

**CIRCULAR DATED 23 MARCH 2017**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

If you have sold or transferred all your ordinary shares in the capital of NSL Ltd. (the “**Company**” or “**NSL**”), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.



## **CIRCULAR TO SHAREHOLDERS**

**in relation to**

### **THE RATIFICATION OF THE DISPOSAL OF THE DRY MIX BUSINESS IN SINGAPORE, HONG KONG, CHINA AND MALAYSIA**

*Financial Adviser to the Company*



## **IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form :	8 April 2017 at 2.15 p.m. (Singapore time)
Date and time of Extraordinary General Meeting :	11 April 2017 at 2.15 p.m. (Singapore time) (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. (Singapore time) on the same day and at the same place)
Place of Extraordinary General Meeting :	Bridge Rooms 1, 2 and 3 Raffles Marina 10 Tuas West Drive Singapore 638404

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless otherwise stated:

<b>“6M2016 Results”</b>	:	The unaudited consolidated financial statements of the NSL Group for the six-month period ended 30 June 2016
<b>“98 Holdings”</b>	:	98 Holdings Pte. Ltd.
<b>“98 Holdings Undertaking”</b>	:	The written undertaking from 98 Holdings to the Company that, <i>inter alia</i> , it will vote in favour of any resolutions to be proposed at the EGM to ratify the Disposal and will not dispose of its equity stake in the Company before and up to the date of the EGM, as set out in <b>paragraph 7.3(c)</b> of the Letter to Shareholders in this Circular
<b>“Aggregate Net Debt”</b>	:	The aggregate of (a) the Net Debt of each of Emix Singapore and Emix Malaysia and (b) 80 per cent. of the Net Debt of Emix Industry HK and its Subsidiaries
<b>“AGM”</b>	:	The annual general meeting of the Company to be held at 2.00 p.m. (Singapore time) on 11 April 2017
<b>“Agreement”</b>	:	The conditional framework share purchase agreement dated 4 November 2016, as amended by the Deed of Amendment, entered into between the Company, the Relevant Sellers and the Relevant Purchasers in connection with the Disposal, pursuant to which the Relevant Sellers agreed to sell, and the Relevant Purchasers agreed to purchase, the Sale Shares, on the terms and subject to the conditions contained therein
<b>“AIK”</b>	:	Mr Ip Kam Wa
<b>“AIK Closing”</b>	:	Completion of the AIK SPA
<b>“AIK Closing Date”</b>	:	14 December 2016, being the date of AIK Closing as agreed between SGPPC and AIK
<b>“AIK SPA”</b>	:	The sale and purchase agreement dated 4 November 2016 entered into between SGPPC and AIK, pursuant to which AIK agreed to sell, and SGPPC agreed to purchase, 2,250,000 Emix HK Shares, representing 10 per cent. of the issued and paid-up share capital of Emix Industry HK
<b>“Announcement Date”</b>	:	4 November 2016, being the date of the announcement by the Company in relation to the entry by the Company into the Agreement
<b>“Associated Companies”</b>	:	Collectively: <ul style="list-style-type: none"> <li>(a) Yue Fung China; and</li> <li>(b) 云浮市美特耐新型建材有限公司 (Co. Reg. No. 91445300329616038Q (统一社会信用代码) / 445300400007255 (注册号)), and</li> </ul> each of them, an <b>“Associated Company”</b>

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## DEFINITIONS

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<b>“Associated Companies Aggregate Net Debt”</b>	<p>: In relation to each of the Associated Companies, such amount calculated by:</p> <p>(a) any deposits placed in current accounts of each of the Associated Companies with licensed banks, plus any short term money market deposits owned by each of the Associated Companies with licensed banks, plus any securities which are readily convertible into cash held by or on behalf of each of the Associated Companies with licensed banks, as at the close of business on the date of the Associated Companies Balance Sheet;</p> <p>minus</p> <p>(b) all outstanding borrowings and outstanding indebtedness owed to any person (other than a Group Company or Associated Company), as at the close of business on the date of the Associated Companies Balance Sheet, of each of the Associated Companies, including any bank debit balances, bonds, notes, loan stock, debentures or other debt instruments, any accrued interest, redemption costs or break fees, pre-payment fees or other amounts, costs, expenses or penalties relating to the termination or repayment of any such borrowings or indebtedness, any overdraft or finance lease and any non-trade amounts owing to either Relevant Seller or any of its related corporations (other than a Group Company or Associated Company)</p>
<b>“Associated Companies Balance Sheet”</b>	<p>: The consolidated balance sheet of the Associated Companies reflecting the Associated Companies Aggregate Net Debt position as at 30 September 2016</p>
<b>“Bid Amount”</b>	<p>: The bid amount of S\$142,600,000</p>
<b>“Board”</b>	<p>: The board of directors of the Company</p>
<b>“Business Day”</b>	<p>: A day excluding Saturdays, Sundays or public holidays in Singapore, Malaysia, Hong Kong or France</p>
<b>“CDP”</b>	<p>: The Central Depository (Pte) Limited</p>
<b>“Circular”</b>	<p>: This circular to Shareholders dated 23 March 2017</p>
<b>“Closing”</b>	<p>: The completion of the Disposal</p>
<b>“Closing Date”</b>	<p>: 14 December 2016, being the date of Closing as agreed among the parties to the Agreement</p>
<b>“Closing Statement”</b>	<p>: The notice(s) provided by the Relevant Purchasers to the Relevant Sellers within 15 Business Days following Closing, as set out in <b>paragraph 4.2(c)</b> of the Letter to Shareholders in this Circular</p>
<b>“Companies Act”</b>	<p>: The Companies Act, Chapter 50 of Singapore</p>

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## DEFINITIONS

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<b>“Company” or “NSL”</b>	:	NSL Ltd.
<b>“Company Confirmation”</b>	:	The written confirmation from the Company to the SGX-ST that the SGX Extension does not contravene any laws and regulations governing the Company and the Constitution, as set out in <b>paragraph 7.5(b)</b> of the Letter to Shareholders in this Circular
<b>“Company Undertaking”</b>	:	<p>(a) The written confirmation from the Company to the SGX-ST that the SGX Waiver does not contravene any laws and regulations governing the Company and the Constitution; and</p> <p>(b) the written undertaking from the Company to the SGX-ST that it will seek Shareholders’ ratification of the Disposal at an EGM, which has to be held within the Requisite Period,</p> <p>as set out in <b>paragraph 7.3(b)</b> of the Letter to Shareholders in this Circular</p>
<b>“Conditions”</b>	:	The conditions precedent to the Disposal, as set out in <b>paragraph 4.3(a)</b> of the Letter to Shareholders in this Circular
<b>“Consideration”</b>	:	The aggregate purchase consideration of approximately S\$155.3 million for the Sale Shares
<b>“Constitution”</b>	:	The constitution of the Company
<b>“Deed of Amendment”</b>	:	The deed of amendment dated 13 December 2016 relating to the Agreement, entered into between the Company, Eastern Pretech Singapore, Eastern Pretech Malaysia, SGPPC and SGMY
<b>“Directors”</b>	:	The directors of the Company as at the Latest Practicable Date
<b>“Disposal”</b>	:	The disposal of the Sale Shares by the Relevant Sellers to the Relevant Purchasers, on the terms and subject to the conditions as set out in the Agreement
<b>“Eastern Pretech HK Ownership Interest”</b>	:	18,000,000 Emix HK Shares, representing 80 per cent. of the entire issued and paid-up share capital of Emix Industry HK
<b>“Eastern Pretech Malaysia”</b>	:	Eastern Pretech (Malaysia) Sdn Bhd (Co. Reg. No. 184774-P), an indirect wholly-owned subsidiary of the Company
<b>“Eastern Pretech Malaysia Ownership Interest”</b>	:	12,031,238 Emix Malaysia Shares, representing the entire issued and paid-up share capital of Emix Malaysia
<b>“Eastern Pretech Singapore”</b>	:	Eastern Pretech Pte Ltd (Co. Reg. No. 198203232D), an indirect wholly-owned subsidiary of the Company
<b>“Eastern Pretech Singapore Ownership Interest”</b>	:	5,880,000 Emix Singapore Shares, representing the entire issued and paid-up share capital of Emix Singapore
<b>“EGGZ”</b>	:	Eastern Gotech (Guangzhou) Limited 高迪建材(广州)有限公司 (Co. Reg. No. 440101400056648)

