

**UNAUDITED HALF-YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2020**

**PART I INFORMATION REQUIRED FOR QUARTERLY (1Q, 2Q & 3Q), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a)(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 AUGUST 2020 (“HY2021”)**

	HY2021 31-Aug-20	HY2020 31-Aug-19	Increase/ (Decrease)
	USD'000	USD'000	
Revenue	8,215	7,115	16%
Cost of sales	(6,301)	(5,500)	15%
<b>Gross profit</b>	1,914	1,615	19%
Interest income from banks	6	12	(50%)
Other income	100	4	>100%
Marketing and distribution expenses	(208)	(267)	(22%)
Administrative expenses	(1,352)	(1,475)	(8%)
Other expenses	(41)	(43)	(5%)
<b>Results from operating activities</b>	419	(154)	N.M.
Finance costs	(62)	(74)	(16%)
<b>Profit/(loss) before income tax</b>	357	(228)	N.M.
Income tax expenses	(63)	(41)	54%
<b>Profit/(loss) for the period</b>	294	(269)	N.M.
<b>Other comprehensive income/(loss) for the period</b>			
Translation differences relating to financial statements of foreign subsidiaries	189	(371)	N.M.
<b>Total comprehensive income/(loss) for the period</b>	483	(640)	N.M.
<b>Profit/(loss) attributable to:</b>			
Equity holders of the Company	260	(283)	N.M.
Non-controlling interests	34	14	>100%
	294	(269)	N.M.
<b>Total comprehensive income/(loss) attributable to:</b>			
Equity holders of the Company	459	(684)	N.M.
Non-controlling interests	24	44	(46%)
	483	(640)	N.M.

N.M. – not meaningful

**1(a)(ii) NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Profit/(loss) before tax is arrived at after charging/(crediting) the following items:

	Group	
	HY2021	HY2020
	31-Aug-20	31-Aug-19
	USD'000	USD'000
Amortisation of intangible assets	1	1
Depreciation of property, plant and equipment	108	121
Depreciation of right-of-use assets	207	40
Directors' fees	37	44
Foreign exchange loss	41	43
Interest expense	62	74
Interest income	(6)	(12)
Operating lease expenses	1	103
Staff costs		
- Key management remuneration	297	369
- Other staff salaries and related costs	443	433
<b>Total staff costs</b>	<b>740</b>	<b>802</b>

**1(b)(i) STATEMENT OF FINANCIAL POSITION OF THE GROUP AND THE COMPANY**

(Amounts expressed in thousands of United States dollar ("USD"))

	Group		Company	
	As at 31/08/2020 USD'000	As at 29/02/2020 USD'000	As at 31/08/2020 USD'000	As at 29/02/2020 USD'000
<b>Non-current assets</b>				
Property, plant and equipment	3,510	3,781	-	-
Investment in subsidiaries	-	-	7,597	7,597
Other investments	36	30	36	30
Intangible assets	2	3	-	-
Deferred tax assets	3	2	-	-
	<u>3,551</u>	<u>3,816</u>	<u>7,633</u>	<u>7,627</u>
<b>Current assets</b>				
Inventories	6,419	6,741	-	-
Trade and other receivables	5,444	4,465	3,506	3,387
Contract assets	817	651	-	-
Cash and cash equivalents	3,050	3,427	369	753
	<u>15,730</u>	<u>15,284</u>	<u>3,875</u>	<u>4,140</u>
<b>Total assets</b>	<u>19,281</u>	<u>19,100</u>	<u>11,508</u>	<u>11,767</u>
<b>Equity</b>				
Share capital	15,851	15,851	15,851	15,851
Reserves	(2,064)	(2,263)	-	-
Accumulated profits/(losses)	2,143	1,883	(4,531)	(4,299)
Equity attributable to equity holders of the Company, total	15,930	15,471	11,320	11,552
Non-controlling interests	(474)	(498)	-	-
<b>Total equity</b>	<u>15,456</u>	<u>14,973</u>	<u>11,320</u>	<u>11,552</u>
<b>Non-current liabilities</b>				
Lease liabilities	401	527	-	-
Deferred tax liabilities	10	10	-	-
	<u>411</u>	<u>537</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>				
Trade and other payables	1,395	1,241	187	214
Bills payable	277	706	-	-
Financial liabilities	1,409	1,324	-	-
Contract liabilities	20	20	-	-
Lease liabilities	273	260	-	-
Current tax payable	40	39	1	1
	<u>3,414</u>	<u>3,590</u>	<u>188</u>	<u>215</u>
<b>Total liabilities</b>	<u>3,825</u>	<u>4,127</u>	<u>188</u>	<u>215</u>
<b>Total equity and liabilities</b>	<u>19,281</u>	<u>19,100</u>	<u>11,508</u>	<u>11,767</u>

