Nico Steel Solutions™

Think Innovation

OPPORTUNITY ▶ DIRECTION ▶ STRATEGY

NEW DIMENSION FOR INNOVATION

ANNUAL REPORT 2015

CONTENTS

VISION

Nico's vision is to be Asia's most innovative metallurgical solutions provider in the personal computer, high-tech electronics and automotive industries.

MISSION

Nico will meet our customers' demands for innovative and state-of-the art solutions through Nico's visionary supplier and customer partnerships.

ABOUT NICO

Nico Steel Solutions first started as DSAG in 1991. The latter began as a paper trader. In 1992, the Company changed its core business and became a steel trader. Thus, DSAG became Nico Steel Centre (S) Pte Ltd.

In 1995, the Company decided to differentiate itself strategically from the rest of its competitors by becoming a full-service coil centre. By doing so, Nico was able to customise and engineer solutions tailored to the stringent specifications of its customers.

In December 1999, this young start-up was elevated to the status of a pioneer in the industry and awarded the ISO9001. Nico Steel Solutions (S) Pte Ltd was born. It now carries a striking new logo and slogan to reflect its focus in providing innovative engineering solutions.

CORPORATE VALUES

These corporate values help create a distinct identity for Nico and its employees and are embraced by all levels of the organisation's hierarchy. Employees live by it when dealing with suppliers, clients and with one another. Nico call this 'Inside-Out Branding'.

D R I V E

DARING

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

REGARD CHANGE AS AN OPPORTUNITY

Nico will always be sensitive to the constant changes in the market place, locally and globally in order to seize opportunities quickly.

INTENSE PASSION

This feeling derives from Nico's belief that it has the means to deliver its promise from concept to reality.

VISIONARY CUSTOMER AND SUPPLIER PARTNERSHIPS

Nico's strategy of collaborating with its suppliers, customers and its customer's customer is the key to understanding the requirement of product by the end-users.

EXCELLENCE

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

CHAIRMAN'S MESSAGE

NEW DIMENSIONS FOR INNOVATION

CREATING CONSISTENT & SUSTAINABLE VALUE

Dear Shareholders,

"To become Asia's most innovative one-stop metallurgical solutions centre" has been the mission of NICO since its inception. Through solid R&D capabilities and continuous innovation, we aim to provide creative metallurgical solutions to meet market demands and contribute to society while enhancing our operational excellence and profitability to reward our shareholders for their support.

Below are world trends and changes in the telecommunications and consumer electronics industries that will influence our markets and decisions.

GLOBAL TRENDS

Big Data, Big Impact

The Internet has democratized data. In the global marketplace, businesses, suppliers and customers are creating and consuming vast amounts of information. According to *IDC*, the world's volume of data doubles every 18 months. This flood of data, often referred to as "information overload", "data deluge" and "big data", clearly creates a challenge for business leaders. Big data refers to a process that is used when traditional data mining and handling techniques cannot uncover the insights and meaning of the underlying data. While some companies feel that they are overwhelmed by the amount of data their company manages, most companies believe that tomorrow's winners will be those equipped to harness new sources of information and turn data from information into business insights.

Tablet to Surpass Notebook Shipments Globally

Building upon convenience-oriented features including instant-on capability, long battery life, extreme portability, increasingly stable operating systems, growing app libraries and higher resolution displays, tablets have become successful desktop and notebook replacements. Tablets, such as Apple's iPad, are expected to be the growth driver for the global mobile PC market over the next few years. Tablet shipments will surpass notebook shipments in 2016, according to the latest *NPD Display Search Quarterly Mobile PC Shipment and Forecast Report*.

Smartphones Are Getting Bigger

Today, large screen smartphones or "phablets" like the 5.7-inch Samsung Galaxy Note 3, 5.9-inch HTC One Max, 6-inch Nokia Lumia 1520, and 6.3-inch Samsung Galaxy Mega form a fully-fledged type of XXL smartphone, a category that's only getting bigger. Consumers are flocking to purchase large smartphones for a few reasons. Firstly, as people rely on smartphones more for computing than for calls, the viewing experience takes priority. The larger the screen, the less you squint to see complex images and video action. Secondly, higher-resolution displays can deliver fine detail and rich color. Web sites become easier to read and movie trailers more inviting to watch. Thirdly, a larger screen is a power-hungry screen that requires a higher-octane processor with more processing power and a large enough battery to fire up a wider field of pixels fast enough and bright enough.

The Focus Will Still Be on Green

Businesses and consumers will continue to embrace energy efficiency in the workplace and at home. Green supply chains will be enabled by supply chain automation – eliminating the need to produce and transfer paper bills, and businesses will choose their partners more selectively as more companies set carbon reduction goals.

There have been major advancements in electric vehicle technology and the supporting infrastructure. In China, the government has sought to increase ownership of electric and hybrid vehicles to ease chronic pollution and reduce reliance on oil imports. Most significantly, now the world's largest auto market, China has made new electric cars tax-free. Buyers of fully electric, hybrid and fuel cell cars will not have to pay consumer tax from September 2015 to the end of 2017.

China has only 70,000 electric vehicles currently in use and the government has set a target of having five million new energy vehicles on the streets by 2020.

MOVING AHEAD

With the Big data revolution in high gear and the world now over-flowing with information, the trend is that consumers are converging on phablets as a best of both worlds solution. Tablets and smaller screen smartphones will still exist, though taking a much smaller market share and relegated to more niche use cases. The tablet, for example, will continue to be a great business device for the bricks-and-mortar retail sector in the form of a portable cash register or menu, and be the device of choice of traveling service professionals. Despite strong sales over the past four years, even Tim Cook has admitted that iPads have hit a road bump. In fact, global sales of both Android tablets and Apple iPads have declined over the past year, after peaking early in 2013. As apps become even more sophisticated and solve more daily needs, consumers seem to want just one mobile device. As such, there is a strong case for the larger screen phablets winning the race among phones, phablets and tablets.

So, where will this take us?

STRATEGY AND CHALLENGES

As the amount of metals required to produce a phablet is much less compared to a tablet or note book, the demand for our products will decline in this important market segment. Fortunately, the silver lining in the cloud is the requirement for technical specifications with phablets being much higher than note books and this falls right in line with NICO's strength as an innovative metallurgical solutions provider. Although we may see our top line decline due to less materials sold but the profit margin will increase as the value-add in our NICO branded solutions is expected to be much higher.

We are, however, faced with keen competition for customers and in terms of pricing, increasing labour costs as well as difficult macro-economic environment in our key market, the People's Republic of China. Increasingly, we notice a trend of manufacturing shifting away from the eastern seaboard of China, where we are located, to inland areas due to higher costs or even to other developing countries like Vietnam and Indonesia. NICO does not currently operate in these areas and countries but may be compelled to do so if the electronics supply chains shift. Revenue growth in our traditional markets of Singapore and Malaysia is expected to still remain weak.

NICO will continue to explore new business opportunities for its existing business, manage costs and working capital. In addition, NICO shall also endeavor to look for new businesses in an effort to diversify its core business and add value to shareholders.

ACKNOWLEDGEMENT

I would like to thank all our dedicated employees, board of directors, shareholders and partners for their continued support and contributions. We will strive towards our strategic goals with full dedication and commitment. Given the rapid transformation in technological development and market trends, we will execute our strategies with discipline and put our corporate mission in daily practice to take NICO to the next level of success.

Sincerely,

Danny Tan
Chairman & President

BOARD OF DIRECTORS

TAN CHEE KHIONG DANNY

Executive Chairman & President

Mr Danny Tan is the Executive Chairman and President of the Company appointed on 23 June 2001. He is primarily responsible for the overall management, business strategies and expansion of the Company. He was one of the founders of Nico Steel, and had, since the establishment of Nico Steel, been instrumental in setting the strategic development of Nico Steel's business. 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 our Executive Director, Mr Andrew Tang.

TANG CHEE WEE ANDREW

Executive Director

Mr Andrew Tang is the Corporate Development Director of the Company appointed on 10 April 2002. He is responsible for business development and corporate strategy and training for the Group, as well as managing and promoting the "Nico" brand. He joined our Group in 2001. He brought with him his knowledge and experience in corporate development and corporate branding.

Mr Andrew Tang is the brother of our Executive Chairman and President, Mr Danny Tan.

FONG PIN JAN DANIEL

Executive Director

Mr Daniel Fong is an Executive Director of the Company appointed on 21 May 2015. He oversees the development of the strategic business direction of the Group. His area of responsibility includes evaluating new business opportunities and considering financing options in the support of key business directions of the Group.

Mr Daniel Fong is also a Director of True Corporate Advisors Pte Ltd, a company he founded in 2009, which involved in providing general advisory work and private equity investments to high net worth clients. In 2014, Mr Daniel Fong also co-founded and acting as the Director of The Art Fellas Pte Ltd, dealing on contemporary art gallery focusing on Singaporean and South East Asian art.

Mr Daniel Fong graduated from the Nanyang Technological University with a Bachelor of Accountancy (Honours) in 1998. He is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

LIN WEI DANIEL
Non-Executive Director

Mr Daniel Lin is a Non-Executive Director of the Company appointed on 30 October 2009. He is the Executive Director of Blue Ocean Capital Partners, a corporate finance firm specialising in Mergers & Acquisitions. Prior to Blue Ocean, he was the Special Assistant to the Chief Executive Officer of Singapore-listed company Advance SCT Ltd. He is currently a Director of Associated Leisure Group of Companies and a member of the Finance Committee with the Singapore Institute of Directors. Mr Daniel Lin is also an Executive Director of Viking Offshore & Marine Ltd and a Non-Executive Director of Ann Aik Limited, both listed on the Singapore Stock Exchange.

Mr Daniel Lin graduated from Bristol University, UK with an honours degree in law in 2007.

TAN POH CHYE ALLAN
Lead Independent Director

Mr Allan Tan is the Lead Independent Director of the Company appointed on 17 February 2015. He is a partner at Virtus Law LLP, associated with Stephenson Harwood LLP, an international law firm, and practices in the field of corporate finance, regulatory and compliance laws. He was admitted to the Singapore Bar in 1994. He is also presently an Independent Director of Xyec Holdings Co. Ltd and CNMC Goldmine Holdings Limited, listed on Catalist of the SGX-ST and Avexa Limited, a company listed on the Australian Stock Exchange.

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. He is also a Barrister-at-law of Gray's Inn.

Mr Allan Tan is the chairman of our Remuneration Committee and member of the Audit and Nominating Committee.

ONG LIZHEN DAISY
Independent Director

Ms Daisy Ong is an Independent Director of the Company appointed on 17 February 2015. Ms Daisy Ong is currently the Executive Director of Dolz Business Consulting Pte. Ltd., a firm specialising in the areas of accounting, corporate advisory, corporate secretarial and taxation services. Prior to that, she was the Financial Controller of Sino Construction Limited, a company listed on the Singapore Exchange Securities Trading Limited. She was an auditor with Ernst & Young LLP from year 2005 to 2012.

Ms Daisy Ong graduated from the Nanyang Technological University with a Bachelor of Accountancy in 2005. She is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

Ms Daisy Ong is the chairman of the Audit Committee and member of the Nominating Committee and Remuneration Committee.

LEE ENG YEW MICHAEL
Independent Director

Mr Michael Lee is an Independent Director of the Company appointed on 25 June 2014. He is currently 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 the 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.

Mr Michael Lee is the chairman of our Nominating Committee and member of the Audit and Remuneration Committee.

EXECUTIVE OFFICERS

CHUA WEE SONG

is our Corporate Technical and Quality Manager. He oversees the technical and quality management issues of our Group. He is based in Suzhou and responsible for all day-to-day production, technical and quality aspects of our products in Suzhou facility as well as those of our strategic alliance partners who provide production/sub-production service to us. Mr Chua joined our Group in 1995 as production manager. He was promoted to his present position in 2005.

ONG HOCK SENG

is our General Manager of our Thailand subsidiary. Mr Ong joined our Group in 2004. He is responsible for the Group's operations in Thailand. Prior to joining our Group, Mr Ong has more than 12 years of experience in the stamping industry serving as plant manager and production manager in various overseas subsidiaries of the local stamping houses.

JOSE GOH MENG SZE

is our Marketing Manager. Ms Goh is fully in-charge of marketing Nico Branded Materials in Asia Region. Ms Goh joined our group in 2003 and prior to her present position, she has been our Assistant Customer Service Manager and Sales/Purchasing Manager. Ms Goh has been a Retail Manager who oversees all marketing activities for a timepiece industry which these experiences also add on to her strength for the present Marketing Manager position. She has been appointed as Executive Officer of our Group with effective from 1 April 2011.

WANG LU

is our Group Finance Manager. Ms Wang joined our Group in 2008 as our Group Accountant. She 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 our Group, Ms Wang was a finance officer of a Group of Companies in manufacturing industries.

NG CHIN SENG

is our General Manager of our Suzhou plating subsidiary. Mr Ng joined our Group in 2007 and prior to joining us, he has more than 13 years of experience in plating industry serving as manager. Mr Ng is responsible for our Group's plating operations and sales in Suzhou. He has been appointed as Executive Officer of our Group on 1 April 2011.

TAN HOCK

is our Operation Manager of our Suzhou subsidiary. Mr Tan joined our Group in 2012. He is responsible for managing day to day operations in Suzhou. Prior to joining our Group, Mr Tan has more than 15 years of experience in Electronics, Cables and Plastic Injection moulding industries serving as Quality Manager and Operation Manager in Singapore, Indonesia and China.