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## DEFINITIONS

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<b>“EGM”</b>	:	The extraordinary general meeting of the Company to be held on 11 April 2017 (and any adjournment thereof), notice of which is given on pages 29 and 30 of this Circular
<b>“Emix Business”</b>	:	The dry mix business of Emix Singapore, Emix Industry HK and Emix Malaysia
<b>“Emix China”</b>	:	Emix (China) Limited 美特耐 (中國) 有限公司 (Co. Reg. No. 936805)
<b>“Emix HK Shares”</b>	:	Ordinary shares in the capital of Emix Industry HK
<b>“Emix Industry HK”</b>	:	Emix Industry (HK) Limited (Co. Reg. No. 594490)
<b>“Emix Malaysia”</b>	:	Emix Industry (M) Sdn Bhd (Co. Reg. No. 1015627-T)
<b>“Emix Malaysia Shares”</b>	:	Ordinary shares of RM1.00 each in the capital of Emix Malaysia
<b>“Emix Singapore”</b>	:	Emix Industry (S) Pte. Ltd. (Co. Reg. No. 201223252K)
<b>“Emix Singapore Shares”</b>	:	Ordinary shares in the capital of Emix Singapore
<b>“Encumbrance”</b>	:	Any claim, charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, usufruct, retention of title, right of pre-emption, right of first refusal or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
<b>“EPS”</b>	:	Earnings per share
<b>“Estimated Net Debt”</b>	:	In relation to a Group Company, the Relevant Seller’s reasonable estimate of the Net Debt of such Group Company
<b>“Final Payment Date”</b>	:	The date falling 14 days after the Closing Statement becomes final and binding pursuant to the Agreement
<b>“FY”</b>	:	Financial year ended or ending, as the case may be, on 31 December
<b>“FY2016 Results”</b>	:	The unaudited consolidated financial statements of the NSL Group for FY2016
<b>“Group Companies”</b>	:	Collectively, (a) Emix Singapore, (b) Emix Malaysia and (c) Emix Industry HK and its Subsidiaries and each of them, a <b>“Group Company”</b>
<b>“Hong Kong”</b>	:	The Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Latest Practicable Date”</b>	:	The latest practicable date prior to the printing of this Circular, being 15 March 2017
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST
<b>“NAV”</b>	:	Net asset value

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## DEFINITIONS

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<b>“Net Debt”</b>	:	In relation to a Group Company, such amount as at the close of business on the Closing Date calculated by: <ul style="list-style-type: none"><li>(a) all outstanding borrowings and outstanding indebtedness owed to any person (other than a Group Company or Associated Company) of such Group Company, including any bank debit balances, bonds, notes, loan stock, debentures or other debt instruments, any accrued interest, redemption costs or break fees, pre-payment fees or other amounts, costs, expenses or penalties relating to the termination or repayment of any such borrowings or indebtedness, any overdraft or finance lease and any non-trade amounts owing to either Relevant Seller or any of its related corporations (other than a Group Company or Associated Company);</li></ul> minus <ul style="list-style-type: none"><li>(b) any deposits placed in current accounts of such Group Company with licensed banks, plus any short term money market deposits owned by such Group Company with licensed banks, plus any securities which are readily convertible into cash held by or on behalf of such Group Company</li></ul>
<b>“Net Profit”</b>	:	Net profit before income tax, minority interests and exceptional items
<b>“Notice”</b>	:	Notice of the EGM, as set out on pages 29 and 30 of this Circular
<b>“NSL Group”</b>	:	The Company and its subsidiaries from time to time
<b>“NSL Shareholder Resolution”</b>	:	A resolution of the Shareholders to approve the sale of the Sale Shares in accordance with the terms of the Agreement
<b>“NTA”</b>	:	Net tangible assets
<b>“PRC”</b>	:	The People’s Republic of China, excluding, for these purposes, Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China
<b>“Pre-completion Notice”</b>	:	The notice, in agreed terms, given by the Relevant Sellers to the Relevant Purchasers within two Business Days of the Relevant Sellers becoming aware of the satisfaction or waiver (as the case may be) of the Conditions, in accordance with <b>paragraph 4.3(b)</b> of the Letter to Shareholders in this Circular
<b>“Pre-Sale Reorganisation”</b>	:	The employment by Eastern Pretech Singapore (whether pursuant to a transfer from Emix Singapore and/or an appointment, engagement, or assignment under the Agreement) of the Pre-Sale Reorganisation Employees on the same terms and conditions as those that they or employees in similar roles, as the case may be, enjoyed with Emix Singapore immediately before the date of the Agreement

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## DEFINITIONS

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<b>“Pre-Sale Reorganisation Employees”</b>	:	<p>Means:</p> <ul style="list-style-type: none"> <li>(a) the individuals listed in the Agreement, excluding any individual: <ul style="list-style-type: none"> <li>(i) who resigns from his or her employment with Emix Singapore or Eastern Pretech Singapore (as the case may be) after the date of the Agreement; and</li> <li>(ii) who is not a citizen or permanent resident of Singapore, and in respect of whom the Ministry of Manpower of Singapore has rejected an application for a work pass for him or her to work for Eastern Pretech Singapore in Singapore; and</li> </ul> </li> <li>(b) any other individual engaged, appointed or assigned in accordance with the Agreement or otherwise agreed to in writing by SGPPC</li> </ul>
<b>“Relevant Company”</b>	:	<p>Means:</p> <ul style="list-style-type: none"> <li>(a) in relation to Eastern Pretech Singapore or SGPPC, each of (i) Emix Singapore and (ii) Emix Industry HK and its Subsidiaries; and</li> <li>(b) in relation to Eastern Pretech Malaysia or SGMY, Emix Malaysia</li> </ul>
<b>“Relevant Purchasers”</b>	:	Collectively, SGPPC and SGMY and each of them, a <b>“Relevant Purchaser”</b>
<b>“Relevant Sellers”</b>	:	Collectively, Eastern Pretech Singapore and Eastern Pretech Malaysia and each of them, a <b>“Relevant Seller”</b>
<b>“Relevant Sellers’ Guaranteed Obligations”</b>	:	All the obligations, commitments, undertakings, warranties and indemnities of the Relevant Sellers under or pursuant to the Agreement and the contingency agreement entered into between Eastern Pretech Singapore and Emix Singapore on Closing
<b>“Requisite Period”</b>	:	The three-month period from the date of the SGX Waiver (being 1 December 2016)
<b>“Rule 1006”</b>	:	Rule 1006 of the Listing Manual
<b>“Sale Shares”</b>	:	Collectively, the Eastern Pretech Singapore Ownership Interest, the Eastern Pretech HK Ownership Interest and the Eastern Pretech Malaysia Ownership Interest
<b>“SCB”</b>	:	Standard Chartered Bank
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account
<b>“SFA”</b>	:	The Securities and Futures Act, Chapter 289 of Singapore



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## DEFINITIONS

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<b>“SGMY”</b>	:	Saint-Gobain Malaysia Sdn. Bhd. (Co. Reg. No. 636775-T), a direct wholly-owned subsidiary of SGPPC
<b>“SGPPC”</b>	:	Saint-Gobain Produits pour la Construction S.A.S
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“SGX Extension”</b>	:	The letter dated 1 February 2017 from the SGX-ST to the Company, as set out in <b>paragraph 7.5</b> of the Letter to Shareholders in this Circular
<b>“SGX Waiver”</b>	:	The letter dated 1 December 2016 from the SGX-ST to the Company, as set out in <b>paragraph 7.3</b> of the Letter to Shareholders in this Circular
<b>“Shareholders”</b>	:	Registered holders of Shares, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, where the context admits, mean the Depositors whose Securities Accounts are credited with Shares
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“Special Dividend”</b>	:	The special dividend of S\$0.20 per Share, as set out in <b>paragraph 6.2</b> of the Letter to Shareholders in this Circular
<b>“Subsidiaries”</b>	:	Collectively: <ul style="list-style-type: none"> <li>(a) Emix (HK) Limited 美特耐(香港)有限公司 (Co. Reg. No. 621618);</li> <li>(b) Emix China;</li> <li>(c) EGGZ; and</li> <li>(d) Emix Industry (Guangzhou) Ltd 美特耐新型建材(广州)有限公司 (Co. Reg. No. 91440183691522464C (统一社会信用代码) / 440101400009408 (注册号))</li> </ul>
<b>“Working Capital”</b>	:	Means: <ul style="list-style-type: none"> <li>(a) in relation to Emix Singapore and Emix Malaysia, the aggregate amount of the working capital of Emix Singapore and Emix Malaysia; and</li> <li>(b) in relation to Emix Industry HK and its Subsidiaries, the aggregate amount of the working capital of Emix Industry HK and its Subsidiaries,</li> </ul> <p>in each case at close of business on the Closing Date</p>
<b>“Yue Fung China”</b>	:	Yue Fung (China) Limited 裕豐建材(中國)有限公司 (Co. Reg. No. 2120294)
<b>“Yue Fung HK”</b>	:	Yue Fung (HK) Limited (Co. Reg. No. 799765)

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## DEFINITIONS

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“Yue Fung JVA”	:	The joint venture agreement dated 17 October 2014 entered into between Yue Fung HK, Emix China and Yue Fung China
“HK\$”	:	The lawful currency for the time being of Hong Kong
“Ringgit Malaysia” or “RM”	:	The lawful currency for the time being of Malaysia
“S\$”	:	The lawful currency for the time being of the Republic of Singapore
“%” or “per cent.”	:	Per centum or percentage

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “**chief executive officer**”, “**controlling shareholder**” and “**associate**” shall have the meanings ascribed to them respectively in the Listing Manual.

