



NICO STEEL HOLDINGS LIMITED

Company Registration No. 200104166D

(Incorporated in the Republic of Singapore)

DISPOSAL OF SUBSIDIARY – OLDTOWN RESOURCES LIMITED

1. Introduction

The Board of Directors (the “**Board**”) of NICO STEEL HOLDINGS LIMITED (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into a conditional sale and purchase agreement (the “**SPA**”) with Nexus Link Limited (the “**Purchaser**”), pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase all the shares in the issued and paidup capital of Oldtown Resources Limited, a wholly-owned subsidiary of the Company (“**Oldtown**”) (the “**Sale Shares**”), for an aggregate consideration of SGD100,000/- (the “**Consideration**”), upon the terms and subject to the conditions of the SPA(the “**Disposal**”).

As the Sale Shares represent the entire interest of the Company in Oldtown, the Company will cease to have any interest in Oldtown and Oldtown will cease to be a subsidiary of the Company following the completion of the Disposal. As such, this announcement is also made pursuant to Rule 704(18)(c) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

2. Background and Rationale for the Disposal

Oldtown was incorporated in Hong Kong for the purpose of trading of iron ore.

Due to the cessation of the iron ore trading business under Oldtown, the Group has intended to wind up Oldtown, as disclosed in the Company’s half year results announcement dated 9 October 2015. Subsequently, the Company has identified a purchaser for the Disposal.

3. Consideration

The Consideration which shall be satisfied in cash was arrived at after arm’s length negotiations on a willing-buyer and willing-seller basis and after taking into consideration the net asset value of Oldtown as stated in its audited financial statements for the year ended 28 February 2015.

4. Information on the Purchaser

The Purchaser is a company incorporated in and under the laws of the British Virgin Islands and having its registered office at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Island.

The Purchaser is an independent third party and there is no relationship between the Purchaser, the Company and the Company’s Directors or, to the best of the Company’s knowledge, the Company’s substantial shareholders.

5. Relative figures under Rule 1006 of the Listing Manual

As each of the relative figures computed on the applicable bases as set out in Rule 1006 of the Listing Manual of the SGX-ST is less than 5%, the Disposal is a “Non-Discloseable Transaction” for the purpose of Chapter 10 of the SGX-ST’s Listing Manual.

6. Financial Impact on the Company

The Disposal is not expected to have any material impact on the Group’s consolidated net tangible assets or earnings per share for the financial year ending 29 February 2016.

7. Interests of Directors and Substantial Shareholders

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Disposal.

BY ORDER OF THE BOARD

Danny Tan Chee Khiong
Executive Chairman & President
27 November 2015