OPERATIONS REVIEW

OVERVIEW

The Group's revenue are mainly derived from the sales of customized and commercial metal alloys, which has recorded a significant increase of 15.6% from USD 23.1 million in FY2014 to USD 26.7 million in FY2015. The mentioned increase was mainly contributed by the increase in revenue generated from the People's Republic of China ("PRC") and Thailand Market, which recorded an increase of 33.7% and 70.3% respectively. Despite the significant increase in the revenue generated from the PRC and Thailand, the revenue generated from other countries remains weak with both Singapore and Malaysia recording a decrease of 93.8% and 36.3% respectively due mainly to the withdrawal of General Electric (USA) Controls Pte. Ltd. ("GE") from the Singapore and Malaysia Market in FY2015.

Gross profit margin of the Group has increased from 12.4% in FY2014 to 13.7% in FY2015. The improvement was mainly due to the Group's continued focus on producing higher margin value-added products for its customers, in particular, in the computer peripherals market.

Other income decreased by 19.4% from USD 836,000 in FY2014 to USD 632,000 in FY2015. This was mainly due to (i) a decrease in the sales of scrap metal from USD 0.5 million in FY2014 to USD 0.2 million in FY2015 and (ii) a decrease in the interest income from USD 41,000 in FY2014 to USD 1,000 in FY2015. Despite the decrease, the Group has recognized a one-off financial grant given by the China Export & Credit Insurance Corporation and SPRING Singapore amounting to USD 286,000 in FY2015.

Distribution costs which are in line with revenue, increased by 30.5% from USD 559,000 in FY2014 to USD 729,000 in FY2015.

Administrative expenses decreased by 9.7% from USD 4.4 million in FY2014 to USD 4.0 million in FY2015. The decrease was mainly contributed by an overall decrease in staff costs and tighter cost control measures implemented to minimize unnecessary administrative expenses.

Finance cost increased by 24.4% from USD 273,000 in FY2014 to USD 339,000 in FY2015. The increase was mainly due to the increase in the short term bank loans of a subsidiary in People's Republic of China during FY2015. These short term bank loans are mainly used for working capital purposes. However, despite of the increase in the finance costs contributed by the additional bank loans of the said subsidiary, the overall short term bank loans of the Group has decreased towards the end of FY2015 due to the settlement of other short term loans by the other subsidiaries of the Group.

Tax expenses increased by 34.1% from USD 103,000 in FY2014 to USD 139,000 in FY2015. Despite of the recorded loss before tax at the Group level in FY2015, which is mainly contributed by several loss making companies within the Group, the tax expenses for those profitable companies within the Group has been estimated and accrued for. The effective tax rates of FY2015 and FY2014 are approximately 19.8% and 7.1% respectively.

Geographical Breakdown

	FY2015		FY2014	
	USD'000	**%**	**USD'000**	**%**
Singapore	137	0.5	2,218	9.0
PRC	16,454	59.0	12,310	50.2
Malaysia	3,369	12.1	5,287	21.5
Thailand	7,731	27.7	4,539	18.5
Other Countries*	202	0.7	187	0.8
Total	27,893	100.0	24,541	100.0

* Other Countries comprise mainly Indonesia, Taiwan, Hong Kong and Japan.

Geographically, PRC continues to be the key revenue driver in FY2015, contributing 59.0% of the Group's total revenue, as compared to 50.2% in FY2014. Thailand, Malaysia and Singapore contributed 27.7%, 12.1%, and 0.5 % respectively to the Group's revenue.

Segmental Breakdown

The Group is continuing to promote its alternative materials solution derived from green manufacturing process under the Nico Branded Materials and these materials have been used in some exclusive projects. However, due to changes in the technological requirements, which the Group has yet to keep pace with, the revenue derived from the sales of Nico Branded Materials has recorded a reduction of 12.6% from USD 1.4 million in FY2014 to USD 1.2 million in FY2015.

Revenue from Customised Metal Alloy has increased from USD 16.8 million to USD 19.4 million due to the Group continued its focus on the higher value added segment, in particular, in the computer peripherals market.

Industrial Breakdown

With sales of USD 11.1 million or 39.8% of total turnover, the Computer Peripherals market, in particular, the supply of keyboards, liquid crystal displays and internal parts of notebooks, tablet and laptops, continued to be the main contributor for sales of Customised Metal Alloys, which is in line with the Group's focus on higher value added segment. The remaining sales are attributable to Hard Disk Driver, Consumer Electronics, Thermal Solutions, Telecommunications and other industries.

OPERATIONS REVIEW

	FY2015		FY2014	
	USD'000	**%**	**USD'000**	**%**
Hard Disk Drive (HDD)	8,903	31.9	6,497	26.5
Telecommunication	2,205	7.9	289	1.2
Consumer Electronics	3,236	11.6	6,444	26.3
Computer Peripherals	11,101	39.8	9,315	38.0
Others	2,448	8.8	1,996	8.0
Total	27,893	100	24,541	100

Financial Review

Property, plant and equipment increased by 0.5% from USD 4,089,000 as at 28 February 2014 to USD 4,108,000 as at 28 February 2015. The increase was mainly due to the completion of 2nd phase expansion of Nico Steel Centre (Suzhou) Co., Ltd ("NSC") and the write back of previously provided impairment losses in FY2015.

Trade and other receivables increased by 16.9% from USD 9.3 million as at 28 February 2014 to USD 11.0 million as at 28 February 2015. The increase was in line with the increase in revenue with no significant increase in the debtor's turnover period.

Cash at bank and in hand decreased by 18.3% from USD 1.6 million as at 28 February 2014 to USD 1.3 million as at 28 February 2015. The reduction was mainly due to funds used for working capital purposes and for the repayment of short term bank loans.

Inventories decreased by 1.4% from USD 12.2 million as at 28 February 2014 to USD 12.0 million as at 28 February 2015. The decrease was in-line with the Group's efforts to manage its inventories. The inventory turnover period has improved marginally compared to FY2014.

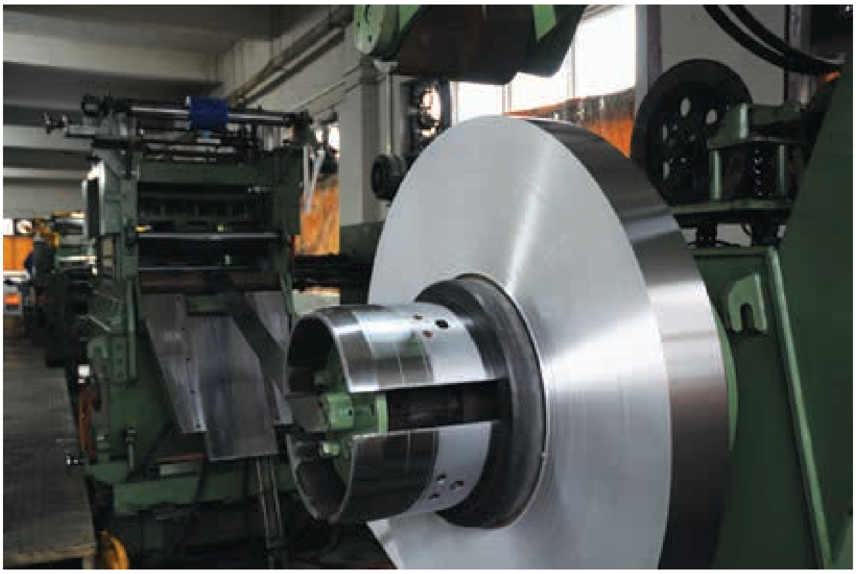
Trade and other payables and bill payables increased by 35.9% cumulatively from USD 8.5 million as at 28 February 2014 to USD 11.5 million as at 28 February 2015. The increase was in line with the overall increase in the Group's cost of sales.

The Group's financial liabilities decreased from USD 3.8 million as at 28 February 2014 to USD 2.5 million as at 28 February 2015. The decrease was mainly due to repayment of short term bank loans in FY2015.

The Group recorded a net cash inflow from its operating activities of USD 1.0 million in FY2015 (FY2014: net cash outflow of USD 3.3 million). The net cash inflows were mainly due to the effect arising from the management's close monitoring on the usage of the Group's working capital.

The impact of the net cash inflow from operating activities was offset by the net repayment of the Group's short term bank loans amounting to USD 1.2 million.

As a result of the above, the Group generated a net cash outflows of USD 284,000 in FY2015 compared to net cash inflow of USD 623,000 in FY2014.



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 2012 issued by the Ministry of Finance on 2 May 2012 (the "Code"). For the year ended 28 February 2015, the Company has generally adhered to the principles and guidelines as set out in the Code.

(A) BOARD MATTERS

THE BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with management to achieve this objective and management remains accountable to the Board.

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.

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 Articles of Association 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 28 February 2015, the Board met on two occasions. The attendance of the Directors at meetings of the Board and Board committees, as well as the frequency of such meetings is disclosed on page 26 of this Annual Report.

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.; and
- major investments.

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. During the financial year ended 28 February 2015, Mr Tan Poh Chye Allan, Ms Ong Lizhen Daisy and Mr Lee Eng Yew Michael were appointed as Directors. All Directors will also be given regular training particularly on relevant new laws, regulations and changing commercial risks which have an important bearing on the Company and the Directors' obligations towards the Company.

CORPORATE GOVERNANCE REPORT

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

Briefing and updates provided to the Directors for the financial year ended 28 February 2015 include:

– Briefing by the external auditors, KPMG LLP, on the developments in financial reporting and governance standard at the half-yearly review meetings; and
– The President updates the Board at each Board meeting on business and strategic developments pertaining to the Group's business.

BOARD COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board presently comprises of the following members:–

1. Tan Chee Khiong Danny – Chairman & President
2. Tang Chee Wee Andrew- Executive Director
3. Fong Pin Jan Daniel – Executive Director
4. Lin Wei Daniel – Non-Executive Director
5. Tan Poh Chye Allan – Lead Independent Director
6. Ong Lizhen Daisy – Independent Director
7. Lee Eng Yew Michael – Independent Director

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

The changes to the composition of the Board during FY2015 were as follows:–

1. Tang Chee Bian Steven – Executive Director (retired at the last AGM on 26 June 2014)
2. Chan Chung Wai Boris – Lead Independent Director (retired at the last AGM on 26 June 2014)
3. Lee Eng Yew Michael – Independent Director (appointed on 26 June 2014)
4. Gao Ang – Executive Director (resigned on 16 February 2015)
5. Xue Jing – Independent Director (resigned on 16 February 2015)
6. Tan Poh Chye Allan – Lead Independent Director (appointed on 16 February 2015)
7. Ong Lizhen Daisy – Independent Director (appointed on 16 February 2015)
8. Fong Pin Jan Daniel – Executive Director (appointed on 21 May 2015)

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. Each of them also confirmed that they are independent despite not having any relationship identified in the Code. The NC has determined that all the three Independent Directors are independent. Through the NC, the Board considers all the three Directors to be independent including independent from the 10%* shareholders of the Company.

*"10% shareholder" 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 10% of the total votes attached to all the voting shares in the Company. Voting shares exclude treasury shares.

Currently, there are three Independent Directors, who made up more than 1/3 of the board composition. With three Directors deemed to be independent and one Non-Executive Director of a total of seven Directors, the Board is able to exercise independent and objective judgement on Board affairs.

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 practices, business experience and industry knowledge. 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-terms interests of the Group and its shareholders.

CORPORATE GOVERNANCE REPORT

None of the Independent Directors have served on the Board beyond nine years from the date of first appointment.

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.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Mr Tan Chee Khiong Danny, a substantial shareholder, 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 the Code to have separate Directors appointed as the Chairman and CEO. This is because the Board is of the view that the current composition of the Board and the Board culture inculcated till date 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 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.

The independence element on the Board is strengthened by the appointment of Mr Tan Poh Chye Allan as the Lead Independent Director of the Company on 16 February 2015. The role of the Lead Independent Director would include 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 on 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.

Nominating Committee

The NC comprises three Directors namely, Mr Lee Eng Yew Michael (Independent Director), Mr Tan Poh Chye Allan (Lead Independent Director), and Ms Ong Lizhen Daisy (Independent Director). The Chairman of the NC is Mr Lee Eng Yew Michael.

The key terms of reference of the NC includes:–

- to 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;

CORPORATE GOVERNANCE REPORT

- 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 of 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.

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 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.

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 levels of professional skills and appropriate personal qualities.

Article 107 of the Company's Articles of Association requires one-third of the Directors to retire from office by rotation and subject themselves to re-election by shareholders at the AGM. Every Director must retire from office and submit themselves for re-nomination and re-election at least once every three years. Pursuant to Article 107, Mr Tang Chee Wee Andrew shall retire at the Company's forthcoming AGM and shall be eligible for re-election.

Pursuant to Article 117 of the Company's Articles of Association, any person appointed by the Directors either to fill a casual vacancy or as an additional Director during the year will hold office only until the next AGM and shall be eligible for re-election. Mr Fong Pin Jan Daniel, Mr Tan Poh Chye Allan, Ms Ong Lizhen Daisy and Mr Lee Eng Yew Michael shall retire at the Company's forthcoming AGM and shall be eligible for re-election pursuant to Article 117 of the Company's Articles of Association.

The NC has recommended to the Board that all Mr Tang Chee Wee Andrew, Mr Fong Pin Jan Daniel, Mr Tan Poh Chye Allan, Ms Ong Lizhen Daisy and Mr Lee Eng Yew Michael 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 Tang Chee Wee Andrew for re-appointment as Director, the NC took note that Mr Tang Chee Wee Andrew and Mr Tan Chee Khiong Danny are brothers. The NC has also reviewed the independence of Mr Tan Poh Chye Allan, Ms Ong Lizhen Daisy and Mr Lee Eng Yew Michael. 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, Ms Ong Lizhen Daisy and Mr Lee Eng Yew Michael are independent and there are no relationships identified in the Code which deem them not to be independent. Each Mr Tan Poh Chye Allan, Ms Ong Lizhen Daisy and Mr Lee Eng Yew Michael 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, Ms Ong Lizhen Daisy and Mr Lee Eng Yew Michael, are independent. The Board, after taking into consideration the views of the NC, is of the view that Mr Tan Poh Chye Allan, Ms Ong Lizhen Daisy and Mr Lee Eng Yew Michael are considered independent.