## 1(b)(ii) AGGREGATE AMOUNT OF GROUP'S BORROWINGS AND DEBT SECURITIES

	Group	
	As at 31/08/2020	As at 29/02/2020
	USD'000	USD'000
<b>Amounts repayable in one year or less, or on demand</b>		
Secured bank loans	1,409	1,324
	<u>1,409</u>	<u>1,324</u>

### Details of any collateral

- Secured bank loans are secured against trade receivables in China, amounting to US\$ 3,635,271 (29 February 2020: US\$ 2,700,105), legal mortgages over a personal property of a director of the Group, and are guaranteed by the Company and its subsidiaries.

## 1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts expressed in thousands of United States dollar ("USD"))

	<b>HY2021</b>	<b>HY2020</b>
	<b>31-Aug-20</b>	<b>31-Aug-19</b>
	<b>USD'000</b>	<b>USD'000</b>
<b>Operating activities</b>		
Profit/(loss) before income tax	357	(228)
Adjustments for:		
Depreciation of property, plant and equipment	108	121
Depreciation on right-of-use assets	207	40
Amortisation of intangible assets	1	1
Interest expense	62	74
Dividend income	(1)	(1)
Interest income from banks	(6)	(12)
Net fair value gain on financial assets at fair value through profit or loss	(6)	-
<b>Operating cash flows before working capital changes</b>	<b>722</b>	<b>(5)</b>
Changes in working capital:		
Inventories	286	969
Trade and other receivables	(979)	(365)
Contract assets	(166)	(214)
Trade and other payables	(275)	(15)
Contract liabilities	-	(94)
Secured working capital bank loan	85	(1,104)
Currency translation adjustments	216	(329)
Cash used in operations	(111)	(1,157)
Income taxes paid, net	(61)	(19)
Interest paid	(44)	(74)
<b>Cash flows used in operating activities</b>	<b>(216)</b>	<b>(1,250)</b>
<b>Investing activities</b>		
Interest received	6	12
Dividend received	1	1
Purchase of property, plant and equipment	(10)	(170)
<b>Cash flows used in investing activities</b>	<b>(3)</b>	<b>(157)</b>
<b>Financing activities</b>		
Interest paid on lease liabilities	(18)	-
Repayment of lease liabilities	(128)	(37)
<b>Cash flows used in financing activities</b>	<b>(146)</b>	<b>(37)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(365)</b>	<b>(1,444)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>3,427</b>	<b>5,044</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>(12)</b>	<b>48</b>
<b>Cash and cash equivalents at end of the period</b>	<b>3,050</b>	<b>3,648</b>

Cash and cash equivalents included in the consolidated cash flow statement comprise the following:

	<b>Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>31/08/20</b>	<b>31/08/19</b>
	<b>USD'000</b>	<b>USD'000</b>
Cash and bank balances	3,050	3,648
<b>Cash and cash equivalents at end of the period</b>	<b>3,050</b>	<b>3,648</b>

## 1(d)(i) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amounts expressed in thousands of United States dollar ("USD"))

	Share capital	Merger deficit	Currency translation reserve	Statutory surplus reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>The Group</b>								
<b>At 1 Mar 2019</b>	15,851	(2,825)	279	592	3,300	17,197	(541)	16,656
(Loss)/profit for the period	-	-	-	-	(283)	(283)	14	(269)
<b>Other comprehensive (loss)/income, net of tax</b>								
Currency translation differences arising from consolidation	-	-	(401)	-	-	(401)	30	(371)
Total comprehensive (loss)/income for the period	-	-	(401)	-	(283)	(684)	44	(640)
<b>At 31 Aug 2019</b>	15,851	(2,825)	(122)	592	3,017	16,513	(497)	16,016
<b>The Group</b>								
<b>At 1 Mar 2020</b>	15,851	(2,825)	(70)	632	1,883	15,471	(498)	14,973
Profit for the period	-	-	-	-	260	260	34	294
<b>Other comprehensive income/(loss), net of tax</b>								
Currency translation differences arising from consolidation	-	-	199	-	-	199	(10)	189
Total comprehensive income for the period	-	-	199	-	260	459	24	483
<b>At 31 Aug 2020</b>	15,851	(2,825)	129	632	2,143	15,930	(474)	15,456

## STATEMENT OF CHANGES IN EQUITY

(Amounts expressed in thousands of United States dollars ("USD"))

	Share capital	Accumulated losses	Total
	USD'000	USD'000	USD'000
<b>The Company</b>			
<b>At 1 Mar 2019</b>	15,851	(3,381)	12,470
Loss and total comprehensive loss for the period	-	(493)	(493)
<b>At 31 Aug 2019</b>	15,851	(3,874)	11,977
<b>At 1 Mar 2020</b>	15,851	(4,299)	11,552
Loss and total comprehensive loss for the period	-	(232)	(232)
<b>At 31 Aug 2020</b>	15,851	(4,531)	11,320

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the period reported on, there were no changes in the Company's issued share capital.

