
UPDATES TO NOTIFICATION OF DELISTING

The Board of Directors (“**Board**”) of Nico Steel Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to its announcement on 19 October 2020 in relation to the notification of delisting (“**Notification**”) received by the Company on 16 October 2020 from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Announcement**”). Unless otherwise defined, all terms and references used herein shall bear the same meaning as ascribed to them in the Announcement. The Notification notified the Company that the Company’s shares would be delisted by the Singapore Exchange Regulation Pte. Ltd. (“**SGX RegCo**”) as it failed to meet any of the requirements under Rule 1314(1) of the Listing Manual (“**Compulsory Delisting Notification**”). In the Compulsory Delisting Notification, it was stated that pursuant to Rule 1306, the Company or its controlling shareholder(s) must comply with Rule 1309 which requires the Company or its controlling shareholder(s) to provide a fair and reasonable exit to shareholders. The Compulsory Delisting Notification further required that the Company to inform the SGX RegCo of the exit offer as soon as practicable and no later than one month from the date of the said notification, being no later than 15 November 2020.

The Company wishes to inform that Value Capital Asset Management Private Limited (“**VCAM**”) is no longer a controlling shareholder (holding 15% or more of the total issued shares of the Company) with effect from 26 October 2020 as VCAM has sold its shares upon receipt of the Compulsory Delisting Notification and only held 14.79% shareholdings as at 26 October 2020. The Company contacted VCAM and was informed that VCAM would not be making any exit offer to the other shareholders of the Company.

The Company has, however, been in discussion with Mr. Tan Chee Khiong Danny (“**Danny Tan**”) in respect of an exit offer. The outcome of the discussions so far is that while Danny Tan is willing to make an exit offer in cash to the other shareholders of the Company, the situation has also changed for Danny Tan as he had expected any exit offer to have been made jointly with VCAM. The Company has further been informed by Danny Tan that he has approached his bankers for acquisition financing, but to date, the banks have expressed reluctance and have not provided a formal reply to him.

Without financing support from his bankers and without the joint participation of VCAM, Danny Tan has informed the Company that on his own, he is not able to make an exit offer that is meaningful and/or will meet the requirements of Rule 1309 of being fair and reasonable.

As at the date of this letter, Danny Tan and his concert parties own a total of 24.68% of the total issued share capital of the Company, and VCAM holds approximately 13.78%.

The Company itself is unable to make an exit offer to its shareholders, as under the Companies Act, this would be tantamount to a distribution to shareholders upon a liquidation.

The Board has informed the SGX RegCo of the aforementioned and that neither the Company nor Danny Tan is able to provide an exit offer.

The Board now wishes to inform shareholders that based on the above, the Company is not presently able to provide an exit offer. Shareholders are hereby informed that from 9.00 a.m. on 16 November 2020, the Company's shares will be suspended from trading until the completion of a cash exit offer.

The Company will keep shareholders informed of any developments in this regard and will continue to keep shareholders updated on any material developments as and when appropriate, in particular, if it receives an exit offer that will satisfy the requirements of Rule 1309.

Cautionary Statement

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders are also advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in securities of the Company. In the event of any doubt, shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Tan Chee Khiong Danny
Executive Chairman & President

Date: 15 November 2020