

NICO STEEL HOLDINGS LIMITED**尼尔金属控股有限公司**(Incorporated in Singapore with Unique Entity No. 200104166D)
(SGX Stock Code: 5GF)**UNAUDITED HALF-YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2018****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 2018 (“HY2019”)**

(Amounts expressed in thousands of United States dollar (“USD”))

	HY2019	HY2018 (Restated)	
	31-Aug-18 USD'000	31-Aug-17 USD'000	Increase/ (Decrease)
Revenue	8,022	6,135	31%
Cost of sales	(5,644)	(4,602)	23%
Gross profit	2,378	1,533	55%
Other income	13	284	(95%)
Marketing and distribution expenses	(269)	(220)	22%
Administrative expenses	(1,657)	(1,506)	10%
Other expenses	(145)	-	N.M.
Results from operating activities	320	91	> 100%
Finance costs	(63)	(42)	50%
Profit before income tax	257	49	> 100%
Income tax expenses	(80)	(17)	> 100%
Profit for the period	177	32	> 100%
Other comprehensive (loss)/income for the period			
Translation differences relating to financial statements of foreign subsidiaries	(534)	266	N.M.
Reclassification of foreign currency translation reserve upon winding up of a subsidiary	(4)	-	N.M.
Other comprehensive (loss)/income for the period	(538)	266	N.M.
Total comprehensive (loss)/income for the period	(361)	298	N.M.
Profit attributable to:			
Owners of the Company	121	1	> 100%
Non-controlling interests	56	31	81%
	177	32	> 100%

Total comprehensive (loss)/income attributable to:			
Owners of the Company	(463)	204	N.M.
Non-controlling interests	102	94	9%
	<u>(361)</u>	<u>298</u>	N.M.

N.M. – not meaningful

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

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

	Group	
	HY2019	HY2018
	31-Aug-18	31-Aug-17
	USD'000	USD'000
Amortisation of intangible assets	1	1
Depreciation of property, plant and equipment	122	119
Gain on disposal of property, plant and equipment	-	(45)
Gain on deconsolidation of a subsidiary	(4)	-
Foreign exchange loss/(gain)	145	(92)
Interest expense	63	42
Interest income	(1)	(1)
Operating lease expenses	138	119
Staff costs		
- Key management remuneration	328	282
- Other staff salaries and related costs	496	476
	<u>496</u>	<u>476</u>

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 28 31/08/2018 USD'000	As at 28/02/2018 USD'000	As at 31/08/2018 USD'000	As at 28/02/2018 USD'000
Non-current assets				
Property, plant and equipment	3,168	3,316	-	-
Investment in subsidiaries	-	-	7,697	7,697
Long-term investments	77	77	77	77
Intangible assets	3	3	-	-
Deferred tax assets	117	121	-	-
	<u>3,365</u>	<u>3,517</u>	<u>7,774</u>	<u>7,774</u>
Current assets				
Inventories	7,891	7,932	-	-
Trade and other receivables	5,136	5,592	2,549	2,377
Cash at banks and in hand	4,440	2,204	2,648	1,231
	<u>17,467</u>	<u>15,728</u>	<u>5,197</u>	<u>3,608</u>
Total assets	<u>20,832</u>	<u>19,245</u>	<u>12,971</u>	<u>11,382</u>
Equity				
Share capital	15,447	13,568	15,447	13,568
Reserves	(1,413)	(829)	-	-
Accumulated profits/(losses)	2,422	2,301	(3,054)	(2,465)
Equity attributable to owners of the Company	16,456	15,040	12,393	11,103
Non-controlling interests	(559)	(661)	-	-
Total equity	<u>15,897</u>	<u>14,379</u>	<u>12,393</u>	<u>11,103</u>
Non-current liabilities				
Deferred tax liabilities	10	10	-	-
	<u>10</u>	<u>10</u>	<u>-</u>	<u>-</u>
Current liabilities				
Trade and other payables	1,500	1,785	176	240
Bill payables	760	520	-	-
Bond payables	402	38	402	38
Financial liabilities	2,257	2,488	-	-
Current tax payable	6	25	-	1
	<u>4,925</u>	<u>4,856</u>	<u>578</u>	<u>279</u>
Total liabilities	4,935	4,866	578	279
Total equity and liabilities	<u>20,832</u>	<u>19,245</u>	<u>12,971</u>	<u>11,382</u>

