



NICO STEEL HOLDINGS LIMITED

(Company Registration No.: 200104166D)
Incorporated in the Republic of Singapore

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

Nico Steel Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) was placed on the watch-list under the financial entry criteria pursuant to Rule 1311(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 5 September 2016.

The Company was placed on the watch-list pursuant to Rule 1311(2) of the Listing Manual since 5 June 2017 due to the Minimum Trading Price (the “**MTP**”) Entry Criterion. The Company had been reassessed under the revised MTP rules announced on 2 December 2016 and continued to be placed on the watch-list with effect from 5 June 2017.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors (the “**Board**”) of the Company wishes to provide an update as follows:

- (1) The Board will continue to monitor its financial position and growth prospect of the Group and consider various options to comply with the MTP that will best serve the interests of the Company’s shareholders.
- (2) Please refer to the Company’s announcements on 25 April 2018 and 7 June 2018 of the unaudited financial statements of the Group for the full year financial results ended 28 February 2018 and the annual report for the financial year ended 28 February 2018 respectively, for a detailed update on the Group’s financial position.
 - The Group recorded a marginal decrease in revenue from US\$13.29 million in FY2017 to US\$13.22 million in FY2018 with its continual progress in marketing and sales of its own Nico brand of metal alloy materials.
 - Gross profit increased by 33.2% year-on-year from US\$2.59 million in FY2017 to US\$3.45 million in FY2018 as a result of better margin derived from its own Nico brand of metal alloy materials. Gross profit margin improved from 19.5% in FY2017 to 26.1% in FY2018.
 - The Group reported a profit before tax of US\$0.21 million in FY2018, a reversal from a loss before tax of US\$1.89 million in FY2017.
 - As at 28 February 2018, the Group has a positive operating cashflow, cash and cash equivalents of US\$2.2 million, and net asset value of US\$14.38 million.

The Company is not required to announce quarterly results and it will announce its unaudited financial statements of the Group for the six months ending 31 August 2018 (“**Half Year Results Announcement**”) in October 2018. The Company’s next quarterly update pursuant to Rule 1313(2) of the Listing Manual will be released together with the Half Year Results Announcement.

Update on Future Direction

As announced previously, the Group will continue to harness its competence in innovating and customising metal alloy materials and expand its own “Nico” range of products to meet the stringent and evolving requirements of its customers, who are global market leaders in the mobile communications, automotive, and consumer electronics sectors. The Group will also continue to seek opportunities to broaden its customer base and markets, as well as to explore opportunistic investments that have good growth potentials.

The Company will make further announcements to update shareholders as and when appropriate.

BY ORDER OF THE BOARD

Tan Chee Khiong Danny
Executive Chairman & President

Date: 20 July 2018