
ACCEPTANCE OF OFFER OF FURTHER TERM LEASE FOR PREMISES LOCATED AT 51 LOYANG WAY, SINGAPORE

The Board of Directors (the “**Board**”) of Nico Steel Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to inform shareholders of the Company that its wholly-owned subsidiary, Nico Steel Solutions (S) Pte Ltd (“**Nico Singapore**”), had on 29 October 2019 accepted an offer from JTC Corporation (“**JTC**”) for a further term lease of 20 years from 01 January 2023, of the leasehold estate at 51 Loyang Way Singapore 508744 (the “**Premises**”).

1. Information on the Premises

The Premises has a land area of 1,402.5 square metre and built-up area of 913.0 square metre with an actual gross plot ratio of 0.65. The current lease will expire on 31 December 2022. As of 31 August 2019, the net book value of the Premises was S\$1,820,006.

2. Acceptance of Offer of Further Term Lease of the Premises

Singapore continues to remain the Group’s headquarters, from which the Company supports its overseas operations administratively and operationally.

Nico Singapore is primarily involved in precision and customised slitting of stainless steel sheets and non-ferrous materials in support of industries in connectors, hi-tech medical equipment, aerospace, and automotive parts manufacturing.

Under the terms of the offer from JTC, the Group shall (i) develop the Premises to a minimum gross floor area at the gross plot ratio of not less than 0.65, but not more than 2.50, and (ii) invest at least S\$460,000 in new machinery and equipment at the Premises (“**Investment Commitments**”) within three-and-a-half years commencing from October 2019.

The Company’s acceptance of JTC’s offer would provide continuity and stability to the Company, both financially and operationally.

The Board wishes to advise shareholders and potential investors to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take, should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers before trading or making any investment decision on the Company’s securities.

BY ORDER OF THE BOARD

Tan Chee Khiong Danny
Executive Chairman & President

Date: 01 November 2019