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

	Group	
	As at 31/08/2018	As at 28/02/2018
	USD'000	USD'000
Amounts repayable in one year or less, or on demand		
Secured bank loans	2,257	2,487
Obligations under hire purchase	0	1
	<u>2,257</u>	<u>2,488</u>

Details of any collateral

- Secured bank loans are secured against trade receivables in China, amounting to USD 3,677,978 (28 February 2018: USD 3,253,527), and is guaranteed by the Company.
- As at 31 August 2018, the net book value of property, plant and equipment for the Group held under hire purchase arrangements were USD 495 (28 February 2018: USD 707).

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

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

	HY2019	HY2018
	31-Aug-18	31-Aug-17
	USD'000	USD'000
Operating activities		
Profit before income tax	257	49
Adjustments for:		
Depreciation of property, plant and equipment	122	119
Amortisation of intangible assets	1	1
Gain on disposal of property, plant and equipment	-	(45)
Gain on deconsolidation of a subsidiary	(4)	-
Interest expense	63	42
Dividend income	(1)	(1)
Interest income from banks	(1)	(1)
Operating cash flows before working capital changes	437	164
Changes in working capital:		
Inventories	41	(401)
Trade and other receivables	456	101
Trade and other payables	(285)	(212)
Bill payables	240	(488)
Secured bank loan	(230)	11
Currency translation adjustments	(482)	213
Cash generated from / (used in) operations	177	(612)
Income taxes paid, net	(95)	(28)
Interest paid	(63)	(31)
Cash flows generated from / (used in) operating activities	19	(671)
Investing activities		
Interest received	1	1
Dividend received	1	1
Purchase of property, plant and equipment	(98)	(2)
Proceeds from disposal of property, plant and equipment	-	44
Purchase of intangible assets	-	(1)
Cash flows (used in) / generated from investing activities	(96)	43
Financing activities		
Interest paid	-	(11)
Proceeds from bank loans	-	650
Repayment of finance lease liabilities	(1)	(5)
Proceeds from issue of redeemable convertible bonds	2,243	723
Cash flows generated from financing activities	2,242	1,357
Net increase in cash and cash equivalents	2,165	729
Cash and cash equivalents at beginning of the period	2,204	1,224
Effect of exchange rate fluctuations on cash held	71	(16)
Cash and cash equivalents at end of the period	4,440	1,937

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

	Group	
	As at 31/08/18	As at 31/08/17
	USD'000	USD'000
Cash and bank balances	4,440	1,937
Cash and cash equivalents at end of the period	4,440	1,937

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
<u>The Group</u>	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 March 2017	11,366	(2,825)	851	381	2,383	12,156	(639)	11,517
Total comprehensive income for the period								
Profit for the period	-	-	-	-	1	1	31	32
Other comprehensive income								
Foreign currency translation differences	-	-	203	-	-	203	63	266
	-	-	203	-	1	204	94	298
Transactions with owners, recognised directly in equity								
Issue of ordinary shares related to redeemable convertible bonds	721	-	-	-	-	721	-	721
At 31 Aug 2017	12,087	(2,825)	1,054	381	2,384	13,081	(545)	12,536
The Group								
At 1 March 2018	13,568	(2,825)	1,499	497	2,301	15,040	(661)	14,379
Total comprehensive income/(loss) for the period								
Profit for the period	-	-	-	-	121	121	56	177
Other comprehensive income/(loss)								
Foreign currency translation differences	-	-	(580)	-	-	(580)	46	(534)
Reclassification of foreign currency translation reserve upon winding up of a subsidiary	-	-	(4)	-	-	(4)	-	(4)
	-	-	(584)	-	121	(463)	102	(361)
Transactions with owners, recognised directly in equity								
Issue of ordinary shares related to redeemable convertible bonds	1,879	-	-	-	-	1,879	-	1,879
At 31 Aug 2018	15,447	(2,825)	915	497	2,422	16,456	(559)	15,897