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

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other principal commitments.The NC has reviewed and is satisfied that Mr Lin Wei Daniel, Mr Tan Poh Chye Allan, Ms Ong Lizhen Daisy and Mr Lee Eng Yew Michael, 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 directorships in listed companies.

Key information regarding the Directors, including their present and past three years' directorship 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 years	Current
Tan Chee Khiong Danny	Executive Director	23 June 2001	27 June 2013	None	None	
Tang Chee Wee Andrew	Executive Director	10 April 2002	28 June 2012	None	None	
Fong Pin Jan Daniel	Executive Director	21 May 2015	N/A	None	Daqing Dairy Limited Sino Construction Limited	True Corporate Advisors Pte. Ltd. The Art Fellas Pte. Ltd. Art Discovered Pte. Ltd. The Art Fellas Gallery Pte. Ltd.
Lin Wei Daniel	Non-Executive Director	30 October 2009	27 June 2013	Ann Aik Holdings Limited Viking Offshore and Marine Limited	Nil	Money World Asia Pte. Ltd. Money World Marketing Pte. Ltd. Pacific AL Consultancy Pte. Ltd. Associated Leisure International Pte. Ltd. MWA Capital Pte. Ltd. Blue Ocean Capital Partners Pte. Ltd. Novena Investment Pte. Ltd. Unico Wines Pte. Ltd. Justing Technology Pte. Ltd. DT Capital Pte. Ltd. Viking Asset Management Pte Ltd

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Name of Director	Board Membership	Date of appointment	Date of last re-appointment	Directorships in other listed companies		Principal Commitments
				Current	Past three years	Current
						Viking Capital Pte Ltd Viking Facilities Management & Operations Pte Ltd Promoter Hydraulics Pte Ltd Justing Technology Pte. Ltd. Quick Booms Investments Ltd Viking LR1 Pte. Ltd. Viking LR2 Pte. Ltd. Smart Earl Investments Ltd
Tan Poh Chye Allan	Lead Independent Director	16 February 2015	N/A	CNMC Goldmine Holdings Limited Xyec Limited Avexa Limited (listed on ASX)	Adventus Holdings Limited	Virtus Law LLP Knowledge Economy.com Pte. Ltd. Tell Business Pte. Ltd. JLU Global Ltd (company limited by guarantee)
Ong Lizhen Daisy	Independent Director	16 February 2015	N/A	None	None	Dolz Business Consulting Pte. Ltd.
Lee Eng Yew Michael	Independent Director	26 June 2014	N/A	None	None	iCreate wPlanners Pte. Ltd. Ready Autocare Pte. Ltd. Vsmart Venture Pte. Ltd. Ready Insure Pte. Ltd. Frontier Quest Pte. Ltd. Rainmaker Plus Pte. Ltd.

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There is no alternate Director on the Board.

For the financial year ended 28 February 2015, the NC met on one occasion.

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.

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each Director to the effectiveness of the Board.

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.

During the financial year ended 28 February 2015, 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: In order to fulfill their responsibilities, Directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

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 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 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 Company Secretary assists the Chairman and the Chairman of each Board Committees 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

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regulations, including requirements of the Companies Act, Securities and Futures Act and the Singapore Exchange Securities Trading Limited ("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.

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.

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

Remuneration Committee

The RC comprises three members namely, Mr Tan Poh Chye Allan (Lead Independent Director), Ms Ong Lizhen Daisy (Independent Director) and Mr Lee Eng Yew Michael (Independent Director). The Chairman of the RC is Mr Tan Poh Chye Allan. While none of the members specialises in the area of executive compensation, the RC, where necessary, may have access to independent professional expert advice.

The key terms of reference of the RC includes:–

(i) to make recommendations to the Board a framework of remuneration for the Board and key management personnel of the Group;

(ii) to review the specific remuneration packages for each Director (executive, non-executive and independent) as well as for the key management personnel;

(iii) to 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) to 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.

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 28 February 2015, the RC met on one 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 has access to appropriate expert advice inside and/or outside the Company on remuneration of all the Directors. For the financial year ended 28 February 2015, the RC has not consulted any external remuneration consultant.

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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.

LEVEL AND MIX OF REMUNERATION

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

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 Independent Directors and the Non-Executive Director 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 Executive Directors comprise of Mr Tan Chee Khiong Danny, Mr Tang Chee Wee Andrew and Mr Fong Pin Jan Daniel. The Executive Directors do not receive any Director's fees.

Service Agreements

The service agreements ("Service Agreements") with the Executive Directors, namely, Tan Chee Khiong Danny and Tang Chee Wee Andrew, have been renewed for a one-year period expiring in April 2016. The Service Agreements are renewed annually and may be terminated by either the Company or the Executive Directors, each giving not less than six 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.

The Company has also entered into a separate service agreement with Mr Fong Pin Jan Daniel, Executive Director, for a period of one (1) year expiring on 20 May 2016 or unless earlier terminated in accordance with the provision of the services agreement be either the Company or the Executive Director, each giving not less than three months' notice in writing. The Company may terminate the service agreement if the Executive Director is guilty of dishonesty, or serious or persistent misconduct, becomes bankrupt or otherwise acts to the prejudice of the Company.

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 currently does not have a formal service contract with the Independent Directors and the Non-Executive Director.

The Company does not have any long-term incentive scheme and employee share option scheme.

The RC is of the view that the remuneration policy and amounts paid to Directors are adequate and are reflective of present market conditions.

The Company does not use contractual provisions to allow the Company 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 should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

CORPORATE GOVERNANCE REPORT

DISCLOSURE ON REMUNERATION

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.

Guideline 9.2 of the Code recommends that companies fully disclose the remuneration of each individual Director and the CEO on a named basis.

For confidentiality reasons and prevention of poaching, the Board has deviated from complying with the above recommendation and provide herein below a breakdown, showing the level and mix of each Director's remuneration in bands of $250,000 for the financial year ended 28 February 2015:–

Remuneration Band and Name of Director	Salary %	Fees %	Bonus %	Other benefits %	Total %
Less than S$250,000					
Tan Chee Khiong Danny	92.3	–	7.7	–	100.0
Tang Chee Wee Andrew	92.3	–	7.7	–	100.0
+Fong Pin Jan Daniel	N/A	N/A	N/A	N/A	N/A
Lin Wei Daniel	–	100.0	–	–	100.0
*Tan Poh Chye Allan	N/A	N/A	N/A	N/A	N/A
*Ong Lizhen Daisy	N/A	N/A	N/A	N/A	N/A
^Lee Eng Yew Michael	–	100.0	–	–	100.0
#Gao Ang	–	100.0	–	–	100.0
#Xue Jing	–	100.0	–	–	100.0
@Chan Chung Wai Boris	N/A	N/A	N/A	N/A	N/A
@Tang Chee Bian Steven	N/A	N/A	N/A	N/A	N/A
S$250,000 to S$499,999 Nil					
S$500,000 to S$749,999 Nil					

* *Appointed on 16 February 2015*
^ *Appointed on 26 June 2014*
# *Resigned on 16 February 2015*
@ *Retired at the last AGM on 26 June 2014*
+ *Appointed on 21 May 2015*

Guideline 9.3 of the Code recommends that companies should name and disclose the remuneration of at least the top five 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). As best practice, companies are encouraged to fully disclose the remuneration of the said top five key management personnel.

For confidentiality reason and prevention of poaching, the Board has deviated from complying with the above recommendation. 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 management personnel's remuneration (who are not Directors or the CEO) in bands of $250,000 for the financial year ended 28 February 2015:–

Remuneration Band and Name of Executive	Salary %	Fees %	Bonus %	Other benefits %	Total %
Less than S$250,000					
Chua Wee Song	93.9	–	6.1	–	100.0
Ong Hock Seng	83.6	–	6.9	9.5	100.0
Jose Goh Meng Sze	82.1	–	6.8	11.1	100.0
Wang Lu	92.4	–	7.6	–	100.0
Ng Chin Seng	73.3	–	6.1	20.6	100.0
Ronnie Tan	92.0	–	8.0	–	100.0
S$250,000 to S$499,999 Nil					
S$500,000 to S$749,999 Nil					

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 2015:–

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*	92.4	–	7.6	–	100.0

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

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

(C) ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

Principle 10: The Board should present 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, 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. This responsibility is extended to regulators. 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.

To ensure compliance with legislative and regulatory requirements, including requirements under the SGX-ST Listing Manual, the Board through management reviews the relevant compliance reports and ensure that management seeks the Board's approval of such reports or requirements.

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.

Management provides the Board with management accounts and such explanation and information on a timely basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects. As the Board has separate and independent access to management, the Board has no objection to receiving the management accounts with such explanation and information on a quarterly basis.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board has overall responsibility for the governance of risks to safeguard shareholders' interests and its assets. The Board has engaged the services of a professional firm in respect of internal audit services, under the engagement which the internal controls of the Group are consistently being reviewed and recommendation made to improve the internal controls.

The work of the internal auditors and the report of the external auditors, 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.

At every AC and Board meeting (which is on a half-yearly basis), the Board reviews the adequacy and effectiveness of the Group's risk management and internal control systems including financial, operational, compliance and information technology controls based on reports prepared by the internal auditors and reviewed by the management.

The Group's financial risk management objectives are discussed under Note 22 of the Notes to the Financial Statements on pages 69 to 77 of this Annual Report.

For the financial year ended 28 February 2015, the Board and the AC have received assurance from the President and the Group Finance Manager on the adequacy and effectiveness of the Group's risk management and internal control systems in place are adequate in addressing risks identified in its current

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business environment including financial, operational, compliance and information technology, and also that the financial records have been properly maintained and the financial statements give a true and fair view of the Group'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 internal and 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 control systems in place is adequate and effective in addressing financial, operational, compliance and information technology risks were adequate and effective as at 28 February 2015.

The system of internal controls and risk management 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 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 Board did not establish a separate board risk committee as the Board is already currently assisted by the AC and management in carrying out its responsibility of overseeing the Company's risk management framework and policies.

AUDIT COMMITTEE

Principle 12: The Board should ensure an AC with written terms of reference which clearly set out its authority and duties.

The AC comprises three members namely, Ms Ong Lizhen Daisy (Independent Director), Mr Tan Poh Chye Allan (Lead Independent Director) and Mr Lee Eng Yew Michael (Independent Director). The Chairman of the AC is Ms Ong Lizhen Daisy. The Directors recognise the importance of corporate governance and the offering of high standards of accountability to the shareholders of the Company. The AC held two meetings during the financial year ended 28 February 2015.

The key term of reference of the AC are:–

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

(b) to review with the internal auditors the internal audit plan and their evaluation of the adequacy of the internal control and accounting system before submission of the results of such review to the Board for approval prior to the incorporation of such results in the annual report;

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

(d) to review the internal control and 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);

(e) 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;

(f) 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;

(g) to review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;

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

(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 Listing Manual, or by such amendments as may be made from time to time.

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The AC meets with the internal auditors and the external auditors, in each case, 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 KPMG LLP as the Company's external auditors at the forthcoming AGM.

For the financial year ended 28 February 2015	
– fees payable to the external auditors in respect of audit services	S$95,000
– fees payable to the external auditors in respect of non-audit services	S$6,400
Total	S$101,400

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

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 28 February 2015, 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.

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.

INTERNAL AUDIT

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The AC approves the hiring, removal, evaluation and compensation of the internal auditors. The internal audit function of the Company is outsourced to Wensen Consulting Asia (S) Pte. Ltd., an independent accounting and auditing firm (the "internal auditors"). The internal auditors report primarily to the Chairman of the AC and has full access to the documents, records properties and personnel including access to the AC.

The Board recognises its responsibilities in ensuring a sound system of internal controls 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 and compliance risks. Effective internal controls not only refer to financial controls but include, among others, business risk assessment, operational and compliance controls.

The internal audit plan is approved by the AC and the results of the audit findings are submitted to the AC for its review. The internal auditors conducted an annual review in accordance with their audit plans, the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements were reported to the AC. The AC, together with the Board have also reviewed the effectiveness of the actions taken by management on the recommendations made by the internal auditors in this respect.

Based on the internal auditors' report submitted by the internal auditors, the various controls put in place by the management and the review and work performed by the internal and external auditors, management and the various Board committees; the Board, with the concurrence of the AC, is of the view that there are adequate internal controls.

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

The internal audit work carried out by the internal auditors in the financial year ended 28 February 2015 was guided by the Standards for the Professional Practice of Internal Auditing laid down by the International Professional Practices Framework issued by the Institute of Internal Auditors.

On an annual basis, the AC reviews 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.

(D) SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Group's corporate governance culture and awareness promotes fair and equitable treatment for all shareholders. All shareholders enjoy specific rights under the Companies Act and the Articles of Association 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.

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 Articles of Association of the Company allow each shareholder to appoint up to two proxies to attend AGMs. Subject to legislative amendment to the Companies Act of the relevant provision regarding appointment of proxies, the Company will consider amending its Articles of Association to allow 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.

COMMUNICATION WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company does not practice selective disclosure. In line with continuous disclosure obligations of the Company pursuant to the SGX-ST Listing Manual and the Companies Act, the Board's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group. Information will first be disseminated through SGXNET and where relevant, followed by news release and the Company's website. The Company will also make announcements from time to time to update investors and shareholders on developments that are of interest to them.

