iii) The ordinary resolution 7 proposed in item 7 above, if passed, will empower Directors of the Company to allot and issue shares pursuant to the exercise of options and vesting of awards under the Nico PSP, provided that the aggregate number of shares to be issued pursuant to the Nico PSP, when aggregated to the number of shares issued and issuable or transferred and to be transferred under any other share option schemes or share schemes of the Company shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

Notes:

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended from time to time), the AGM of the Company will be held by way of electronic means and members of the Company will NOT be allowed to attend the AGM in person. The Notice will be sent to members by electronic means via publication on the SGX website. Hard copy of the annual report would be sent to members upon their written request to gpe@mncsingapore.com.

2. Alternative arrangements relating to attendance at the Annual General Meeting ("the Meeting") via electronic means (including arrangements by which the Meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Meeting, addressing of substantial and relevant questions at the Meeting and voting by appointing the Chairman of the Meeting as proxy at the Meeting, are set out in the accompanying document entitled "Important notice to shareholders in relation to the conduct and proceedings of the Company's AGM".

3. A member will not be able to attend the Meeting. The live webcast will not provide for online voting. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the instrument appointing the Chairman of the Meeting as proxy, failing which the appointment will be treated as invalid.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

5. The instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar's office at M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 not less than seventy-two (72) hours before the time appointed for holding the AGM.

Personal data privacy:

By submitting an instrument appointing the Chairman of the Meeting to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of Chairman of the Meeting as proxy appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of a member of the Company (such as his name) may be recorded by the Company for such purpose.

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT NOTICE TO SHAREHOLDERS IN RELATION TO THE CONDUCT AND PROCEEDINGS OF THE COMPANY'S AGM

General

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this notice AGM ("**Notice**") and the Company's annual report for the financial year ended 29 February 2020 ("**Annual Report**") will not be sent to members. Instead, this Notice and Annual Report will be available to members by electronic means via publication on the Company's corporate website http://www.nicosteel.com. This link will be available to shareholders from 25 July 2020 onwards. This Notice and Annual Report will also be made available on the SGX website at the URL: https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements are instead put in place to allow shareholders to participate in the AGM by:
   (a) watching or listening to the AGM proceedings via a Live Webcast (as defined below). Shareholders who wish to participate will have to pre-register in the manner outlined in Note 3 below;
   (b) submitting questions ahead of the AGM. Please refer to Notes 8 to 10 below for further details; and
   (c) voting by proxy at the AGM. Please refer to Notes 11 to 18 below for further details.

Participation in the AGM via live webcast or live audio feed

3. A shareholder of the Company or their corporate representatives (in the case of a member which is a legal entity) will be able to watch or listen to the proceedings of the AGM through a "live" webcast or listen to the "live" audio feed of the AGM proceedings ("**Live Webcast**"). To join the Live Webcast, the member must pre-register by **2.00 p.m. on 11 August 2020** (being not less than seventy-two (72) hours before the time fixed for the AGM) (the "**Registration Deadline**") at the following URL: https://globalmeeting.bigbangdesign.co/nico-steel/ ("**Nico AGM Website**"), and to enable the Company to verify the shareholders' status.

4. Following verification, the authenticated shareholders of the Company will receive a confirmation email by **2.00 p.m. on 13 August 2020** with access link and the password details to access the audio-visual or audio-only stream. Shareholders must not forward the above-mentioned link to other persons who are not shareholders of the Company and who are not entitled to attend the AGM.

5. Shareholder (including SRS/CPF shareholders) who have registered by the Registration Deadline in accordance with paragraph 3 above but do not receive an email by **2.00 p.m. on 13 August 2020** may contact the Company for assistance at the following email address: gpe@mncsingapore.com, with the following details included: (1) the member's full name, and (2) his/her/its identification/passport/registration number.

6. Non-SRS holders whose shares are registered under Depository Agents ("**DAs**") must **also** contact their respective DAs to indicate their interest in order for their respective DAs to make the necessary arrangements for them to participate in the Live Webcast of the AGM proceedings.

7. Shareholders may email webcast@bigbangdesign.co in the event if there is any technical issues relating to the access link prior to the AGM.

Submission of questions prior to the AGM

8. Please note that shareholders will not be able to ask questions during the Live Webcast, and therefore it is important for shareholders who wish to ask questions to submit their questions in advance. A shareholder of the Company may submit questions relating to the resolutions to be tabled for approval at the AGM or at the Company's businesses and operations not later than 2.00 p.m. on 6 August 2020. The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) will endeavour to publish its responses to those questions on the SGXNet and the Company's website by 2.00 p.m. on 10 August 2020. Where substantial and relevant questions submitted by shareholders are unable to be addressed prior to the AGM, the Company will address them at the AGM. The Company will publish the minutes of the AGM and its responses to relevant and substantial questions that were not answered prior to the AGM on the SGXNet and the Company's website within one month after the date of AGM.

