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**APPLICATION TO THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) FOR AN EXTENSION OF TIME TO COMPLY WITH RULE 1315 OF THE LISTING MANUAL OF THE SGX-ST (“LISTING MANUAL”)**

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**1. INTRODUCTION**

Nico Steel Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement on 5 September 2016 which stated that (a) the SGX-ST (or the “**Exchange**”) had placed the Company on the Watch-list of the SGX-ST; and (b) the Company would have to fulfil the requirements under Rule 1314(1) of the Listing Manual for its removal from the Watch-list within 36 months from 5 September 2016 (the “**Cure Period**”), failing which the SGX-ST may either delist the Company or suspend trading in the Company’s shares with a view to delisting the Company from the SGX-ST.

The Company further refers to the announcement released on 29 April 2019 in relation to the application to seek the SGX-ST’s approval to extend the Cure Period from 4 September 2019 for a period of 12 months to meet the requirements relating to the financial exit criteria set in Rule 1314(1) of the Listing Manual (the “**Application**”).

**2. EXTENSION OF TIME GRANTED BY THE SGX-ST FOR REMOVAL FROM THE WATCH-LIST (FINANCIAL CRITERIAL)**

The Board is pleased to announce that the SGX-ST has on 26 June 2019 approved the Application and informed the Company that it had no objection in granting the Company an extension of up to 12 months to meet the requirements by 4 September 2020 for removal from the Watch-List (Financial Criterial), subject to the following :-

- (a) the Company and its controlling shareholder(s) provide an undertaking that, in the event that the Company does not meet the requirements of Listing Rule 1314 to exit the Watch-List (Financial Criteria) on or prior to 4 September 2020 and is required by the SGX-ST to be removed from the Official List under Listing Rule 1315, the Company and/or its controlling shareholder(s) will, pursuant to Listing Rule 1306, comply with Listing Rule 1309 which requires the Company or its controlling shareholder(s) to provide a reasonable exit offer to the Company's shareholders;
- (b) the Company announcing the waiver granted, the reasons for seeking the waiver and the conditions as required under Listing Rule 107; and
- (c) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company.

In accordance with Listing Rule 107, the Exchange may waive or modify compliance with a listing rule (or part of a rule) either generally or to suit the circumstances of a particular case, unless the listing rule specifies that the Exchange will not waive it. The Exchange may grant a waiver subject to such conditions, as it considers appropriate. If the Exchange waives a listing rule (or part of a rule) subject to a condition, the condition must be satisfied for the waiver to be effective. Where a waiver is granted, the issuer must announce the waiver, the reasons for seeking the waiver and the conditions, if any, upon which the waiver is granted as soon as practicable.

### **3. REASONS FOR SEEKING THE EXTENSION**

The Application was made by the Company to seek an extension of time to meet the requirements for removal from the Financial Watch-List for the following reasons :-

- (a) Item 4.2 of Practice Notes 13.2 (Watch-List) states that an issuer may apply to the Exchange for an extension to the 36-month cure period, and the Exchange may, if the circumstances warrant it, grant an extension of up to 12 months if the issuer satisfies at least one of the requirements under Rule 1314(1), and has achieved healthy cash flow from its operating activities (based on its latest consolidated audited financial statements).
- (b) For the full financial year ended 28 February 2018, the Group recorded a pre-tax profit of US\$209,000 based on consolidated audited accounts.
- (c) For the full financial year ended 28 February 2019, the Group recorded US\$469,000 in pre-tax profits, based on consolidated audited accounts.
- (d) As at 28 February 2019, the Group had a positive operating cash flow of US\$798,000 and was in a net cash position with cash and cash equivalents of US\$5.0 million.

### **4. FURTHER ANNOUNCEMENT**

The Company will make an update announcement when the conditions of the SGX-ST waiver have all been met as well as such further announcement(s) as appropriate when there are material developments.

### **BY ORDER OF THE BOARD**

Tan Chee Khiong Danny  
Executive Chairman & President

Date: 27 June 2019