The Company strives to supply shareholders with reliable and timely information so as to strengthen the relationship with its shareholders based on trust and accessibility.

The Company's finance department also acts as an internal 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.

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

The Group does not have a concrete dividend policy at present. 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

CORPORATE GOVERNANCE REPORT

as the Board may deem appropriate. No dividend has been declared for the financial year ended 28 February 2015 as the Group intends to conserve cash for future business growth.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

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 published in the Business Times.

The Company supports active shareholders' participation. If shareholders are unable to attend the general meeting, the Articles of Association allow a shareholder of the Company to appoint up to two 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.

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

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.

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 request.

The Company will consider conducting poll voting at all of its general meetings. 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 numbers of votes cast for or against the resolutions will also be announced after the meeting via SGXNET.

(E) DEALING IN SECURITIES

The Company has adopted an internal compliance code which prohibits Directors and 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.

(F) INTERESTED PERSON TRANSACTIONS

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.

Disclosure of interested person transactions is set out in pages 78 and 79 of this Annual Report.

(G) 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 were 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.

CORPORATE GOVERNANCE REPORT

NICO STEEL HOLDINGS LIMITED

ATTENDANCE AT BOARD/AUDIT COMMITTEE/REMUNERATION COMMITTEE/NOMINATING COMMITTEE MEETINGS FY2015

	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	2*	1*	1*
Fong Pin Jan Daniel†	N/A	N/A	N/A	N/A
Lin Wei Daniel	1	1	0	0
Tan Poh Chye Allan#	N/A	N/A	N/A	N/A
Ong Lizhen Daisy#	N/A	N/A	N/A	N/A
Lee Eng Yew Michael^	1	1	1	1

* By invitation
^ Appointed on 26 June 2014
# Appointed on 16 February 2015
† Appointed on 21 May 2015

UTILISATION OF THE 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

Total Proceeds	Balance of Net Proceeds as at 28 February 2014	Net Proceeds utilised as at 31 August 2014	Balance of Net Proceeds as at 31 August 2014	Net Proceeds utilised as at 28 February 2015	Balance of Net Proceeds as at 28 February 2015
S$877,500	S$821,462	S$50,780 (Feasibility Study Report Expenses of S$39,567 and Incorporation of HK Subsidiary Expenses of S$11,213)	S$770,682	S$632,232 (Paid up capital in HK Subsidiary of S$624,443 and administrative expenses of S$7,789 for upstream business of iron ore trading. As at 28 February 2015, bank balance of HK Subsidiary is HKD 447,893 and USD 308,946.)	S$138,450

DIRECTORS' REPORT

We submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 28 February 2015.

Directors

The directors in office at the date of this report are as follows:

Tan Chee Khiong	(Chairman)
Tang Chee Wee	
Tan Poh Chye Allan	(Appointed on 16 February 2015)
Ong Lizhen Daisy	(Appointed on 16 February 2015)
Lee Eng Yew Michael	
Daniel Lin Wei	

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are 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		
– interests held	5,503,725	5,503,725
– deemed interests	57,042,162	21,042,162
Tang Chee Wee		
– interests held	5,503,725	5,503,725
– deemed interests	56,697,700	20,697,700
Immediate and ultimate holding company		
D.S.A.G Investment Pte Ltd		
Ordinary shares		
Tan Chee Khiong		
– interests held	1	1
Tang Chee Wee		
– interests held	1	1

DIRECTORS' REPORT

By virtue of Section 7 of the Act, Tan Chee Khiong and Tang Chee Wee are deemed to have interests in the other subsidiaries of the Company, at the beginning and at the end of the financial year.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or date of appointment, if later, or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 March 2015.

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.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in Notes 17 and 25 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share options

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

Audit committee

The members of the Audit Committee during the year and at the date of this report are:

- Ong Lizhen Daisy (Chairman, independent director)
- Tan Poh Chye Allan (lead independent director)
- Lee Eng Yew Michael (independent director)

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held two meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

DIRECTORS' REPORT

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- half-yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Tan Chee Khiong
Director

Tang Chee Wee
Director

2 June 2015

STATEMENT BY DIRECTORS

In our opinion:

(a) the financial statements set out on pages 33 to 79 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 28 February 2015 and the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Tan Chee Khiong
Director

Tang Chee Wee
Director

2 June 2015

INDEPENDENT AUDITORS' REPORT

Members of the Company
Nico Steel Holdings Limited

Report on the financial statements

We have audited the accompanying financial statements of Nico Steel Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 28 February 2015, statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 33 to 79.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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 Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 28 February 2015 and the results, changes in equity and cash flows of the Group for the year ended on that date.

INDEPENDENT AUDITORS' REPORT

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 the subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
2 June 2015

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

As at 28 February 2015

	Note	Group		Company	
		2015	**2014**	**2015**	**2014**
		US$	**US$**	**US$**	**US$**
Assets					
Property, plant and equipment	4	**4,107,518**	4,089,083	**–**	–
Intangible assets	5	**6,136**	7,125	**–**	–
Subsidiaries	6	**–**	–	**6,486,561**	6,012,649
Other investment	7	**18,178**	18,178	**18,178**	18,178
Deferred tax assets	8	**26,585**	20,839	**–**	–
Non-current assets		**4,158,417**	4,135,225	**6,504,739**	6,030,827
Inventories	9	**11,991,493**	12,164,103	**–**	–
Trade and other receivables	10	**10,924,490**	9,381,968	**2,886,528**	3,233,249
Cash and bank balances	11	**1,296,571**	1,587,687	**86,406**	673,811
Current assets		**24,212,554**	23,133,758	**2,972,934**	3,907,060
Total assets		**28,370,971**	27,268,983	**9,477,673**	9,937,887
Equity					
Share capital	12	**8,409,964**	8,409,964	**8,409,964**	8,409,964
Reserves	13	**(813,021)**	(797,050)	**–**	–
Accumulated profits/(losses)		**7,245,985**	7,886,985	**(369,301)**	385,391
Equity attributable to owners of the Company		**14,842,928**	15,499,899	**8,040,663**	8,795,355
Non-controlling interests	26	**(605,380)**	(546,366)	**–**	–
Total equity		**14,237,548**	14,953,533	**8,040,663**	8,795,355
Liabilities					
Financial liabilities	14	**30,973**	57,324	**29,495**	57,034
Deferred tax liabilities	8	**9,928**	9,928	**–**	–
Non-current liabilities		**40,901**	67,252	**29,495**	57,034
Financial liabilities	14	**2,503,771**	3,763,745	**23,717**	25,420
Trade and other payables	15	**11,516,710**	8,462,730	**1,381,795**	1,058,492
Current tax payable		**72,041**	21,723	**2,003**	1,586
Current liabilities		**14,092,522**	12,248,198	**1,407,515**	1,085,498
Total liabilities		**14,133,423**	12,315,450	**1,437,010**	1,142,532
Total equity and liabilities		**28,370,971**	27,268,983	**9,477,673**	9,937,887

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

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 28 February 2015

	Note	2015	2014
		US$	**US$**
Revenue	16	**27,893,087**	24,540,772
Cost of sales		**(24,029,291)**	(21,488,865)
Gross profit		**3,863,796**	3,051,907
Other income	17	**632,336**	835,620
Distribution expenses		**(728,770)**	(558,385)
Administrative expenses		**(3,991,410)**	(4,419,925)
Results from operating activities		**(224,048)**	(1,090,783)
Finance costs	18	**(339,459)**	(272,858)
Loss before tax		**(563,507)**	(1,363,641)
Tax expense	19	**(138,810)**	(103,487)
Loss for the year	17	**(702,317)**	(1,467,128)
Loss attributable to:			
Owners of the Company		**(641,000)**	(1,360,580)
Non-controlling interests	26	**(61,317)**	(106,548)
Loss for the year		**(702,317)**	(1,467,128)
Earnings per share			
Basic and diluted losses per share (US cents)	20	**(0.51)**	(1.19)

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

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 28 February 2015

	2015	2014
	US$	US$
Loss for the year	**(702,317)**	(1,467,128)
Other comprehensive (loss)/income		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences – foreign operations	**(13,668)**	13,773
Other comprehensive (loss)/income for the year, net of tax	**(13,668)**	13,773
Total comprehensive loss for the year	**(715,985)**	(1,453,355)
Total comprehensive loss attributable to:		
Owners of the Company	**(656,971)**	(1,334,939)
Non-controlling interests	**(59,014)**	(118,416)
Total comprehensive loss for the year	**(715,985)**	(1,453,355)

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

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 28 February 2015

		Attributable to owners of the Company							
	Note	**Share capital**	**Merger reserve**	**Currency translation reserve**	**Statutory surplus reserve**	**Accumulated profits**	**Total**	**Non-controlling interests**	**Total equity**
		US$	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**
Group									
At 1 March 2013		7,722,794	(2,824,780)	1,620,851	381,238	9,247,565	16,147,668	(427,950)	15,719,718
Total comprehensive loss for the year									
Loss for the year		–	–	–	–	(1,360,580)	(1,360,580)	(106,548)	(1,467,128)
Other comprehensive income									
Foreign currency translation differences		–	–	25,641	–	–	25,641	(11,868)	13,773
Total comprehensive loss for the year		–	–	25,641	–	(1,360,580)	(1,334,939)	(118,416)	(1,453,355)
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Issue of ordinary shares	12	687,170	–	–	–	–	687,170	–	687,170
Total transactions with owners		687,170	–	–	–	–	687,170	–	687,170
At 28 February 2014		8,409,964	(2,824,780)	1,646,492	381,238	7,886,985	15,499,899	(546,366)	14,953,533
At 1 March 2014		8,409,964	(2,824,780)	1,646,492	381,238	7,886,985	15,499,899	(546,366)	14,953,533
Total comprehensive loss for the year									
Loss for the year		–	–	–	–	(641,000)	(641,000)	(61,317)	(702,317)
Other comprehensive income									
Foreign currency translation differences		–	–	(15,971)	–	–	(15,971)	2,303	(13,668)
Total comprehensive loss for the year		–	–	(15,971)	–	(641,000)	(656,971)	(59,014)	(715,985)
At 28 February 2015		8,409,964	(2,824,780)	1,630,521	381,238	7,245,985	14,842,928	(605,380)	14,237,548

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

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 28 February 2015

	Note	2015	2014
		US$	US$
Cash flows from operating activities			
Loss before tax		**(563,507)**	(1,363,641)
Adjustments for:			
Depreciation of property, plant and equipment		**289,661**	332,213
Gain on disposal of property, plant and equipment		**(2,248)**	(36,530)
Reversal of impairment loss on property, plant and equipment		**(24,801)**	–
Amortisation of intangible assets		**2,601**	4,522
Allowance for inventory obsolescence		**39,780**	91,767
Write-down of inventories		**14,003**	–
Impairment loss on trade receivables		**10,000**	–
Interest income from banks		**(845)**	(40,829)
Finance costs		**339,459**	272,858
		104,103	(739,640)
Changes in working capital:			
Inventories		**100,345**	1,140,250
Trade and other receivables		**(1,616,347)**	1,429,966
Trade and other payables		**2,481,481**	(4,910,598)
Cash from/(used in) operating activities		**1,069,582**	(3,080,022)
Income tax paid, net		**(81,626)**	(202,187)
Net cash from/(used in) operating activities		**987,956**	(3,282,209)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**4,575**	36,530
Purchase of property, plant and equipment		**(293,402)**	(575,746)
Purchase of intangible assets		**(1,612)**	(215)
Interest received		**845**	40,829
Net cash used in investing activities		**(289,594)**	(498,602)
Cash flows from financing activities			
Proceeds from non-trade amount due to affiliated companies		**200,055**	350,069
Repayment of non-trade amount due to affiliated companies		**(200,024)**	–
Proceeds from loan from directors		**621,225**	2,553
Proceeds from bank loans		**7,252,117**	157,646
Repayment of bank loans		**(8,484,317)**	–
Payment of finance lease liabilities		**(32,279)**	(34,799)
Proceeds from issue of new shares		**–**	687,170
Deposits redeemed		**–**	3,514,955
Interest paid		**(339,459)**	(272,858)
Net cash (used in)/from financing activities		**(982,682)**	4,404,736
Net (decrease)/increase in cash and cash equivalents		**(284,320)**	623,925
Cash and cash equivalents at 1 March		**1,551,803**	969,443
Effect of exchange rate fluctuations on cash held		**2,968**	(41,565)
Cash and cash equivalents at 28 February	11	**1,270,451**	1,551,803

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 2 June 2015.

1 DOMICILE AND ACTIVITIES

Nico Steel Holdings Limited (the "Company") is a company incorporated in Singapore. The address of the Company's registered office is 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 6.

During the financial year, the immediate and ultimate holding company D.S.A.G Investment Pte. Ltd. ("D.S.A.G"), sold approximately a 30% stake in the Company. As a result, D.S.A.G's total interest (deemed and direct) in the Company decreased from 62.40% to 34.01% and ceased to be immediate and ultimate holding company.

The financial statements of the Group as at and for the year ended 28 February 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRSs).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in United States dollars, which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

FINANCIAL STATEMENTS

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

- Note 4 – impairment of property, plant and equipment
- Note 9 – valuation of carrying amount of inventories
- Note 10 – recoverability of trade and other receivables

2.5 Changes in accounting policies

From 1 March 2014, the Group has adopted the new and revised FRSs and interpretations of FRS (INT FRS) that are mandatory for the financial year beginning on 1 March 2014. The adoption of these FRSs and INT FRS has no significant financial impact on the Group.

(i) Subsidiaries

As a result of FRS 110 *Consolidated Financial Statements*, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. FRS 110 introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns.

The Group re-assessed the control conclusion for its investees at 1 March 2014. The application of the standard had no significant impact on the control conclusion for all the Group's investees.

