



NICO STEEL HOLDINGS LIMITED

Company Registration No. 200104166D
(Incorporated in the Republic of Singapore)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

Nico Steel Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) was placed on the watch-list under the financial entry criteria pursuant to Rule 1311(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited on 5 September 2016.

The Company was also placed on the watch-list under the minimum trading price (“**MTP**”) exit criterion pursuant to Rule 1311(2) of the Listing Manual on 3 March 2016.

Pursuant to Rule 1313(2) of the Listing Manual, the Board wishes to provide an update on its effort and the progress made in meeting the financial and the MTP exit criteria of the watch-list.

Update on financial situation

Please refer to the announcement released on 7 October 2016 for the half yearly results ended 31 August 2016 for an update on the Group’s financial position. As at 31 August 2016, the Group recorded a net loss before income tax of US\$658,000.

The Company is not required to release quarterly results. The Company will release its unaudited financial statements of the Group for the full year ending 28 February 2017 (“**Full Year Results Announcement**”) via the SGXNET in April 2017. The next quarterly update pursuant to Rule 1313(2) of the Listing Manual will also be released together with the Full Year Results Announcement. Please refer to the paragraph below for other updates.

Update on future direction and other material development

The Company was in discussion with an entity in connection with a transaction under which if successfully negotiated, could result in the Company entering into an agreement with said entity in pursuance of its expanded scope of business. However, the parties have not agreed on all material terms, and consequently, all discussions relating to this potential transaction were incomplete and do not represent a complete proposal or negotiation for disclosure to shareholders at the current time.

Currently the Company does not have any other material development so far.

The Group will continue to promote its alternative materials solution derived from green manufacturing process under the Nico Branded materials and stay competitive. The Group will also continue to explore markets and materials for its existing business while at the same time look for opportunities in new business (including opportunities to enter into the approved expanded scope of business).

Update on efforts for satisfying MTP exit criterion

The board of directors (the “**Board**”) will continue to make efforts and consider various options to meet the MTP exit criteria. At the opportune time, the Board will make a decision to the relevant options that will best serve the interests of the Company’s shareholders. At the current time, the Board is of the view that consolidating its share capital is not the most appropriate manner of meeting the MTP exit criteria as a fall in any eventual consolidated price per share could result in a larger loss in value to shareholders.

The Company will update its shareholders on any material developments in due course and the Company will make further announcements as and when there are any subsequent developments.

BY ORDER OF THE BOARD

Danny Tan Chee Khiong
Executive Chairman & President

31 January 2017