



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 FIRST SUB-TRANCHE OF THE TRANCHE 1 BONDS
- ALLOTMENT AND ISSUE OF COMMITMENT 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 "Circular").

The Board of Directors (the "Board") of Nico Steel Holdings Limited (the "Company") refers to the Circular and the Extraordinary General Meeting held on 25 February 2016 in relation to, amongst others : (a) the issuance of up to S\$50,000,000 redeemable convertible bonds due 2018 (the "Bonds") to Premier Equity Fund Sub Fund H (the "Subscriber") and the issuance of up to 5,000,000,000 Conversion Shares upon conversion of the Bonds and (b) the allotment and issue of up to 55,000,000 Commitment Shares (the "Commitment Shares") for the payment of the Commitment Fees.

The Board wishes to announce that in accordance with the terms and subject to the conditions of the Subscription Agreement dated 30 September 2015, the Company has:

- i) issued the first sub-tranche of the Tranche 1 Bonds in the principal amount of S\$1,000,000 to the Subscriber on 15 March 2016; and
- ii) allotted and issued 10,416,666 Commitment Shares at the issue price of S\$0.024 per Commitment Share to the Subscriber as per the VWAP on 14 March 2016 (to three decimal place and rounded down).

The Commitment Shares shall rank *pari passu* in all respects and carry all rights similar with the existing shares of the Company except for any dividend, rights, allotment or other distributions whereby the record date for is before the allotment and issue of the Commitment Shares.

Following the allotment and issue of the Commitment Shares, the Company's total number of issued shares has increased from 126,814,447 shares to 137,231,113 shares.

The Company will make announcement on the utilization of the net proceeds of the Bonds Issue as and when they are materially disbursed.

BY ORDER OF THE BOARD

Fong Pin Jan Daniel
Executive Director
17 March 2016