(ii) Disclosure of interests in other entities

FRS 112 *Disclosure of Interests in Other Entities* sets out the disclosures required to be made in respect of all forms of an entity's interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. Accordingly, the Group has expanded its disclosures about its interests in subsidiaries (see note 26).

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

FINANCIAL STATEMENTS

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

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 are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for subsidiaries

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

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3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for retranslation of available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss) are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations are translated to United States dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to United States dollars at exchange rates at the dates of the transactions. For acquisitions prior to 1 March 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income, and presented in the currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control is lost, the cumulative amount in the currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the currency translation reserve in equity.

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3.3 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position 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.

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and bank balances and trade and other receivables (excluding prepayments).

Cash and bank balances

Cash and bank balances comprise bank balances and cash in hand. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in the above category of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3.8), are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

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Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position 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.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdraft and trade and other payables.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of property, plant and equipment) is recognised in profit or loss.

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Subsequent costs

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. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative years are as follows:

Factory buildings	–	20 to 60 years
Leasehold improvements	–	5 years
Plant and machinery	–	10 years
Furniture, fittings and office equipment	–	5 years
Computers	–	3 years
Motor vehicles	–	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Intangible assets

Intangible assets such as trademarks and patents that are acquired by the Group have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

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Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

Patents and trademarks – 10 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Leased assets

When entities within the Group are lessees of a finance lease

Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments are apportioned between finance expense and reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

At inception, an arrangement that contains a lease is accounted for as such based on the terms and conditions even though the arrangement is not in the legal form of a lease.

When entities within the Group are lessees of an operating lease

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3.7 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 estimated costs necessary to make the sale.

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3.8 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issues in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss recognised previously in profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

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Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds the estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

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.

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3.10 Revenue recognition

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement. For sales of products, transfer usually occurs when the product is received at the customer's warehouse; however for some international shipments, transfer occurs upon loading the goods onto the relevant carrier at the port.

3.11 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.

3.12 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent rentals are charged to the profit or loss in the accounting period in which they are incurred.

3.13 Finance costs

Finance costs comprise interest expense on borrowings that is recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either "other income" or "finance costs" depending on whether foreign currency movements are in a net gain or net loss position.

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3.14 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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3.15 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 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.

3.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Chairman to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segments results that are reported to the Chairman include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.17 Financial guarantee contracts

Financial guarantee contracts are accounted for as insurance contracts. A provision is recognised based on the estimate of the ultimate cost of settling all claims incurred but unpaid 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.

3.18 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 March 2014, and 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. The Group does not plan to adopt these standards early.

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4 PROPERTY, PLANT AND EQUIPMENT

Group	Factory buildings US$	Leasehold improvements US$	Plant and machinery US$	Furniture, fittings and office equipment US$	Computers US$	Motor vehicles US$	Total US$
Cost							
At 1 March 2013	2,982,203	192,612	2,241,047	119,215	243,241	819,494	6,597,812
Additions	347,805	17,367	166,341	817	2,685	40,731	575,746
Disposals and write-off	–	–	–	–	–	(68,619)	(68,619)
Effect of movements in exchange rates	35,121	(1,514)	33,533	557	(238)	222	67,681
At 28 February 2014	3,365,129	208,465	2,440,921	120,589	245,688	791,828	7,172,620
At 1 March 2014	3,365,129	208,465	2,440,921	120,589	245,688	791,828	7,172,620
Additions	245,388	10,718	11,925	5,998	9,556	11,820	295,405
Disposals and write-off	–	–	–	(3,532)	(653)	(23,266)	(27,451)
Effect of movements in exchange rates	(7,486)	(110)	(7,216)	(248)	(226)	(561)	(15,847)
At 28 February 2015	3,603,031	219,073	2,445,630	122,807	254,365	779,821	7,424,727
Accumulated depreciation and impairment loss							
At 1 March 2013	454,188	142,305	1,158,121	90,622	212,657	746,000	2,803,893
Depreciation for the year	82,860	15,798	192,980	6,715	11,838	22,022	332,213
Disposals and write-off	–	–	–	–	–	(68,619)	(68,619)
Effect of movements in exchange rates	11,099	(1,782)	6,751	319	(268)	(69)	16,050
At 28 February 2014	548,147	156,321	1,357,852	97,656	224,227	699,334	3,083,537
At 1 March 2014	548,147	156,321	1,357,852	97,656	224,227	699,334	3,083,537
Depreciation for the year	83,033	20,295	142,979	6,432	12,239	24,683	289,661
Disposals and write-off	–	–	–	(3,532)	(573)	(20,927)	(25,032)
Reversal of impairment loss	–	–	(24,801)	–	–	–	(24,801)
Effect of movements in exchange rates	(2,025)	(89)	(3,033)	(174)	(194)	(641)	(6,156)
At 28 February 2015	629,155	176,527	1,472,997	100,382	235,699	702,449	3,317,209
Carrying amounts							
At 1 March 2013	2,528,015	50,307	1,082,926	28,593	30,584	73,494	3,793,919
At 28 February 2014	2,816,982	52,144	1,083,069	22,933	21,461	92,494	4,089,083
At 28 February 2015	2,973,876	42,546	972,633	22,425	18,666	77,372	4,107,518

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Company	Computers US$	Motor vehicles US$	Total US$
Cost			
At 1 March 2013, 28 February 2014 and 28 February 2015	1,112	233,986	235,098
Accumulated depreciation			
At 1 March 2013, 28 February 2014 and 28 February 2015	1,112	233,986	235,098
Carrying amounts			
At 1 March 2013, 28 February 2014 and 28 February 2015	–	–	–

Leased assets

As at the reporting date, the carrying amount of motor vehicles held under finance lease arrangements of the Group amounted US$1,844 (2014: US$12,632).

Assessment for impairment

At the reporting date, the Group's market capitalisation is in deficit of its net assets and the Group continues to operate at losses. In view of these impairment indicators, an assessment of the recoverable amount of its property, plant and equipment was performed.

For the purpose of the Group's impairment assessment, the Group had identified the following significant CGUs:

Country of operations	CGU	Carrying amount 2015 US$	Carrying amount 2014 US$
Singapore and Malaysia	1	1,718,560	1,781,951
People's Republic of China	2	2,330,550	2,244,820

Based on management's impairment assessment, the recoverable amounts of CGU1 and CGU2 are determined based on its value in use and fair value less costs to sell calculations respectively.

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CGU1

The value in use calculation uses discounted cash flow projections which take into account management's assessment of (i) revenue growth of 4% (2014: 4%) for the next five years; (ii) net profit margin of 2% (2014: 3% – 4.4%) for the next five years; (iii) pre-tax discount rate of 9.4% (2014: 10.5%) estimated based on industry average weighted-average cost of capital; and (iv) proceeds from the disposal of the factory building at the end of the cash flow projections of five years less estimated cost of disposal of approximately US$1,600,000. In 2014, a similar calculation was performed but no terminal value was assumed. Based on the above value in use calculation, there is no impairment loss to be recognised in profit or loss (2014: Nil).

CGU2

The recoverable amount of CGU2 is determined based on fair value less cost of disposal (2014: value in use). The fair value less cost of disposal of the factory building and leasehold improvements is based on an independent desktop valuation obtained from a third party valuer who used the replacement cost approach. This valuation technique uses the replacement cost of improvements and comparable values of similar properties, less incremental costs directly attributable to the disposal of the factory building and is categorised as a Level 2 fair value in the fair value hierarchy.

The fair value less cost of disposal of plant and machinery is based on directors' estimation on the valuation of such items, with reference from quotations of third parties for similar plant and machinery and adjusted by age of the plant and machinery in CGU2. This measurement is categorised as a Level 3 fair value in the fair value hierarchy.

Based on the above, there is no significant impairment loss to be recognised in profit or loss and the impairment loss recognised in prior years of US$24,801 was reversed.

In 2014, the recoverable amount was determined based on value in use, which uses discounted cash flow projections and takes into account management's assessment of (i) revenue growth of 4% for the next five years; (ii) net profit margin of 3% – 4.4% for the next five years; (iii) pre-tax discount rate of 10.5% estimated based on industry average weighted-average cost of capital; and (iv) no terminal value was assumed. No impairment loss was recognised in 2014.

Sources of estimation uncertainty

In respect of CGU1, the value in use (as described above) is determined based on the Group's past performance and expectations of market development. CGU1 may not perform up to the expected cash flow projections in future periods and an impairment loss may be recognised in the period in which such determination is made.

In respect of CGU2, the fair value less cost to disposal (as described above) is dependent on the (i) property market in China for the factory building and leasehold improvements; and (ii) technological advance of the plant and machinery. If China's property market is to slow down or the existing plant and machinery becomes technologically obsolete in future periods, the recoverable amount of CGU2 may decrease and an impairment loss may be recognised in the period in which these events occur.

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5 INTANGIBLE ASSETS

Group	Patents US$	Trademarks US$	Total US$
Cost			
At 1 March 2013	27,520	17,450	44,970
Additions	215	–	215
At 28 February 2014	27,735	17,450	45,185
Additions	216	1,396	1,612
At 28 February 2015	27,951	18,846	46,797
Accumulated amortisation			
At 1 March 2013	18,667	14,871	33,538
Amortisation for the year	2,774	1,748	4,522
At 28 February 2014	21,441	16,619	38,060
Amortisation for the year	1,846	755	2,601
At 28 February 2015	23,287	17,374	40,661
Carrying amounts			
At 1 March 2013	8,853	2,579	11,432
At 28 February 2014	6,294	831	7,125
At 28 February 2015	4,664	1,472	6,136

6 SUBSIDIARIES

	Company	
	2015 US$	2014 US$
Equity investments at cost	**6,678,649**	6,078,649
Accumulated impairment losses	**(192,088)**	(66,000)
	6,486,561	6,012,649

Impairment losses

A subsidiary with an initial investment of US$500,000 (2014: Nil) was involved in trading of precious and base metals and related logistic business incurred losses during the financial year, owing to the slow down of demand for iron ore in China and drop in prices. The management has identified this as an impairment indicator and assessed the recoverable amount of the investment based on fair value less costs to sell. The fair value less costs to sell is derived based on net assets of the subsidiary which comprise mainly of current financial assets and liabilities where their carrying amounts are assumed to approximate their respective fair values due to the short-term to contractual maturity. This approach is categorised as a Level 3 fair value in the fair value hierarchy based on the inputs to the valuation technique used. Accordingly, an impairment loss of US$126,088 (2014: Nil) was recognised during the financial year.

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Details of subsidiaries are as follows:

	Name of subsidiary	Principal activities	Country of incorporation/ Place of business	Effective equity held by the Group 2015	2014
				%	%
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 Steel Solutions (M) Sdn Bhd	Provision of ferrous and non-ferrous raw materials in strip-in coils for the stamping and metal fabricating industries	Malaysia	100	100
5	Oldtown Resources Limited	Trading of precious and base metals and related logistic business	People's Republic of China	100	–
5	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	–

(1) Audited by KPMG 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.

Nico Steel Centre (Suzhou) Co., Ltd, Nico Steel Solutions (Suzhou) Pte Ltd and Nico Steel Technology (Suzhou) Co., Ltd are foreign enterprises established in the People's Republic of China on 31 December 2001, 27 May 2003 and 16 October 2007 respectively for a term of 50 years.

(4) Audited by Atarek Choong Chartered Accountants, a member of the Malaysian Institute of Accountants.

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

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7 OTHER INVESTMENT

	Group and Company	
	2015	2014
	US$	US$
Available-for-sale quoted equity securities	**18,178**	18,178

The above equity securities are re-measured at fair value categorised as Level 1 in the fair value hierarchy, with quoted prices (unadjusted) in active markets for identical assets or liabilities.

8 DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2015	2014	2015	2014
Group	US$	US$	US$	US$
Property, plant and equipment	**–**	–	**9,928**	9,928
Trade and other payables	**(26,585)**	(20,839)	**–**	–
Deferred tax (assets)/liabilities	**(26,585)**	(20,839)	**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:

	As at 1 March 2013	Recognised in profit or loss (Note 19)	As at 28 February 2014	Recognised in profit or loss (Note 19)	Exchange differences	As at 28 February 2015
Group	US$	US$	US$	US$	US$	US$
Deferred tax assets						
Trade and other payables	(19,503)	(1,336)	(20,839)	(5,592)	(154)	(26,585)
Deferred tax liabilities						
Property, plant and equipment	7,508	2,420	9,928	–	–	9,928
	(11,995)	1,084	(10,911)	(5,592)	(154)	(16,657)

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Unrecognised deferred tax assets

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

	2015	2014
	US$	**US$**
Tax losses	**4,512,850**	3,961,785

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$4,468,976 (2014: US$3,961,785) arising in certain foreign tax jurisdictions have an expiry period of 5 years.

Unrecognised temporary differences relating to investments in subsidiaries

At 28 February 2015, temporary differences of US$6,643,985 (2014: US$6,644,614) related to undistributed earnings of certain investments in subsidiaries were not recognised because the Company controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.

9 INVENTORIES

	Group	
	2015	**2014**
	US$	**US$**
Raw materials	**4,491,442**	5,374,504
Finished goods	**7,500,051**	6,789,599
	11,991,493	12,164,103

Raw materials and finished goods recognised as cost of sales amounted to US$23,662,615 (2014: US$20,915,548).

As at reporting date, the inventories are written down by US$14,003 (2014: Nil) and stated after allowance for inventory obsolescence of US$131,547 (2014: US$91,767). The write downs and allowances for inventory obsolescence are included in 'cost of sales' in the statement of profit or loss.

