



**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 - ISSUE 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 Circular to shareholder dated 5 February 2016.*

The board of directors (the "**Board**") of Nico Steel Holdings Limited (the "**Company**") refers to the announcement released on 12 December 2016 ("**12 December 2016 Announcement**") in which it was disclosed that the Bondholder exercised its conversion right in respect of the Bonds in the principal sum of S\$600,000.

The Bondholder and the Company have subsequently discovered that there was an error in the computation of the 25 Trading Days preceding the relevant Conversion Date, which was 12 December 2016. The average of the 3 consecutive Trading Days picked by the Bondholder to determine the Conversion Price (ie, S\$0.010, as announced in the 12 December 2016 Announcement) was, therefore, consequently also erroneous. The total number of new ordinary shares issued to the Bondholder pursuant to the conversion on 12 December 2016 was 60,000,000.

The correct Conversion Price should have been:

Date	Volume Weighted Average Price
7 November 2016	S\$0.0138 ("X")
8 November 2016	S\$0.0137 ("Y")
9 November 2016	S\$0.0125 ("Z")

Therefore, the conversion price =  $\frac{X + Y + Z}{3} \times 0.90 = \text{S\$}0.011$

\* (3 decimal place & rounded down)

Based on the correct Conversion Price of S\$0.011, the total number of new ordinary shares that should have been issued would have been 54,545,454. This means that there was an over-allotment of 5,454,546 new ordinary shares to the Bondholder based on the Conversion Price of S\$0.010 (as announced in the 12 December 2016 Announcement).

The Company and the Bondholder are in discussions on the ways to rectify the error. Subject to the Company consulting its legal advisors and the SGX-ST, the Company will agree with the Bondholder on the most appropriate manner of rectification. The Company will update shareholders in a separate announcement when the manner of rectification has been agreed on.

**BY ORDER OF THE BOARD**

Danny Tan Chee Khiong  
Executive Chairman & President  
6 January 2017