The term “**subsidiaries**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Certain exchange rates stated herein are for reference only. No representation is made by the Company that any amounts in RM or HK\$ have been, could have been or could be converted at the stipulated rates or at any other rates or at all.

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## LETTER TO SHAREHOLDERS

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### NSL LTD.

(Incorporated in Singapore)  
Company Registration No. 196100107C

#### Directors

Prof Cham Tao Soon (*Non-Executive Chairman, Independent Director*)  
Mr Ban Song Long (*Non-Executive Director*)  
Mr David Fu Kuo Chen (*Non-Executive Director*)  
Mr John Koh Tiong Lu (*Independent Director*)  
Dr Low Chin Nam (*Executive Director*)  
Dr Tan Tat Wai (*Independent Director*)

#### Registered Office

77 Robinson Road  
#27-00 Robinson 77  
Singapore 068896

23 March 2017

To: The Shareholders of NSL Ltd.

Dear Sir/Madam

### RATIFICATION OF THE DISPOSAL OF THE DRY MIX BUSINESS IN SINGAPORE, HONG KONG, CHINA AND MALAYSIA

#### 1. INTRODUCTION

**1.1 Disposal.** In an announcement dated 4 November 2016 (the “**Announcement Date**”), the Company announced that it had entered into a conditional framework share purchase agreement dated 4 November 2016 (the “**Agreement**”), as subsequently amended by a deed of amendment dated 13 December 2016 (the “**Deed of Amendment**”), with:

- (a) Eastern Pretech Pte Ltd, an indirect wholly-owned subsidiary of the Company (“**Eastern Pretech Singapore**”);
- (b) Eastern Pretech (Malaysia) Sdn Bhd, an indirect wholly-owned subsidiary of the Company (“**Eastern Pretech Malaysia**”, and together with Eastern Pretech Singapore, the “**Relevant Sellers**”);
- (c) Saint-Gobain Produits pour la Construction S.A.S (“**SGPPC**”); and
- (d) Saint-Gobain Malaysia Sdn. Bhd., a direct wholly-owned subsidiary of SGPPC (“**SGMY**”, and together with SGPPC, the “**Relevant Purchasers**”),

pursuant to which:

- (i) Eastern Pretech Singapore agreed to sell, and SGPPC agreed to purchase:
  - (A) 5,880,000 ordinary shares in the capital of Emix Industry (S) Pte. Ltd. (“**Emix Singapore**”), representing the entire issued and paid-up share capital of Emix Singapore (such shares, the “**Emix Singapore Shares**”); and
  - (B) 18,000,000 ordinary shares in the capital of Emix Industry (HK) Limited (“**Emix Industry HK**”), representing 80 per cent. of the entire issued and paid-up share capital of Emix Industry HK (such shares, the “**Emix HK Shares**”). Emix Industry HK holds, directly or indirectly:
    - (l) the entire issued and paid-up share capital of Emix (HK) Limited 美特耐(香港)有限公司, Emix (China) Limited 美特耐(中國)有限公司 (“**Emix China**”), Eastern Gotech (Guangzhou) Limited 高迪建材(广州)有限公司 (“**EGGZ**”) and Emix Industry (Guangzhou) Ltd 美特耐新型建材(广州)有限公司 (collectively, the “**Subsidiaries**”); and

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## LETTER TO SHAREHOLDERS

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- (II) 40 per cent. of the entire issued and paid-up share capital of Yue Fung (China) Limited 裕豐建材(中國)有限公司 (“**Yue Fung China**”) and 云浮市美特耐新型建材有限公司 (collectively, the “**Associated Companies**”); and
- (ii) Eastern Pretech Malaysia agreed to sell, and SGMY agreed to purchase, 12,031,238 ordinary shares of RM1.00 each in the capital of Emix Industry (M) Sdn Bhd (“**Emix Malaysia**”), representing the entire issued and paid-up share capital of Emix Malaysia (such shares, the “**Emix Malaysia Shares**”),
- (collectively, the “**Disposal**”).

Further information on the Relevant Purchasers and each of Emix Singapore, Emix Industry HK and Emix Malaysia is set out, respectively, in **paragraphs 2, 3.1, 3.2 and 3.3** below.

- 1.2 Financial Adviser.** Standard Chartered Bank (“**SCB**”) has been appointed as the financial adviser to the Company in respect of the Disposal.
- 1.3 Closing.** On 14 December 2016, the Company announced that the Disposal had been completed on 14 December 2016 (the “**Closing Date**”).

As a result of Supplementary Notice on Foreign Exchange Administration Rules – Measures to Promote the Development of Malaysian Financial Market, issued by the Bank Negara Malaysia on 2 December 2016 and with an effective date of 5 December 2016, which introduced restrictions on payments between Malaysian-domiciled entities made in foreign currencies, the Company had on 13 December 2016 entered into the Deed of Amendment with Eastern Pretech Singapore, Eastern Pretech Malaysia, SGPPC and SGMY, under which the parties agreed, *inter alia*, that the amount in cash to be paid by SGMY to Eastern Pretech Malaysia on Closing shall be paid in Ringgit Malaysia. As mutually agreed between the Relevant Sellers and the Relevant Purchasers:

- (a) SGPPC on the Closing Date paid to Eastern Pretech Singapore S\$124,166,800, being an amount equal to:
- (i) its respective portion(s) of the Bid Amount of S\$142,600,000, as allocated under the terms of the Agreement;
- minus
- (ii) (A) the Estimated Net Debt of Emix Singapore of negative S\$1,102,000 and (B) 80 per cent. of the Estimated Net Debt of Emix Industry HK and its Subsidiaries (as applicable) of negative S\$4,331,000, each as notified by the Relevant Sellers to the Relevant Purchasers in the Pre-completion Notice; and
- (b) SGMY on the Closing Date paid to Eastern Pretech Malaysia RM83,492,958<sup>1</sup>, being an amount equal to:
- (i) its respective portion(s) of the Bid Amount of S\$142,600,000, as allocated under the terms of the Agreement;
- minus
- (ii) the Estimated Net Debt of Emix Malaysia of negative S\$3,676,000, as notified by the Relevant Sellers to the Relevant Purchasers in the Pre-completion Notice.

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<sup>1</sup> Equivalent to approximately S\$26,676,000 (based on an exchange rate of RM1 = S\$0.3195).

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## LETTER TO SHAREHOLDERS

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Closing took place simultaneously with the completion of the sale on 14 December 2016 (the “**AIK Closing Date**”) by Mr Ip Kam Wa (“**AIK**”), and the purchase by SGPPC, of 2,250,000 Emix HK Shares, representing 10 per cent. of the entire issued and paid-up share capital of Emix Industry HK, pursuant to the sale and purchase agreement dated 4 November 2016 and entered into between SGPPC and AIK (the “**AIK SPA**” and such closing, the “**AIK Closing**”).

Following Closing, the Relevant Sellers no longer hold any interest in any of Emix Singapore, Emix Industry HK and its Subsidiaries and Emix Malaysia (collectively, the “**Relevant Companies**”), and each of the Relevant Companies has ceased to be a member of the NSL Group.

- 1.4 Circular.** The purpose of this Circular is to provide Shareholders with relevant information relating to the Disposal, the rationale and the financial effects of the Disposal on the NSL Group, and to seek Shareholders’ ratification of the matters set out in the Ordinary Resolution relating to the Disposal to be proposed at the EGM.

The notice of the Ordinary Resolution relating to the ratification of the Disposal to be proposed at the EGM is set out on pages 29 and 30 of this Circular.

## **2. INFORMATION ON THE RELEVANT PURCHASERS**

SGPPC, a French société par actions simplifiée, is the ultimate parent company of the Construction Products Sector of the Saint-Gobain Group (which is listed on the Euronext market in Paris) holding equity interests in companies belonging to the Construction Products Sector worldwide. SGMY, a Malaysian Sendirian Berhad, is a direct wholly-owned subsidiary of SGPPC holding equity interests in other Malaysian companies belonging to the Saint-Gobain Group and running industrial and commercial activities in Malaysia.

Each of the Relevant Purchasers is not related to the Company’s controlling shareholders, Directors, chief executive officer or their respective associates.

## **3. INFORMATION ON EMIX SINGAPORE, EMIX INDUSTRY HK AND EMIX MALAYSIA**

- 3.1 Emix Singapore.** Emix Singapore is a private limited company incorporated in Singapore with an issued share capital of S\$5,880,000, comprising 5,880,000 Emix Singapore Shares. The principal business of Emix Singapore is the trading of plastering materials. Prior to Closing, Eastern Pretech Singapore was the legal and beneficial owner of the Eastern Pretech Singapore Ownership Interest, being 5,880,000 Emix Singapore Shares, representing the entire issued and paid-up share capital of Emix Singapore.

