

NICO STEEL HOLDINGS LIMITED

尼尔金属控股有限公司

(Incorporated in Singapore with Unique Entity No. 200104166D)

(SGX Stock Code: 5GF)



Nico Steel Accepts JTC's Offer of 20-Year Lease Extension for Singapore Premises

- Group is committed to invest in and strengthen its Singapore operations to support its customers in the connectors, hi-tech medical equipment, aerospace, and automotive parts industries, as well as its regional operations

FOR IMMEDIATE RELEASE

SINGAPORE, 01 November 2019 – Mainboard-listed Nico Steel Holdings Limited (“Nico Steel” and together with its subsidiaries, the “Group”), a metallurgical and materials solutions specialist, today announced that its wholly-owned subsidiary, Nico Steel Solutions (S) Pte Ltd (“Nico Singapore”), has accepted the offer of a further 20-year lease from JTC Corporation for its production cum office premises located at 51 Loyang Way, Singapore (the “Premises”), starting 01 January 2023 (the “Lease Extension”).

Nico Singapore started its operations in this production cum office premises in February 2012, with a focus on precision and customised slitting, and supply of stainless steel sheets and non-ferrous materials for its customers. These customers include manufacturing companies in the connectors, hi-tech medical equipment, aerospace, and automotive parts industries.

The Premises has a land area of approximately 1,402.5m² and a built-up area of 913.0m², with an actual gross plot ratio of 0.65. Its current lease expires on 31 December 2022. The net book value of the property was approximately S\$1.8 million as at 31 August 2019.

Under the terms of the Lease Extension to 31 December 2042, the Group is committed to (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 additional machinery and equipment at the Premises, within a period of three-and-a-half years starting from early October 2019. The Lease Extension would provide continuity and stability to the Company, both financially and operationally.

“Nico Steel is a homegrown Singapore company. As we move some of our manufacturing operations overseas for closer proximity to our customers, we are still committed to invest and strengthen our home base, particularly in the area of R&D of our innovative metallurgical and material solutions. Singapore will continue to be the Group’s headquarters to support our regional operations,” said Mr. Danny Tan (陈志强), Executive Chairman and President of Nico Steel.

The Group has yet to receive notice from the city government with regards to the land acquisition of its current operations in Suzhou, China. As the lease of its premises in Suzhou only expires in 2051, the Group will continue its operations while deliberating the cost-benefits of shifting to the northern region of Jiangsu Province (also known as Subei), in anticipation of the potential relocation order by the provincial government.

The Group will update shareholders should there be further developments with regards to its premises in Singapore and China, as and when appropriate.

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Note: This media release is to be read in conjunction with the Company's announcement on the SGX website on the same date.

About NICO STEEL HOLDINGS LIMITED 尼尔金属控股有限公司
(Stock Codes – SGX: 5GF | Bloomberg: NICO SP | Reuters: NICO.SI)

Nico Steel Holdings Limited (“Nico Steel” and together with its subsidiaries, the “Group”), is a metallurgical and materials solutions specialist with a focus on customising technologically innovative metal alloy materials and processes under its proprietary “NICO” brand.

The Group’s proprietary patented production technology allows it to customise metallurgical solutions to meet the evolving requirements of its broad base of customers, particularly in the mobile communications, consumer electronics, industrial and automotive sectors.

Well-established in the upstream metal materials industry, the Group drives growth through (i) providing customised solutions as value-added services to component and contract manufacturers to meet their metal fabrication requirements, and (ii) cultivating demand from brand owners and leaders of mobile communications, consumer electronics, industrial and automotive sectors for its NICO brand of specialised metal alloy materials that will meet the evolving and stringent requirements of new electronic mobile devices.

Headquartered in Singapore, the Group owns and operates processing and production facilities in Suzhou, China, and Thailand, while the production facility in Singapore acts as its R&D centre.

For more information, please visit the company’s website at www.nicosteel.com.

Issued for and on behalf of **NICO STEEL HOLDINGS LIMITED** by:

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