



## NICO STEEL HOLDINGS LIMITED

Regn No 200104166D  
(Incorporated in the Republic of Singapore)

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### RESPONSES TO QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED DATED 18 JUNE 2014 ON THE ANNUAL REPORT 2014

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The Board of Directors ("**Board**") of Nico Steel Holdings Limited (the "**Company**" and together with its subsidiaries the "**Group**") would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") dated 18 June 2014 as follows:

#### SGX-ST Query 1:

Paragraph 9.4 of the Code of Corporate Governance 2012 (the "**Code**") states that the Company "should disclose the details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year. Disclosure of remuneration should be in incremental bands of \$50,000. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. The Company need only show the applicable bands."

The Company disclosed details of an employee who is an immediate family member of a director, with remuneration in the band of "S\$50,000 and above", without specifying an upper bound. In this regard, as required by Listing Rule 1207(12), please make the requisite disclosure as recommended in the Code or otherwise explain the reason(s) for the deviation from the Code.

**Response:** Please refer to the amended disclosure below.

Except as disclosed below, the Group does not have any employee who is an immediate family member of a Director or the CEO and whose remuneration exceeds S\$50,000 for the year ended 28 February 2014:-

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 to S\$99,999					
Ang Bee Choo*	92.3	-	7.7	-	100.0

\*Spouse of Mr Tan Chee Khiong, Executive Chairman and President of the Company

#### SGX-ST Query 2:

Please provide a status report on the use of any proceeds arising from any offerings pursuant to Chapter 8 of the Listing Manual, including the Company's placement of 13,000,000 new ordinary shares at the issue price of S\$0.0675 per share on 14 February 2014, and where applicable, disclose whether such proceeds are used in accordance with its intended use previously stated. For proceeds which have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.

**Response:**

The Group raised total proceeds of S\$877,500 ("Total Proceeds") from the placement of 13,000,000 new ordinary shares at the issue price of S\$0.0675 per share on 14 February 2014, to fund preliminary exploratory studies into the feasibility of the Company venturing into mineral business. The proceeds have been used in accordance with its intended use as announced previously. The utilisation of the Total Proceeds as at 28 February 2014 is as follow:-

<b>Total Proceeds</b>	<b>Deduction of Share Issue Expenses</b>	<b>Allocation of Net Proceeds</b>	<b>Net Proceeds utilised as at 28 February 2014</b>	<b>Balance of Net Proceeds as at 28 February 2014</b>
S\$877,500	S\$53,589  (SGX Listing Fee of S\$32,100 and Legal Service Fee of S\$21,489)	S\$823,911	S\$2,449	S\$821,462

By Order of the Board

Danny Tan Chee Khiong  
Executive Chairman & President  
19 June 2014