Further details on, *inter alia*, the NAV and the NTA value of the Eastern Pretech Singapore Ownership Interest, the Net Profit for the Eastern Pretech Singapore Ownership Interest and the gain on disposal of the Eastern Pretech Singapore Ownership Interest are set out in **paragraph 3.4** below.

- 3.2 Emix Industry HK.** Emix Industry HK is a company incorporated in Hong Kong with an issued and paid-up share capital of HK\$23,375,000, comprising 22,500,000 Emix HK Shares. The principal business of Emix Industry HK is the manufacturing and sale of plastering materials. Prior to Closing, Eastern Pretech Singapore held the Eastern Pretech HK Ownership Interest, being 18,000,000 Emix HK Shares, representing 80 per cent. of the entire issued and paid-up share capital of Emix Industry HK.

AIK, who is a director of Emix Industry HK and is not related to the Company or any of the Company’s controlling shareholders, Directors, chief executive officer or their respective associates, held the remaining 4,500,000 Emix HK Shares, representing 20 per cent. of the entire issued and paid-up share capital of Emix Industry HK, at the AIK Closing Date. Following AIK Closing, 2,250,000 Emix HK Shares have been sold by AIK to SGPPC pursuant to the AIK SPA.

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Further details on, *inter alia*, the NAV and the NTA value of the Eastern Pretech HK Ownership Interest, the Net Profit for the Eastern Pretech HK Ownership Interest and the gain on disposal of the Eastern Pretech HK Ownership Interest are set out in **paragraph 3.4** below.

- 3.3 Emix Malaysia.** Emix Malaysia is a private limited company incorporated in Malaysia with an issued share capital of RM12,031,238, comprising 12,031,238 Emix Malaysia Shares of RM1.00 each. The principal business of Emix Malaysia is the manufacturing and sale of plastering materials and the provision of plastering services. Prior to Closing, Eastern Pretech Malaysia held the Eastern Pretech Malaysia Ownership Interest, being 12,031,238 Emix Malaysia Shares, representing the entire issued and paid-up share capital of Emix Malaysia.

Further details on, *inter alia*, the NAV and the NTA value of the Eastern Pretech Malaysia Ownership Interest, the Net Profit for the Eastern Pretech Malaysia Ownership Interest and the gain on disposal of the Eastern Pretech Malaysia Ownership Interest are set out in **paragraph 3.4** below.

- 3.4 Financial Information.** The approximate figures in relation to (a) the NAV, (b) the NTA value, (c) the Net Profit, (d) the purchase consideration and (e) the gain on disposal of each of the Eastern Pretech Singapore Ownership Interest, the Eastern Pretech HK Ownership Interest and the Eastern Pretech Malaysia Ownership interest are set out below:

Interest	NAV <sup>(1)</sup> (S\$ million)	NTA Value <sup>(1)</sup> (S\$ million)	Net Profit <sup>(1)</sup> (S\$ million)	Purchase Consideration (S\$ million)	Gain on Disposal (S\$ million)
Eastern Pretech Singapore Ownership Interest	8.7	8.7	7.0	54.5 <sup>(2)</sup>	44.4 <sup>(2)</sup>
Eastern Pretech HK Ownership Interest	27.1	27.1	9.6	73.7 <sup>(3)</sup>	43.5 <sup>(3)</sup>
Eastern Pretech Malaysia Ownership Interest	11.7	11.7	3.8	27.1 <sup>(4)</sup>	13.7 <sup>(4)</sup>

**Notes:**

- (1) Based on the audited consolidated financial statements of the NSL Group for FY2016.
- (2) Calculated after taking into account the adjustments of approximately S\$3.5 million to the purchase consideration paid on Closing of S\$51.0 million for the Eastern Pretech Singapore Ownership Interest.
- (3) Calculated after taking into account the adjustments of approximately S\$0.6 million to the purchase consideration paid on Closing of S\$73.1 million for the Eastern Pretech HK Ownership Interest.
- (4) Calculated after taking into account the adjustments of approximately S\$0.4 million to the purchase consideration paid on Closing of S\$26.7 million for the Eastern Pretech Malaysia Ownership Interest.

## 4. PRINCIPAL TERMS OF THE DISPOSAL

- 4.1 Agreement.** Pursuant to the terms of the Agreement, the Relevant Sellers shall sell, and the Relevant Purchasers shall purchase, the Sale Shares on the Closing Date (a) free from all Encumbrances and (b) together with all rights and advantages attaching to them as at Closing (including the right to receive all dividends or distributions declared, made or paid on or after Closing).

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## LETTER TO SHAREHOLDERS

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### 4.2 Consideration. Pursuant to the terms of the Agreement:

(a) **Amount.** The Consideration shall be an amount, to be paid in cash in Singapore dollars, equal to:

(i) the Bid Amount, being S\$142,600,000;

minus

(ii) the Aggregate Net Debt, being the aggregate of (A) the Net Debt of each of Emix Singapore and Emix Malaysia and (B) 80 per cent. of the Net Debt of Emix Industry HK and its Subsidiaries (as set out in further detail in **paragraph 4.2(d)** below).

Pursuant to the terms of the Agreement, the Consideration shall be allocated to the Sale Shares on the following basis:

(A) the Bid Amount shall be allocated in accordance with the Agreement, as follows:

(I) S\$50,000,000 to be allocated to the Eastern Pretech Singapore Ownership Interest;

(II) S\$23,000,000 to be allocated to the Eastern Pretech Malaysia Ownership Interest; and

(III) S\$69,600,000 to be allocated to the Eastern Pretech HK Ownership Interest; and

(B) (I) the Net Debt of Emix Singapore, (II) the Net Debt of Emix Malaysia, and (III) 80 per cent. of the Net Debt of Emix Industry HK and its Subsidiaries, as applicable, shall be deducted from the Bid Amount allocated to the relevant Sale Shares.

Pursuant to the Agreement, the abovementioned initial allocation shall be adjusted once the Closing Statement becomes final and binding, to reflect the adjustments to the Consideration, and the Relevant Sellers and the Relevant Purchasers shall adopt such allocation as so adjusted for all tax purposes.

The aggregate Consideration amount of approximately S\$155.3 million was based on an enterprise value of S\$160.0 million for 100 per cent. of the Emix Business, adjusted for (I) the Net Debt of the Emix Business as of the Closing Date, (II) the post-Closing Working Capital adjustment (as described in **paragraphs 4.2(c)** and **4.2(d)** below) and (III) the Company's stake in the Emix Business.

The enterprise value of S\$160.0 million and the adjustments made to it to arrive at the aggregate Consideration were arrived at on a willing buyer willing seller basis after taking into account, *inter alia*, the earnings, financial position, track record as well as the prospects of Emix Singapore, Emix Industry HK and Emix Malaysia, and was the result of negotiations between the Company and the Relevant Purchasers following a period of due diligence.

The enterprise value of S\$160.0 million represents a multiple of 6.6 times the adjusted earnings before interest, taxes, depreciation and amortisation of the Company for the Emix Business in FY2015.



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- (b) **Payment on Closing.** As a result of Supplementary Notice on Foreign Exchange Administration Rules – Measures to Promote the Development of Malaysian Financial Market, issued by the Bank Negara Malaysia on 2 December 2016 and with an effective date of 5 December 2016, which introduced restrictions on payments between Malaysian-domiciled entities made in foreign currencies, the Company had on 13 December 2016 entered into the Deed of Amendment with Eastern Pretech Singapore, Eastern Pretech Malaysia, SGPPC and SGMY, under which the parties agreed, *inter alia*, that the amount in cash to be paid by SGMY to Eastern Pretech Malaysia on Closing shall be paid in Ringgit Malaysia. As mutually agreed between the Relevant Sellers and the Relevant Purchasers:
- (i) SGPPC on the Closing Date paid to Eastern Pretech Singapore S\$124,166,800, being an amount equal to:
    - (A) its respective portion(s) of the Bid Amount of S\$142,600,000, as allocated under the terms of the Agreement;  
  
minus
    - (B) (I) the Estimated Net Debt of Emix Singapore of negative S\$1,102,000 and (II) 80 per cent. of the Estimated Net Debt of Emix Industry HK and its Subsidiaries (as applicable) of negative S\$4,331,000, each as notified by the Relevant Sellers to the Relevant Purchasers in the Pre-completion Notice; and
  - (ii) SGMY on the Closing Date paid to Eastern Pretech Malaysia RM83,492,958<sup>2</sup>, being an amount equal to:
    - (A) its respective portion(s) of the Bid Amount of S\$142,600,000, as allocated under the terms of the Agreement;  
  
minus
    - (B) the Estimated Net Debt of Emix Malaysia of negative S\$3,676,000, as notified by the Relevant Sellers to the Relevant Purchasers in the Pre-completion Notice.
- (c) **Adjustments to Consideration following Closing.** Pursuant to the terms of the Agreement, within 15 Business Days following Closing, the Relevant Purchasers shall provide the Relevant Sellers with the Closing Statement setting out: (i) the Net Debt of each Group Company; (ii) any increase in the Associated Companies Aggregate Net Debt at Closing, relative to the Associated Companies Aggregate Net Debt as set out in the Associated Companies Balance Sheet (being HK\$1,317,353); and (iii) the Working Capital of each Group Company. Any Net Debt and Working Capital amounts expressed in a currency other than S\$ shall be translated into S\$ in accordance with the Agreement.

