

POSITIVE PROFIT GUIDANCE FOR FULL-YEAR RESULTS ANNOUNCEMENT

The Board of Directors of Nico Steel Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to inform shareholders of the Company (“**Shareholders**”) and potential investors that based on the latest management accounts of the Group, the Company is expecting to record a significant increase in the unaudited consolidated profit attributable to Shareholders for the full year ended 28 February 2019 (“**FY2019**”) as compared to the corresponding period in 2018 (“**FY2018**”). Based on the Group’s latest management accounts, the Company is also expecting to record an increase in unaudited consolidated profits attributable to Shareholders for the second-half of FY2019 against the six months ended 31 August 2018 (“**HY2019**”).

Key Financial Highlights:

FYE 28 Feb (US\$'000)	HY2019	HY2018	Change	FY2018
Revenue	8,022	6,135	+ 30.8%	13,216
Gross profit	2,378	1,533	+ 55.1%	3,448
<i>Gross profit margin</i>	29.6%	25.0%	+ 4.6 pp	26.1%
Profit before tax	257	49	> 100%	209
Net profit ⁽¹⁾	121	1	> 100%	34

* HY denotes six months ended 31 August and FY denotes 12 months ended 28 February.

(1) Profit attributable to owners of the Company

The ongoing trade dispute between the United States and China that started in July 2018, the global economic slowdown and the delay in the 5G network implementation adversely affected our customers’ plans for new mobile device projects and launches. Nevertheless, the expected increase in the unaudited consolidated profit attributable to Shareholders for FY2019 is primarily due to an improvement in the operating results of the Group.

Given consumers’ increasing expectations for the functions and user experience of mobile devices, in particular, the impending 5G revolution, it is inevitable for mobile devices brand owners and/or manufacturers to pursue continuous upgrades of the hardware specs in their mobile devices to stay ahead of the competition. This bodes well for the Group’s value-creation strategy in its core metallurgical solutions – a proprietary range of alloys with registered trademarks and customised solutions, to meet evolving requirements for metal components in mobile devices.

As the Company is still in the process of finalising the unaudited consolidated full-year results of the Group for FY2019, the information contained in this announcement is based on a preliminary assessment of the latest management accounts of the Group and such information has not been audited or reviewed by the independent auditor of the Company or the audit committee of the Board.

The Board expects the announcement of the unaudited consolidated full-year results of the Group for FY2019 to be released by 30 April 2019.

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 in or making any investment decision regarding the Company's securities.

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: 05 April 2019