

NICO STEEL HOLDINGS LIMITED

(Company Registration No. 200104166D)

(Incorporated in Republic of Singapore)

("Company")

**PLACEMENT OF 13,000,000 NEW ORDINARY SHARES AT THE ISSUE PRICE OF S\$0.0675 PER SHARE
– APPROVAL IN-PRINCIPLE FROM THE SGX-ST**

The Board of Directors of the Company refers to the Company's announcement dated 19 January 2014 ("**Announcement**") in relation to the placement of 13,000,000 new ordinary shares in the capital of the Company to Bay Eagle Ventures Limited. Unless otherwise defined, all capitalised terms used herein shall have the meanings ascribed in the Announcement.

Further to the Announcement, the Board is pleased to announce that it has today received the approval in-principle from the SGX-ST for the listing of and quotation for the Placement Shares on the Official List of the SGX-ST ("**Approval In-Principle**").

The Approval In-Principle is subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements;
- (b) submission of:
 - (i) a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of proceeds from the placement of shares and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements and in the annual report;
 - (ii) a written undertaking from the Company that it will comply with Rule 803; and
 - (iii) a written confirmation from the Company that it will not issue the Placement Shares to persons prohibited under Rule 812(1) of the Listing Manual.

The Company is also required to make an announcement providing details of the proposed preliminary feasibility studies in connection with the proposed diversification into the upstream minerals-related businesses ("**Feasibility Studies**") (including whether the Placee will be interested in the compensation to be paid).

The Company will provide the above undertakings and confirmation to the SGX-ST as required.

The Feasibility Studies will be conducted by qualified independent professional third parties to be determined by the Board in due course, and the Placee will not be directly or indirectly interested in any compensation to be paid to such professional third parties.

The Company will keep shareholders updated of the results of the Feasibility Studies as may be appropriate.

The Approval-in-Principle is not to be taken as an indication of the merits of the Proposed Placement, the Placement Shares, the Company and/or its subsidiaries.

BY ORDER OF THE BOARD

Tan Chee Khiong Danny
Executive Chairman & President

10 February 2014