There were no outstanding convertibles as at 31 August 2020 and 29 February 2020.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>No of shares ('000)</b>	
	<b>As at 31/08/2020</b>	<b>As at 29/02/2020</b>
Number of issued shares	<u>4,962,166</u>	<u>4,962,166</u>

There were no treasury shares as at 31 August 2020 and 29 February 2020.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

These figures have not been audited or reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (This is not required for any audit issue that is a material uncertainty relating to going concern).**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the Financial statements have been adequately disclosed.

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the financial year ended 29 February 2020.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the applicable Singapore Financial Reporting Standards (International) ("SFRS(I)") and related Interpretations ("INT SFRS(I)") that are relevant to its operations and effective for the financial period beginning on or after 1 March 2020. The adoption of the new accounting standards does not have any material effect on the financial results of the Group and the Company.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<u>HY2021</u> <u>USD'000</u>	<u>HY2020</u> <u>USD'000</u>
Profit/(loss) attributable to equity holders of the Company	<u>260</u>	<u>(283)</u>
	<u>No of shares ('000)</u>	
	<u>HY2021</u>	<u>HY2020</u>
Weighted average number of ordinary shares during the period	<u>4,962,166</u>	<u>4,962,166</u>
Profit/(loss) per share (US cents) - basic and diluted	<u>0.005</u>	<u>(0.006)</u>



7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31-Aug-20 USD'000</b>	<b>As at 29-Feb-20 USD'000</b>	<b>As at 31-Aug-20 USD'000</b>	<b>As at 29-Feb-20 USD'000</b>
Net assets	15,456	14,973	11,320	11,552
Net asset value per ordinary share based on the existing issued share capital as at the respective period (US cents)	0.3	0.3	0.2	0.2

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**  
**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors;**

#### **Review of Group's Results**

The Group continued to drive its business focusing on higher value-add services and customised metallurgical solutions with its range of proprietary NICO brand of metal alloys and materials, to overcome limitations and achieve functional and performance applications of its customers' end-user products. It was making good progress with its own NICO brand of metal alloys, gaining recognition for its own-brand metallurgical solutions with the global brand owners of electronic communication devices. However, the intensified trade dispute between the United States and China, led the Group to place more efforts to work with the dominant Chinese companies in the electronic communication devices sector.

Group's revenue increased by 15.5% from US\$7.1 million for the six months ended 31 August 2019 ("HY2020") to US\$8.2 million for the six months ended 31 August 2020 ("HY2021"). The increase was mainly due to i) the fulfilment of customers' orders that were placed before the Chinese New Year in January 2020 and the outbreak of the coronavirus pandemic in February 2020, and (ii) new orders from the Chinese companies.

#### **Revenue Analysis by Product Categories**

	<b>HY2021</b>		<b>HY2020</b>		<b>YoY Change</b>
	<b>USD'000</b>	<b>% of revenue</b>	<b>USD'000</b>	<b>% of revenue</b>	
Customised Solutions	6,841	83.3	5,751	80.8	+ 19.0%
Nico Brand of Metal Alloys	1,374	16.7	1,364	19.2	+ 0.7%
	<b>8,215</b>	<b>100.0</b>	<b>7,115</b>	<b>100.0</b>	<b>+15.5%</b>

Geographically, China remained as the key revenue contributor to the Group in HY2021, contributing 90.0% of the Group's total revenue, compared to 84.6% in HY2020. Revenue contribution from Thailand decreased 20.0% from US\$1.0 million in HY2020 to US\$0.8 million in HY2021.

## **Cost of Sales**

In tandem with the increase in revenue, cost of sales increased by 14.6% from US\$5.5 million in HY2020 to US\$6.3 million in HY2021.

## **Gross Profit and Gross Profit Margin**

Gross profit increased by 18.5% from US\$1.6 million in HY2020 to US\$1.9 million in HY2021. This was mainly due to the increase in the Group's revenue on higher margin value-add customised solutions including electroplating services. Correspondingly, gross profit margin increased from 22.7% in HY2020 to 23.3% in HY2021.