If, in respect of each of Emix Singapore, Emix Malaysia and Emix Industry HK and its Subsidiaries:

- (A) the Net Debt is greater than the respective Estimated Net Debt, the Relevant Seller shall repay to the Relevant Purchaser an amount equal to the excess (save that in relation to Emix Industry HK and its Subsidiaries, the Relevant Seller shall repay to the Relevant Purchaser an amount equal to 80 per cent. of the excess); or
- (B) the Net Debt is less than the respective Estimated Net Debt, the Relevant Purchaser shall pay to the Relevant Seller an additional amount equal to the deficiency (save that in relation to Emix Industry HK and its Subsidiaries, the Relevant Purchaser shall pay to the Relevant Seller an additional amount equal to 80 per cent. of the deficiency).

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<sup>2</sup> Equivalent to approximately S\$26,676,000 (based on an exchange rate of RM1 = S\$0.3195).



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If, in respect of Emix Singapore and Emix Malaysia:

- (I) the Working Capital of Emix Singapore and Emix Malaysia is less than S\$4,705,000:
  - (1) Eastern Pretech Singapore shall repay to SGPPC an amount equal to 80 per cent. of the difference between the Working Capital of Emix Singapore and Emix Malaysia and S\$4,705,000; and
  - (2) Eastern Pretech Malaysia shall repay to SGMY an amount equal to 20 per cent. of the difference between the Working Capital of Emix Singapore and Emix Malaysia and S\$4,705,000; and
- (II) the Working Capital of Emix Singapore and Emix Malaysia is greater than S\$5,605,000:
  - (1) SGPPC shall pay to Eastern Pretech Singapore an amount equal to 80 per cent. of the difference between the Working Capital of Emix Singapore and Emix Malaysia and S\$5,605,000; and
  - (2) SGMY shall pay to Eastern Pretech Malaysia an amount equal to 20 per cent. of the difference between the Working Capital of Emix Singapore and Emix Malaysia and S\$5,605,000.

If, in respect of Emix Industry HK and its Subsidiaries:

- (1) the Working Capital of Emix Industry HK and its Subsidiaries is less than S\$495,000, Eastern Pretech Singapore shall repay to SGPPC an amount equal to 80 per cent. of the difference between the Working Capital of Emix Industry HK and its Subsidiaries and S\$495,000; and
- (2) the Working Capital of Emix Industry HK and its Subsidiaries is greater than S\$745,000, SGPPC shall pay to Eastern Pretech Singapore an amount equal to 80 per cent. of the difference between the Working Capital of Emix Industry HK and its Subsidiaries and S\$745,000.

Pursuant to the Agreement, any payment as set out in this **paragraph 4.2(c)** shall be made on or before the Final Payment Date.

- (d) **Final Closing Statement.** On 19 January 2017, the Closing Statement became final and binding pursuant to the Agreement. In accordance with the final and binding Closing Statement:
  - (i) the Net Debt of:
    - (A) Emix Singapore was negative S\$2,216,293, which was less than the Estimated Net Debt of negative S\$1,102,000;
    - (B) Emix Malaysia was negative S\$3,479,867, which was greater than the Estimated Net Debt of negative S\$3,676,000; and
    - (C) Emix Industry HK and its Subsidiaries was negative S\$4,215,299, which was greater than the Estimated Net Debt of negative S\$4,331,000;
  - (ii) there was an increase of HK\$54,421 in the Associated Companies Aggregate Net Debt at Closing, relative to the Associated Companies Aggregate Net Debt as set out in the Associated Companies Balance Sheet (being HK\$1,317,353); and
  - (iii) the Working Capital of each of (A) Emix Singapore and Emix Malaysia and (B) Emix Industry HK and its Subsidiaries was S\$8,543,000 and S\$1,657,000 respectively.

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Accordingly, the following adjustment amounts to the Consideration were paid by the Relevant Purchasers to the Relevant Sellers:

- (A) an aggregate adjustment amount of S\$4,101,732 was paid to Eastern Pretech Singapore on 1 February 2017, comprising:
  - (I) an adjustment amount of S\$3,464,693, being the amount payable in respect of the Eastern Pretech Singapore Ownership Interest; and
  - (II) an adjustment amount of S\$637,039, being the amount payable in respect of the Eastern Pretech HK Ownership Interest; and
- (B) an adjustment amount of RM1,219,889<sup>3</sup>, being the amount payable in respect of the Eastern Pretech Malaysia Ownership Interest, was paid to Eastern Pretech Malaysia on 31 January 2017.

After taking into account the abovementioned adjustment amounts to the Consideration, the aggregate Consideration paid to the Relevant Sellers was approximately S\$155.3 million, comprising:

- (I) approximately S\$54.5 million paid to Eastern Pretech Singapore, being the amount payable in respect of the Eastern Pretech Singapore Ownership Interest;
- (II) approximately S\$73.7 million paid to Eastern Pretech Singapore, being the amount payable in respect of the Eastern Pretech HK Ownership Interest; and
- (III) approximately S\$27.1 million equivalent paid to Eastern Pretech Malaysia, being the amount payable in respect of the Eastern Pretech Malaysia Ownership Interest.

### 4.3 Conditions Precedent

- (a) **Conditions Precedent.** Pursuant to the terms of the Agreement, the Disposal shall be conditional upon the satisfaction or waiver (as the case may be) of the following Conditions, or their satisfaction subject only to Closing:
  - (i) the NSL Shareholder Resolution having been passed at an extraordinary general meeting of the Company to be convened prior to Closing for the purposes of, and in accordance with, the requirements of Chapter 10 of the Listing Manual;
  - (ii) the relevant Group Company having fulfilled all legal obligations to provide written notice of the sale and purchase of the relevant Sale Shares to:
    - (A) 广东科顺化工实业有限公司 (now known as 科顺防水科技股份有限公司), in accordance with the terms of the sale and purchase agreement dated on or around 2 February 2015 entered into between EGGZ and 广东科顺化工实业有限公司 (now known as 科顺防水科技股份有限公司); and
    - (B) Yue Fung HK, in accordance with the terms of the Yue Fung JVA; and
  - (iii) the Pre-Sale Reorganisation having been completed, with each of the following having been achieved, namely:
    - (A) at least 80 per cent. of the roles listed in the Agreement being filled by Pre-Sale Reorganisation Employees; and
    - (B) at least 80 per cent. of the managerial, supervisory or executive roles listed in the Agreement being filled by Pre-Sale Reorganisation Employees.

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<sup>3</sup> Equivalent to approximately S\$391,467 (based on an exchange rate of RM1 = S\$0.3209).

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- (b) **Pre-completion Notice.** Pursuant to the terms of the Agreement, the Relevant Sellers shall, within two Business Days of becoming aware of the satisfaction or waiver (as the case may be) of the Conditions set out in **paragraph 4.3(a)** above, give the Pre-completion Notice to the Relevant Purchasers:
- (i) stating that the Conditions set out in **paragraph 4.3(a)** above have been satisfied or waived (as the case may be); and
  - (ii) setting out the Estimated Net Debt of each of the Relevant Companies.

Any Estimated Net Debt amount expressed in a currency other than S\$ shall be translated into S\$ in accordance with the Agreement.

- (c) **Waiver of Condition and Closing.** Following the receipt of the SGX Waiver by the Company, as more particularly set out in **paragraph 7.3** below, the Relevant Sellers on 6 December 2016 waived the Condition set out in **paragraph 4.3(a)(i)** above, and on 6 December 2016 furnished the Pre-completion Notice to the Relevant Purchasers.

Accordingly, all the Conditions were satisfied or waived and Closing took place on the Closing Date.

#### **4.4 The Company's Guarantee.** Pursuant to the terms of the Agreement, the Company:

- (a) unconditionally and irrevocably guaranteed to the Relevant Purchasers the due and punctual performance and observance by each of the Relevant Sellers of the Relevant Sellers' Guaranteed Obligations; and
- (b) agreed that if any Relevant Sellers' Guaranteed Obligation is or becomes unenforceable, invalid or illegal it would, as an independent and primary obligation, indemnify the Relevant Purchasers immediately on demand against all losses which they suffer through or arising from any act or omission that would be a breach by any of the Relevant Sellers of the Relevant Sellers' Guaranteed Obligations if such Relevant Sellers' Guaranteed Obligation were not unenforceable, invalid or illegal,

to the extent of any limit on the liability of the Relevant Sellers in the Agreement. The guarantee will remain in force until all Relevant Sellers' Guaranteed Obligations have been performed or satisfied.

