

NSL LTD.

(Incorporated in Singapore)
Company Registration No. 196100107C

ANNOUNCEMENT

PROPOSED DISPOSAL OF THE DRY MIX BUSINESS IN SINGAPORE, HONG KONG, CHINA AND MALAYSIA SGX-ST CONFIRMATION ON SHAREHOLDER RATIFICATION OF PROPOSED TRANSACTION PURSUANT TO RULE 1014(2) OF THE LISTING MANUAL

1. INTRODUCTION

The Board of Directors (the “**Board**”) of NSL Ltd. (“**NSL**” or the “**Company**”) refers to:

- (i) the proposed sale by Eastern Pretech Pte Ltd, an indirect wholly-owned subsidiary of the Company, to Saint-Gobain Produits pour la Construction S.A.S (“**SGPPC**”) of:
 - (a) 5,880,000 ordinary shares representing the entire issued and paid-up share capital of Emix Industry (S) Pte. Ltd.; and
 - (b) 18,000,000 ordinary shares representing 80 per cent. of the issued and paid-up share capital of Emix Industry (HK) Limited (“**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; and
- (ii) the proposed sale by Eastern Pretech (Malaysia) Sdn Bhd, an indirect wholly-owned subsidiary of the Company, to Saint-Gobain Malaysia Sdn. Bhd., a direct wholly-owned subsidiary of SGPPC, of 12,031,238 ordinary shares of Ringgit Malaysia 1.00 each representing the entire issued and paid-up share capital of Emix Industry (M) Sdn Bhd,

(collectively, the “**Proposed Transaction**”).

*All capitalised terms used and not defined herein shall have the same meanings given to them in the announcement dated 4 November 2016 made by the Company in relation to the Proposed Transaction (the “**Proposed Transaction Announcement**”).*

2. APPLICATION TO THE SGX-ST

- 2.1 The Board wishes to announce that the Company had on 11 November 2016 applied to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) to seek the SGX-ST’s confirmation that the prior approval of the shareholders of the Company (“**Shareholders**”) for

the Proposed Transaction is not required and that the Company may instead seek the approval of its Shareholders to ratify the Proposed Transaction.

2.2 The Company's application to the SGX-ST was made on the following grounds:

- (i) 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 completion of the Proposed Transaction ("**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 Proposed Transaction to be completed expeditiously, so as to minimise the risk of the terms of the Proposed Transaction being reconsidered.

Furthermore, the timely completion of the Proposed Transaction would also:

- (a) allow the management of the Company to receive and deploy the proceeds of the Proposed Transaction at the earliest opportunity to the benefit of all Shareholders;
 - (b) provide greater certainty to Shareholders; and
 - (c) allow the Parties (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;
- (ii) as mentioned in paragraph 6.1 of the Proposed Transaction Announcement, the Proposed Transaction will 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 Proposed Transaction is in the best interests of the Company; and
- (iii) even if timing were not an issue and an extraordinary general meeting ("**EGM**") was convened to approve the Proposed Transaction prior to Closing, the resolution to approve the Proposed Transaction would still be passed by Shareholders at the EGM as the Company's majority shareholder has provided an irrevocable undertaking to approve the Proposed Transaction. As mentioned in paragraph 8.3 of the Proposed Transaction Announcement, 98 Holdings Pte. Ltd. ("**98 Holdings**"), who holds a direct 81.24 per cent. interest in the Company, will be voting all of its Shares in favour of any resolutions to approve the Proposed Transaction, 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 Proposed Transaction

will be passed by Shareholders. Minority shareholders will not be prejudiced as they will still be afforded the opportunity to raise questions and express their views at the EGM.

2.3 Following the Company's application, the SGX-ST has confirmed in a letter dated 1 December 2016 (the "**SGX Waiver**") that it has no objections to the Company's application to seek Shareholders' ratification of the Proposed Transaction under Rule 1014(2) of the Listing Manual of the SGX-ST (the "**Listing Manual**"), subject to the following conditions:

- (i) the Company announcing the waiver granted, the reasons for seeking the waiver and the conditions as required under Rule 107 of the Listing Manual;
- (ii) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the constitution of the Company;
- (iii) submission of a written undertaking from the Company that it will seek Shareholders' ratification of the Proposed Transaction at a General Meeting, which has to be held within three months from the date of the SGX Waiver; and
- (iv) submission of a written undertaking from 98 Holdings to the Company that it will not dispose of its equity stake in the Company before and up to the date of the General Meeting.

BY ORDER OF THE BOARD

Lim Su-Ling
Company Secretary
Singapore, 1 December 2016