STATEMENT OF CHANGES IN EQUITY

(Amounts expressed in thousands of United States dollars (“USD”))

<u>The Company</u>	<u>Share capital</u>	<u>Accumulated losses</u>	<u>Total</u>
	USD'000	USD'000	USD'000
At 1 Mar 2017	11,366	(2,044)	9,322
Loss and total comprehensive loss for the period	-	(240)	(240)
Issue of ordinary shares related to redeemable convertible bonds	721	-	721
At 31 Aug 2017	12,087	(2,284)	9,803
At 1 Mar 2018	13,568	(2,465)	11,103
Loss and total comprehensive loss for the period	-	(589)	(589)
Issue of ordinary shares related to redeemable convertible bonds	1,879	-	1,879
At 31 Aug 2018	15,447	(3,054)	12,393

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.

The changes to the Company's issued share capital since 28 February 2018 are as follows:

Date	Description	No. of shares converted	Conversion Price
24 May 2018	Conversion of remaining seventh sub-tranche under Tranche 1 Bonds issued on 26 January 2018 Conversion of part of eighth sub-tranche under Tranche 1 Bonds issued on 18 April 2018	350,000,000	S\$0.001
18 Jun 2018	Conversion of part of eighth sub-tranche under Tranche 1 Bonds issued on 18 April 2018	350,000,000	S\$0.001
19 Jun 2018	Conversion of part of eighth sub-tranche under Tranche 1 Bonds issued on 18 April 2018	300,000,000	S\$0.001
25 Jun 2018	Conversion of remaining eighth sub-tranche under Tranche 1 Bonds issued on 18 April 2018 Conversion of part of ninth sub-tranche under Tranche 1 Bonds issued on 25 June 2018	300,000,000	S\$0.001
6 Aug 2018	Conversion of part of ninth sub-tranche under Tranche 1 Bonds issued on 25 June 2018	350,000,000	S\$0.001
7 Aug 2018	Conversion of part of ninth sub-tranche under Tranche 1 Bonds issued on 25 June 2018	350,000,000	S\$0.001
30 Aug 2018	Conversion of remaining ninth sub-tranche under Tranche 1 Bonds issued on 25 June 2018 Conversion of part of tenth sub-tranche under Tranche 1 Bonds issued on 28 Aug 2018	500,000,000	S\$0.001
5 Sept 2018	Conversion of remaining tenth sub-tranche under Tranche 1 Bonds issued on 28 Aug 2018	550,000,000	S\$0.001

As at 28 February 2018, SGD 50,000 of the seventh sub-tranche under Tranche 1 Bonds has yet to be converted. As at 31 August 2018, SGD 550,000 of the tenth sub-tranche under Tranche 1 Bonds has yet to be converted.

- 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.**

	No of shares ('000)	
	As at 31/08/2018	As at 28/02/2018
Number of issued shares	<u>4,412,166</u>	<u>1,912,166</u>

There were no treasury shares as at 31 August 2018 and 28 February 2018.

- 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.

- 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 has applied the same accounting policies and methods of computation for the current financial period compared with those of the audited financial statements for the year ended 28 February 2018.

- 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 and the Company have applied the same accounting policies and methods of computation in the financial statements for the current financial period compared to the audited financial statements for the year ended 28 February 2018 except for the adoption of the Singapore Financial Reporting Standards (International) (SFRS(I)s) that are mandatory for the financial year beginning on or after 1 March 2018. The Group is currently finalising the computation of the impact and the quantum of the final transition adjustments.

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>HY2019</u> <u>USD'000</u>	<u>HY2018</u> <u>USD'000</u>
Profit attributable to owners of the Company	<u>121</u>	<u>1</u>
No of shares ('000)		
Weighted average number of ordinary shares during the period	<u>2,579,014</u>	<u>534,394</u>
Profit per share (US cents) - basic and diluted	<u>0.005</u>	<u>0.000</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.