The Company has also agreed, as a separate and independent obligation, that any of the Relevant Sellers' Guaranteed Obligations (including any moneys payable) which may not be enforceable against or recoverable from any of the Relevant Sellers by reason of any legal limitation, disability or incapacity on or of any of the Relevant Sellers or the dissolution, amalgamation or reconstruction of the Relevant Sellers or any other fact or circumstances (other than any limitation imposed by the Agreement) shall nevertheless be enforceable against and recoverable from the Company as though the same had been incurred by the Company and the Company were the sole or principal obligor in respect thereof and shall be performed or paid by the Company on demand.

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### 5. FINANCIAL EFFECTS

**5.1 Pro Forma Financial Effects.** The pro forma financial effects of the Disposal are set out below for illustrative purposes only:

- (a) **Bases and Assumptions.** The pro forma financial effects of the Disposal have been prepared based on the audited consolidated financial statements of the NSL Group for FY2015 and are purely **for illustration purposes only and do not reflect the future actual financial position of the NSL Group following Closing**. The pro forma financial effects have also been prepared based on, *inter alia*, the following assumptions:
- (i) the Disposal had been effected on 31 December 2015, being the end of the most recently completed financial year of the NSL Group at the Announcement Date, for illustrating the financial effects on the consolidated NTA of the NSL Group;
  - (ii) the Disposal had been effected on 1 January 2015, being the beginning of the most recently completed financial year of the NSL Group at the Announcement Date, for illustrating the financial effects on the consolidated earnings of the NSL Group;
  - (iii) the Consideration is S\$155.3 million, being an amount equal to the Bid Amount of S\$142.6 million minus the Aggregate Net Debt of negative S\$9.1 million as of the Closing Date and after taking into account the post-Closing Working Capital adjustments of approximately S\$3.6 million (as set out in **paragraphs 4.2(c) and 4.2(d)** above);
  - (iv) the Disposal has resulted in a gain on disposal of approximately S\$101.6 million; and
  - (v) the transaction costs associated with the Disposal are assumed to be S\$3.9 million.
- (b) **NTA.** For illustrative purposes only and assuming the Disposal had been completed on 31 December 2015, the pro forma financial effects on the consolidated NTA of the NSL Group as at the end of FY2015 are set out below. The NTA is determined by the consolidated NAV of the NSL Group less the intangible assets of the NSL Group.

	Before the Disposal	After the Disposal
NTA (S\$ million)	562.1	666.1
No. of issued Shares (million)	373.6	373.6
NTA per Share (S\$)	1.50	1.78

- (c) **EPS.** For illustrative purposes only and assuming the Disposal had been completed on 1 January 2015, the pro forma financial effects on the consolidated earnings of the NSL Group for FY2015 are as follows:

	Before the Disposal	After the Disposal
Net profit attributable to ordinary shareholders of the Company <sup>(1)</sup> (S\$ million)	66.8	152.4
No. of issued Shares (million)	373.6	373.6
Basic EPS (Singapore cents)	17.9	40.8

**Note:**

- (1) Including net profit derived from continuing and discontinued operations.

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**5.2 Financial Effects.** As the Disposal had been completed on 14 December 2016, the financial effects of the Disposal in relation to the consolidated NTA and the consolidated earnings of the NSL Group have been reflected in the audited consolidated financial statements of the NSL Group for FY2016. Based on the audited consolidated financial statements of the NSL Group for FY2016 (which have been prepared on the basis that the Disposal had been completed on 14 December 2016):

- (a) **NTA.** The NTA is determined by the consolidated NAV of the NSL Group less the intangible assets of the NSL Group. The information relating to the consolidated NTA of the NSL Group as at the end of FY2016 is set out below:

	As at the end of FY2016
NTA (S\$ million)	668.0
No. of issued Shares (million)	373.6
NTA per Share (S\$)	1.79

- (b) **EPS.** The information relating to the consolidated earnings of the NSL Group for FY2016 is set out below:

	FY2016
Net profit attributable to ordinary shareholders of the Company <sup>(1)</sup> (S\$ million)	131.4
No. of issued Shares (million)	373.6
Basic EPS (Singapore cents)	35.2

**Note:**

- (1) Including net profit derived from continuing and discontinued operations.

## 6. RATIONALE FOR THE DISPOSAL AND USE OF PROCEEDS

**6.1 Rationale.** The Board and the management of the Company are continuously evaluating the long-term growth strategy for each of its portfolio businesses. This review includes an assessment of opportunities for the Company to grow the businesses organically as well as an assessment of strategic options available to the Company to enhance value for Shareholders.

Established in 1984, the Emix Business is a regional producer of dry-mixed products with a track record of over 30 years in the building materials industry. The Emix Business operates seven manufacturing sites across three countries, and has a total combined capacity of 620,000 mt of high quality dry-mixed products. The Emix brand is well regarded in the region, with a strong presence in Hong Kong, China, Singapore and Malaysia.

Over the past few years, the Company has successfully restructured and grown the Emix Business. Previously, the Emix Business was managed on a decentralised basis with Hong Kong, China, Singapore and Malaysia operating as standalone units. The Emix Business became a strategic business unit of the Company in 2012, led by a regional management group focused on leveraging the combined capabilities of the platform and transforming the business into a major regional dry-mix manufacturer. As a result, the Emix Business successfully increased its revenues from approximately S\$75.7 million in 2013 to approximately S\$109.2 million in 2015, and has reported revenues of approximately S\$96.9 million for FY2016.

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The Disposal allows the Company to unlock substantial value in the Emix Business, consistent with its stated intent to maximise Shareholders' returns. The Disposal has generated gross cash proceeds of approximately S\$155.3 million. Based on the NSL Group's carrying value in the dry mix division as of 14 December 2016, the excess of the gross cash proceeds received by the Company pursuant to the Disposal over the attributable NAV of the Sale Shares is approximately S\$107.9 million, and the Disposal has resulted in a gain on disposal of approximately S\$101.6 million.

- 6.2 Use of Proceeds.** The gross cash proceeds from the Disposal are approximately S\$155.3 million and have been paid to the Relevant Sellers.

As set out in the FY2016 Results and the annual report of the Company for FY2016, the Board is recommending a dividend of S\$0.25 per Share for FY2016, comprising a final dividend of S\$0.05 per Share and the Special Dividend of S\$0.20 per Share, subject to the approval of Shareholders at the upcoming AGM. As announced by the Company on 28 February 2017, subject to Shareholders' approval of the Special Dividend, the Board proposes to utilise an estimated amount of approximately S\$74.7 million of the net proceeds from the Disposal towards the payment of the Special Dividend to Shareholders. The Special Dividend, if approved, will be paid on or about 12 May 2017 or such other date to be determined by the Directors.

The Board and the management of the Company will continue to evaluate opportunities to use the proceeds received from the Disposal to maximise returns for Shareholders. The Company shall announce the use of the balance of the net proceeds from the Disposal as and when such funds are materially disbursed.

## 7. DISPOSAL AS A MAJOR TRANSACTION

- 7.1 Major Transaction.** The relative figures in relation to the Disposal computed on the applicable bases set out in Rule 1006 of the Listing Manual ("**Rule 1006**") are as follows:

Rule 1006	Bases	Disposal (\$ million)	NSL Group (\$ million)	Relative Figures (%)
(a)	NAV of the Sale Shares compared with the NSL Group's NAV <sup>(1)</sup>	50.9	563.9	9.0
(b)	Net profit attributable to the Sale Shares compared with the NSL Group's net profit <sup>(1)(2)</sup>	9.5	19.9	48.0
(c)	Estimated Consideration <sup>(3)</sup> compared with the Company's market capitalisation <sup>(4)</sup>	159.8	526.6	30.3

**Notes:**

- (1) Based on the 6M2016 Results.
- (2) "**Net profit**" is defined as profit before income tax, non-controlling interests and exceptional items.
- (3) Calculated on the basis that there will be no adjustments to the estimated Consideration of S\$159.8 million as at the Announcement Date.
- (4) The Company's market capitalisation is based upon 373,558,237 Shares in issue (excluding treasury shares) as at 2 November 2016, being the last market day preceding the date of the Agreement on which Shares were traded on the SGX-ST, at a volume weighted average price of S\$1.4096 for each Share.

As the relative figures under Rules 1006(b) and (c) above exceed 20 per cent., the Disposal constitutes a major transaction for the Company as defined in Chapter 10 of the Listing Manual, which, in the absence of the SGX Waiver, would have been subject to the approval of Shareholders.