## **Interest Income from Banks**

Interest income decreased from US\$12,000 in HY2020 to US\$6,000 in HY2021, mainly due to the interest rate decreased significantly in HY2021.

## **Other Income**

Other income increased significantly from US\$4,000 in HY2020 to US\$100,000 in HY2021. This was mainly due to the government grants received under Jobs Support Scheme which provides wage support to employers during the period of economic uncertainty amidst the coronavirus pandemic.

## **Marketing and Distribution, Administrative, Other Operating and Finance Expenses**

Marketing and distribution expenses decreased by 22.2% from US\$267,000 in HY2020 to US\$208,000 in HY2021. The decrease was mainly due to lesser marketing expenses incurred as a result of travel restrictions amidst the coronavirus pandemic.

Administrative expenses decreased by 8.4% from US\$1.5 million in HY2020 to US\$1.4 million in HY2021 as a result of the Group's efforts to manage expenses.

Other expenses decreased 4.7% from US\$43,000 in HY2020 to US\$41,000 in HY2021, due to the decrease in foreign exchange loss as the Renminbi depreciated against the US dollar during the financial period under review.

Finance costs decreased 15.5% from US\$74,000 in HY2020 to US\$62,000 in HY2021. The decrease was mainly due to the decrease in interest rate of trade facilities and secured bank loans in HY2021 for raw material purchases.

Income tax expenses increased 53.7% from US\$41,000 in HY2020 to US\$63,000 in HY2021, as a result of one of the Group's China subsidiaries reporting higher profit before income tax in HY2021.

Taking into account the above mentioned, the Group recorded a net profit attributable to the equity holders of the Company of US\$260,000 in HY2021, a reversal from a net loss attributable to the equity holders of the Company of US\$283,000 in HY2020.

**Utilisation of Net Proceeds from the Redeemable Convertible Bonds (“RCB”) 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 RCB was terminated on 11 September 2018.**

<b>Use of Proceeds from RCB Issue</b>	<b>S\$'000</b>	<b>S\$'000</b>
Net Proceeds from the Initial Bond <sup>#</sup>		9,530
<i>Less:</i>		
Repayment of loans from Parot Tovot LLC	260	
Repayment of loans from Nico Steel Solutions (S) Pte Ltd	300	
Repayment of loans from Affiliated Companies	340	
Group's general working capital*	8,064	
Legal and professional fee in relation to RCB issued	347	
Total usage of proceeds		(9,311)
<b>Balance of Net Proceeds</b>		<b>219</b>

Notes:

# Net Proceeds from the Initial Bond of S\$9,530,000 was derived after the deduction of transaction costs amounting to S\$470,000 including arranger's fee and legal fees incurred.

\* Funds used for the Group's general working capital were mainly for staff costs and other operating expenses.

Appended below is a table showing the breakdown of the category entitled “Group's general working capital”:

	<b><u>S\$'000</u></b>
Staff cost	4,033
Repayment of advances from Directors <sup>(1)</sup>	1,212
Repayment of loan receivable from affiliated company (D.S.A.G Investment Pte. Ltd.) <sup>(1)</sup>	730
Directors' fee	633
Repayment of loan receivable from subsidiary (Nico Steel Solutions (S) Pte. Ltd.) <sup>(1)</sup>	475
Audit fees	404
Legal & professional fees	204
Upkeep of office equipment	135
SGX/CDP listing fees	125
Secretarial fees/Share registrar's fees/Tax agent's fees	52
Travelling expenses for business trips	31
Entertainment expenses for business purpose	21
Upkeep of motor vehicle	9
<b>Total:</b>	<b><u>8,064</u></b>

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.

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Non-current assets decreased by US\$265,000 from US\$3.8 million as at 29 February 2020 to US\$3.6 million as at 31 August 2020. This was mainly due to the depreciation of property, plant and equipment and right-of-use assets.

Current assets increased by US\$446,000 from US\$15.3 million as at 29 February 2020 to US\$15.7 million as at 31 August 2020. This was mainly due to trade and other receivables increased by US\$1.0 million from US\$4.5 million as at 29 February 2020 to US\$5.5 million as at 31 August 2020 as a result of higher sales towards the end of HY2021.

The increase in current assets was partially offset by a decrease in inventories and cash and cash equivalents by US\$322,000 and US\$377,000 respectively. The decrease in inventories by 4.8% was mainly due to overall improvement in inventory management by the Group. Cash and cash equivalents decreased by 11.0% from US\$3.4 million as at 29 February 2020 to US\$3.1 million as at 31 August 2020 due to the repayment of bills payable by a subsidiary in Singapore in HY2021.

