
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 also placed on the watch-list pursuant to Rule 1311(2) of the Listing Manual with effect from 5 June 2017 due to the Minimum Trading Price Entry Criterion (the “**MTP**”).

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) With reference to the announcement on 30 June 2020, the Company had submitted an application to the SGX-ST for an extension of 12 months from the deadline prescribed under Rule 1315 of the Listing Manual to allow the Company to meet the Financial Exit Criteria on or before 4 September 2021.
- (2) The Company notes that on 11 May 2020, the Singapore Exchange Regulation announced the removal of MTP rule for Mainboard issuers with effect from 1 June 2020. Accordingly, the Company will no longer need to satisfy the exit criteria for the removal from the MTP watch-list.
- (3) Please refer to the Company’s announcement on 25 July 2020 for its audited financial statements found in the annual report for the financial year ended 29 February 2020 (“**FY2020**”) for a detailed update on the Group’s financial performance and financial position.
 - Net asset value was at US\$15.0 million as at 29 February 2020. The Group maintained its net cash position as at 29 February 2020 as its financial facilities are secured against trade receivables, which in turn are insured.

Update on Future Direction and Other Material Development

The ongoing trade dispute between the United States and China and the global COVID-19 pandemic exacerbated the challenging business environment. Amid these unprecedented challenges, the Group continues to work relentlessly with its customers and business partners in the supply chain of mobile communications, consumer electronics, and industrial sectors; making good progress in its product development projects to meet the evolving requirements of mobile and electronic devices for the impending 5G trend.

While the Group faces cancellation and delays in orders from customers, business continuity remains intact as it explores more working opportunities with eminent Chinese brand owners in China. The

adaptation of the new conventional lifestyle – telecommuting and virtual learning following the lockdowns of cities, led to an increase in demand for and usage of mobile and electronic devices including smartphones, laptops, tablets, and electronic payment systems. This could potentially drive demand for multi-functional mobile and electronic devices that will be further boosted with the widespread adoption of the Internet of Things (“IoT”) as more countries roll out their 5G networks over the next few years.

As one of the first-movers in the production of “**single metal with cross or multi-properties**”, the Group is committed and confident of its metallurgical and material solutions including the NICO branded metal alloy products, to enhance the performance as well as aesthetics aspect of mobile and electronic devices.

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: 30 July 2020