9. All questions must be submitted not later than 2.00 p.m. on 6 August 2020 through any one of the following means:
   (a) via email to corporateaffairs@nico.com.sg; or
   (b) via the Nico AGM Website; or
   (c) in physical copy by depositing the same at the registered office of the Company at 51 Loyang Way, Singapore 508744

10. If the questions are deposited in physical copy at the Company's registered office or sent via email, and in either case not accompanied by the completed and executed Proxy Form (as defined below), the following details must be included with the submitted questions: (i) the member's full name; and (ii) his/her/its identification/passport/registration number for verification purposes, failing which the submission will be treated as invalid.

Voting by proxy

11. Shareholders may only exercise their voting rights at the AGM via proxy voting. The accompanying proxy form for the AGM may be accessed via the Nico AGM Website, the Company's corporate website http://www.nicosteel.com, and will also be made available on the SGX website at the URL: https://www.sgx.com/securities/company-announcements.

12. Shareholders (including Relevant intermediary) who wish to vote on any or all of the resolutions at the AGM must submit a proxy form to appoint the Chairman of the Meeting as their proxy to do so on their behalf.

    "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

13. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

    (a) if submitted by post, be lodged at the Company's Share Registrar's office at M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902;

    (b) if submitted electronically, be submitted via email to the gpe@mncsingapore.com; or

    (c) in the electronic format accessible on the Nico AGM Website;

    in either case, by not later than 11 August 2020, 2.00 p.m., being at least seventy-two (72) hours before the time appointed for holding the AGM.

    In the case of submission of the Proxy Form other than via the Nico AGM Website, a member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

    In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

14. In the case of submission of the Proxy Form other than via the Nico AGM Website, the instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointer or on his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney duly authorised in writing or by an authorised officer of the corporation, failing which the instrument of proxy may be treated as invalid.

15. An investor who holds shares under the SRS/CPF Investor Schemes and wishes to vote, should approach their respective SRS/CPF Operators to submit their votes to appoint the Chairman of the Meeting as their proxy, at least 7 working days (i.e. by **3 August 2020 at 2.00 p.m.**) before the AGM.

16. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote at the AGM.

17. An electronic copy of the Company's annual report for the financial year ended 29 February 2020, Notice of AGM, Proxy Form and an accompanying announcement setting out the alternative arrangements for the AGM are available on:

    (a) the Company's corporate website at http://www.nicosteel.com; and

    (b) the SGX website at https://www.sgx.com/securities/company-announcements

18. **Please note that shareholders will not be able to vote through the Live Webcast and can only vote with their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.**

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NICO STEEL HOLDINGS LIMITED
(Incorporated In the Republic of Singapore)
(Company Registration No.: 200104166D)

PROXY FORM

(Please see notes overleaf before completing this form)

IMPORTANT:
1. The Annual General Meeting ("**Meeting**") is being convened by electronic means pursuant to the COVID-19 (Temporary Measures)(Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **Due to the current COVID-19 restriction order, a member will NOT be able to physically attend the Meeting. A member (including Relevant Intermediary#) must appoint the Chairman of the Meeting as proxy to vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.**
2. Alternative arrangements relating to the attendance of the Meeting through electronic means, as well as conduct of the Meeting and relevant guidance with full details are set out in the accompanying Company's notice of AGM dated 25 July 2020, which can be accessed via the SGX website at: https://www.sgx.com/securities/company-announcements and the Company's corporate website at http://www.nicosteel.com.
3. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach in their respective CPF Agent Banks or SRS Operators (being relevant intermediaries) to submit their votes by 2.00 p.m. on 3 August 2020.
4. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold shares through their CPF/SRS funds. CPF/SRS investors should contact their respective Agent Banks/SRS operators if they have any queries regarding their appointment as proxies.

*I/We, ______________________________ NRIC/Passport/Co. Registration No. ____________

of ____

being a member/members of NICO STEEL HOLDINGS LIMITED (the "**Company**"), hereby appoint:

Chairman of the Meeting	**Proportion of Shareholdings**	
	No. of Shares	**%**

as *my/our *proxy to attend, speak or vote for *me/us on *my/our behalf at the Meeting of the Company to be convened and held by way of **electronic means** (via live webcast and audio only means) on Friday, 14 August 2020 at 2.00 p.m. and at any adjournment thereof. *I/We direct *my/our *proxy to vote for, against or abstain from voting the resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy will vote or abstain from voting at *his/her discretion.