	Group		Company	
	As at 31/08/2018 USD'000	As at 28/02/2018 USD'000	As at 31/08/2018 USD'000	As at 28/02/2018 USD'000
Net assets	<u>15,897</u>	<u>14,379</u>	<u>12,393</u>	<u>11,103</u>
Net asset value per ordinary share based on the existing issued share capital as at the respective period (US cents)	<u>0.6</u>	<u>2.3</u>	<u>0.5</u>	<u>1.8</u>

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 has been phasing out low value-add processing services gradually to customised solutions and its own Nico brand of metal alloys to meet the increasing requirements and applications of its customers' end-user products.

Revenue increased by 30.8% from US\$6.1 million in the six months ended 31 August 2017 ("HY2018") to US\$8.0 million in the six months ended 31 August 2018 ("HY2019"). This was mainly due to stronger demand and sales for its own Nico brand of metal alloys during the period under review.

Revenue Breakdown by Product Categories

	HY2019		HY2018		YoY Change
	USD'000	% of revenue	USD'000	% of revenue	
Customised Solutions	5,431	67.7	4,631	75.5	+ 17.3%
Nico Brand of Metal Alloys	2,591	32.3	1,504	24.5	+ 72.3%
	8,022	100.0	6,135	100.0	+ 30.8%

Geographically, China remained as the key revenue contributor to the Group in HY2019, contributing 84.3% of the Group's total revenue, increased from 83.0% in HY2018. Revenue contribution from Thailand increased 3.6% from US\$0.8 million in HY2018 to US\$0.9 million in HY2019.

Cost of Sales

In tandem with the increase in revenue, cost of sales increased by 22.6% from US\$4.6 million in HY2018 to US\$5.6 million in HY2019.

Gross Profit and Gross Profit Margin

Gross profit increased by 55.1% from US\$1.5 million in HY2018 to US\$2.4 million in HY2019, mainly due to higher profit derived from the Group's focus on (i) higher margin value-add customised solutions including electroplating services, and (ii) own Nico brand of metal alloys. Gross profit margin increased from 25.0% in HY2018 to 29.6% in HY2019.

Other Income

Other income decreased by 95.4% from US\$284,000 in HY2018 to US\$13,000 in HY2019. This was mainly due to (i) foreign exchange loss recognised in HY2019, as compared to foreign exchange gain in HY2018, (ii) lower sales from scrap metal in HY2019, compared with HY2018, and (iii) gain on deconsolidation of a subsidiary, Nico Steel Solutions (M) Sdn Bhd which was dissolved on 9 April 2018.

Marketing and Distribution, Administrative, Other Operating and Finance Expenses

Marketing and distribution expenses increased by 22.2% from US\$220,000 in HY2018 to US\$269,000 in HY2019 as the Group continued to market and promote its own Nico brand of metal alloys to new and existing customers.

Administrative expenses increased by 10.0% from US\$1.5 million in HY2018 to US\$1.7 million in HY2019. The increase was mainly due to the professional fees incurred related to the redeemable convertible bond program in HY2019.

Other expenses of US\$145,000 for HY2019, mainly due to the Group's recognition of an exchange loss of US\$145,000 in HY2019 due to the movement in market exchange rates.

Finance costs increased by 50.0% from US\$42,000 in HY2018 to US\$63,000 in HY2019. The increase was mainly due to additional bank loan taken up by one of the Group's Chinese subsidiary

in the second half of FY2018 for raw material purchases.

Income tax expenses increased by 370.6% from US\$17,000 in HY2018 to US\$80,000 in HY2019, as a result of higher profit generated by the Group in HY2019.

UTILISATION OF NET PROCEEDS FROM THE REDEEMABLE CONVERTIBLE BONDS 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

USE OF PROCEEDS - BOND ISSUE	Amount S\$'000	Amount S\$'000
Net Proceeds from the Initial Bond [#]		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*	4,961	
Legal and professional fee in relation to RCB issued	266	
Total usage of proceeds		(6,127)
Balance of Net Proceeds		3,403

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.

