

Nico Steel Starts Mass Production of Proprietary Nico Metal Alloys Targeted for Shielding Purposes in Electronics Devices of Two Global Market Leaders

- *Group's innovative metal alloys were selected, tested and achieved desired performance standards in the new series of electronic devices of two global market leaders – the world's largest software company and the world's largest drone manufacturer*
- *Group maintains sole supplier status as these metal alloys are under proprietary Nico trademarks and the technological processes are patented*

FOR IMMEDIATE RELEASE

SINGAPORE, 15 October 2018 – Mainboard-listed **Nico Steel Holdings Limited** (“Nico Steel” and together with its subsidiaries, the “**Group**”), today announced the commencement of mass production of its proprietary Nico brand metal alloys targeted for shielding purposes in three new electronic devices from two of its customers – the world’s largest software company and the world’s largest drone manufacturer.

Two of these electronic devices from the world’s largest software company are laptops while the other electronic device is a new drone model. The Group supplies these metal alloy materials using aluminium as the base metal, customising shielding solutions for the unique requirements of these electronic devices. For instance, the two laptop models of the same customer have different requirements due to the size, weight, thickness and distinct functionalities. One of the laptops is targeted at school students, giving students first-hand experience and introduction to a commonly used software program. Given the usage patterns of students, the requirements of this laptop will be scaled-down from the laptop meant for working adults.

As technology advances, expectations of consumers rise and this has led to the demand for electronic devices to be lighter, slimmer and yet perform better and faster. As a result of this exacting demand, shielding solutions, which used to target the receiving and sending of dedicated signals to communicate and execute actions/commands accurately and concurrently, has to be upgraded to encompass the management of (i) weight, (ii) thermal (heat dissipation), and (iii) electromagnetic interference (“**EMI**”).

Through the last few years of research & development and persistent marketing of its innovative metal alloy materials, the Group achieved various breakthroughs with the global market leaders, who have tried, tested and achieved the desired performances in their new electronic devices with the Nico brand of material solutions.

Said Mr. Danny Tan, Executive Chairman and President of Nico Steel, “***We are appreciative of our shareholders, who have been patient and supportive during our years of transformation from a low value-add commercial metal material supplier to a metal alloy specialist with competence in***

mass customisation of our patented technologically innovative metal alloy materials under our own Nico brand.”

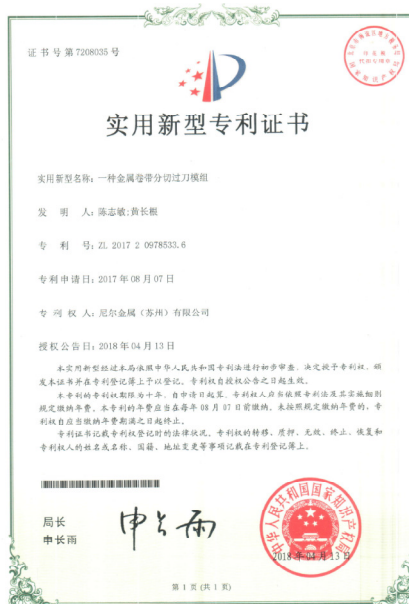
As these electronic devices are newly launched by the global market leaders, the production volume for the metal alloy materials are expected to increase as the demand for these products pick up. Given the Group’s wide base of customers and focus on high-mix low-volume production strategy, it does not expect a significant contribution to its revenue and earnings from these three new products.

Added Mr. Steven Tang, Executive Director of Nico Steel, who heads the Group’s marketing and product innovation division, ***“Nico Steel’s success is not to be based on one customer nor one product of a customer. The product lifecycle of an electronic device is getting shorter and at Nico, we are working on devices that are one to one-and-a-half years ahead of their official launch. Our Nico metal material solutions are brought in at the design stage of the proposed electronic devices and hence, at the stage of mass production of an electronic device, we would have started on the next new model with the same brand owner.***

We are motivated by the increasing demand for metal material solutions to meet the rising expectations of consumers. This drives us to tap on our core expertise in our knowledge of metals and know-how in the technological processes. We believe that our relentless effort to meet all our customers’ requirements through the patented technological processes and product trademarks will benefit all our stakeholders in the long term.”

The Group received the approval for its patent on **“fingerless slitting method”** for 10 years from the National Intellectual Property Administration in the People’s Republic of China starting April this year. This is the first of its kind in the metal processing industry.

It is a critical process for all metal materials that are looking to achieve near zero defect on the surface finishing. This is an added value for the Group as this slitting process enhances the surface finishing of the multi-functional metal alloy materials that it provides to its customers.



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Cautionary Note:

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.

About NICO STEEL HOLDINGS LIMITED

(Stock Codes – SGX: 5GF | Bloomberg: NICO SP | Reuters: NICO.SI)

Nico Steel Holdings Limited (尼尔金属控股有限公司) (“Nico Steel” and together with its subsidiaries, the “Group”), is a specialist in ferrous and non-ferrous metal alloys with a focus on customising technologically innovative metal alloy materials under its own 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 digital 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

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