

**NICO STEEL HOLDINGS LIMITED**  
(Company Registration No.: 200104166D)  
(Incorporated in the Republic of Singapore)

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**ENTRY INTO SECOND SUPPLEMENTAL SUBSCRIPTION AGREEMENT - ISSUE OF 2.0% REDEEMABLE CONVERTIBLE BONDS DUE 2018 IN AGGREGATE PRINCIPAL AMOUNT OF UP TO S\$50,000,000**

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The Board of Directors (the "Board") of Nico Steel Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to its announcement dated 30 September 2015 and the Company's Circular to shareholders dated 5 February 2016 (the "**Circular**"). Capitalised terms used herein shall have the definitions ascribed to them in the Circular, unless the context otherwise requires or unless otherwise stated.

The Board is pleased to announce that the Company has today entered into a conditional second supplemental agreement with the Subscriber and VCAM (the "**Second Supplemental Agreement**") to vary and amend certain terms of the Subscription Agreement.

### **1. Introduction**

Pursuant to the Subscription Agreement, as amended by the first supplemental subscription agreement dated 20 January 2016 between the Company, the Subscriber and VCAM (the "**First Supplemental Agreement**"), and as at the date of the Second Supplemental Agreement, an aggregate of S\$4,000,000 Bonds have been issued to the Subscriber, of which S\$3,950,000 has been converted into an aggregate of 354,935,063 Conversion Shares. S\$50,000 of the Bonds remains outstanding (the "**Issued Unconverted Bonds**") and of the aggregate S\$50,000,000 Bonds that may be issued under the Subscription Agreement, S\$46,000,000 of Bonds have not been issued (the "**Unissued Bonds**").

In order for the Company to raise funds necessary to execute its future strategies, the Company has requested and VCAM has agreed to vary the Minimum Conversion Price from its existing S\$0.01 to S\$0.001. In addition, under the Second Supplemental Agreement, Bonds will be issued at the rate of 0.5% per annum instead of the rate of 2.0% per annum. These two amendments will apply to the Issued Unconverted Bonds and the Unissued Bonds (collectively, the "**Remaining Bonds**") and will take effect from the date of the Second Supplemental Agreement, subject to the approval of the Shareholders in the general meeting of Shareholders to be convened by the Company to seek their approval for the issue of the Remaining Bonds on the terms and conditions contained in the Second Supplemental Agreement, the entry of the Company into the Second Supplemental Agreement and all other ancillary transactions and approvals relating thereto and/or required by the terms of the Second Supplemental Agreement.

Save as announced above, there are no other changes to the terms and conditions of the Subscription Agreement.

### **2. Approvals and Further Steps**

The Second Supplemental Agreement is conditional upon and subject to Shareholders' approval. Further details on the terms of the Second Supplemental Agreement will be set out in a circular to be issued by the Company and to be despatched to the Shareholders in due course, for the purpose of obtaining the approval of Shareholders in respect of the Company's entry into the Second Supplemental Agreement during an extraordinary general meeting (the "**EGM**") to be convened.

### **3. Interests of Directors and Substantial Shareholders**

None of the directors, and to the best of the Directors' knowledge, none of the substantial shareholders of the Company, have an interest, direct or indirect in the transactions set out in this Announcement, the Subscriber or VCAM, other than their respective interests in the shares of the Company ("**Shares**"), if any.

#### **4. Document for Inspection**

A copy of the Second Supplemental Agreement is available for inspection during normal business hours at the Company's registered address at 51 Loyang Way, Singapore 508744 for a period of three months from the date of this announcement.

#### **5. Directors' Responsibility Statement**

The Directors of the Company (including any Director who may have delegated detailed supervision of the preparation of this announcement) collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Second Supplemental Agreement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

#### **6. Caution in Trading**

Shareholders are advised to exercise caution in trading their Shares. The Second Supplemental Agreement will be subject to conditions. There is no certainty or assurance as at the date of this announcement that the Second Supplemental Agreement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

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

Danny Tan Chee Khiong  
Executive Chairman & President  
1 June 2017