(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 marginally by US\$152,000 from US\$3.5 million as at 28 February 2018 to US\$3.4 million as at 31 August 2018, mainly due to depreciation and amortization of property, plant and equipment.

Current assets increased by US\$1.7 million from US\$15.7 million as at 28 February 2018 to US\$17.5 million as at 31 August 2018, mainly due to:

- i) trade and other receivables decreased by 8.2% from US\$5.6 million as at 28 February 2018 to US\$5.1 million as at 31 August 2018. The reduction was mainly due to the improvement in debtors' turnover as the Group continued to closely monitor and manage its credit risks; and
- ii) cash at bank and in hand doubled from US\$2.2 million as at 28 February 2018 to US\$4.4 million as at 31 August 2018. The increase was mainly due to the proceeds from the Bonds issued by the Company in HY2019.

The increase was partially offset by slight decrease in inventories, which remained relatively stable at US\$7.9 million as at 31 August 2018.

Current liabilities as at 31 August 2018 remained relatively stable at US\$4.9 million as compared to 28 February 2018. This was mainly due to increase in repayments to lower trade and payables and financial liabilities in HY2019.

Equity comprises share capital, reserves, accumulated profits, and non-controlling interests. The total equity of the Group increased by US\$1.5 million or 10.6% from US\$14.4 million as at 28 February 2018 to US\$15.9 million as at 31 August 2018.

REVIEW OF CASH FLOW STATEMENT

In HY2019, the net cash generated from operations amounted to US\$19,000, reversed from a net cash outflow of US\$0.7 million in HY2018. The positive cash flow was due to cash inflow from operating profits in HY2019.

Net cash used in investing activities amounted to US\$96,000 in HY2019. This was due to the purchases of property, plant and equipment of US\$98,000, and partially offset by interest and dividend received during the half year.

Net cash generated from financing activities amounted to US\$2.2 million in HY2019, as compared with the cash inflow of US\$1.4 million in HY2018. This was due to the net proceeds arising from the issuance of Redeemable Convertible Bonds.

Overall, the Group generated net cash inflows of US\$2.2 million in HY2019 compared to net cash inflows of US\$0.7 million in HY2018.

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 25 September 2018, we stated that we expect to record a significant increase in the unaudited consolidated profit attributable to Shareholders for the six months ended 31 August 2018 (“HY2019”) as compared to the corresponding period in 2017 (“HY2018”).

The Group’s profit attributable to Shareholders increased from US\$1,000 in HY2018 to US\$121,000 in HY2019.

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 has achieved remarkable progress with its proprietary Nico brand of metal alloys, experiencing increasing acceptance of its innovative metal alloy materials by global market leaders in the mobile communications, automotive, and consumer electronics sectors.

Its patented electroplating and metal processing technology, coupled with its innovative customisation of metal alloys, puts the Group in a good position to cater to the growing demand for products of stringent and customised specifications from both existing and new customers.

Smart solutions, demanded by modern lifestyles, have caused global brands and OEM manufacturers to seek multi-functional metal alloys that will enhance product performance and the replacement cycle of such products will drive demand for the Group's proprietary brand of metal alloys, both deepening and broadening its earnings base. The Group will continue its efforts to widen its customer base by promoting the superior performance of its metal alloys.

As the seasonal demand for electronics usually picks up in the second half of the calendar year, the Group is cautiously optimistic about its outlook. The Group notes the ongoing US-China trade disputes and understands that there may be challenges to the business environment.

With regard to the plans to shift its operations to the Northern region of Jiangsu Province, the Company is still in the process of analysing the cost-benefits.

The Group will update shareholders on its corporate developments as and when is appropriate.

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/recommended, a statement to that effect.

No dividend has been declared or recommended for the period under review.

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 2018.

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 2018 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	Gavin Mark McIntyre
Chairman & President	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

15 October 2018