Sources of estimation uncertainty

Where necessary, allowance for inventory obsolescence is set up for estimated losses which may result from obsolete inventory held. The Group estimates the level of allowance based on the prevailing market conditions and historical provisioning experience. The required level of allowance 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.

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10 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	US$	US$	US$	US$
Trade receivables	**10,044,385**	8,797,593	**–**	–
Non-trade amounts due from subsidiaries	**–**	–	**2,875,479**	3,220,799
Deposits	**89,610**	81,999	**–**	–
Other receivables	**623,493**	390,292	**–**	–
Tax recoverable	**–**	12,663	**–**	–
	10,757,488	9,282,547	**2,875,479**	3,220,799
Impairment losses	**(151,594)**	(140,671)	**–**	–
	10,605,894	9,141,876	**2,875,479**	3,220,799
Prepayments	**318,596**	240,092	**11,049**	12,450
	10,924,490	9,381,968	**2,886,528**	3,233,249

Non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand. There is no allowance for doubtful debts arising from these outstanding balances.

The Group and the Company's exposures to credit and currency risks, and impairment losses related to trade and other receivables (excluding prepayments) are disclosed in Note 22.

Sources of estimation uncertainty

The Group evaluates whether there is any objective evidence that trade and other receivables are impaired, and determines the amount of impairment losses as a result of the customer's inability to make the required payments. The Group determines the estimates based on the ageing of the loans and receivables balance, credit-worthiness, guarantees by insurance companies and historical write-off experience. If, however, the financial conditions of the customers were to deteriorate, actual write-offs or additional allowance for impairment losses would be higher than estimated.

11 CASH AND BANK BALANCES

		Group		Company	
	Note	2015	2014	2015	2014
		US$	US$	US$	US$
Cash at banks and in hand		**1,296,571**	1,587,687	**86,406**	673,811
Less:					
Bank overdraft	14	**(26,120)**	(35,884)		
Cash and cash equivalents in the statement of cash flows		**1,270,451**	1,551,803		

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12 SHARE CAPITAL

	Group and Company	
	2015	**2014**
	No. of shares	**No. of shares**
Fully paid ordinary shares, with no par value:		
At 1 March	**126,814,447**	113,814,447
Issuance of new shares	**–**	13,000,000
At 28 February	**126,814,447**	126,814,447

On 17 January 2014, 13,000,000 ordinary shares were issued for cash considerations of US$687,170.

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.

13 RESERVES

	Group	
	2015	**2014**
	US$	**US$**
Merger reserve	**(2,824,780)**	(2,824,780)
Currency translation reserve	**1,630,521**	1,646,492
Statutory surplus reserve	**381,238**	381,238
	(813,021)	(797,050)

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 Company's 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.

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14 FINANCIAL LIABILITIES

	Group		Company	
	2015	2014	2015	2014
	US$	US$	US$	US$
Non-current liabilities				
Secured				
Finance lease liabilities	**30,973**	57,324	**29,495**	57,034
Current liabilities				
Unsecured				
Bank overdraft	**26,120**	35,884	**–**	–
Bank loan A	**–**	1,470,235	**–**	–
	26,120	1,506,119	**–**	–
Secured				
Bank loan B	**2,453,167**	2,225,012	**–**	–
Finance lease liabilities	**24,484**	32,614	**23,717**	25,420
	2,477,651	2,257,626	**23,717**	25,420
Total current liabilities	**2,503,771**	3,763,745	**23,717**	25,420
Total financial liabilities	**2,534,744**	3,821,069	**53,212**	82,454

Bank overdraft

The unsecured bank overdraft is guaranteed by the Company.

Bank loans

(i) Bank loan A was a revolving credit loan which was repayable within 3 to 6 months from drawdown. In prior year, an amount of US$1,100,000 was guaranteed by the Company. Bank loan A was fully repaid in the current year.

(ii) Bank loan B is secured against trade receivables in China amounting to US$4,369,579 (2014: US$2,755,241) and is guaranteed by the Company.

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Finance lease liabilities

At the reporting date, the Group's finance lease liabilities are payable as follows:

	2015			2014		
	Future minimum lease payments	Interest	Principal	Future minimum lease payments	Interest	Principal
	US$	US$	US$	US$	US$	US$
Group						
Within one year	**31,321**	**6,837**	**24,484**	40,219	7,605	32,614
Between one and five years	**39,740**	**8,767**	**30,973**	73,366	16,042	57,324
	71,061	**15,604**	**55,457**	113,585	23,647	89,938
Company						
Within one year	**30,354**	**6,637**	**23,717**	32,534	7,114	25,420
Between one and five years	**37,790**	**8,295**	**29,495**	73,038	16,004	57,034
	68,144	**14,932**	**53,212**	105,572	23,118	82,454

Terms and condition of outstanding financial liabilities are as follows:

			2015		2014	
	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
	%		US$	US$	US$	US$
Group						
Bank overdraft	1% above prime lending rate	2015	**26,120**	**26,120**	35,884	35,884
USD floating rate loan A	3.35% to 6.45%	2014	**–**	**–**	1,470,235	1,470,235
RMB floating rate loan B	7.34%	2015	**2,453,167**	**2,453,167**	2,225,012	2,225,012
Finance lease liabilities	2.28% to 6.95%	2015-2019	**71,061**	**55,457**	113,585	89,938
			2,550,348	**2,534,744**	3,844,716	3,821,069
Company						
Finance lease liabilities	2.80%	2016	**68,144**	**53,212**	105,572	82,454

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15 TRADE AND OTHER PAYABLES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	US$	**US$**	**US$**	**US$**
Trade payables	**411,199**	392,677	**–**	–
Non-trade amounts due to related parties:				
– immediate holding company	**–**	642,247	**–**	642,247
– subsidiaries	**–**	–	**228,192**	–
– affiliated companies	**949,689**	366,254	**599,214**	–
Loan from directors	**978,033**	358,466	**173,122**	173,122
Bills payable	**7,484,663**	5,765,345	**–**	–
Accrued operating expenses	**833,744**	440,685	**369,583**	226,978
Other payables	**859,382**	497,056	**11,684**	16,145
	11,516,710	8,462,730	**1,381,795**	1,058,492

Non-trade amounts due to related parties and loan from directors are unsecured, interest-free and repayable on demand (see note 25 for definition of affiliated companies).

The weighted average effective interest rate of bills payable of the Group at the reporting date is 1.39% (2014: 1.48%) 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 22.

16 REVENUE

Revenue represents sale of goods in the normal course of business, net of returns, trade discounts and volume rebates.

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17 LOSS FOR THE YEAR

The following items have been included in arriving at loss for the year:

	Group	
	2015	**2014**
	US$	**US$**
Other income		
Government grants	**236,937**	162,407
Sales of scrap materials	**239,893**	508,936
Gain on disposal of property, plant and equipment	**2,248**	36,530
Reversal of impairment loss on property, plant and equipment	**24,801**	–
Interest income from banks	**845**	40,829
Exchange gain, net	**47,546**	86,918
Others	**80,066**	–
	632,336	835,620
Staff costs		
Wages and salaries	**1,624,994**	1,618,613
Contributions to defined contribution plans	**103,087**	106,771
Other staff costs	**266,496**	281,747
	1,994,577	2,007,131
Cost of sales		
Depreciation of property, plant and equipment	**192,799**	–
Allowance for inventory obsolescence	**39,780**	91,767
Write-down of inventories	**14,003**	–
Other expenses		
Depreciation of property, plant and equipment	**96,862**	332,213
Amortisation of intangible assets	**2,601**	4,522
Impairment loss on trade receivables	**10,000**	–
Directors' fees	**76,598**	59,723
Operating lease expense	**292,745**	391,580
Audit services		
– auditors of the Company	**69,977**	62,597
– other auditors	**13,467**	13,653
Non-audit services		
– auditors of the Company	**4,684**	8,405
– other auditors	**2,229**	1,703

Government grants

In 2014, a subsidiary was awarded a Capability Development Grant under Spring Singapore. Grant income of US$231,616 (2014: US$46,868) was included in 'other income' when it became receivable and was conditional on the implementation and completion of a technological innovation development project within a stipulated qualifying period. In accordance with the terms of the grant, the subsidiary shall carry out the project in Singapore and shall not sell, lease, dispose or transfer the equipment and software for a period of three years after the completion of the project.

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18 FINANCE COSTS

	Group	
	2015	2014
	US$	US$
Interest expenses:		
– finance lease liabilities	**7,577**	7,881
– bills payable, bank overdraft and bank loans	**331,882**	264,977
	339,459	272,858

19 TAX EXPENSE

	Group	
	2015	2014
	US$	US$
Current tax expense		
Current year	**142,858**	32,396
Under provision for prior years	**1,544**	70,007
	144,402	102,403
Deferred tax expense		
Origination and reversal of temporary difference	**(5,592)**	1,084
Total tax expense	**138,810**	103,487

Reconciliation of effective tax rate

Loss before tax	**(563,507)**	(1,363,641)
Tax calculated using Singapore tax rate of 17% (2014: 17%)	**(95,796)**	(231,819)
Effect of different tax rates in other countries	**(11,105)**	(61,148)
Expenses not deductible for tax purposes	**210,790**	21,750
Income not subject to tax	**(56,705)**	(26,857)
Under provision for prior years	**1,544**	70,007
Current year tax losses for which no deferred tax asset was recognised	**93,681**	331,554
Tax incentives	**(3,599)**	–
	138,810	103,487

20 EARNINGS PER SHARE

	Group	
	2015	2014
	US$	US$
Basic and diluted losses per share is based on:		
Loss attributable to ordinary shareholders	**(641,000)**	(1,360,580)

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Weighted average number of ordinary shares:

	No. of shares	No. of shares
Issued ordinary shares at 1 March 2013 and 2014	114,348,694	113,814,447
Effect of shares issued in January 2014	12,465,753	534,247
Weighted average number of ordinary shares at 28 February 2014 and 2015	126,814,447	114,348,694
Basic and diluted losses per share (US cents)	(0.51)	(1.19)

The diluted losses per share is the same basis as basic losses per share as the Group does not have any share options.

21 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 include the trading of precious and base metals and investment holding. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2015 or 2014.

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.

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Information about reportable segments

	Coil Centre	Plating	Others	Total
	US$	US$	US$	US$
2015				
Revenue and expenses				
External revenue	27,893,087	–	–	27,893,087
Inter-segment revenue	–	204,217	–	204,217
Total revenue of reportable segments	27,893,087	204,217	–	28,097,304
Interest income	61,039	24	1	61,064
Finance costs	332,394	65,853	7,065	405,312
Depreciation and amortisation	258,477	33,156	629	292,262
Reportable segment profit/(loss) before tax	507,104	(306,585)	(878,645)	(678,126)
Tax expense	(136,673)	–	(2,137)	(138,810)
Reportable segment profit/(loss) after tax	370,431	(306,585)	(880,782)	(816,936)
Other material non-cash items:				
Reversal of impairment loss on property, plant and equipment	–	24,801	–	24,801
Allowance for inventory obsolescence	39,780	–	–	39,780
Write-down of inventories	14,003	–	–	14,003
Impairment loss on trade receivables	10,000	–	–	10,000
Assets and liabilities				
Other investment	–	–	18,178	18,178
Intangible assets	6,136	–	–	6,136
Deferred tax assets	26,585	–	–	26,585
Total assets	27,457,656	417,227	496,088	28,370,971
Capital expenditure	295,405	–	–	295,405
Current tax payable	69,900	138	2,003	72,041
Deferred tax liabilities	9,928	–	–	9,928
Total liabilities	12,640,643	277,319	1,215,461	14,133,423

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	Coil Centre	Plating	Others	Total
	US$	US$	US$	US$
2014				
Revenue and expenses				
External revenue	24,540,772	–	–	24,540,772
Inter-segment revenue	–	310,346	–	310,346
Total revenue of reportable segments	24,540,772	310,346	–	24,851,118
Interest income	101,639	34	–	101,673
Finance costs	265,683	60,844	7,175	333,702
Depreciation and amortisation	303,646	33,089	–	336,735
Reportable segment loss before tax	(238,037)	(532,740)	(679,719)	(1,450,496)
Tax expense	(99,802)	–	(3,685)	(103,487)
Reportable segment loss after tax	(337,839)	(532,740)	(683,404)	(1,553,983)
Assets and liabilities				
Other investment	–	–	18,178	18,178
Intangible assets	7,125	–	–	7,125
Deferred tax assets	20,839	–	–	20,839
Total assets	26,226,019	338,525	704,439	27,268,983
Capital expenditure	575,746	–	–	575,746
Current tax payable	19,991	146	1,586	21,723
Deferred tax liabilities	9,928	–	–	9,928
Total liabilities	11,027,640	145,278	1,142,532	12,315,450

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

	2015	2014
	US$	US$
Revenue		
Total revenue for reportable segments	**28,097,304**	24,851,118
Elimination of inter-segment revenue	**(204,217)**	(310,346)
Consolidated revenue	**27,893,087**	24,540,772
Loss before tax		
Total loss before tax for reportable segments	**(678,126)**	(1,450,496)
Elimination of inter-segment profits	**114,619**	86,855
Consolidated loss before tax	**(563,507)**	(1,363,641)
Tax expense	**(138,810)**	(103,487)
Consolidated loss after tax	**(702,317)**	(1,467,128)

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	Reportable segment totals	Adjustments	Consolidated totals
	US$	US$	US$
Other material items			
2015			
Interest income	61,064	(60,219)	845
Finance costs	405,312	(65,853)	339,459
Depreciation and amortisation	292,262	–	292,262
Reversal of impairment loss on property, plant and equipment	24,801	–	24,801
Allowance for inventory obsolescence	39,780	–	39,780
Write-down of inventories	14,003	–	14,003
Impairment loss on trade receivables	10,000	–	10,000
2014			
Interest income	101,673	(60,844)	40,829
Finance costs	333,702	(60,844)	272,858
Depreciation and amortisation	336,735	–	336,735

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	PRC	Malaysia	Thailand	Others	Total
	US$	US$	US$	US$	US$	US$
2015						
Revenue	137,029	16,453,510	3,368,905	7,731,420	202,223	27,893,087
Depreciation and amortisation	75,767	195,215	–	20,651	629	292,262
Reportable segment (loss)/profit before tax	(625,145)	(237,378)	(4,345)	429,448	(126,087)	(563,507)
Total assets	4,534,328	18,805,174	15,871	4,635,044	380,554	28,370,971
Capital expenditure	9,775	268,594	–	13,083	3,953	295,405
Total liabilities	9,772,217	4,126,193	9,937	218,432	6,644	14,133,423
2014						
Revenue	2,217,531	12,309,654	5,287,374	4,539,085	187,128	24,540,772
Depreciation and amortisation	76,887	239,868	–	19,980	–	336,735
Reportable segment (loss)/profit before tax	(552,244)	(930,793)	(12,259)	131,655	–	(1,363,641)
Total assets	7,143,156	16,271,937	27,083	3,826,807	–	27,268,983
Capital expenditure	173,306	348,622	–	53,818	–	575,746
Total liabilities	7,367,312	4,657,310	26,750	264,078	–	12,315,450

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Major customers

Revenue from two customers (2014: one customer) for the Group's coil centre segment represents approximately 33% (2014: 19%) of the Group's total revenue.

