



NICO STEEL HOLDINGS LIMITED

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

RESPONSE TO QUERY RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON 19 JUNE 2018 REGARDING ANNUAL REPORT 2018

The Board of Directors (the “**Board**”) of Nico Steel Holdings Limited (the “**Company**”) refers to the query raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 19 June 2018, and set out below its response to the query from the SGX-ST as follows:

Query

Please explain the deviation in the values for net cash generated from/(used in) operating activities, net cash used in investing activities and net cash generated from financing activities on page 43 of the Annual Report and Company’s full year results announced on 25 April 2018. In this regard, we note that the Company has not made an announcement under Listing Rule 704(6) to explain any material deviations.

Company’s response:

The material deviations in the consolidated statement of cash flows in the Company’s Annual Report and announcement are summarised below:

	As per Announcements US\$	Reclassifications US\$	As per Annual Report US\$
FY 28 February 2018 (in thousands) <i>Consolidated Statement of Cash Flows</i>			
Net cash used in operating activities	135	-133	2
Net cash generated from financing activities	890	133	1,023

The deviations relate to the reclassification of interest expense on working capital borrowings as operating activities instead of financing activities in accordance to its nature of the transaction. The reclassification does not alter the financial results or position of the Company as announced on 25 April 2018.

BY ORDER OF THE BOARD

Tan Chee Khiong Danny
Executive Chairman & President
21 June 2018