



NICO STEEL HOLDINGS LIMITED

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

ISSUE OF 2.0% REDEEMABLE CONVERTIBLE BONDS DUE 2018 WITH AN AGGREGATE PRINCIPAL AMOUNT OF UP TO S\$50,000,000

- ISSUANCE OF CONVERSION SHARES

Unless otherwise defined, all capitalised terms used in this announcement shall bear the meanings as ascribed to them in the Company's Circulars to shareholder dated 5 February 2016 and 18 September 2017 respectively (collectively, the "Circulars").

The Board of Directors (the "**Board**") of Nico Steel Holdings Limited (the "**Company**") refers to the Circular dated 5 February 2016 and the extraordinary general meeting held on 25 February 2016 in relation to, amongst others, the issuance of up to S\$50,000,000 redeemable convertible bonds due 2018 (the "**Bonds**") to Premier Equity Fund Sub Fund H and the issuance of up to 5,000,000,000 Conversion Shares upon conversion of the Bonds; and the Circular dated 18 September 2017 and the extraordinary general meeting held on 12 October 2017 in relation to, amongst others, the amendment to the terms of the Subscription Agreement dated 30 September 2015 on the Minimum Conversion Price from S\$0.010 to S\$0.001 and the reduction of the rate of interest of 2.0% per annum to 0.5% per annum.

The Board further refer to the announcements of the Company dated 30 September 2015, 27 January 2016, 17 March 2016, 18 March 2016, 23 March 2016, 8 June 2016, 10 June 2016, 29 November 2016, 30 November 2016, 1 December 2016, 12 December 2016, 13 December 2016, 6 January 2017, 11 January 2017, 12 January 2017, 13 January 2017, 16 January 2017, 17 January 2017, 19 January 2017, 20 January 2017, 23 January 2017, 24 January 2017, 26 January 2017, 31 January 2017, 10 February 2017, 13 February 2017, 14 February 2017, 15 February 2017, 17 February 2017, 21 February 2017, 15 June 2017, 16 June 2017, 19 June 2017, 29 November 2017, 30 November 2017, 1 December 2017, 4 December 2017, 20 December 2017, 21 December 2017, 22 December 2017, 22 January 2018, 23 January 2018, 24 January 2018, 26 January 2018, 29 January 2018, 23 February 2018, 26 February 2018, 27 February 2018, 28 February 2018, 1 March 2018 and 18 April 2018 in relation to the issue of the Bonds and wishes to announce that the Bondholder had on 24 May 2018 opted to exercise its right to convert the remaining seventh sub-tranche and part of eighth sub-tranche of the Tranche 1 Bonds in the principal amount of S\$350,000 in accordance with the terms and subject to the conditions of the Subscription Agreement.

Pursuant to the said conversion, 350,000,000 Conversion Shares have been issued to the Bondholder at a Conversion Price of S\$0.001 as determined under the Conditions of Issue of Bonds in the following manner as opted by the Bondholder:

90% of the average of the traded volume weighted average price per Share for any three (3) consecutive Trading Days determined at the sole and absolute discretion of the Bondholder, during the 25 Trading Days immediately preceding the relevant Conversion Date. The Conversion Price shall not be lower than the Minimum Conversion Price of S\$0.001 (subject to adjustments in accordance with the terms and conditions of the RCBs). The three (3) consecutive Trading Days and their average of the traded volume weighted average price per Share are as follows:

| Date | Volume Weighted Average Price |
|-------------|--------------------------------------|
| 15 May 2018 | S\$0.0020 ("X") |
| 21 May 2018 | S\$0.0020 ("Y") |
| 23 May 2018 | S\$0.0020 ("Z") |

As such, the Conversion Price is determined by the following calculation:

$$\text{Floating Conversion Price} = \frac{X + Y + Z}{3} \times 0.90 = \text{S\$0.001 (rounded down)}$$

The Conversion Shares will rank *pari passu* in all respects with and carry all rights similar to Shares in issue then, save for any dividends, rights, allotments and other distributions, the record date of which falls on or before the date of the issue of the Conversion Shares. Following the allotment and issuance of the Conversion Shares on 24 May 2018, the Company's total number of issued shares has increased from 1,912,166,175 Shares to 2,262,166,175 Shares.

As previously announced by the Company, the issuance by the Company, and subscription by Premier Equity Fund Sub Fund H of the Shares was pursuant to the request of the Company made to Premier Equity Fund Sub Fund H to increase the working capital of the Group.

The Company would release a separate announcement on the listing and quotation of the Conversion Shares.

BY ORDER OF THE BOARD

Tan Chee Khiong Danny
Executive Chairman & President

24 May 2018