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## LETTER TO SHAREHOLDERS

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**7.2 Grounds for SGX Waiver.** The Company had on 11 November 2016 applied to the SGX-ST to seek the SGX-ST's confirmation that the prior approval of the Shareholders for the Disposal is not required and that the Company may instead seek the approval of its Shareholders to ratify the Disposal. The Company's application to the SGX-ST was made on the following grounds:

- (a) the terms of the Agreement provide for certain termination rights which are triggered upon the occurrence of a termination event. Such termination events are not entirely within the control of the Company and the risk of occurrence increases with the passage of time. Accordingly, it is in the interests of the Company and all Shareholders to keep the period between the signing of the Agreement and Closing as short as possible as it unnecessarily exposes the Company and its Shareholders to undue risk of a termination event occurring. Such termination events include the occurrence of a material adverse effect prior to Closing (for instance, when certain key assets owned by the Emix Business are destroyed or substantially damaged, expropriated, nationalised or compulsorily acquired or when an event occurs which impacts the Company's ability to manufacture, process or package dry mix mortar or other products).

In addition, given the uncertain global economic environment, it would be in the interests of the Company and all Shareholders for the Disposal to be completed expeditiously, so as to minimise the risk of the terms of the Disposal being reconsidered.

Furthermore, the timely completion of the Disposal would also:

- (i) allow the management of the Company to receive and deploy the proceeds of the Disposal at the earliest opportunity to the benefit of all Shareholders;
  - (ii) provide greater certainty to Shareholders; and
  - (iii) allow the parties to the Agreement (including the Company) to commence business and to seek acquisitions at the earliest opportunity. Consequently, a delay in Closing could result in the Company missing out on potential opportunities in the time prior to Closing;
- (b) the Disposal would allow the Company to unlock substantial value in the Emix Business, consistent with its stated intent to maximise Shareholders' returns. Accordingly, the management of the Company considers that the Disposal is in the best interests of the Company; and
- (c) even if timing were not an issue and an EGM was convened to approve the Disposal prior to Closing, the resolution to approve the Disposal would still be passed by Shareholders at the EGM as the Company's majority shareholder has provided an irrevocable undertaking to approve the Disposal. 98 Holdings, who holds a direct 81.24 per cent. interest in the Company, would be voting all of its Shares in favour of any resolutions to approve the Disposal, in accordance with the voting undertaking given by 98 Holdings on 4 November 2016. As 98 Holdings holds a clear majority of the Shares, the resolution to approve the Disposal would be passed by Shareholders. Minority shareholders would not be prejudiced as they would still be afforded the opportunity to raise questions and express their views at the EGM.

**7.3 Conditions for SGX Waiver.** Following the Company's application, the SGX-ST confirmed in the SGX Waiver that it had no objections to the Company's application to seek Shareholders' ratification of the Disposal under Rule 1014(2) of the Listing Manual, subject to the following conditions:

- (a) the Company announcing the SGX Waiver, the reasons for seeking the SGX Waiver and the conditions as required under Rule 107 of the Listing Manual;
- (b) submission of the Company Undertaking; and
- (c) submission of the 98 Holdings Undertaking.

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## LETTER TO SHAREHOLDERS

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In satisfaction of the conditions of the SGX Waiver, *inter alia*:

- (i) the Company had on 1 December 2016 announced the SGX Waiver, the reasons for seeking the SGX Waiver and the conditions attaching to the SGX Waiver. The grounds for seeking the SGX Waiver have also been disclosed in **paragraph 7.2** above;
- (ii) a copy of the 98 Holdings Undertaking has been provided to the SGX-ST; and
- (iii) the Company has submitted the Company Undertaking to the SGX-ST.

**7.4 Grounds for SGX Extension.** Further to the SGX Waiver, the Company subsequently applied to the SGX-ST to seek the SGX-ST's approval for an extension of the Requisite Period, so as to allow the Company to hold the EGM to seek Shareholders' ratification of the Disposal on the same day as the AGM. The Company's application to the SGX-ST was made on the following grounds:

- (a) holding the EGM and the AGM on the same day and at the same venue would allow the Company to save costs and minimise the unnecessary expense of holding two separate shareholder meetings, which would in any event be held within a relatively short period of time. The amount of cost savings to the Company if the extension of the Requisite Period were to be granted is expected to be approximately S\$20,000;
- (b) in addition, holding both meetings on the same day would be a more efficient management of the time of Shareholders as well as the Directors and management of the Company. As Shareholders would be able to attend the EGM immediately after the conclusion of the AGM, this would save them the inconvenience of attending two separate shareholder meetings on different days within a fairly short period of time;
- (c) as set out above, completion of the Disposal has taken place on 14 December 2016. Accordingly, as the Disposal has already been completed, minority Shareholders would not be prejudiced in any way by an extension of the Requisite Period. Even if the EGM were to be convened at a later date, minority Shareholders would still be afforded the same opportunity to raise questions and express their views at the EGM; and
- (d) the Board proposed to utilise part of the proceeds from the Disposal towards the payment of the Special Dividend to Shareholders. In compliance with Rules 704(24) and 704(25) of the Listing Manual, the Company would not have been able to announce the Board's recommendation of the Special Dividend until the FY2016 Results had been released. As information on the use of proceeds from the Disposal is information which would be material to Shareholders, it would be helpful and relevant to Shareholders if this Circular contained information on the Company's use of proceeds from the Disposal, to better assist Shareholders in having a fully informed understanding of the Disposal.

Based on the assumption that the Company would release its FY2016 Results and the announcement of the Special Dividend sometime at the end of February 2017, the earliest possible date on which the Company would have been able to hold the EGM to seek Shareholders' ratification of the Disposal, after taking into account the requisite notice period and other logistics, was estimated to be sometime in late March 2017. As the Company is required to hold its AGM in respect of FY2016 by no later than 30 April 2017 (being the end of the four-month period following the end of FY2016), the Company proposed to hold both the EGM and the AGM on the same day, which would be no later than 17 April 2017.



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## LETTER TO SHAREHOLDERS

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**7.5 Conditions for SGX Extension.** Following the Company's application, the SGX-ST confirmed in the SGX Extension that it had no objections to the Company's application to seek an extension of the Requisite Period, subject to the following conditions:

- (a) the Company announcing the period of extension granted, the reasons for seeking the SGX Extension and the conditions as required under Rule 107 of the Listing Manual;
- (b) submission of the Company Confirmation;
- (c) the Company convening the EGM at a date no later than 17 April 2017; and
- (d) the Company disclosing information on the Special Dividend in this Circular.

In satisfaction of the conditions of the SGX Extension:

- (i) the Company had on 1 February 2017 and 28 February 2017 announced the period of extension granted, the reasons for seeking the SGX Extension and the conditions attaching to the SGX Extension. The grounds for seeking the SGX Extension have also been disclosed in **paragraph 7.4** above;
- (ii) the Company has submitted the Company Confirmation to the SGX-ST;
- (iii) the Company will be convening the EGM to seek Shareholders' ratification of the Disposal on 11 April 2017; and
- (iv) information on the Special Dividend has been disclosed in **paragraph 6.2** above.

## 8. UNDERTAKING

As at the Latest Practicable Date, 98 Holdings, the controlling shareholder of the Company, holds 303,484,453 Shares, representing approximately 81.24 per cent. of the total number of Shares in issue. 98 Holdings had, on 1 December 2016, provided the 98 Holdings Undertaking to the Company undertaking that, *inter alia*, it would vote in favour of any resolutions to be proposed at the EGM to ratify the Disposal and would not dispose of its equity stake in the Company before and up to the date of the EGM.

## 9. MATERIAL LITIGATION

As at the Latest Practicable Date, the Directors are not aware of any litigation, claims or proceedings pending or threatened against the Company or any of its subsidiaries or any facts likely to give rise to any litigation, claims or proceedings which, in the opinion of the Directors, might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole.

## 10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for (a) the 98 Holdings Undertaking as disclosed in **paragraph 8** above and (b) the shareholding interests in the Company as disclosed in this **paragraph 10**, none of the Directors, the controlling shareholders of the Company and the associates of such Directors and controlling shareholders has any interest, direct or indirect, in the Disposal.

## LETTER TO SHAREHOLDERS

- 10.1 Directors.** Based on the Company's Register of Directors' Shareholdings as at the Latest Practicable Date, except as disclosed below, the Directors do not hold any interests, direct or deemed, in the Shares:

Director	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
Prof Cham Tao Soon <sup>(2)</sup>	-	-	10,000	n.m. <sup>(3)</sup>	10,000	n.m. <sup>(3)</sup>

**Notes:**

- (1) Percentage shareholding interest is based on 373,558,237 issued Shares (none of which are treasury shares) as at the Latest Practicable Date.
- (2) Prof Cham Tao Soon is deemed to have an interest in the Shares held by his spouse.
- (3) "n.m." means not meaningful.

