



NSL LTD.

UPDATE ON THE GROUP'S BUSINESS AND OPERATIONS IN VIEW OF COVID-19 PANDEMIC

NSL Ltd (the "**Company**") would like to update shareholders on the impact of the coronavirus disease 2019 ("**COVID-19**") pandemic on the Group's businesses and operations.

Singapore

In Singapore, the Company strictly implemented the government's safe distancing at workplaces guidance and enforced tele-commuting. The Company closed its office from 7th April 2020 with staff working from home while the Group continued its business operations that provided essential services such as waste management, industrial waste water treatment services and construction business.

The following subsidiaries applied for general exemptions from the suspension of activities to operate as usual at reduced manpower capacity during this circuit-breaker period as approved essential service providers:

Name of Subsidiary	Nature of business	Application date for general exemption	Approval date
NSL OilChem Waste Management Pte Ltd (" NOWM ")	Treatment and disposal of waste	5 April 2020	14 April 2020
NSL Chemicals Ltd (" NSC ")	Manufacturing and trading of refractory materials and road stones	4 April 2020	10 April 2020

Eastern Pretech Pte Ltd ("EP")	Production of pre- cast concrete components	5 April 2020	12 April 2020
---	---	--------------	---------------

The Multi-Ministry Taskforce had announced on 14 April 2020 and 21 April 2020 that there would be a further tightening of the list of companies that were permitted to operate during the circuit breaker period to reduce the number of on-site workers and minimise people movement.

Arising from this review, approvals previously granted to NSC and EP to continue operations were rescinded on 27 April 2020 by the Ministry of Trade and Industry. The offices and factories of EP and NSC will be closed from 27 April 2020 until 1 June 2020. NOWM's operations remain unaffected by the government's circuit breaker measures.

Malaysia

In Malaysia, the Government of Malaysia had further extended the Movement Control Order to 9 June 2020 (the "**Movement Control Order Period**"). The precast business had applied for and obtained approvals from the relevant authorities in Malaysia for its operations as at 30 April 2020 to restart operations at 100% of its overall manpower capacity for the remainder of the Movement Control Order Period subject to, inter alia, compliance with the COVID-19 prevention measures.

United Arab Emirates

In Dubai, despite the United Arab Emirates government's strict measures to temporarily restrict movement in Dubai from 4 April 2020 to 25 April 2020 (the "**Lockdown**") as part of its efforts to contain the COVID-19 outbreak, the Construction sector was exempted from the Lockdown and could operate as usual.

Regrettably, the manufacture of precast concrete products for the Group's on-going projects in Dubai had since the beginning of April only operated at 50% of its overall plant capacity due to movement restriction and social distancing measures. Despite all precautions taken, as at 30 April, 2.5% of Dubai Precast's workers with mild symptoms were tested COVID-19 positive.

Some of our customers sites have also closed temporarily due to the spread of COVID-19 amongst main contractors' employees.

Overall

The Company is assessing the impact of this development on its businesses and will continue to monitor the state of health of its workers in Malaysia, Dubai as well as Singapore.

The Group is expected to remain in a loss position in its half year results ending 30 June 2020 due to the adverse business impact of the measures taken by Singapore, Malaysia, and Dubai to contain the COVID-19 pandemic; and the collapse of the oil price which has a significant adverse impact on the performance of the Environmental Services division. However, the Group has initiated a series of cost cutting measures which together with the supports provided by the Singapore and Malaysian Governments would reduce the otherwise much higher losses.

The Board will make the appropriate announcement(s) as and when there are material developments on this matter.

Shareholders and potential investors are reminded to exercise caution when dealing or trading in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

By Order of the Board

Lim Su-Ling
Company Secretary
17 May 2020