No.	**Resolutions relating to:**	**No. of Votes "For"****	**No. of Votes "Against"****	**No. of Votes "Abstain"****
Ordinary Business				
1.	Adoption of Directors' Statement and Audited Financial Statements for the year ended 29 February 2020			
2.	Re-election of Mr Gavin Mark McIntyre as a Director			
3.	Re-election of Mr Tan Chee Khiong Danny as a Director			
4.	Approval of Directors' fees amounting to S$115,000 for the financial year ended 29 February 2020			
5.	Re-appointment of Messrs Baker Tilly TFW LLP as Auditors			
Special Business				
6.	Authority to issue new shares			
7.	Authority to allot and issue shares pursuant to the Nico PSP			

* *Delete where inapplicable*

** *If you wish to exercise all your votes "For", "Against" or "Abstain" from Voting, please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.*

Dated this __________ day of ____________________ 2020

Total number of Shares in:	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

____
Signature of shareholder(s)/
and, common seal of corporate shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, (Cap 289)), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. **In light of the current COVID-19 measures in Singapore, members will NOT be able to attend the Meeting in person. A member of the Company (including a Relevant Intermediary#) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.**

3. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the Company's Share Registrar's office at M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902; or

   (b) if submitted electronically, be submitted via email to the gpe@mncsingapore.com; or

   (c) via the following URL: https://globalmeeting.bigbangdesign.co/nico-steel/ ("**Nico AGM Website**") in the electronic format accessible on the Nico AGM Website;

   in either case, **by not later 11 August 2020, 2.00 p.m., being at least seventy-two (72) hours before the time appointed for holding the Meeting**, failing which the instrument of proxy shall not be treated as valid.

   In the case of submission of the Proxy Form other than via the Nico AGM Website, a member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

4. In the case of submission of the Proxy Form other than via the Nico AGM Website, the instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney duly authorised in writing or by an authorised officer of the corporation, failing which the instrument of proxy may be treated as invalid.

5. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

6. An investor who holds shares under the CPF or Supplementary Retirement Scheme ("**CPF/SRS Investor**") and wishes to vote, should approach their respective Agent Banks/SRS operators to submit their votes by **3 August 2020 at 2.00 p.m.** to appoint the Chairman of the Meeting as their proxy, at least 7 working days before the AGM.

7. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote at the AGM.

8. **Please note that shareholders will NOT be able to vote through the Live Webcast and can only vote with their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.**

For any member who acts as an intermediary pursuant to Section 181(6) of the Companies Act, Cap. 50, who is either:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

   (b) a capital markets services licence holder which provides custodial services for securities and holds shares in that capacity; and

   (c) Central Provident Fund ("CPF") Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Company's notice of annual general meeting.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Tan Chee Khiong Danny
Executive Chairman and President

Mr Tang Chee Bian Steven
Executive Director

Mr Tang Chee Wee Andrew
Executive Director

Mr Tan Poh Chye Allan
Lead Independent Director

Mr Gavin Mark McIntyre
Independent Director

Mr Lee Eng Yew Michael
Independent Director

AUDIT COMMITTEE

Mr Gavin Mark McIntyre *(Chairman)*

Mr Tan Poh Chye Allan

Mr Lee Eng Yew Michael

REMUNERATION COMMITTEE

Mr Tan Poh Chye Allan *(Chairman)*

Mr Gavin Mark McIntyre

Mr Lee Eng Yew Michael

NOMINATING COMMITTEE

Mr Lee Eng Yew Michael *(Chairman)*

Mr Tan Poh Chye Allan

Mr Gavin Mark McIntyre

COMPANY SECRETARY

Ms. Sharon Yeoh Kar Choo, ACIS

REGISTERED OFFICE

51 Loyang Way
Singapore 508744
Tel: (65) 6542 1886
Fax: (65) 6542 1986
Email: corporateaffairs@nico.com.sg
Website: www.nicosteel.com

SHARE REGISTRAR

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

AUDITORS

Baker Tilly TFW LLP
Chartered Accountants of Singapore
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778
(Since 25 February 2016)

Partner-in-charge: Mr Ong Kian Guan
(With effect from financial year 2016)

PRINCIPAL BANKER

DBS Bank Ltd
6 Shenton Way
DBS Building Tower One
Singapore 068809

INVESTOR RELATIONS

Octave FinComm Private Limited
富登财经通讯私人有限公司
Email: enquiry@octavecomms.com
Website: www.octavecomms.com

Nico Steel Solutions™
Think Innovation

Nico Steel Holdings Limited
51 Loyang Way,
Singapore 508744
Tel: (65) 6542 1886
Fax: (65) 6542 1986
corporateaffairs@nico.com.sg
www.nicosteel.com