Non-current liabilities decreased by US\$126,000 from US\$537,000 as at 29 February 2020 to US\$411,000 as at 31 August 2020. The decrease was mainly due to repayments of lease liabilities amounting to US\$146,000 (inclusive of interest of US\$18,000) made in HY2021.

Current liabilities decreased by US\$176,000 from US\$3.6 million as at 29 February 2020 to US\$3.4 million as at 31 August 2020. This was mainly due to the increase in repayments of bills payable to reduce reliance on banking facilities.

Equity comprises share capital, reserves, accumulated profits, and non-controlling interests. The total equity of the Group increased by US\$483,000 or 3.2% from US\$15.0 million as at 29 February 2020 to US\$15.5 million as at 31 August 2020.

**Review of Group's Cash Flows**

Net cash used in operations was decreased from US\$1.3 million in HY2020 to US\$216,000 in HY2021 due to operating profit before working capital changes of US\$722,000 offset by working capital outflow of US\$833,000 and income tax paid and interest paid of US\$105,000.

Net cash used in investing activities was decreased from US\$157,000 in HY2020 to US\$3,000 in HY2021 due to lesser costs expended on the purchase of property, plant and equipment and lesser interest received from banks.

Net cash used in financing activities was increased from US\$37,000 in HY2020 to US\$146,000 in HY2021 due to repayment of lease liabilities in HY2021.

Overall, the Group's net cash outflows were US\$365,000 in HY2021 as compared to US\$1.4 million in HY2020.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

In our profit guidance announcement on 1 October 2020, we stated that we expect to record a net profit for the six months ended 31 August 2020 (“HY2021”).

The Group reported a net profit attributable to the equity holders of the Company of US\$260,000 in HY2021, from a net loss of US\$283,000 in HY2020.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group managed to make a breakthrough into the Chinese market in the first half of FY2021, garnering orders, in particular, from dominant Chinese brands in the mobile communications sector, working directly with the brand owners as well as their key module vendors. As the trade dispute between the United States of America (“US”) and China intensified, sales of metallurgical and material solutions to the Chinese companies based in China where the Group operates, mitigated the adverse impact.

The outbreak of the coronavirus pandemic, while bringing unprecedented challenges to the economies and businesses, accelerated digitalisation, and transformed conventional lifestyles. Amidst the pandemic, demand for electronic communication devices continues to grow as telecommuting and home-based learning became the new norm. This demand, in turn, will filter through the supply chain, and bodes well for the Company.

Governments around the world were seen accelerating their pace towards the digital future. With reference to a Financial Times’ special report on 28 September 2020: “Singapore charts its way to digital future for trade”, it stated “Singapore’s policymakers see digitalisation of trade as one way to do this, taking advantage of the increasing adoption of ecommerce; the use of digital technology by banks in trade finance; and the provision of other cross-border services through mobile apps and other platforms.”<sup>1</sup>

The Group believes that it is well-positioned to benefit from the impending 5G trend, coupled with increasing digitalisation. The functionality and performance of electronic communication devices including smartphones, tablets and laptops, as well as the equipment that supports data storage, are of utmost importance to support any digital ecosystem. The Group thrives in providing metallurgical and material solutions to the critical components of electronic communication devices and equipment, to address the potential concerns about functionality and performance of these devices and equipment. It continues to work closely with both the international and dominant Chinese brand owners in the enhancement of their product development pipelines.

The Group will update shareholders on any material developments as and when appropriate.

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<sup>1</sup> <https://www.ft.com/content/05504fcb-11e6-47a0-8860-7d156d1d82ab>

**11. Dividend**

***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?

No.

***(b) Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

***(c) Date payable***

Not applicable.

***(d) Books closure date***

Not applicable.

**12. If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared or recommended because the Group wants to conserve cash for expansion and growth amid the current challenging business environment.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

There was no interested person transactions, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into by the Group or by the Company during the half-year ended 31 August 2020.

**14. Confirmation pursuant to the Rule 705(5) of the Listing Manual**

The Board of Directors of the Company hereby confirm to the best of its knowledge nothing has come to its attention which may render unaudited interim financial results for the six months ended 31 August 2020 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors of

**NICO STEEL HOLDINGS LIMITED**

Tan Chee Khiong

Chairman & President

Gavin Mark McIntyre

Independent director

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Company hereby confirms that it has procured undertakings from all the directors and executive officers under Rule 720(1).

**BY ORDER OF THE BOARD**

Tan Chee Khiong Danny

Executive Chairman and President

12 October 2020