



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

RESPONSE TO QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON 8 DECEMBER 2016 REGARDING TRADING ACTIVITY

The board of directors (the “**Board**”) of Nico Steel Holdings Limited (the “**Company**”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 8 December 2016, and sets out below its responses to the queries as follows:

Question 1

Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 8 in Appendix 7.1 of the Mainboard Rules for further examples. - If yes, the information shall be announced immediately.

Company's response:

The Company is no aware of any information not previously announced which, if known, might explain the trading activity.

However, as a follow up to the Company's announcement on 3 November 2016 in which the Company stated that it was in discussions with a view to entering into a potential transaction, the Company wishes to update shareholders that the management of the Company decided last week to suspend negotiations on the same as certain key terms could not be agreed on. Pursuant to that decision, a Board meeting was scheduled on Monday for this afternoon 8 December 2016 at 3.30 pm, during which the Board approved the suspension of negotiations. Other than the fact that management had decided to suspend negotiations, the Board is not aware of any information that may explain the unusual trading activity.

Question 2

Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

Company's response:

Other than the response to question 1 set out above, the Company and the Board are not aware of any information or public rumours that could explain unusual trading activity which resulted in the Company's share price increase from 0.018 to 0.023 and the volume of trades ending at the close of market at 76,299,000.

Question 3

Can you confirm your compliance with the listing rules and, in particular, Mainboard Rule 703?

Company's response:

The Company confirms compliance with the listing rules, in particular, listing rule 703.

Shareholders are urged to take caution when trading their shares as any potential transaction the Company is currently considering may not eventually be entered into.

BY ORDER OF THE BOARD

Danny Tan Chee Khiong
Executive Chairman & President
8 December 2016