22 FINANCIAL INSTRUMENTS

Overview

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.

Risk management framework

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. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amount of financial assets in the statement of financial position represents 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 reporting date, US$8,854,921 (2014: US$6,930,740) of trade and other receivables are insured by these third party insurance companies.

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The maximum exposure to credit risk at the reporting date was:

	Note	Group 2015	Group 2014	Company 2015	Company 2014
		US$	US$	US$	US$
Trade and other receivables*	10	**10,605,894**	9,141,876	**2,875,479**	3,220,799
Cash and bank balances	11	**1,296,571**	1,587,687	**86,406**	673,811
		11,902,465	10,729,563	**2,961,885**	3,894,610

** Excludes prepayments*

Trade and other receivables

Risk management policy

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

The Group has a credit policy in place which establishes credit limits for all customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The credit quality of customers is assessed after taking into account its financial position and past experience with customers.

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables (excluding prepayments) at the reporting date by geographic region was as follows:

	Group 2015	Group 2014
	US$	US$
Singapore	**279,258**	541,384
PRC	**7,508,386**	5,408,984
Malaysia	**795,866**	1,469,163
Thailand	**1,971,026**	1,277,045
Others	**51,358**	445,300
	10,605,894	9,141,876

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Impairment losses

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables (excluding prepayments). The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The ageing of trade and other receivables (excluding prepayments) that were not impaired at the reporting date was:

	2015	2014
	US$	US$
Group		
Not past due	**9,168,858**	6,975,246
Past due 0 – 30 days	**1,021,691**	1,872,244
Past due 31 – 120 days	**318,623**	96,521
Past due 121 – 365 days	**90,558**	184,043
Past due more than one year	**6,164**	13,822
	10,605,894	9,141,876

The movements in impairment loss in respect of trade and other receivables (excluding prepayments) during the year are as follows:

	Group	
	2015	2014
	US$	US$
At 1 March	**140,671**	154,046
Impairment loss recognised in profit or loss	**10,000**	–
Currency translation difference	**923**	(13,375)
At 28 February	**151,594**	140,671

The Group and the Company believes that the unimpaired amounts that are past due are still collectible, based on historic payment behaviour, extensive analyses of customer credit risk, including underlying customers' credit ratings, and guarantees provided by insurance companies, where available.

Based on the Group's monitoring of customer credit risk, the Group believes that, apart from the above, no impairment allowance is necessary in respect of trade receivables not past due or past due. Trade receivables that are past due but not impaired relate to customers that have good payment records with the Group.

Cash and bank balances

Cash at banks are placed with banks and financial institutions which are regulated.

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Liquidity risk

Risk management policy

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 and excluding the impact of netting agreements:

		Contractual undiscounted cash flows		
	Carrying amount	Total	Within 1 year	Within 2 to 5 years
	US$	US$	US$	US$
Group				
2015				
Non-derivative financial liabilities				
Bank overdraft	26,120	(26,120)	(26,120)	–
Bank loan	2,453,167	(2,633,178)	(2,633,178)	–
Finance lease liabilities	55,457	(71,062)	(31,321)	(39,741)
Trade and other payables	11,516,710	(11,560,103)	(11,560,103)	–
	14,051,454	(14,290,463)	(14,250,722)	(39,741)
2014				
Non-derivative financial liabilities				
Bank overdraft	35,884	(35,884)	(35,884)	–
Bank loans	3,695,247	(3,926,119)	(3,926,119)	–
Finance lease liabilities	89,938	(113,585)	(40,220)	(73,365)
Trade and other payables	8,462,730	(8,547,979)	(8,547,979)	–
	12,283,799	(12,623,567)	(12,550,202)	(73,365)
Company				
2015				
Non-derivative financial liabilities				
Finance lease liabilities	53,212	(68,144)	(30,354)	(37,790)
Trade and other payables	1,381,795	(1,381,795)	(1,381,795)	–
	1,435,007	(1,449,939)	(1,412,149)	(37,790)
2014				
Non-derivative financial liabilities				
Finance lease liabilities	82,454	(105,572)	(32,534)	(73,038)
Trade and other payables	1,058,492	(1,058,492)	(1,058,492)	–
	1,140,946	(1,164,064)	(1,091,026)	(73,038)

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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

Risk Management policy

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 primarily are denominated are the Singapore dollar and US dollar.

Exposure to currency risk

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

Group	2015 Singapore dollar	2015 US dollar	2014 Singapore dollar	2014 US dollar
	US$	**US$**	**US$**	**US$**
Trade and other receivables	**47,887**	**3,925,784**	77,519	2,501,611
Cash and bank balances	**61,277**	**244,617**	686,978	212,564
Financial liabilities	**(79,604)**	**–**	(122,583)	(1,470,237)
Trade and other payables	**(1,932,945)**	**(167,034)**	(1,609,642)	–
Net exposure	**(1,903,385)**	**4,003,367**	(967,728)	1,243,938

Company	2015 Singapore dollar	2014 Singapore dollar
	US$	**US$**
Trade and other receivables	**(217,045)**	257,607
Cash and bank balances	**85,996**	673,401
Financial liabilities	**(53,212)**	(82,454)
Trade and other payables	**(974,948)**	(878,820)
Net exposure	**(1,159,209)**	(30,266)

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Sensitivity analysis

A 10% strengthening of the US dollar, against the respective functional currencies of the Group entities at the reporting date would have increased 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 2014.

	Group Profit or loss	Company Profit or loss
	US$	**US$**
28 February 2015		
Singapore dollar	190,339	115,921
US dollar	(400,337)	–
	(209,998)	115,921
28 February 2014		
Singapore dollar	96,773	3,027
US dollar	(124,394)	–
	(27,621)	3,027

A 10% weakening of the US dollar against the respective functional currencies of the Group entities at the reporting date 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 2015	 2014
	US$	**US$**
Fixed rate instruments		
Finance lease liabilities	**55,457**	89,938
Bills payable	**7,484,663**	5,765,345
	7,540,120	5,855,283
Variable rate instruments		
Bank overdraft	**26,120**	35,884
Variable interest rate bank loans	**2,453,167**	3,695,247
	2,479,287	3,731,131

FINANCIAL STATEMENTS

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. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014.

	Profit or loss	
	100 bp increase	**100 bp decrease**
	US$	**US$**
Group		
28 February 2015		
Variable rate instruments	(24,793)	24,793
28 February 2014		
Variable rate instruments	(37,311)	37,311

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 income divided by total shareholders' equity excluding non-controlling interests' share. There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Accounting classifications

The carrying amounts of financial assets and liabilities are as follows:

	Loans and receivables	Available-for-sale financial assets	Other financial liabilities within scope of FRS 39	Other financial liabilities outside scope of FRS 39	Total carrying amount
	US$	**US$**	**US$**	**US$**	**US$**
Group					
2015					
Financial asset measured at fair value					
Other investment	–	18,178	–	–	18,178
Financial assets not measured at fair value					
Trade and other receivables*	10,605,894	–	–	–	10,605,894
Cash and bank balances	1,296,571	–	–	–	1,296,571
	11,902,465	–	–	–	11,902,465

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	Loans and receivables	Available-for-sale financial assets	Other financial liabilities within scope of FRS 39	Other financial liabilities outside scope of FRS 39	Total carrying amount
	US$	US$	US$	US$	US$
Group					
2015					
Financial liabilities not measured at fair value					
Bank overdraft	–	–	(26,120)	–	(26,120)
Bank loan	–	–	(2,453,167)	–	(2,453,167)
Finance lease liabilities	–	–	–	(55,457)	(55,457)
Trade and other payables	–	–	(11,516,710)	–	(11,516,710)
	–	–	(13,995,997)	(55,457)	(14,051,454)
2014					
Financial asset measured at fair value					
Other investment	–	18,178	–	–	18,178
Financial assets not measured at fair value					
Trade and other receivables*	9,141,876	–	–	–	9,141,876
Cash and bank balances	1,587,687	–	–	–	1,587,687
	10,729,563	–	–	–	10,729,563
Financial liabilities not measured at fair value					
Bank overdraft	–	–	(35,884)	–	(35,884)
Bank loans	–	–	(3,695,247)	–	(3,695,247)
Finance lease liabilities	–	–	–	(89,938)	(89,938)
Trade and other payables	–	–	(8,462,730)	–	(8,462,730)
	–	–	(12,193,861)	(89,938)	(12,283,799)
Company					
2015					
Financial asset measured at fair value					
Other investment	–	18,178	–	–	18,178
Financial assets not measured at fair value					
Trade and other receivables*	2,875,479	–	–	–	2,875,479
Cash and bank balances	86,406	–	–	–	86,406
	2,961,885	–	–	–	2,961,885
Financial liabilities not measured at fair value					
Finance lease liabilities	–	–	–	(53,212)	(53,212)
Trade and other payables	–	–	(1,381,795)	–	(1,381,795)
	–	–	(1,381,795)	(53,212)	(1,435,007)

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	Loans and receivables	Available-for-sale financial assets	Other financial liabilities within scope of FRS 39	Other financial liabilities outside scope of FRS 39	Total carrying amount
	US$	US$	US$	US$	US$
Company					
2014					
Financial asset measured at fair value					
Other investment	–	18,178	–	–	18,178
Financial assets not measured at fair value					
Trade and other receivables*	3,220,799	–	–	–	3,220,799
Cash and bank balances	673,811	–	–	–	673,811
	3,894,610	–	–	–	3,894,610
Financial liabilities not measured at fair value					
Finance lease liabilities	–	–	–	(82,454)	(82,454)
Trade and other payables	–	–	(1,058,492)	–	(1,058,492)
	–	–	(1,058,492)	(82,454)	(1,140,946)

** Excludes prepayments*

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.

23 OPERATING LEASE COMMITMENTS

Leases as lessee

Non-cancellable operating leases rental are payable as follows:

	Group	
	2015	2014
	US$	US$
Within one year	262,725	277,383
Between one and five years	290,538	626,206
More than five years	88,222	124,323
	641,485	1,027,912

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At the reporting date, a subsidiary has non-cancellable commitments for land lease. The lease rental is subject to annual revision at the rate based on the market rent on the date of such revision, as determined by the lessor. During the year, contingent rent of US$3,343 (2014: US$1,952) was recognised as an expense.

24 CONTINGENT LIABILITIES

Intra-group financial guarantees comprise corporate guarantees granted by the Company to banks in respect of bank overdraft, bank loans and bills payable amounting to US$9,963,950 (2014: US$9,496,476) to secure funding provided to subsidiaries. These borrowings mature in 2015. 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.

25 RELATED PARTIES

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.

Key management personnel compensation, included in staff costs comprised:

	Group	
	2015	**2014**
	US$	**US$**
Short-term employee benefits	840,543	849,112
Post-employment benefits	69,779	71,047
	910,322	920,159

Other related parties

The directors hold position in other entities that result in them having control, joint control or significant influence over the financial or operating policies of these entities. These other related parties are deemed as affiliated companies of the Group.

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Other related party transactions

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

	Group	
	2015	**2014**
	US$	**US$**
Remuneration paid to close member of an executive director	97,233	97,579

26 NON-CONTROLLING INTERESTS

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 FRSs, modified for differences in the Group's accounting policies.

	Nico Steel Technology (Suzhou) Co., Ltd	
	2015	**2014**
	US$	**US$**
NCI percentage	**20%**	**20%**
Revenue	204,217	310,346
Loss for the year	(306,585)	(532,740)
Other comprehensive income/(loss)	11,515	(59,340)
Total comprehensive loss	(295,070)	(592,080)
Attributable to NCI:		
– Loss for the year	(61,317)	(106,548)
– Other comprehensive income/(loss)	2,303	(11,868)
– Total comprehensive loss	(59,014)	(118,416)
Non-current assets	167,449	201,488
Current assets	270,639	128,733
Current liabilities	(3,464,990)	(3,062,053)
Net liabilities	(3,026,902)	(2,731,832)
Net liabilities attributable to NCI	(605,380)	(546,366)
Cash flows used in operating activities	(302,160)	(307,166)
Cash flows from financing activities	298,076	301,546
Net decrease in cash and cash equivalents	(4,084)	(5,620)

27 SUBSEQUENT EVENT

Subsequent to 28 February 2015, the Company injected additional share capital in tranches amounting to US$1,650,000 in its wholly-owned subsidiary, Nico Steel Solutions (Suzhou) Pte Ltd.