- 10.2 Controlling Shareholders.** The interests of the Company's controlling shareholders in the Shares as recorded in the Company's Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Controlling Shareholder	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
98 Holdings	303,484,453	81.24	-	-	303,484,453	81.24
Mr Ong Beng Seng <sup>(2)</sup>	-	-	303,484,453	81.24	303,484,453	81.24
Excel Partners Pte. Ltd. <sup>(2)</sup>	-	-	303,484,453	81.24	303,484,453	81.24
Excelfin Pte Ltd <sup>(2)</sup>	-	-	303,484,453	81.24	303,484,453	81.24
Y.S. Fu Holdings (2002) Pte. Ltd. <sup>(3)</sup>	-	-	303,484,453	81.24	303,484,453	81.24
Reef Holdings Pte Ltd <sup>(2)</sup>	-	-	303,484,453	81.24	303,484,453	81.24
Reef Investments Pte Ltd <sup>(2)</sup>	-	-	303,484,453	81.24	303,484,453	81.24

**Notes:**

- (1) Percentage shareholding interest is based on 373,558,237 issued Shares (none of which are treasury shares) as at the Latest Practicable Date.
- (2) Mr Ong Beng Seng is deemed to have an interest through Reef Holdings Pte Ltd, which is deemed to have an interest through Reef Investments Pte Ltd, which is deemed to have an interest through Excelfin Pte Ltd and Excel Partners Pte. Ltd. Excelfin Pte Ltd is deemed to have an interest through Excel Partners Pte. Ltd., which is deemed to have an interest through its interest in 98 Holdings.
- (3) Y.S. Fu Holdings (2002) Pte. Ltd. is deemed to have an interest through Excel Partners Pte. Ltd., which is deemed to have an interest through its interest in 98 Holdings.

## 11. DIRECTORS' RECOMMENDATION

Having considered, *inter alia*, the terms, financial effects and rationale for the Disposal, and after discussions with the management of the Company, the Directors are of the opinion that the Disposal is in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating to the ratification of the Disposal (set out in the notice of EGM on pages 29 and 30 of this Circular) to be proposed at the EGM to be held on 11 April 2017 at 2.15 p.m. (Singapore time) (or as soon thereafter following the conclusion or adjournment of the AGM to be held at 2.00 p.m. (Singapore time) on the same day and at the same place).

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## LETTER TO SHAREHOLDERS

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### 12. EXTRAORDINARY GENERAL MEETING

The EGM, notice (the “**Notice**”) of which is set out on pages 29 and 30 of this Circular, will be held at Bridge Rooms 1, 2 and 3, Raffles Marina, 10 Tuas West Drive, Singapore 638404, on 11 April 2017 at 2.15 p.m. (Singapore time) (or as soon thereafter following the conclusion or adjournment of the AGM to be held at 2.00 p.m. (Singapore time) on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution set out in the Notice.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP as at 72 hours before the EGM.

### 13. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders will find enclosed with this Circular, the Notice and a Proxy Form. If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 77 Robinson Road #27-00, Robinson 77, Singapore 068896, not later than 2.15 p.m. (Singapore time) on 8 April 2017. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he so wishes.

### 14. DIRECTORS’ SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

### 15. RESPONSIBILITY STATEMENTS

- 15.1 Directors.** The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Disposal and the NSL Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

- 15.2 Financial Adviser.** To the best of SCB’s knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Disposal and the NSL Group, and SCB is not aware of any facts the omission of which would make any statement in this Circular misleading.

### 16. CONSENT

SCB has given and has not withdrawn its written consent to the inclusion within this Circular of references to its name, in the form and context in which it appears in this Circular.

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## LETTER TO SHAREHOLDERS

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### 17. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 77 Robinson Road #27-00, Robinson 77, Singapore 068896, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution;
- (b) the annual reports of the Company for FY2014, FY2015 and FY2016 and the FY2016 Results;
- (c) the Agreement (including the Deed of Amendment); and
- (d) the letter of consent from SCB referred to in **paragraph 16** above.

Yours faithfully  
**NSL LTD.**



Prof Cham Tao Soon  
Chairman  
for and on behalf of  
the Board of Directors

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### NSL LTD.

(Incorporated in Singapore)  
Company Registration No. 196100107C

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of NSL Ltd. (the “**Company**”) will be held at Bridge Rooms 1, 2 and 3, Raffles Marina, 10 Tuas West Drive, Singapore 638404, on 11 April 2017 at 2.15 p.m. (Singapore time) (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. (Singapore time) on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without amendment, the following resolution:

### Ordinary Resolution

#### Ratification of the Disposal of the Dry Mix Business in Singapore, Hong Kong, China and Malaysia

That:

(a) the disposal (the “**Disposal**”) by:

(i) Eastern Pretech Pte Ltd, an indirect wholly-owned subsidiary of the Company, of:

(A) 5,880,000 ordinary shares in the capital of Emix Industry (S) Pte. Ltd. (“**Emix Singapore**”), representing the entire issued and paid-up share capital of Emix Singapore; and

(B) 18,000,000 ordinary shares in the capital of Emix Industry (HK) Limited (“**Emix Industry HK**”), representing 80 per cent. of the entire issued and paid-up share capital of Emix Industry HK. Emix Industry HK holds, directly or indirectly:

(I) the entire issued and paid-up share capital of Emix (HK) Limited 美特耐(香港)有限公司, Emix (China) Limited 美特耐(中國)有限公司, Eastern Gotech (Guangzhou) Limited 高迪建材(广州)有限公司 and Emix Industry (Guangzhou) Ltd 美特耐新型建材(广州)有限公司; and

(II) 40 per cent. of the issued and paid-up share capital of Yue Fung (China) Limited 裕豐建材(中國)有限公司 and 云浮市美特耐新型建材有限公司,

to Saint-Gobain Produits pour la Construction S.A.S (“**SGPPC**”); and

(ii) Eastern Pretech (Malaysia) Sdn Bhd, an indirect wholly-owned subsidiary of the Company, of 12,031,238 ordinary shares of Ringgit Malaysia 1.00 each in the capital of Emix Industry (M) Sdn Bhd (“**Emix Malaysia**”), representing the entire issued and paid-up share capital of Emix Malaysia, to Saint-Gobain Malaysia Sdn. Bhd., a direct wholly-owned subsidiary of SGPPC,

on the terms and conditions set out in the conditional framework share purchase agreement dated 4 November 2016, as amended by a deed of amendment dated 13 December 2016 (the “**Agreement**”), be and is hereby approved, confirmed and ratified;

(b) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by any one of the directors of the Company in connection with the Disposal, the Agreement and this Ordinary Resolution be and are hereby approved, confirmed and ratified; and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (c) the directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including, but not limited to, executing all such documents as may be required in connection with this Ordinary Resolution and the Disposal) as they or he may consider desirable, necessary or expedient in the interests of the Company to give full effect to this Ordinary Resolution and the Disposal.

By Order of the Board

Lim Su-Ling (Ms)  
Company Secretary

Singapore  
23 March 2017

**Notes:**

1. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Extraordinary General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy must be deposited at the registered office of the Company at 77 Robinson Road #27-00, Robinson 77, Singapore 068896, not less than 72 hours before the time set for holding the Extraordinary General Meeting.

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

**NSL LTD.**

(Incorporated in Singapore)  
(Co. Reg. No. 196100107C)

**PROXY FORM****EXTRAORDINARY GENERAL MEETING****IMPORTANT**

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore, may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. This form of proxy is not valid for use, and shall be ineffective for all intents and purposes if used or purported to be used, by CPF/SRS investors who hold shares through their CPF/SRS funds. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 23 March 2017.

I/We \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a member/members of **NSL LTD.** (the “**Company**”), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company (the “**Meeting**”) to be held at Bridge Rooms 1, 2 and 3, Raffles Marina, 10 Tuas West Drive, Singapore 638404, on 11 April 2017 at 2.15 p.m. (Singapore time) (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. (Singapore time) on the same day and at the same place) and at any adjournment thereof.

(Please indicate with an “X” in the spaces provided whether you wish your vote(s) to be cast FOR or AGAINST the Ordinary Resolution as set out in the Notice of the Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Meeting).

ORDINARY RESOLUTION	FOR	AGAINST
<b>Ratification of the Disposal of the Dry Mix Business in Singapore, Hong Kong, China and Malaysia</b>		

Note: Voting will be conducted by poll.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Total Number of Shares Held

\_\_\_\_\_  
Signature(s) of Member(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**Notes:**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number. If you have shares registered in your name in the Register of Members of the Company (maintained by or on behalf of the Company), you should insert that number. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2.
  - (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
  - (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
3. A proxy need not be a member of the Company.
4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at **77 Robinson Road #27-00, Robinson 77, Singapore 068896** not less than 72 hours before the time set for holding the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of a director or an officer or attorney duly authorised.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.