In May 2015, the Board of Directors passed a resolution and resolved that it would strike off Oldtown Resources Limited (see note 6), subject to relevant regulatory authorities' approval. The Company expects to recover less than its capital contribution of US$500,000 as a result of operating expenses incurred.

SHAREHOLDERS' STATISTICS

As at 19 May 2015

SHARE CAPITAL

Class of Shares	:	Ordinary shares
Number of Shares	:	126,814,447
Voting Rights	:	1 vote per share
Treasury Shares	:	Nil

Based on the information available to the Company as at 19 May 2015, the percentage of shareholding held in the hands of the public is approximately 19.40% 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	0.33	60	0.00
100 – 1,000	24	3.95	13,998	0.01
1,001 – 10,000	212	34.93	1,206,050	0.95
10,001 – 1,000,000	360	59.31	22,658,989	17.87
1,000,001 AND ABOVE	9	1.48	102,935,350	81.17
	607	100.00	126,814,447	100.00

Substantial Shareholders

Name of Substantial Shareholder	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	%
D.S.A.G Investment Pte. Ltd.	20,697,700	16.32	–	–
Tan Chee Khiong[(1)(2)]	5,503,725	4.34	21,042,162	16.59
Tang Chee Bian[(1)]	5,515,725	4.35	20,697,700	16.32
Tang Chee Wee[(1)]	5,503,725	4.34	20,697,700	16.32
Tang Hee Kya[(1)]	5,565,725	4.39	20,697,700	16.32
Parot Tovot LLC	36,000,000	28.39	–	–
Dov Rauchwerger[(3)]	–	–	36,000,000	28.39
Bay Eagle Ventures Limited	13,000,000	10.25	–	–
Gao Ang[(4)]	–	–	13,000,000	10.25
Viking Offshore and Marine Limited	10,080,000	7.95	–	–
Lim Andy[(5)]	–	–	10,080,000	7.95

Notes:

(1) Deemed to be interested in 20,697,700 shares held by D.S.A.G Investment Pte. Ltd. by virtue of each of them holding 25% of the issued share capital of D.S.A.G Investment Pte. Ltd.

(2) Deemed to be interested in 344,462 shares held by spouse, Ang Bee Choo.

(3) Deemed to be interested in the shares held by Parot Tovot LLC by virtue of Section 7 of the Companies Act.

(4) Deemed to be interested in the shares held by Bay Eagle Ventures Limited by virtue of Section 7 of the Companies Act.

(5) Deemed to be interested in the shares held by Viking Offshore and Marine Limited by virtue of Section 7 of the Companies Act.

MAJOR SHAREHOLDERS LIST – TOP 20

As at 19 May 2015

NO.	NAME	NO. OF SHARES HELD	%
1	PAROT TOVOT LLC	36,000,000	28.39
2	D.S.A.G INVESTMENT PTE. LTD.	20,697,700	16.32
3	BAY EAGLE VENTURES LIMITED	13,000,000	10.25
4	VIKING OFFSHORE AND MARINE LIMITED	10,080,000	7.95
5	TANG HEE KYA	5,565,725	4.39
6	TANG CHEE BIAN	5,515,725	4.35
7	TAN CHEE KHIONG	5,503,725	4.34
8	TANG CHEE WEE	5,503,725	4.34
9	ONG TECK BENG (WANG DEMING)	1,068,750	0.84
10	PHILLIP SECURITIES PTE LTD	856,900	0.68
11	DBS NOMINEES PTE LTD	841,750	0.66
12	RAFFLES NOMINEES (PTE) LTD	834,500	0.66
13	TOH KAI SENG	755,000	0.60
14	AU SOO LUAN	736,550	0.58
15	LEE SEOK LAN	419,462	0.33
16	UOB KAY HIAN PTE LTD	410,000	0.32
17	YAP SOON HWEE	402,500	0.32
18	TAY HUI HONG (ZHENG HUIFENG)	375,000	0.29
19	UNITED OVERSEAS BANK NOMINEES PTE LTD	375,000	0.29
20	ONG GUEK KIM VALERIE	351,000	0.28
		109,293,012	86.18

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of the Company will be held at Napier Room (502), Level 5, RELC International Hotel, 30 Orange Grove Road, Singapore 258352 on 26 June 2015 at 2.00 p.m. to transact the following business:–

Ordinary Business

1. To receive and adopt the Directors' Report and Audited Accounts for the financial year ended 28 February 2015 and the Auditors' Report thereon. **[Resolution 1]**

2. To re-elect Mr Tang Chee Wee Andrew, who is retiring by rotation in accordance with Article 107 of the Company's Articles of Association, as Director of the Company. **[Resolution 2]**

3. To re-elect Mr Fong Pin Jan Daniel, who is retiring in accordance with Article 117 of the Company's Articles of Association, as Director of the Company. **[Resolution 3]**

4. To re-elect Mr Tan Poh Chye Allan, who is retiring in accordance with Article 117 of the Company's Articles of Association, as Director of the Company.
   [See Explanatory note (a)] **[Resolution 4]**

5. To re-elect Ms Ong Lizhen Daisy, who is retiring in accordance with Article 117 of the Company's Articles of Association, as Director of the Company.
   [See Explanatory note (b)] **[Resolution 5]**

6. To re-elect Mr Lee Eng Yew Michael, who is retiring in accordance with Article 117 of the Company's Articles of Association, as Director of the Company.
   [See Explanatory note (c)] **[Resolution 6]**

7. To approve the sum of S$95,000/- as Directors' fees for the financial year ended 28 February 2015 (2014: S$75,833/-). **[Resolution 7]**

8. To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 8]**

9. To transact any other business that may be transacted at an Annual General Meeting.

Special Business

To consider and, if thought fit, to pass the following as Ordinary Resolution, with or without modifications:

10. <u>Authority to allot and issue shares in the capital of the Company</u>

    That pursuant to Section 161 of the Companies Act, Chapter 50 (the "Act"), the Articles of Association and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the directors of the Company to:

    (a) (i) allot and issue shares in the capital of 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 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 may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force):

(i) issue additional instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the directors while this Resolution was in force; and

(ii) issue Shares in pursuance of any Instruments made or granted by the directors while this Resolution was in force or such additional Instruments in (b)(i) above,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares, if any) at the time of the passing of this Resolution (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares issued other than on a pro rata basis to existing shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the Company's total number of issued Shares (excluding treasury shares, if any) (as calculated in accordance with sub-paragraph (2) below); and

(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, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares, if any) at the time of the passing of this Resolution, after adjusting for:–

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

(b) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the SGX-ST Listing Manual; 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 rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier. **[See Explanatory Note (d)]** **[Resolution 9]**

By Order of the Board

Sharon Yeoh
Company Secretary

10 June 2015
Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note:

(a) Mr Tan Poh Chye Allan, if re-elected, will remain as member of the Company's Audit Committee, Nominating Committee and Remuneration Committee and will also continue to remain as Chairman of the Remuneration Committee. Mr Tan Poh Chye Allan will be considered as an independent director of the Company.

(b) Ms Ong Lizhen Daisy, if re-elected, will remain as member of the Company's Audit Committee, Nominating Committee and Remuneration Committee and will also continue to remain as Chairman of the Audit Committee. Ms Ong Lizhen Daisy will be considered as an independent director of the Company.

(c) Mr Lee Eng Yew Michael, if re-elected, will remain as member of the Company's Audit Committee, Nominating Committee and Remuneration Committee and will also continue to remain as Chairman of the Nominating Committee. Mr Lee Eng Yew Michael will be considered as an independent director of the Company.

(d) The ordinary resolution 9 in item 10 above, if passed, will empower the Directors from the date of this Annual General Meeting until the date of the next Annual General Meeting or the date by which the next Annual General Meeting is required by law to be held or such authority is revoked or varied by the Company in general meeting, whichever is earlier, to allot and issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments up to an aggregate number not exceeding 50% of the total number of issued Shares excluding treasury shares, if any, in the capital of the Company, with a sub-limit of 20% for issues other than on a pro rata basis. For determining the aggregate number of Shares that may be issued the total number of issued Shares excluding treasury shares, if any, shall be calculated based on the total number of issued Shares excluding treasury shares, if any, at the time of this ordinary resolution under item 10 above is passed after adjusting for new Shares arising from the conversion or exercise of convertible securities, share options or vesting of share awards outstanding or subsisting at the time this ordinary resolution under item 10 above is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

Note:

A member entitled to attend and vote at the Annual General Meeting may appoint not more than two proxies to attend and vote on his behalf and where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. A proxy need not be a member of the Company. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 51 Loyang Way Singapore 508744 not less than 48 hours before the time set for the Annual General Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) 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 proxies and representatives 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) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) 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.

IMPORTANT FOR CPF INVESTORS ONLY:
1. This Annual Report is forwarded to you at the request of your CPF Approved Nominee and is sent SOLELY FOR INFORMATION ONLY.
2. This Proxy Form is therefore not valid for use by CPF investors and shall not be effective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Annual General Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register with the Company Secretary of Nico Steel Holdings Limited.

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

PROXY FORM

I/We ______________________________ NRIC/Passport/Co. Registration No. ____________________

of ____

being a member/members of **NICO STEEL HOLDINGS LIMITED** hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us and on my/our behalf and, if necessary, to demand a poll at the Annual General Meeting ("AGM") of the Company to be held at Napier Room (502), Level 5, RELC International Hotel, 30 Orange Grove Road, Singapore 258352 on **26 June 2015 at 2.00 p.m.** and at any adjournment thereof.

I/We have indicated with an "X" in the appropriate box below how I/we wish my/our proxy/proxies to vote. If no specific direction as to voting is given, my/our proxy/proxies may vote or abstain at his/their discretion as he/they will on any other matters arising at the AGM.

No.	Resolutions Relating To:	For*	Against*
AS ORDINARY BUSINESS			
1.	Adoption of Directors' Report and Audited Accounts for the financial year ended 28 February 2015		
2.	Re-election of Mr Tang Chee Wee Andrew as a Director		
3.	Re-election of Mr Fong Pin Jan Daniel as a Director		
4.	Re-election of Mr Tan Poh Chye Allan as a Director		
5.	Re-election of Ms Ong Lizhen Daisy as a Director		
6.	Re-election of Mr Lee Eng Yew Michael as a Director		
7.	Approval of Directors' fees		
8.	Re-appointment of KPMG LLP as auditors		
AS SPECIAL BUSINESS			
9.	Authority to issue new shares		

* Please indicate your vote "For" or "Against" with an "X" within the box provided.

Dated this ________ day of ______________ 2015

Total Number of Shares Held

____
Signature(s) of Member(s) or
Common Seal of Corporate Member

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 130A of the Companies Act, Cap. 50), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. 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. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2 A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3 The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 51 Loyang Way Singapore 508744 not less than 48 hours before the time set for the AGM.

4 Where a member appoints more than one proxy, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named or at the Company's option to treat the instrument of proxy as invalid.

5 The instrument appointing a proxy or proxies shall be in writing and signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

6 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or the power of attorney or other authority or a duly certified copy thereof shall (failing previous registration with the Company), if required by law, be duly stamped and be deposited at the Company's registered office at 51 Loyang Way Singapore 508744 not less than 48 hours before the time for holding the AGM or adjourned meeting, failing which the instrument of proxy shall not be treated as valid.

7 A corporation which is a member may by resolution of its directors or other governing body authorise any person to act as its representative at the AGM.

8 The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in the case of members whose shares are entered in the Depository Register, the Company may reject an instrument of proxy lodged if the member, being the appointer, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time set for holding the AGM, 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 Notice of Annual General Meeting dated 10 June 2015.

Fold Here

PROXY FORM

Affix
Postage
Stamp

NICO STEEL HOLDINGS LIMITED
51 Loyang Way
Singapore 508744

Fold Here

Fold Here

Apply glue here

CORPORATE INFORMATION

BOARD OF DIRECTORS
Tan Chee Khiong Danny
(Executive Chairman and President)
Tang Chee Wee Andrew
Fong Pin Jan Daniel
Lin Wei Daniel
Tan Poh Chye Allan
Ong Lizhen Daisy
Lee Eng Yew Michael

AUDIT COMMITTEE
Ong Lizhen Daisy *(Chairman)*
Tan Poh Chye Allan
Lee Eng Yew Michael

NOMINATING COMMITTEE
Lee Eng Yew Michael *(Chairman)*
Tan Poh Chye Allan
Ong Lizhen Daisy

REMUNERATION COMMITTEE
Tan Poh Chye Allan *(Chairman)*
Ong Lizhen Daisy
Lee Eng Yew Michael

COMPANY SECRETARY
Yeoh Kar Choo Sharon

REGISTERED OFFICE
51 Loyang Way
Singapore 508744

COMPANY REGISTRATION NO.
200104166D

SHARE REGISTRAR AND SHARE TRANSFER OFFICE
M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

INDEPENDENT AUDITORS
KPMG LLP
Public Accountants & Certified Public Accountants
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
(Since 22 September 2001)

PARTNER-IN-CHARGE
Doreen Tan Yek Lee
(With effect from financial year 2015)

CORPORATE LEGAL ADVISOR
Colin Ng and Partners
36 Carpenter Street
Singapore 059915

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

GENERAL / INVESTOR RELATIONS
For further information about
Nico Steel Holdings Limited,
please contact the Secretariat
at the Registered Office.
Email: corporateaffairs@nico.com.sg
Website: www.nicosteel.com
Tel : +65 - 6542 1886
Fax : +65 - 6542 1986

Nico Steel Solutions™
Think Innovation

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